

CYFROWY POLSAT S.A.

Report No. 1/2016

Date: 29 January 2016

Subject: **Repayment by Eileme 2 AB (publ), a subsidiary of Cyfrowy Polsat, all debts in respect of senior notes issued by the company for the total nominal value of EUR 542.5 million and USD 500 million, maturing in 2020**

With reference to Current Report of Cyfrowy Polsat S.A. (the "**Company**") No. 42/2015 concerning, among other things, the execution of a material loan agreement by Polkomtel sp. z o.o., a subsidiary of the Company ("**Polkomtel**") and other subsidiaries, i.e. the Senior Facilities Agreement of 21 September 2015 (the "**PLK Facilities Agreement**"), and Current Report No. 53/2015 concerning the release by Eileme 2 AB (publ), a subsidiary of the Company („**Eileme 2**"), of a conditional notice of redemption of all senior notes issued by Eileme 2 for the total nominal value of EUR 542.5 million and USD 500 million, due in 2020 and bearing interest at 11¾% for the EUR tranche and 11½% for the USD tranche (the "**HY Notes**"), pursuant to the Indenture of 26 January 2012 (the "**HY Notes Indenture**"), the Company announces that Eileme 2 received from the Trustee representing the noteholders the confirmation to the effect that all obligations of Eileme 2 and certain subsidiaries of the Company under the HY Notes Indenture were discharged and, thus, the HY Notes Indenture expired with respect to the same following the payment of funds to the account of the Paying Agent in the amount corresponding to the total debts in respect of the redemption and cancellation of the HY Notes on 1 February 2016 and the satisfaction of other conditions of an early redemption of the HY Notes (the "**Confirmation of Discharge of Obligations**").

The repayment of debts in respect of the HY Notes involved (i) the repayment by Eileme 3 AB (publ), a subsidiary of the Company ("**Eileme 3**"), of debts in respect of the promissory note issued on 26 January 2012 in connection with the funds made available by Eileme 2, and (ii) the repayment by Polkomtel of amounts related to the early redemption of Series D and E Notes issued by Spartan Capital Holdings Sp. z o.o. (Polkomtel is its successor) on 26 January 2012 and acquired by Eileme 3. The funds to repay amounts related to the early redemption of Series D and E Notes were obtained from a term loan granted to Polkomtel under the PLK Facilities Agreement.

In connection with the receipt of the Confirmation of Discharge of Obligations, pursuant to the Amendment, Restatement and Consolidation Deed of 21 September 2015, reported by the Company in its Current Report No. 42/2015:

- (i) the amendments described in Current Report No. 42/2015 were incorporated to the Senior Facilities Agreement of 21 September 2015 (the "**CP Facilities Agreement**") between, inter alia, the Company and the consortium of financial institutions, which was reported by the Company in that Current Report;
- (ii) Polkomtel and other subsidiaries of the Company have acceded to the CP Facilities Agreement as a borrower and guarantor or a guarantor; and
- (iii) debts under the PLK Facilities Agreement were repaid on a cashless basis, from funds made available to Polkomtel under the CP Facilities Agreement.

As a result of the discharge of obligations of Eileme 2 and other subsidiaries of the Company under the HY Notes Indenture and the repayment of debts under the PLK Facilities Agreement, the security interests established in connection with the debts contracted under the aforementioned finance documents were released. As part of the documents required to release the security interests, on 29 January 2016 certain subsidiaries of the Company executed the Termination Deed with Citicorp

Trustee Company Limited, Ortholuck Limited and Litenite Limited pursuant to which the following agreements were terminated: the LTE Side Agreement of 9 November 2011 and the LTE Call Back Option of 6 February 2012, the termination of the LTE Call Option of 6 February 2012 was confirmed while the shares in Litenite Limited representing 49% of its share capital assigned for security in favor of LTE Holdings Limited (a subsidiary of Polkomtel) for the price of EUR 1.00 were transferred back to Ortholuck Limited for the price of EUR 1.00.

Legal basis: Article 56 Section 1 Clauses 1 and 2 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies in conjunction with § 5 Section 1 Clause 4 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognized as equivalent.

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board