

# CYFROWY POLSAT S.A.

Current report No. **19/2019**

Report Date: **June 11, 2019**

Subject: **Moody's upgraded Cyfrowy Polsat Group's rating**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") informs that on June 11, 2019 Moody's Investors Service ("**Moody's**") upgraded the corporate family rating ("CFR") of Cyfrowy Polsat Group (the "**Group**") from Ba2 to Ba1, changing the rating outlook from positive to stable.

In its justification Moody's stated that the rating upgrade reflects in particular: (1) the strengthening of the Group's key credit metrics over the last two years; (2) its market leading positions in pay TV, online video, and fixed and mobile telephony and broadband services; (3) the benefits of being an integrated media and telecommunications group with a fully convergent commercial proposition; (4) its public commitment to reach a net debt/EBITDA leverage of 1.75x over the medium term; and (5) strong and stable free cash flow generation.

Moreover, the Group's credit rating also reflects: (1) a stable operational performance despite strong GDP growth in Poland amid market dynamics that are more challenging in the mobile telecom segment than in the pay TV market; (2) the expectation of a resumption in dividends this year; (3) the Group's concentration in Poland, a very competitive market; and (4) Moody's expectation of a slowdown in GDP growth in 2019 and 2020 coupled with rising cost inflation.

In Moody's opinion, positive rating pressure is unlikely in the medium term given the Group's small scale relative to similarly-rated peers, its concentration in Poland, and its current financial policy that targets net debt/EBITDA of 1.75x. However, overtime, positive pressure could emerge if the Group demonstrates sustained revenue, EBITDA and margin improvement, and continues reducing debt. On the other hand, negative rating pressure could be exerted as a result of a material weakening of its operating performance or increased debt levels above certain levels of indicators defined by Moody's.

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  
Proxy