



# Cyfrowy Polsat IR Newsletter

June 18 – 26, 2016



# Press review



Media about us	Date	Media about the TMT market in Poland
<p><b>Parkiet: An integrated operator strategy – does it have any future?</b> <i>by Urszula Zielińska</i></p> <p>According to experts, sale of telecommunication and pay TV services in a single package, even when offered at discounted prices, is a good direction for operators if they want to protect their margins. Orange Polska wants its revenue and EBITDA to start growing in 2018 thanks to convergence and guarantee of best quality services, both in mobile and fixed-line technologies. At the end of March 2016 766 thousand Orange customers used packaged services, with the total number of individual services used by these customers exceeding 3.3 million.</p> <p>Cyfrowy Polsat is, in turn, the only multiplay operator providing such a comprehensive offer outside big cities. Around 1.1 million customers have joined the smartDOM program, featuring bundled services, during the two years since its launch. The total number of services (RGU's) used by these customers exceeds 3.22 million. Acquisition of further 400 thousand smartDOM customers is planned this year</p> <p>In the opinion of Małgorzata Żelazko, an analyst from DM PKO BP brokerage house, the convergent operator strategy is the answer to the changing marketplace and customer expectations, which is seen not only in Poland. Konrad Książopolski, analytics department director from Haitong Bank, confirms that such strategies are a way for protecting an operator's revenue and margins in the long run. Sale of</p>	<b>18.06</b>	



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<p>services at discounted prices is a good idea as long as it helps in acquisition of customers for longer periods and as long as it enables more services to be sold to an individual customer. Książopolski is of the opinion that adding services to an offer is a way of reducing customer retention costs, while pay TV is a service which is easiest to exploit as a base on which one can build one's competitive edge. That is why in his opinion better effects of an integrated operator strategy can be expected from Cyfrowy Polsat.</p>		
	<p><b>21.06</b></p>	<p><b>Rzeczpospolita: "Hold" recommendation for Netia shares</b></p> <p>DM PKO BP brokerage house analysts have valued Netia stock at PLN 5.1 per share, while reducing their recommendation from "buy" to "hold". On Monday the shares traded at around PLN 4.36 on Warsaw Stock Exchange. The experts from DM PKO BP are of the opinion that by investing in NGA network Netia makes a costly leap forward which is intended to guarantee that it will be able to stay on the market thanks to the revenue generated from high speed data transmission. However, the high capital expenditures, coupled with sagging revenues from fixed-line telephony, do not offer good prospects of higher payouts for shareholders over the next few years.</p>
	<p><b>23.06</b></p>	<p><b>Rzeczpospolita: Orange: One million households in FTTH coverage area</b></p> <p><i>by ziu</i></p> <p>Orange increased the coverage of its FTTH network to 1 million</p>



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		<p>households, which translates to 2-3 million people. In less than a quarter of a year the telecom increased the network's coverage by around 180 thousand households, thus accelerating the roll out as compared to the first quarter figures. Orange CEO, Jean-François Fallacher, confirmed that by the end of the year 1.5 million households will be within the coverage area of the fiber-optic network, while by the end of 2018 the figure will be 3.5 million.</p> <p>The operator has not disclosed the number of subscribers who have so far purchased the fiber-optic access service. According to the daily's estimates, there are 40 thousand such customers at present, versus 27 thousand at the end of March. Overall, Orange wants to invest PLN 2.2 bn in fiber-optic lines in the period 2015 – 2018.</p>
	24.06	<p><b>Rzeczpospolita: LTE auction brings PLN 2 bn at closing</b>  <i>by Urszula Zielińska</i></p> <p>Magdalena Gaj, the President of UKE, issued the final spectrum reservations for 800 MHz and 2600 MHz bands to the auction's winners, thus resolving the way in which the respective 800 MHz spectrum blocks will be arranged.</p> <p>The regulator has partly fulfilled the expectations of T-Mobile who declared that it will take the released 800 MHz spectrum block as long as it is adjacent to T-Mobile's other block and as long as it is neighboring on Orange's spectrum blocks. T-Mobile got two adjacent blocks but they do not neighbor on Orange's resources. T-Mobile declared that it would pay PLN 2 billion for</p>

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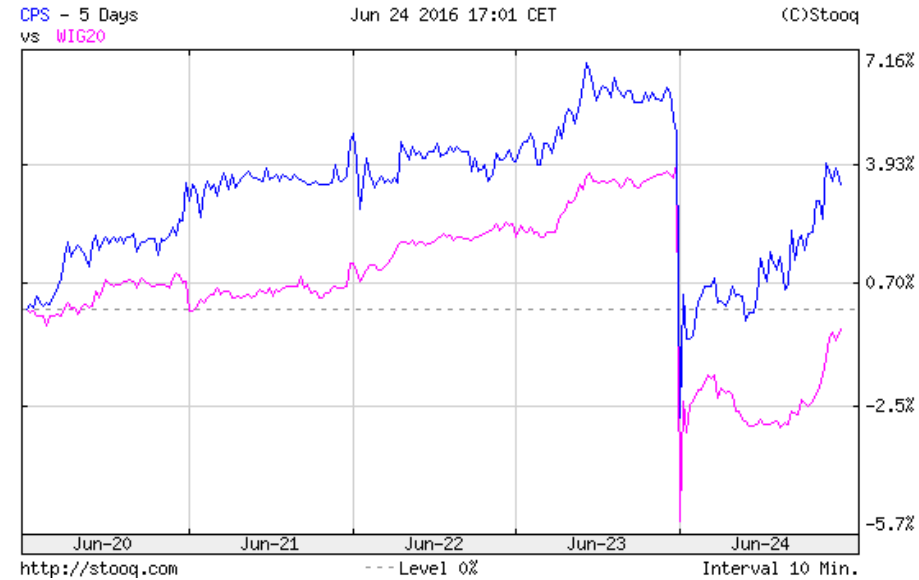
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		<p>the second block. In addition, the operator will have to invest PLN 200 million in the infrastructure, since the network of Orange's towers and transmitters has not been designed to account for such a possibility.</p> <p>Play has also accepted UKE's decision. Though the company has to change the settings of its transmitters and spend more money, its roll-out project schedule will not change.</p>



# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-06-20	21.26	20.36	21.26	5.82%	10 796
2016-06-21	21.50	20.77	21.50	1.13%	12 228
2016-06-22	21.55	21.06	21.40	-0.47%	8 837
2016-06-23	22.01	21.30	21.55	0.70%	5 799
2016-06-24	21.60	19.60	21.25	-1.39%	14 125



# Investor's calendar



June 27 – 28, 2016	UBS EMEA One-on-One Conference 2016 (London)
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