

**Commentary by Michał M. Lisiecki,  
Founder and President of Platforma Mediowa Point Group SA,  
publisher of Wprost and Do Rzeczy weekly magazines:**

**Why do I have to Call scandalous the Decision of the Financial Supervisory Authority?**

Fair, professional, efficient and strict regulator is necessary for the sound development of financial market and for protection of market players. However, the penalty imposed in July 2014 on PMPG SA is neither just nor based on any professional judgment of the matter; it refers to remote events and was imposed several days after the Wprost magazine published recordings of scandalous meetings of people in power. **Its amount poses a real threat to the continued existence of weekly magazines published by PMPG SA companies** and is much higher in relation to the financial ability of the punishee than penalties imposed earlier on other companies. **The penalty in such amount prejudices the continuation of the company and penalises all Shareholders, although the Financial Supervisory Authority (KNF) allegedly wants to protect their interests.**

I believe that PMPG SA has not violated any regulations set out in the Public Offering Act or the Current and Periodical Disclosures Regulations since, as provided for therein, it prepared its periodical reports in accordance with the principles laid down in the International Accounting Standards (IAS). All data included in periodical reports have been prepared in compliance with those principles, exactly as required under the Act and KNF requirements.

Periodical reports were communicated to the public alongside the audit report with qualifications and each shareholder was able to read them and, therefore, to assess the financial standing of the company. The company has consistently presented its position in all periodical reports with reference to which the penalty was imposed, and consistently provided the auditor's assessment of that position together with those reports. In my opinion and in the opinion of experts consulted by us, KNF's allegation that those reports contained data that were untrue to facts, inaccurate or misleading, cannot be proved when confronted with the facts.

In the course of proceedings, KNF failed to take expert evidence in order to examine whether the International Accounting Standards have actually been violated and whether their breach might affect the distorted view in periodical reports. Its failure to take such evidence in a situation when expert knowledge was needed, **makes the Company believe that the decision issued by KNF is defective.**

**Moreover, the penalty imposed by KNF is excessive and disproportionate to the financial situation of the company which is prejudicial to all shareholders of the company and other business partners – which, paradoxically, contradicts the fundamental goal for which the Financial Supervision Authority was appointed.** The Company's position regarding the disproportionate nature of the fine in relation to the Company's financial abilities and the extent of its operations can be confirmed by our review of penalties imposed to date.

Company:	Penalty:	Type of Violation:	Company's Equity:	Company's capitalisation:
<b>Platforma Mediowa Point Group SA</b>	<b>500 000</b>	<b>Periodical Disclosures</b>	<b>11 869 000</b>	<b>35 million</b>
Atlanta Poland SA	250 000	Periodical Disclosures	53 120 000	44 million
FAM Grupa Kapitałowa SA	250 000	Periodical Disclosures	61 606 000	19 million
Radpol SA	100 000	Periodical Disclosures	86 123 000	255 million
Grupa Żywiec SA	100 000	Periodical Disclosures	184 341 000	3 790 million
Eurocash SA	400 000	Confidential Information & Periodical Disclosures	477 020 000	5 340 million
Emperia Holding SA	500 000	Confidential Information & Periodical Disclosures	581 897 000	876 million

Unfortunately, the Company managed by myself is not an exception from the rule of feeling that KNF's decision is undeserved.

However, it is among the few that will break the generally accepted lack of any public critique of KNF's decisions based on fear and the force of retaliation, if any, as KNF has than over regulated entities.

For the time being, we still hope that KNF will consider our argumentation and will waive the penalty based on our request for impartial re-consideration of the case.

Sincerely,



Michał M. Lisiecki  
 @mmlisiecki

The case documentation and ample correspondence with KNF is available at [www.pmpg.pl](http://www.pmpg.pl) under the heading „PMPG Will Appeal against KNF's Decision”!

