

CYFROWY POLSAT S.A.

Current report No. **11/2017**

Report Date: **March 5, 2017**

Subject: **Information regarding the decision of the Head of the Małopolska Customs and Tax Office in Cracow**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that it has received and analyzed the information received from the Company's proxy relating to decision of Head of the Małopolska Customs and Tax Office in Cracow (the "**Tax Authority**") dated February 15, 2018. The decision assessed tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 million increased by interest on tax arrears.

The Tax Authority challenged the Company's right to an exemption from the obligation to withhold income tax on certain interest payments effected in 2012.

The decision in question is neither final nor enforceable. The Company will appeal against the decision of the Tax Authority on the basis of possessed opinions issued by renowned entities. At present the Company does not intend to create any provisions encumbering its financial results.

Moreover, the Management Board of the Company informs, that the Tax Authority is performing control activities in the same area in relation to 2013 and 2014. If an unfavorable and, in the opinion of the Company, incorrect interpretation of tax regulations relating to disputed matter is upheld, additional tax liabilities of the Company in that respect might amount to ca. PLN 35 million increased by interest on tax arrears.

Legal basis: Article 17 Section 1 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board