CYFROWY POLSAT S.A.

Current report No. **27/2013**

Report date: **December 19, 2013**

Subject: **Investment agreement with EBRD**

With reference to the current report of Cyfrowy Polsat S.A. (the "**Company**") No. 22/2013 of 14 November 2013, in which the Company reported the conclusion of an investment agreement with shareholders in Metelem Holding Company Limited, a company holding indirectly 100% of shares in the share capital of Polkomtel sp. z o.o., the operator of the Plus mobile telephone network, holding shares accounting for approximately 83.77% of all Metelem shares, and the consideration by the European Bank for Reconstruction and Development ("**EBRD**"), which is Metelem's fourth shareholder, of the Company's offer concerning EBRD's participation in the transaction consisting in the acquisition by the Company of Metelem shares in exchange for new shares in the Company, the Company's Management Board hereby reports the conclusion on 19 December 2013, with EBRD, Metelem, Karswell Limited ("**Karswell**"), Sensor Overseas Limited ("**Sensor**") and Argumenol Investment Company Limited ("**Argumenol**"), of a conditional investment agreement concerning the transfer of Metelem shares held by EBRD as an in-kind contribution for the Company's new shares, which will be issued by the Company and acquired by EBRD on the terms set out in that agreement (the "**EBRD Investment Agreement**").

Pursuant to the EBRD Investment Agreement, EBRD will acquire 47,260,690 shares in the conditionally increased share capital of the Company at the issue price of PLN 21.12 per each share (the "**New Shares**"). The New Shares will be acquired for an in-kind contribution in the form of shares in Metelem constituting in aggregate approximately 16.23% of Metelem's share capital. In order to enable the acquisition of the New Shares by EBRD, the Company shall issue subscription warrants to be acquired by EBRD free of charge, which will then be exchanged into New Shares paid for with the in-kind contribution referred to above.

As at the date of publication of this current report the resolutions pertaining to conditional increase of the share capital and pertaining to the issue of subscription warrants and the New Shares have not been adopted. The Management Board of the Company intends to convene a Shareholders' Meeting of the Company to adopt resolutions in the matter of conditional increase of the Company's share capital through issue of up to 291,193,180 ordinary bearer shares with the issue price of PLN 21.12 each (the "**Conditional Share Capital Increase**"), in the matter of issue of subscription warrants and exclusion of the pre-emptive rights of the existing shareholders of the Company (the "**Resolutions**") in order to perform the Agreement. The information on the Shareholders' Meeting, its agenda, drafts of the Resolutions and the terms and conditions for the participation therein will be disclosed in a separate current report.

The Agreement does not provide for any contractual penalties.

The obligation of the Company to issue shares to the Vendors and the Vendors' obligation to transfer the title to the shares in Metelem to the Company is contingent to the satisfaction of the following conditions precedent:

(a) adoption by the Shareholders' Meeting of the Company of the Resolutions,

(b) registration of the Conditional Share Capital Increase by the registry court,

(c) refinancing by the Company that will provide for repayment of the entire indebtedness of the Company arising under the Senior Facilities Agreement dated 31 March 2011, as amended and the Senior Secured Notes issued pursuant to the Indenture dated 20 May 2011,

(d) the approval by the Polish Financial Supervision Authority of the prospectus for the New Shares for the purpose of applying for their admission to trading on a regulated market operated by the Warsaw Stock Exchange („**WSE**"),

(e) the execution by EBRD and the Company of a framework agreement concerning in particular the obligations vested in the Company to pursue its operations in compliance with the requirements and policies followed or adopted as standard by EBRD,

(f) the obtaining by EBRD of a legal opinion concerning selected Polish law issues in the context of the contemplated transaction,

(g) the absence, in the period since the execution of the EBRD Investment Agreement, of a Material Adverse Effect for the Company, concerning in principle (i) a material adverse change of the value, operations, assets, real property or standing (financial, operational or otherwise) of the Company, Telewizja Polsat sp. z o.o. or the Company's capital group, whose value exceeds 10% of the aggregate value of all outstanding Company's shares (it being understood that any changes of the price of the Company's shares in WSE trading do not constitute a Material Adverse Effect), or (ii) any event, action or circumstances preventing the Company from performing actions envisaged by the EBRD Investment Agreement or the fulfilment of its obligations specified therein;

(h) satisfaction of the conditions precedent set forth in the investment agreement of 14 November 2013 among the Company, Karswell, Sensor and Argumenol;

(i) the absence, in the period since the execution of the EBRD Investment Agreement until the closing of the transaction under the EBRD Investment Agreement, of financial indebtedness (as defined in the EBRD Investment Agreement) in excess of PLN 3.5 billion.

The Company may terminate the Agreement if it determines, at its sole discretion, that it will not be able to achieve the refinancing and repayment of the its financial indebtedness on terms and conditions acceptable to it.

Furthermore, the Company will not be obliged to proceed with closing of the transaction described in this current report, and in particular enter into subscription agreement with EBRD concerning the acquisition of subscription warrants nor issue the New Shares if a Material Adverse Effect affecting Metelem or Karswell, Sensor and Argumenol, as defined in detail in the agreement, occurs, i.e., in general, a material adverse change in the value, business, assets, properties; or condition (financial, operational or otherwise) of Metelem and its subsidiaries, including Polkomtel, or any event, action or circumstance that prevents Karswell, Sensor and Argumenol from consummating the transactions contemplated by the investment agreement signed with those entities or otherwise performing their respective obligations thereunder.

The Agreement is governed by English law.

The Agreement is considered significant as its value exceeds 10% of the Company's sales over the last four quarters.

Legal grounds: Article 56 Section 1 item 2 the Offering Act in connection with § 5 Section 1 item 3 of the Ordinance of the Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities and terms of acknowledging the equivalence of information required under the laws of non-member states.

Signed by:

/s/ Dominik Libicki

Dominik Libicki, President of the Management Board