



Cyfrowy Polsat IR Newsletter

August 1 - 7, 2016



Media about us	Date	Media about the TMT market in Poland
	2.08	<p>Rzeczpospolita: Prepaid registration also at Ruch kiosks and post offices <i>by Urszula Zielińska</i></p> <p>First, “Ruch” kiosks and news agents, and now also Polish post offices join those points of sale, where customers can register a prepaid mobile card. According to information obtained by “Rzeczpospolita”, telecoms may pay a few zloty per card to their partners.</p> <p>In the opinion of a representative of the OEX Group, which runs stores of telecom operators, traffic in the store is a substantially greater and phone owners can be easily convinced to migrate to contract tariffs. He estimates that a few dozen thousand SIM cards are registered every day.</p> <p>Rzeczpospolita: „Sell” Orange Polska <i>by pz</i></p> <p>In its report dated July 27, DM BZ WBK brokerage house increased the target price of Orange Polska shares by 2%, to PLN 5.3. The recommendation for the company’s shares has been reduced to “sell” from “buy”. On Monday the telecom’s shares were traded in Warsaw at PLN 5.3, thus exactly the amount estimated by experts.</p>

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	2.08	<p>Rzeczpospolita: Olympic Games not only in television <i>by Magdalena Lemańska</i></p> <p>TVP will be the only broadcaster of the Olympic Games in Rio. According to the MEC media house the advertising revenue of TVP from Rio may reach PLN 20m, whereas Starcom estimates that it might be PLN 25m.</p> <p>Experts anticipate that the audience of TVP may increase during the Olympic Games by approx. 15-20%. TVP expects particularly good viewership figures during the matches of the Polish Volleyball and Polish Handball teams.</p> <p>This year's Olympic Games will differ from all the previous ones with the scale of their presence in the Internet. According to the American eMarketer, across the world viewers will launch 2.85bn video broadcasts. Poland is among those countries, where Internet users declare the highest interest in Olympic Games broadcasts. For the first time ever TVP will grant access to all its channels broadcasting Olympic Games online. 12 virtual channels offering broadcasts will be created, and the time of online broadcasting will substantially exceed that of television broadcasts.</p>

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	2.08	<p>Dziennik Gazeta Prawna: TV business driven not by entertainment but by news <i>by Barbara Sowa</i></p> <p>Despite growing competition in the Internet, nothing threatens the status of evening news programs as the driving force of TV, attracting record-breaking audience and gigantic advertising budgets. According to the report of Mullen-Lowe MediaHub media house, “Fakty” – TVN’s evening news show earned over PLN 26m, less by 8% than in the corresponding period of 2015. TVP’s “Widomości” generated PLN 24m. The revenue of Polsat’s “Wydarzenia” increased by 13% year-on-year (PLN 18.1m), revenue of “Teleexpres” increased by more than a half (PLN 12.6m), and that of “Panorama” - by 30% (PLN 9.2m).</p> <p>Revenues are growing not only in the case of main channels, but also of news channels. At the moment TVN24 is the 5th most popular channel, just behind the big four and in the 1st half of 2016 earned nearly PLN 70m. Polsat News and TVP Info earned PLN 15.2 and PLN 15.1m, respectively.</p> <p>Experts claim that the Polish television market is unique. As many as 7 news channels compete for news, audience and advertising money. New channels do not take over the audience of the existing ones, but increase the market share of the entire group of news channels.</p>

