



Cyfrowy Polsat IR Newsletter

July 3 – 10, 2017



Media about us	Date	Media about the TMT market in Poland
<p>Rzeczpospolita: Big companies - best investment in the 1st half of the year <i>by Jacek Mysior</i></p> <p>The first half of 2017 on the Warsaw Stock Exchange was successful most of all for the owners of shares of big companies. The WIG20 index generated an effective 18% rate of return. This is the best result among all the indexes. It seems that the 2nd half of the year will also show the strength of the leading companies included in WIG20.</p> <p>Such companies as e.g. Cyfrowy Polsat or Orange, which have so far taken advantage of the current boom on the WSE to a very small degree, may be an interesting proposal. As regards the listings of Cyfrowy Polsat shares, within the last few weeks the company was facing the risk of an outflow of customers related to the amendment of the Media Law. <i>“Such a scenario is not favorable to Cyfrowy Polsat, but its negative impact has been slightly exaggerated. Furthermore, the loyalty of customers may theoretically become stronger after the purchase of rights to the Champions League, which has not been reflected in the share price at all”</i>, observed Konrad Książczkowski, head of analysts at Haitong Bank. <i>“The current valuation does not seem excessive, in particular in the context of Play’s forthcoming IPO, which is valued at similar or even higher rates, while Play does not have such a comprehensive offer as Cyfrowy Polsat. Therefore, I choose this company as a candidate for rebound in the next weeks and quarters”</i>, he added.</p>	<p>3.07</p>	<p>Rzeczpospolita: More and more mobile in telecommunications <i>by Urszula Zielińska</i></p> <p>The revenues of the telecommunication sector in Poland in 2016 amounted to PLN 39.47bn, (ca. 1% decrease), as indicated in the latest report of the Office of Electronic Communications (UKE). Trends which have been visible in the sector for a few years become more and more distinctive. The importance of modern Internet access links, mainly mobile ones (although fiber optic lines are also growing), and services sold in bundles is growing, whereas fixed-line phones are disappearing from homes at an increased rate.</p> <p>Revenues from mobile telephony in 2016 amounted to PLN 16.7bn (down by 2% YoY), whereas Internet access (fixed and mobile together, but excluding connections from smartphones) generated PLN 4.2bn (down by 3.9%), and fixed telephony – PLN 2.6bn (down by over 20%). Bundled services (packages) brought PLN 3.71bn (up by 26%). In 2016, 7.86m customers used bundled services (packages). This translates into a 34% growth of users, as compared to 2015. “Mobile telephony and mobile Internet” was the most popular bundled service. Users of this service constituted nearly 54% of all subscribers, which meant growth by over 12.5 percentage points, as compared to 2015. The service “Fixed-line Internet and Television” was the second most popular package (14%), and the package “Fixed-line telephony, fixed-line Internet and Television” was ranked third (10%).</p>

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	4.07	<p>Parkiet: Play's shareholders are selling half of the company <i>by ziu</i></p> <p>The biggest Initial Public Offering since the debut of PZU in 2010 was launched on the Warsaw Stock Exchange. Owners of the mobile network Play count on collecting PLN 5.3bn.</p> <p>According to the Prospectus published by Play Communications, the maximum price of each (of the maximum) of 121.57m shares out of a total of 250m shares is PLN 44.</p> <p>The price range from PLN 34 to PLN 44 has been assumed for negotiations with financial institutions. The final price of one share of the telecom, the Management Board of which promises further growth of revenue and improvement of profitability, will be known on July 13. Individual investors, including selected employees of the company, may subscribe to the shares until July 12.</p>
	7.07	<p>Rzeczpospolita: UKE wants to help small operators <i>by ziu</i></p> <p>At the request of Novum, a small fixed-line virtual operator, the Office of Electronic Communications (UKE) requested Orange Polska to change the rate for the access to the wholesale line rental (the so-called WLR), written down in the document specifying regulatory obligations of Orange (the so-called SOR agreement).</p> <p>The decision of the Office indicates that so far, depending on the approach, agreement or promotion, Orange has collected a wholesale charge per telephone line ranging from PLN 10.05 to PLN 20.05.</p>

Press review



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	7.07	<p><i>“UKE’s decision obligates us to present a proposal of the changed rate and we will prepare such a proposal”</i> says Wojciech Jabczyński, spokesman of Orange Polska. In the opinion of the telecom, UKE did not indicate which way the price should change. However, according to Novum, the wholesale rate for WLR should amount to ca. PLN 14 per line. Although Orange does not confirm this, one cannot exclude a possibility that Orange will introduce a lower rate in the framework offer and all the operators will be able to use this rate, also those who have neither neutral nor good relations with the telecom.</p> <p>In 2015, alternative operators generated PLN 470m of revenues from telephony services while using Orange links, and in 2016 – PLN 360m, sharing the majority of this amount with the network’s owner every time.</p>



Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-07-03	24.97	24.52	24.85	0.73%	4 412
2016-07-04	24.89	24.22	24.50	-1.41%	5 840
2016-07-05	24.77	24.11	24.77	1.10%	39 885
2016-07-06	25.38	24.61	25.09	1.29%	10 183
2016-07-07	25.08	24.65	24.78	-1.24%	13 756



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