

# CYFROWY POLSAT S.A.

Current report No. **27/2014**

Report Date: **April 16, 2014**

Subject: **Submission by the shareholder of a draft resolution on the distribution of profit of Cyfrowy Polsat for 2013**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") reports that on 16 April 2014 it received a letter from the Company's shareholder holding the shares representing more than 5% of the Company's share capital, Sensor Overseas Limited (the "**Shareholder**") – by which the Shareholder submitted a draft resolution of the Annual General Meeting concerning the distribution of profit for 2013. The adoption of a resolution on the distribution of profit for 2013 is included in the agenda of the Annual General Meeting of the Company convened by the Management Board of the Company for 29 April 2014 r. Information concerning the Annual General Meeting and the drafts of its resolutions were presented by the Company in current report No. 21/2014 of 2 April 2014.

A draft of the resolution proposed by the Shareholder is attached to this current report.

According to the substantiation submitted by the Shareholder, the adoption by the Company's General Meeting of the resolution on the payment of dividends for 2013, in the amount proposed by the Management Board and setting the relevant dividend day and the dividend payment day, constitutes one of the conditions to the closing of the Company's acquisition of all the shares in Metelem Holding Company Limited ("**Metelem**"), the dominant entity of Polkomtel sp. z o.o.

Pursuant to the provisions of § 2 Section 3 (b) of Resolution No. 12 of the Extraordinary General Meeting, dated 24 January 2014, on the issue of subscription warrants (the "Subscription Warrants Issue Resolution") adopted for the purposes of the foregoing transaction:

- (a) in order for the Company to offer the subscription warrants issued under the Subscription Warrants Issue Resolution to the shareholders of Metelem, the General Meeting of the Company is required to first adopt a resolution on the distribution of dividends in a total amount of no less than PLN 100 million;
- (b) the payment by the Company of the dividend set in the resolution referred to in point (a) above is conditioned on the delivery to the shareholders of Metelem, prior to the dividend day, of ordinary shares issued by the Company under the conditional share capital increase pursuant to Resolution No. 7 of the Extraordinary General Meeting of the Company, dated 16 January 2014 (the entitlement to acquire such shares being provided under the subscription warrants offered by the Company) and on the Company's acquisition of 1,675,672 shares in Metelem, hence the dividend day and the dividend payment day must fall after the Company shares are issued to the shareholders of Metelem and after the Company acquires shares in Metelem.

The purpose of the draft resolution of the Annual General Meeting proposed by the Shareholder is:

- (1) to tie the Company's distribution of dividends for 2013 to the earlier satisfaction of the conditions set forth in the Subscription Warrants Issue Resolution, as discussed in detail in point (a) above; and
- (2) to introduce a mechanism for determining the dividend day and the dividend payment day, taking into account the earlier satisfaction of the conditions set forth in the Subscription Warrants Issue Resolution.

In view of the above, the draft resolution of the Annual General Meeting proposed by the Shareholder sets the dividend day and the dividend payment day in relation to the satisfaction of the conditions

stipulated in the Subscription Warrants Issue Resolution. If these conditions are met on or before 15 May 2014, the draft resolution provides that the dividend day would be scheduled for 22 May 2014 and the dividend payment day for 6 June 2014. If the above conditions are not satisfied on or before 15 May 2014, the draft resolution sets an alternative time limit for satisfying the conditions stipulated by the Subscription Warrants Issue Resolution, on or before 18 July 2014, which permits the dividend day to be scheduled for 25 July 2014 and the dividend payment day for 11 August 2014 (with the dividend day falling before the expiry of the final time limit stipulated by the provisions of the Commercial Companies Code). Pursuant to the draft resolution proposed by the Shareholder, should the conditions stipulated by the Subscription Warrants Issue Resolution not be satisfied by any of the time limits set in the draft resolution, the portion of the profit that was originally available for distribution and payment to the shareholders of the Company in the form of dividends, shall be transferred to the capital reserves, with an option to be distributed as interim dividends.

As proposed by the Shareholder, the draft resolution of the Annual General Meeting on the distribution of profits for 2013 does not modify the amounts of the profit for distribution proposed by the Management Board and specifically it does not modify the amount which the Management Board proposed to be distributed among the shareholders of the Company.

*Legal basis: § 38 Section 1 Clause 5 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information released 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/ Dominik Libicki

Dominik Libicki  
President of the Management Board