



Cyfrowy Polsat IR Newsletter

April 10 – 17, 2017



Media about us	Date	Media about the TMT market in Poland
	10.04	<p>Rzeczpospolita: Customers switch between networks exceptionally often</p> <p><i>by Urszula Zielińska</i></p> <p>In the Q1 2017, Poles ported over 605 thousand mobile phone numbers between networks. This is by 47% more than in the corresponding period of 2016. Most numbers were ported in January when the deadline for mandatory registration of SIM cards expired.</p> <p>Play remained the most popular network and recorded a positive balance of nearly 32 thousand numbers. However, this result is much weaker than a year ago (70 thousand). Virtual operator Virgin Mobile gained 9 thousand numbers in Q1 2017, half of the figure from a year ago. Orange Polska was slightly below the line, and Plus finally lost 40 thousand numbers, twice as many as in Q1 2016.</p> <p>Only T-Mobile and smaller mobile virtual operators have improved their number portability balance year on year. T-Mobile, which has been losing customers for a long time already, lost only 17 thousand customers in Q1 2017, whereas a year ago it was 90 thousand.</p> <p>Taking into account the fact that, after many years telecoms once again promote special offers for number portability, we should expect quite a substantial scale of migration also in the forthcoming quarters.</p>

Media about us	Date	Media about the TMT market in Poland
	14.04	<p>Rzeczpospolita: Rolled-over Internet <i>by Urszula Zielińska</i></p> <p>First mobile networks in Poland have introduced - in the prepaid model - a mobile data transfer service to be used at any time. This is, among others, an effect of the ongoing discussion whether mobile networks should return money for unused services to prepaid users.</p> <p>Following in the steps of operators from Western Europe and USA, Play presented an offer in which there are no unlimited services, but in exchange the user account and data packs have no validity periods. Polkomtel, Plus network operator, also started promoting a prepaid start-up set based on a similar mechanism. According to information obtained by Rzeczpospolita, two other networks are preparing the introduction of Internet data packs which can be used for a period longer than e.g. one month.</p> <p>In the opinion of the telecommunication sector, the new offer means a big change for the market. This is not only about solving the issue of cumulating top-ups, objections to which were raised by the Competition and Consumer Protection Office (UOKiK) and the Office of Electronic Communications (UKE), nor the convenience of prepaid users. This also means that the new mechanism offered by operators to Polish users, is an attempt by telecoms of diverting from tariffs with unlimited services and returning to the roots: packs with a specified bundles of minutes for calls and messages.</p>

Current report no. 6/2017
April 12, 2017

Recommendation of the Management Board concerning the distribution of the profit for the year ended December 31, 2016

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on April 12, 2017 it adopted a resolution thereby deciding to submit a motion to the Supervisory Board of the Company on the assessment of the distribution of profit earned in 2016. The Management Board recommends the following distribution of the net profit earned by the Company in the year ended December 31, 2016, amounting to PLN 577,955,495.16 (say: five hundred seventy seven million nine hundred fifty five thousand four hundred and ninety five zlotys sixteen grosze):

- (i) PLN 204,654,725.12 (say: two hundred and four million six hundred fifty four thousand seven hundred twenty five zlotys and twelve grosze), that is PLN 0.32 (say: thirty two grosze) per share, to be distributed as dividends to the shareholders of the Company,
- (ii) PLN 373,300,770.04 (say: three hundred seventy three million three hundred thousand seven hundred and seventy zlotys and four grosze) to be allocated to the reserve capital.

Furthermore, the Management Board of the Company recommends, in accordance with the provisions of article 348 § 4 of the Commercial Companies Code, that the dividend day be scheduled for July 20, 2017, and the dividend payment day for August 3, 2017.

The proposed profit distribution is consistent with the dividend policy of Cyfrowy Polsat S.A. capital group (the "**Group**") adopted in November 2016, which assumes a dividend payout in the range between PLN 200 million and PLN 400 million, if the ratio of the Group's net debt to consolidated EBITDA is comprised in the interval between 2.5x and 3.2x. The Management Board also takes into consideration the Group's financial standing, liquidity and development prospects, as well as its strategic goal to consistently reduce the net debt/EBITDA ratio of the Group below the level of 1.75x.

Current report no. 7/2017
April 12, 2017

Early redemption of notes and its effect on the consolidated results for the first quarter of 2017

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on April 12, 2017 it became aware of the decision of the management board of its 100% subsidiary Litenite Limited ("**Litenite**") regarding the early redemption of all zero-coupon, unsecured loan notes 2022 issued by Litenite with the total nominal value of PLN 1,524,384,000.00 (say one billion five hundred twenty four million three hundred eight four thousand zlotys) and issue price of PLN 782,045,787.49 (say: seven hundred eighty two million forty five thousand seven hundred eight seven zlotys forth nine grosze) maturing on December 31, 2022 ("**Litenite Notes**").

In light of the above, on April 12, 2017 Litenite delivered a voluntary early redemption notice to noteholders of the Litenite Notes, setting the date of the early redemption and the early redemption value. The early redemption will be executed on April 26, 2017 according to the value determined in the terms of issuance of the Litenite Notes at the total level of PLN 886,703,685.12 (say: eight hundred eighty six million seven hundred and three thousand six hundred eighty five zlotys and twelve grosze) increased by a premium for early redemption in the amount of PLN 58,658,296.32 (say: fifty eight million six hundred fifty eight thousand two hundred ninety six zlotys and thirty two grosze).

The decision to redeem the Litenite Notes before maturity will result in the recognition in the consolidated financial statements of Cyfrowy Polsat S.A. capital group ("**Cyfrowy Polsat Group**") for the first quarter of 2017 of a provision for the premium for the early redemption of the Litenite Notes in the abovementioned amount. This in turn will have a one-off, negative impact on consolidated net profit of Cyfrowy Polsat Group in the amount of ca. PLN 59 million.

The aim of the early redemption of the Litenite Notes is the consistent execution of the strategic goal in the area of efficient capital resource management that is the consistent reduction of the indebtedness of Cyfrowy Polsat Group.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Trade value (kPLN)
2017-04-10	24.50	24.09	24.50	0.49%	4 137
2017-04-11	24.45	23.85	24.12	-1.55%	11 043
2017-04-12	24.50	24.12	24.26	0.58%	18 307
2017-04-13	24.36	24.10	24.15	-0.45%	3 629
2017-04-14	-	-	-	-	-



Investor's calendar



April 27 – May 11, 2017	Closed period prior to the publication of Q1 2017 results
May 11, 2017	Publication of the quarterly report for Q1 2017
June 27 – 29, 2017	UBS LATEMEA One-on-One Conference