



Cyfrowy Polsat IR Newsletter

January 2 - 8, 2017



Media about us	Date	Media about the TMT market in Poland
<p>Rzeczpospolita: Dispute regarding “legal advice by phone” by <i>Weronika Tokaj</i></p> <p>The National Chamber of Legal Advisors has notified the Office of Competition and Consumer Protection of suspected illegal practices used by Polkomtel and Availo. The notification concerns the service called “Prawnik” (The Lawyer). Business customers who have subscriptions in Plus network may use legal consultations by phone or by e-mail against a monthly fee of PLN 11.90. In the opinion of the Chairman of the National Chamber of Legal Advisors, information about the service indicates that the way in which the service is advertised and the regulations of the service are practices which violate collective interests of consumers. In addition, in the opinion of the Chairman of the Ethics Committee the service violates numerous rules of professional ethics, including the legal professional privilege (the necessity of keeping secrecy).</p> <p>The CEO of Availo Prawo Direct claims that the competitive prices of the service that are offered while maintaining top quality standards are the main reason of the attack by the bar associations. He stresses that the services provided by the company recorded a satisfaction level of 95% with around 50 thousand cases handled in 2015 and 2016.</p>	<p>2.01</p>	<p>Puls Biznesu: Registration of prepaid cards will cleanse telecoms’ customer bases by <i>MZAT</i></p> <p>The completion of the process of prepaid card registration will be the key issue for the telecommunication market in the near future. In the opinion of Jean-François Fallacher, the CEO of Orange Polska, it is certain that the process will lead to a substantial change of the prepaid services market and to its “cleansing.” There will be fewer “one-time” users. However, the change should be neutral in terms of market value.</p> <p>The operators’ key performance indicators will change substantially. The deactivation of unregistered SIM cards will, on the one hand, lead to a decrease in the statistics of provided services but on the other hand it will increase the average revenue per user. Customers will be migrating to postpaid services. A restructuring of the prepaid offer can also be expected, however it should not lead to higher prices for residential customers.</p> <p>Operators are also facing major network investments –mobile operators will be expanding the coverage footprint of their mobile Internet access services, which will be offered with the use of the recently acquired 800 MHz and 2600 MHz spectrum, while fixed-line operators – such as Orange, Netia or CATVs – will be investing in fiber-optic lines. At least one big transaction is expected on the market, i.e. the no. 1 player on the CATV market, UPC, is poised to acquire Multimedia.</p>

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	3.01	<p>Rzeczpospolita: Strong start of the broadband offensive <i>by Urszula Zielińska</i></p> <p>Last year the CEOs of UPC Polska cable TV, Orange Polska and Netia announced plans to invest nearly PLN 8 bn in infrastructure development. Over the next few years the companies want to invest PLN 4 bn, PLN 2.2. bn and PLN 0.42 bn, respectively, in high speed networks. UPC wants to double its coverage footprint, while Orange Polska and Netia are aiming at upgrading their existing resources in big and medium cities.</p> <p>At the end of 2016 there were 1.5 million households within Orange Polska's network coverage footprint. The operator hence accomplished its last year's goal by adding 800 thousand households to its fiber-optic network's coverage area. Orange guaranteed itself access to the fiber-optic networks of smaller local operators, which has enabled it to provide services under its own brand on a bigger territory. The telecom has been planning its investment projects in such a way so as to enable its mobile base stations to be connected by broadband links. It is of the opinion that mobile networks, which experience continuous strong growth of Internet traffic, will be an increasingly important customer of companies offering fiber-optic lines.</p> <p>By year-end Netia had upgraded and constructed an FTTH network offering a data transfer rate of up to 1Gbps. The network reaches nearly 90 thousand households. Inea from Poznan is the no. 3 operator in this field, as its fiber-optic network reaches 170 thousand households. UPC Polska cable network, who is investing in</p>

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	3.01	<p>HFC hybrid technology where a fiber-optic line is part of the link, is now reaching over 3.1 million households.</p> <p>The investments are fostered by the fact that Poland has EUR 1.1 billion in EU funding for roll out of high speed links in the areas where the state's intervention is required.</p>
	4.01	<p>Rzeczpospolita: A difficult year for telecoms <i>by Urszula Zielińska</i></p> <p>Falling prepaid user numbers, as a result of the anti-terrorist law which requires prepaid SIM registration, aggressive competition, cheaper EU roaming services and high foreign currency exchange rates, which affect the prices of smartphones and other telecommunication devices, are the major issues that mobile networks will have to tackle in 2017.</p> <p>In the opinion of the CEO of Virgin Mobile Polska, the impact of the anti-terrorist law will become evident only a year from now since in 2016 telecoms offered one-year account validity to those who registered their SIMs. Małgorzata Żelazko, an analyst at DM PKO BP brokerage house, is of the opinion that the factors which will adversely affect mobile networks' bottom line in 2017 include the abolition of surcharges for roaming services in the EU, as well as changes in the prepaid segment, though in the latter case she does not expect a substantial decline of revenue. <i>"In general mobile networks may record growth of revenue thanks to growing use of instalment plan solutions when selling end-user devices,"</i> comments Żelazko.</p>

Press review



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	4.01	Fixed-line operators, who are investing in their infrastructure to offer high-speed Internet access via fiber-optic lines, can still face the loss of users to cable TVs and mobile operators. Pay TV services may offer an opportunity for them.



Recent events



Press release
January 2, 2017

Polsat TV is the winner in 2016

Polsat TV ended 2016 as the leader in terms of audience shares. With the result of 11.45% in all viewer categories, it was ahead of TVP1 – 11.10% and TVN – 10.38%. In the commercial viewer group, Polsat was also unmatched, recording 13.23% versus 12.75% for TVN and 7.39% for TVP1. The channel improved its performance in this group as compared to 2015.

2016 ended successfully for the whole Polsat Group. Viewership at the level of 24.9% in the commercial viewer group gave it the leading position, with the group's channels also seeing a very high share of 22.7% in the all viewers category.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-01-02	24.70	24.41	24.60	0.00%	910
2017-01-03	24.98	24.52	24.92	1.30%	5 276
2017-01-04	25.15	24.52	24.90	-0.08%	13 145
2017-01-05	25.00	24.68	24.98	0.32%	11 697
2017-01-06	-	-	-	-	-



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