



Cyfrowy Polsat IR Newsletter

7– 13 October 2019



N E T I A

Telko.in
4 October 2019

T-Mobile FTTH access to be offered via Inea and Nexera networks next year

by Marek Jaśtan

T-Mobile Polska, which since July has been selling FTTH services using Orange Polska infrastructure, announced that its FTTH services via Nexera and Inea networks, with whom it has also concluded agreements, will be offered only starting next year.

Development of customer standards which would be uniform for all the partners is the issue at the moment.

Right now T-Mobile is not looking for new wholesale partners and intends to focus on good use of the resources it has at its disposal.

Rzeczpospolita
8 October 2019

Plus is taking numbers, Play is giving them away

by Urszula Zielińska

As estimated by "Rzeczpospolita" daily, based on the data from the Office of Electronic Communications (UKE), as many as 1.28 million MSISDN numbers were ported between mobile networks in 2019 (-7% yoy), with 396.1 thousand numbers ported in Q3 (-12% yoy).

Plus was the operator who achieved the best result in Q3 2019 (+40 thousand MSISDNs). The remaining three operators recorded negative MNP balances.

Bankier.pl
10 October 2019

Ministry of Health is working on a regulation regarding radiation standards which includes 5G networks

by Małgorzata Werner-Woś
Source: PAP

The Ministry of Health is working on a draft regulation regarding new norms for permitted levels of electromagnetic fields (EMF). The norms are important e.g. in the course of roll out of telecommunication networks, especially the planned 5G networks.

According to the information published by the Ministry of Health, opinions on the impact of EMF of human health are currently being collected from Polish scientific institutes. In the opinion of the ministry it is still too early to present any specific values of permitted EMF levels.

At present Polish norms are among the most stringent in Europe. The maximum permitted level of EMF in Poland is 0.1 W per sq.m while in majority of EU countries the permitted level is up to 2 W per sq.m for 10-400 MHz frequency range, between 2 and 10 W per sq.m for the frequency range 400-2000 MHz and 10 W per sq.m for the frequency range 2000 MHz – 300 GHz.

The need for increasing the permitted levels was voiced numerous times by the Minister of Digitization, in coordination with whom the regulation will be issued. In the opinion of the Minister of Digitization the current level of the radiation norms blocks development, while the norms which are valid worldwide are many times higher than the norms in Poland. At the same time the Minister noted that the government is seeking dialogue with the society regarding the issue EMF radiation.

As is pointed out by the opponents of development of 5G technologies, in the face of the planned density of the 5G antennas, one out of every two citizens will be exposed to permanent influence of very weak EMF fields, while there is lack of sufficient research indicating that such influence will not be harmful. As a result the prerogatives for issuing the regulation dealing with the EMF norms have been moved from the Ministry of Environmental Protection to the Ministry of Health, and in addition there is a plan to build a system of public information on electromagnetic fields.

Telko.in
10 October 2019

UKE President: 5G auction could be like a Blitzkrieg

by Marek Jaślan

“We hope that before the end of October we will name the winner in the tender for the auction platform for the 3.4-3.8 GHz spectrum auction, where the bids have been submitted by two companies,” said Marcin Cichy, the President of the Office of Electronic Communications (UKE) during the Digital Summit conference.

According to the President of the Office of Electronic Communications, the auction for the spectrum from the 3.4-3.8 GHz frequency band could start still in December. The contemplated scenarios of the auction include completion of the auction in the first half of 2020.

He also added that the regulator could have distribute the spectrum from 26 GHz band earlier but there was no market demand for this spectrum. So far in Poland there are no “business cases” presenting how the operators could use the spectrum in a profitable manner. And the reason is the poor interest of the business in putting 5G technologies to use.

Rzeczpospolita
11 October 2019

In search of economic rationale for investing in new technologies

by d.e.

