



Cyfrowy Polsat IR Newsletter

May 22 – 28, 2017



Media about us	Date	Media about the TMT market in Poland
	23.05	<p>Parkiet: Biggest threats and opportunities for mobile operators by Urszula Zielińska</p> <p>P4, the operator of Play network, published its results for Q1 2017. The operator's revenue increased by 10% YoY in this period, up to PLN 1.58bn. In the opinion of the company's CEO, Joergen Bang-Jensen, the company still has growth potential, because it is not yet present in many segments in which its competitors are active, e.g. services for medium and big enterprises, mobile banking or distribution of other subscription services.</p> <p>Play revenue from services increased by 9% YoY, to the level of PLN 1.16bn, while revenue from the sale of equipment increased by 12%, reaching PLN 419m. It was the sale of equipment, such as smartphones and electronic devices that helped most of the mobile operators to generate revenue growth.</p> <p>It is more difficult to maintain profitability. Analysts point out that the ongoing price war in the sector is the reason. Regulatory issues also pose a threat – the Antiterrorist Act was a big cost for the sector. For instance, Play's EBITDA adjusted by one-off events in Q1 2017 amounted to PLN 564m (+21% YoY), however the reported EBITDA was lower by PLN 60m (+8% YoY). Analysts believe that the EU rule "roam like at home" will further impact the profitability of mobile operators.</p> <p>In Q1 2017 all operators experienced a decrease in the total number of customers, which was yet another result of the Antiterrorist Act. The outflow of SIM cards in the prepaid telephony segment exceeded the growth of the number of contract customers.</p>

Press review



Media about us	Date	Media about the TMT market in Poland
	23.05	Fiber optic networks developed in Poland, also with the support of EU funds, may be a potential risk for the mobile business. Last week investors obtained PLN 2bn, out of which Orange and Netia received substantial amounts.
	24.05	<p>Puls Biznesu: T-Mobile focuses on video <i>by MZAT</i></p> <p>The fourth operator on the market decided to fight for younger customers by offering preferential treatment of mobile video. In the tariffs, in which traffic generated by the social applications and messengers was already not counted into data packages, T-Mobile introduced discounts for video services. By paying PLN 5 per month customers may have unlimited access, which does not decrease the data pack limits, to among others: YouTube, Netflix, Showmax or TVP services.</p> <p><i>“Already as many as 45% of data transmission in our network is utilized for video content, 20% are websites, 7% - social media, and 28% - the rest. We expect that by 2020 video content will constitute 75% of the network load — and we are consuming more and more data, the data transmission in our company increased by 94.1% YoY,”</i> says Thomas Lips, Management Board Member for Technology and Innovation at T-Mobile.</p> <p>At the end of the first quarter of 2017, the former market leader had 10.23m customers in Poland, that is by 13.5% less than a year before. This is mainly the effect of eliminating the so called “dead souls” from the prepaid customer base and the introduction of the prepaid</p>



Media about us	Date	Media about the TMT market in Poland
	24.05	card registration — in this segment the operator lost as many as 1.8m customers. On the other hand, the number of contract customers increased, while it was also in a downward trend until mid-last year.
	25.05	<p>Rzeczpospolita: Plus' patience, Virgin's concern <i>by Urszula Zielińska</i></p> <p>The discussion on roaming prices in the Euro zone is still in full swing. Small players are joining the discussion.</p> <p>In response to the criticism from the European Commission and the official position of the Office of Electronic Communications (UKE), two out of three big mobile networks announced subsequent changes of prices for roaming services in the European Union. P4 (Play) and T-Mobile announced that they will be changing their price lists.</p> <p>Three networks have already held meetings with the European Commission. During the last stage of talks with decision makers there appear arguments that the RLAH rule will hit small telecoms or MVNOs. There are around 30 such entities in Poland, they service 1% of the mobile telephony users in total. So far they have not been involved in the debate. They depend on big operators: they utilize their infrastructure and do not have agreements with operators abroad. Grażyna Piotrowska-Oliwa, CEO of Virgin Mobile, sent a letter to the UKE President in this respect. <i>"We do not expect wonders from the regulator, but the literal application of the EU Regulation, which envisages in item 6c special treatment of those operators who generate losses due to the application of the regulations,"</i> says</p>

Press review



Media about us	Date	Media about theTMT market in Poland
	25.05	<p>Piotrowska-Oliwa. She emphasized that one should prevent losses and not wait for them.</p> <p>Magdalena Piksa from the Management Board of Mobile Vikings Polska points out that attractive MVNO offers may result in a very costly abuses and eventually lead to the growth of prices in the country.</p>



Current report no. 11 May 25, 2017

Appointment of a certified auditor for the audit of financial statements of the Company and Cyfrowy Polsat S.A. Group for the year 2017

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on May 25, 2017 it was notified that the Supervisory Board of the Company, pursuant to Article 66 sec. 4 of the Accounting Act dated September 29, 1994 and in accordance with article 19 sec. 2 letter h) of the Company's Articles of Association, resolved on May 25, 2017, to appoint PricewaterhouseCoopers Sp. z o.o., seated in Warsaw, address: 14 Armii Ludowej Street, registered in the register of statutory auditors under the number 144, as the certified auditor for the audit of the financial statements of the Company and the consolidated financial statements of the capital group of the Company for the year 2017.

