



Cyfrowy Polsat IR Newsletter

September 26 – October 2, 2016



| Media about us | Date | Media about theTMT market in Poland |
|----------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 26.09 | <p>Rzeczpospolita: Television faces revolution <i>by Magdalena Lemańska</i></p> <p>Bundled services offers, which bind a customer with an operator for years, is still a market standard. But more and more often experts emphasize that changes of viewers' preferences, who are more willingly purchasing access to content in the network, will eventually change the market.</p> <p>In the opinion of experts from the Boston Consulting Group, the ongoing changes on the production and television market will have consequences of a similar scale to the impact of Internet popularization on the press or music markets. Quality content will gain importance, for instance TV series, film blockbusters or sport, but they will not necessarily remain with big broadcasters. According to BCG experts it is possible that new digital content aggregators will appear on the market and they will offer many sources of content to the viewers.</p> <p>Younger viewers, who are increasingly "cutting off the cable" and getting rid of pay-TV packages, are inclining towards the „a la carte" model which allows for individual composing of packages of channels.</p> |
| | 27.09 | <p>Rzeczpospolita: Fees for prepaid phones under investigation by the Competition and Consumer Protection Office <i>by Urszula Zielińska</i></p> <p>The Competition and Consumer Protection Office (UOKiK) has initiated proceedings against Orange Polska, T-Mobile Polska,</p> |

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| | 27.09 | <p>Polkomtel and P4 in connection with unused funds on the accounts of prepaid card users. UOKiK is concerned that after the validity of the top-up expires, funds remaining on the account are not returned to customers, which may hinder the users' rights to change the service provider.</p> <p>Operators declare readiness to cooperate with the Office. UOKiK President may impose an obligation on the telecoms to introduce a mechanism of returning unused funds and in the most extreme scenario – impose penalties.</p> |
| | 29.09 | <p>Dziennik Gazeta Prawna: Expensive calls to EU neighbors <i>by Jakub Łoginow</i></p> <p>Price increase and reduction of promotions for international calls is a side effect of the EU solutions reducing roaming prices introduced in recent years. Administrative reductions, and in the end the elimination of roaming rates within the EU do not apply to international calls. The per-minute rate for an international call in Europe is around PLN 2.</p> <p>Parkiet: Play's shares only for the selected <i>by Urszula Zielińska</i></p> <p>According to "Parkiet" daily, Polish mobile operators have not been invited to participate in the transaction, as a result of which P4, Play network operator, may change its owner. Furthermore, Kulczyk Holdings will not participate in this transaction and the involvement of Zbigniew Jakubas is also unlikely.</p> |

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| | 29.09 | <p>TMT Finance service informed that the initial offers for the purchase of Play's shares should be delivered by October 3. Managers from the telecommunication sector expect that the offer will be submitted by a consortium with a private equity fund which is already doing business in Poland. Liberty Global (owner of UPC cable TV), French Vivendi Group (owner of nc+ satellite platform) or Warburg Pincus (at the moment the main shareholder of Inea network) are mentioned in this context.</p> <p>P4 has been valued at PLN 8.1 bn. At the end of June, it's net debt amounted to PLN 5.6 bn.</p> |
| | 30.09 | <p>Rzeczpospolita: Brussels asks about LTE <i>by Urszula Zielińska</i></p> <p>The European Commission demands explanations regarding the fast mobile Internet access LTE frequency auction (800 and 2600 MHz) and the allocation of a block in the 800 MHz band to Sferia (currently part of Cyfrowy Polsat group). The Commission is concerned that by allocating a 800 MHz frequency block to Sferia, while omitting the non-discriminatory and transparent procedure and at a low price, Polish authorities might have violated obligations stemming from European law. The remaining operators had to pay on average PLN 1.7 bn per block in the 800 MHz band in the auction ended in October 2015. The Commission has also some reservations regarding the legal regulations based on which the auction was organized in 2014. It believes that they may be inconsistent with EU directives.</p> |

