



Cyfrowy Polsat IR Newsletter

14 – 20 January 2019



N E T I A

RP.pl

15 January 2019

PGE terminates the contract, Orange Energia increases the prices for businesses

by Urszula Zielińska

Orange Energia will increase the prices for its business clients. According to the telecom, the main reason behind the rate change is the growth of wholesale prices of electricity as a result of which the company will no longer be able to offer the services at current rates. The operator announced that its clients will be informed of the changes in a letter and they will have 14 days to decide whether they agree to the new rates, or they will be able to terminate their contracts without any consequences.

The telecom, which acquired Multimedia Polska Energia, is one of the biggest alternative electricity suppliers. It serves around 100 thousand customers, including ca. 3 thousand business clients.

Dziennik Gazeta
Prawna

15 January 2019

Celebrities are generating millions for TV stations

by Elżbieta Rutkowska

According to the list prepared by MullenLowe MediaHub media house, in 2018 the celebrities taking part in TV shows generated some PLN 500 million in advertising revenue for TV stations (as calculated according to respective TV stations' official pricelists). Magda Gessler (TVN) is the no. 1 with her "Kuchenne Rewolucje" (Kitchen Revolutions) show (PLN 233 million). The no. 2 spot went to Hubert Urbański (TVN) who hosts "Milionerzy" (Who Wants to be a Millionaire) show (ca. PLN 192 million). The no. 3 is Katarzyna Dowbor (Polsat) with "Nasz nowy dom" (Our New Home) show (ca. PLN 125 million). Further spots have been taken by the jury of Polsat's "Twoja twarz brzmi znajomo" (Your Face Sounds Familiar) (ca. PLN 88 million) and the hosts of "Koło Fortuny" (Wheel of Fortune) (TVP) (ca. PLN 76 million).

Telko.in

16 January 2019

Broadcasters would like to see lower rates for access to Emitel's network

by Łukasz Dec

Office of Electronic Communications (UKE) has just published the opinions expressed in the process of consultation of the terms of the framework agreement which will serve as the basis for providing access to the broadcasting infrastructure to alternative operators by Emitel.

In the broadcasters' opinion, the rates proposed by Emitel are too high. According to Cyfrowy Polsat, it is difficult to address Emitel's proposal since the cost base for the rates has not been provided.

Current report 1/2019

17 January 2019

Changes in the Management Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that at the meeting of the Supervisory Board of the Company held on January 17, 2019 Mr. Tobiasz Solorz resigned from the position of President of the Management Board of the Company, effective March 31, 2019. Subsequently, the Supervisory Board of the Company adopted resolutions on changes in the Management Board of the Company concerning:

- the appointment of Mr. Mirosław Błaszczuk, the existing President of the Management Board of Telewizja Polsat Sp. z o.o., a subsidiary of the Company, to the position of President of the Management Board of Cyfrowy Polsat S.A., effective April 1, 2019;
- the appointment of Mr. Maciej Stec, the existing Member of the Management Board of Cyfrowy Polsat S.A., to the position of Vice-President of the Management Board, effective April 1, 2019.

Mr. Mirosław Błaszczuk has served as President of the Management Board of Telewizja Polsat Sp. z o.o. since 2007. From 1984 to 1988 he worked as director at Wrocław University of Technology, later he worked for a year as Assistant to President and Sales Representative of the company "Intersoft", next, from 1990 to 1991, as Sales Representative in Munich-based company "Ampol". From 1992 he worked for Przedsiębiorstwo Zagraniczne "Solpol"; until 1993 as Deputy Director, and later as Director of Legal Office. In 1994 he joined Telewizja Polsat, where, until 2007, he held the position of Director of Management Board Office and served as Proxy. At the same time, from March 2005 to September 2006, he was Deputy General Director of Polska Telefonia Cyfrowa Sp. z o.o. In 2007 he was appointed as President of the Management Board in Telewizja Polsat Sp. z o.o. He is also President of the Management Boards of Lemon Records Sp. z o.o. and Eska TV S.A., Member of the Council of the Polsat Foundation and holds a position of Supervisory Board Member of Muzo FM Sp. z o.o.

Mr. Błaszczuk also served in the past as Member of the Supervisory Boards in, among others, Plus Bank S.A. and Elektrim S.A.

Mr. Mirosław Błaszczuk graduated from the German Faculty at the Wrocław University.

Mr. Mirosław Błaszczuk does not conduct activities which are competitive to the operations of Cyfrowy Polsat S.A. and is not entered into the Registry of insolvent Debtors held by the Registry Court.

