

Cyfrowy Polsat IR Newsletter

5 – 11 May 2014

The press about us

Date

The press about TMT market in Poland

05.05.

Dziennik Gazeta Prawna: Poland is waiting for fast Internet

Interview with Magdalena Gaj, president of the Office of Electronic Communications (UKE) on the LTE auction. According to Gaj, new provisions of the auction documentation in the scope of co-sharing frequencies provide for a sufficiently strong mechanism to protect competition on the market. If any disruption of competition should occur following the termination of the auction, UKE may impose regulatory obligations on the dominant entity. According to Gaj, the auction is also secure against unlimited out-bidding: if the winner does not claim the frequencies, they go to the second highest bidder. Moreover, deposits and bid securities dependant on the amounts declared also help secure the auction.

06.05

Rzeczpospolita: Media, technology

ATM Rozrywka TV, an entertainment channel broadcasting within digital terrestrial television, had PLN 17.79m in revenue in 2013 compared to PLN 6.15m in the prior year – announced ATM Grupa, owner of the channel. ATM Grupa had PLN 2.04m operating profit from broadcasting activities in 2013 (compared to a PLN 2.87m loss in the prior year) and net profit in the amount of PLN 1.5m (PLN 2.37m loss in 2012).

Rzeczpospolita: Operators still have issues concerning LTE auction

The deadline for the submission of opinions within the third consultations of the documentation of the auction of frequencies in the 800 MHz and 2600 MHz bands was this Monday. T-Mobile criticizes the deletion of the provision that earlier limited the group of Solorz-Żak to bidding for only one frequency block. P4 still has doubts as to the success of the auction as current provisions allow for unrestrained out-bidding and offers are not binding. P4 recommends that the whole auction procedure be suspended, or at least that bid securities be increased significantly.

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Rzeczpospolita: “Buy” Cyfrowy Polsat

Experts at Trigon DM gave Cyfrowy Polsat a „buy” recommendation. In their opinion the company’s securities are worth PLN 26.4, which is 29% more than the price on the exchange (PLN 20.46). The justification states that the take-over of Metelem, entity controlling Polkomtel, will allow to achieve many effects of synergies. According to Trigon, net profit of Cyfrowy Polsat in 2014 will reach PLN 489m, and in 2015 – PLN 775m.

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07.05

The press about TMT market in Poland

Puls Biznesu: T-Mobile already like a bank

Yesterday Alior and T-Mobile officially launched their joint banking-telecommunications project: T-Mobile Usługi Bankowe (T-Mobile Banking Services). The bank can hardly be seen – the logo and colors of the telecom are everywhere. The offer however comprises more banking than telecommunication services. Sync’s personal, free account is the basis with free-of-charge: cards, ATM withdrawals and express transfers (first 10). A large bonus awaits those, who transfer their phone number to T-Mobile and open an account. Current clients can count on a debit of PLN 1,000, free-of-charge debt up to PLN 500, and a partial refund of every timely repayment of a cash loan of minimum PLN 10 thousand. T-Mobile and Alior announced that they will launch two more phases introducing banking services, one of which is a new virtual wallet MyWallet, to be launched in June. Accounts in T-Mobile Usługi Bankowe can be opened in all points of sale of the operator. Additionally, 10 pilot points of sale offer complete banking services.

08.05

Dziennik Gazeta Prawna: Tricked into digital television

Viewers can enjoy 24 free channels broadcast via digital terrestrial television. There would be more if another competition for broadcasters was announced. Emitel (who broadcasts the signal on the three existing multiplexes) has already filed an application for the distribution of frequencies released following the switch-off of analogue television. The Office of Electronic Communications asked the National Broadcasting Council (KRRiT) for an opinion on the legitimacy of creating another multiplex. The opinion of KRRiT is dependent on a series of factors, including the introduction of the audiovisual fee, market analysis following the introduction of the full offer of the three multiplexes and the analysis of viewer preferences and its effect on the advertising market. Emitel declared that it will file a motion in court if the competition is not announced within the timeframe provided for in applicable law.