During the 46th Conference and Exhibition organized by the Polish Chamber of Electronic Communications, CEOs of telecommunication companies discussed the opportunities and the risks associated with new technologies. According to Andrzej Abramczuk, CEO of Netia, the revolution is still to come. In his opinion the telecommunication market is over-regulated, both at EU level and locally, and thus the business cannot catch breath.

Tonny Bao, Managing Director of Huawei Polska, said that Poland has relatively quickly adopted innovations. The country was involved in the first wave of LTE network roll out which combined 2G, 3G and 4G networks into one energy-efficient and effective infrastructure. As a result the prices of mobile services in Poland are among the lowest in Europe. In his opinion the demand for new technologies, both mobile radio technologies (5G) and fixed-line technologies (fiber-optic lines), will be the outcome of the growing consumption of video services by residential customers, as well as of the interest of various branches of industry in the technology.

Jean-Marc Harion, CEO of P4, expressed the opinion that 5G networks will be launched in Poland following the first spectrum allocation round, in the same time as the average European launch time. He agreed that for the mobile operators to be able to contribute to the country's development they must be sure that their investments are safe and that competition is sound. In his opinion the demand for gigabit networks will emerge together with the rise of new customer behavior (e.g. watching video content in broadband networks or development of IT companies who require big data throughputs).

Martin Mellor, CEO of Ericsson in Poland, is of the opinion that the economy can continue growing thanks to mobility, broadband and cloud computing. Data throughput capabilities and spectrum availability are nearing the limits while new technologies are the answer to customers' growing needs for data transfer.

According to Michał Bartkowiak, CEO of Inea, cable operators will soon have to revise their business models. He supports an open operating model in which other operators will have access to the infrastructure of a given company while the competition for customers will focus on quality and new service concepts.

Robert Redeleanu, the head of UPC Polska, said that the benefit offered by regulations, in the form of low service prices, may prove impossible to defend in connection with the required capital expenditures. In his opinion the good aspects of the Polish market is the fact that it is highly competitive, while the fragmentation of the cable sector is its weakness. He said that there was need for finding the balance between innovation and monetization.

Tomasz Żurański, CEO of Vectra, encouraged that the new technologies should be introduced prudently, following thorough preparations, so that customers will be willing to pay higher prices for the product. In such a case the operators will be able to afford further investments in the longer run. He thinks that change of approach to network neutrality could be a form of the government's support for investments into new technologies.

PAP Biznes
11 October 2019

Budget revenues from sale of 5G spectrum have been assumed conservatively - Buk, MC (an interview)

by Łukasz Kucharski (*kuc/ana*)

In an interview for PAP Biznes, the Deputy Minister for digital affairs, Ms. Wanda Buk, said that the budget revenues from the sale of the 3.6-3.8 GHz spectrum in 2020 have been assumed at a conservative level. In her opinion establishment of a state-owned wholesale operator for the 700 MHz band will be an opportunity for rebuilding the state's position on the telecommunication market.

The Deputy Minister noted that recently the prices for the higher frequency capacity bands, like the C band (3.6-3.8 GHz), have been rising across Europe.

According to PAP Biznes calculations, the revenues planned from the sale of the spectrum from the 3.6-3.8 GHz band in 2020 may reach around PLN 1 billion. This frequency band will be the first spectrum resource to be used in Poland for the needs of 5G networks.

In the opinion of Ms. Buk the pace of 5G technology implementation in Poland is good. A very good fiber-optic backbone network is required for a 5G network to operate and Poland has such a network in place. The Office of Electronic Communications assumes that the auction for the spectrum from the 3.6-3.8 GHz band will be completed in mid-2020, which should enable the operators to launch a 5G network in one of major Polish cities by the end of 2020, to which Poland is obligated by the European Commission.

