

CYFROWY POLSAT S.A.

Report No. 9/2016

Date: March 30, 2016

Subject: **Cyfrowy Polsat S.A. acquires assets of significant value (capital increase in Polkomtel sp. z o.o., an indirect subsidiary of Cyfrowy Polsat S.A.)**

The Management Board of Cyfrowy Polsat S.A. (the “**Company**” or “**Issuer**”) announces that on March 30, 2016 the Company received a decision of the District Court for the Capital City of Warsaw, 13th Business Division of the National Court Register confirming the registration on March 10, 2016 of a share capital increase in Polkomtel sp. z o.o. (“**Polkomtel**”), an indirect subsidiary of the Company. The share capital of Polkomtel was increased by PLN 15,000,000.00 (fifteen million), from PLN 3,510,300,000.00 (three billion five hundred and ten million three hundred thousand) up to PLN 3,525,300,000.00 (three billion five hundred and twenty five million three hundred thousand) through the creation of up to 150,000 (one hundred fifty thousand) new equal and indivisible shares with a nominal value of PLN 100.00 (one hundred) each, and the total nominal value of PLN 15,000,000.00 (fifteen million) (the “**New Shares**”) (the “**Registration**”) pursuant to Resolution No. 1 of the Extraordinary Shareholders' Meeting of Polkomtel of February 17, 2016 on the share capital increase in Polkomtel and related amendments to Polkomtel’s Deed of Incorporation.

The new shares represent approximately 0.4% of the share capital of Polkomtel and approximately 0.4% of votes at the Shareholders' Meeting of Polkomtel and they have been acquired by Eileme 4 AB (publ) (“**Eileme 4**”), the sole shareholder of Polkomtel. Polkomtel and Eileme 4 are both wholly-owned subsidiaries of the Issuer.

The New Shares have been covered with cash paid to Polkomtel’s bank account in US dollars, in the amount of USD 362,439,000.00 (three hundred and sixty two million, four hundred and thirty nine thousand), i.e. the issue price of PLN 9,532.87 (nine thousand five hundred and thirty two and 87/100) per share, that is the total issue price of PLN 1,429,930,586.70 (one billion four hundred and twenty nine million nine hundred and thirty thousand five hundred and eighty six and 70/100). Following the Registration, the share capital of Polkomtel is divided into 35,253,000 (thirty five million two hundred and fifty three thousand) equal and indivisible shares with a nominal value of PLN 100.00 (one hundred) each. The premium paid for the New Shares has been transferred to Polkomtel’s supplementary capital.

The capital increase in Polkomtel has been effected in relation to the finalization of a refinancing process for the Polkomtel group which involved a repayment of intra-group debt instruments issued by Spartan Capital Holdings sp. z o.o. (“**Spartan**”) (a legal predecessor of Polkomtel), Eileme 3 AB (publ) (“**Eileme 3**”), Eileme 2 AB (publ) (“**Eileme 2**”) and Eileme 1 AB (publ) (“**Eileme 1**”) in order for Spartan to obtain funds from the issuance of USD-denominated PIK Notes issued by Eileme 1, with a total nominal value of USD 201,000,000.00 (two hundred and one million) under the Indenture of February 17, 2012 between, among others, Eileme 1 as the Issuer, Ortholuck Limited, Citibank, N.A., London Branch as Trustee, Principal Paying Agent and Transfer Agent (London), Citibank, N.A., New York Branch as the U.S. Registrar, Paying Agent and Transfer Agent (New York), and Citigroup Global Markets Deutschland AG as the Registrar. Part of the funds obtained in repayment of the said intra-

group instruments was used as contribution against the capital of Eileme 1, Eileme 2, Eileme 3 and Eileme 4 and the capital increase in Polkomtel.

The Company classifies the New Shares as a long-term investment. The New Shares qualify as assets of significant value because their total issue price exceeds 10% of the Company's equity.

Legal basis: Article 56 Section 1 Clause 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 1 of the Ordinance of the Minister of Finance of February 19, 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