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Parkiet: Plus already in the group

On Wednesday Cyfrowy Polsat closed the transaction of acquisition of Metelem, whose main assets comprise shares in Polkomtel, operator of Plus mobile network. The satellite platform met all conditions precedent of the transaction: it repaid debt of almost PLN 2 billion (senior facility loan and senior secured notes), it concluded an agreement with the European Bank of Reconstruction and Development (EBRD) and issued and assigned new shares to Metelem's shareholders at the issue price of PLN 21.12 each (PLN 6.15 billion in total). The new shares were conditionally registered by the National Depository of Securities.

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09.05

The press about TMT market in Poland

Parkiet: Still before Orange

In the first quarter of 2014 T-Mobile Polska generated EUR 350m in revenue (PLN 1.46 billion), i.e. 9.2% less than in the prior year – the above follows from data presented by Deutsche Telekom, owner of the mobile network. The telecom's EBIDTA also declined in the first quarter, by at a slower rate, to EUR 134m (ca. PLN 560m), and as a result the company's EBIDTA margin increased by a little less than 2 percentage points to 38.3%.

The number of active SIM cards increased in the first quarter by 185 thousand, mainly due to an increase of 245 thousand cards in the pre-paid services segment. As at the end of March the number of users of the dedicated mobile internet service was 1.182m.

To sum up, at the end of the first quarter of 2014 T-Mobile Polska had 15.748m SIM cards: 6.989m post-paid and 8.759m pre-paid. With 15.39m SIM cards Orange came second.

Parkiet: Verdict of Supreme Administrative Court means complications

In the case of T-Mobile against the Office of Electronic Communications (UKE) the Supreme Administrative Court (NSA) upheld the decision of the lower court from July 2012 and dismissed the cassation of UKE. The decision of NSA means that the tender of 2007 for frequencies in the 1800 MHz band should be invalidated in full and that it could not have been repeated partially, as the president of UKE at the time decided.

UKE is waiting for the justification of the sentence and guidelines on how to proceed further. Tender proceedings are separate from proceedings on granting frequency reservations, and the verdict of NSA does not directly concern reservation decisions.



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Midas assured that frequency reservations held by the company are safe for now, and the decision of NSA remains without effect on the possibility to continue current operations by CenterNet and Mobyland. Additionally, Midas management announced that should frequencies be taken from the company, it will file for compensation from the State Treasury.

Puls Biznesu: Cyfrowy Polsat is growing

Formalities have been satisfied and Cyfrowy Polsat closed the transaction of acquisition of shares in the entity indirectly controlling Polkomtel. At the same time the National Depository of Securities registered the shares issued by the company to finance this transaction. In the next days the company will grow considerably: its capitalization will increase from a little over PLN 7 billion to over PLN 13 billion. This value gives a position in the middle of the WIG30 index. The numbers in the profit and loss statement and balance sheet of Cyfrowy Polsat will also grow, however at the cost of a higher net debt. The EBIDTA result of the new group will be generated in 75% by the telecommunications segment. Ca. 15% will come from pay TV and ca. 10% from advertising. Konrad Książopolski, analyst at BM BESI, says, that the possibility to cross-sell and the change in the form of presenting and consumption of video content give the company a chance to defend, perhaps even increase revenue, which should translate into long-term attractiveness of the company. The expert emphasizes that the leap increase in debt should not increase risk by leaps, mainly because the debt after refinancing is cheaper compared to the “old” debt.

09-
11.05

Latest events

Current report no. 36 May 7, 2014

Forward currency transactions executed by Cyfrowy Polsat

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) reports that for the purposes of changing the structure of indebtedness of the Metelem Holding Company Limited (“**Metelem**”) group after a takeover of Metelem by the Company, by way of increasing the capital of Metelem so as to facilitate partial repayment of indebtedness within the Metelem group through the repayment by Eileme 1 AB (publ), a subsidiary of Metelem, of its indebtedness under 14.25% PIK Notes due in 2020, as announced by the Company in its current report No. 34/2014 of 30 April 2014, the Company has executed forward currency transactions with the following banks: ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Société Générale Spółka Akcyjna, Oddział w Polsce (the “**Transactions**”), the last of which was effected on 7 May 2014, as a result of which the aggregate value of these Transactions reached USD 290 million (PLN 877.2 million). The date of settlement of these transactions was defined as 23 May 2014, with the median exchange rate at the level of 3.0247 PLN/USD. Transactions of this kind are based on current market terms, which do not deviate from the standard terms for this type of transactions.

