

This document is an English translation of the information note prepared by Cyfrowy Polsat S.A. with its registered office in Warsaw (the "Company") (the "Information Note"). The Polish language version of the Information Note is the only binding version of the Information Note. This translation of the Information Note into English has been prepared solely for the convenience of investors and has no legal effect. Although every effort was made to ensure the accuracy of the English translation of the Information Note, the Company, its advisors and persons acting on behalf of the Company as well as its other agents assume no liability for any errors, omissions or inaccuracies in the English translation of the Information Note.

CYFROWY POLSAT S.A.



INFORMATION NOTE series A bonds with a total value of PLN 1,000,000,000

This information note was prepared in connection with the application to introduce the financial instruments covered by this note to trading in the alternative trading system organized by the Warsaw Stock Exchange.

Introduction of financial instruments to trading in the alternative trading system does not constitute admission nor introduction of those instrument to trading on a regulated market organized by the Warsaw Stock Exchange (main market or parallel market).

Investors should be aware of risks connected with investing in financial instruments listed in an alternative trading system, and their investment decisions should be preceded by an adequate analysis and, if the situation so requires, a consultation with an investment advisor.

The contents of this information note were not approved by the Warsaw Stock Exchange in the context of their accordance with the facts or the law.

Date of this information note: 22 July 2015

Bond Issuance Agent:



DECLARATION OF PERSONS RESPONSIBLE

1. DECLARATION OF PERSONS RESPONSIBLE

The Issuer's data:

Name Cyfrowy Polsat Spółka Akcyjna
Address..... ul. Łubinowa 4a, 03-878 Warsaw
Registry court..... District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register
KRS..... 0000010078
NIP (tax no.)..... 796-18-10-732
REGON (statistical no.)..... 670925160
Telephone +48 22 356 66 00
Fax +48 22 356 60 03
E-mail..... recepcja@cyfrowypolsat.pl
Website..... www.grupapolsat.pl

The Issuer's statement:

The Issuer hereby declares that, to the best knowledge of the Issuer and having taken all reasonable care to ensure that such is the case, the information contained in the information document is true, accurate and in accordance with the facts and contains no omission likely to affect its import or the valuation of the financial instruments being introduced into trading, and it accurately describes the risk factors relating to trading in those instruments.

Signatures of authorized persons:

[The signature was placed on the Polish version of the Information Note.]

Tomasz Gillner – Gorywoda
President of the Management Board

.....

The basis for exempting the Issuer from the obligation to enter into an agreement with an authorized adviser is contained in § 18 Section 18 item 1 and 3 of the ATS Rules.

TABLE OF CONTENTS

1. DECLARATION OF PERSONS RESPONSIBLE.....	i
2. RISK FACTORS.....	1
2.1. Risk factors associated with the Group's operations	1
2.2. Risk factors associated with the Group's financial profile	15
2.3. Risk factors associated with the market environment and economic situation	17
2.4. Risk factors associated with the legal and regulatory environment	22
2.5. Risk factors associated with the Bonds, the offering of the Bonds and their introduction to the ATS	29
3. INFORMATION REGARDING THE BONDS	37
3.1. Purpose of issuance	37
3.2. Type of Bonds issued	37
3.3. Size of the issue	37
3.4. Nominal value and issue price.....	37
3.5. Information regarding the results of subscription.....	37
3.6. Terms of redemption and payment of interest.....	38
3.7. Security interests attached to the Bonds	42
3.8. Value of liabilities as at the last day of the quarter preceding the sending of purchase offers, and a projection of liabilities until the redemption of all of the Bonds.....	42
3.9. Information allowing the potential buyers of the bonds to ascertain the effects of the undertaking to be funded from the proceeds	42
3.10. The rules for converting the value of benefits in kind into cash	42
4. INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM).....	43
4.1. Introduction.....	43
4.2. History of the Group.....	44
4.3. Strategy	45
4.4. Competitive advantages, market opportunities and development prospects.....	47
4.5. Description of the Group's operations, including specific operating segments.....	56
4.6. Basic operating information	91
4.7. Description of the market environment in which the Group operates	100
4.8. Key factors impacting our operating activities and financial results.....	111
4.9. Events after the balance sheet date	121
4.11. Analysis of financial liabilities.....	124

TABLE OF CONTENTS

4.12.	Description of major agreements.....	126
4.13.	Information on material court, arbitration or administrative proceedings against the Company or consolidated subsidiaries.....	151
4.14.	General information on Polsat Group.....	155
4.15.	Composition of the Management Board and Supervisory Board.....	158
4.16.	Shareholding structure.....	158
4.17.	Other information important for the assessment of the Company's personnel, economic and financial position, as well as financial results.....	159
4.18.	Consolidated financial statements for 2013 and 2014 and for the first quarter of 2015.....	160
4.19.	Pro forma financial information for 2013 and 2014.....	165
5.	APPENDICES.....	Z-1
5.1.	Information corresponding to the current excerpt from the register of entrepreneurs of the National Court Register.....	Z-1
5.2.	Current consolidated text of the Issuer's articles of association.....	Z-18
5.3.	Resolutions which are the basis for issuing the Bonds.....	Z-32
5.4.	Bonds Terms and Supplement.....	Z-53
5.5.	Abbreviations and definitions.....	Z-95

2. RISK FACTORS

2.1. Risk factors associated with the Group's operations

The results of our operations in the telecommunications sector depend on our ability to effectively encourage existing customers to use a wider range of our services, to win customers from competitive mobile and fixed-line operators, as well as our ability to reduce churn

It is expected that further growth in our operations on the maturing Polish mobile telephony market will chiefly depend on our ability to effectively encourage existing customers to use a wider range of services offered by us, to win customers from competitive mobile and fixed-line operators, as well as our ability to reduce the churn rate. The Group cannot give any assurance that the measures it is undertaking will encourage its existing customers to use a wider range of services or will attract customers from competitive mobile and fixed-line operators, or that the measures we are undertaking to increase customer loyalty will reduce the rate of churn or allow the Group to maintain the current churn rate. If we are unable to successfully manage the churn rate, we may be forced to significantly reduce our costs to maintain satisfactory profit margins, or to take alternative steps, which could in turn result in higher costs of customer acquisition and retention.

In addition, the mobile telecommunications industry is characterised by frequent developments in product offerings, as well as by advances in network and handset technology. If we are unable to maintain and upgrade our network and to provide customers with an attractive portfolio of products and services, we may not be able to retain customers or the costs of customer retention may increase. Likewise, if we fail to effectively advertise our products and services, acquisition of new customers may be impossible or very difficult.

Additionally, competitive mobile operators may improve their ability to attract new customers, or offer their products or services at lower prices, or improve the attractiveness of their offer to customers, which could make it more difficult for us to retain our current customer base and could increase the cost of retaining and acquiring new customers.

All such events could have a material adverse effect on the results of our operations, financial condition or development prospects.

Our performance depends on customer satisfaction, our programming content being appealing to viewers, as well as our ability to generate profit from our own productions or from acquired broadcasting rights

We operate on markets where commercial success primarily depends on customer satisfaction and acceptance of programming content, and viewers' reactions are often difficult to predict. We strive to acquire and retain pay TV customers by providing them with access to a broad range of channels, including sports, music, entertainment, news, children's, educational and film channels, all main terrestrial television channels available in Poland, as well as HD and free-to-air TV and radio channels. Whether customers are satisfied with our programming is vital to our ability to acquire and retain customers, as well as to generate and increase customer revenue.

Our ability to generate advertising revenue in the TV production and broadcasting segment depends almost entirely on viewers' demand for our programmes. Audience shares achieved by programmes we broadcast directly affects both the attractiveness of our television channels to existing and potential advertisers and the

RISK FACTORS

rates we are able to charge for advertising time. In the TV broadcasting and production segment we also generate revenue from the production and sale of television programmes to third parties operating in Poland and, to a lesser extent, abroad. The prices which we are able to charge potential buyers of our own productions are directly linked to the audience for those programmes, as third-party buyers, interested in generating advertising revenue, look for programming content with the highest viewership.

Demand for TV programmes and programming preferences change frequently, irrespective of the media via which they are transmitted. We might not be able to attract customers to or retain customers for our pay TV services if we are not able to effectively predict the demand for programmes or changes in audience tastes, or if our competitors prove better at such predictions. This may bring about an increase in customer churn, while in the TV production and broadcasting segment it may result in decreasing audiences for our programmes and subsequent difficulties in attracting advertisers.

To some extent, the profitability of our operations depends on our ability to produce, or obtain broadcasting rights to, the most attractive programmes in a cost-effective manner. While the costs of in-house production of television content are usually higher than the costs of purchasing third-party programmes, we believe that a larger number of Polish programmes broadcast on our channels will increase viewer demand and consequently increase demand from advertisers. However, there can be no assurance that the financial outlays we have made or will make in the future on Polish programming production will be fully recouped or that we will be able to generate revenue high enough to offset those costs.

Consequently, our programming offer does not appeal to customers or we are unable to produce programmes or acquire broadcasting rights in a cost-effective manner, it may have a material adverse effect on our financial condition, results of operations or development prospects.

We may be unable to attract or retain customers and advertisers if we fail to conclude or extend the licence agreements under which we distribute key programmes

Our performance depends on our ability to acquire attractive television programmes. Our pay TV customers' access to television channels depends entirely on our purchase of licences from TV broadcasters. In the TV production and broadcasting segment, we independently produce certain TV programmes, while other TV programmes and content are broadcast under licence agreements. Our licence agreements are usually concluded for definite period of time, usually two to three years for films and TV series, and three to five years for sports programmes. Under certain circumstances, a licensor may terminate a licence agreement before it expires without our consent. This is particularly likely if we fail to fulfil our obligations, including the obligation to pay licence fees. In order to acquire and retain customers and advertisers, it is necessary to maintain an attractive selection of TV programmes. There can be no assurance that our licence agreements will be extended on equally favourable terms or that they will be extended at all, nor can we exclude the possibility that a licensor will terminate a licence agreement before its agreed expiry date. Our inability to obtain, maintain, or extend important programme licences may make it difficult for us to provide and offer new and attractive channels and programmes, which may result in losing our ability to acquire and retain customers and advertisers. This in turn may have a material adverse effect on our performance, financial condition or development prospects.

RISK FACTORS

We may lose the revenues generated pursuant to our national roaming agreement with P4 or such revenues may be materially lower than anticipated

In 2006 Polkomtel entered into, and has renegotiated several times, a national roaming agreement with P4, under which Polkomtel renders domestic roaming services allowing P4 to offer mobile services to its customers in areas where it does not have its own radio network coverage. According to this agreement, in 2010-2015 Polkomtel is required to sell and P4 is required to buy domestic roaming services with a total minimum value of over PLN 600 million. As under certain circumstances P4 has the right to terminate the agreement, there can be no assurance that P4 will not terminate the agreement before the end of 2015 or in subsequent years. Moreover, there can be no assurance that the agreement will be renewed after its current term or that P4 will comply with all of its provisions. On March 25, 2014, P4 announced in a press release that it plans to gradually introduce T-Mobile as its main roaming partner in the areas not covered by its own network.

Moreover, if P4 becomes insolvent or goes into liquidation, P4 may not be able to continue performing under the National Roaming Agreement and Polkomtel may not be able to collect any of P4's payables under the agreement.

If Polkomtel loses the revenue generated pursuant to its National Roaming Agreement with P4 or if such revenue is materially lower than anticipated, due to, for example, Polkomtel's or P4's failure to perform the obligations under the agreement, P4 migrating a significant portion of traffic to its own network or other operators' networks, P4's strategy or financial condition, or due to any other factors outside Polkomtel's control, the financial condition, results of operations or development prospects of the Group may be adversely affected.

Our ability to increase sales of our services depends on the effectiveness of our sales network

We operate an organised and specialised Poland-wide sales network, which distributes the products and services offered by our Group. Due to increasing competition with other pay TV providers and telecommunications service providers, we may have to raise the fees paid to our distributors in order to expand the sales and distribution network, and change the channels we use to distribute our services. Any potential increase in fees paid to distributors in our sales and distribution network will result in higher operating costs and probably lead to lower profit from operating activities. Furthermore, if we decide that our distribution network requires extensive reorganisation or reconstruction, we may face the need to incur substantial financial outlays. Any failure to maintain, expand or modify our sales and distribution network may make it much harder to acquire and retain customers for our services, which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

In our business, we depend on third-party providers for certain services, infrastructure or equipment. If these are delivered late or if they are not delivered at all our services may be delayed or even suspended

External providers provide us with support services and deliver the equipment and infrastructure necessary for us to conduct our operations. We have little to no influence over how and when these third-party providers perform their obligations.

We collaborate with a number of third parties in providing our pay TV, broadband and mobile telephony services. Our ability to deliver pay TV services to customers depends on the correct operation of the infrastructure and equipment belonging to the entities with which we collaborate. For instance, we lease transponders from Eutelsat

RISK FACTORS

S.A. to deliver digital signals via satellite to our customers in Poland. Our customers' antennas are usually adapted to receive signals delivered through transponders leased from Eutelsat S.A. In order to switch satellite operator in the event of our failure to extend the contract, or in the event of contract termination by Eutelsat S.A., or for other reasons, we would be forced to find an alternative provider of satellite transmission capacities and potentially would have to reposition our customers' satellite antennas, which would be a cost- and time-consuming process considering the size of our customer base.

To broadcast our terrestrial channels, we use the services provided by Emitel. We also rely on another third-party contractor, Nagravision S.A., which provides a conditional access system to us to secure our networks against unauthorised access by pirates and hackers. Our broadcasting services also rely on a number of third-party contractors, and we outsource a number of non-core activities (including certain IT functions) not related to our broadcasting business. These, and other services, are often central to our operating activities.

The provision of our services may be disrupted or interrupted if any of our partners is unable to, or refuses to, perform their contracted services or provide access to infrastructure or equipment in a timely manner, on acceptable terms or at all. These and other disruptions or interruptions may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Our ability to grow our customer base depends on our ability to provide high-quality, reliable services and products. In offering products and services, we rely on a number of third-party providers of network, services, equipment and content over whom we have no control. If such third-party providers do not perform their contractual obligations towards us or do not adjust to changes in requirements of the Group's companies, our customers may experience service interruptions, which could adversely affect the perceived quality of our services and products, therefore, adversely impact the brand and reputation of the Group's companies, thus affecting our business, financial condition, results of operations or development prospects.

A possibility of provision of telecommunications services depends to a large degree on our ability to interconnect with the telecommunications networks and services of other telecommunications operators, including those of Polkomtel's direct competitors. We also rely on third-party operators for the provision of international roaming services to our mobile customers. While Polkomtel has interconnection and roaming agreements in place with other operators, we do not have direct control over the quality of their networks and the interconnections and roaming services they provide, due to the fact that we do not have direct control over availability or quality of networks of such operators or interconnect and roaming services, there can be no assurance that availability and quality of services provided by such other operators will be in accordance with contract. Any difficulties or delays in interconnecting with other networks and services, the failure of any operator to provide reliable interconnections or roaming services on a consistent basis or early termination of any of material interconnection or roaming agreements could result in an inability or limited ability to provide services to our customers or in a deterioration of quality of the services, which in turn can lead to loss of customers or decreased usage of our services, and consequently have a material adverse effect on our performance, financial condition and growth prospects.

In addition, we rely on continued maintenance and supply services rendered by manufacturers of telecommunications equipment, including Nokia Solutions and Networks and Ericsson. Continued cooperation with some of them is important for us to maintain our operations without disruption. We also rely on agreements

RISK FACTORS

with external suppliers of handsets and modems (including Sony, Samsung, LG and Huawei) and providers of IT services (including Intec Billing). We do not have any control over our key suppliers and have limited influence on the manner in which these key suppliers perform their obligations under concluded contracts. In addition, there can be no assurance that these providers will not terminate their contracts with us, extend them upon expiry, extend them on the same or more favourable terms, or that we will be able to acquire the necessary equipment and services in the future from these or other suppliers, in required amounts and at the right time, or at all. Accordingly, due to dependence on third-party suppliers, we are exposed to the risk of delayed provision of necessary services or equipment or lack of such provision.

If any of the third parties that we rely on becomes unable to or refuses to provide the services, facilities and equipment that we depend on in a timely and commercially reasonable manner or at all, we may not be able to offer our customers such services, facilities or equipment or may experience temporary service interruptions or service quality problems, which would significantly impact our reputation and customer confidence and lead to a decrease in revenue from sales of such services, facilities and equipment and in consequence have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be unable to keep pace with new technologies used in our markets

The technologies used in broadcasting and delivering pay TV, broadband and mobile telecommunications services develop extremely quickly, which is why there can be no assurance that we will be able to sufficiently modify our services to keep up with these changes.

Compression, signal encoding and customer management systems vital to the correct functioning of our satellite centre, set-top boxes manufactured at our plant, as well as other software and technologies used by us and our suppliers, must be constantly updated and replaced to match the latest technological developments. Our inability to replace obsolete technological solutions as and when needed may result in disruption of our pay TV services, which may in turn cause an outflow of customers to competitors who have brought their technologies up to date.

Technological progress requires us to modify our content distribution and TV programming methods to keep pace with the changing market. New technologies – including new video formats, IPTV, Internet streaming and downloading services, video on demand (VOD), mobile television, set-top boxes with recording capability, as well as other devices and technologies – introduce new media and entertainment options and change the way customers receive content. This allows them to enjoy television outdoors or at a later time, without commercials and to a custom schedule. Such technologies are growing in popularity and are becoming easier to use, yet the resulting fragmentation of TV viewers may cause a general decline in TV advertising revenues.

It is expected certain communications technologies that are currently under development, namely LTE, LTE-Advanced, VoLTE, as well as fibre optics technology allowing for faster data transmission and lower unit cost per GB transmitted traffic, to become increasingly important in the markets in which we operate. Technological developments may also shorten product life cycles and facilitate convergence of various segments in the telecommunications industry. In addition, we cannot currently predict how emerging and future technological changes will affect the Group's operations, nor can it predict that new technologies required to support its planned services will be available when expected, if at all.

