

CYFROWY POLSAT S.A.

Current report No. **42/2015**

Report Date: **September 21, 2015**

Subject: **Conclusion of material financial agreements**

With reference to the current report No. 30/2015 of 25 June 2015 the Management Board of Cyfrowy Polsat S.A. (the "**Company**") informs that the Company concluded the following material financial agreements.

1. Facilities agreement between the Company and a consortium of financial institutions

On 21 September 2015, the Company, as the borrower, along with Telewizja Polsat sp. z o.o., Cyfrowy Polsat Trade Marks sp. z o.o., Polsat License Ltd. and Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k. concluded a Senior Facilities Agreement with a consortium of Polish and foreign financial institutions, led by Powszechna Kasa Oszczędności Bank Polski S.A., Bank Zachodni WBK S.A., ING Bank Śląski S.A., Société Générale (Global Banking Coordinators) with the participation of PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 1, PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 2, BNP Paribas Fortis SA/NV, Bank Polska Kasa Opieki S.A., The Bank of Tokyo-Mitsubishi UFJ Ltd., Bank of China (Luxembourg) S.A., Credit Agricole Corporate & Investment Bank, Credit Agricole Bank Polska S.A., DNB Bank Polska S.A., DNB Bank ASA, HSBC Bank Polska S.A., HSBC Bank plc, Bank Handlowy w Warszawie S.A., CaixaBank, S.A. (Spółka Akcyjna) Oddział w Polsce, mBank S.A., Bank Millennium S.A., Raiffeisen Bank Polska S.A., Goldman Sachs Bank USA, Erste Group Bank AG, Deutsche Bank Polska S.A., and UniCredit Bank AG, London Branch, acting as the Facility Agent and the Security Agent (the "**CP Facilities Agreement**").

Based on the CP Facilities Agreement the Company has been awarded a Term Facility Loan up to PLN 1,200,000,000.00 (one billion two hundred million zloty) (the "**CP Term Facility**") and a Revolving Facility Loan up to PLN 300,000,000.00 (three hundred million zloty) (the "**CP Revolving Facility**").

The CP Term Facility and the CP Revolving Facility bear interest at a variable rate equal to WIBOR for the relevant interest period plus margin. The margin on the CP Term Facility and the CP Revolving Facility depends on the ratio of net consolidated indebtedness to consolidated EBITDA in such a way that the lower the ratio – the lower the margin, with the maximum margin level applicable when the net consolidated indebtedness to consolidated EBITDA ratio exceeds 3.50:1, and the minimum margin level applicable when that ratio is no higher than 1.50:1. The period of the CP Term Facility and the CP Revolving Facility is five (5) years from the date of execution of the CP Facilities Agreement and the final repayment date for each of these facilities is 21 September 2020. The CP Term Facility and the CP Revolving Facility are to be repaid in quarterly installments of variable value.

Pursuant to the CP Facilities Agreement the Company and its group companies are to establish certain collaterals for the credit facilities granted thereunder. In particular, these collaterals will include registered pledges on collections of movables and economic interests of variable composition comprised in the enterprise of the Company and its selected subsidiaries, registered and financial pledges on shares in the Company's subsidiaries, registered and financial pledges on receivables related to bank accounts kept for the Company or its selected subsidiaries, ordinary and registered pledges on selected trademarks, assignments of rights for security, mortgages, notarial submissions to enforcement and similar collaterals on shares or assets of the Company's subsidiaries, to be governed by foreign laws. When the net consolidated indebtedness to consolidated EBITDA ratio falls to or below 1.75:1, the Company will have a right to demand that the collaterals for the CP Facilities Agreement be released (save for guarantees granted on the basis of the CP Facilities Agreement).

However, such released collateral will need to be re-established if the net consolidated indebtedness to consolidated EBITDA ratio again rises above 1.75:1. Additionally, if certain members of the Company's group incur secured indebtedness, a pari passu collateral will need to be established in favor of the Security Agent (acting for, among others, the lenders under the CP Facilities Agreement).

The Company will utilize the CP Term Facility and the CP Revolving Facility in particular to:

- (i) repay the indebtedness under the Senior Facilities Agreement of 11 April 2014 between the Company (as the borrower) and a consortium of financial institutions, of which the Management Board of the Company informed in the current report No. 26/2014 of 11 April 2014 and
- (ii) fund general corporate needs of the Company's group.

Furthermore, in accordance with the provisions of the CP Facilities Agreement the Company and other entities from its capital group may incur additional facilities. The terms of such additional facilities will be established individually in separate additional facility accession deeds and their terms will have to satisfy certain criteria, depending on the net consolidated indebtedness to consolidated EBITDA ratio.

