



# Cyfrowy Polsat IR Newsletter

July 25 - 31, 2016



Media about us	Date	Media about the TMT market in Poland
	25.07	<p><b>Parkiet: TK Telekom still stabilizes its revenue</b>  <i>by ziu</i></p> <p>The average of forecasts made by analysts for Netia indicates that in Q2 2016 the Group generated PLN 383.7m of revenue (up by 0.9% y/y). Last year the Group did not include TK Telekom, purchase from the Polish Railways (PKP) in July 2015. Analysts estimate that the operating profit of the Group decreased by 59%, to PLN 4.1m, but EBITDA adjusted by one-off events decreased only by 3.8%, to nearly PLN 109m. Veronika Sutedja, analyst at Erste Group, points out that the main strength of the telecom is its ability to control costs. In her opinion Netia must still reverse the trend visible in revenue. The company loses revenue mainly due to the loss of customers of regulated services, provided via Orange Polska's network.</p> <p><b>Rzeczpospolita: The end of anonymous prepaid phones</b>  <i>by Agata Łukaszewicz</i></p> <p>From Monday, July 25, registration of prepaid cards is mandatory. Owners of prepaid phones must register their cards within half a year. Otherwise the cards will stop working. New obligations are introduced under the Anti-terrorist Act passed in June 2016. The operators are facing a big undertaking. There are nearly 29m SIM cards active on the market at the moment, 80 to 90% of which are unregistered. The introduced obligation may apply to ca. 10m citizens, including 3m minors.</p>

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	27.07	<p><b>Puls Biznesu: Orange closer to Netia</b> <i>by Marcel Zatoński</i></p> <p>The quotations of Orange increased by 6.5% after publishing the quarterly results and the announcement about entering into cooperation with Netia’s subsidiary Telefonía Dialog, which will ensure access to the FTTH infrastructure belonging to this company.</p> <p>In the first half of the year Orange’s revenue was lower year-on-year by 4%, and its EBITDA profit decreased by 11.8%. In Q2 2016 the number of mobile users increased quite substantially – by 11% in contract services, by 3% in the prepaid segment and by 46% in mobile Internet access, but ARPU per customer decreased in the mobile segment by as much as 8.2%.</p> <p>In the opinion of Konrad Księżopolski, the Head of the Analysis Department at Haitong Bank, the news about signing an agreement with Dialog, thanks to which Orange obtains access to 114 thousand households in the LLU model, inspires no enthusiasm. He claims that the agreement mentions access to the network but not the sharing of costs of its building, and LLU access has been less and less popular for the last few years and generates definitely less margin than the access on one’s own network. In the opinion of Księżopolski, Orange’s savings may amount to ca. PLN 200m spread over 4 years. He also points out that it is yet another quarter in a row during which Orange failed to reach the Management Board’s goals with respect to FTTx customer acquisition. In his commentary to the results Jean-</p>

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	27.07	François Fallacher, CEO of Orange, emphasized that the Group is already able to deliver fiber-optic Internet to millions of households, but the „awareness of the benefits of the fiber-optic technology among Polish customers is still low”.
	28.07	<p><b>Dziennik Gazeta Prawna: Online video is our new addiction</b> <i>by Barbara Sowa</i></p> <p>According to the data prepared for DGP by Gemius/PBI, 80% of Polish Internet users watch online video. The services with short video clips are most popular but the group of VOD service users is also growing. In November 2010 such portals attracted as few as 1.3m Internet users, whereas in June 2016 it was already nearly 12.3m.</p> <p>Online video is one of the fastest growing trends, which results from technological development – data transmission speed with the lack of data transfer caps. Users are more and more willing to pay for online content and want to pay more. Already nearly half of the Internet users claim that they spend more than PLN 10 per month on online video, and more than 16% - over PLN 20. Payment models have also changed – more people select monthly access fee instead of a one-off fee per episode. CEO of MEC, Izabela Albrychiewicz, notices that the debut of Netflix had an impact on the change of behavior patterns among Internet users. So far the American concern does not pose a threat to Polish competitors. Gemius/PBI’s data show that in June the service had 111 thousand users. Since the launch in January, online audience of Netflix decreased threefold.</p>

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	29.07	<p><b>Rzeczpospolita: T-Mobile and Orange to extend their cooperation</b> <i>by ziu</i></p> <p>Thomas Lips, CTO of T-Mobile, confirmed that talks are underway with Orange about further cooperation of the companies under the joint venture Networks. The talks should be completed by the end of this year.</p> <p>In 2011 the two telecoms signed an agreement on the sharing of masts and towers and radio signal transmission for the partner. Orange expected the positive impact on free cash flows in the amount of PLN 1bn by 2015 (inclusive) and permanent cost savings in subsequent years which were estimated at ca. 200m annually.</p> <p>The new agreement is necessary because the operators obtained new frequencies in the LTE auction. Lips emphasized that until the signing of the agreement, the telecoms would build the network of transmitters using the 800 and 2600 MHz bandwidth separately and estimated that the benefits for both parties will be similar as in the case of the initial agreement.</p> <p><b>Puls Biznesu: T-Mobile experiments</b> <i>by MZAT</i></p> <p>By purchasing the frequency blocks in the 800 MHz band, T-Mobile has finalized the process of spectrum acquisition, required for developing high speed Internet services. Thomas Lips, CTO of T-Mobile, announced that the telecom would like to have 98% of Poles within its LTE coverage by the end of the year.</p>

