

# CYFROWY POLSAT S.A.

Current report No. **39/2014**

Report Date: **May 8, 2014**

Subject: **Security interests established on assets of significant value**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") announces that certain agreements have been concluded and actions made in relation to establishing security interests related to the Senior Facilities Agreement concluded by the Company on 11 April 2014 (the "Facilities Agreement"), that was reported by the Company in the current report No. 26/2014 of 11 April 2014. Pursuant to the Facilities Agreement the Company was granted the Term Facility Loan up to PLN 2,500,000,000 (two billion five hundred million zloty) and the multi-currency Revolving Facility Loan up to an equivalent of PLN 500,000,000 (five hundred million zloty).

On 7 May 2014, the Company, other members of the Company's group referred to below and UniCredit Bank AG, London Branch executed and concluded certain agreements and further documents concerning the following security interests:

- (i) registered pledges over variable collections of movable property and rights comprised in enterprises of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o.;
- (ii) financial and registered pledges on shares of Cyfrowy Polsat Trade Marks Sp. z o.o. (with a total nominal value of PLN 615,445,000) and Telewizja Polsat Sp. z o.o. (with a total nominal value of PLN 236,946,700), governed by the Polish law, together with powers of attorney to execute corporate rights attached to the shares in the said companies; the pledged shares represent 100% of the share capital of each company and are held by the Company as long-term capital investments;
- (iii) financial and registered pledges on receivables under bank account agreements of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o., governed by the Polish law;
- (iv) powers of attorney to bank accounts of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o., governed by the Polish law;
- (v) ordinary and registered pledges on protective rights on trademarks vested in Polsat Brands (*einfache Gesellschaft*), governed by the Polish law;
- (vi) assignment for security of certain property rights in Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., governed by the Polish law;
- (vii) contractual mortgage under the Polish law on the following real properties owned by the Company: (a) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00102149/9, (b) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00136943/2, (c) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00102615/7, (d) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00101039/8, (e) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00132063/1, (f) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00104992/7, (g) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00100109/3, (h) land located in Warsaw, Targówek district, ul. Łubinowa, Title and

Mortgage Register No. WA3M/00103400/4, (i) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register No. WA3M/00100110/3, (j) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register No. WA3M/00131411/9;

- (viii) assignment for security of receivables under hedge agreements of the Company, governed by the English law;
- (ix) assignment for security of rights under insurance agreements covering the property referred to in item (i) above and item (vii) above;
- (x) pledge on shares in Polsat License Ltd. (with a total nominal value of CHF 1,000,000), governed by the Swiss law; the pledged shares represent 100% of the company's share capital and are held by the Company as a long-term capital investment;
- (xi) assignment for security of: (a) receivables due from various debtors, (b) receivables and rights to and in bank accounts and (c) rights under insurance agreements of Polsat License Ltd., governed by the Swiss law;
- (xii) assignment for security of rights under a license agreement between Polsat Brands (*einfache Gesellschaft*) and Polsat License Ltd., and rights under bank account agreements, governed by the Swiss law;
- (xiii) pledge on interests and property rights in Polsat Brands (*einfache Gesellschaft*), governed by the Swiss law; and
- (xiv) statements of the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k. and Telewizja Polsat Sp. z o.o. on submission to enforcement on the basis of a notarial deed, governed by the Polish law.

The registered pledges will be effective upon their registration in the Register of Pledges. The mortgage will be effective upon its registration in the relevant Title and Mortgage Register. The security interests have been established in favor of Unicredit Bank AG, London Branch, acting as security agent.

Additionally, the Company, Cyfrowy Polsat Trade Marks Sp. z o.o., Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat Sp. z o.o. and Polsat License Ltd. granted certain guarantees to each party of the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement, governed by the English law, with respect to the following: (i) timely performance of the obligations under the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement, (ii) payment of any monies due under the Facilities Agreement and other finance documents executed in relation to the Facilities Agreement; and (iii) indemnifying the financing parties referred to above against any costs and losses that they may incur in relation to the unenforceability, ineffectiveness or invalidity of any obligation secured by the said guarantees.

The aggregate book value of the assets encumbered with the said security interests in the Company's and its subsidiaries' books account is PLN 6,116,092 thousand.

The encumbered assets are deemed to constitute significant assets as their value exceeds 10% of the revenues or the last four financial quarters.

*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 Clauses 1 and 7 of the Ordinance of the Minister of Finance of 19 February 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/ Dominik Libicki

Dominik Libicki  
President of the Management Board