Pursuant to the CP Facilities Agreement, certain members of the Company's group are to grant guarantees under the English law to each of the financing parties under the CP Facilities Agreement and other finance documents executed in relation thereto. The amount of the guarantees will be equal to the amount of the facility increased by all fees and receivables contemplated in the CP Facilities Agreement or other finance documents executed in relation thereto. The guarantees secure:

- (i) the timely discharge of the obligations under the CP Facilities Agreement and other finance documents executed in relation thereto,
- (ii) a payment of amounts due under the CP Facilities Agreement and other finance documents executed in relation thereto; and
- (iii) an indemnification of the financing parties referred to above against any liabilities, costs and losses that such financing parties may incur in relation to unenforceability, ineffectiveness or unlawfulness of any obligation secured by these guarantees. The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

The CP Facilities Agreement provides for typical conditions precedent for the disbursement of the contemplated facilities and certain conditions subsequent for the disbursement of the contemplated facilities, also typical for this kind of transactions.

The CP Facilities Agreement is deemed material because its value exceeds 10% of the Company group's consolidated revenues for the last four accounting quarters.

*2. Senior Facilities Agreement between Polkomtel sp. z o.o. ("**Polkomtel**") and a consortium of financial institutions*

On 21 September 2015, the Senior Facilities Agreement was concluded between a Company's subsidiary – Polkomtel as the borrower along with Eileme 2 AB (publ), Eileme 3 AB (publ), Eileme 4 AB (publ), Plus TM Management sp. z o.o., TM Rental sp. z o.o., Plus TM Group sp. z o.o. a consortium of Polish and foreign financial institutions, led by Powszechna Kasa Oszczędności Bank Polski S.A., Bank Zachodni WBK S.A., ING Bank Śląski S.A., Société Générale (Global Banking Coordinators) with the participation of PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 1, PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 2, BNP Paribas Fortis SA/NV, Bank Polska Kasa Opieki S.A., The Bank of Tokyo-Mitsubishi UFJ Ltd., Bank of China (Luxembourg) S.A., Credit Agricole Corporate & Investment Bank, Credit Agricole Bank Polska S.A.,

DNB Bank Polska S.A., DNB Bank ASA, HSBC Bank Polska S.A., HSBC Bank plc, Bank Handlowy w Warszawie S.A., CaixaBank, S.A. (Spółka Akcyjna) Oddział w Polsce, mBank S.A., Bank Millennium S.A., Raiffeisen Bank Polska S.A., Goldman Sachs Bank USA, Erste Group Bank AG, Deutsche Bank Polska S.A., and UniCredit Bank AG, London Branch, acting as the Facility Agent and Citicorp Trustee Company Limited as the Security Agent (the “**PLK Facilities Agreement**”).

Based on the PLK Facilities Agreement Polkomtel has been awarded a Term Facility Loan up to PLN 10,300,000,000.00 (ten billion three hundred million zloty) (the “**PLK Term Facility**”) and a Revolving Facility Loan up to PLN 700,000,000.00 (seven hundred million zloty) (the “**PLK Revolving Facility**”).

The PLK Term Facility and the PLK Revolving Facility bear interest at a variable rate equal to WIBOR for the relevant interest period plus margin. The margin on the PLK Term Facility and the PLK Revolving Facility depends on the ratio of net consolidated indebtedness to consolidated EBITDA in such a way that the lower the ratio – the lower the margin, with the maximum margin level applicable when the net consolidated indebtedness to consolidated EBITDA ratio exceeds 3.50:1, and the minimum margin level applicable when that ratio is no higher than 1.50:1. The period of the PLK Term Facility and the PLK Revolving Facility is five (5) years from the date of execution of the PLK Facilities Agreement and the final repayment date for each of these facilities is 21 September 2020. The PLK Term Facility and the PLK Revolving Facility are to be repaid in quarterly installments of variable value.

Pursuant to the Intercreditor Agreement of 30 June 2011, claims related to the PLK Facilities Agreement are secured by collaterals established by Polkomtel and other members of the Company's group as a security for, among other things, the claims under the Senior Facilities Agreement of 17 June 2013 concluded between Polkomtel (as the borrower) and a consortium of banks (the “**Refinanced PLK Facilities Agreement**”). These collaterals include, in particular, registered pledges on collections of movables and economic interests of variable composition comprised in the enterprise of Polkomtel or other members of the Company's group, registered and financial pledges on shares in the Company's group members, registered and financial pledges on receivables related to bank accounts kept for Polkomtel and members of the Company's group, ordinary and registered pledges on selected trademarks, assignments of rights for security, mortgages, notarial submissions to enforcement and similar collaterals on shares or assets of members of the Company's group, to be governed by foreign laws.

