

CYFROWY POLSAT S.A.

Current Report No. **21/2018**

Report Date: **May 29, 2018**

Subject: **Recommendation of the Management Board and the opinion of the Supervisory Board concerning the distribution of profit for the financial year ended December 31, 2017**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on May 29, 2018 it adopted a resolution on the submission to the Supervisory Board of the Company for assessment of a motion not to distribute a dividend from the Company's profit for the financial year 2017.

Taking into consideration the strategic investments made by the Company and some of its subsidiaries in 2017 and 2018, which ensure the continuation of the development of the capital group of the Company (the "**Group**") in the long term in accordance with its key strategic goal to sustainably grow the Company's value for its shareholders as well as bearing in mind a relatively high level of the Group's indebtedness, the Management Board of the Company decided not to recommend a dividend payment from the profit for 2017. In the opinion of the Management Board, this will allow to reduce the indebtedness level of the Group, in line with the adopted strategic assumptions, and with the goal of the capital resources management policy in particular, which is to reduce in a possibly short time the total net debt ratio for the Group (net debt to EBITDA) below 1.75x. In parallel, the Management Board of the Company confirms the dividend policy adopted on November 8, 2016.

Therefore, the Management Board recommends to the General Shareholders Meeting to allocate the entire net profit earned by the Company in the financial year ended December 31, 2017, amounting to PLN 605,963,020.33 (say: six hundred five million nine hundred sixty three thousand twenty zlotys and thirty three grosze) to the reserve capital.

Furthermore, the Management Board of the Company hereby informs that on May 29, 2018 the Company's Supervisory Board adopted a resolution in which it issued a positive opinion on the Management Board's proposal concerning the allocation of the entire net profit earned by the Company in the financial year ended December 31, 2017, amounting to PLN 605,963,020.33 (say: six hundred five million nine hundred sixty three thousand twenty zlotys and thirty three grosze), to the reserve capital.

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/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Member of the Management Board

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
Member of the Management Board