The Deputy Minister informed that the Ministry of Digital Affairs and the Ministry of Health are preparing for issuing a regulation which will set the permitted levels of electromagnetic fields (EMF), which is an important document from the point of view of the auction for 5G spectrum. She also confirmed that by August 2020 a new system of EMF level monitoring will be in place. The system, called SI2PEM, will collect data concerning transmission equipment using radio spectrum from telecom operators, the Chief Inspectorate of Environmental Protection and the Office of Electronic Communications (UKE).

Moreover, the deputy minister informed that the reason behind the analysis of the concept of establishing a state-owned national wholesale operator for the 5G network in the 700 MHz band, which is contemplated by, among others, the Ministry of Digital Affairs, is the willingness to "rebuild the state's position on the telecommunication market".

"It is a matter which is analyzed today by the most important decision-makers in Poland. It is about the way in which the state activity can be increased without interfering with the well-functioning retail market. Hence the idea of establishing a wholesale operator for the 700 MHz frequency band," said Ms. Buk.

"First, we need to secure mobile communications for our national administration, the government and the military, which is beyond doubt necessary – we are addressing this topic together with the Ministry of Defense, the Ministry of Internal Affairs and Administration and the Office of the Prime Minister. Significant intervention by the state should be expected in this case," added Ms. Buk.

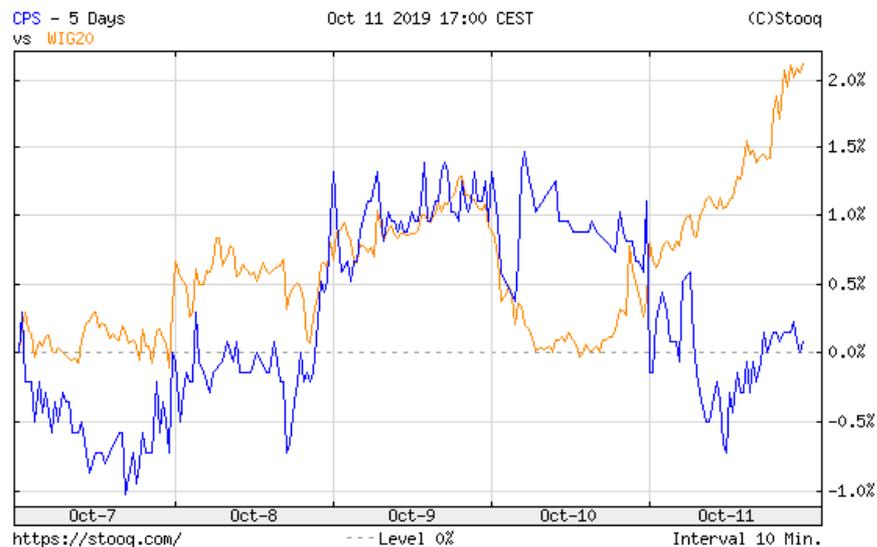
The Minister of Digital Affairs, Marek Zagórski, told PAP in the interview in September that the work on providing access to the 700 MHz band could realistically start in the years 2022-2023. The key issue here is the release of the spectrum by Poland's eastern neighbors, including Russia.

"For a long time we had the information that their systems caused interference but when we sent our specialists from the Institute of Communications to carry out measurements, it turned that the frequency band was not in use. This however does not prevent our eastern neighbors from denying change of the purpose of the spectrum from this frequency band," said the Deputy Minister of Digital Affairs.

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-10-07	27.46	27.00	27.34	0.00	4.97
2019-10-08	27.60	27.10	27.60	0.95	7.11
2019-10-09	27.90	27.48	27.60	0.00	10.09
2019-10-10	27.74	27.44	27.64	0.14	2.99
2019-10-11	27.74	27.12	27.36	- 1.01	4.49



Investor's calendar



24 October – 7 November 2019	Closed period prior to the publication of Q3 2019 results
7 November 2019	Quarterly report for Q3 2019
11 - 12 November 2019	Goldman Sachs Eleventh Annual CEEMEA One-on-One Conference, London

