



Cyfrowy Polsat IR Newsletter

October 31 – November 6, 2016



Media about us	Date	Media about the TMT market in Poland
	2.11	<p>PAP: Telco tax not under consideration, 700 MHz auction probably in 2022 – interview with Digitization Minister Anna Streżyńska <i>by Grzegorz Suteniec</i></p> <p>In an interview for PAP Anna Streżyńska informed that the introduction of a telco tax is not considered currently due to the negative impact on whole market, in particular on customers.</p> <p>According to Streżyńska the 700 MHz spectrum may be distributed in 2022. The European Commission expects spectrum distribution to take place by 2020 at the latest but a 2-year delay is possible. Given the earlier allocation of spectrum in this bandwidth to digital TV broadcasters, it will be necessary to assure continuation of service for them. The minister does not exclude the possibility of an earlier auction, should telecoms be interested.</p> <p>In the end of September the European Commission send formal reservations to Poland regarding the auction of frequencies in the 800 MHz band. In the minister's opinion, EC reservations will not have any effect on the results of the auction and no penalties are discussed.</p> <p>Rzeczpospolita: TV ad market will increase <i>by Magdalena Lemańska</i></p> <p>From the beginning of the new year Nielsen Audience Measurement will publish data on how people watch TV programs and series recorded earlier on the STB hard disc. In practice this means that the TV ad market will grow slightly. Maciej Stec from the management of TV Polsat explains that as a result of Nielsen "adding" ads replayed</p>

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	2.11	<p>along with programs viewed via STB after their live premiers, the number of GRPs (gross rating points, 1 GRP point represents the cost of reaching 1% of the target group of viewers with an advertisement) will grow on the market.</p> <p>It follows from Nielsen's data that due to the lack of measurement of airing of postponed ads, ca. 1% of the Polish TV ad market "evaporated".</p> <p>- In the case of the TV ad market, currently estimated at PLN 4bn, this means an additional PLN 40m. 1% may seem a small share, but when you calculate that it represents PLN 40m, and you consider this number in the context of expenses incurred by broadcasters on internal production, it turns out that the sum is quite significant, believes Stec.</p> <p>Dziennik Gazeta Prawna: Internet ousted the press and is now on a collision course with TV <i>by Barbara Sowa</i></p> <p>According to the most recent findings of IAB, over the past decade expenditures on online advertising increased from PLN 200m in 2006 to PLN 1.71bn in 2016. The market share of press declined from one third to barely 7.5% during this period and TV managed to maintain its position, taking half of the advertising pie.</p> <p>According to representatives of the industry, internet can no longer continue to take away budgets from the press, as there is little left there, and is on a collision course with tradition television. Experts believe that the strength of online advertising lies in precise</p>

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	2.11	<p>targeting, thanks to which the number of ads should fall, while their price should rise. Online advertising is still cheaper compared to TV advertising, and additionally has to fight the problem of adblocks. TV representative are of the opinion, that the position of this medium remains unthreatened, among other things, due to the lack of unified standards of online ad measurement.</p> <p>Dziennik Gazeta Prawna: Optic-fiber’s war against cable. For money <i>by Sylwia Czubkowska, Barbara Sowa</i></p> <p>The Polish Chamber of Electronic Communication (PIKE), gathering cable operators, addressed a request to Orange Polska, asking the latter to withdraw its advertisement encouraging switching from cable to optic fiber, and filed a complaint with the Office of Competition and Consumer Protection, arguing that the said ad constitutes an example of prohibited comparative advertising.</p> <p>According to analysts the dispute between PIKE and Orange is the next phase of the fight for internet customers. With a 30% share in the market, today Orange remains the leader, but the largest cable operators already have over 20% of fixed-line customers. The competition between these players is all the more interesting in the face of – on the one hand, the planned merger of UPC with Multimedia Polska, which would result in the emergence of a very strong cable network, and on the other hand – Orange’s investments, who is the first operator in the country to offer optic-fiber internet based on the FTTH technology. Additionally, FTTH rollout is planned in areas, where cable operators are already operating on a wide scale.</p>

Press review



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	2.11	A specialist from Deloitte Digital emphasizes that the offer of cable networks and telecommunication operators is converging in terms of quality of provided internet access. Consequently, both industries are starting to compete for the same customer.
	3.11	Parkiet: Netia Analysts at DM BZ WBK reduced the target price for Netia's shares by 12%, down to PLN 4.24. The recommendation was also reduced to "sell" from "hold". On Wednesday the operator's shares traded at PLN 4.6. Experts were not impressed by Q3 results. They estimate that this year the company will generate EBITDA of PLN 413m. In the years 2017-2018 EBITDA is expected to fall to PLN 362m and PLN 350m, respectively.



Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-10-31	24.55	23.80	24.22	-0.12%	6 845
2016-11-01	-	-	-	-	-
2016-11-02	23.86	23.01	23.01	-5.00%	16 122
2016-11-03	23.38	22.81	23.00	-0.04%	12 514
2016-11-04	23.46	22.82	23.45	1.96%	4 419



Investor's calendar



October 26 – November 9, 2016	Closed period prior to the publication of Q3 2016 results
November 9, 2016	<p>Publication of Q3 2016 results</p> <p><i>Schedule of publication:</i></p> <p>7:00 a.m. Publication of the Q3 2016 report in ESPI (WSE publishing system)</p> <p>8:00 a.m. Publication of the Q3 2016 report and additional materials on our website http://www.grupapolsat.pl/en/arc/results</p> <p>10:00 a.m. Meeting with investors and analysts (Hotel Marriott, rooms Wawel/Syrena, 2nd floor, Al. Jerozolimskie 65/79, Warszawa)</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p><i>Conference call details:</i></p> <p>Date: November 9, 2016</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 10:00 a.m. (New York)</p> <p>Phone numbers: +44 203 043 2440 (international); +48 22 295 35 28 (Poland)</p> <p>Conference ID: 83191491#</p> <p>In order to view our investor presentation during the conference call via a dedicated platform, please click HERE and then log in as a participant by providing your name.</p>
November 10, 2016	Extraordinary General Meeting
December 1 – 2, 2016	WOOD's Winter in Prague