



# Cyfrowy Polsat IR Newsletter

January 30 – February 5, 2017



Media about us	Date	Media about the TMT market in Poland
	1.02	<p><b>Rzeczpospolita: Telecoms “lost” 4.2 million prepaid SIMs in half a year</b> <i>by ziu</i></p> <p>The Main Statistical Office (GUS) published the data which indicate that as of the end of December 2016 mobile operators in Poland had 22.446 million prepaid SIM cards. This means that the number of SIMs decreased by 2.42 million during the fourth quarter of the year, while if we look at the statistics in a half year perspective – the number of SIMs went down by 4.2 million. This is the effect of the mandatory prepaid SIM registration imposed by the so-called “anti-terrorist act.”</p> <p>In addition, GUS stated that during the past year the mobile telephony segment shrank by 17.2%. At the same time the number of postpaid subscribers increased (growth by 10.8%, to the level of 32.29 million SIMs at the end of December).</p>
<p><b>Parkiet: PLN 40.4 million penalty for ads from 2014</b> <i>by ziu</i></p> <p>The Office of Competition and Consumer Protection (UOKiK) charged penalties of PLN 30.7 million and PLN 9.7 million to Polkomtel and Cyfrowy Polsat, respectively, for presenting misleading information to consumers. The penalties have been charged in the finalized investigation related to the content of the two companies’ advertising messages from two years ago. As UOKiK informed, it received complaints from consumers regarding advertisements of the offer “Power LTE – Internet LTE bez limitu danych” (Power LTE –</p>	2.02	<p><b>Parkiet: Wholesale compromise with expensive Internet access</b> <i>by ziu</i></p> <p>The European Parliament and Council have reached an agreement as regards the maximum wholesale rates used in settlements between mobile operators providing roaming services in the EU. The principles of these settlements were the last barrier en route to the introduction of the roam like at home (RLAH) principle starting from June 16, 2017. The rule equalizes the prices of roaming services provided on the territory of the EU with the domestic pricing on a user’s home market. In accordance with the agreement that was reached, the wholesale price per minute of a mobile-originated voice</p>

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<p>Unlimited LTE Internet Access).</p> <p>The two companies disagree with the charges and announced that they would appeal against UOKiK's decision. The decisions of the anti-monopoly office usually end with appeals from the charged parties, followed by a reduction of penalties.</p> <p>The penalty charged to Polkomtel is among the highest ever charged to any telecommunication operator in an similar situation.</p>	<p>2.02</p>	<p>call will cost 0.032 euro, a text message – 0.01 euro, while 1 GB of data transmission will cost 7.5 euro in mid-June but the rate will be reduced every year.</p> <p>When converted to PLN, the rates mean a reduction by respectively: 36%, 55% and 86% as compared to the currently valid wholesale rates. On the one hand, domestic mobile operators will see a decrease of the cost associated with roaming services, but on the other, they will have to introduce new, lower service prices which will be capped by the above wholesale rates.</p> <p>A problem will be how to reconcile the RLAH principle with the wholesale rate for 1 GB of mobile data transmission. If companies wanted to apply the RLAH principle in full, they would have to offer, to their retail customers, a price which would be at least by half lower than the wholesale rate and they would have to “subsidize” the roaming service. That is why it is possible that the principle will not be universally applied in Poland in respect of the Internet access service.</p>
	<p>3.02</p>	<p><b>Parkiet: One out of every three prepaid SIMs went silent</b> <i>by Urszula Zielińska</i></p> <p>In accordance with the provision of the so-called “anti-terrorist act” on the night of February 1 mobile operators in Poland deactivated those prepaid SIM cards which had not been registered by their users. The Office of Electronic Communications (UKE) informed that 68.7% of prepaid SIMs had been registered. Based on the information from Rzeczpospolita daily, the figure reflects the share</p>

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	3.02	<p>of active prepaid SIMs belonging to the three big telecoms (excluding Orange), rather than the percentage of all SIMs they maintain in their systems. One should take into account the fact that operators could have quoted their figures while using a different definition of an active SIM.</p> <p>Operators continue their information campaigns addressed to those who missed the registration deadline and offer bonuses to such customers.</p> <p><i>“The prepaid segment generates around PLN 1 bn, or 9% of the group’s revenue and 17-18% of the mobile segment revenue of Orange Polska. As regards Cyfrowy Polsat group – the prepaid segment accounts for around 5% of the entire group’s revenue. It is an important but not the key segment. When looking at the operators’ marketing activities, one can see that this segment is treated seriously but it is no secret that the telecoms’ strategy is to migrate prepaid users to postpaid offers. In my opinion, prepaid services are a method of quick acquisition of users,”</i> commented Konrad Książopolski, the head of the analytic unit at Haitong Bank.</p> <p><b>Puls Biznesu: EBI may finance part of T-Mobile’s network</b> by MEWA</p> <p>T-Mobile filed with the European Investment Bank (EIB) for financing of EUR 250 million of capital expenditures out of the estimated total amount of EUR 550 million planned for the 4G/LTE network roll-out. The LTE network roll-out means not only investment into mobile infrastructure but above all roll-out of the fiber-optic network to</p>

# Press review



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	3.02	<p>connect the base stations with the backbone network. A cheap EIB loan would help T-Mobile expand its network coverage and capacity. The project has been planned for the years 2017-2019 and it will be developed as part of NetWorkS! project which involves network sharing by T-Mobile and Orange Polska.</p> <p>T-Mobile spent PLN 4.1 bn on LTE spectrum and PLN 900 million on network roll-out in 2016. This year's capital expenditures should be close to last year's level.</p>



# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-01-30	24.56	24.22	24.49	0.00%	5 751
2017-01-31	24.46	24.19	24.19	-1.22%	13 143
2017-02-01	24.40	23.87	23.99	-0.83%	18 279
2017-02-02	23.99	23.27	23.40	-2.46%	22 450
2017-02-03	23.67	23.31	23.31	-0.38%	12 317



# Investor's calendar



March 2 - 16, 2017

Closed period prior to the publication of 2016 results

March 16, 2017

Annual report and consolidated annual report for 2016