In the previous year the Company also used the services of PricewaterhouseCoopers Sp. z o.o.

Current report no. 12 May 25, 2017

Reception of the decision of the Head of the Mazovian Tax Office in Warsaw

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on May 29, 2017 it was notified that the Company's plenipotentiary received a decision of the Head of the Mazovian Tax Office in Warsaw ("**Tax Office**") dated May 25, 2017, determining the value of tax obligation in relation to corporate income tax for the year 2011 at a higher level than the declared value, by PLN 40.6 million plus accrued penalty.

In the issued decision the Tax Office contested the Company's right to charge into tax deductible expenses certain expenditures incurred in 2011. The decision was issued in spite of the Company having presented a number of arguments stipulating that the findings of the Tax Office were incorrect and had no legal basis. In particular, the Tax Office disregarded that the Company received an individual tax interpretation confirming the correctness of the Company's operations in the scope covered by the current findings of the Tax Office.

The decision in question is neither final nor enforceable. The Company will appeal against the decision of the Tax Office to the head of the Treasury Administration Chamber in Warsaw.

At present the Company does not intend to create any provisions encumbering its financial results.

Recent events



Press release
May 22, 2017

Double Pack (DwuPak), that is television and telephony services from Cyfrowy Polsat and Plus for free until the end of the year!

A new special offer for the customers of Plus and Cyfrowy Polsat is introduced to the market. The Double Pack (DwuPak) is an offer of pay TV from Cyfrowy Polsat with a package price from PLN 19.90 and a telephone subscription from Plus with a special discount. Both services are available for less than PLN 40 per month, and under a special promotion the customer may use them for free until the end of the year!

The Double Pack (DwuPak) offer is available from May 22, and is addressed to new and existing customers of Cyfrowy Polsat and Plus. It includes television, as the first full-paid product and a telephone subscription with the discount of 50% or PLN 10 for the entire duration of the contract.

Press release
May 25, 2017

Double Pack (DwuPak), that is television and telephony services from Cyfrowy Polsat and Plus for free until the end of the year!

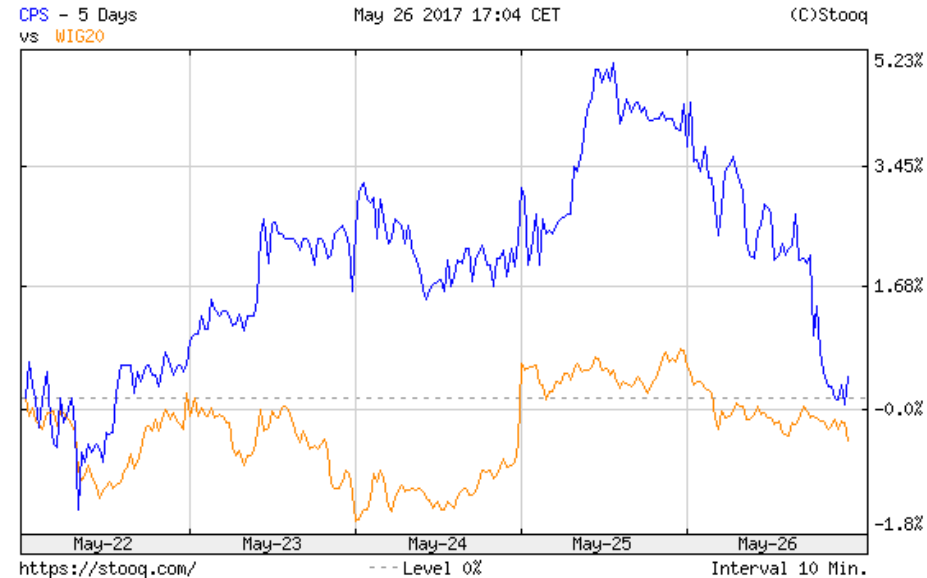
A new special offer for the customers of Plus and Cyfrowy Polsat is introduced to the market. The Double Pack (DwuPak) is an offer of pay TV from Cyfrowy Polsat with a package price from PLN 19.90 and a telephone subscription from Plus with a special discount. Both services are available for less than PLN 40 per month, and under a special promotion the customer may use them for free until the end of the year!

The Double Pack (DwuPak) offer is available from May 22, and is addressed to new and existing customers of Cyfrowy Polsat and Plus. It includes television, as the first full-paid product and a telephone subscription with the discount of 50% or PLN 10 for the entire duration of the contract.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-05-22	26.87	26.02	26.70	1.52%	21 833
2017-05-23	27.38	26.37	27.00	1.12%	25 987
2017-05-24	27.58	26.92	27.22	0.81%	27 640
2017-05-25	27.99	27.04	27.78	2.06%	24 861
2017-05-26	27.79	26.41	26.65	-4.07%	12 809



Investor's calendar



June 27 – 29, 2017	UBS LATEMEA One-on-One Conference
August 10 – 24, 2017	Closed period prior to the publication of H1 2017 results
August 24, 2017	Publication of the semi-annual report for H1 2017
September 11 – 12, 2017	14th Emerging Europe Investment Conference - Pekao Investment Banking