

CYFROWY POLSAT S.A.

Current report No. **37/2016**

Report Date: **December 19, 2016**

Subject: 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 516[6] of the CCC, the Merger Plan is not subject to review by an auditor.

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,

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

The Merger Documents will be 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 first notice.

Legal basis: Art. 56 Section 1 Clause 2 of the Act of July 29, 2005 on public offering and the conditions of introducing financial instruments to an organized system of trading and on public companies in connection with art. 504 § 1 and § 2 and art. 402(1) § 1 of the CCC

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board