The Transactions were classified as material due to the fact that their combined value exceeded 10% of the revenue for the last four trading quarters of the year.

Current report no. 37 May 7, 2014

Appointment of a certified auditor for the audit of financial statements of the Company and Cyfrowy Polsat S.A. Group for the year 2014

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby informs that on May 7, 2014 it was notified that the Supervisory Board of the Company, pursuant to Article 66 sec. 4 of the Accounting Act dated September 29, 1994 and in accordance with article 19 sec. 2 letter h) of the Company's Articles of Association, resolved on May 6, 2014, using remote means of direct communication, to appoint PricewaterhouseCoopers Sp. z o.o., seated in Warsaw, address: 14 Armii Ludowej Street, registered in the register of statutory auditors under the number 144, as a certified auditor for the audit of the financial statements of the Company and the consolidated financial statements of the capital group of the Company for the year 2014.

In the previous year the Company also used the services of PricewaterhouseCoopers Sp. z o.o.



Latest events

Current report no. 38
May 8, 2014

Cyfrowy Polsat repays all its indebtedness under 2011 Senior Facilities and Senior Secured Notes

With reference to a current report of Cyfrowy Polsat S.A. (the “**Company**”) No. 26/2014 regarding the execution of a significant credit agreement, that is the Senior Facilities Agreement, by the Company on 11 April 2014 (the “**Facilities Agreement**”), the Management Board of the Company announces the repayment on 7 May 2014 of the entire indebtedness under:

1. the senior facility granted to the Company on the basis of the Senior Facilities Agreement of 31 March 2011, as amended; and
2. the senior secured notes issued by Cyfrowy Polsat Finance AB (publ) pursuant to the Indenture of 20 May 2011.

The Company reported the execution of the agreement referred to in item (1) above in its current report No. 11/2011 of 31 March 2011. The issuance of the notes referred to in item (2) above by Cyfrowy Polsat Finance AB (publ) and the terms of the notes were disclosed by the Company in its current report No. 34/2011 of 20 May 2011. The repayment of the notes referred to in item (2) above was related to the Company’s repayment of Series A unsecured registered notes acquired fully by Cyfrowy Polsat Finance AB (publ), the issuance whereof was disclosed by the Company in its current report No. 34/2011 of 20 May 2011.

The funds for repayment of the facilities and the notes referred to above have been derived from a term facility issued to the company pursuant to the Facilities Agreement.

The repayment of the entire indebtedness under the facility agreement referred to in item (1) above and the notes referred to in item (2) above is one of the conditions for the Company’s commitment to issue new shares to shareholders of Metelem Holding Company Limited (“**Metelem**”) and a commitment of the Metelem shareholders to acquire those shares and cover them with non-cash contribution in the form of Metelem shares held by each of the shareholders, on the basis of investment agreements concluded by the Company with the shareholders of Metelem on 14 November 2013 and 19 December 2013 which were disclosed by the Company in its current reports No. 22/2013 (14 November 2013) and 27/2013 (19 December 2013).

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Current report no. 39
May 8, 2014

Security interests established on assets of significant value

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that certain agreements have been concluded and actions made in relation to establishing security interests related to the Senior Facilities Agreement concluded by the Company on 11 April 2014 (the “**Facilities Agreement**”), that was reported by the Company in the current report No. 26/2014 of 11 April 2014. Pursuant to the Facilities Agreement the Company was granted the Term Facility Loan up to PLN 2,500,000,000 (two billion five hundred million zloty) and the multi-currency Revolving Facility Loan up to an equivalent of PLN 500,000,000 (five hundred million zloty).