RISK FACTORS

Given the fast pace of technological change and customers' growing expectations, and considering the risk that our competitors may offer telecommunications products and services that are based on new technologies which are more technologically advanced, less costly or otherwise more attractive to customers than those provided by us, we may be required to rapidly deploy new technologies, products or services. The rapid evolution of technology in the markets in which we operate and the complexity of our information technology systems, as well as a number of other factors, including economic ones, may affect our ability to timely launch new technologies, products or services. We cannot guarantee that we will correctly predict the development of new technologies, products or/and the demand for products and, therefore, that we will at an appropriate moment devote appropriate amounts of capital and resources to develop the necessary technologies, products or services that will satisfy existing customers and attract new customers. If we fail to implement new technologies, products or services or implement such new technologies, products or services too late, it may render our technologies, products or services less profitable or less attractive than those offered by its competitors. In addition, new or enhanced technologies, services or products we introduce may fail to achieve sufficient market acceptance or experience technical difficulties. We may also be unable to recover the investments it has made or may make to deploy these technologies, services and products and therefore no assurance can be given that we will be able to do so in a cost efficient manner, which would also reduce our profitability. Moreover, we may not be able to obtain funding, in sufficient amounts on reasonable terms, in order to finance capital expenditures necessary to keep pace with technological developments and with the competitors.

Failure on our part to adapt our products and services to the changing lifestyles and preferences of our customers, or to make sufficient use of new technologies in our activities, may have a material adverse effect on our business, financial condition, results of operations or development prospects.

A substantial increase in data volumes transmitted by our customers as part of their packages may result in higher-than-expected increase in national roaming costs

Under PLK Wholesale Agreement, concluded on March 9, 2012 by and between Mobyland and Polkomtel, we purchased from LTE Group a data transmission service at agreed rates per GB of transmitted data. Under the retail data transmission service model prevailing on the Polish market, customers sign contracts for a defined number of months, under which we provide individual and business customers with predefined data allowances or with packages without data transmission limits, where bandwidth is reduced after a specified amount of transmitted data is exceeded, or without any limitations. In the face of market competition, we may be forced to offer our individual and business customers more attractive solutions by increasing contract data allowances or removing limits altogether, or individual and business customers may use the data transmission service under their existing packages to a greater extent than originally anticipated by us, which may result in higher costs of the wholesale data transmission service provided to us by LTE Group under the aforementioned PLK Wholesale Agreement. There can be no assurance that in such a situation we will be able to effectively renegotiate the terms of this agreement. Consequently, this may substantially reduce the profitability of our data transmission services, and have a material adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

Alleged health risks of wireless communications devices could lead to decreased wireless communications usage or increased difficulty in obtaining sites for base stations

In the past, reports have been published alleging that there may be health risks associated with the effects of electromagnetic signals from antenna sites and from mobile handsets and other mobile telecommunications devices. There can be no assurance that further medical research and studies will not prove that there are health risks associated with the effects of electromagnetic signals.

The actual or perceived risk of mobile telecommunications devices, press reports about risks posed by such devices or consumer litigation relating to such risks could result in decreased mobile usage, reduction in the number of customers, increased difficulty in obtaining sites for base stations and exposure to potential litigation or other liabilities. In addition, these health concerns may cause authorities to impose stricter regulations on the construction of the components mobile telecommunications networks, such as base transceiver stations or other telecommunications network infrastructure, which may lead to an increase in our operating costs in the segment of services to individual and business customers, and may hinder the completion of network deployment and the commercial availability of new services, or may increase costs of such development. Such events may have a material adverse effect on our business, financial condition, results of operations or development prospects.

We are exposed to the risk of fraudulent activities by customers

Given the nature of the telecommunications market stemming from the manner of making interconnect settlements related to the exchange of domestic and international telecommunications traffic and fees for sold premium services, some of our customers use telecommunications services in a way that differs from the standard method of their use by the end user in order, for example, to terminate mass traffic in the network of another operator while bypassing wholesale interconnect settlements. We prevent such behaviour, for example, by analysing any abnormal traffic patterns on individual SIM cards. If such traffic patterns are identified, the card can be immediately deactivated, in accordance with the service provision regulations. However, there can be no assurance that we will be sufficiently effective in preventing this type of fraud. If we do not identify a fraud or identifies a fraud with a delay, we may be exposed to additional costs or lose some revenue due to us, which can have a material adverse effect on our business, financial condition and growth prospects.

We might be unable to maintain good name of the Cyfrowy Polsat, Plus, Telewizja Polsat, IPLA, TV4 and TV6 brands

The good name of the 'Cyfrowy Polsat', 'Plus', 'Telewizja Polsat', 'IPLA', 'TV4' and 'TV6' brands is a significant component of Group's value. Maintaining their good name is fundamental for acquiring new and retaining existing customers and advertisers. Our reputation may suffer if we are unable to provide existing products and services or implement new products and services due to technical faults, a lack of necessary equipment, or other circumstances. Also, the quality of our products and services depends on the quality of third-party infrastructure and services, over which we have little control. If our partners fail to observe relevant performance standards or supply faulty products or services, the quality of our products and services, as well as our good name may suffer. There can be no assurance that these or other risks, which would compromise the good name of the 'Cyfrowy Polsat', 'Plus', 'Telewizja Polsat', 'IPLA', 'TV4' and 'TV6' brands, will not materialise in the future. Any damage to our good name may have a material adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

Goodwill and brand value may be impaired

Following the acquisition of mPunkt S.A., Telewizja Polsat, INFO-TV-FM sp. z o.o., IPLA companies (Redefine together with Poszkole.pl sp. z o.o., Stat24 sp. z o.o., Netshare sp. z o.o., Frazpc.pl sp. z o.o. and Gery.pl sp. z o.o.), Polskie Media (TV4 and TV6 channels) and Metelem Holding Company Limited we have carried considerable amounts of goodwill and intangible assets, representing brand value, on our balance sheet. We test the goodwill and brand value allocated to our business segments for impairment on an annual basis, by measuring the recoverable amounts of cash-generating units, based on value in use. Any adverse changes to the key assumptions we apply in impairment testing may have a material adverse effect on our business, financial condition, results of operations.

We may lose our management staff and key employees

Our performance and successful implementation of our strategy depend on the experience of our management staff and the commitment of our key employees. Whether we are successful in the future will depend partly on our ability to retain the Management Board members, who have made considerable contributions to the development of our company, as well as to acquire and retain qualified employees who will ensure effective operation of our business segments. In the television and telecommunications sectors, both in Poland and worldwide, there is strong competition for highly qualified employees. Therefore, no assurance can be given that in the future we will be able to acquire or retain Management Board members or qualified employees. Loss of our key managers or our inability to acquire, properly train, motivate and retain key employees, or any delays in this respect, may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Disruptions to set-top box production may adversely affect our reputation and increase customer churn

To reduce acquisition costs of satellite TV reception equipment and to be able to offer our pay TV customers the option to purchase or lease set-top boxes at lower prices, we are currently producing most of the set-top boxes we offer to our customers at the newly acquired manufacturing plant in Mielec. At the end of Q1 2015, our set-top boxes accounted for more than 95% of all the set-top boxes sold or otherwise made available to our pay TV customers. Should any batch of the set-top boxes we have manufactured prove defective and need to be withdrawn from the market, we are under the obligation to replace the set-top boxes we have made available to our customers and to cover (potentially considerable) costs of replacing or repairing any set-top boxes we have sold on the market. Furthermore, the withdrawal of reception equipment due to its defectiveness could be harmful to our reputation. Any problems with production of set-top boxes would force us to acquire larger numbers of set-top boxes from third-party suppliers. There can be no assurance that we will be able to purchase a sufficient number of set-top boxes from third-party suppliers when required. Furthermore, the cost of acquiring from third-party suppliers of the vast majority of set-top box models we offer would be much higher than the cost of manufacturing them at our own plant. If we were unable to obtain set-top boxes from third-party suppliers on satisfactory pricing terms, we might have to raise the prices for our customers to cover our increased depreciation expense. Moreover, if the deliveries of set-top boxes we managed to procure were insufficient to meet the demand, our reputation among our current and potential customers would suffer. As our production of set-top boxes is based on components purchased from third-party contractors, there is a risk that we lose access to such components, for instance due to discontinuation of their production or changes in technologies or products. Losing access to certain components would force us to redesign our set-top boxes, which could affect continuity

RISK FACTORS

of their production and supplies to our customers. Any difficulties in the production of most of our set-top boxes at our own production plant could lead to a loss of our current customers or adversely affect our ability to acquire new customers for our pay TV services. Any disruption to our set-top box production and subsequent necessity to procure more set-top boxes from third-party suppliers could adversely affect our reputation and lead to erosion of our brand value, which could have a material adverse effect on our business, financial condition, results of operations or development prospects.

Network infrastructure, including information and telecommunications technology systems, may be vulnerable to circumstances beyond the Group's control that may disrupt service provision

The mobile telecommunications business depends on providing customers with both reliable service, network capacity and security. The services Polkomtel provides may encounter disruptions from many sources, including power outages, acts of terrorism and vandalism and human error, as well as fire, flood, or other natural disasters.

Base transceiver stations, where radio equipment is installed, form a crucial element of Polkomtel's network infrastructure. The stations are erected at various, often remote locations, in scarcely populated areas. Such location of certain stations poses a greater risk of theft or acts of vandalism, including by persons objecting to base transceiver stations being erected at particular locations.

In addition, part of Polkomtel's network infrastructure is located on the premises of third parties. Furthermore, in the course of cooperation with LTE Group, Polkomtel utilises LTE Group's network infrastructure, some of which is also located on the premises of other third parties. Disputes between these third parties and Polkomtel or LTE Group or disputes between Polkomtel and LTE Group, failure of third parties or LTE Group to properly perform their contractual obligations, as well as a number of other factors and events may cause part of Polkomtel's or LTE Group's network infrastructure to be inaccessible, which could adversely affect Polkomtel's ability to efficiently operate, maintain and upgrade its network or to utilise LTE Group's network infrastructure. In addition, we could experience interruptions of our services due to, among other things, software bugs, computer virus attacks, or unauthorised access. Any interruptions in our ability to provide services could seriously harm the Group's reputation and reduce customer confidence, which could materially impair our ability to attract and retain customers in both the retail and wholesale segments. In addition, such interruptions could result in an obligation to pay contractual penalties or cause our customers to terminate their agreements with Polkomtel or the imposition of regulatory penalties due to violations of the terms of frequency allocation. They might also result in a need to incur significant expenditure to restore the functionality of the telecommunications network and guarantee reliable services to customers.

In order to provide pay TV services to our customers, we rely primarily on our satellite centre, as well as satellite transponders, customer management system, reporting systems, sales support system, and customer relationship management system. Any failure of the individual components of our satellite centre, including failure of satellite transponders or any intermediate link, may result in serious disruption or even suspension of our activities for a certain period. In the TV production and broadcasting segment, the IT systems are used primarily for management of advertising scheduling, programme broadcasting, and maintaining relations with advertisers. Failure of any of our IT systems may prevent us from carrying out our operations successfully, while restoring them to full working condition may require significant financial outlays.

RISK FACTORS

Such events may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our further effective cooperation with LTE Group may prove impossible in the future

Polkomtel's ability to efficiently roll-out the LTE/HSPA+ network and offer large-scale LTE/HSPA+ services, and thus a possibility to capitalise on the early entrant advantage in LTE combined with its broad coverage, depends to a significant extent on Polkomtel's effective cooperation with LTE Group under Network Sharing Agreement, concluded on March 30, 2012 between Aero2 and Polkomtel, and PLK Wholesale Agreement, concluded on March 9, 2012 between Mobyland and Polkomtel. There can be no assurance that these agreements are not terminated before their expiry, are renewed for subsequent periods on the current terms or on terms more favourable to us or that LTE Group companies perform their contractual obligations towards Polkomtel, including when faced with events and factors outside LTE Group's control. There can be no assurance, either, that the scale of Polkomtel's cooperation with LTE Group is sufficient to support further effective extension of the LTE/HSPA+ network. Moreover, there can be no assurance that under PLK Wholesale Agreement, we will be able to secure sufficient wholesale access to LTE Group's LTE/HSPA+ network, or that it will be able to secure the access on acceptable terms. If any of these occurs, Polkomtel may have to develop the LTE/HSPA+ network independently, which may prove an extremely time- and money-consuming process, and thus may have a material adverse effect on our business, financial condition, results of operations and prospects.

LTE Group may lose the spectrum reservations it uses for LTE/HSPA+ network roll-out carried out jointly with Polkomtel Group

LTE Group companies currently hold frequency allocations in the 900 MHz, 1800 MHz and 2570-2620 MHz. These allocations are fundamental for the joint roll-out of the LTE/HSPA+ network by Polkomtel and LTE Group. LTE Group's competitors have taken a number of steps, some of which may lead to retraction of the decisions regarding frequency allocations granted to LTE Group, including the 1800 MHz band frequency allocation, which is currently integral to the offering of LTE services.

No assurance can be given that as a result of the pending proceedings LTE Group will not lose its 1,800 MHz frequency allocation, which could have a material effect on the ability to provide LTE services. Proceedings to invalidate the 1,800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated May 8, 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on September 23, 2011 which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that 'the decisions regarding re-running the tender will be taken by UKE upon careful analysis of the written justification of Supreme Administrative Court's rulings and the Court's guidelines regarding further procedure as well as upon analysis of the legal situation'. UKE also stated that the 'reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies'. Until the date of publication of this Information Note we have not become aware of further new information regarding these proceedings.

No assurance can be given that if LTE Group lost certain frequency allocations on the basis of which Polkomtel provides services which rely on the LTE/HSPA+ technologies, Polkomtel would be able to gain access to sufficient alternative frequency band resources on satisfactory terms or at all, and failure to obtain access to such

RISK FACTORS

resources could have a negative impact on the implementation of business strategies and consequently a material adverse effect on our financial condition, results of operations and prospects.

The necessity to obtain building permits may delay or prevent roll-out of the telecommunications networks

Roll-out of Polkomtel's network infrastructure, including in particular the construction and installation of base transceiver stations, might require obtaining building permits. No assurance can be given that all the necessary building permits will be obtained or that they will be obtained when originally anticipated, which would pose the risk that work on development of the network infrastructure may have to be discontinued, or may be considerably delayed. Furthermore, any building permit that is obtained may in certain circumstances be revoked, even after a given component of network infrastructure is put into operation, which may in certain circumstances lead to suspension of the operation of the network component and require a legalisation procedure to be carried out or, if such procedure is not possible, the infrastructure component to be disassembled.

The necessity to limit expansion of Polkomtel's network infrastructure due to its failure to obtain the required building permits, delays in infrastructure development or – when a building permit is revoked – the obligation to discontinue operation or to disassemble an infrastructure component, may have a material adverse effect on our business, financial condition, results of operations or development prospects.

We could become a party to labour disputes or experience growth of employment costs

In spite of correct relations with our employees, we may not rule out the risk of occurrence work disruptions, disputes with employees, strikes or significant growth of labour costs in one or many of our companies. Each of the above events could prevent our ability to satisfy customer needs or lead to growth of labour costs which would reduce our profitability. In addition any employee-related problems affecting external companies providing services or technologies to us could also have adverse impact on us if they hinder our ability to obtain the required services or technologies on time or the ability to offer the expected quality. All disruptions of this type may have a material adverse effect on our business, financial condition or prospects.

Two trade unions are active at Polkomtel: Niezależny Samorządny Związek Zawodowy Solidarność (the Solidarity Independent Self-Governing Trade Union) and Ogólnopolskie Porozumienie Związków Zawodowych (All-Poland Alliance of Trade Unions). At March 31, 2015, 173 employees (expressed as full-time equivalents), or 4.8% of the total workforce of Polkomtel Group, were trade union members. As at the date of this Information Note, we had no knowledge of any disputes with trade unions or any other collective disputes at Polkomtel. However, involvement in lengthy negotiations with the trade unions or in collective disputes cannot be ruled out; strikes, work interruptions or other industrial action (triggered, for example, by an attempt to optimise the employment level or labour costs or the need to restructure the workforce), as well as employees' pay rise demands may also be experienced. The occurrence of strikes, significant disputes with the trade unions active at Polkomtel or increase in employment costs may disrupt Polkomtel's operations, preventing it from timely or cost-effective provision of services to its customers, which can have a material adverse effect on our business, financial condition, results of operations and prospects.

RISK FACTORS

The administrative and court proceedings in which we are involved may result in unfavourable rulings

We were, and currently are, party to a number of past or pending administrative and court proceedings in connection with our business. Therefore, there is a risk of new proceedings being instituted against us in the future, outcomes of which may prove unfavourable (including those instituted in connection with claims made by organisations for collective administration of copyrights). Under Polish copyright law, we are required to pay fees for collective administration of copyrights to organisations that collect royalties on behalf of authors of copyright-protected works we broadcast or distribute as part of our operations. Such fees are charged in accordance with licence agreements signed with these organisations. Although relevant agreements are in place with several organisations for collective administration of copyrights, there is a risk that claims will be brought against us by other such entities. Polkomtel is in turn a party to administrative and court proceedings, including the ones which have been initiated by regulators, competition and consumer protection office as well as tax authorities. Polkomtel is also a party to disputes and court proceedings involving third party entities.

Any unsuccessful court, arbitration and administrative proceedings may have an adverse effect on our business, financial condition, results of operations or development prospects.

Should any claims related to the infringement of third-party intellectual property rights be brought against us, we may be forced to incur substantial expenses to defend against those claims, to acquire a licence for a third-party technology, or to redefine our business methods to eliminate the infringement

Our business success depends largely on third-party intellectual property rights, particularly rights in advanced technologies, software, and programming content. No assurance can be given that we have not, or that we will not in the future, infringe any third-party intellectual property rights. Any such infringement may result in claims for damages being brought against us by third parties. We may also be placed under an obligation to obtain a licence or acquire new products which would enable us to conduct our business in a non-infringing way, or we may have to expend time, human and financial resources to defend against claims of infringement. Expenditure on defending against intellectual property infringement claims or obtaining necessary licences, and the need to employ time and human resources, including the management staff, to handle issues related to absence or infringement of intellectual property rights, may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Our own intellectual property rights and other means of protection may not adequately protect our business, and insufficient protection of our programming content, proprietary technologies and know-how may cause profit erosion and customer churn

A large proportion of our products make use of proprietary or licensed content, delivered through our broadcast channels, interactive TV services, and pay TV. We establish and protect our property rights on distributed content relying on trademarks, copyrights, and other intellectual property rights, but no assurance can be given that these rights will not be challenged, revoked or disregarded.

