

CYFROWY POLSAT S.A.

Current Report No. 7/2016

Report Date: February 29, 2016

Subject: Indirect acquisition of shares in Litenite Limited and shares in Midas S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that on 29 February 2016 Polkomtel sp. z o.o. (“**Polkomtel**”), an indirect subsidiary of the Company, and Ortholuck Limited with its registered office in Cyprus (“**Ortholuck**”) concluded a share purchase agreement (“**SPA**”), whereby Polkomtel purchased from Ortholuck 100% of shares in Litenite Limited, a company with its registered office in Cyprus (“**Litenite**”), a direct owner of 976,542,690 shares of Midas S.A. (“**Midas**”), representing 65.9975% of the total number of votes and the share capital of the Company (“**Midas Shares**”).

In consequence, on 29 February 2016, among others, the Company and Polkomtel, indirectly acquired the aforesaid block of Midas Shares, thus becoming indirect dominant entities of the Midas group which includes, in addition to Midas, the companies: Aero 2 sp. z o.o., Altalog sp. z o.o. and Sferia S.A. Since both the Company and Polkomtel (the indirect purchasers of the Midas Shares) and Ortholuck (the indirect seller of the Midas Shares) are indirect subsidiaries of Mr. Zygmunt Solorz-Żak, all entities participating in this transaction are members of the same capital group.

According to the SPA, the consideration for 100% of the shares in Litenite acquired by Polkomtel under the SPA was EUR 1 (one). The calculation of the consideration reflects the fact that as the net indebtedness of Litenite, calculated as the difference between the value of net liabilities and cash, was approximately PLN 788 million as at 31 January 2016, and the only assets of this company, other than cash, were the Midas Shares of a similar value.

The indirect acquisition of the Midas Shares by the Company is considered a strategic long-term investment of the Company’s group. It is planned to continue the cooperation between the Midas group and the Company’s group, and to integrate the Midas group into the corporate structure of the Company’s group. This process may generate additional synergies and translate to improved transparency of the ownership structure of the Company’s group.

Legal basis: Article 56 Section 1 Clause 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies.

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board