



# Cyfrowy Polsat IR Newsletter

July 24 – 30, 2017



**Puls Biznesu**  
July 24, 2017

## Orange outbid PGE

*by GSU*

Orange informed of the acquisition of Multimedia Polska Energia (MPE), a Multimedia Group company selling gas and electricity to 40K customers, PLN 37 million. To finalize the transaction, Orange still has to obtain an approval from the Office of Competition and Consumer Protection, which is expected to take place within three months after the date of concluding the acquisition agreement.

**Dziennik Gazeta Prawna**  
July 24, 2017

## New TV stations trapped in MUX-8

*by Elżbieta Rutkowska*

Emitel, the operator of the 8th digital terrestrial TV multiplex, announced that the signal broadcast from this multiplex covers an area inhabited by 95% of the country's population. However, the reception of the signal is dramatically poor and the effective coverage of MUX-8 was 39% in June, as surveyed by Nielsen Audience Mediaresearch. This has been the poorest result of all the multiplexes that have been launched to-date and viewing it often requires users to either tune the antenna or purchase a new one.

Annual expenses associated with broadcasting on MUX-8 amount ca. PLN 7 million. This money has to be earned from commercials and revenue depends on the size of the audience, which in turn depends on the coverage. The total audience share of the channels broadcasting on MUX-8 does not exceed 1% of the commercial group. According to the CEO of Kino Polska TV movie channel, his station needs 0.5-0.6% audience share to avoid losing money. The broadcasters are not surrendering yet – they are counting on returns on this investment in a longer timeframe.

Another issue is that half of this multiplex remains unoccupied since the public television TVP did not take the three slots that have been allocated to it by the National Broadcasting Council. Currently, TVP does not intend to place any of its channels on MUX-8, arguing that at present are no chances of return on such an investment. Emitel is seeking an option where the Office of Electronic Communications (UKE) either forces TVP to launch its programs, or removes TVP from MUX-8. As regards the first option, UKE refused and Emitel filed an appeal with a court, and as regards the second option, Emitel is still waiting for an answer.

**Dziennik Gazeta Prawna**  
July 26, 2017

## **Broadband Internet access with a state guarantee**

*by Sylwia Czubkowska*

Strategic plans of Marcin Cichy, the President of Office of Electronic Communications (UKE), foresees a change in the approach to the universal service. Cichy wants to eliminate services that are no longer used by anyone and replace them with the right of access to broadband Internet transmission.

The new approach to universal services will, first and foremost, mean the cancellation of the obligations related to three obsolete products: public payphones, nationwide directory enquiries service and nationwide phone directory. UKE postulates that the obsolete services be replaced by support for Internet access services based on any technology, both wireless and fixed. Making Internet access an element of the universal service is intended to offer subscribers all over Poland, irrespective of where they live or which group of customers they belong to, the right to find an operator who will be able to offer Internet access to them. It will not be a very high quality service. The service that UKE has in mind is Internet access with throughput rates of 1-2 Mbps.

**Puls Biznesu**  
July 26, 2017

## **Orange is smaller but in shape**

*by Marcel Zatoński*

Orange recorded lower revenue and profits but the second quarter of the year has been better than expected by market analysts.

The company's revenue fell by 0.9% YoY, to PLN 5.66 bn in the first half of the year, mainly as a result of the shrinking of the traditional fixed-line telephony market but also due to lower revenue from mobile services, which the operator explained by, among others, market competition. The second quarter saw a distinct decrease in the number of SIMs, by 0.7 million, but that was the outcome of the shrinking prepaid services market following the introduction of mandatory prepaid SIM registration. The number of postpaid subscribers increased, just as did the number of customers using fixed-line Internet access. More cash is also flowing from installment plan sales of equipment.

The company generated EBITDA in the amount of PLN 1.57 bn (-7.3% YoY). In Q2 alone, however, EBITDA margin increased by 0.5 percentage points (following adjustments). The company has confirmed its earlier statements that EBITDA for the whole of 2017 will reach PLN 2.8-3 bn.

During the first six months Orange's net profit was PLN 110 million, or 4.3% less than in H1 2016.

Orange has reduced mobile handset subsidies, which has a positive impact on revenue while at the same time enabling optimization of the costs of sales. The company is also satisfied with the results of the convergent services offer, Love, introduced earlier this year. In Q2 2017 the number of customers of convergent service increased by 16%.

