



Cyfrowy Polsat IR Newsletter

January 9 - 15, 2017



Media about us	Date	Media about the TMT market in Poland
	9.01	<p>Puls Biznesu: T-Mobile will be fined for its RBT services <i>by Marcel Zatoński</i></p> <p>The Office of Competition and Consumer Protection (UOKiK) fined T-Mobile Polska with a penalty of PLN 15m for “practices violating collective consumer interests”. The fine is related to <i>Granie na Czekanie</i> (Ring Back Tones), <i>Szafa Gra</i> (Juke Box) and <i>Prenumerata</i> (Subscription) services which were activated for subscribers by default at the moment of concluding a contract or topping-up a prepaid account, and then were offered free of charge for a period of time. However, once the free period ended and the subscriber did not deactivate these services, they became paid services.</p> <p>T-Mobile intends to appeal against the decision of the Office of Competition and Consumer Protection, claiming that the fine is not justified. The company stresses that it has fully cooperated with UOKiK at all stages of the investigation, and upon receiving the guidelines it immediately modified the procedure of service activation.</p> <p>UOKiK has informed that it is in the process of investigating the practices of telecommunication operators and that relevant investigations have been also commenced in respect of Orange, Plus and Play.</p>

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	9.01	<p>Rzeczpospolita: Play has slowed down only for half a year by Urszula Zielińska</p> <p>The number of mobile telephony numbers ported by users from one network to another (MNP) increased by 6% in 2016 and reached 1.753m, according to information published by the Office of Electronic Communications. P4, the operator of Play network, remains the leader with 295K numbers gained in 2016 versus 442K a year earlier. Orange was number 2 with a net gain of 26.97K numbers.</p> <p>The other two operators ended the year with negative number porting balances. Plus lost 97.7K numbers, while T-Mobile lost 307K. T-Mobile, in turn, has been doing well as a group on the fixed number porting (FNP) market, where it gained 100K customers out of the 620K numbers ported last year.</p> <p>Virgin Mobile virtual network operator recorded the second best result on the market, gaining 52.7K numbers, net.</p>
	10.01	<p>Rzeczpospolita: Three weeks to register older prepaid SIMs by Urszula Zielińska</p> <p>“Rzeczpospolita” daily reports that the decline in pre-paid cards sales in 4Q16 will not be as deep as in 3Q16. At the time telecoms informed that prepaid card sales dropped by half compared to the level preceding the entry into force of the anti-terrorism act, introducing the obligation to register pre-paid SIM cards. As a result,</p>

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	10.01	<p>telecoms' statistics were reduced by 1.82m prepaid SIMs in the period from July until the end of September, amounting to 24.8m in September 2016.</p> <p>Mobile networks Plus and Play, as well as Virgin Mobile Polska declare they are satisfied with the level of registrations, though they do not disclose exact numbers. At Virgin Mobile the level of registered SIMs exceeds 70%.</p> <p>The effect of the earthquake in the prepaid segment will be visible after 1Q17. P4 CEO Joergen Bang-Jensen estimates that telcos' revenues from this segment may shrink by some 7%, while the number of active prepaid users - by about 5%.</p>
	12.01	<p>Rzeczpospolita: UPC and Multimedia merger delayed <i>by ziu</i></p> <p>The Office of Competition and Consumer Protection extended by at least 4 months the process regarding the take-over of Multimedia Polska by UPC. UOKiK informed that upon analyzing UPC's motion for consent to take over its competitor, suspicions arose that the transaction may lead to a substantial limitation of competition on the market. <i>"Analysis of the motion has shown that in many locations the combined share of UPC and Multimedia Polska exceeds 40%, a level upwards of which competition protection law infers a dominant position,"</i> says UOKiK's statement.</p>

Press review



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	12.01	According to unofficial information published by Rzeczpospolita daily, UPC was aware that UOKiK could set certain requirements for the transaction but it hoped that these requirements would be less stringent than the ones from 2010 and 2011 when the company sought consent to acquire the cable TV network Aster. At that time, UPC was obligated to sell parts of Aster network in Warsaw and Cracow and to ensure that former Aster customers would have freedom in selecting a service provider.



Current report no. 1 January 9, 2017

Notice of intention to conduct a cross-border merger by acquisition between Cyfrowy Polsat S.A. seated in Warsaw and Metelem Holding Company Limited seated in Cyprus

The Management Board of Cyfrowy Polsat S.A. (“**Cyfrowy Polsat**” or the “**Acquiring Company**”), in accordance with article 504 § 1 and § 2 of the Polish Commercial Companies Code (the “**CCC**”), informs the Shareholders of Cyfrowy Polsat of the planned cross-border merger by acquisition of Cyfrowy Polsat and Metelem Holding Company Limited seated in Limassol, Cyprus, address: 3, Chrysanthou Mylona Street, flat/office 102, post code 3030, Limassol, Republic of Cyprus, registered with the Department of the Registrar of Companies and Official Receiver in accordance with section 15(1) of the Cypriot Companies Law under number HE 286591 (“**Metelem**” or the “**Ceasing Company**”), in which Cyfrowy Polsat holds 100% of the share capital.

The merger will be effected by:

- (i) transferring to the Acquiring Company - as the sole shareholder of the Acquired Company - all the assets of the Ceasing Company by the way of universal succession, and
- (ii) dissolving of the Ceasing Company without going into liquidation,

in accordance with article 492 §1 item 1) of the CCC, in conjunction with art. 516¹⁵ of the CCC and art. 516¹ of the CCC.

