CYFROWY POLSAT S.A.

Current report No. **22/2013**

Report date: **November 14, 2013**

Subject: **Conditional agreement concerning acquisition of shares in Metelem Holding Company Limited holding indirectly 100% of the share capital of Polkomtel Sp. z o.o.**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby announces that as a result of the discussions and negotiations relating to the acquisition by the Company of shares in Metelem Holding Company Limited ("**Metelem**") of which the Company informed the Polish Financial Supervisions Authority and which was disclosed to the public in the current report no. 21/2013 dated 14 November 2013, the Company has placed an offer addressed to the shareholders of Metelem to acquire all of the shares in Metelem in exchange for shares to be issued by Company. Metelem holds indirectly 100% of the share capital of Polkomtel Sp. z o.o., the operator of the mobile network „Plus".

On 14 November 2013 the Company concluded a conditional investment agreement concerning the transfer of shares in Metelem as in-kind contribution for the shares to be issued by Company (the "**Agreement**") with three shareholders of Metelem, i.e. Argumenol Investment Company Limited seated in Nicosia, Cyprus, Karswell Limited seated in Nicosia, Cyprus and Sensor Overseas Limited seated in Nicosia, Cyprus, whose shares represent approximately 83.77% of shares in Metelem (the "**Vendors**"),

The fourth shareholder of Metelem, the European Bank for Reconstruction and Development ("**EBRD**") holds shares representing approximately 16.23% of shares in Metelem. EBRD is considering the offer made by the Company. If EBRD accepts the offer, the Agreement provides for the right of EBRD to accede to the Agreement or the Company could enter into a separate agreement with EBRD. The Company and EBRD are in discussions concerning the offer and there can be no assurance that an agreement will be reached with EBRD, and any such agreement would be subject to EBRD obtaining internal approvals and the entry into of definitive documentation. The Company intends to complete the transactions contemplated by the Agreement with the Vendors, subject to the conditions therein, even if EBRD does not participate in the transactions.

Pursuant to the Agreement, the Vendors will acquire in aggregate 243,932,490 shares in the conditionally increased share capital of the Company at the issue price of PLN 21.12 (the "**New Shares**"). The New Shares will be acquired for an in-kind contribution in the form of shares in Metelem constituting in aggregate approximately 83.77% of Metelem's share capital. In order to enable the acquisition of the New Shares by the current shareholders of Metelem, the Company shall issue subscription warrants to be acquired by them free of charge, which will then be exchanged into New Shares paid for with the in-kind contribution referred to above.

As at the date of publication of this current report the resolutions pertaining to conditional increase of the share capital and pertaining to the issue of subscription warrants and the New Shares have not been adopted. The Management Board of the Company intends to convene a Shareholders' Meeting of the Company to adopt resolutions in the matter of conditional increase of the Company's share capital through issue of up to 291,193,180 ordinary bearer shares with the issue price of PLN 21.12 (the "**Conditional Share Capital Increase**"), in the matter of issue of subscription warrants and exclusion of the pre-emptive rights of the existing shareholders of the Company (the "**Resolutions**") in order to perform the Agreement. The information on the Shareholders' Meeting, its agenda, drafts of the Resolutions and the terms and conditions for the participation therein will be disclosed in a separate current report.

The Agreement does not provide for any contractual penalties.

The obligation of the Company to issue shares to the Vendors and the Vendors' obligation to transfer the title to the shares in Metelem to the Company is subject to the following conditions precedent:

a) adoption by the Shareholders' Meeting of the Company of the Resolutions,

b) registration of the Conditional Share Capital Increase by the registry court, and

c) refinancing by the Company that will provide for repayment of the entire indebtedness of the Company arising under the Senior Facilities Agreement dated 31 March 2011, as amended and the Senior Secured Notes issued pursuant to the Indenture dated 20 May 2011.

The Company is entitled to terminate the Agreement, if Cyfrowy Polsat determines, in its sole discretion, that it will not be able to achieve the refinancing and repayment of the its financial indebtedness on terms and conditions acceptable to Cyfrowy Polsat.

Furthermore, the Company will not be obliged to proceed with closing of the transaction described in this current report, and in particular enter with the Vendors into subscription agreements concerning the subscription warrants nor issue the New Shares if a Material Adverse Effect, as defined in detail in the Agreement, occurs, i.e., in general, a material adverse change in the value, business, assets, properties; or condition (financial, operational or otherwise) of Metelem and its subsidiaries, including Polkomtel or any event, action or circumstance that prohibits the shareholders of Metelem from consummating the transactions contemplated by the Agreement or otherwise performing their respective obligations under the Agreement.

The Agreement is governed by English law.

The Agreement is considered significant as its value exceeds 10% of the Company's equity (*kapitały własne*).

Legal grounds: Article 56 Section 1 item 1 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/ Dominik Libicki

Dominik Libicki,
President of the Management Board