



Cyfrowy Polsat IR Newsletter

July 18 - 24, 2016



Media about us	Date	Media about the TMT market in Poland
	18.07	<p>Parkiet: Orange and Netia are planning joint projects <i>by Urszula Zielińska</i></p> <p>According to “Parkiet” daily, Orange Polska and Netia are close to signing an agreement on the joint construction of a fiber-optic network (FTTH). The two stock-listed telecom operators have declared, in independent statements, that they will spend a total of ca. PLN 2.6bn on fiber-optic networks. Negotiations, which have continued for several months, are nearing finalization but the plans of the two telecoms still have to obtain approval from Anna Strężyńska, the Minister of Digitization.</p> <p>Cooperation would help the two companies reduce their capital expenditures and operating expenses related to the construction of the FTTH network. According to a source from Orange quoted by Parkiet, the telecoms will agree where to roll out the network and will then sell access to the infrastructure to each other.</p>
	19.07	<p>Parkiet: Analysts: profits have fallen <i>by ziu</i></p> <p>In the opinion of analysts surveyed by “Parkiet” daily, revenue of Orange Polska group for Q2 2016 will be lower by 5.1% compared to a year earlier (the average forecasted figure is PLN 2.86bn.). The analysts are of the opinion that the profit of Orange Polska has decreased even more: the operating margin could have fallen by as much as 43% y/y, down to PLN 131m, while EBITDA could have gone down by 14.4%, to PLN 821m. The Group’s EBITDA margin decreased down to 28.7% versus more than 31% a year ago. In the analysts’ opinion the company’s net</p>

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	19.07	<p>profit was hit hardest and decreased by over 80%, to PLN 22.7m. Orange is losing fixed-line customers. In addition, in Q2 2015 the company recognized revenue from infrastructural projects. Lower pricing of roaming services in the European Union has also had a negative impact on the company's revenue. Analysts are of the opinion that revenue from mobile services decreased in Q2 since the operator has, for some time now, been aggressively fighting for customers by reducing prices. According to UKE data, in 2016 Orange recorded nearly 36 thousand net adds.</p> <p>Analysts think that expenditure on advertising, which was by ca. 9% higher in Q2 than in Q1, contributed to lower EBITDA, while depreciation and amortization as well as debt servicing costs related to financing of the payments for the spectrum obtained in the auction have led to a much lower net profit than a year earlier. In their opinion Orange's capital expenditures related to fiber optic lines were moderate in the first half of the year.</p>
	20.07	<p>Puls Biznesu: One billion for local fiber-optic lines <i>by Marcel Zatoński</i></p> <p>Poland is at the end of the pack as regards use of Internet access based on FTTH, or fiber-optic lines fed directly to homes. But the situation is improving. Last year 310 thousand subscribers used this type of connection, which is by 82% more than a year earlier, according to the Office of Electronic Communications (UKE). Inea, a cable operator from Poznań, is the national leader in this segment of services. According to UKE, as many as 10.7% of all users use the services of this company. That is more than</p>

Press review



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	20.07	<p>the number of FTTH users of Netia and Orange put together. Janusz Kosiński, CEO at Inea, says that the company invested PLN 1bn into fiber optic lines over the past five years, with as much as PLN 800m having been invested since 2013. Inea focuses its operations in Wielkopolska Region. The company does not rule out acquisitions but at present modernization of the infrastructure is its priority.</p>
	22.07	<p>Rzeczpospolita: LTE auction. There is an investigation. <i>by Izabela Kacprzak, Grażyna Zawadka</i></p> <p>The investigation related to the LTE auction which was carried out by the Warsaw prosecutor's office was discontinued on June 29. The National Public Prosecutor's Office called the decision premature and requested that the matter be re-examined.</p> <p>The National Public Prosecutor's Office indicated that the existence of capital links between Polkomtel and NetNet, as well as the matter of an agreement between the two companies aimed at prolonging the process had not been explained. The spokesperson of Cyfrowy Polsat Group, of which Polkomtel is a member, rejected the suspicions by stressing that Polkomtel formally withdrew from active participation in the auction back in April 2015.</p> <p>There are also doubts as regards the process of drafting the order which amended the rules of the auction so as to enable the prolonged process to be ended. The order was prepared by UKE but it was issued by the Minister of Digitization in the previous government.</p>



Recent events



Press release
July 19, 2016

Polsat Group will implement a new, integrated IT environment

As an element of further operational integration of Plus and Cyfrowy Polsat, and also in connection with the pursued strategy of development on the bundled services' market, Polsat Group will implement a new integrated system supporting sales and customer care, as well as a convergent billing system for its products and services. The system will be implemented in cooperation with HUAWEI who will provide the IT systems and who will assume responsibility for the implementation process as the integrator.

More>><http://www.grupapolsat.pl/en/archive/polsat-group-will-implement-new-integrated-it-environment>

Press release
July 21, 2016

New version of IPLA application for iOS-powered devices

A new version of IPLA web TV application is offered in App Store. Apart from offering the possibility of viewing favorite TV channels and shows, the latest version for iOS also enables downloading of videos directly to a device. After saving the downloaded materials the user can play them back even in places where there is no Internet access or where Internet access is limited. Thanks to this solution customers can economize on their data packs. The new functionality makes IPLA distinctive compared to other VOD applications available in Poland.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-07-18	22.90	22.38	22.79	1.60%	4 612
2016-07-19	23.05	22.61	23.05	1.14%	6 041
2016-07-20	23.79	22.89	23.56	2.21%	12 501
2016-07-21	23.79	23.26	23.34	-0.93%	7 549
2016-07-22	23.63	23.08	23.34	0.00%	9 221



Investor's calendar



August 11 – 25, 2016	Closed period prior to the publication of H1 2016 results
August 25, 2016	Consolidated semi-annual report for the 1st half of 2016