Even if our intellectual property rights remain in full effect, no assurance can be given that our protection and anti-piracy measures will successfully prevent unauthorised access to our services and theft of our programming content. Furthermore, our proprietary content and the content we use under licences may be accessed, copied or otherwise used by unauthorised persons. The risk of piracy is particularly harmful to our segments of TV production and broadcasting and the distribution of paid content. Media piracy is a problem well known in many

RISK FACTORS

geographies, including Poland. Technological advancements and digital conversion of multimedia content are powerful incentives for pirating, as they enable the production and distribution of high-quality unauthorised copies, recorded on various carriers, of pay-per-view programmes delivered via set-top boxes, licence-free or free-to-air transmissions on television or the Internet. This is further exacerbated by the difficult enforcement of the laws governing copyright and trade-mark infringements on the Internet, which compromises the protection of our intellectual property rights in that medium. Unauthorised use of our intellectual property may adversely affect our operations, harming our reputation and undermining our trading partners' confidence in our ability to properly protect our proprietary and licensed content, which in turn may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Our broadcasting licences may be revoked or may not be renewed

Our business requires that we obtain licences issued by the National Broadcasting Council (KRRiT). These licences may be revoked or may not be renewed. In our segment of services to individual and business customers, broadcasting of TV programmes by DTH service providers requires no licence, only registration by the Chairperson of KRRiT. As at the date of this Information Note, we hold six terrestrial broadcasting licences and over twenty satellite broadcasting licences. All TV broadcasting licences issued by KRRiT are issued for definite periods. Our terrestrial TV broadcasting licences and satellite broadcasting licences will expire at various times between 2015 and 2030.

Our mobile pay TV services use the 470–790 MHz band, which has been allocated to us for a definite term. There can be no assurance that this allocation will be extended prior to its expiry. In particular, pursuant to the Telecommunications Law, our frequency allocation may not be extended or may be revoked by the President of UKE in case of a gross breach of the terms of its use, or if revocation of the frequency allocation follows from the necessity to ensure equal and effective competition or substantially better use of frequencies, especially if the extension of the allocation would lead to excessive frequency concentration within the Group.

To maintain the frequency allocations, the Group must comply with the terms of the allocation, as well as relevant laws and regulations introduced by the President of UKE and the Minister of Administration and Digital Technology. Any breach of those terms, laws or regulations by the Group, including in particular failure to pay frequency allocation fees, may cause the allocation to be revoked and penalties to be imposed on the Group. In particular, given that the regulations and laws governing the Polish telecommunications industry are very complex and often change, there can be no assurance that the Group will not breach any laws or regulations related to frequency allocation or any terms of such allocation.

To keep our TV broadcasting licences, we must comply with the applicable laws and the terms and conditions of the licences. Failure to comply with the applicable laws or breach of the terms and conditions of a broadcasting licence, especially with respect to the period within which we must commence broadcasting of a channel, could lead to the licence being revoked or a fine being imposed on us. Our broadcasting licences may also be revoked if we are found to be conducting activities in violation of the applicable laws or the terms and conditions of our broadcasting licences, or we fail to remedy such violation within the applicable grace period. In addition to licence revocation, there is also a risk that licences granted by KRRiT will not be renewed.

If any of our broadcasting licences or the Group's frequency allocation are not extended, are revoked or extended on unfavourable conditions, the Group may be forced to suspend the provision of some services temporarily or

RISK FACTORS

permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure, all of which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Polkomtel's current frequency allocations may be revoked or may not be renewed on acceptable terms or at all

All frequency allocations have been issued to Polkomtel for a definite term. There can be no assurance that Polkomtel's frequency allocations will be extended prior to their expiry. In particular, pursuant to the Telecommunications Law, Polkomtel's frequency allocation may not be extended or may be revoked by the President of UKE in case of a substantial breach of the terms of its use, or if revocation of the frequency allocation follows from the necessity to ensure equal and effective competition or substantially better use of frequencies, especially if the extension of the allocation would lead to excessive frequency concentration at Polkomtel or within Polkomtel Group.

To maintain the frequency allocations, Polkomtel must comply with the terms of the allocation, as well as relevant laws and regulations introduced by the President of UKE and the Minister of Administration and Digital Technology. Any breach of those terms, laws or regulations by Polkomtel, including in particular failure to pay frequency allocation fees, may cause the allocation to be revoked and penalties to be imposed on Polkomtel. In particular, given that the regulations and laws governing the Polish telecommunications industry are very complex and often change, there can be no assurance that Polkomtel will not breach any laws or regulations related to frequency allocation or any terms of such allocation.

If any of Polkomtel's frequency allocations is not extended, is revoked or extended on unfavourable conditions, Polkomtel may be forced to suspend the provision of some services temporarily or permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure, all of which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

The spectrum of radio frequencies available to the mobile phone industry is limited and therefore Polkomtel may not be able to obtain new frequency allocations

The ability to maintain existing and implement new or improved mobile technologies and Polkomtel's ability to successfully compete on the telecommunications services market partly depends on Polkomtel's ability to obtain further radio frequency resources. The size of the spectrum of radio frequencies available for allocation in Poland is limited, and the process of obtaining allocations is long and very competitive.

Following the analogue TV switch-off in 2013, certain frequency resources became available within the 'digital dividend'; in February 2013, following an auction for frequencies in the 1800 MHz band, the frequencies were allocated to T-Mobile and P4. In addition, on December 30, 2013, a notice on auction for frequency allocation in the 800 MHz and 2600 MHz bands was published. On February 11, 2014, the President of UKE cancelled the auction; on April 4, 2014, the President of UKE opened a new stage of consultations on a new auction for those frequencies. Following the publication of opinions of interested parties, on October 10, 2014 the President of UKE once again announced the auction of 5 blocks in the 800 MHz band and 14 blocks in the 2600 MHz band. The opening bid for one block in the 800 MHz band is set at PLN 250 million and for one in the 2600 MHz band – at PLN 25 million. The auction documentation specifies, inter alia, detailed conditions of conducting the auction,

RISK FACTORS

limitations regarding aggregating frequency blocks by entities, who may receive frequency allocations through the auction and conditions of use of allocated frequencies. Six entities submitted initial bids: Orange, P4, Hubb Investments sp. z o.o., T-Mobile, Polkomtel and NetNet sp. z o.o., all of which qualified to the second stage of the auction. The auction began on February 10, 2015. As at the date of this Memorandum, the auction was still in process.

On March 10, 2015 Polkomtel decided to discontinue active bidding for spectrum from the 800 MHz frequency band and switched to the so-called passive approach. However, in accordance with the PLK Wholesale Agreement, concluded by and between Mobyland and Polkomtel on March 9, 2012, in a situation when Mobyland launches services using further own frequencies or the frequencies to which it will acquire rights, Mobyland will extend the scope of data transmission services provided to Polkomtel.

Our inability, or limited ability, to obtain access to frequency bands important for further development of Polkomtel's operations (on favourable terms or at all), including maintaining the existing or implementing new or improved mobile technologies, or obtaining such access by competitors can have a material adverse effect on Polkomtel's business, financial condition, results of operations and prospects.

We may not be able to realise the benefits expected from acquisition of Metelem Holding Company Limited or from future acquisitions

The success of the acquisition of Metelem Holding Company Limited, a company which indirectly controls Polkomtel, will depend, inter alia, on our ability to successfully implement our strategy which assumes integration of our business processes to achieve significant cost and revenue synergies. The transaction will result in significant expansion of our operations, and therefore we intend to take steps to integrate business processes of Metelem's subsidiaries within our enlarged Group. If we are unable to achieve all or some of our objectives, the benefits of the Transaction, including the expected revenue and cost synergies, might differ from what has been originally planned, may not be fully realised, may not be realised at all, or may take longer to be fully realised.

We cannot rule out that the post-Transaction integration of our business processes may lead to the loss of our key staff, interruption of day-to-day operations in our current business segments, or inconsistencies in our standards, procedures and policies, which could affect our ability to continue good relations with our employees and third parties or to fully realise the potential benefits of the Transaction. In particular, in order to achieve the expected objectives of the transaction, we must identify and optimise certain areas of our business and certain assets across our organisation. Our inability to realise the expected benefits of the transaction fully or at all, or any delays in the integration process may have a significant adverse effect on our business. The integration process may also bring about additional unexpected expenses, while the expected benefits of the integration process may not be achieved. This may have a material adverse effect on our business, financial condition, results of operations or development prospects.

2.2. Risk factors associated with the Group's financial profile

The servicing of our debt is very cash-intensive, and our debt servicing liabilities may impair our ability to finance the Group's business operations

Our Group uses large financial leverage. In the past, debt servicing and other cash requirements were financed with cash flows from operating activities and revolving credit facilities. Our debt servicing liabilities increased

RISK FACTORS

significantly following the acquisition of Telewizja Polsat and Metelem Holding Company Limited and completion of the related financial transactions.

Our ability to service and repay debt depends on future results of our operations and our ability to generate sufficient cash flows to pay these and other liabilities, which in turn depends, to a significant extent, on the general economic climate, financing terms, market competition, acts of law and secondary legislation, and a number of other factors which are often outside of our control. If our future operating cash flows and other capital resources prove insufficient to repay our liabilities as they fall due or cover our liquidity requirements, we may lose our property, plant and equipment which serve as security for the repayment of our debts, or we may be forced to (i) restrict or postpone certain business and investment projects; (ii) dispose of assets; (iii) incur more debt or raise new capital; or (iv) restructure or refinance our debts, in part or in full, at or prior to their maturity. The terms and conditions of our debts limit our ability to take the above measures. Therefore, we cannot guarantee that they will be taken on commercially reasonable terms, or at all, if need arises.

Also, the refinancing of our debt on unfavourable market terms would require us to pay higher interest rates or observe more stringent covenants, which could further restrict our business activity. If our debt financing increased, the related risks would also increase. Moreover, any significant adverse change in financial market liquidity, resulting in tighter lending terms and debt or equity financing constraints, may restrict our access to financing sources and increase our borrowing costs, which could significantly affect our ability to achieve and manage liquidity, raise additional capital, or restructure or refinance our existing debt.

Our facility agreements and notes indentures provide for a number of restrictions and obligations (including maintaining specified financial ratios), limiting the Group's ability to incur new debt for financing future operations or to pursue business opportunities and activities that may be in our interest.

If our debts are not repaid in accordance with the underlying agreements, then those debts, as well as other liabilities incurred under other agreements or debt instruments, which include cross-default or cross-acceleration clauses, may become immediately payable, and we may not have sufficient funds to repay all our liabilities. Our inability to generate sufficient cash flows to service our debt, or to restructure or refinance it on commercially reasonable terms (or at all), may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Moreover, we may need to incur a significant amount of new debt in the future. In particular, the terms and conditions of the Senior Facilities Agreement impose certain limitations on, but do not prohibit us from, incurring new debt or other liabilities. In particular, a high level of debt may (i) limit our ability to repay our liabilities under the Senior Facilities Agreement, or other liabilities; (ii) require us to apply a considerable portion of operating cash flows towards debt repayment, restricting the availability of cash used to finance our investment activities, working capital, and other corporate needs and business opportunities; (iii) reduce our competitiveness relative to other market players with lower debt levels; (iv) affect our flexibility in business planning or responding to the overall unfavourable economic conditions or to specific adverse developments in our sector; and (v) impair our ability to borrow new funds, increase our borrowing costs and/or affect our equity financing capacity. In consequence, any additional debt would further reduce our ability to secure external financing for our operations, which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

We might be unable to refinance our existing debt, secure favourable refinancing terms, or raise capital to finance new projects

We are exposed to risks related to debt financing, including the risk that the debt will not be repaid, extended, or refinanced at maturity, or that the terms of such extension or refinancing will be less favourable. In the future, we may need to increase our share capital if our operating cash flows are insufficient to ensure financial liquidity or fund new projects. Depending on our capital requirements, market conditions, and other factors, we may be forced to seek additional sources of financing, such as debt instruments or a share offering. If we are unable to refinance our debts on reasonable terms, or at all, we may be forced to sell our assets on unfavourable terms, or to restrict or suspend certain activities, which could have a material adverse effect on our financial condition and performance. Our inability to secure external financing could force us to abandon new projects, which could have a material adverse effect on our business, financial condition, results of operations or development prospects.

We might be unable to repay our debts if control of Cyfrowy Polsat changes

In the event of a change of control of Cyfrowy Polsat within the meaning of the Senior Facilities Agreement and PLK Senior Facilities Agreement, we are under the obligation to repay our liabilities under both agreements. Moreover, if a change of control takes place, our ability to repay our debt will be limited by the level of available funds at the time. There can be no assurance that those funds will be sufficient to repay outstanding debts. In view of the above, we believe that in the case of change of control over the Company, we would require additional financing in order to repay the debt.

Furthermore, limitations arising from our contract obligations could make it impossible for us to repay the credit facilities or secure external financing if events constituting a change of control actually occur. Any breach of those limitations may lead to a default under other contracts and acceleration of other debts, which could have a material adverse effect on our business, financial condition, results of operations or development prospects.

2.3. Risk factors associated with the market environment and economic situation

We are exposed to the effects of the regional and global economic slowdown being felt on the Polish advertising market and affecting consumer spending in Poland

The Group derives almost all of its revenue from telecommunications services customers, pay-TV customers and TV advertisers in Poland. Our revenue depends on the amount of cash our existing and potential customers can spend on entertainment, recreation and telecommunications services. If the economic conditions in Poland deteriorate, consumers may be willing to spend less on entertainment, recreation and telecommunications services, which may have an adverse effect on the number of our customers or on our customers' spending on our services. Lower consumer spending caused by economic recession may also lead existing and potential customers to choose cheaper versions of our service packages or to discontinue using the services, which in turn may have a material adverse effect on results of our operations, financial condition, and growth prospects.

Lower advertising spending in Poland may have a material adverse effect on our revenue and the growth prospects of our television production and broadcasting segment. Slower GDP growth in Poland usually negatively impacts advertising spending. Moreover, as many customers of our TV production and broadcasting segment are global companies, the global economic downturn, even if it has no direct effect on Poland or its effect on the Polish economy is not as significant as in other countries, as well as economic slowdown in Poland,

RISK FACTORS

may force customers to cut their advertising budgets in Poland, which will have a negative impact on the demand for advertising services in Poland. A decrease in our advertising revenue may force us to adjust the level of our costs to lower revenues. As adjustments of the cost base to market conditions are not generally sufficient to fully offset the effect of lower revenue, the consequences of such risk factors may include a reduced EBITDA margin, lower quality of our programmes, or limited number of programmes broadcast by us, both our own productions and content purchased from third parties. Any constraints on the quality or quantity of our programming may result in the loss of audience share both to our competitors and to alternative forms of entertainment and recreation, which in turn may affect the attractiveness of our offering to potential advertisers and sponsors.

Worsening of the macroeconomic conditions across the world, as well as possible uncertainty regarding the future economic situation, may have, among others a negative impact on the Group's ability to acquire sufficient financing on the global capital markets.

In view of the above, the worsening of macroeconomic conditions in Poland or across the world may, as a result, have a considerably adverse impact on the financial situation, results of our operations and growth prospects of the Group.

The Polish mobile telecommunications industry is highly competitive

The Group faces strong competition in all of its core business areas, especially from telecommunications operators such as: Orange, T-Mobile and P4. There can be no assurance that customers will not find the offerings of those operators more attractive.

A shift in the business model of mobile telecommunications network operators in Poland, whereby competing providers of telecommunications services would form joint ventures or strategic alliances, or launch of new types of services, products and technologies may additionally intensify competition on the telecommunications services market. The situation on the telecommunications market in Poland may also change significantly as a result of potential acquisitions or if new mobile telecommunications operators enter the market or broadband services are offered by entities other than mobile telecommunications operators.

Moreover, we face growing competition from entities offering non-traditional voice and data transmission services which rely on the VoIP technology, such as Skype or Viber, through which customers who use only mobile data transmission services can be provided with mobile voice and video services, and users with fixed broadband access can be provided with voice and video services over fixed-line networks, usually at prices lower than traditional voice and data transmission services. To this end, such entities use, among other things, the possibility to provide services via existing infrastructure, belonging to telecommunications operators, so as to avoid having to implement capital-intensive business model themselves. Continued growing popularity of these services may lead to a decrease in ARPU per customer and the customer base of telecommunications operators, including the Group's one. It can be expected that in the future the Group will also have to compete with providers of services supported by communication technologies which as at the date of this Information Note are at an early stage of development or which will be developed in the future. The Group's existing competitors as well as new players on the Polish market may introduce different new services or telecommunications services based on better technologies than those currently used by the Group before such services are introduced by the Group, or may offer such services at more competitive prices. Mobile virtual network operators (MVNO) also compete with traditional mobile telecommunications network operators.

RISK FACTORS

The Group's ability to effectively develop its operations on the Polish telecommunications services market may be also adversely affected by the imposition of new regulatory requirements on entities operating in Poland, further legal changes, or the regulator's policy designed to increase the competitiveness of the telecommunications services market.

Moreover, the high rate of mobile voice penetration and the highly consolidated nature of the Polish mobile telephony market may result in increased pricing pressure and our ability to compete effectively will depend on our ability to introduce new technologies, convergent services and attractive bundled products at competitive prices. It cannot be ruled out that we will be forced to reduce prices for certain products and services in response to the pricing policies of its major competitors, which may have an adverse effect on our future revenue and profitability.

Group's reduced competitiveness and increased pricing pressures could have a material adverse effect on the Group's financial condition, results of operations or development prospects.

The Group faces competition from entities offering alternative forms of entertainment and leisure

Technological progress, as well as a number of various other factors expose our operations to growing competition for the time and form of customers' leisure and entertainment activities. In particular, we compete with entities offering such alternative forms of leisure and entertainment as cinema, radio, home video, printed media, as well as other non-media forms of leisure, including live events. Moreover, new technologies, such as video on demand (VoD), Internet streaming and downloading, have broadened and may continue to broaden the selection of entertainment options available to existing and potential users of our services. The growing variety of leisure and entertainment options offered by our current and future competitors may bring about a decrease in demand for our products and services, and weaken the effect of television as an advertising medium. This may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Operating results of our TV production and broadcasting segment depend on the importance of television as an advertising media

In 2014, ca. 80% of the revenue generated by our TV production and broadcasting segment came from sale of advertising time and sponsored time slots on our TV channels. The Polish advertising market sees television competing with other advertising media, such as the Internet, newspapers, magazines, radio, and outdoor advertising. There can be no guarantee that TV commercials will maintain their position on the Polish advertising market, or that changes in the regulatory regime will not favour other advertising media or other broadcasters. The growing competitive pressure among advertising media, driven by the increasing prominence of Internet advertising in Poland, significantly higher spending on thematic channels, and the development of new forms of advertising may have an adverse effect on advertising revenue generated by our TV production and broadcasting segment, and thus on our operations, financial condition, performance, and cash flows.

