

# CYFROWY POLSAT S.A.

Current report No. **22/2017**

Report Date: **4 December 2017**

**Subject: Disclosure of delayed inside information regarding efforts commenced by Cyfrowy Polsat S.A. to prepare assumptions and a potential structure for the acquisition of a controlling stake in Netia S.A. representing no more than 66% of the total number of votes at the General Meeting of Netia S.A.**

Pursuant to Article 17 Sections 1 and 4 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 ("**MAR**"), Cyfrowy Polsat S.A. discloses the following inside information concerning efforts commenced by Cyfrowy Polsat S.A. in order to prepare assumptions and a potential structure for a transaction consisting in the acquisition of a controlling stake in Netia S.A. accounting for no more than 66% of the total number of votes at the General Meeting of Netia S.A. (the "**Inside Information**").

The disclosure of the Inside Information was delayed on 15 November 2017 pursuant to Article 17 Section 4 of MAR.

## **Content of the delayed Inside Information:**

"The Management Board of Cyfrowy Polsat S.A. (the "**Company**"; "**Cyfrowy Polsat**") announces that the Company has commenced efforts in order to prepare assumptions and a potential structure for a transaction consisting in the acquisition of a controlling stake in Netia S.A. ("**Netia**") accounting for no more than 66% of the total number of votes at the General Meeting of Netia (the "**Transaction**").

The efforts intended to prepare for potential implementation of the Transaction include, in particular: (i) preliminary preparations for the contemplated Transaction, including the commissioning and completion of analyses concerning the potential structure of the Transaction, including a potential proposal to acquire some shares in Netia from its significant shareholders and announcement of a tender offer for the sale of shares of Netia; (ii) engaging professional advisors, including in particular a legal counsel, financial advisor and brokerage house, in order to prepare, among others, draft documents and procedures for the Transaction; and (iii) commencing discussions with banks with a view to securing the required guarantee should a tender offer be announced.

The Company is contemplating a direct acquisition of the Netia shares or implementing the Transaction through its subsidiary, depending on the outcome of the analyses referred to above.

The Company points out that the preparations for the Transaction are still at an early stage and both their outcome and, inevitably, the implementation of the Transaction, are still uncertain.

The Company will continue to report further steps on the path toward completion of the Transaction in subsequent current reports."

## **Rationale for delayed disclosure of the Inside Information:**

In the opinion of the Management Board, the delay in the disclosure of the Inside Information complied, at the time the decision on the delay was taken, with the conditions set out in the MAR and in the guidelines of the European Securities and Markets Authority concerning delayed disclosure of inside information of 20 October 2016.

The decision to follow through with the Transaction depended on the outcome of analyses and other preparations. These preparations were conducted over a protracted period of time leading to potential implementation of the Transaction. Moreover, at the time of embarking on these preparations their outcome and, inevitably, the likelihood of completing the Transaction were unknown to the Company.

## **CYFROWY POLSAT S.A.**

The Management Board of the Company believes that immediate disclosure of information on the efforts undertaken could have prejudiced the Company's and its capital group's legitimate interests through a possible negative impact on the process and outcome of the preparations for the Transaction. Furthermore, as the outcome of the conducted analyses was difficult to foresee, the Management Board decided that, in the given circumstances, immediate disclosure of the Inside Information might have resulted in a distorted assessment among the general public of that information and its potential impact on the Company's valuation.

In the opinion of the Management Board of the Company, there were no premises indicating that a delayed disclosure of the Inside Information could mislead the public, in particular since the Company had not made any prior public announcements on the subject matter of the Inside Information.

The Management Board of the Company also resolved that the confidentiality of the delayed information was assured at the time the decision on the delay was taken, in particular through internal information circulation and protection procedures implemented in the Company's capital group. These procedures include preparing a continuously monitored and updated list of persons having access to the contemplated Inside Information, as required under Article 18 of MAR.

In accordance with Article 17 Section 4 of MAR, immediately following the publication of this report, the Company shall inform the Polish Financial Supervision Authority about the delayed disclosure of the Inside Information, indicating that the premises for such delay were satisfied.

*Legal basis: Article 17 Sections 1 and 4 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