As a result of the merger, Cyfrowy Polsat - in accordance with article 494 §1 of the CCC - will assume all rights and obligations, assets and liabilities of Metelem, effective on the date of the merger.

Given that the Acquiring Company holds all the shares of the Ceasing Company, and according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Acquiring Company.

The detailed terms of the merger are specified in the Common Draft Terms of a Cross-Border Merger by Acquisition approved on December 19, 2016 and made publicly available, free of charge, on the website of the Acquiring Company at <http://www.grupapolsat.pl/en/investor-relations>, in accordance with article 516⁴ §1 of the CCC.

With regard to the fact that the Acquiring Company holds all the shares in the Ceasing Company, in accordance with art. 516¹⁵ of the CCC in conjunction with art 516⁶ of the CCC, the Merger Plan is not subject to review by an auditor.

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Concurrently, the Management Board of Cyfrowy Polsat informs that the following documents:

1. Common Draft Terms of a Cross-Border Merger by Acquisition,
2. Financial statements and Management Board's reports on the activities of the merging companies for the last three financial years, together with opinion of the independent auditor and report supplementing the auditor's opinion (if an opinion or a report was issued),
3. Report of the Management Board justifying the merger,

(the **"Merger Documents"**) are available for inspection for Cyfrowy Polsat Shareholders and employees from the date of the first publication of this announcement, that is December 19, 2016, until the date of adoption of the resolution regarding the merger.

The Merger Documents are available in the head office of Cyfrowy Polsat, at 4A Łubinowa Street in Warsaw, building B1, from Monday to Friday from 9.00 a.m. to 4.00 p.m.

Cyfrowy Polsat Shareholders and employees may request copies of the Merger Documents free of charge at the head office of Cyfrowy Polsat.

This notice is the second notice.

Press release
January 11, 2017

“Safe Winter with GOPR mountain rescue units”

Just like in previous years, also this year popular skiing resorts will be hosting a series of events called “Safe Winter with GOPR.” The events will be taking place on weekends in January and February. Coverage from these events can be watched during the morning show “*Nowy Dzień z Polsat News*” (A New Day with Polsat News) on Polsat and Polsat News TV channels. The partners of this year’s action, which promotes safe leisure in the mountains, include Plus, Cyfrowy Polsat and insurance company PZU.

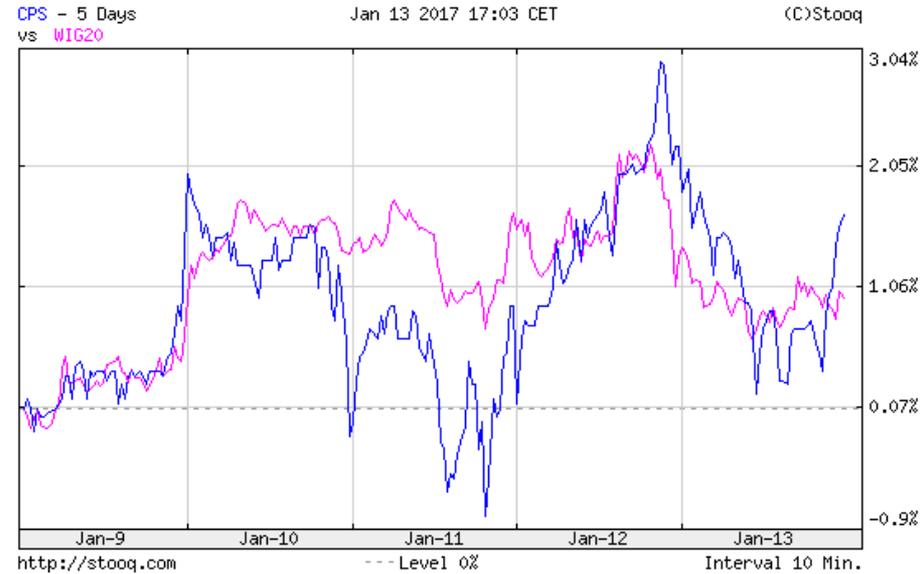
The goal of the action is to promote active outdoor leisure and the rules to be observed at skiing slopes. The action also informs of possible hazards and teaches tourists how to stay safe in the mountains.

When on holidays in the mountains, one should remember the 601100300 emergency number. It is a dedicated emergency number which operates across all mountain ranges in Poland and is an element of the Integrated Rescue System that is operated by GOPR and TOPR rescuers. The Integrated Rescue System was developed thanks to the cooperation between the rescue units and Plus mobile network who has been cooperating with the mountain rescuers for over a dozen years as a technology partner. The mobile application “RATUNEK” (RESCUE), developed through cooperation between GOPR, Plus network and Paga Solutions, is a solution which also promotes safe leisure in the mountains.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-01-09	25.32	24.85	25.32	1.36%	17 888
2017-01-10	25.50	24.90	24.92	-1.58%	13 679
2017-01-11	25.23	24.63	25.20	1.12%	6 899
2017-01-12	25.75	24.98	25.55	1.39%	12 446
2017-01-13	25.50	25.00	25.40	-0.59%	6 645



Investor's calendar



January 18 – 20, 2017	dbAccess CEEMEA Conference, London
January 23, 2017	Extraordinary General Meeting
February 21 – March 7, 2017	Closed period prior to the publication of 2016 results
March 7, 2017	Annual report and consolidated annual report for 2016