Press release

17 January 2019

Stronger ownership supervision and management functions in Zygmunt Solorz's Group

Polsat Group, the biggest Polish media-and-telecommunication group which was built from scratch by Zygmunt Solorz on the basis of Polish capital, the unquestioned leader of Polish economy, is in the process of evolving its supervisory and management functions. Mr. Zygmunt Solorz, together with his sons, will be exercising ownership supervision of the Group from the level of respective supervisory boards.

Mr. Tobias Solorz, who was named a Polkomtel Management Board Member in 2011 and who has been the President of the Management Board of Polkomtel since 2014, and subsequently has managed the entire group since 2015, will now be a member of the Supervisory Boards of the Group's companies where he will be exercising supervision over the group's assets.

"Tobias supported my idea of investing in Polkomtel which marked the beginning of the first in Poland, and maybe even the first in the world, company combining media and telecommunications. It was my vision which Tobias, as the CEO of the whole Polsat Group, has been successfully implementing during the past seven years. I also gave him the task of consolidating the Group's diverse businesses in the difficult and demanding competitive environment, under heavy financial pressure", says Zygmunt Solorz.

For several years now, Mr. Solorz's younger son, Piotr Żak, has been focusing his activities on the new technologies sector, especially while creating and developing innovative projects to exploit the potential of the Internet and traditional media, or of entertainment in the Internet.

"The changes which have been introduced will allow more effective exploitation of the synergies between the companies. From the Supervisory Board level we will be able to support the process while at the same time devoting more time to the implementation of the Group's long-term vision", says Piotr Żak.

Piotr Żak is also involved in the development and implementation of state-of-the-art marketing communication tools for the companies from the media and telecommunication industries. He is already a member of the supervisory boards of Cyfrowy Polsat, Polsat TV and Netia.

"Time has come for the Group to face further challenges, planned for many years forward. That is why together with Tobias and Piotr we will be jointly supervising the implementation of the long-term strategy from the owners' level. Management of the Group's companies will be entrusted to managers with proven track record", adds Zygmunt Solorz.

Since the time Polkomtel has been acquired by Zygmunt Solorz in 2011, the Group has been restructured, key assets have been consolidated while the management system has been made more flexible and simplified so as to enable the Group's companies to compete and meet the customers' needs.

During that time, while pursuing the development of multiplay strategy, i.e. the strategy which involves providing a maximally broad set of services to customers in Poland, the Group expanded its media and telecommunication assets. The Group has been joined by such firms as Netia, Premium Mobile, Eleven Sports channels as well as other TV channels.

Many new services, products and technologies have been launched to the market (including the LTE technology which the Group was first to launch in Poland), leading to the expansion of the portfolio of provided services and growth of revenues and key performance indicators. Thanks to this today the company has more than PLN 11.5 bn in revenue and around PLN 4 bn of EBITDA. With more than 1000 points of sale it provides 16.5 million services (RGUs) to customers and offers access to over 30 TV channels, which makes it the biggest private enterprise in Poland, built on the basis of Polish capital.

“For me and for our Group it was the time of intense development. We completed many essential business projects but what is most important we have strengthened our position on the media and telecommunication markets. Our investments give us ease of mind when thinking about the Group's future. I am glad that we have accomplished all that and thus we have prepared the Group for further challenges”, says Tobias Solorz.

“In the face of global competition we must focus even more on the pursuit of the Group's mission and vision. We are a Polish, local player competing against global giants. Internet knows no borders, which gradually changes the face of this rivalry. While planning the development of our family business in the longer run, we must work on a clear vision of the company in the world of global competition. We want to provide Internet access to every Polish home, and together with that also access to a rich offer of content, including above all our own Polish content – from sports through films, TV series to programs for children and families”, adds Zygmunt Solorz.

- ***Cyfrowy Polsat and Polkomtel***

With Tobias Solorz moving to the Group's supervisory function changes have occurred at the position of the CEO's of Cyfrowy Polsat and Polkomtel (the operator of Plus network), with the function being now assumed by Mr. Mirosław Błaszczuk, the long-time CEO of Polsat TV. Mr. Mirosław Błaszczuk has been associated with Zygmunt Solorz's businesses for several scores of years, since the very beginnings of the operations.

As one of the closest associates of Zygmunt Solorz, he perfectly knows the Polsat Group, including Cyfrowy Polsat and Polkomtel. He has acquired experience also in the management structures of Polska Telefonia Cyfrowa (the operator of Era mobile network), at the time when Elektrim was one of the telecom's shareholders.

