

CYFROWY POLSAT S.A.

Current report No. **8/2017**

Report Date: **April 18, 2017**

Subject: **S&P Global Ratings revised Cyfrowy Polsat Group's rating outlook to positive**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") informs that on April 18, 2017 S&P Global Ratings (formerly Standard&Poor's Rating Services) ("**S&P**") revised the rating outlook for Cyfrowy Polsat Group ("**Group**") to positive from stable, affirming the BB+ corporate credit rating.

In its justification S&P stated that the upward revision of the rating outlook reflects in particular the Group's resilient performance and solid deleveraging capacity in 2017-2018, which has been demonstrated by the early redemption of high yield Litenite notes for the total amount of ca. PLN 950 million planned for April 26, 2017 (the Company informed on the details of the early redemption in its current report no. 7/2017 dated April 12, 2017).

S&P anticipates that thanks to its strong position on the telecommunication and pay TV markets the Group will demonstrate stable operating results over the next two years, which in turn will translate into a high, stable level of EBITDA. Concurrently, with capex needs not exceeding 10% of revenue and declining interest costs as a result of deleveraging, the Group will generate solid free cash flows, which S&P estimates at PLN 1.6 billion annually. S&P assumes that consistent deleveraging will remain the Group's priority, while dividend payouts will remain moderate.

S&P may raise the rating of the Group to BBB- over the next 12 months, if the Group continues to demonstrate resilient operating performance with at least stable EBITDA, while using free cash flow for further deleveraging. On the other hand, a downward revision of the outlook from positive to stable could be associated with weaker operating performance, as a result of fiercer-than-currently-anticipated competition, which would lead to slower deleveraging of the Group.

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 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