

CYFROWY POLSAT S.A.

Current report No.: **19/2014**

Report Date: **March 27, 2014**

Subject: Memorandum of Understanding for the provision of Data Transfer Services with Mobyland Sp. z o.o. and conclusion of a significant agreement for the provision of Data Transfer Services with Polkomtel Sp. z o.o.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that, as a result of discussions and negotiations relating to the conclusion of agreements with Mobyland Sp. z o.o. ("Mobyland") and Polkomtel Sp. z o.o. ("Polkomtel") on the provision of Data Transfer Services, of which the Company informed the Polish Financial Supervision Authority and which was disclosed to the public in current report No. 18/2014 dated March 27, 2014, on March 27, 2014 the Company signed a subsequent Memorandum of Understanding ("Memorandum") to the agreement concluded between the Company and Mobyland on the provision of Data Transfer Services, about which the Company informed in current report No. 34/2010 of December 16, 2010.

The Memorandum defines in particular a new price per 1 MB and terms and conditions of settlement of the unused data packages resulting from previous orders, and also specifies the volume and conditions of the next order the Company intends to place through Polkomtel.

Under Order No. 3, about which the Company informed in current report No. 23/2012 of September 28, 2012, Cyfrowy Polsat ordered a data package of 31 million GB for the purpose of providing Internet access services. The volume of the data package unused as at the end of 2013, according to the net price of PLN 0.00645 per 1 MB set under Order No. 3, was approximately 17.8 million GB.

Under the signed Memorandum, the parties set a new, lower price per 1 MB of data transfer in the amount of PLN 0.00477 net and decided that the unused as at the end of 2013, but already paid for data package will be recalculated in accordance with this new price. Thereby, as a result of the Memorandum, the volume of the unused, but already paid for data package in the HSPA+ and LTE technology, remaining at the Company's disposal as at the end of 2013, amounts to 20,1 million GB.

Taking into consideration the rapid rate of growth of the number of users as well as of the average data usage per user, the Management Board of the Company estimates that the presently unused data package is sufficient to meet the needs related to the provision of Internet access services over the next few quarters only. It is the Management Board's intention to secure a data package that will allow unrestrained development of Internet access services in the medium-term.

With reference to the above, a framework agreement ("Agreement") was signed on March 27, 2014 between the Company and Polkomtel, concerning the terms of cooperation between parties as regards the provision of Data Transfer Services by Polkomtel for the Company. The parties agreed that the date of validity and moment of commercial start, following from the provisions of the abovementioned Agreement, will be January 1, 2014.

Within the framework of the aforesaid Agreement, Polkomtel will provide the Company with access to wireless data transfer, realized on the basis of LTE, HSPA+, HSPA and EDGE technologies. The maturity of the Agreement is unlimited and its value will be defined based on separate orders placed by the Company, regarding the purchase of Data Transfer Service, expressed as a number of GB.

On the Agreement date, the Company placed Order No. 1 with Polkomtel, regarding the purchase of 61 million GB of data transfer service with the guaranteed validity period of the Order until December 31, 2016 and net price of PLN 0.00477 per 1 MB. The total value of Order No. 1 amounts to PLN

297,953,280 (two hundred ninety seven million nine hundred fifty three thousand two hundred eighty Polish zloty), and the payment will be settled in monthly installments, starting from January 2014, as follows:

- i. for every month from January 2014 to December 2014 - in the net amount of PLN 6,666,666.67, which amounts to a total of PLN 80.00 million in 2014;
- ii. for every month from January 2015 to December 2015 - in the net amount of PLN 10,000,000.00, which amounts to a total of PLN 120.00 million in 2015;
- iii. for every month from January 2016 to December 2016 - in the net amount of PLN 8,162,773.33, which amounts to a total of PLN 97.95 million in 2016.

The terms of the aforesaid Agreement do not vary from market standards applied in such agreements.

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

To summarize, as at the beginning of 2014, within the framework of the Memorandum of Understanding with Mobyland, the Agreement with Polkomtel and Order No. 1 placed with Polkomtel, the total volume of data packages at the Company's disposal amounted to approximately 80 million GB.

The abovementioned data package enables the Company to achieve its business objectives over the medium term, while a lower price per 1 MB of data transfer allows the Company to present a more attractive offer to its customers, thus contributing to a faster rate of subscriber acquisition in the future and improvement of margins generated from telecommunications services.

The signed Agreement is an important element in implementing the Company's strategy to provide its customers with multi-play services, a significant component of which is Internet access.

Legal basis: Article 56 sect. 1 item 2 of the Act on public offering and the terms for introduction of financial instruments to organized trading and on public companies, dated 29 July 2005.

Signed by:

/s/ Aneta Jaskólska

Aneta Jaskólska
Member of the Management Board

/s/ Dariusz Działkowski

Dariusz Działkowski
Member of the Management Board