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<p>Parkiet: Cyfrowy Polsat outdistances Orange by Urszula Zielińska</p> <p>According to the average forecasts of ten brokerage houses prepared at the request of “Parkiet” daily, in the Q2 2016 Cyfrowy Polsat Group generated PLN 2.44bn of revenue, PLN 919m of EBITDA profit, PLN 478m of operating profit and PLN 302m of net profit. This means revenue lower only by 1.3% year-on-year, a decrease of EBITDA by nearly 6% and a maintained net result. Analysts point out that the final net profit to be shown by Cyfrowy Polsat may differ substantially from their forecasts due to the difficulty in estimating the impact of accounting operations related to the take-over of 100% shares of Midas.</p> <p>Specialists emphasize two factors which will have the biggest impact on the results of the group in Q2. Full consolidation of Midas is one of them, whereas EURO 2016 is another. They expect that the Group made a profit on the purchase of rights to Euro 2016.</p> <p>Analysts believe that in Q2 2016, the number of customers in all types of services: telephony, mobile Internet and pay TV, increased.</p>	<p>3.08</p>	<p>Dziennik Gazeta Prawna: Masts communicating with one another by Barbara Sowa</p> <p>According to the report prepared by the Office of Electronic Communications (UKE), in 2015 the value of the telecommunication market in Poland amounted to PLN 39.5bn and for the first time in a few years, revenue was growing. Although revenue from traditional voice services continues to decrease, the data transmission segment is developing dynamically. In the years 2012-2015 the volume of sent data increased by 660%. This is due to the growing popularity of smartphones, social networks, online entertainment and video.</p> <p>Orange Polska is the only telecom among the big four to invest not only in LTE Internet but also in fiber optics. In the years 2016-2018 it plans to invest PLN 2.2bn in the roll-out of the super-fast network, while estimating the return-on-investment period to be 8-12 years. So far, more users abandon the slower Internet services provided in the ADSL technology than connect to the super-fast FTTH network.</p> <p>The situation is different for mobile LTE Internet access. Subsequent solutions, such as VoLTE are tested based on the LTE technology.</p> <p>It is also expected that in the near future we will witness a dynamic growth of the Internet of Things segment, where machines communicate with one another without the supervision of their owners. According to UKE’s data, in 2015</p>

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	3.08	<p>there were over 2.1m active M2M cards in Poland, i.e. only 3.7% of the total SIM card base. According to the IDC report „Poland Internet of Things Market 2015-2018 Forecast” the value of the Polish IoT market will double from USD 1.5bn in 2014 to USD 3.1bn in 2018.</p> <p>The popularity of bundled services is also growing. UKE informs that the number of customers using bundled offers increased during a year by over 2m to 5.9m in 2015. In 2015 operators earned a total of PLN 2.94bn on bundled services.</p>
	5.08	<p>Parkiet: Preparations for investments in FTTH <i>by ziu</i></p> <p>The results of Q2 and the first half of the year announced by Netia group met with a positive reaction of investors. Quotations of the company operating on the difficult fixed-line telecommunication market were increasing on Thursday by as much as 5.2%. Analysts were positively surprised by the level of free cash flows, which amounted to PLN 142m in the first half of the year (up by 16% year-on-year). Costs were decreasing faster and investments in fiber optic networks were lower than expected. Katarzyna Iwuć, responsible for the finances of the Group, announced that the first expenditures on FTTH could be expected in Q4.</p> <p>Tomasz Szopa, Netia’s CEO, announced that the integration of TK Telekom would be finalized by the end of this year. He emphasized that the Group’s revenue, even excluding TK</p>

Press review



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	5.08	Telekom, decreased at a slower pace (in the first half of the year – by 7%). Although revenue generated by TK Telekom in the first half of the year contributed PLN 65m to the Group’s total revenue, the management of Netia will wait until next year with the assessment, whether the acquisition has been a success.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2016-08-01	24.2	23.6	24.2	2.7%	8 742
2016-08-02	24.3	23.3	23.3	-3.9%	23 504
2016-08-03	23.9	23.3	23.5	1.1%	7 917
2016-08-04	24.1	23.5	23.8	1.1%	6 436
2016-08-05	24.1	23.7	24.0	0.9%	5 728



Investor's calendar



August 11 – 25, 2016	Closed period prior to the publication of H1 2016 results
August 25, 2016	Consolidated semi-annual report for the 1st half of 2016