On 7 May 2014, the Company, other members of the Company’s group referred to below and UniCredit Bank AG, London Branch executed and concluded certain agreements and further documents concerning the following security interests:

- i. registered pledges over variable collections of movable property and rights comprised in enterprises of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o.;
- ii. financial and registered pledges on shares of Cyfrowy Polsat Trade Marks Sp. z o.o. (with a total nominal value of PLN 615,445,000) and Telewizja Polsat Sp. z o.o. (with a total nominal value of PLN 236,946,700), governed by the Polish law, together with powers of attorney to execute corporate rights attached to the shares in the said companies; the pledged shares represent 100% of the share capital of each company and are held by the Company as long-term capital investments;
- iii. financial and registered pledges on receivables under bank account agreements of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o., governed by the Polish law;
- iv. powers of attorney to bank accounts of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o., governed by the Polish law;
- v. ordinary and registered pledges on protective rights on trademarks vested in Polsat Brands (*einfache Gesellschaft*), governed by the Polish law;
- vi. assignment for security of certain property rights in Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., governed by the Polish law;

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Current report no. 39,
cont'd
May 8, 2014

- vii. contractual mortgage under the Polish law on the following real properties owned by the Company: (a) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00102149/9, (b) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00136943/2, (c) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00102615/7, (d) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00101039/8, (e) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00132063/1, (f) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00104992/7, (g) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00100109/3, (h) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00103400/4, (i) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00100110/3, (j) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00131411/9;
- viii. assignment for security of receivables under hedge agreements of the Company, governed by the English law;
- ix. assignment for security of rights under insurance agreements covering the property referred to in item (i) above and item (vii) above;
- x. pledge on shares in Polsat License Ltd. (with a total nominal value of CHF 1,000,000), governed by the Swiss law; the pledged shares represent 100% of the company's share capital and are held by the Company as a long-term capital investment;
- xi. assignment for security of: (a) receivables due from various debtors, (b) receivables and rights to and in bank accounts and (c) rights under insurance agreements of Polsat License Ltd., governed by the Swiss law;
- xii. assignment for security of rights under a license agreement between Polsat Brands (*einfache Gesellschaft*) and Polsat License Ltd., and rights under bank account agreements, governed by the Swiss law;
- xiii. pledge on interests and property rights in Polsat Brands (*einfache Gesellschaft*), governed by the Swiss law; and
- xiv. statements of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o. on submission to enforcement on the basis of a notarial deed, governed by the Polish law.

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**Current report no. 39,
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May 8, 2014**

The registered pledges will be effective upon their registration in the Register of Pledges. The mortgage will be effective upon its registration in the relevant Title and Mortgage Register. The security interests have been established in favor of Unicredit Bank AG, London Branch, acting as security agent.

Additionally, the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat Sp. z o.o. and Polsat License Ltd. granted certain guarantees to each party of the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement, governed by the English law, with respect to the following: (i) timely performance of the obligations under the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement, (ii) payment of any monies due under the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement; and (iii) indemnifying the financing parties referred to above against any costs and losses that they may incur in relation to the unenforceability, ineffectiveness or invalidity of any obligation secured by the said guarantees.

The aggregate book value of the assets encumbered with the said security interests in the Company's and its subsidiaries' books account is PLN 6,116,092 thousand.

The encumbered assets are deemed to constitute significant assets as their value exceeds 10% of the revenues or the last four financial quarters.

**Current report no. 40
May 8, 2014**

Satisfaction of conditions of a material agreement; issuance of subscription warrants; issuance of new shares; Cyfrowy Polsat acquires shares in Metelem Holding Company Limited

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") announces the following occurrences related to the completion of a Company's acquisition of shares in Metelem Holding Company Limited ("**Metelem**"), an indirect parent company to Polkomtel sp. z o.o., operator of the "Plus" mobile network (the "**Transaction**"):

1. Satisfaction of conditions of a material agreement concluded by the Company

On 7 May 2014 the last conditions were satisfied referred to in an investment agreement concluded between the Company and the European Bank for Reconstruction and Development (the "**EBRD**") on 19 December 2013 and disclosed by the Company in its current report No. 27/2013 of 19 December 2013 (the "**EBRD Investment Agreement**"), triggering the parties' obligations to perform the transaction.

