



# Cyfrowy Polsat IR Newsletter

April 3 – 9, 2017



Media about us	Date	Media about the TMT market in Poland
<p><b>Rzeczpospolita: Cheaper mobile subscriptions</b> by Urszula Zielińska</p> <p>Polkomtel, operator of Plus mobile network, owned by Cyfrowy Polsat Group, has just refreshed the offer of its additional, dedicated brand called Plush. First, the operator presented modified prepaid tariffs while on Friday it also launched postpaid, subscription-based tariffs under the Plush brand.</p> <p>Dedicated, special-purpose brands launched by Polkomtel's competitors, namely Nju Mobile (owned by Orange Polska) or Heyah (owned by T-Mobile) have been offering postpaid solutions for some time now. Polkomtel's solution is more favorable in terms of pricing and it may well force the competitors to respond.</p> <p>The highest subscription offered by Plush (PLN 24 per month for unlimited core services, a 10 GB data pack and access to social media which does not consume the basic data limit) is cheaper than what the competitors offer. A similar offer from the most popular mobile virtual network operator, Virgin Mobile Polska, costs PLN 26 per month on promotional terms. In the case of Heyah the price is PLN 35, for Nju Mobile it is PLN 39, while the subscription offer from Red Bull Mobile (a dedicated brand offered by P4, operator of Play network) costs PLN 29 monthly.</p>	<p>3.04</p>	<p><b>telko.in: Pressure on service pricing will start decreasing</b> interview with Mariusz Gaca, the Vice-President of Orange Polska by Łukasz Dec</p> <p><i>"Though the pressure from consumers to get lower pricing has started decreasing, still it is difficult to build the value of a telecommunication business by just simply increasing the prices,"</i> claims Mariusz Gaca, the Vice-President of Orange Polska responsible for the B2C market. The incumbent operator is basing its strategy on increasing the number of services it offers to households. Thus, the operator's decision to roll-out the FTTH network, without which Orange may not be competitive on the broadband Internet and TV markets. This in turn implies a two-path strategy on the mobile market, on which not all subscribers will be interested in convergent offers.</p>

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	5.04	<p><b>Parkiet: Orange Polska will be growing organically</b> <i>by Urszula Zielińska</i></p> <p><i>“Poland is an extremely competitive market. Intensification of investments is our response to the existing situation. We want to be the biggest investor in Poland in terms of capital expenditures related to the roll out of fiber-to-the-home (FTTH) networks. We have decided to harness important resources into our plan. We wish to differentiate ourselves from our competitors in terms of quality and coverage of Internet access services, both as regards the fixed-line network and the 4G mobile network, and we also wish to assure the best customer experience. We are on the offensive today,”</i> says Stephane Richard, the CEO of Orange Group, the strategic investor of Orange Polska. In his opinion, it will take 2-3 years to gain a significant position on the high speed Internet access market.</p> <p>While referring to dividend payments, Richard said that this year the group decided to cut down the dividend in the face of the capex plans. <i>“At the end of 2017 we will see how we are doing with the plan and we will revisit our decision,”</i> he added.</p> <p>Richard did not rule out the possibility of introducing to the Polish market the fiber-optic network roll-out model which proved effective in Spain and France. The purpose is to speed up the investment/roll out process and to make it more efficient.</p> <p>Richard confirmed that the group was not contemplating any acquisitions. He sees no possibility for a mobile joint venture being established by Orange and T-Mobile in Poland that would be similar to the one created by the two companies in the UK.</p>

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<p><b>Rzeczpospolita: Awards for transparent companies</b> by Andrzej Pałasz</p> <p>Based on the questionnaire circulated among issuers, “Parkiet” daily, in cooperation with the Institute of Accountancy and Taxes (IRiP), named the most transparent companies listed under the three major WSE indexes (WIG20, mWIG40 and sWIG80). The questionnaire contained questions from such areas as financial reporting, investor relations and corporate governance, with points being awarded in each category. The newspaper named 20 issuers who scored at least 28 out of the possible 30 points.</p> <p>The following, from among the biggest companies, have been named: mBank, PKN Orlen, Cyfrowy Polsat, PGNiG, PKO Bank Polski, PZU, Tauron.</p> <p>Katarzyna Ostap-Tomann, Cyfrowy Polsat’s Board Member responsible for finance, noted that open and sincere dialog, transparent financial reports, willingness to share knowledge, accessibility of the board and the IR team, regular meetings with investors and analysts are the factors which form the pillars of a listed company’s communication with the market. <i>“We pay a great deal of attention to this aspect of our operations, we put stress on the quality of our communication and we see that it not only brings tangible benefits to the company, but it is also appreciated by investors and analysts. Both sides benefit from such relations,”</i> she said.</p>	<p>7.04</p>	<p><b>telko.in: The court sustained the penalty for Play Fresh but reduced it by 33%</b> by Łukasz Dec</p> <p>The Office of Competition and Consumer Protection (UOKiK) informed of the ruling issued by the Court of Appeals concerning the penalty charged by the anti-monopoly office to P4, the operator of Play network. The court decided to reduce the penalty by 33% but confirmed that the operator indulged in prohibited practices.</p> <p>The penalty, amounting to PLN 495 thousand, was charged for insufficient, in UOKiK’s opinion, information provided to customers as regards the rules governing the Play Fresh offer in 2009. In UOKiK’s opinion, the operator’s communication was misleading for customers, which was an act of violation of the consumers’ collective interests.</p> <p>P4 appealed against UOKiK’s decision, and the original ruling was repealed by the court of second instance. The case was reviewed again by Office of the Competition and Consumer Protection and was once more resubmitted to the court of appeals. This time the court of appeals sustained UOKiK’s decision, though it decided to reduce the penalty to PLN 330 thousand.</p>

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	7.04	<p><b>Rzeczpospolita: Different stances on roaming: politicians and operators have divergent opinions</b> <i>by Urszula Zielińska</i></p> <p>On Thursday, the European Parliament adopted the regulation on wholesale settlements between telecom operators in the European Union. It is yet another step en route to the reduction of roaming service prices in the EU.</p> <p>Polish mobile operators announced that they would be collecting fees as indicated in the price list used by a subscriber or a prepaid service user. Such an approach would mean that for a big group of consumers the per-minute rate of a roaming call would cost PLN 0.29, with a mobile-originated SMS costing PLN 0.20 and 1 MB of Internet access, a service which is very desirable today but still relatively expensive when used while traveling abroad - PLN 0.60.</p> <p>Telecoms are obligated to present the new principles of settlements to their customers by May 15 at the latest. The Office of Electronic Communications (UKE) is involved in the discussion with operators. The framework to be observed by telecoms has been set by the EU regulation and the guidelines published by BEREC. On the one hand, telecoms will have to give up the surcharge added to domestic rates (the operators have been using the surcharge since April 30, 2016), while on the other, they will have the possibility of increasing the prices at the consent of UKE, if they find that they are generating losses roaming services in the EU.</p>

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-04-03	24.24	23.69	24.06	-0.58%	4 574
2017-04-04	24.35	23.89	24.35	1.21%	8 637
2017-04-05	24.50	24.19	24.50	0.62%	10 567
2017-04-06	24.21	23.86	24.14	-1.47%	4 148
2017-04-07	24.44	23.91	24.38	0.99%	5 676



# Investor's calendar



April 27 – May 11, 2017	Closed period prior to the publication of Q1 2017 results
May 11, 2017	Publication of the quarterly report for Q1 2017