

CYFROWY POLSAT S.A.

Current report No. **43/2014**

Report Date: **May 13, 2014**

Subject: Moody's changed the rating of Cyfrowy Polsat and assigned a rating to Eileme 2 AB (publ), a subsidiary of Metelem Holding Company Limited

The Management Board of Cyfrowy Polsat S.A. ("**Cyfrowy Polsat**", the "**Company**") informs that Moody's Investors Service ("**Moody's**") has changed the rating of Cyfrowy Polsat and assigned a rating to Eileme 2 AB (publ) ("**Eileme 2**"), indirectly controlling 100% shares of Polkomtel Sp. z o.o. ("**Polkomtel**"). These rating actions conclude the review process that was initiated by Moody's on November 19, 2013 following the announcement by Cyfrowy Polsat of a conditional investment agreement to acquire shares in Metelem Holding Company Limited, the ultimate parent of Polkomtel, which was disclosed by the Company in its current report no. 25/2013 of November 19, 2013.

In line with earlier announcements, Moody's downgraded Cyfrowy Polsat's corporate family rating (CFR) to Ba3 with a stable outlook.

The Ba3 rating reflects the substantial increase in the Company's leverage following the acquisition of Polkomtel and the combined group's exposure to foreign currency fluctuations as part of Polkomtel's debt is denominated in foreign currency. The rating also accounts for the benefits for the Company's business profile resulting from the acquisition, comprising i.a. a material increase in size, as well as potential ARPU growth through bundling and cross-selling to an enlarged customer base. The rating was also positively affected by the Company's strong position on the market and its good liquidity with high free cash flow generation.

Concurrently, Moody's assigned a corporate family rating (CFR) to Eileme 2 at the level of Ba3 with a stable outlook.

The rating assigned to Eileme 2 reflects the expectation that Polkomtel's credit quality will improve following its incorporation into the financing structure of Cyfrowy Polsat, as well as benefits for the operator's business risk profile after the integration, which include ARPU growth and lower churn through bundling and cross-selling to an enlarged customer base. In its justification Moody's emphasized Polkomtel's leading position in the Polish mobile market, as well as its track record of generating solid profitability, its strong liquidity profile and systematic debt reduction.

The securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Legal basis: Article 56 Section 1 item 2 the Offering Act in connection with § 5 Section 1 item 26 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