

CYFROWY POLSAT S.A.

Current report No. 11/2011

Report date: **March 31, 2011**

Subject: Conclusion of significant agreements by Cyfrowy Polsat and fulfillment of the condition precedent under a significant agreement concluded by Cyfrowy Polsat

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on March 31, 2011 the Company, acting as borrower, together with Cyfrowy Polsat Technology Sp. z o.o., mPunkt Polska S.A. and Cyfrowy Polsat Trade Marks Sp. z o.o. concluded a Senior Facilities Agreement with a syndicate of Polish and international banks led by: Citibank, N.A., London Branch, Bank Handlowy w Warszawie S.A., Crédit Agricole CIB, The Royal Bank of Scotland plc (the "**Bookrunners**") and including: Crédit Agricole Corporate and Investment Bank S.A. Oddział w Polsce, The Royal Bank of Scotland N.V., RBS Bank (Polska) S.A., BRE Bank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Bank Millennium S.A., ING Bank Śląski S.A., HSBC Bank plc, Bank Gospodarki Żywnościowej S.A., Nordea Bank Polska S.A., Raiffeisen Bank International AG, Bank DnB Nord Polska S.A., DnB NOR Bank ASA, Alior Bank S.A. Citibank International plc will act as the Facility Agent and Citicorp Trustee Company Limited will act as Security Agent for the Senior Facilities.

The Senior Facilities Agreement provides for a term facility loan of up to PLN 1,400,000,000 (one billion four hundred million zloty) ("**Term Facility**") and a revolving facility loan of up to PLN 200,000,000 (two hundred million zloty) ("**Revolving Facility**").

The Term Facility and Revolving Facility loans bear interest at variable rates comprising WIBOR, for the relevant interest periods, and the applicable margin. The margin of the Term Facility and the Revolving Facility depends on the ratio of consolidated net debt / consolidated EBITDA with a lower ratio resulting in a lower applicable margin. The Term Facility will be repaid in quarterly installments in varying amounts starting from June 30, 2011, and the final facility repayment date is December 31, 2015. The termination date of the Revolving Facility is also December 31, 2015.

In addition, on March 31, 2011, the Company, acting as borrower, together with Cyfrowy Polsat Technology Sp. z o.o., mPunkt Polska S.A. and Cyfrowy Polsat Trade Marks Sp. z o.o. concluded a Bridge Facility Agreement with the Bookrunners. Citibank International plc will act as the Facility Agent and Citicorp Trustee Company Limited will act as Security Agent for the Bridge Facility. This agreement provides for a bridge loan facility in EUR of up to the equivalent of PLN 1,400,000,000 (one billion four hundred million zloty) which, as of the day of the execution of this agreement, equals approximately EUR 350,000,000 (Three hundred and fifty million Euros) ("**Bridge Facility**").

The Bridge Facility bears interest at variable rates being the sum of: EURIBOR, for the relevant interest periods, and the applicable margin, which increases as the term of the facility increases. The Bridge Facility is to be repaid within 12 months of the day of concluding the agreement.

Claims against the Company and other debtors under the abovementioned facilities agreements will be secured with security interests granted by the Company and certain other entities. These security interests will include, in particular, registered pledges on collections of fungible movables and economic rights representing parts of the enterprises of the Company and other respective entities, registered and financial pledges on shares of the Company's subsidiaries, including the shares of Telewizja Polsat S.A. upon their acquisition by the Company, assignments of rights, mortgages and official deeds of submission to enforcement as well as analogical security interests established over shares or assets of Company's or Telewizja Polsat S.A.'s subsidiaries, which will be governed by foreign laws.

The Company will utilize the Term Facility and the Bridge Facility to finance the acquisition of all of the shares of Telewizja Polsat S.A. The Revolving Facility may be utilized by the Company (or other borrowers from the Company's group, including the group of Telewizja Polsat S.A., following the acquisition by the Company of shares in Telewizja Polsat S.A.) for other purposes, including, without limitation, the refinancing of other existing indebtedness, but it cannot be used to finance the acquisition of shares in Telewizja Polsat S.A.

The shares of Telewizja Polsat S.A. are to be acquired pursuant to the investment agreement concluded by the Company on November 15, 2010, amended in Annex No. 1 of December 28, 2010 and in Annex No. 2 of March 24, 2011 ("**Investment Agreement**"), which were disclosed by the Company in the current reports No. 31/2010 of November 15, 2010, No. 39/2010 of December 29, 2010 and No. 8 of March 25, 2011.

The execution of the Senior Facilities Agreement and Bridge Facility Agreement was stipulated in the Investment Agreement and it satisfies one of the conditions precedent set out in the Investment Agreement.

The Senior Facilities Agreement and Bridge Facility Agreement are considered significant as their aggregate value exceeds 10% of revenues for the last four accounting quarters.

Legal basis: Article 56 Section 1 Item 2 of the Offering Act in conjunction with § 5 Section 1 Item 3 and 4 of the Ordinance of the Minister of Finance dated February 19, 2009 regarding current and periodic information submitted by issuers of securities and on conditions of accepting as equivalent the information required by the provisions of a law of a non-EU member state.

By:

/s/ Aneta Jaskólska

Aneta Jaskólska

Member of the Management Board

/s/ Tomasz Szelaĝ

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