Our potential advertising revenue depends on several factors, including the demand for and prices of advertising time. No assurance can be given that we will be able to respond successfully to the changing preferences of our viewers, which means that our audience share may decrease, which may adversely affect demand for our advertising time and our advertising revenue. The diminishing appeal of TV as a whole, and our own channels in particular, attributable both to higher interest in other forms of entertainment and to the declining importance of

RISK FACTORS

television as an advertising medium, may have an adverse effect on our business, financial condition, results of operations or development prospects.

Given the intense competition across all market segments in which we operate, there can be no assurance that in the future our customers and advertisers will use our services rather than those of our competitors.

Because the Polish TV market is highly competitive, there can be no assurance that our revenue from pay TV subscriptions and advertising will be satisfactory compared to that of our competitors. Our current and future competitors may outmatch us in terms of financial and marketing resources, which may allow them to attract customers and advertisers more effectively.

As at the date of this Information Note, nc+, a platform launched in late 2012 following the merger of Cyfra+ and the n platform, is our main competitor on the direct-to-home (DTH) TV market. Apart from other direct DTH competitors, we also compete with broadcasters using other technologies, such as terrestrial, cable and Internet television. Furthermore, we expect growing competition from joint ventures and strategic alliances between providers of cable and satellite TV and telecommunications operators. It is also probable that we will have to face foreign competitors entering the Polish market.

Following completion of the terrestrial television digital switchover process in Poland in July 2013, there are currently 24 TV channels broadcasted terrestrially. According to Nielsen Audience Measurement, in 2014 the audience shares of all DTT channels in the 16-49 age group reached 66.1% (compared to 64.8% in 2013). The aggregate audience share in this age group of the main four channels (POLSAT, TVN, TVP1 and TVP2) was 43.5% in 2014 (2013: 45.9%). The aggregate audience share of the other DTT channels was 22.6% in 2014 vs. 18.9% in 2013, which reflects the growing market fragmentation, to a large extent at the expense of the leading TV channels (including POLSAT, whose audience share decreased from 13.5% in 2013 to 13.3% in 2014); this may have a material adverse effect on our performance and financial condition. Our main competitors on the TV advertising markets are other broadcasters, such as TVN – a leading commercial broadcaster, and TVP – the broadcaster financed partly from public funds, which provides public service. Because TVP is the public broadcaster, it cannot interrupt programmes and films with commercial breaks. Any changes in this respect may contribute to the strengthening of TVP's competitive position, reducing our advertising revenue. Furthermore, we will be forced to compete with current and future market participants for terrestrial and satellite broadcasting licences in Poland. Such participants may include major broadcasters with greater resources and more recognisable brands. This is especially true in the case of companies from other EU countries, which may find the Polish TV market attractive for various reasons, including its current regulatory environment (which allows TV stations to broadcast more advertising during programmes and films than in other countries), as well as the increasing extent of other permitted advertising activities. And lastly, continued growth of cable TV, DTH and DDT providers in Poland may lead to further market and audience fragmentation, which may make advertisers reluctant to buy air-time on our channels. Losing customers and advertisers to our competitors may have a material adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

The switch-over in Poland from analogue to digital terrestrial television broadcasting technology, leading to an increase in the number of generally available free-to-air (FTA) channels, may result in lower demand for our pay TV services and affect our audience share

The analogue to digital switchover in Poland has resulted in a substantial rise in the number of competitive TV providers. It is also probable that the current limits on awarding licences for DTT frequency bands will be lifted. This would be likely to bring about a growth in the number of digital channels available on the Polish TV market and would lead to a corresponding loss of our audience share. Following completion of the digital switchover process in July 2013, the number of terrestrial FTA TV channels has risen considerably, and their programming is becoming increasingly more attractive, which may reduce the demand for our DTH and DVB-T pay TV services, leading to a loss of the audience share and strong customer churn. This may have a material adverse effect on our business, financial condition, results of operations or development prospects.

We are exposed to currency risks

Our business is exposed to risk related to fluctuations in foreign exchange rates. While our revenue is denominated mainly in the Polish zloty, part of our operating costs is denominated in other currencies. We have trade payables (including amounts due for access to the catalogues of the leading film and TV studios as well as other suppliers and producers of programming content, purchase of modems, parts of set-top boxes, other hardware and software, as well as lease of transponder capacities) that are denominated in foreign currencies, mainly in euro and US dollars. Significant components of costs, including costs of purchase of handsets, UMTS licence fees, costs of purchase of network equipment and IT systems, roaming, as well as the costs of lease of certain office areas and locations of elements of our mobile network infrastructure are denominated in foreign currency, in particular in EUR. Fluctuations in foreign exchange rates are outside our control and any adverse changes in the exchange rates of foreign currencies against the Polish zloty may significantly increase our costs and expenses translated into the Polish zloty, which in turn may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Polkomtel's Senior Notes are denominated in the US dollars and euro, whereas the majority of cash flows of our Group is denominated in Polish zloty. Therefore, a substantial change in the value of Polish zloty vs. euro and US dollars may have a material adverse or positive impact on the Group's financial standing and its ability to service principal and interest payments denominated in foreign currencies.

We may be exposed to currency risk in relation to the multi-currency Revolving Loan Facility, since movements in the exchange rate of the euro, dollar or any other currency provided for in the Senior Facilities Agreement dated 11 April 2014 against the zloty may increase the zloty-denominated amounts required to service principal and interest payments under the Revolving Loan Facility.

We are exposed to interest rate risk

Market interest rate fluctuations do not impact the Group's revenue directly, but they do affect our cash flows from operating activities through the amount of interest on current bank accounts and deposits, and also cash flows from financing activities through the Group's costs of servicing debt. In particular, our liabilities under the Senior Facilities Agreement and PLK Senior Facilities Agreement are calculated based on variable WIBOR, EURIBOR or LIBOR interest rates subject to periodical changes, increased by a relevant margin.

RISK FACTORS

Despite the fact that the Group intends to maintain certain hedging positions the goal of which is to hedge against WIBOR fluctuations, there is no certainty that such a hedging will be still possible or whether it will be available on acceptable terms. The Group analyses its interest rate risk on an on-going basis, including the refinancing and risk hedging scenarios, which are used to estimate the impact of the specific interest rate fluctuations on our financial result. Interest rate fluctuations may affect our ability to meet our current liabilities, which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

2.4. Risk factors associated with the legal and regulatory environment

The complexity, lack of clarity, and frequent amendments of Polish tax laws may lead to disputes with tax authorities

Tax laws in Poland are complex, unclear and subject to frequent and unpredictable changes. Therefore, the application of tax regulations by taxpayers and tax authorities gives rise to controversies and disputes, which are usually finally settled by administrative courts.

Frequent amendments to the tax framework and difficulties in interpreting tax laws applied in practice hinder our day-to-day work and smooth tax planning. This creates uncertainty as to the application of tax regulations in our everyday business and makes it error-prone. In addition, tax laws are often interpreted and applied by tax authorities in an inconsistent manner.

Moreover, there are discrepancies between the way tax authorities apply tax laws in practice and in rulings of administrative courts. There is a risk that tax interpretations and decisions issued by competent authorities may be unpredictable or even contradictory.

Given that Polish tax laws are frequently amended, and that such amendments can be retroactively applied in practice, are inconsistent and lack uniform interpretation, and considering relatively long limitation periods applying to tax liabilities, the risk of misapplication of tax laws in Poland may be greater than in the legal systems of more developed markets. Accordingly, there is a risk that we may fail to bring certain areas of our activity in compliance with the frequently amended tax laws and the ever-changing practice of their application. Therefore, no assurance can be given that there will be no disputes with tax authorities, and, consequently, that tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of such Group companies. Any unfavourable decisions, interpretations (including changes to any interpretations obtained by the Group companies) or rulings by tax authorities may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Tax authorities may question the accuracy of intra-Group and related-party settlements under applicable transfer pricing regulations

In the course of their business, the Group companies enter into transactions with their related parties within the meaning of the Corporate Income Tax Act of February 15, 1992 (consolidated text *Dziennik Ustaw* of 2014, item 851, as amended). Related-party transactions, which guarantee that the Group's business is run efficiently, include inter-company rendering of services and sale of goods. When entering into and performing related-party transactions, the Group companies take steps to ensure that terms and conditions of such transactions are consistent with the applicable transfer pricing regulations. At the same time, no assurance can be given that the

RISK FACTORS

Group companies will not be subjected to audits and other inspections by tax authorities and tax inspection bodies with respect to the foregoing. The nature and diversity of transactions with related-parties, the complexity and ambiguity of the regulations governing methods of verifying the prices applied, dynamic changes in market conditions affecting the calculation of prices applied in such transactions, as well as the difficulty in identifying comparable transactions, the risk that the methodology used to determine arm's-length terms for the purpose of such transactions is questioned by tax authorities cannot be excluded, and therefore tax authorities may question the accuracy of settlements between the Group companies and their related parties under applicable transfer pricing regulations, which may have material adverse effect on our business, financial condition, results of operations or development prospects.

Assessment of tax effects of the Group's restructuring activities by Polish tax authorities may differ from assessment of such activities by the Group

The current composition of the Group is a result of consolidation, restructuring and other transactions involving assets of considerable value, implemented over the recent years by and between the Group's companies. Those activities had an effect on the tax settlements not only of the companies directly involved in such consolidation, restructuring and other transactions involving assets of considerable value, but also of their respective members or shareholders.

Despite monitoring the risk in individual business areas, with respect to completed and planned restructuring activities, no assurance can be given that Polish tax authorities will not have a different assessment of tax effects of individual restructuring events and transactions, both completed and planned, in particular with respect to the possibility, manner, and timing of the recognition of income and tax-deductible expenses by entities participating in such events and transactions, or that financial terms of such activities will not be questioned, which may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Tax regime applicable to our operations and the sector in which we operate create numerous uncertainties

The tax regime applicable to transactions and events typical for our operations and the sector in which we operate are a source of numerous interpretation uncertainties. In particular, there is uncertainty as to the interpretation of income tax laws with respect to the possibility, manner, and timing of recognition of income and tax-deductible expenses on individual transactions and events and the requirements for their documentation. Also VAT legislation is characterised by vague and complex regulations, particularly where it concerns goods and services subject to the tax, the tax rate, tax base or time at which the tax liability arises with respect to transactions subject to VAT. Further, Polish tax legislation does not provide unequivocal rules regarding imposition of other taxes, including property tax (in particular with respect to the determination of tax base and taxable property) and custom duties.

Given that Polish tax laws are frequently amended, inconsistent, and lack uniform interpretation, and considering the relatively long limitation periods on tax liabilities, there is a risk that our selected operations may not be harmonised with the changing legal (including tax) regulations and their changing application.

Despite monitoring the risk in individual business areas, there can be no guarantee that disputes with tax authorities regarding assessment of tax effects of individual events and transactions typical for our operations and the sector in which we operate will not occur, and consequently that the tax authorities will not question the

RISK FACTORS

correctness of tax settlements on non-statute-barred tax liabilities of Polsat Group entities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of these entities. There is also a risk that tax authorities may question financial terms of individual events and transactions. This may have a material adverse effect on our business, financial condition, results of operations or development prospects.

Property tax laws give rise to numerous interpretation uncertainties

Polkomtel uses a significant number of telecommunications infrastructure facilities located on real property. Property tax laws give rise to numerous interpretation uncertainties, in particular with respect to the tax base and the determination of items subject to tax. The definition of a structure and its practical use under the Local Taxes and Charges Act of January 12, 1991 (consolidated text: *Dziennik Ustaw* of 2014, item 849, as amended) might lead to disputes with tax authorities. Therefore, no assurance can be given that there will be no disputes between Polkomtel and tax authorities as to the amount of the property tax payable, as well as unfavourable rulings in this respect.

The ongoing work on amendments to the abovementioned act aim in particular at clarifying the definitions of a building and of a structure under the act. Given the early stage of the legislative process, the final amendments remain unknown. Please note, however, that the intended amendments to the act (in particular with respect to the tax base and the determination of items subject to property tax) may affect the amount of property tax payable for the telecommunications infrastructure facilities used by Polkomtel. Such circumstance may have a material adverse effect on Polkomtel's business, financial condition, results of operations and prospects.

The Group's companies are subject to legal regulations (including tax legislation) in force in the countries in which they operate

Given the international character of the Group, its companies are governed by legal regulations (including tax legislation) in force in the countries in which they operate. Therefore, in view of such dissimilar legal frameworks, there is a risk that the Group will interpret local legal regulations (including tax legislation) in a way which is divergent from their construction by the country's tax authorities. The diversity of legal regulations by which individual companies are bound may give rise to internal problems within the Group, including with respect to the law governing legal relations between the Group's entities. Another aspect of the relationship between Polsat Group companies which may raise doubts is the application and interpretation of double-tax treaties concluded between countries in which the companies operate.

At the same time, in many cases the legal regulations (including tax legislation) in countries where the Group conducts its business are frequently ambiguous and there is no single or uniform interpretation or practice followed by local tax authorities. Additionally, such countries' tax legislation (including the provisions of applicable double-tax treaties) may be subject to change. The practice adopted by tax authorities in respect of particular tax regulations may change as well, even retroactively.

Therefore, no assurance can be given that there will be no disputes with tax authorities in countries where the Group conducts its business, and consequently that the tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities, and will not determine the existence of tax arrears of such Group companies, which may have an adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

There can be no assurance that in the future the President of the Polish Office of Competition and Consumer Protection (UOKiK) will not deem the practices we use as limiting competition or violating the Polish consumer protection laws

Our operations are reviewed by UOKiK to ensure that we comply with Polish laws prohibiting practices that limit competition or violate the collective interests of consumers, including providing inaccurate information to customers, dishonest market practices or use of abusive contract clauses. In addition, the President of UOKiK and natural persons can bring court actions against us to determine whether our standard consumer contracts contain any abusive clauses. If a court finds any of our practices or contract terms to be misleading or in conflict with Polish competition and consumer protection laws, we may be subject to fines and our reputation could be harmed. In addition, if any clauses in our standard consumer contracts are considered abusive by UOKiK, they will be entered in the Register of Abusive Contract Clauses maintained by the President of UOKiK and their application will be no longer possible, which will require amendment to our standard contracts.

If the President of UOKiK determines that any of our practices had the effect of limiting competition or violating consumer rights, we could be required to discontinue the unlawful practice. In addition, the President of UOKiK could impose on us a cash fine of up to 10% of our revenue generated in the financial year immediately preceding the year in which the fine is imposed. Moreover, if we, even unintentionally, fail to provide the President of UOKiK with the required information or provide misleading information, a fine of up to EUR 50 million may be imposed on us.

Any decisions by the President of UOKiK or by appeals bodies confirming our infringement could also result in claims for damages by consumers, contractors and competitors. The potential amount of such claims is difficult to assess but may be significant. In addition to proceedings pending before the President of UOKiK, consumers can bring court actions against us, claiming that certain provisions of our standard customer contracts violate consumer protection laws. If any of our practices or contract terms are deemed to be misleading or in conflict with Polish consumer protection laws, we may be subject to fines and our reputation could be harmed, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, expansion of consumer protection legislation, including a newly introduced act that allows for 'group claims', could increase the scope or scale of our potential liability or the scope of consumer rights. For example, there has been an extension of the range of situations in which customers are entitled to terminate their agreements without obligation to pay any contractual penalty. This may happen, among others, in the event of changes in the terms and conditions of agreements even if such amendment is in customers' favour. Such early terminations of agreements with our customers may result in a significant increase in our customer retention costs and churn rate. Such events may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be adversely affected by changes in Polish and European Union regulation of the levels of MTR and roaming charges

As part of telecommunications market regulation in Poland, the President of UKE may determine MTR between telecommunications operators. In recent years, the regulator has used this power several times, and reduced MTR's. As a result of decisions of the President of UKE, voice MTRs were reduced by 74% in the period from

RISK FACTORS

January 2010 to July 2013. There can be no assurance that there will not be any further MTR reductions in the future, which may directly affect our financial performance.

Polkomtel's roaming rates are also regulated. European Union regulators have also imposed price restrictions applicable to all operators in the European Union (both at the retail and wholesale level). At present, the roaming rates in the EU are regulated by the Regulation (EU) No. 531/2012 of June 13, 2012, which foresees further cuts in roaming rates as of July 1, 2014. The proposal for regulation on unified telecommunications market foresees complete removal of roaming charges in the EU. On April 3, 2014, the European Parliament approved the draft regulation. In line with the schedule adopted by the European Parliament, the final draft of the proposal should have been approved by the Member States by the end of 2014. The new regulations are expected to take effect in December 2015. Reduction or removal of roaming charges in the EU may have an adverse effect on our revenue, and consequently on its performance and financial standing.

We may violate the acts of law and regulations governing our satellite TV distribution business as well as telecommunications, TV broadcasting, advertising and sponsoring activities, which are subject to periodic amendments

We are required to comply with Polish and EU laws, which impose limitations on the conduct of our business. Our operations are extensively regulated by government authorities and market regulators, especially the President of the Office of Electronic Communications (UKE) and the National Broadcasting Council (KRRiT), the bodies responsible for overseeing compliance with the Polish Act on Television and Radio Broadcasting, the Telecommunications Law, and the terms of our broadcasting licences. Decisions by the President of UKE, the Chairperson of KRRiT, or other regulators may place certain restrictions on the way in which our business can be run.