Latest events

**Current report no. 40,
cont'd
May 8, 2014**

Pursuant to the EBRD Investment Agreement, on 7 May 2014 the Company executed with the EBRD the Framework Agreement (the “**Framework Agreement**”), in which the Company undertook to act in compliance with EBRD’s Designated Performance Requirements and Anti-Corruption Guidelines. The Framework Agreement sets out certain obligations of the Company, in particular with respect to the environment’s protection, related to an EBRD’s acquisition of Company’ shares in consideration for non-cash contribution in the form of Metelem shares. The Framework Agreement will remain in force as long as the EBRD holds no less than 67.6% of the block of the Company shares acquired by the EBRD in the Transaction (see also Section 2 below). The Framework Agreement has been concluded under the English law and any disputes related to it are to be resolved by arbitration before the London Court of International Arbitration or before English courts. Additionally, on 7 May 2014 the EBRD received a legal opinion concerning certain matters of the Polish law, which constituted another condition precedent for the performance of the EBRD Investment Agreement.

With all conditions precedent set out in the EBRD Investment Agreement and in an investment agreement concluded with other Metelem shareholders (disclosed by the Company in its current report No. 22/2013 of 14 November 2013) (jointly the “**Investment Agreements**”) having been satisfied, on 7 May 2014 the parties to the Investment Agreement proceeded to closing the Transaction.

2. Issuance of subscription warrants, Series I and Series J shares; the Company acquires shares of Metelem

As part of the Transaction closing process, on 7 May 2014 the Company concluded subscription agreements concerning the acquisition of subscription warrants individually with all of Metelem’s shareholders, that is the EBRD, Karswell Limited (“**Karswell**”), Sensor Overseas Limited (“**Sensor**”) and Argumenol Investment Company Limited (“**Argumenol**”). In these agreements the Company offered registered subscription warrants to the Metelem Shareholders in such way that:

- a) the EBRD acquired 47,260,690 Series I registered subscription warrants;
- b) Karswell acquired 157,988,268 Series J registered subscription warrants;
- c) Sensor acquired 27,880,274 Series J registered subscription warrants; and
- d) Argumenol acquired 58,063,948 Series J registered subscription warrants.

The subscription warrants represent rights to acquire shares of the Company in the course of a conditional share capital increase of the Company approved by the Company’s Extraordinary General Meeting on 16 January 2014.

Latest events

**Current report no. 40,
cont'd
May 8, 2014**

In executing the rights attached to the subscription warrants referred to above, on 7 May 2014 the shareholders of Metelem made statements on the acquisition of Series I and Series J shares, respectively, and paid up the new shares with non-cash contribution in the form of Metelem shares held by each of the shareholders (the issue price per share so paid up was PLN 21.12). In consequence, the Company acquired the ownership of 2,000,325 shares of Metelem, representing 100% of the capital and votes in that company.

Acquired in consideration for the non-cash contribution in the form of Metelem shares were 291,193,180 ordinary bearer shares with the nominal value of PLN 0,04 each, including:

- i. 47,260,690 Series I shares acquired by the EBRD and
- ii. in aggregate 243,932,490 Series J shares acquired by Karswell (157,988,268 Series J shares), Sensor (27,880,274 Series J shares) and Argumenol (58,063,948 Series J shares), respectively.

The total issue price for the shares acquired by the Metelem shareholders was PLN 6,149.9 million (the Company's book value of those shares is PLN 5,957,812,462.80). The Series I and Series J shares will be deemed released to the respective shareholders of Metelem upon the registration of the shares acquired by those shareholder on their securities accounts. The Company will report this fact in a separate current report as soon as it obtains information in this respect.

Karswell and Argumenol are indirect subsidiaries of Zygmunt Solorz-Żak – Chairman of the Supervisory Board of the Company. Sensor is a subsidiary of Heronim Ruta – Member of the Supervisory Board of the Company.

The acquired shares of Metelem are deemed to constitute assets of significant value because their aggregate value exceeds 10% of the revenues for the last four financial quarters. The acquired Metelem shares are held by the Company as a long-term capital investment.

The acquisition of all shares of Metelem by the Company satisfies a condition for the distribution of dividend set out in § 1 Section 3(ii) and § 2 Section 2(ii) of Resolution No. 20 of the Company's Extraordinary General Meeting of 29 April 2014 on the appropriation of 2013 profits.

