



Cyfrowy Polsat IR Newsletter

December 19 - 26, 2016



Media about us	Date	Media about the TMT market in Poland
	21.12	<p>Dziennik Gazeta Prawna: Internet access alone is no longer an attractive offer</p> <p><i>An interview with Tomasz Szopa, CEO of Netia, by Barbara Sowa</i></p> <p>“The key move was persuading Netia’s Supervisory Board to spend nearly PLN 1 bn, in the timeframe until 2020, for rolling out fiber-optic infrastructure across the entire area of the company’s current operations. (...) In addition we have been very successful in stopping revenue loss, especially on the residential market. After three quarters of 2016 we can see that the decline will be one-digit only while at the time when I joined Netia three years ago, the company was losing nearly 20% of revenue. This year we have already been able to launch the related roll-out projects, with first fiber-optic links offering data transfer rates of 1 Gbps being put into operations,” as Tomasz Szopa told Dziennik Gazeta Prawna daily while summing up a year of his work as Netia’s CEO.</p> <p>He stressed that the Local Netia concept, which involves decentralization of sales, local customer service and local network operations, was already yielding very good results. In areas where the company handed the control over its local partners sales grew by 80-90%.</p> <p>Netia is considering participation in a contest for the construction of the Internet access network with the support of EU funding. Szopa is of the opinion that it should be possible to find operators willing to participate in fiber-optic network roll-out projects relying on EU-funding for 80-90% of the areas covered by the contest.</p>

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<p>Puls Biznesu: Cyfrowy better than Netia and Orange <i>by KA</i></p> <p>PKO Bank Polski changed the recommendations for Netia's and Orange's shares from "hold" to "sell" and also adjusted the share prices for both companies. The price of Netia's securities has been reduced from PLN 4.5 to PLN 4.3 per share, while in the case of Orange the reduction has been from PLN 5.4 down to PLN 5.1 per share. Małgorzata Żelazko, the author of the report, has forecasted negative free cash flows for both companies in 2017, which creates risks for the balance sheet and dividend payments.</p> <p>Cyfrowy Polsat, the TV-and-telecommunications conglomerate, is in turn on the opposite pole. According to PKO BP, it has an attractive portfolio of services, which is particularly competitive in less urbanized areas, and it generates good and stable operating results. As a result it is able to generate high free cash flows. In Ms. Żelazko's opinion, such a set up will enable the company to reconcile both debt reduction and dividend payment. She estimates that the dividend rate will be 2-4% in the coming years, however the dividend rate for 2020 may exceed 9%.</p> <p>The analyst recommends the purchase of Cyfrowy Polsat's shares, while setting the target price at PLN 27.5.</p>	22.12	<p>Parkiet: Netia</p> <p>A court suit involving Netia's shareholders will commence at the District Court in Warsaw on Thursday. Sisu Capital has filed for depriving Mennica Polska and FIP 11 FIZ AN of their share-related rights. In the opinion of Sisu Capital, the two shareholders acted in coordination and should have announced a tender offer for shares.</p>

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	22.12	<p>Rzeczpospolita: Mobile telecoms are readying the 5G network</p> <p>The fifth generation mobile Internet (5G) may arrive at Polish households already 4 years from now. Even though the work on the software standard for the 5G technology is still underway, operators, as well as manufacturers of network equipment and end-user terminals are already preparing for the implementation of this technology. According to experts, the standardization process should be completed in 2018, with first implementations coming in 2020.</p> <p>Telecoms will gain the possibility of offering new services but they also count on savings in the areas of infrastructure management and electricity bills. The vital issue important for operators is the spectrum to be employed in 5G networks. Arrangements have been made which indicate that bandwidths of up to 100 GHz will be used, with trials already going on in the 10 GHz, 30 GHz and even 60 GHz frequency bands. On the other hand, 2.6 GHz is the highest frequency band used for operating a mass market network in Poland, while operators still do not know which frequencies will be used for 5G networks in Europe.</p> <p>According to Orange Polska, early 5G implementations will interwork closely with the 4G LTE networks, based on the same principle which is used for carrier aggregation today. In the company's opinion, the 5G implementation process will be smoother and will affect users in a lesser degree than the rapid 3G to 4G LTE transition.</p>

Press release
December 19, 2016

Cyfrowy Polsat offers home and company monitoring services

Bezpieczny Dom (Secure Home) and Bezpieczna Firma (Secure Company) are Cyfrowy Polsat's new services which enable customers to enhance the security of their flats, houses and companies. Now, while using a mobile phone, one may at any time check what is going on in the monitored room. The system relies on a mobile application, available for Android and iOS devices, which eliminates the necessity of cabling installation.

The service is available in the form of a 24-month contract, as a Secure Home for individual customers and as a Secure Company for business customers. Customers can choose from among two options: with 1 camera for PLN 26 (incl. VAT) monthly, or with 2 cameras for PLN 50.43 (incl. VAT) monthly. The service can be purchased in all Cyfrowy Polsat points of sale. Recently, it has also been added to Plus's offer.

Press release
December 23, 2016

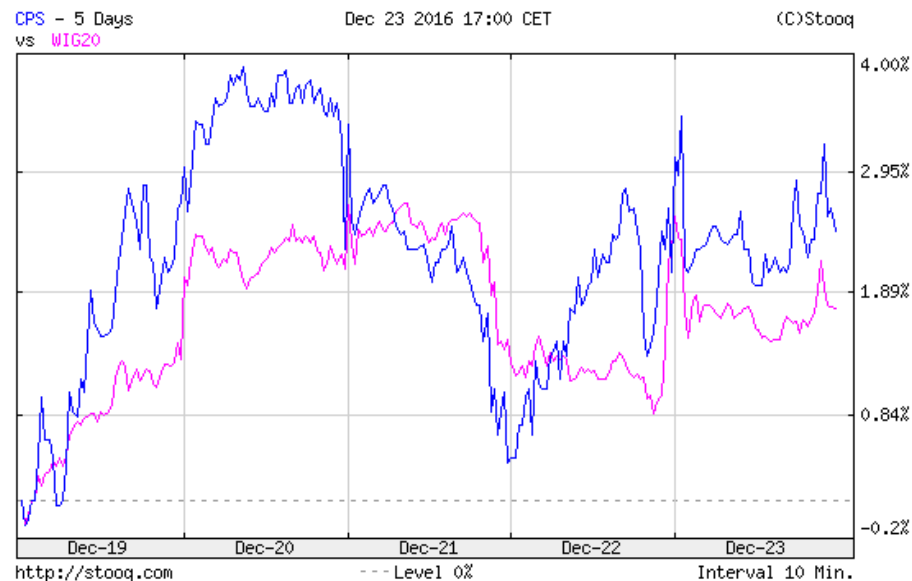
Cyfrowy Polsat now offers Metro and BBC Lifestyle channels in HD quality

A new theme channel, Metro, was added to Cyfrowy Polsat's programming offer today. The new channel is available to all subscribers using the Mini HD package. In addition, the BBC Lifestyle channel, offered in Familijny Max HD package, is now available to viewers in HD quality.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-12-19	24.17	23.35	24.10	1.13%	8 601
2016-12-20	24.40	24.00	24.00	-0.41%	7 324
2016-12-21	24.27	23.54	23.54	-1.92%	6 736
2016-12-22	24.19	23.48	23.95	1.74%	15 764
2016-12-23	24.29	23.90	24.04	0.38%	5 346



Investor's calendar



February 21 – March 7, 2017

Closed period prior to the publication of 2016 results

March 7, 2017

Annual report and consolidated annual report for 2016