The President of UKE supervises both our telecommunications operations as well as TV broadcasting and production. As part of our telecommunications services, we mainly provide mobile voice services, broadband Internet access as well as certain wholesale services to other operators. Telecommunications undertakings operating in Poland are subject to a number of legal and administrative requirements having a direct impact on their business, both in relations with individual and business customers (for instance, by specifying the scope of customers' rights or the content of standard terms and conditions for the provision of telecommunications services, setting caps for pricing of international roaming services, or restricting the maximum time for which contracts can be concluded with customers) and wholesale customers (for instance, by imposing MTR caps or defining caps for rates used in roaming traffic settlements). Our TV production and broadcasting segment is in turn overseen by the President of UKE for compliance with the terms of licences and frequency allocations assigned by the President of UKE for the purposes of TV broadcasting services. We cannot give any assurance that we will be able to meet the multiple requirements imposed on us by the Polish Telecommunications Law. In the event of our non-compliance with any provisions of the Telecommunications Law, we may face a fine from the President of UKE of up to 3% of our revenue generated in the year preceding the year in which such fine is imposed.

The KRRiT regulations also pertain to both our business segments, although they have a more direct effect on our TV production and broadcasting segment. As a TV broadcaster operating in Poland, we have to observe a number of legal and administrative requirements related to such matters as broadcasting time, programming content, and advertisements. Furthermore, KRRiT undertakes regular checks to ensure that our operations

RISK FACTORS

conform to the terms of our broadcasting licences, provisions of the Polish Act on Television and Radio Broadcasting, and its own internal guidelines. There can be no assurance that we will be able to satisfy the multiple regulatory requirements imposed on our TV production and broadcasting segment under the relevant licences. In the event of our non-compliance with any applicable regulations, we may face a fine from KRRiT of up to 50% of the annual fee for the right to use a given frequency.

The regulatory regime for the broadcasting industry is subject to frequent changes, and so there can be no assurance that such future changes will not have an adverse effect on our channel mix, ability to attract advertisers or the way in which our business is run.

In future, our DTH business may be subject to zoning, environmental or other regulations that will place restrictions on where satellite antennas may be deployed. We may also have to deal with pressures from local communities regarding deployment of our satellite antennas. Any such legal restrictions or conflicts with local communities related to the deployment of our satellite antennas may render our DTH services less attractive, leading to a fall in customer numbers.

Non-compliance with valid law or with the regulations issued by regulatory bodies may have material adverse effect on our business, financial condition, or prospects.

Polkomtel's operations are subject to a number of legal regulations and requirements of awarded frequency allocations which could be amended in the future

As a mobile telecommunications network operator, Polkomtel is subject to a number of laws and regulations, in particular those regulating maximum rates charged for specific telecommunications services, those related to ensuring effective competition, non-discrimination, transparency in telecommunication services prices, reporting, data protection and national security. Any potential breach of the applicable laws or terms of frequency allocations may in certain cases result in imposition of penalties on Polkomtel, loss of reputation, inability to obtain new frequency allocations or even loss of current frequency allocations. Furthermore, future changes in Polkomtel's regulatory environment may be disadvantageous to Polkomtel's business, for instance by increasing its costs.

An important and active role in ensuring the observance of telecommunications laws and regulations by entities operating in the telecommunications market in Poland is played by the regulators of the Polish telecommunications market, including in particular the President of the Office of Electronic Communications (UKE). The President of UKE has a number of regulatory and supervisory powers, including with respect to provision of electronic communications services and managing radio frequency and orbital slot resources. If the President of UKE determines that a relevant market is not sufficiently competitive, the President may designate one or more telecommunications providers as a provider with significant market power (SMP) in such market and impose on such provider(s) certain regulatory obligations, such as an obligation to accept requests from other telecommunications providers for the provision of telecommunications access and the obligation to prepare and submit a draft framework offer for telecommunications access to serve as a basis for cooperation between a provider with SMP and its competitors. Polkomtel has been designated as holding SMP in certain relevant markets at the wholesale level. As a result, Polkomtel is required to meet strict regulatory obligations in the following markets: (i) call termination to a public mobile telecommunications network; (ii) SMS termination to a public mobile telecommunications network; and (iii) call termination to a public fixed line network. As part of its continued provision of telecommunications services in Poland, Polkomtel is also regularly reviewed by the

RISK FACTORS

President of UKE to ensure that it has complied with the terms of the licences and frequency allocations granted to by the President of UKE. If the President of UKE was to declare that Polkomtel breached a provision of the Telecommunications Law, the company could be forced to pay a fine of up to 3% of the revenue it generated in the year prior to the imposition of the fine and it could be prohibited from providing further telecommunications services in Poland.

In addition, the President of UKE may also designate one or more network operators to guarantee the provision of universal services (including voice and broadband access, and customer network access) which may then apply to the President of UKE to be compensated by the other telecommunications operators, including Polkomtel, on the justified net costs basis.

The Minister of Administration and Digital Technology, responsible for telecommunications, also exercises broad regulatory authority over the telecommunications market in Poland. The powers of the Minister of Administration and Digital Technology include the power to issue regulations concerning, among other things, tenders and contests for the allocation of frequencies, charges for using the domestic numbering plan, the telecommunications charge, specific requirements for the provision of telecommunications access and regulatory accounting and calculations of costs of services, as well as the quality of telecommunications services and the complaint process therefore. Polkomtel's operations are also supervised by the President of the Office of Competition and Consumer Protection, General Inspector for the Protection of Personal Data, and other agencies.

No assurance can be given that Polkomtel will be able to meet all the requirements that have been or might be imposed on it under the Polish or EU laws or regulations, or all the terms and conditions of the frequency allocations granted to Polkomtel, or that it will be able to comply with all the laws or terms of frequency allocations applicable to its business, and that it will not be exposed to costs, penalties, sanctions or claims as a result of potential violation of such requirements or laws that, in turn, could have a material adverse effect on our business, financial condition, results of operations and prospects.

No assurance can be given that we will not breach any personal data protection laws or regulations, or that we will not fail to meet requirements imposed by the Inspector General for the Protection of Personal Data

As part of our activities, we collect, store and use customer data which is subject to legal protection under the Act on Personal Data Protection. Ineffectiveness of the personal data protection solutions applied by us may lead to disclosure of customers' personal data as a result of a human error, premeditated unlawful act by a third party or failure of IT systems, or may otherwise lead to improper use of such data. Any infringement of the personal data protection laws or regulations, or any failure to comply with the requirements imposed by the Inspector General for the Protection of Personal Data may result in fines being imposed on us or in loss of customer confidence, and consequently may have a material adverse effect on our business, financial condition, results of operations or development prospects.

We use third-party suppliers and cooperates with external partners, agents, suppliers and other third parties, and therefore we are not able to eliminate the risk of failure of the systems used to store sensitive information at, or transfer such information to or from, such entities. Any infringement of the personal data protection laws or regulations by us or by these entities may result in the imposition of fines, loss of reputation or loss of customers, and in effect have a material adverse effect on our business, financial condition, results of operations or development prospects.

RISK FACTORS

2.5. Risk factors associated with the Bonds, the offering of the Bonds and their introduction to the ATS

The Bonds may not be repaid

Investing in Bonds is connected with the Issuer's credit risk. The extent of this risk is determined by the Issuer's ability to repay its debts. This risk can materialise if the Bonds are not redeemed or the interest on the Bonds is not paid on the dates indicated in the Bonds Terms. The Issuer's ability to repay its debts depends on numerous factors, both within and outside the Issuer's control. Some of the existing or future financial liabilities of the Issuer, including loans, or other liabilities of similar nature can become due before the Bond's redemption date. If the Issuer is unable to generate sufficient cash flows, it may not have the funds to repay all or part of its debts as they become due, including the debt under the Bonds.

The Issuer's ability to service its debt depends, among others, on: (i) the Issuer's financial situation at a given time; and (ii) in case of refinancing – the limitations regarding the ability to incur debt, which are indicated in the facility agreements to which the Issuer or its assets are subject, as well as on the market conditions based on which the debt could potentially be refinanced. The availability of refinancing in the future on terms and conditions acceptable for the Issuer cannot be guaranteed. Moreover, the possibility of raising additional funds in the future cannot be guaranteed. If refinancing or raising additional funds prove impossible in the future, the Issuer may be forced to sell its assets in circumstances which may prevent him from obtaining optimum terms of such sale.

Materialisation of the Issuer's credit risk may have material adverse impact on the value of the Bonds, leading to a situation in which the Bondholders will not be able to recover the amounts that they have invested in the Bonds, or they may recover amounts which are lower than invested.

The Bonds are not secured by collateral

The Bonds do not entitle the Bondholder to security interests in any collateral. Some of our debts have been secured by establishing mortgages or pledges over our assets, or by transferring or assigning our assets. In the future we may also grant other security interests, whether collateralised or not, in connection with existing or future debt. This means that if creditors seek to collect from our assets, assets that serve as collateral will be used to satisfy the claims of creditors who have collateralised claims first. It cannot be ruled out that in such a situation the value of the remaining assets intended to satisfy other creditors, including the Bondholders, may prove insufficient to satisfy their claims and hence the Bondholders may not recover the amounts they invested in the Bonds, or they may recover amounts lower than invested.

The Bonds may be subject to early redemption at a Bondholder's request

The Bondholders may demand an early redemption of the Bonds in the situations specified in the Bonds Act. Additionally, the Bonds Terms provide for the possibility of Bondholders' requesting early redemption of the Bonds they hold, following an Event of Default. The Bondholders should be aware that with regard to a majority of Events of Default, the right to request early redemption can be exercised only upon obtaining the consent of the Bondholders' Meeting. If only some of the Bondholders request early redemption of the Bonds, redemption of only part of the Bonds may have a negative impact on the Bonds' liquidity, and consequently on their value.

RISK FACTORS

The Bonds may be subject to early redemption due to reasons other than a Bondholder's request

In accordance with the Bonds Terms, the Issuer is entitled, at any time, to redeem the Bonds early. This right can be exercised at any time before the redemption date, both with regard to all the Bonds as well as a part of the Bonds which have been issued and have not been redeemed, however such redemption should cover no less than 10% of the total nominal value of the Bonds or of all unredeemed Bonds, if their total nominal value was lower than the above mentioned amount. Moreover, pursuant to Article 74 section 5 of the Bonds Act, in the event of the liquidation of the Issuer, the Bonds are subject to immediate redemption at the moment when the liquidation proceedings start, even if the redemption date has not occurred yet. Pursuant to Article 74 section 4 of the Bonds Act, in the event of a merger of the Issuer with another entity, its demerger or change of legal form the Bonds are subject to immediate redemption insofar as they provide for a monetary performance, if the entity which assumes the Issuer's obligations related to the Bonds has no power and authority to issue the Bonds under the Bonds Act.

In the event of the liquidation of the Issuer, its merger with another entity, demerger, change of legal form as described above or exercising by the Issuer of the right of early redemption of the Bonds, the Bondholder's investment horizon will shorten in relation to the Bonds covered by redemption, which may result in a rate of return on the investment in Bonds lower than expected.

Our debt may increase and we may take other actions which may not be in the Bondholders' best interest

The Issuer and the companies belonging to the Group may increase their debt by, among other things, taking out loans and borrowings or issuing new debt securities. In addition we may implement changes in the Group's structure, dispose of our assets, or enter into specific transactions, especially intra-group transactions, as well as distribute profits to our shareholders. In some circumstances these actions may not be in the best interest of the Bondholders and may, on the one hand, adversely affect our ability to meet our obligations under the Bonds (and our overall financial situation), while on the other hand they may potentially restrict the Bondholders' ability to exercise their rights resulting from the Bonds.

The Bondholders' Meeting may fail to pass some resolutions, or may pass resolutions which are contradictory to the interest of the Bondholders voting against such resolutions or not present at the Bondholders' Meeting

Some of the decisions related to the Bonds are passed by the Bondholders' Meeting. Convening a Bondholders' Meeting requires specific actions to be taken while the decisions are carried by a majority of votes or unanimously. For instance, unanimous decision is required (i) to adopt a resolution on decreasing the nominal value of the Bonds; or (ii) if the Bonds are traded in an ATS – to adopt a resolution changing the qualified Bonds Terms within the meaning of Article 49 Section 1 of the Bonds Act. Moreover, Bondholders' Meeting is deemed valid if attended by Bondholders representing at least 50% of the Adjusted Total Nominal Value of the Bonds. The Bondholders' Meeting will thus be unable to pass any resolutions if attended by Bondholders representing less than the above indicated nominal value of the Bonds.

Therefore, there is a risk that actions taken as a result of resolutions passed by the Bondholders' Meetings may conflict with the interest of the Bondholders voting against these resolutions, or those who do not attend the Bondholders' Meeting. In addition there is a risk that Bondholders seeking adoption of a specific resolution, in particular a resolution changing the Bonds Terms or authorizing the Bondholder to exercise its right to demand

RISK FACTORS

early redemption of the Bonds in some situations, may not gain the required majority of votes or there may be no quorum as required for passing such a resolution.

Resolutions of the Bondholders' Meeting may be challenged

Pursuant to Article 70 Section 1 of the Bonds Act, a resolution of the Bondholders' Meeting that manifestly prejudices the Bondholders' interests or is contrary to good customs can be challenged through a lawsuit filed against the Issuer seeking to repeal the resolution. Pursuant to Article 71 Section 1 of the Bonds Act, a resolution of the Bondholders' Meeting that is unlawful can be challenged through a lawsuit filed against the Issuer seeking to invalidate the resolution.

It cannot be ruled out that some Bondholders may attempt to challenge the resolutions adopted by the Bondholders' Meeting. If they succeed in challenging the resolution of the Bondholders' Meeting authorizing the Bondholders to request early redemption of the Bonds, the Bondholders may be deprived of this possibility. If certain resolutions of the Bondholders' Meeting concerning amendments to the Bonds Terms are successfully challenged, it may adversely affect the Issuer's ability to timely discharge its obligations under the Bonds, in particular its capacity to make payments under the Bonds.

After the Record Date for redemption of the Bonds, the Bonds can be excluded from trading

Pursuant to Article 8 Section 6 of the Bonds Act, after the group of bondholders entitled to receive payment for redemption of a dematerialised bond, the rights attached to such bond cannot be transferred. The Bonds Terms provide that the Bonds will be registered in the securities depository maintained by the NDS. This means that as long as the Bonds remain registered therein or are otherwise dematerialised, after the lapse of the Record Date for redemption of the Bonds the rights attached to the Bonds will no longer be transferable. In particular, it will not be possible to sell the Bonds should the Issuer fail to redeem them as scheduled. In these situations, a Bondholder may be unable to exit the investment in the Bonds even if it finds a person interested in purchasing the Bonds.

The Bonds' prices and liquidity may be subject to fluctuations

There can be no assurance that a liquid market for the Bonds will exist following their introduction to trading on the ATS. It is impossible to predict the degree of investor interest in the Bonds. Hence, it is impossible to rule out substantial fluctuations in the Bonds' prices, or that the investors will not be able to buy or sell the Bonds at the expected prices or on the expected dates. The prices of the Bonds may in addition be affected by numerous other factors, including general economic trends, changes in the overall situation on the financial markets, changes in law and other regulations in Poland and in the EU, changes in forecasts issued by securities analysts as well as actual or forecasted changes in our operations, our situation and our financial results. Fluctuations in the securities market in the future can also negatively impact the price of Bonds, irrespective of our operations, our financial situation or results and our development prospects.

Interest rate risk

We cannot rule out that interest rates, including the base rate for the Bonds, will change substantially in the future. The interest rate for the Bonds for a given interest period consists of the base rate (equal to the 6-month WIBOR rate for PLN deposits), plus the margin. A reduction in interest rates, including the base rate for the

RISK FACTORS

Bonds, in particular when connected with a deteriorating economic situation, may lead to a reduced yield from the Bonds. On the other hand, significant growth in interest rates, including the base rate for the Bonds, may increase the cost of servicing the debt under the Bonds or other sources of debt capital, and it may adversely affect our financial situation and our operating results, consequently having a bearing on the value of the Bonds and our ability to make the payments under the Bonds.

Currency risk

Once the Bonds start to be traded on the ATS, they will be quoted in Polish zloty (PLN). In principle this may require converting the currency used by a foreign investor into PLN based on a specific exchange rate. As a result, the rate of return on the investment in the Bonds will depend not only on the change in their prices during the investment period but also on fluctuations in the exchange rate of a given currency against PLN.

Depreciation of PLN against foreign currencies may adversely impact the value (expressed in a foreign currency) of the amounts paid out in connection with the Bonds, which may cause a reduction in the actual rate of return on the investment in the Bonds.

The Bonds Terms do not contain a tax gross up clause

Investment in the Bonds may entail the necessity of Bondholders paying taxes.

The Bonds Terms do not contain a tax gross up clause related to payments to the Bondholders. If any payment on account of Bonds entails the obligation to collect and pay any tax, charge or other public imposts, the Issuer shall not be obliged to pay to the Bondholders any amounts compensating the collected taxes, charges or other public imposts, or to make any other payments.

The obligation to pay any taxes connected with acquiring, holding (in terms of any payments under the Bonds), or selling the Bonds may result in a lower than expected rate of return on the investment in the Bonds.

We are subject to the restrictions specified in the Bonds Terms

The Bonds Terms impose certain obligations on us which restrict our ability to finance future operations or investments or to take advantage of other business opportunities which may be of our interest. The Bonds Terms impose on us an obligation to maintain specified financial ratios at required levels while also restricting, inter alia, the following:

- acquisition or taking up of shares in other companies;
- extending guarantees or granting sureties, accession to debt or release from liability;
- granting loans;
- disposing of assets;
- payment of dividends or advance dividends, payment of the price for own shares, or returns of additional payment (*dopłata*) to shareholders;

RISK FACTORS

- incurring of financial indebtedness; and
- entering into composition agreements.

The full list of restrictions applicable under the Bonds Terms is found in clause 7 of the Bonds Terms.

The restrictions found in the Bonds Terms may affect our ability to operate our business and may limit our ability to respond to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments, restructure our organisation or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under our financial indebtedness other than under the Bonds.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross-defaults under our other debt instruments, including the Bonds. Any such actions could force us into bankruptcy or liquidation, which could mean that the Bondholders will not recover the amounts they have invested in Bonds, or they will recover amounts lower than invested.

Collection of claims against the Issuer or the members of its corporate authorities may prove difficult

The Issuer is a company organised under, and governed by, Polish law. The Group operates mainly in Poland. All of the Group's material fixed tangible assets are located in Poland. Furthermore, all members of the management board and the supervisory board of the Issuer are Polish residents. Therefore, investors outside the jurisdiction of the courts of Poland may face difficulties in effecting service of process on the Issuer or the above mentioned persons in connection with proceedings instituted by such entities or individuals outside Poland. Moreover, enforcing judgments issued outside Poland, and in particular outside the EU, against the Issuer or the above mentioned persons, may prove difficult or impossible for investors.