# Press review



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	29.07	<p>The operator informs that within a year the use of data transmission via LTE increased by as much as 348%. Already this year T-Mobile is to launch on a broad scale the VoLTE and VoWiFi technologies, that is voice transmission during a phone call via mobile Internet.</p> <p>T-Mobile together with Nokia presented a technology which enables significantly better aggregation of frequency bands from several separate blocks. The aggregated bandwidth allows for the delivery of Internet with much higher speed than before – during the tests 1.2 GB/s was achieved. T-Mobile will focus on frequency band aggregation and improvement of the Internet quality next year.</p>



Press release  
July 27, 2016

## Fierce fight in the new Polsat Sport Fight HD channel

A new sport channel of Polsat Group – Polsat Sport Fight – will be launched on August 1, 2016. Fight sport fans will have a chance to admire the strongest punches or spectacular knockouts in the HD quality channel without advertisements. It will be yet another sport channel, next to Polsat Sport HD, Polsat Sport Extra HD and Polsat Sport News.

Polsat Sport Fight will be broadcasted in HD quality, 7 days a week at least for 18 hours per day. Polsat Sport Fight HD is devoted entirely to fight sports. Exciting fights in the ring during the biggest galas– the rights to which are owned by Telewizja Polsat – will include, among others Polsat Boxing Night, HBO professional boxing nights, TOP Rank, Showtime, Matchroom or mixed martial arts - KSW, MMA Attack or FEN.

Press release  
July 27, 2016

## “Lawyer” service in the Plus offer for business clients

Legal advice is a new proposal of Plus network addressed to business customers. From July 29, JA+ Moja Firma (I+My Company) offer will include an access service in the area of legal counseling provided via phone or e-mail.

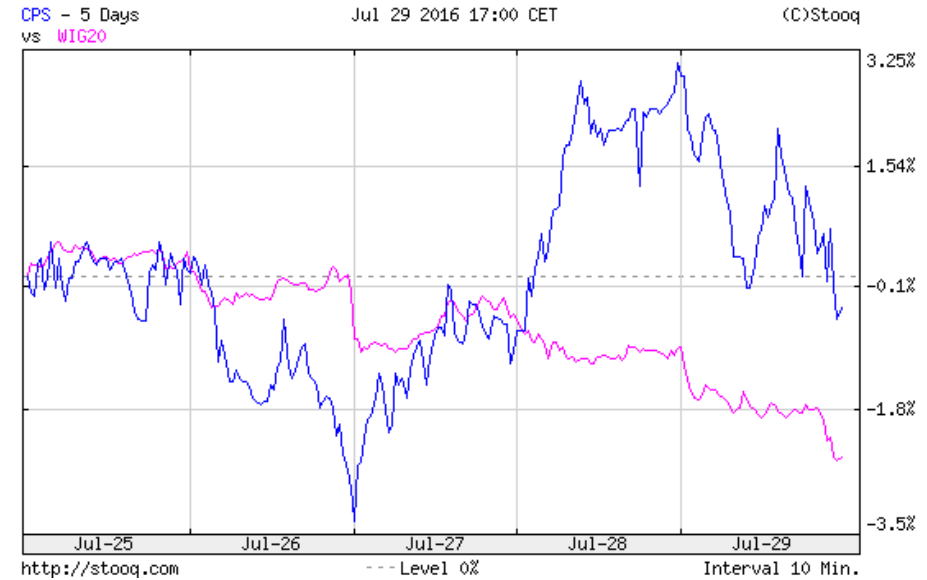
The service “Lawyer” will ensure access to the Legal Advice Center in which legal counsel will be provided by lawyers and legal advisers. The advice is provided in the form of a phone call and in the case when a verification or drafting of a legal document is required – also via e-mail, fax or a dedicated client account.

The scope of available legal counsel includes advisory services within any field of law related to the conducted business activities and private life, excluding tax counseling.

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-07-25	23.83	23.43	23.70	1.54%	12 784
2016-07-26	23.80	22.71	22.94	-3.21%	15 076
2016-07-27	23.65	22.81	23.41	2.05%	10 403
2016-07-28	24.45	23.29	24.45	4.44%	12 898
2016-07-29	24.46	23.39	23.57	-3.60%	11 971





# Investor's calendar



August 11 – 25, 2016	Closed period prior to the publication of H1 2016 results
August 25, 2016	Consolidated semi-annual report for the 1st half of 2016