

CYFROWY POLSAT S.A.

Current report No. **12/2016**

Report Date: **May 16, 2016**

Subject: **Moody's Investors Service upgraded Cyfrowy Polsat's rating**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**", "**Cyfrowy Polsat**") informs that on May 16, 2016 Moody's Investors Service („**Moody's**") upgraded the corporate family rating (CFR) of Cyfrowy Polsat S.A. from Ba3 to Ba2, with a stable outlook.

In its justification Moody's stated that the rating upgrade primarily reflects (1) the progress in the process of integration of Cyfrowy Polsat and Polkomtel (2) the continuing financing plans aimed at streamlining debt and corporate structure (3) the strategic and cost benefits deriving from the recent acquisition of Midas S.A. capital group and (4) consistent deleveraging over the past year aimed at achieving the financial policy of target net leverage under 1.75x over the medium term.

Moody's also underscored Cyfrowy Polsat's capital group's strong market positions in Polish pay-TV and mobile telephony markets and its stable operations, supported by its integrated services offer smartDOM. Furthermore, the rating was positively influenced by a reduction in the Company's foreign exchange exposure, resulting from the completed process of refinancing indebtedness denominated in foreign currencies by debt denominated in Polish zloty, as well as good liquidity, supported by its solid free cash flow generation, an extended maturity profile and an undrawn PLN 1 billion Revolving Credit Facility.

The rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Legal basis: Article 56 Section 1 item 2 the Offering Act in connection with § 5 Section 1 item 26 of the Ordinance of the Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board