



# Cyfrowy Polsat IR Newsletter

November 21 - 27, 2016



# Press review



Media about us	Date	Media about the TMT market in Poland
<p><b>Telko.in: UKE reached a spectrum-related compromise with Aero2</b></p> <p><i>by Lukasz Dec</i></p> <p>The Office of Electronic Communications (UKE) reached a compromise with Aero2 as regards the new principles of use of the spectrum from the 2600 MHz band, with one of the requirements for using the spectrum being the provision of free Internet access (BDI). The President of UKE agreed to change the terms of spectrum allocation for Aero2 due to low availability of end-user devices which operate in TDD mode, as well as due to the fact that the 2600 MHz band is not suitable for network roll-out development.</p> <p>According to the provisions of the compromise agreement, the operator will be providing free Internet access for another three more years after it reaches the 50% population coverage for the 2600 MHz network, however the respective deadlines for meeting the relevant coverage requirements have been abandoned, along with the requirement of providing network coverage across 400 local communes. Thus in practice there exist no deadlines for Aero2 by which relevant coverage should be accomplished, but instead the operator must continue providing free access to the Internet in Poland.</p>	22.11	



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	23.11	<p><b>Dziennika Gazeta Prawna: Traffic in stores drives customers numbers up for the “big four”</b> <i>by Barbara Sowa</i></p> <p>Telecoms’ results for Q3 distinctly demonstrate the effect of the prepaid card registration obligation which has been in effect since the end of July. In the opinion of the industry representatives, prepaid sales fell by over 50%. As a result, prepaid customer bases of all operators are shrinking. According to the Central Statistical Office (GUS), there were 24.3m prepaid SIMs at the end of September. This means that during 2 months the number of prepaid SIMs decreased by 2.2m. Meanwhile, the postpaid base grew, which has been confirmed by figures released by Orange and Play. Telecoms believe that the actual impact that prepaid registration has on their results will be visible only at the beginning of next year. A fierce battle for prepaid customers is taking place on the market. According to Adam Sawicki, the CEO of T-Mobile Polska, the prepaid market has opened up after the introduction of the registration duty. Customers can port their numbers to another network in an easier way and they are looking for more attractive permanent offers.</p> <p>The deadline for SIM card registration expires at the end of January. Operators’ customer service offices are the most popular channel for registration but SIMs can also be registered in such places as, e.g., post offices or via banking systems.</p>

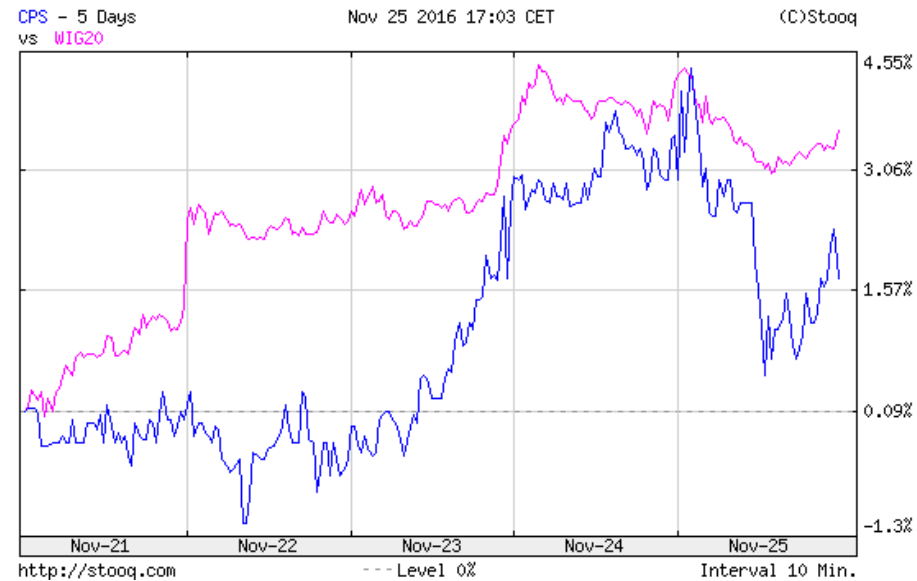
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	23.11	<p><b>Parkiet: P4's board does not rule out refinancing</b>  <i>by Urszula Zielińska</i></p> <p><i>"It has been yet another good quarter for P4. We feel that the market in Poland is healthy and all the operators are doing well. We intend to continue growing,"</i> said Jorgen Bang-Jensen, the CEO of P4, Play network operator. He did not rule out the possibility of refinancing the company's debt which consists mainly of Euro bonds. P4 has been the only mobile operator on the Polish market to record user base growth – by ca. 20K in Q3. At the end of September the operator had 14.64m SIMs and was no. 2 on the market, after Orange Polska. The company's revenue in Q3 was PLN 1.57bn (+13% y/y) while the adjusted EBITDA was PLN 517m. (+10% y/y). Revenue growth was strongest in the field of sales of devices and in the interconnect settlements area. In nominal terms, the fees paid by retail customers have the highest share in revenue. Revenue from postpaid customers increased by 7% y/y, while revenue from the prepaid segment decreased by 3%. This is the effect of the loss of prepaid service users (Play lost 347K such customers) and of telecoms price-based fight for customers. Bang-Jensen estimates that revenues from the prepaid segment can shrink by 7%.</p> <p>Traffic in mobile networks is increasing due to the changing behavior of TV viewers. The management board of P4 does not rule out the possibility of an expansion of its TV Play video services offer before the year's end.</p>

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	24.11	<p><b>Rzeczpospolita: Orange has growth potential</b></p> <p>Analysts from mBank's brokerage house reduced the target price for Orange Polska shares from PLN 8.05 to PLN 7 while upholding their "buy" recommendation. During the most recent stock exchange session the telecom's shares traded at around PLN 5.25. In the opinion of the brokerage house's experts, the success of Orange's offer is probable due to the uniqueness of its offer on the Polish market and the potential for upselling value-added services. At the same time they have assumed that the decrease of capital expenditures in the coming years should lead to a return to higher dividend payouts.</p> <p><b>Telko.in: UPC Polska enters the FTTH wholesale market</b> <i>by Łukasz Dec</i></p> <p>UPC Polska, the biggest cable TV network in Poland, has just completed the technical tests of the possibility of using the access network of an external partner, according to the information published by telko.in portal. If the parties are successful in agreeing the terms of cooperation, then UPC Polska will gain wholesale access to a fiber-optic network which reaches 12K households. This would be an unprecedented deal for UPC.</p> <p>Today it is still difficult to assess whether such wholesale cooperation will become a permanent element of UPC's strategy. Currently, the operator is involved in a major investment program in Poland by rolling out its own network to further urban markets.</p>

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-11-21	23.67	23.31	23.57	-0.97%	16 110
2016-11-22	23.74	23.26	23.45	-0.51%	5 111
2016-11-23	24.34	23.35	24.21	3.24%	8 018
2016-11-24	24.52	24.20	24.44	0.95%	8 018
2016-11-25	24.69	23.70	24.00	-1.80%	10 254



# Investor's calendar



December 1 – 2, 2016

WOOD's Winter in Prague