Press review



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| | 30.09 | <p>This is about the fact that, on the one hand, the Polish law limits the obligation to carry out public consultations to the biggest proceedings under which the rights to frequencies are allocated. And on the other, offers submitted in tenders and auctions are of a non-binding nature, which in the opinion of the EC, may substantially hinder competition.</p> <p>European Commission's request is the first stage of the procedure against member states regarding the violation of EU law. According to the regulations, Poland has two months to respond. The Ministry of Digitization announced that it would respond in detail to Brussels' reservations.</p> |



Current report no. 27
September 29, 2016

Notice of intention to merge Cyfrowy Polsat S.A. seated in Warsaw and Netshare Sp. z o.o. seated in Warsaw – second notice

The Management Board of Cyfrowy Polsat S.A. (“**Cyfrowy Polsat**” or the “**Taking-over 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 merger of Cyfrowy Polsat and Netshare Sp. z o.o. seated in Warsaw, address: 61A Stanów Zjednoczonych Ave., 04-028 Warsaw, Poland, registered in the entrepreneurs register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division of the National Court Register, under the number KRS 0000277904 (“**Netshare**” or the “**Acquired Company**”), in which Cyfrowy Polsat S.A. holds 100% of share capital.

The merger will be effected by:

- (i) transferring to the Taking-over Company - as the sole shareholder of the Acquired Company - all the assets of the Acquired Company by the way of universal succession, and
- (ii) termination of the Acquired Company without liquidation,

in accordance with article 492 §1 item 1) 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 Netshare, effective on the date of the merger.

Given that the Taking-over Company holds all the shares of the Acquired Company, and according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Taking-over Company.

The detailed terms of the merger are specified in the Merger Plan prepared on August 31, 2016 and announced in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) no. 173/2016 (5058) position 22534 on September 7, 2016.

The Management Board of Cyfrowy Polsat also informs, that the following documents:

1. Merger Plan,
2. Financial Statements and Management Board's Reports on 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),

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3. Draft resolution of the General Meeting of the Taking-over Company concerning the merger,
4. Draft resolution of the Shareholders Meeting of the Acquired Company concerning the merger,
5. Valuation of assets and liabilities of the Acquired Company as at August 1, 2016,
6. Statement containing information on the accounting condition of the Acquired Company as at August 1, 2016,

(the “**Merger Documents**”) will be available for inspection for Cyfrowy Polsat shareholders from the date of publication of the first notice regarding the merger, that is September 14, 2016, until the date of adoption of the resolution regarding the merger.

Pursuant to article 499 § 4 of the CCC, with regard to the fact that the Taking-over Company is a public listed company and in line with the regulations on public offering and conditions for introducing financial instruments to organized trading system and on public companies, it publishes and presents to shareholders semi-annual financial reports, no declaration has been drafted that would include information on the book value of the Taking-over Company.

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 may request copies of the Merger Documents free of charge at the head office of Cyfrowy Polsat.

This notice is the second notice.

Current report no. 28 September 30, 2016

Resignation of a Member of the Supervisory Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that on September 30, 2016 Mr. Zygmunt Solorz-Żak resigned from membership in the Supervisory Board of the Company, effective immediately.

Mr. Zygmunt Solorz-Żak will focus on the creation of strategies and the supervision over their implementation in the group of companies controlled by him.

Current report no. 29
September 30, 2016

Appointment of new Members of the Supervisory Board of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that pursuant to resolutions adopted on September 30, 2016 the Extraordinary General Meeting of the Company appointed Mr. Tomasz Szelaḡ and Mr. Marek Kapuściński to the Supervisory Board of the Company as of October 1, 2016.

Mr. Tomasz Szelaḡ was a Member of the Management Board and Chief Financial Officer in Cyfrowy Polsat S.A. from May 2009 until September 2016. In the years 2014-2016 Mr. Szelaḡ was also a Member of Management Board of Polkomtel. He additionally held the positions of President of the Management Board at Telewizja Polsat Holdings Sp. z o.o. and Cyfrowy Polsat Trade Marks Sp. z o.o., as well as Member of the Management Boards of INFO-TV-FM Sp. z o.o. and Netshare Sp. z o.o.

