

CYFROWY POLSAT S.A.

Current report No. **16/2016**

Report Date: **June 2, 2016**

Subject: Recommendation of the Management Board concerning the distribution of the profit for the year ended December 31, 2015

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on June 2, 2016 the Supervisory Board of the Company issued a positive opinion on the motion submitted by the Management Board of the Company regarding the distribution of profit generated by the Company in the financial year ended December 31, 2015.

Considering the relatively high level of the current indebtedness of the capital group of the Company, the Management Board of the Company consistently aims for its reduction. In accordance with the adopted assumptions, the strategic goal of the capital resources management policy is the reduction of the total net indebtedness ratio of the Company's capital group, i.e. net debt to EBITDA, below the level of 1.75 as fast as possible. The rapid achievement of the goal would allow for a revision of the dividend policy and the return to regular payouts of part of the generated profit starting from the year 2017.

In light of the above, the Management Board of the Company recommends to the General Shareholders' Meeting not to pay dividends to shareholders and to allocate the total net profit for the financial year 2015 in the amount of PLN 446,146,891.55 to the reserve capital.

Upon the request of the Management Board of the Company, the Supervisory Board requested the General Shareholders' Meeting to adopt the resolution on the distribution of profit for the financial year 2015 as proposed and recommended by the Management Board.

Legal basis: Article 56 Section 1 Clause 2 of the Act of July 29, 2005 on public offering and the conditions of introducing financial instruments to an organized system of trading and on public companies in connection with § 38 Section 1 Clause 11 of the Ordinance of the Minister of Finance of February 19, 2009 on current and periodic reports published by the issuers of securities and the conditions of recognizing as equal the information required by the laws of non-member states.

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board