

# CYFROWY POLSAT S.A.

Current report No. **26/2014**

Report Date: **April 11, 2014**

Subject: **Conclusion of a material facility agreement by Cyfrowy Polsat S.A.**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") reports that on 11 April 2014 the Company as the borrower, together with Telewizja Polsat sp. z o.o., Cyfrowy Polsat Trade Marks sp. z o.o., Polsat License Ltd. and Polsat Media Spółka z ograniczoną odpowiedzialnością Sp. k. entered into a facilities agreement ("**Senior Facilities Agreement**") with a syndicate of Polish and foreign banks led by ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Société Générale Corporate and Investment Banking ("**Global Banking Coordinators**") and comprising Société Générale Bank & Trust S.A., HSBC Bank plc, Bank Millennium S.A., Bank Pekao S.A., Bank Zachodni WBK S.A., BNP Paribas Fortis SA/NV, Credit Agricole Bank Polska S.A., Credit Agricole Corporate & Investment Banking, DNB Bank ASA, DNB Bank Polska S.A., Erste Group Bank AG, mBank S.A., PZU FIZ AN BIS 1, Raiffeisen Bank Polska S.A., RBS Bank (Polska) S.A., Société Générale S.A., Oddział w Polsce, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Bank of Tokyo-Mitsubishi UFJ (Holland) N.V., as well as UniCredit Bank AG, London Branch, acting as the Agent and the Security Agent.

The Senior Facilities Agreement envisages the granting of a term facility loan ("**Term Facility Loan**") up to the maximum amount of PLN 2,500,000,000.00 (two billion five hundred million) ("**Term Facility**") and a multicurrency Revolving Facility Loan up to a maximum amount of the equivalent of PLN 500,000,000.00 (five hundred million) ("**Revolving Facility Loan**").

The Term Facility bears interest at a variable rate being the sum of the WIBOR rate for appropriate interest period and the applicable margin, whereas the Revolving Facility Loan bears interest at a variable rate being the sum of, depending on currency, the WIBOR rate (for indebtedness in PLN) or EURIBOR (for indebtedness in EUR) or LIBOR (for indebtedness in another currency permitted under the Senior Facilities Agreement) for the appropriate interest period and the applicable margin. The margin on the Term Facility and the Revolving Facility Loan will depend on the level of the „total leverage” ratio in such way that the lower it is, the lower the margin will also be. The Term Facility will be repaid in quarterly instalment of variable value, starting on 30 June 2014, with the final debt repayment date being 11 April 2019. The final date for the repayment of the full amount of the Revolving Facility Loan will also be 11 April 2019.

The receivables of the Company and the remaining debtors under the aforementioned facilities will be secured by security interests established by the Company and other entities. In particular, such security interests will include registered pledges over a collection of movables and property rights of a variable composition, constituting elements of the business enterprise of the Company and other appropriate entities, registered and financial pledges over share in the Company's subsidiaries, the assignment of rights as security, mortgages, notarial representations on submission to enforcement and similar securities established upon shares in or assets of the Company's subsidiaries which are governed by foreign law.

The Term Facility and the Revolving Facility Loan will be used by the Company in particular:

(1) for repaying the whole indebtedness arising from or referred to in the following documents: (i) the Senior Facilities Agreement of 31 March 2011, as amended, entered into between the Company (as the borrower) and certain finance parties; and (ii) the Indenture of 20 May 2011 concerning the issuance of debt securities and relating to Senior Secured Notes; and

(2) towards the general corporate and working capital purposes of the Group.

In addition, the Senior Facilities Agreement provides, inter alia, for a possibility of: (i) the utilization of the aforementioned Facilities for the repayment of indebtedness under an Indenture of 17 February 2012 relating to pay-in-kind notes („**PIK Notes**”) issued by Eileme 1 AB (publ), a company incorporated under the laws of Sweden and a subsidiary of Metelem Holding Company Limited („**Metelem**”), which in turn is the parent company of Polkomtel Sp. z o.o.; and (ii) the financing of acquisitions and other distributions permitted by the Senior Facilities Agreement. Notwithstanding the foregoing, no assurance can be provided as to when or whether the Company will effect such redemption or repayment of the PIK Notes or any other indebtedness of the Metelem group companies.

Furthermore, in accordance with the provisions of the Senior Facilities Agreement, if the total leverage ratio is maintained below a level designated in that Agreement, the Company may incur additional facilities. The terms of such additional facilities will on each occasion be set out in an additional facility accession deed, executed in connection with the incurring of such additional facility, provided that the termination date of such additional facility shall be no earlier than 6 months after the last termination date of the Term Facility Loan and the Revolving Facility Loan.

The Senior Facilities Agreement provides for certain conditions precedent, standard for transactions of that type, to be fulfilled in order to utilize the aforementioned Facilities as well as certain conditions subsequent, to be fulfilled following the utilization of the Facilities, which are also standard for transactions of that type.

The Senior Facilities Agreement was classified as material due to the fact that its value exceeds 10% of the revenue for the last four trading quarters of the year.

The aim of the execution of the Senior Facilities Agreement by the Company is to obtain refinancing which will make it possible to repay the full indebtedness arising from or referred to in the documents indicated above, which is one of the conditions precedent for the Company's obligation to issue shares for the benefit of shareholders of Metelem, and the obligation of Metelem shareholders to transfer Metelem shares to the Company in exchange for new shares, in accordance with the provisions of the Company's investment agreements with Metelem shareholders of 14 November 2013 (described in current report 22/2013 of 14 November 2013) and of 19 December 2013 (described in current report 27/2013 of 19 December 2013). The Company will announce the fulfilment of this condition precedent in a separate current report.

*Legal basis: Article 56 Section 1 Clause 1 and 2 of the Act of 29 July 2005 on Public Offering and the Conditions of Introducing Financial Instruments to an Organized Trading and on Public Companies in connection with § 5 Section 1 Clauses 3 and 4 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information releases by the issuers of securities and the conditions of accepting as equivalent of information required by the laws of a non-member state.*

Signed by:

/s/ Dominik Libicki

Dominik Libicki  
President of the Management Board