

CYFROWY POLSAT S.A.

Current report No. **13/2016**

Report Date: **May 23, 2016**

Subject: **Security established on assets of significant value**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") announces that its subsidiaries: Litenite Limited with its registered office in Cyprus ("**Litenite**") and Midas S.A. ("**Midas**" and jointly with Litenite: the "**Subsidiaries**") concluded certain agreements and executed certain actions to establish related security. On May 23, 2016 the Subsidiaries concluded Accession Deeds whereby: (i) Midas shall accede as an Additional Borrower and Additional Guarantor and Litenite shall accede as an Additional Guarantor to the Senior Facilities Agreement of September 21, 2015 (as amended), an agreement to which the Company and certain other group companies are parties (the "**Facilities Agreement**") (ii) each of the Subsidiaries shall accede to the Intercreditor Agreement (the "**Intercreditor Agreement**") as a Debtor. The accession of the Subsidiaries to the Facilities Agreement and the Intercreditor Agreement will become effective when the Subsidiaries satisfy certain conditions precedent set out in the Facilities Agreement.

On May 23, 2016 the Subsidiaries, Polkomtel sp. z o.o., a direct subsidiary of the Company, and UniCredit Bank AG, Branch in London, concluded and executed certain agreements and other documents envisaging the establishment of the following security:

- (i) registered pledge on a collection of movables and rights of varying composition, constituting parts of the Midas enterprise;
- (ii) financial pledges and registered pledges on Midas shares (with the nominal value of PLN 137,959,713.90), with powers of attorney to exercise corporate rights attached to the Company's shares; the shares so encumbered represent 93.237% of the total number of votes and share capital of Midas; the Company holds indirectly 93.237% of the total number of votes and share capital of Midas;
- (iii) financial pledge and registered pledge on receivables under a bank account agreement of Midas governed by Polish law;
- (iv) power of attorney to Midas' bank accounts governed by Polish law;
- (v) assignment of rights for security concerning rights under Midas property insurance agreements;
- (vi) Midas statement of submission to enforcement on the basis of a notarial deed executed under Polish law;
- (vii) Litenite statement of submission to enforcement on the basis of a notarial deed executed under the Polish law (concerning all property of Litenite located in Poland or governed by Polish law);
- (viii) pledge on Litenite shares (with the total nominal value of EUR 1,800) under Cypriot law; the shares encumbered with the pledge represent 100% of the share capital of Litenite; the Company holds indirectly 100% of shares in Litenite, representing 100% of votes at the shareholders' meeting of this company; and

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(ix) pledge on receivables under bank account agreements of Litenite governed by Swiss law.

The registered pledges will become effective as of the moment of their registration in the Pledge Register. The security have been established in favor of Unicredit Bank AG, Branch in London as the security agent.

The total carrying value of the assets encumbered with these security interests in the books of account of the Company's subsidiaries is PLN 1,627.4 million.

There are no relations between the Company, its management and supervisory officers and Unicredit Bank AG, Branch in London or the management of Unicredit Bank AG, Branch in London.

The assets encumbered with these security are considered to be of significant value because their aggregate value exceeds 10% of the Company group's revenues for the last four financial quarters.

Legal basis: Article 56 Section 1 Clause 1 and 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 § 5 Section 1 Clause 1 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