Introduction of the Bonds to trading may be suspended

Pursuant to Art 78 section 2 of the Trading in Financial Instruments Act, when required for the security of trading in the alternative trading system, or if the interests of investors are endangered, the investment company organising the alternative trading system shall be obliged, at the request of the PFSA, to suspend the introduction of financial instruments to trading on the ATS, or to postpone the commencement of trading in these financial instruments for a period of no longer than 10 days.

It cannot be ruled out that the PFSA may make such request in relation to the Bonds. Suspension of the introduction of the Bonds to trading or postponing the commencement of trading on the ATS may have a material adverse impact on liquidity, and consequently on the value of the Bonds.

RISK FACTORS

Trading in the Bonds may be suspended

Pursuant to Art 78 section 3 of the Trading in Financial Instruments Act, when trading in specified financial instruments takes place in circumstances which indicate a possibility of the proper functioning of the alternative trading system or the security of trading in that alternative trading system being jeopardised, or of harm to the interests of investors, the investment company which organises the alternative trading system, at the request of the PFSA, shall be obliged to suspend trading in these instruments for a period of no longer than a month.

The WSE, being the relevant organiser of the alternative trading system, may, by virtue of § 11 of the ATS Rules, suspend trading in financial instruments for a period of no longer than three months:

- at the request of the Issuer;
- if they conclude that it is required by the interests and security of participants in trading.

Moreover, the WSE may suspend trading in debt instruments for an unspecified period of time before taking a decision to exclude these instruments from trading, and in the case described in the section entitled “The WSE may impose penalties on the Issuer based on their regulations” of this section 2.5

We may not rule out that, following the listing of the Bonds, grounds for suspending trading in the Bonds may arise. During the period of suspension of trading in the Bonds, investors would have no possibility to buy or sell such securities on the ATS, which would have a negative impact on liquidity. Sale of the Bonds outside the ATS may be effected at substantially lower prices as compared to the most recent prices obtained in transactions carried out on the ATS.

The Bonds may be excluded from trading

Pursuant to Art 78 section 4 of the Trading in Financial Instruments Act, at the request of the PFSA, the organiser of an alternative trading system shall exclude the financial instruments indicated by the PFSA from trading if trading in these instruments materially jeopardises the proper functioning of the alternative trading system or the security of trading in this alternative trading system, or if it causes harm to the interests of investors.

In accordance with the ATS Rules, the WSE as the relevant organiser of the alternative trading system may exclude financial instruments from trading:

- at the request of the Issuer; however, in this case the issuer may be required to fulfil additional conditions;
- if any of the organizers recognise that it is required in the interests and security of the participants in trading;
- as a result of declaration of the Issuer’s bankruptcy, or in the case of a court repealing a motion for the declaration of bankruptcy due to a lack of funds in the Issuer’s estate sufficient to satisfy the costs of the bankruptcy proceedings;
- as a result of initiation of the Issuer’s liquidation;

RISK FACTORS

The WSE may also exclude financial instruments from trading as a result of a decision being taken to merge the Issuer with another entity or to divide or transform the Issuer, however, the exclusion of financial instruments from trading may occur not earlier than on the date of the merger, division (spinning off) or transformation, respectively.

Moreover, the WSE may exclude financial instruments from trading in the case described in the section entitled “The WSE may impose penalties on the Issuer based on their regulations” of this section 2.5

In addition, the WSE shall exclude financial instruments from trading:

- in situations defined by law;
- when the transferability of those instruments is restricted;
- in case of a reversal of the dematerialisation of these instruments;
- after the lapse of 6 months from either the date on which a declaration of the Issuer’s bankruptcy, including liquidation of its assets, or the date on which a court’s decision to dismiss the application to declare bankruptcy due to a lack of funds in the Issuer’s estate sufficient to satisfy the costs of the bankruptcy proceedings, becomes final.

We are unable to predict whether any circumstances giving grounds for the exclusion of the Bonds from trading will occur in the future. Once the Bonds are excluded from trading, the investors lose the possibility of trading in the Bonds on the ATS, which may adversely affect their liquidity. The sale of the Bonds outside the ATS may be effected at substantially lower prices compared to the most recent prices obtained in transactions carried out on the ATS.

The WSE may impose penalties on the Issuer based on their rules

Pursuant to § 17c section 1 of the ATS Rules, if the Issuer does not observe the rules or the regulations applicable on the ATS or does not fulfil or improperly fulfils the obligations defined in the ATS Rules, including in particular the Issuer’s information duties, the WSE may issue a warning or impose a financial penalty in the amount of up to PLN 50,000. When deciding on the warning or the financial penalty, the WSE may set a deadline for the Issuer to cease the violations or to take actions to prevent such violations in the future. In particular, the WSE may oblige the Issuer to publish relevant documents or information in the manner and on the terms applicable on the ATS.

Moreover, pursuant to the ATS Rules, if the Issuer:

- does not comply with the imposed penalty; or
- in spite of the penalty continues to violate the rules or the regulations applicable on a given ATS, or
- does not fulfil or improperly fulfils the obligations specified in Chapter V of the ATS Rules, or

RISK FACTORS

- does not fulfil the obligations related to cessation, by the deadline set by the WSE, the existing violations or fails to take actions aimed at preventing such violations in the future (including by publishing specific documents or information in the in the manner and on the terms applicable in on the ATS)

—then the WSE may:

- impose a financial penalty on the Issuer, however such a penalty, together with the penalty imposed by virtue of the regulations mentioned in the above paragraph, may not exceed PLN 50,000;
- suspend trading in the Issuer's debt instruments on the ATS;
- exclude the Issuer's debt instruments from trading on the ATS.

Moreover, the WSE may publish information on their websites indicating the infringement by the Issuer of the principles or regulations applicable on the ATS, on non-performance or improper performances of his obligations by the Issuer, or on imposing a penalty on the Issuer.

If any of the above circumstances occur, it may have an adverse impact on the value of the Bonds.

INFORMATION REGARDING THE BONDS

3. INFORMATION REGARDING THE BONDS

The following text cites the main provisions of the Bonds Terms and the Supplement. Full information regarding the Bonds and rights attached thereto, as required by the Bonds Act, can be found in the Bonds Terms and the Supplement, which constitute **Appendix 5.4** to this Information Note.

3.1. Purpose of issuance

Not applicable. The purpose of the Bonds' issuance was not specified.

3.2. Type of Bonds issued

The Bonds covered by this Information Note are book-entry form, coupon-bearing, unsecured and unsubordinated bearer bonds. The Bonds were dematerialised pursuant to Article 8 Section 5 of the Bonds Act in connection with Article 5a Section 1 of the Act on Trading in Financial Instruments, i.e. registered in the securities depository maintained by the NDS.

Since the issuance and the public offering of the Bonds was conducted pursuant to Article 33 item 1 in connection with Article 34 Section 2 of the Bonds Act and Article 7 Section 4 item 2 of the Act on Public Offering, i.e. by way of a public offering of the Bonds addressed solely to at least 150 investors who acquire Bonds for a total consideration, calculated as the Bonds' issue price as at the date of its determination, of at least EUR 100,000 per investor, neither a prospectus nor any other offering document subject to approval by the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*) or any other public authority is required nor will it be drawn up or published.

3.3. Size of the issue

The Issuer issued 1,000,000 (say: one million) Bonds with a total nominal value of PLN 1,000,000,000 (say: one billion zloty).

3.4. Nominal value and issue price

The nominal value of one Bond amounts to PLN 1,000 (say: one thousand zloty). The issue price of one Bond was equal to its nominal value and amounted to PLN 1,000 (say: one thousand zloty).

3.5. Information regarding the results of subscription

3.5.1. Starting and ending date of the subscription

The subscription period (i.e. the period of accepting investors' declarations on the acceptance of purchase offers) started on 2 July 2015 and ended on 10 July 2015.

3.5.2. Date of allotment

10 July 2015.

INFORMATION REGARDING THE BONDS

3.5.3. Number of Bonds subscribed for

1,000,000 (say: one million).

3.5.4. Rates of reduction

During the offering of the Bonds there were no reductions in subscription orders.

3.5.5. Number of Bonds allotted

1,000,000 (say: one million).

3.5.6. Issue price

PLN 1,000 (say: one thousand zloty).

3.5.7. Number of subscribers

52.

The issuance was not divided into tranches.

3.5.8. Number of persons who were allotted Bonds

52.

3.5.9. Name of the underwriters

The Issuer did not enter into underwriting agreements in relation to the Bonds.

3.5.10. Total costs included in the costs of issuance

The Issuer bore no costs in connection with advertisement of the offering of the Bonds or underwriters' fee.

The costs of the Bonds' issuance will be accounted for in the Issuer's books and recognized in the Issuer's financial statements in the measurement of the Bonds using the amortised cost method. The information on the final costs of the Bonds' issuance shall be presented in the Issuer's interim condensed financial statements for the three and nine month periods ended 30 September 2015, which will be made available to the general public as part of the Issuer's periodic report for the third quarter of 2015, no later than on 12 November 2015. Should the date of the publication of the Issuer's periodic report for the third quarter of 2015 change, a new date shall be announced to the general public in a current report.

3.6. Terms of redemption and payment of interest

3.6.1. Terms of redemption

Redemption of Bonds

The Bonds shall be redeemed by the Issuer on 21 July 2021 or on the Early Redemption Date.

INFORMATION REGARDING THE BONDS

On the Redemption Date or Early Redemption Date, the Issuer shall pay the Amount Payable for each Bond, including the Principal Amount, Interest Amount for the last Interest Period, and – in case of the redemption of Bonds pursuant to clause 7.4 – the Premium. Bond payments related to their redemption shall be made through the NDS according to the relevant Regulations.

Upon redemption of the Bonds, in accordance with the provisions of the Bonds Terms, the Bonds shall be redeemed pursuant to the Bonds Act and the relevant Regulations.

Early Redemption of Bonds with the consent of the Bondholders' Meeting

In the cases referred to in Sub-clause 7.1.1 of the Bonds Terms, the Bondholders' Meeting will be entitled to pass a resolution on granting consent to exercising the Bondholders' the right to request an Early Redemption of Bonds due to the occurrence of the Events of Default referred to in that Sub-clause. The adoption of such a resolution requires a two-thirds majority of votes corresponding to the Adjusted Total Nominal Value of Bonds. If such resolution is passed, each Bondholder shall be entitled to request the Early Redemption of Bonds held by such Bondholder.

Early Redemption of Bonds at the request of Bondholders

From the date following the day on which one of the Events of Default referred to in Sub-clause 7.2.1 of the Bonds Terms, occurred, each Bondholder shall be entitled to request the Early Redemption of the Bonds held by such Bondholder.

Issuer's right to Early Redemption

The Issuer at any time has the right to carry out the Early Redemption of Bonds. Bondholders shall be notified about the Issuer's intention to exercise the Issuer's Right to Early Redemption at least 10 Business Days in advance of the Early Redemption Date pursuant to clause 14 (Notifications) of the Bonds Terms.

The Issuer's Right to Early Redemption may be exercised at any moment before the Redemption Date, both in relation to all or part of the issued and unredeemed Bonds, however the Early Redemption may not apply to Bonds that constitute less than 10% of the total nominal value of Bonds, or of all unredeemed Bonds, if their total nominal value was lower than the above mentioned amount.

In the event of the early redemption of part of the Bonds as a result of the Issuer exercising the Issuer's Right to Early Redemption, subject to voluntary submission of Bonds for redemption (if such submissions are planned), the Bonds shall be redeemed from Bondholders in proportion to the status of Bonds recorded on their Bond Accounts. The number of Bonds redeemed from individual Bondholders shall be agreed according to the relevant Regulations, in particular pursuant to §123 of the Detailed Rules, or Regulations that replace it. In the event of the early redemption of part of the Bonds as a result of the Issuer exercising the Issuer's Right to Early Redemption, a suspension of trading in the Bonds in the ATS will be required.

Early Redemption of Bonds as a result of exercising the Issuer's Right to Early Redemption shall be carried out based on their nominal value together with the accrued interest plus the applicable Premium.

INFORMATION REGARDING THE BONDS

3.6.2. Interest

Payment of the Interest Amount

The Bonds are interest-bearing from the Issuance Date (inclusive) until the Redemption Date or – in case of the Early Redemption – the Early Redemption Date (excluding the actual redemption date itself in both cases). On each Interest Payment Date, each party being a Bondholder shall be entitled to receive, on the Record Date, the Interest Amount calculated in accordance with Clause 3 (Interest) of the Bonds Terms. The Interest Amounts will be payable in arrears. Interest Amount payment will be made via the NDS on the basis of and in accordance with the relevant Regulations.

Interest Periods

An Interest Period is a period from the Issuance Date (inclusive) until the First Interest Payment Date (excluding that day) as well as each subsequent period continuing from the previous Interest Payment Date (inclusive) until the next Interest Payment Date (excluding the date itself), however the last Interest Period ends on the day preceding the Redemption Date or the Early Redemption Date.

The Interest Periods, Interest Payment Dates and record dates as at the date of this Information Note are presented in the table below. The last Interest Payment Date will take place on the Redemption Date or Early Redemption Date.

Interest Period	First day of the Interest Period	Interest Payment Date (last day of the Interest Period)	Record date
1.	21.07.2015	21.01.2016	13.01.2016
2.	21.01.2016	21.07.2016	13.07.2016
3.	21.07.2016	21.01.2017	13.01.2017
4.	21.01.2017	21.07.2017	13.07.2017
5.	21.07.2017	21.01.2018	12.01.2018
6.	21.01.2018	21.07.2018	13.07.2018
7.	21.07.2018	21.01.2019	11.01.2019
8.	21.01.2019	21.07.2019	12.07.2019
9.	21.07.2019	21.01.2020	13.01.2020
10.	21.01.2020	21.07.2020	13.07.2020
11.	21.07.2020	21.01.2021	13.01.2021
12.	21.01.2021	21.07.2021	13.07.2021

Accrual of Interest

The Interest Amount is calculated separately for each Interest Period.

Where the Interest Amount is calculated in accordance with the Bonds Terms for a period shorter than the Interest Period originally indicated in the Supplement, such amount will be calculated on the basis of the actual number of days in the period since the previous Interest Payment Date (inclusive), or the Issuance Date

INFORMATION REGARDING THE BONDS

(inclusive) in the event of the first Payment Date, until the date when the Bonds are redeemed (excluding the actual redemption date itself).

In the event of late payment (except for an event set forth in Sub-clause 7.2.1.(a) of the Bonds Terms) of the Principal Amount or the Interest Amount, in whole or in part, a Bondholder will be entitled to interest which will accrue from the date when the delay in payment started (inclusive) until the date of payment (excluding the payment date itself) in the amount equal to the amount of the Interest Rate for the last Interest Period plus Additional Interest Margin (without double-counting the Additional Interest Margin if another Event of Default occurs before the end of the last Interest Period).

In any case, the amount of any interest under the Bonds will not be capitalised and no interest will accrue on such interest amount.

Calculation of the Interest Amount

Interest per Bond shall be calculated based on the following formula:

$$K = SP \times N \times L / 365$$

where:

K means the Interest Amount for a given Interest Period for one Bond,

SP means the agreed Interest Rate,

N means the nominal value of one Bond,

L means the number of days in a given Interest Period,

where the obtained amount will be rounded off to the nearest grosz (however half or more of a grosz will be rounded upwards).

Determining the Interest Rate

If the Bonds bear interest at a fixed rate in accordance with the Supplement, the amount of Interest Rate for a given Interest Period will be indicated in the Supplement.

If the Bonds bear interest at a floating rate in accordance with the Supplement, the amount of Interest Rate for a given Interest Period will be the Base Rate value, as indicated in the Supplement, plus the Interest Margin indicated in the Supplement.

The Base Rate amount will be determined in accordance to this Clause and the Supplement by the Bond Issuance Agent on the Interest Rate Setting Date.

In the event that the Base Rate is not available on the Interest Rate Setting Date, the Base Rate will be equal to the arithmetical average of the rates given to the Bond Issuance Agent by Reference Banks, upon rejecting the highest and lowest rate given by the Reference Banks, however if necessary, the Base Rate will be rounded off to four decimal places (while 0.00005 will be rounded upwards).

INFORMATION REGARDING THE BONDS

When it is impossible to determine the Base Rate in accordance with the above provisions, the Base Rate will then be equal to the most recently available Base Rate that was published before the Interest Rate Setting Date for PLN deposits with the duration indicated in the Supplement.

In case of the occurrence of an Event of Default, during the period from the fifth Business Day after the date when such Event of Default occurred (including the date of its occurrence) and ending on the fifth Business Day on the earlier of the date when such Event of Default ceases, the Redemption Date or the Early Redemption Date (excluding that date), the Interest Rate will be increased by the Additional Interest Margin indicated in the Supplement.

The information regarding the amount of the Interest Rate will be provided in accordance with the relevant Regulations.

The provisions on statutory interest shall not apply to amounts due under Bonds or related thereto.

3.7. Security interests attached to the Bonds

Not applicable. The Bonds are unsecured.

3.8. Value of liabilities as at the last day of the quarter preceding the sending of purchase offers, and a projection of liabilities until the redemption of all of the Bonds

The estimated value of the Issuer's liabilities as at March 31, 2015 amounted to PLN 3,225.4 million. The projections of the Issuer's liabilities until the redemption of all of the Bonds should be evaluated based on the declarations and information made available by the Issuer when discharging its disclosure obligations resulting from the provisions of law.

3.9. Information allowing the potential buyers of the bonds to ascertain the effects of the undertaking to be funded from the proceeds

Not applicable. No undertaking was specified.

3.10. The rules for converting the value of benefits in kind into cash

Not applicable. The Bonds do not provide for any benefits in kind.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

4. INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The following text is an excerpt from the offering memorandum which was attached to purchase offers for the Bonds sent to the investors during the public offering of the Bonds (the “**Offering Memorandum**”) and constitutes an accurate reproduction of the section of the Offering Memorandum titled “Information on Polsat Group”. The Offering Memorandum was drawn up as at 2 July 2015. Any changes to the information presented below, following the date of the Offering Memorandum, are subject to public disclosure, in accordance with applicable provisions of law, in the form of current or periodic reports, provided that such changes give rise to the Issuer’s disclosure obligations resulting from the admission of the Issuer’s shares to trading on a regulated market or resulting from the Issuer’s status as a public company. Any references to the date of the Offering Memorandum constitute references to 2 July 2015.