The PLK Term Facility and the PLK Revolving Facility will be utilized by Polkomtel in particular to:

- (i) fully repay the outstanding debt under the Refinanced PLK Facilities Agreement;
- (ii) fully repay the indebtedness under the senior notes issued on 26 January 2012 by Eileme 2 AB (publ) – a Company's subsidiary („HY Notes Indebtedness”); and
- (iii) fund general corporate needs of the Company's group.

Furthermore, in accordance with the provisions of the PLK Facilities Agreement, Polkomtel and other members of the Company's group may incur additional facilities. The terms of such additional facilities will be established individually in separate additional facility accession deeds and their terms will have to satisfy certain criteria, depending on the net consolidated indebtedness to consolidated EBITDA ratio.

Pursuant to the PLK Facilities Agreement, certain members of the Company's group are to grant guarantees under the English law to each of the financing parties under the PLK Facilities Agreement and other finance documents executed in relation thereto. The amount of the guarantees will be equal to the amount of the facility increased by all fees and receivables contemplated in the PLK Facilities Agreement or other finance documents executed in relation thereto. The guarantees will secure:

- (i) the timely discharge of the obligations under the PLK Facilities Agreement and other finance documents executed in relation thereto,
- (ii) a payment of amounts due under the PLK Facilities Agreement and other finance documents executed in relation thereto; and
- (iii) an indemnification of the financing parties referred to above against any liabilities, costs and losses that such financing parties may incur in relation to unenforceability, ineffectiveness or unlawfulness of any obligation secured by these guarantees. The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

The PLK Facilities Agreement provides for typical conditions precedent for the disbursement of the contemplated facilities and certain conditions subsequent for the disbursement of the contemplated facilities, also typical for this kind of transactions.

The PLK Facilities Agreement is deemed material because its value exceeds 10% of the Company group's consolidated revenues for the last four accounting quarters.

3. Amendment, Restatement and Consolidation Deed executed between the parties to the CP Facilities Agreement, PLK Facilities Agreement and certain members of the Company's group

On 21 September 2015 the Amendment, Restatement and Consolidation Deed was concluded between the Company, Polkomtelt, Telewizja Polsat sp. z o.o., Cyfrowy Polsat Trade Marks sp. z o.o., Polsat License Ltd. and Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k., Eileme 2 AB (publ), Eileme 3 AB (publ), Eileme 4 AB (publ), Plus TM Management sp. z o.o., TM Rental sp. z o.o., Plus TM Group sp. z o.o. and the consortium of Polish and foreign financing institutions referred to in Section 1 of this current report (the "**Amendment, Restatement and Consolidation Deed**").

According to the Amendment, Restatement and Consolidation Deed, upon repayment of the HY Notes Indebtedness, the indebtedness under the PLK Facilities Agreement will be refinanced using the funds made available under the CP Facilities Agreement, as amended in the Amendment, Restatement and Consolidation Deed. The HY Notes Indebtedness is expected to be repaid by the end of January 2016.

The Amendment, Restatement and Consolidation Deed amends the CP Facilities Agreement as follows:

- (1) the maximum amount of the CP Term Facility will be PLN 11,500,000,000.00 (eleven billion five hundred million zloty), and the maximum amount of the CP Revolving Facility will be PLN 1,000,000,000.00 (one billion zloty);
- (2) the Company and other Company's group members will establish additional collaterals for the facilities granted on this basis. These collaterals include, in particular, registered pledges on collections of movables and economic interests of variable composition comprised in the enterprise of certain members of the Company's group, registered and financial pledges on shares in the Company's group members, registered and financial pledges on receivables related to bank accounts kept for certain members of the Company's group, ordinary and registered pledges on selected trademarks, assignments of rights for security, mortgages, notarial submissions to enforcement and similar collaterals on shares (interests) or assets of members of the Company's group, to be governed by foreign laws.
- (3) the Company will utilize the CP Term Facility and the CP Revolving Facility in particular to (i) repay the indebtedness under the Senior Facilities Agreement of 11 April 2014 between the Company (as the borrower) and a consortium of financial institutions, disclosed by the

Management Board of the Company in current report No. 26/2014 of 11 April 2014; (ii) repay the total indebtedness under the PLK Facilities Agreements and (iii) fund general corporate needs of the Company's group.

The Amendment, Restatement and Consolidation Deed is deemed material because its value exceeds 10% of the Company group's consolidated revenues for the last four accounting quarters.

Legal basis: Article 56 Section 1 Clause 1 and 2 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies in connection with § 5 Section 1 Clauses 3 and 7 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/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
President of the Management Board