Latest events

Current report no. 41
May 8, 2014

Resolution of the Management Board of the National Depository for Securities on conditional registration of series I shares and series J shares

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) hereby announces that by its resolution No. 454/14 of 7 May 2014, the Management Board of the National Depository for Securities (the “**NDS**”) resolved to register in the depository of securities:

up to 47,260,690 ordinary series I bearer shares in the Company with a nominal value of PLN 0.04 each (the “**Series I Shares**”) and assign to them the code PLCFRPT00013, subject to the company operating a regulated market passing a decision on the introduction of these shares to trading on the same regulated market on which other shares of the Company, bearing the code PLCFRPT00013, have previously been introduced to trading, and

up to 243,932,490 ordinary series J bearer shares in the Company with a nominal value of PLN 0.04 each (the “**Series J Shares**”) and assign to them the code PLCFRPT00021, subject to admission of these shares to trading on the regulated market.

The registration of Series I Shares shall take place within three days from the day on which the NDS receives documents referred to in § 17 section 3 of the Detailed Rules of the NDS and a decision of the company operating the regulated market on introducing of such shares to trading on the same regulated market on which other shares in the Company bearing the code PLCFRPT00013 have previously been introduced, however, not earlier than on the day indicated in such decision as the date of introducing to trading of such shares.

The registration of Series J Shares shall take place within three days from the day on which the NDS receives documents referred to in § 17 section 3 of the Detailed Rules of the NDS and the documents confirming the admission of such shares to trading on the regulated market.

Information on the registration of Series I Shares and Series J Shares under the PLCFRPT00013 and PLCFRPT00021 codes, respectively, will be provided in the form of a current report once an announcement to this effect is received from NDS.

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Press release
May 7, 2014

Gala KSW 27 „Cage Time” in PPV from Cyfrowy Polsat and IPLA

Access to the 27 KSW Gala is available for sale at Cyfrowy Polsat and IPLA. The Gala will take place on May 17, 2014 at Ergo Arena Gdańsk-Sopot. A new arena for modern gladiator fights will debut during the 27 KSW Gala “Cage Time”. The fights will take place in a round cage rather than on a ring. The event will be available live in the „pay-per-view” (PPV) system to subscribers of Cyfrowy Polsat and users of the largest internet television IPLA. Access, also in HD, costs PLN 40. Especially for PPV viewers, a gala studio will be prepared and led by excellent Polsat Sport reporters.

Press release
May 8, 2014

Plus joins Polsat Group. Cyfrowy Polsat closes the transaction of acquisition of Metelem

On May 7, 2014 all conditions precedent have been met and Cyfrowy Polsat closed the transaction of acquisition of Metelem, entity indirectly controlling 100% shares in Polkomtel. The operator of mobile network Plus joins Polsat Group, now the largest media-telecommunications group in the region and one of the largest Polish entrepreneurship.

- (...) I am proud because thanks to this transaction Cyfrowy Polsat became the largest privately held company in Poland, built from the start using only Polish capital. Together with Polkomtel Cyfrowy Polsat is the leader on the Polish media-telecommunications market and I am convinced that the combined potential of both companies will allow them to strengthen that position. An additional reason for satisfaction is our partnership within this transaction with the European Bank of Reconstruction and Development, whose engagement in the project is a confirmation that both our strategy and the way we implement it are valid – says Zygmunt Solorz-Żak, Chairman of the Supervisory Board of Cyfrowy Polsat S.A.

On May 7, 2014 Cyfrowy Polsat repaid its entire debt under the senior facilities agreement dated 2011 (PLN 486m as at the end of 2013) and Senior Secured Notes issued by Cyfrowy Polsat Finance AB (publ) (PLN 1.439 billion as at the end of 2013). The funds for repayment have been derived from a new term facility concluded on April 11, 2014 by Cyfrowy Polsat and a syndicate of Polish and foreign banks.

- Thanks to refinancing the debt of Cyfrowy Polsat we not only met one of the conditions precedent of the transaction, but also improved the conditions of our financing and eliminated foreign exchange exposure of our debt. Moreover, the new facilities agreement allows us to refinance part of Metelem’s debt on much better conditions - says Tomasz Szeląg, CFO at Cyfrowy Polsat S.A.

- Thanks to this transaction both Cyfrowy Polsat and Polkomtel gain new development possibilities in a dynamically changing and highly competitive market environment. I am convinced that together with Polkomtel we will effectively use market opportunities and the advantages of our companies – adds Dominik Libicki, CEO at Cyfrowy Polsat S.A.



