

CYFROWY POLSAT S.A.

Current report No. **34/2014**

Report Date: **April 30, 2014**

Subject: Cyfrowy Polsat decision to embark on actions aimed at changing the structure of indebtedness of Metelem Holding Company Limited group following the takeover of that company by Cyfrowy Polsat

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby gives notice of the Company's decision to embark on actions aimed at changing the structure of indebtedness of Metelem Holding Company Limited ("**Metelem**") group following the takeover of this entity by the Company. As at the date of this current report, the Company is carrying out activities aiming at finalizing the transaction concerning the acquisition of 100% of shares in Metelem, of which the Company has already informed in its current reports beginning with the current report No. 22/2013 of 14 November 2013.

If the acquisition of 100% Metelem shares by the Company is completed successfully, the intention of the Company is to increase the equity of Metelem, in order to enable the partial restructuring of Metelem group indebtedness by way of repayment by Eileme 1 AB (publ), Metelem subsidiary ("**Eileme 1**") of its indebtedness under PIK Notes due 2020, bearing interest at 14.25% ("**PIK Notes**") In order to finance the increase of the equity of Metelem, the Company intends to use its own funds, as well as the funds from the term facility as well as the revolving facility granted to the Company pursuant the Senior Facilities Agreement of 11 April 2014 of which the Company gave notice in its current report No. 26/2014 of 11 April 2014.

In connection with the Company's decision referred to above, the Company gives notice that on 29 April 2014, Eileme 1 filed a notice of redemption of all the PIK Notes issued by Eileme 1, with the aggregate value of USD 264,507,710 (which includes the nominal value and interest).

The redemption of PIK Notes is to take place on 30 May 2014 (the "**Redemption Date**").

The redemption of PIK Notes will be possible upon satisfaction (or waiver by Eileme 1, at its own discretion) of the following conditions:

- (1) acquisition by the Company of 100% shares in Metelem; and
- (2) the receipt by Eileme 1 from Metelem of net cash proceeds, after currency conversion, sufficient to make the redemption payments in connection with the redemption of the PIK Notes, including costs and expenses connected with such redemption.

The Notes will be redeemed for a price equal to 103% of the nominal value of PIK Notes increased by accrued and unpaid interest by the Redemption Date.

Legal basis: Article 56 Section 1 Item 1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies.

Signed by:

/s/ Dominik Libicki

Dominik Libicki
President of the Management Board