In 2000-2003 Mr. Szelaḡ was an assistant at Foreign Trade Faculty of the Economic Academy of Wrocław. In May 2003 Mr. Szelaḡ received PhD title for his thesis on hedging transaction used by world copper producers and went on to become a lecturer in the Faculty of International Economic Relations of the Economic Academy of Wrocław. Between 2003 and 2004 he also held a position of a lecturer in the Wrocław School of Banking - at the Faculty of International Economic Relations. Parallel to his academic career Mr. Szelaḡ also developed his professional career gaining experience in managerial positions in the area of finance and investment. From 2003, Mr. Szelaḡ was Chief Specialist in the Currency Risk Department of KGHM Polska Miedź S.A., and then of the Market Risk and Analysis Department. In September 2004, he became Director of the Department. In December 2004, he became Director of Hedging Department of KGHM and held the function until March 2007. From April 2007 to June 2008 he worked as Director of Branch of Société Générale Bank in Wrocław. In July 2008, Mr. Szelaḡ took the position of Vice-president for Finance in Telefonía Dialog S.A., which he held until March 2009. Mr. Szelaḡ was responsible for finance, accounting, controlling, and budgeting management, and also owner supervision and capital investment, logistics and purchases, project management and IT.

Mr. Szelaḡ graduated from the National Economy Faculty of the Economic Academy of Wrocław, with major in International Economic and Political Relations specializing in Foreign Trade.

Mr. Tomasz Szelaḡ does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court.

Recent events



Current report no. 29 September 30, 2016

Mr. Marek Kapuściński graduated with a Master's Degree in International Trade from the Central School of Planning and Statistics (today – SGH – Warsaw School of Economics) and a post-graduate degree from SEHNAP in conj. with Stern School of Business at New York University. Until September 2016 for 25 years with Procter&Gamble. Co-creator of the company's success in Poland and Central Europe, including of many operating standards of the Polish market after transformation, e.g. norms for the cosmetic industry, business ethics, Corporate Social Responsibility or self-regulation of the advertising industry. Since July 2011 General Manager and Vice-President (read: CEO/President of the Executive Board) for key to P&G 9 markets of Central Europe and since January 2009 for Poland and the Baltic States. First Pole and Central European national at the executive management level of this global corporation and active member of the regional management team, as well as its Global Business Leadership Council that brings together all 250 top level managers of the company. Experienced CEO and leader, expert in strategy, innovation and management, active creator of standards in the consistently market-adapting brand management and shopper marketing, as well as sales/communication in the age of digitalization and omni-channel. As the first Pole and Central European promoted in P&G to levels of Brand Manager, Marketing Manager and Marketing Director, responsible also for 5 years for the strategy and leading market position of such brands as Always, Vizir, Ariel, Lenor, Fairy, Pampers, Gillette, Head&Shoulders, Pantene, Blend-A-Med, Old Spice. In recognition of his contribution to building brands and standards and practices of the Polish advertising industry awarded by Media Marketing Poland the title of the "Marketer of the 20 years of the Polish Advertising Industry." Lecturer and presenter, juror, member of discussion panels. Currently, non-executive member of Boards of Directors of companies and non-profit organizations and advisor to the Executive Boards. Privately, investor into start-ups and benefactor to the development of young Polish arts and culture.

Mr. Marek Kapuściński does not run a business competitive to Cyfrowy Polsat S.A. and is not entered into the Registry of Insolvent Debtors held by the Registry Court. Mr. Marek Kapuściński fulfills the independence criteria set forth in Code of Best Practices of WSE Listed Companies 2016, in particular in item II.Z.4.