Latest events

Press release
May 8, 2014

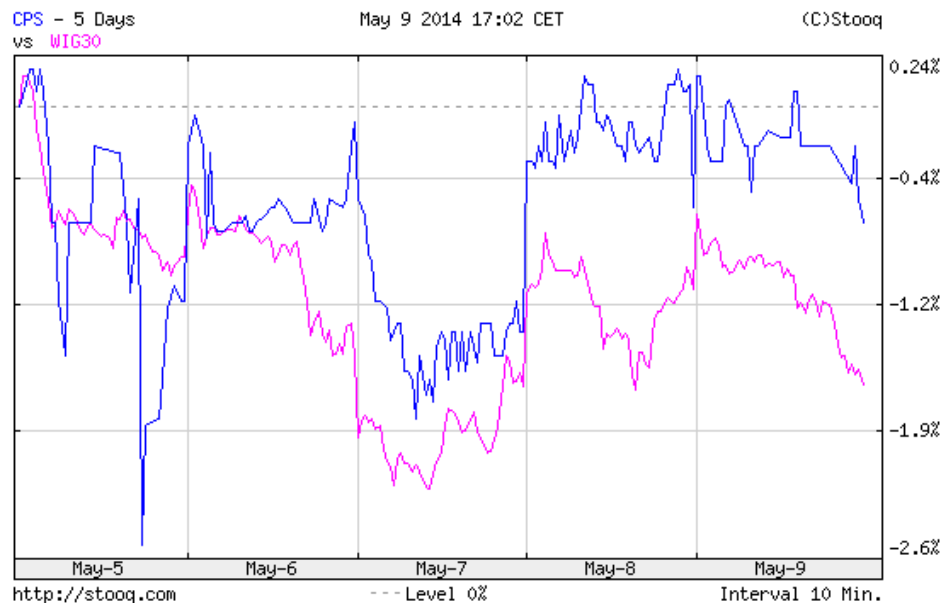
Twice as much LTE Internet from Cyfrowy Polsat

Cyfrowy Polsat introduces a new offer on Internet, one that includes twice as much LTE Internet. Users can use even 60 GB within the package each month, and an additional 50 GB at night. Subscribers of higher packages can browse websites and access the content of the largest internet TV IPLA without limit. The lowest subscription fee in the new offer is still PLN 14.90 per month, and includes a package of 2GB!

The new offer is available to both new clients and those, who wish to prolong their Internet subscription with Cyfrowy Polsat. It is an attractive option for participants of our program smartDOM (even 20 GB for only PLN 39 monthly). Twice as much LTE internet is also available with Home LTE Internet (alternative for fixed-line internet) as well as with the promotion "Internet free trial".

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
05-05-2014	20.80	20.10	20.50	-1.4%	2 542
06-05-2014	20.74	20.58	20.73	1.12%	4 168
07-05-2014	20.63	20.35	20.46	-1,30%	6 497
08-05-2014	20.82	20.59	20.62	0.78%	3 278
09-05-2014	20.80	20.57	20.60	-0.10%	4 665



Investor's calendar

May 01 – 15, 2014	Closed period prior to the publication of Q1 2014 results
May 15, 2014	<p>Publication of the quarterly report for Q1 2014</p> <p>Schedule of the quarterly report for Q1 2014</p> <p>7:00 a.m. Publication of the quarterly report in ESPI (WSE publishing system)</p> <p>8:00 a.m. Publication of the quarterly report on our website: www.cyfrowypolsat.pl/investor-relations</p> <p>10:00 a.m. Meeting with investors and analysts</p> <p>12:00 p.m. Meeting with journalists</p> <p>4:00 p.m. (CET) Conference call with investors and analysts</p> <p>Conference call details:</p> <p>Date: May 15, 2014</p> <p>Time: 4:00 p.m. (Warsaw), 3:00 p.m. (London), 10:00 a.m. (New York)</p> <p>Phone numbers: +44 (0) 1452 555 566 (international); 22 307 0118 or 00 800 121 2655 (Poland)</p> <p>Conference ID: 35998037</p>