4.1. Introduction

Polsat Group is Poland’s leading multimedia group. Within the scope of our activities we provide a comprehensive range of integrated media and telecommunications services within the following areas:

- Pay digital TV services offered by Cyfrowy Polsat – the largest pay TV provider in Poland and one of the leading satellite platforms in Europe. We offer our customers access to over 160 TV channels, including over 45 channels in high definition standard, as well as additional services such as PPV, VOD Home Movie Rental, TV online, Catch-up TV and Multiroom. We also provide online video services through IPLA – the leader in Poland’s online video market.
- Mobile telecommunications services, including voice and data transmission services, which we provide mainly through our subsidiary Polkomtel – one of Poland’s leading telecommunication operators;
- Mobile broadband Internet, offered under two alternative brands: Cyfrowy Polsat and Plus. We also provide these services in state-of-the-art LTE technology. We offer the widest LTE coverage in Poland and our customers attain the highest data transmission speed out of the services provided by national mobile network operators’ technologies;
- Broadcasting and television production through Telewizja Polsat, a leading commercial TV broadcaster on the Polish market, offering 26 popular TV channels, including 5 in HD standard.
- Wholesale services to other operators, including, inter alia, network interconnection, national and international roaming, shared access to network assets and lease of network infrastructure.

The Group operates in two business segments: the segment of services to individual and business customers and the segment of broadcasting and television production.

Our consolidated revenue from services, products, goods and materials sold in 2014 increased to PLN 7,409.9 million while our net profit amounted to PLN 292.5 million. EBITDA profit amounted to PLN 2,738.3 million with an EBITDA margin of 38.5%. In 2015 Q1 the total consolidated revenue from services, products, goods and

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

materials sold amounted to PLN 2,329.0 million, the net profit – PLN 170.8 million and EBITDA – PLN 896.6 million with an EBITDA margin of 38.5%.

4.2. History of the Group

A joint stock company under the name of Market S.A. was established in 1996. It laid the foundations for the future operations of the Cyfrowy Polsat satellite TV platform. Satellite TV signal broadcasting started in December 1999. Initially, the platform offered free-to-air access. In the years 2000-2001 an agreement was signed with TV Polsat regarding the satellite digital pay TV platform's operations while the name of the company was changed from Market S.A. to Polsat Cyfrowy S.A. In 2003, thanks to obtaining a licence for wireless distribution of satellite TV and radio programmes, the company became a fully independent operator of a digital satellite platform. In 2004, the company adopted its current name – Cyfrowy Polsat S.A. That moment marks the start of the dynamic development of the platform – Cyfrowy Polsat increased its subscriber base by several dozen percent year on year, from around 400 thousand at the end of 2004, to over 3.5 million in 2011. In 2006 the company opened a factory producing the company's proprietary set-top boxes. By 2014 Cyfrowy Polsat's factory had manufactured over 6 million state-of-the-art devices, for Cyfrowy Polsat's needs alone. 2008 was a breakthrough year when, after several months of preparations, the company debuted on the Warsaw Stock Exchange. In the same year mobile telephony services, provided in the infrastructural MVNO model, were added to the company's portfolio. Active sale of mobile services was ended in 2012, at the time of entering into cooperation with Polkomtel. In the following year the company launched another new service – the VOD Home Video Rental which to date has recorded several million rentals. 2010 was a year of important events for the company which included the addition of mobile Internet access relying on HSPA+ technology to the portfolio of services. The company also launched an integrated offer based on three of its core services, namely TV, Internet access and mobile telephony, all of which were offered to customers under a single subscription contract with only one subscription fee and one invoice. The company also acquired M.Punkt Holdings Ltd. – the owner of a mobile telephony distributor and it also announced a transaction comprising the acquisition of 100% of shares in TV Polsat for PLN 3.75 billion. The acquisition was finished in 2011, making Cyfrowy Polsat the leading media group in Poland. In 2011, Cyfrowy Polsat became the first company in Poland to offer the fastest and state-of-the-art mobile Internet access service relying on LTE technology, and as a group it has continued to be the leader in the development and sales of LTE services. 2011 also saw the signing of a conditional share purchase agreement with INFO-TV-FM sp. z o.o. under which, in January 2012, Cyfrowy Polsat acquired the spectrum for providing mobile TV services and the associated spectrum reservation permits, which in turn enabled the company to launch the innovative Mobile TV services provided with the use of DVB-T technology in June 2012. In the following year Cyfrowy Polsat acquired a 100% stake in the companies that developed the IPLA service, the leader on the on-line video market in Poland, thus once again expanding the scope of its operations. Cyfrowy Polsat also entered into cooperation with Polkomtel with regard to a bundled offer and mutual sale of standard products. In 2013, Cyfrowy Polsat acquired 100% of Polskie Media S.A., the broadcaster of TV4 and TV6. These channels have been added to Polsat Group's portfolio which now includes 26 diverse channels broadcast under the POLSAT brand. In November 2013 a preliminary share purchase agreement was signed by Cyfrowy Polsat to acquire shares in Metelem Holding Company which controls Polkomtel, the operator of the Plus network. The transaction, worth PLN 6.15 billion, was completed in May 2014 with Cyfrowy Polsat and Polkomtel creating the leading media-and-telecommunications group in the region and becoming one of the largest Polish firms. In 2014, Cyfrowy Polsat and the Plus network, while pursuing a strategy of integrated products and services for a modern home, launched a joint program called smartDOM. It is a unique proposal which addresses customers' needs and allows the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

convenient bundling of modern services for homes, offered by Plus, Cyfrowy Polsat and PlusBank. The offer includes: voice services, LTE Internet access, satellite TV, banking services as well as electricity. By taking advantage of the bundled offer, the customer is able to pay lower bills and generate large savings.

4.3. Strategy

Our strategy assumes that we will create and deliver the most attractive TV content, telecommunications products and other services for the home, residential and business customers, using state-of-the-art technologies to provide top quality multi-play services that match the changing needs of the market, while maintaining the highest possible level of customer satisfaction.

Our superior goal is to become the number one player on the Polish entertainment and telecommunication markets. To achieve this objective we will continue to provide high quality products and services to all our customers as well as acquire and produce superior quality content and deliver it to Polish households and individual users.

The key elements of our strategy include:

- building the value of our customer base by increasing the number of users as well as maximising the number of services offered to each customer while simultaneously increasing average revenue per user (ARPU) and maintaining high levels of customer satisfaction,
- maximising revenue from produced and purchased content by expanding its distribution, maintaining the audience shares of our channels and improving our viewer profile, and
- effective management of the cost base of our integrated media and telecommunications group by exploiting its inherent synergies.

Building the value of our customer base by increasing the number of users as well as maximising the number of services offered to each customer while simultaneously increasing average revenue per user (ARPU) and maintaining high levels of customer satisfaction

Since the beginning of our operations, we have seen substantial growth in revenue from our services provided to our customers and we intend to further improve this result, as well as our market share, by running marketing campaigns targeted at current and prospective customers.

The principal goal of our strategy is to effectively build revenue from the sale of services to our customers. Bearing in mind the occurring market changes, we will continue to create products that will satisfy the changing preferences of our customers.

The factor that will have a positive impact on revenue is the possibility of cross-selling of products and services to both current and potential customers of Cyfrowy Polsat and Polkomtel. Together with Polkomtel we create a unique portfolio of services which is simultaneously targeted at clients of both operators. When properly addressed, both through sale of additional individual products or a multi-play offer, this potential may significantly increase the number of services per individual user, thus increasing the average revenue per customer (ARPU). What is more, while exploiting our combined customer bases, we will continue to maximise the number of

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

additional services for the home or residential customer that we will be able to offer to our customers as we extend our product portfolio.

The integrated services market is poorly developed in Poland, especially outside big cities and thus it has substantial growth potential. We intend to continue expanding our products and services portfolio, relying both on own projects as well as on strategic alliances or acquisitions. We trust that a comprehensive and unique offer of combined services and the possibility of up-selling additional services, e.g. financial and banking products, or sale of electricity, when provided via diversified distribution platforms, will be decisive from the point of view of our competitive edge. It will also enable us to retain our existing customer base and offer an opportunity to acquire new customers, both on the pay TV and telecommunications markets as well as in the area of other services for the home and for residential customers.

We will build our position on the bundled services market by acquiring as many customers as possible for our broadband Internet access services. These services are the product which is most readily up-sold to our existing customer base as part of our combined services offer. Moreover, based on independent experts' estimates, broadband mobile Internet is the fastest growing Internet access technology in Poland. We trust that mobile technology (LTE in particular) will enable us to offer high quality services in the areas where most of our customers live, which, combined with the benefits offered by integrated services, should contribute to further improvement of customer satisfaction and growth of ARPU.

We seek to attract as many viewers as possible by offering the best-value-for-money TV packages on the Polish market. We also intend to leverage the changes taking place on the Polish pay TV market and take advantage of the opportunities presented by the evolving needs and expectations of Polish consumers (such as increased interest in over-the-top services and growing use of media content on mobile devices), by offering our customers an extensive range of additional services – VOD/PPV, Catch-up TV, Internet-based video and music services, Multiroom and Mobile TV. By developing our pay TV offer and expanding it to include complementary products and services, we seek to generate higher ARPU and improve customer satisfaction and loyalty.

An effective combination of telecommunications and media services provides new opportunities for distribution of TV content. Thanks to this combination, the attractive content and the wide range of Cyfrowy Polsat's services will be delivered through a variety of reliable distribution channels – via satellite (DTH), within digital terrestrial television (DVB-T), through mobile technologies: 3G and LTE – to all consumer devices, from TV sets to PCs to tablets and smartphones.

Maximising revenue from produced and purchased content by expanding its distribution, maintaining the audience shares of our channels and improving our viewer profile

The channels we produce and broadcast enjoy strong, well-established positions on the Polish TV market as well as high ratings in their target groups. With our current portfolio we broadcast 26 channels, programmed to appeal to most target groups within the Polish audience. Our goal here is to maintain our audience share at a stable level and consistently improve our viewer profile. We believe that by making sensible investments in programming, and wider distribution of our own content, we will be able to gradually improve our viewer profile. This in turn will have a positive effect on the advertising airtime pricing.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Another crucial step in building the segment's value will be to maximise our distribution of produced and purchased TV content, both in terms of the customer groups it reaches (FTA and pay TV) and the technologies they use (terrestrial, satellite, Internet). These efforts, in our opinion, will not only allow us to reap the benefits of wide-scale distribution of our content, but will also ensure a higher level of satisfaction among our customers/viewers, who will have more freedom to decide what, where and when to watch.

Effective management of the cost base of our integrated media and telecommunications group by exploiting its inherent synergies

We are convinced that building a closely integrated media and telecommunications group offers an opportunity for tangible synergies and for securing numerous competitive advantages. To this end, we have identified more areas in which costs can be managed at the Group level: (i) customer acquisition, retention and day-to-day service – where certain business units and processes can be integrated; (ii) technology, and IT in particular, where information processes and systems, serving both business and operational areas throughout the Group can be consolidated; (iii) administrative infrastructure – where we can unlock benefits arising from the scale of combined businesses and the ability to share solutions, and (iv) back-office functions – where synergies can be unlocked that will better support the business.

4.4. Competitive advantages, market opportunities and development prospects

4.4.1. Competitive advantages

We are a leading integrated media and telecommunications group in the region

We operate a diversified business comprising DTH, mobile telephony, broadband Internet as well as TV broadcasting and production and mobile TV.

We are the largest provider of pay TV services in Poland and a leading DTH provider in Europe in terms of customers. Since 2006, Cyfrowy Polsat has been the leader of the Polish DTH market in terms of number of active services and market share. Our subsidiary, Polkomtel, which focuses on the provision of mobile telecommunications services under the Plus brand, is one of the leading telecommunications operators in terms of the value of generated revenues and the size of the contract base of mobile telephony and the mobile broadband Internet access services. At the same time, in 2014, we were one of the two leading private television groups in Poland in terms of audience share and share in the advertising market, whereas our main channel was the leader in terms of audience share in that period.

Our pay TV, telephony and Internet access services are sold through the biggest distribution network among the Polish operators, including the total of over 1,380 stationary points of sale. We simultaneously offer our services in alternative telemarketing, door-to-door channels as well as online in our Internet Store. Furthermore, Polkomtel has its own separate business customers sales and service channels, dedicated to the service of specific groups of customers, depending on the scale of their operations and revenue potential, as well as an extensive prepaid distribution network.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

We have strong brand recognition and enjoy good reputation among our customers and viewers

Cyfrowy Polsat, Polkomtel, Telewizja Polsat, IPLA as well as TV4 and TV6 brands are well recognised by Polish consumers and we believe they are associated with high quality and value-for-money services aimed at the entire family. According to GFK Polonia, we have the highest top of the mind brand awareness (87%) of the pay DTH satellite operators in Poland (the percentage of customers in the target group, that without being prompted by the interviewer are able to quote the brand name, based on "Image of Pay TV Operators" realised by GFK Polonia, October 2013, N=700). Plus is the best recognised brand among the mobile operators on the voice services market. Furthermore, Plus is the most liked brand among the main operators on the market, most frequently mentioned as trustworthy and having the fastest mobile Internet access (including the best coverage, best offer of the LTE Mobile Internet), (IQS Group, October-November 2013, Brand Condition Tracking in VOICE and INTERNET segments, N=3,150, N=4,950).

Our advertising sales office Polsat Media Biuro Reklamy, was elected the best TV advertising broker among the leading nationwide broadcasters in 2014. Polsat Media earned the highest scores in categories such as: rapid and effective reaction to customer needs, guarantee of high quality services by sales representatives, accurate settlements after the end of the campaign. In the 5-point scale applied by the editorial M&MP, where 5 points is the maximum score, Polsat Media Biuro Reklamy achieved 4.03 points (for comparison: TVP – 3.72; IDMnet – 3.62; Atmedia – 3.50; TVN Media – 3.48). The respondents included employees of media houses or advertising agencies responsible for media.

We believe that our position as the largest pay-TV operator in Poland and good relations with programming licences providers give us a competitive advantage in obtaining high quality content on attractive market terms.

We also believe that through offering high quality programming packages at competitive prices we built the attractiveness of our services.

We have the biggest customer base in Poland to which we can up-sell a broad portfolio of services

As a result of acquisition of Polkomtel, Cyfrowy Polsat Group has the biggest base of unique customers, consisting of the individual customers of Cyfrowy Polsat and Plus, business and corporate customers as well as prepaid users. This base includes 6.1 million of unique customers, bound by contracts for definite or indefinite periods of time, which entails generation of regular monthly revenues. Our strategy assumes up-selling to this base of an extensive portfolio of telecommunication, television and other services by our companies independently or in partnership with other entities, in order to increase the amount of revenues generated by unique customers. We believe that up-selling of services to our own base will enable us to increase the revenue in a cost-effective way, while simultaneously offering to our customers attractive price terms, which should improve the satisfaction and loyalty of our customers.

We provide integrated services

Since June 2010, we provide multi-play services combining pay DTH offer, Internet and telecommunications services. We are the only pay DTH operator in Poland that provides full multi-play services, which is a significant competitive advantage on pay DTH market in Poland. At the same time we are a telecommunications operator, which ensures for us a higher price elasticity and more effective operating activities on the competitive market.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The provision of services in an integrated model enables us to offer attractive price terms to the customers, while simultaneously simplifying the process of customer service, which should translate into the improvement of customer satisfaction and loyalty, thus decreasing the churn rate. We believe that, similarly to highly developed European countries, preferences of the Polish population will go into integrated services direction, which will strengthen our competitive advantage.

We are the leader of Internet access services in LTE technology

As the first commercial supplier in Poland, in the third quarter of 2011, we started to provide broadband Internet access service in LTE technology. The advantage of the LTE technology over HSPA+ or UMTS is based on greater capacity and transmission speed with lower latency, which enables LTE Internet service users to use interactive and multimedia applications requiring high bandwidth and transmission in real time, such as online games, video communication and HD TV through Internet.

Internet access services in LTE technology offered by us are provided based on the unique, continuous 20 MHz block of 1800 MHz frequency band. None of our competitors in Poland has access to a similar (in terms of width) continuous block of 1800 MHz band, thanks to which we are the only operator in Poland that is able to provide LTE transmission at the maximum speed of 150 Mb/s. Furthermore, under the PLK Wholesale Agreement, in March 2015 we gained access to the LTE technology provided based on the 800 MHz spectrum as the first telecommunications operator in Poland, thanks to which over 90% of Poles were within the coverage footprint of LTE services provided by us at the end of March 2015.

The quality of LTE services provided by us has been confirmed by numerous independent surveys and consumer tests, which indicated that our customers are using the fastest mobile Internet Access in Poland.

We have frequencies enabling us to provide services in DVB-T technology

Through our subsidiary INFO-TV-FM sp. z o.o. we own the rights to use frequencies from 470-790 MHz band assigned to provide mobile audio-visual media services in DVB-T technology. These frequencies enable us to offer pay TV services in another field of delivering entertainment to customers, being mobile television service, that is available in our offer on the most popular mobile devices, as well as on the latest in-house produced DVB-T set-top-box. At the end of 2014, there were around 5 million households and 15 million people within the technical reach of the multiplex.

Multi-platform distribution of online video content and proprietary technology for internet content distribution.

The IPLA online video service makes us the only group in Poland to offer access to video content through a wide range of electronic devices, including computers/notebooks, tablets, smartphones, TV sets with internet connections, set-top boxes, game consoles and home cinemas. Our objective is to provide access to an extensive range of audiovisual content through any type of device for playing online multimedia files. We strive to ensure that each type of platform is supported by all major equipment manufacturers and operating systems.

We have also developed unique technological competencies in encoding and streaming audiovisual content on the Internet, as well as optimising distribution of this type of signal. Unlike our competitors, we apply proprietary solutions to our IPLA online video platform, which enables us to provide services optimally adjusted to the limited Internet infrastructure in Poland and the capacities of external systems with which our applications are integrated.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

In this way, we may offer services of higher quality than the widely used solutions, for instance, our system of HD video stream encoding helps reduce the broadband required to deliver the signal by half as compared with the solutions implemented by other operators on the Polish market. Hence, the optimised technology has a direct effect on the success of our projects, increase in their coverage potential and the number of concurrent viewers.