During the first half of the year Orange invested PLN 822 million, or PLN 35 million less than a year earlier. The highest amount was invested into the roll out of the fiber-optic network, which is a priority for the company. Over 480 thousand households have been added to the network's coverage footprint, which means that it now reaches nearly 2 million houses and flats. As much as PLN 280 million has already been spent for this purpose this year, i.e. 45% more than a year earlier. Fiber optic services are now used by 145 thousand customers of Orange, with 28 thousand having been added in the second quarter of the year.

Rzeczpospolita  
July 28, 2017

## Play is now in market play

*by Urszula Zielińska*

The share price of Play Communications, the owner of Play mobile network, went down by even as much as 5.8%, to PLN 33.9, on the company's debut on the stock exchange. Turnover reached PLN 870 million with over 24 million shares, or nearly 10% of the telecom's share capital, changing hands. At the end of the session prices nearly recovered all the lost ground and PLN 35.5 was paid for Play's shares.

Joergen Bang-Jensen, the CEO of Play Communications, declined any comment on shareholder issues.

The selling parties during Play's IPO were the company's founders: the two billionaires - Thor Bjorgolfsson and Panos Germanos (acting through their SPVs). They raised nearly PLN 4.4 bn while floating around 48% of the telecom's capital. The managers representing them assured that the owners still intend to support Play.

Bruce McInroy, who manages Novator, Bjorgolfsson's investment firm, denied the existence of discussions regarding the sale of Play to Liberty Global, the owner of UPC Polska cable TV.

PAP Biznes  
July 28, 2017

## Orange and Play sign annex to national roaming agreement, model of settlements will change

*by mj/ jtt/*

Orange Polska and P4 signed an annex to their national roaming agreement. The annex provides for a four-year cooperation, starting July 2017. It also changes the terms of the settlements between the operators, as Orange and Play stated in their communiques. The annex assumes abandoning of the per-minute or per-gigabyte settlements in favor of settlements based on specific service packages, which will guarantee minimum revenue for Orange in the amount of PLN 321 million over the period of 4 years.

Play informed that the national roaming service is used to ensure coverage in rural areas, and the current agreement supplements the remaining national roaming agreements, thus giving Play customers access to a bigger package of services.

July 31, 2017

## Online Annual Report for 2016

We would like to invite you to see the online Annual Report of Cyfrowy Polsat S.A. Capital Group for 2016.

This report is a summary of the previous year in our Group, published in an intelligible and colorful form. The report contains not only our operating and financial results but also various information about our main operating areas, the condition of our business, our offering, the opportunities, trends and market risks that we face, as well as information related to our presence on the Warsaw Stock Exchange and activities in the scope of social responsibility.

The report also contains a short film presenting briefly our Group.

The report is available under this link: <http://raportroczny2016.grupapolsat.pl/en>

# Cyfrowy Polsat shares



| Date       | Maximum price (PLN) | Minium price (PLN) | Closing price (PLN) | Change (%) | Turnover (kPLN) |
|------------|---------------------|--------------------|---------------------|------------|-----------------|
| 2017-07-24 | 26.26               | 25.72              | 26.00               | -0.27%     | 11 323          |
| 2017-07-25 | 26.10               | 25.41              | 25.41               | -2.27%     | 11 415          |
| 2017-07-26 | 25.83               | 25.29              | 25.80               | 1.53%      | 5 553           |
| 2017-07-27 | 26.00               | 25.65              | 26.00               | 0.78%      | 7 533           |
| 2017-07-28 | 26.04               | 25.40              | 26.00               | 0.00%      | 8 748           |



# Investor's calendar



|                         |  |
|-------------------------|--|
| July 20, 2017           | Dividend day   |
| August 3, 2017          | Dividend payment day   |
| 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 5, 2017       | Media & Entertainment - Haitong  |
| September 6 – 7, 2017   | Deutsche Bank 2017, 16th Global Emerging Markets One-on-One Conference |
| September 11 – 12, 2017 | 14th Emerging Europe Investment Conference - Pekao Investment Banking  |
| October 11, 2017        | Erste Group Investor Conference 2017 in Stegersbach                    |