"Managing the biggest Polish media-and-telecommunication group, which at the same time is the biggest Polish private company, is undoubtedly a fantastic challenge and huge responsibility. It is above all the expression of trust that Mr. Zygmunt Solorz has in me, for which I am grateful and for which I will continue working. I have been working with Mr. Zygmunt Solorz for over 30 years now and I am perfectly familiar with all the key areas of our operations, from TV, which I had the pleasure of managing for the past 12 years, through the DTH digital platform to telecommunications", **says Mirosław Błaszczyk.**

A new function in Polsat Group's hierarchy, the function of the Vice-President of the Management Board of Cyfrowy Polsat and Polkomtel, will be assumed by Mr. Maciej Stec, a current member of the Management Boards of Cyfrowy Polsat and Polsat TV.

"I am happy that I was involved in this project for the past dozen or so years. We are consistently pursuing our multiplay strategy while relying on content and distribution. Every day of our work means desire to deliver even better products and services to every home in Poland. Our task, while using the assets at our disposal, is to further develop multiplay services and continue building the biggest Polish private enterprise. I am convinced that the function of the Vice President of Polsat Group will give me an opportunity for even more effective implementation of the Group's development strategy which has been outlined by Mr. Zygmunt Solorz and his sons", **says Maciej Stec.**

Mirosław Błaszczyk and Maciej Stec will be also the members of the Supervisory Board of Polsat TV.

- ***Polsat TV***

Stanisław Janowski, the Managing Director of Polsat Media, will be the new CEO of Polsat TV.

"During the past 12 years I have been working for Polsat TV's advertising office, I cooperated with Mr. Zygmunt Solorz and the Management Board of Polsat TV. Today we are broadcasting more than 30 channels and we are present in all important segments of TV audience. Polish content is most important for us and we will continue developing it, in the same way as the cooperation within the Group, so as to maximally leverage potential synergies", **says Stanisław Janowski.**

All of the above decisions will take effect from April 1, 2019.

Recent events

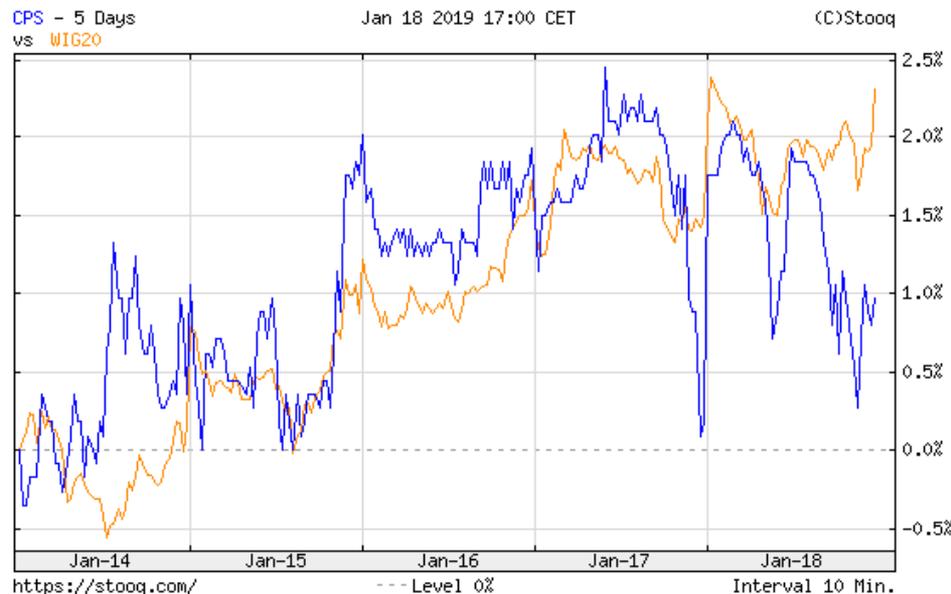


While summing up, Mr. Zygmunt Solorz added: *“We have made the decision to bet on the managers whom I have known for many years and who have perfectly managed my businesses. During the past several scores of years from just one TV channel I have come to create a unique media, telecommunication and new technologies company which is the biggest in Poland and which is a significant player on the European market. I am proud that my Group has remained not only a family business but also a Polish business, and we can be glad that our services and products are “Made in Poland”.*

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-01-14	23.16	22.74	22.92	-0.17	15.66
2019-01-15	23.42	22.76	23.24	1.40	7.27
2019-01-16	23.40	23.06	23.28	0.17	9.69
2019-01-17	23.42	22.78	22.88	-1.72	9.28
2019-01-18	23.40	22.84	23.06	0.79	15.86



Investor's calendar



14 March 2019

Annual report and consolidated annual report for 2018 (preliminary date)

1 – 3 April 2018

Raiffeisen Centrobank's Investor Conference, Zürs 2019