Current report no. 30 September 30, 2016

Submission by a Shareholder of a draft resolution concerning a matter placed on the agenda of the Extraordinary General Meeting and resolutions adopted by the Extraordinary General Meeting convened on September 30, 2016

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) informs that in connection with the resignation of Mr. Zygmunt Solorz-Żak from membership in the Supervisory Board, of which the Company informed in current report no. 28/2016 dated September 30, 2016, pursuant to art. 401 § 5 of the Commercial Companies Code, during the Extraordinary General Meeting convened on September 30, 2016 a shareholder of the Company, Karswell Limited, submitted a draft resolution concerning the appointment of a new member of the Supervisory Board of the Company.

The Management Board of the Company hereby publishes the abovementioned draft resolution, as well as resolutions adopted by the Extraordinary General Meeting of the Company on September 30, 2016, attached hereto.

Attachments:

1. [Draft resolution submitted by a shareholder](#) (.pdf)
2. [Adopted resolutions](#) (.pdf)

Current report no. 31 September 30, 2016

List of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting convened for September 30, 2016

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby publishes the list of shareholders authorized to at least 5% of votes at the Extraordinary General Meeting of the Company convened for September 30, 2016, attached hereto.

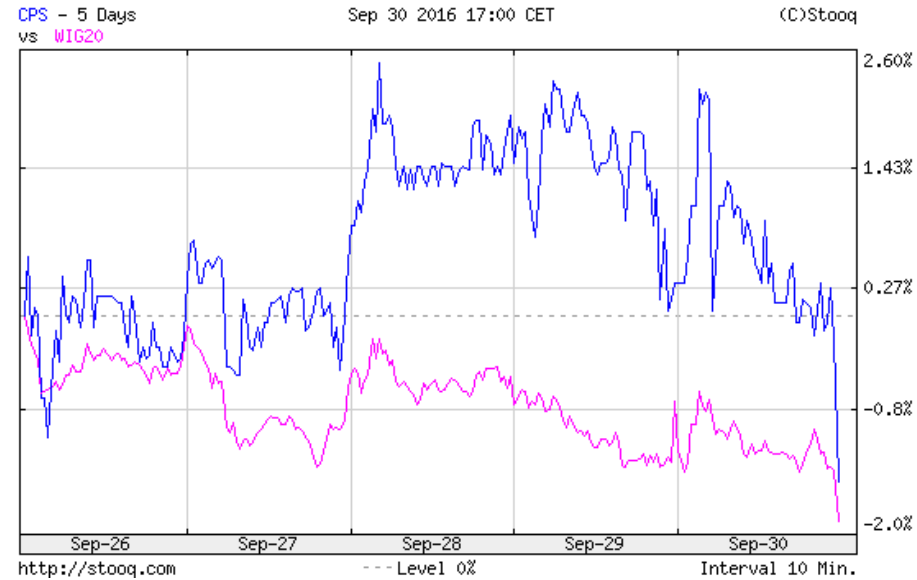
There were 689,151,205 votes, which constitute 84.15% of the total number of votes in the Company, represented at the Extraordinary General Meeting of the Company convened for September 30, 2016. Pursuant to the Company’s Articles of Association the Series A, B and C shares as well as 166,917,501 Series D shares are preferred shares, i.e. each share carries two votes.

Attachment: [List of shareholders](#) (.pdf)

Cyfrowy Polsat shares



| Date | Maximum price (PLN) | Minium price (PLN) | Closing price (PLN) | Change (%) | Trade value (kPLN) |
|------------|---------------------|--------------------|---------------------|------------|--------------------|
| 2016-09-26 | 25.20 | 24.61 | 24.87 | -2.24% | 7 325 |
| 2016-09-27 | 25.12 | 24.70 | 25.05 | 0.72% | 6 318 |
| 2016-09-28 | 25.59 | 25.03 | 25.43 | 1.52% | 4 606 |
| 2016-09-29 | 25.59 | 24.67 | 25.00 | -1.69% | 5 530 |
| 2016-09-30 | 25.50 | 24.50 | 24.50 | -2.00% | 10 855 |



Investor's calendar



| | |
|-------------------------------|-----------------------------------------------------------|
| October 26 – November 9, 2016 | Closed period prior to the publication of Q3 2016 results |
| November 9, 2016 | Quarterly report for Q3 2016 |