

# CYFROWY POLSAT S.A.

Current report No. 7/2017

Report Date: April 12, 2017

Subject: **Early redemption of notes and its effect on the consolidated results for the first quarter of 2017**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on April 12, 2017 it became aware of the decision of the management board of its 100% subsidiary Litenite Limited ("**Litenite**") regarding the early redemption of all zero-coupon, unsecured loan notes 2022 issued by Litenite with the total nominal value of PLN 1,524,384,000.00 (say one billion five hundred twenty four million three hundred eight four thousand zlotys) and issue price of PLN 782,045,787.49 (say: seven hundred eighty two million forty five thousand seven hundred eight seven zlotys forth nine grosze) maturing on December 31, 2022 ("**Litenite Notes**").

In light of the above, on April 12, 2017 Litenite delivered a voluntary early redemption notice to noteholders of the Litenite Notes, setting the date of the early redemption and the early redemption value. The early redemption will be executed on April 26, 2017 according to the value determined in the terms of issuance of the Litenite Notes at the total level of PLN 886,703,685.12 (say: eight hundred eighty six million seven hundred and three thousand six hundred eighty five zlotys and twelve grosze) increased by a premium for early redemption in the amount of PLN 58,658,296.32 (say: fifty eight million six hundred fifty eight thousand two hundred ninety six zlotys and thirty two grosze).

The decision to redeem the Litenite Notes before maturity will result in the recognition in the consolidated financial statements of Cyfrowy Polsat S.A. capital group ("**Cyfrowy Polsat Group**") for the first quarter of 2017 of a provision for the premium for the early redemption of the Litenite Notes in the abovementioned amount. This in turn will have a one-off, negative impact on consolidated net profit of Cyfrowy Polsat Group in the amount of ca. PLN 59 million.

The aim of the early redemption of the Litenite Notes is the consistent execution of the strategic goal in the area of efficient capital resource management that is the consistent reduction of the indebtedness of Cyfrowy Polsat Group.

*Legal basis: Article 56 Section 1 Clause 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 § 38 Section 1 Clause 11 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