We control the process of production of set-top boxes

As the only operator on the Polish market we produce our own set-top boxes. In November 2007, we launched own production of SD set-top boxes, in April 2010 we began to produce HD set-top boxes, in 2012 we started to produce DVB-T set-top-boxes, and in 2013 we began the production of PVR set-top-boxes. By the end of Q1 2015, more than 6.6 million high technology equipment left our production lines, out of which over 4.5 million were HD set-top boxes. We control the entire process of production of set-top boxes, from the hardware and software design phase to the production in our own factory as well as in our subcontractors' facilities. This enables us to produce high quality set-top boxes while incurring manufacturing costs which are noticeably lower than the price of purchasing such equipment from third-party providers. The functionalities of our set-top boxes are designed in line with the customers' expectations as analysed by the surveys, so that we can be sure the equipment will meet their needs. The fact that software installed on our set-top boxes is developed by in-house engineers, enabling us to rapidly respond to emerging customer needs.

We own the biggest portfolio of TV channels in Poland

TV Polsat Group channels' portfolio consists of 26 channels including 5 in HD quality. We broadcast general entertainment, sports, news, business, lifestyle, movie and children's channels. This is the largest and most diversified channels' portfolio on the Polish market, that gives us the leading position in terms of audience share among private television groups in Poland. We believe that attractive content of our channels is a significant competitive advantage. We have contracts with major film studios, such as Sony Pictures Television, International 20th Century Fox, The Walt Disney Company or Warner Bros International TV Distribution assuring us with wide selection of the most attractive films and series. Our direct production covers mainly shows and series based on international formats as well as solely created concepts. We also offer wide selection of sport transmission, including among others qualifying matches of European Championships France 2016, the final match of Euro 2016, qualifying matches of the World Championships in 2018, European volleyball and handball championships, boxing and MMA events, Rally World Championship, Formula 1 racing, Wimbledon and many other sport disciplines.

We have a high quality telecommunications infrastructure and broad frequency bands

We provide telecommunications services through the high quality, state-of-the-art mobile network. Our network is an integrated 2G/3G network based on GSM/GPRS/EDGE/UMTS/HSPA/HSPA+/HSPA DC as well as CDMA technologies, based on which we provide voice services, data transmission, wholesale services and a broad portfolio of Value Added Services. We have reservations related to an extensive portfolio of telecommunication frequencies, including 420, 900, 1800 and 2100 MHz bands. We additionally cooperate with Midas Group, with which we are jointly developing the services in LTE and HSPA+ technology, based on the frequency and infrastructure components belonging to or used by Midas Group. As a result, at the end of March 2015 the coverage of our mobile services provided in 2G and 3G technologies (including data transmission in HSPA+

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

technology) extended over nearly the entire population of Poland, while over 90% of Poles could use the LTE technology.

Thanks to our mobile network we are able to reach the less populated suburban and rural areas of Poland with our telecommunications services, while incurring substantially lower costs than Cable TV or fixed-line operators. This enables us to build a strong position in smaller cities and less urbanised areas of Poland and provide telecommunications services – in a cost-effective way – to the customers of Cyfrowy Polsat, who are located mainly in the aforementioned areas. Due to the high cost of network roll-out or starting of operations and regulatory barriers related to obtaining access to frequencies, we will continue to profit from our strong market position.

New entrants must overcome significant regulatory and operational barriers and acquire access to radio spectrum to compete effectively in the markets in which we operate

We believe that we benefit from significant market entry barriers that will aid us in maintaining our leadership positions in the competitive Polish pay TV, telecommunications and TV broadcasting markets. Unlike potential entrants to the Polish pay TV market, we benefit from economies of scale and a loyal customer base, and we can spread the relatively high cost of the necessary technology over our large customer base and leverage the stronger bargaining power that comes with a leading market position. On the other hand, the entry to the mobile telephony market requires obtaining direct access to telecommunications frequencies and very expensive and time-consuming investments in telecommunications networks or obtaining a paid access to the radio frequency via one of the four mobile operators. However, the spectrum of frequency bands allocated to mobile technologies have been nearly fully distributed among the current market players and a scenario assuming emergence of a new infrastructure operator seems to be very unlikely. Operators who provide mobile services based on the paid access to the existing mobile networks so far have failed to achieve the scale of business in Poland which could create a significant competitive threat to us.

We have strong, stable and diversified cash flows

We generate revenue through two distinct revenue streams: (i) the services to individual and business customers segment and (ii) the broadcasting and television production segment. In the segment of services to individual and business customers segment, our large customer base, monthly subscription revenue and relatively low churn rates provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient, even during periods of challenging economic conditions.

In case of our cost base we focus on initiatives to develop in-house services and systems in order to improve quality and efficiency. The examples are: own set-top-boxes factory, own IT solutions, or centralization of selected back-office processes within the entire Group.

We have a strong management team

Our management team consists of executives that have been members of the management boards or served in other managerial positions within the media, TV and telecommunications industries and have extensive experience in these industries. In addition, our operations in both business segments are managed by teams of experienced senior managers who provide expertise and a deep understanding of the markets in which we operate, especially with respect to marketing and sales, customer relations management and retention,

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

technology and finance. Our senior managers have a significant track record of increasing our customer base and market share and introducing new products in competitive environments while managing costs and increasing free cash flow.

4.4.2. *Market opportunities*

We believe that Poland is an attractive market for our current and planned products and services for a number of reasons. We present the key reasons below.

Penetration rate of multi-play services, in particular in low-urbanised areas

Integrated services in Poland are provided by cable TV operators and selected telecommunications operators and offered mainly in large and medium-sized cities, which results from the geographical coverage of their infrastructure and the quality of telecommunications infrastructure.

According to European Commission ('E-Communications Household Survey', June 2014) the penetration rate of multi-play services (defined as more than one service within the offer of one operator) in Poland in January 2014 amounted to 21% while in European Union reached 46%, with a penetration rate in Belgium and the Netherlands even over 70%. We believe that as a result of the low saturation of integrated services and poor quality of Internet access services offered in low-urbanised areas, Cyfrowy Polsat may become the leading provider of high quality multi-play services in Poland.

Development of the Internet market in Poland

In 2014, 74.8% of households in Poland had access to the Internet and approximately 71.1% - broadband access (according to Central Statistical Office, 'Information society in Poland in 2014'), while in 28 EU members the average amounted to 78% (broadband Internet according to Eurostat). The percentage of household with broadband Internet access varied depending, among others, on the place of living – in big cities, it amounted to 77.5%, while in the rural areas 66.7%. According to PMR estimates ('Telecommunications market in Poland 2014, Development forecast in the years 2014-2018', August 2014), in 2014, there were nearly 12.5 million users of broadband Internet, out of which 40% used mobile connections. According to PMR, until 2018, the number of broadband users is supposed to grow by 19%, with the number of mobile broadband users growing by approximately 34% (data concerning mobile Internet include exclusively customers using modems and PCs). The main drivers for growth in the number of mobile Internet users in the long term will include: increased speeds of data transmission, increase in the number of mobile devices i.e. laptops, smartphones, tablets, as well as relatively low cost of mobile infrastructure covering low urbanised areas.

Growing market for new technologies and equipment and the resultant increase in access to and consumption of audiovisual content

As the market for innovative technologies is growing at a fast pace, the number of mobile devices (notebooks, tablets, smartphones or Smart TV sets) owned by consumers is on the rise as well. This has spurred a sharp increase in access to video content, and hence in video viewership. According to Ericsson Mobile Report, video content is the biggest and fastest growing segment of the mobile data transmission. It is expected that by 2020 the use of data related to watching video content will grow by 45% per year on average, reaching ca. 55% of the entire mobile data traffic in 2020. Consumers expect service providers to offer them the possibility to watch TV on

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

any screen, anywhere, and at any time. We perceive this group as a prospective customer segment for television services, opening also the opportunity for monetization of our audiovisual content. At the same time, the above mentioned trend will translate into the increased demand from our customers on the data transmission services on mobile devices, which will result in a growing stream of revenues from the sale of these devices to our customers.

Growing popularity of smartphones

Replacing of the traditional handset models, used mainly for voice communication, with smartphones designed for communication via data transmission is a universal trend on the mobile telephony market. According to our data, the share of smartphones in the total volume of handsets sold to Plus customers increased from 61% in Q4 2012 to 85% in Q1 2015, thus leading to the increase of percentage of smartphone users in Plus network from 26% at the end of 2012 to 47%, estimated at the end of Q1 2015. At the same time, according to the forecasts of emarketer.com from December 2014, the number of smartphones used in Poland will grow by ca. 64% between 2014 and 2018 (from 12.7 million to 20.8 million units). The continuous growth of popularity of smartphones, along with their technological development, will drive the growing demand for the mobile data transmission packs purchased by the users of our network, which in turn should have a positive impact on the level of ARPU generated by our customers.

Development of advertising market in Poland

Demand for advertising air-time is highly correlated with the macro-economic situation. ZenithOptimedia Media House forecasts that the total net TV advertising expenditure will increase by 2.6% in 2015. Given that TV is a highly effective advertising medium, and given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets, there is still a substantial growth potential for TV advertising in Poland in the long term. It is worth noticing, that despite the growing importance of new media, it is forecasted that watching television will remain an attractive and popular activity, primarily thanks to new technical opportunities, including: increasing number of HD channels and VoD, as well as thanks to growing number of smart-TVs with Internet access.

According to IAB AdEX report Internet advertising market shows a dynamic growth, with the advertising expenditures of PLN 2.6 billion in 2014, an increase of 7.2% y-o-y. The expenditures on the video advertising segment, in which we directly generate our revenue, increased in 2014 by 16% and represented 7.5% of the total expenditures on online advertising (increase by 0.6 pp. compared to 2013). According to PwC forecasts (Global entertainment and media outlook: 2014-2018) the online video advertising in Poland will grow by an average 45,1% (CAGR) in the years 2013-2018. We believe that thanks to the leading position on the online video market (through IPLA internet television) we may benefit from the growth of this promising advertising market segment.

Growing importance of thematic channels

A key trend emerging on TV market in Poland over the past several years is the increasing importance of thematic TV channels. Thematic channels are TV channels distributed mainly through cable and satellite platforms (pay) and terrestrial multiplexes (free) that specialise in a particular genre of programming, such as children's programming, films, sports, lifestyle, news or weather. Thematic channels market segment in Poland reached 46.7% audience share in 2014 compared to 44.3% in 2013 (NAM, all 16-49, full day, all channels except

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

the following channels: Polsat, TVP1, TVP2, TVN, TV4, TV Puls, TVN7). Broadcasters with access to thematic channels and integrated media platforms (such as Cyfrowy Polsat Group) can potentially leverage the niche programming content with targeted and optimised advertising.

4.4.3. Development prospects

Development prospects in the segment of services provided to individual and business customers

We are the largest media-telecommunications group in Poland and we have a unique product and services portfolio which includes pay TV, mobile telephony, data transmission and broadband mobile Internet, as well as a wide array of complementary services such as VOD, PPV, Multiroom, online video services and mobile television. In line with our strategy, we focus on marketing and sales activities aimed at cross-selling stand-alone products and services to the joined customer bases of Cyfrowy Polsat and Polkomtel and at selling our integrated services offer.

The Polish bundled services market is characterised by a low level of development. According to research conducted by the European Commission, saturation with bundled services in Poland is lower by a half compared to the average saturation in the European Union. Concurrently, our customers are increasingly interested in bundled services, which is reflected in excellent sales results of our integrated offer smartDOM. We are convinced that our unique combination of satellite TV and telecommunications services, mobile broadband Internet access in LTE in particular, will allow us to benefit from the growth potential of the Polish bundled services market. By increasing the number of services sold to each customer we are able to generate growth of average revenue per customer (ARPU) and effectively increase our customers' loyalty.

LTE Internet provided by us is considered to be the future of mobile broadband Internet and the successor of the commonly used UMTS standard. We consistently develop our infrastructure in order to expand the coverage of our LTE network and increase transfer speed. According to independent rankings of transfer speed offered by Internet access providers, our mobile Internet is the fastest on the market. Due to its technical characteristics and quality parameters, mobile LTE Internet can eventually replace fixed-line connections and satisfy increasingly demanding customers while enabling them to profit from growing capabilities of the Internet. In addition, it has the advantage of mobility, which is increasingly more desired by consumers. We strongly believe that over the long term, as the necessary radio infrastructure and LTE-enabled devices develop, the technology will revolutionise not only the broadband Internet market but also content distribution. We believe, our broadband LTE Internet services, including data transmission services, will help us to further increase our customer base both of stand-alone and integrated services.

We consistently strive to strengthen our position as aggregator and distributor of content. Currently, the attractive content and the wide range of Cyfrowy Polsat's services are delivered through a variety of reliable distribution channels – via satellite (DTH), within digital terrestrial television (DVB-T), through mobile technologies: 3G, 4G and LTE – to all consumer devices, from TV sets to PCs to tablets and smartphones. We closely study the evolution of our clients' expectations and work to satisfy their growing needs.

We further believe that we can significantly expand the pay TV market by adequately responding to changes in the customers' behaviours and expectations as well as by addressing new target groups. With the development of the market and technologies, the choice of devices, for which we can produce and distribute television content,

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

has grown significantly. The number of mobile equipment, like laptops, tablets and smartphones, held by customers increases rapidly. In this group we see the perspective market segment, inter alia for TV services. Furthermore, we see the potential for the market growth in the group of Polish households equipped in more than one TV set as well as in the low ARPU market segment.

Development prospects in the broadcasting and television production segment

In TV broadcasting, we are one of the two leading private TV groups and the third largest broadcaster in Poland in terms of audience share, revenue and advertising market share. Based on data from Starlink, we estimate that in Q1 2015, we captured a 25.3% share (y-o-y increase by 0.7 p.p.) of the approximately PLN 873 million Polish TV advertising market.

As the audience share of thematic channels has been continually growing together with the progressing fragmentation of the Polish television market, we have focused on launching thematic channels in order to maintain total audience share and ensure continued sufficient growth in advertising revenue. We believe that we can profit from this fragmentation by strengthening our wide portfolio of channels targeted to entire family, extending and strengthening distribution network on cable and satellite platforms including also our segment of services to individual and business customers, within which we manage the largest pay TV platform in Poland. We believe that our presence on all significant satellite platforms and our distribution by cable TV operators will result in further increase in the audience share of our thematic channels, and, consequently, give us the opportunity to grow at least in line with the TV advertising market, and increase subscription fee revenue. Currently our thematic channels portfolio includes 26 channels (10 new channels in the Group in the last five years), and their audience share is in an upward trend.

Following the global trends of changes in media consumption, dynamic development and increasing popularity of mobile devices, we realise our strategy aiming at the widest distribution of content using the best and latest devices and technologies. That is why we want to monetize our content also through distribution in our internet television IPLA, which is the leader on online video market in Poland both in terms of availability on different devices (computers/laptops, tablets, smartphones, Smart-TVs, set-top-boxes, game consoles) and in terms of content offered. IPLA is also the leader in terms of the number of users and the time spent by one user on watching video content.

We also believe that thanks to possible synergies within the largest integrated media group in Poland, such as purchase of content, distribution, sale and marketing, we are able to strengthen our position on the broadcasting and television production market.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

4.5. Description of the Group's operations, including specific operating segments

4.5.1. Segment of services to individual and business customers

Activities on the pay TV market

(i) DTH offer of Polsat Group

We build the loyalty of our customers by offering a wide array of channels at competitive prices. Currently, our set-top boxes enable the reception of over 160 TV channels, including over 45 HD standard. Our offer includes general, sports, movie, news/information, education, lifestyle, music and children's channels.

A number of channels are available exclusively via satellite from Cyfrowy Polsat, such as Polsat sports channels, Polsat Viasat channels, Polsat Food Networks and many others.

It is worth emphasising that our offer includes popular sports channels: Polsat Sport, Polsat Sport News and Polsat Sport Extra, Polsat Sport being the most widely viewed sports channel in Poland in 2014 in the commercial group 16-49 (Nielsen Audience Measurement).

Programming packages

Currently we offer to our customers three basic packages which include the available promotional channels and selected non-encrypted channels:

- Rodzinny HD which provides access to 74 channels (including 10 HD channels);
- Familijny HD which provides access to 105 channels (including 19 HD channels);
- Familijny Max HD which provides access to 130 channels (including 30 HD channels).

Monthly subscription fees for the basic packages range from PLN 19.90 to PLN 49.90.

Moreover, we offer 5 additional packages, VOD rental on television, and access to popular on-line services HBO GO and IPLA. This approach allows our customers to construct an offer tailored to their specific needs. The HBO channels and HBO GO service can be purchased additionally with each basic package.

In order to help our customers make their choice, we have prepared attractive package sets, e.g.:

- Familijny Max HD combined with the Sport HD, Film HD and Cinemax HD channels (158 channels, including 43 HD);
- Addressed to our most demanding customers is the Premium offer comprised of the packages Familijny Max HD, Sport HD, Film HD, Cinemax HD, HBO HD (161 channels, including 46 HD) as well as online services: HBO GO and IPLA.

The described above sets come with a benefit – the monthly subscription fee is lower than the sum of standard fees for each packages separately.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Multiroom HD

As of 2011, we offer the Multiroom HD service to our customers, which provides access to the same range of TV channels through two or more set-top boxes in one household, for a single subscription fee. Customers who decide to purchase the Familijny HD Package and higher are offered the possibility to purchase the Multiroom HD service as well, allowing them to view all the channels available in the package on up to 4 TV sets. The promotional price for the service varies from PLN 5 to PLN 15 per month, depending on the purchased programming package.

Flexible offer

In order to provide our customers with the possibility to better acquaint themselves with our programming offer, each client choosing any programming package receives, free-of-charge, access to additional channels, online services or our VOD package for the first 6 months of the subscription period (e.g. customers who subscribe to Familijny Max HD Package can get access to Film HD and Sport HD).

Set-top boxes

Our customers can either buy or lease their set-top boxes. The price of a set-top box depends on the selected programming package. As a rule, the higher the price of the programming package, the lower the price of the set-top box (and the higher the subsidy on our part). We believe that subsidising set-top boxes is a necessary measure in order to attract new customers.

The software of set-top boxes manufactured by Cyfrowy Polsat is being developed on an on-going basis. In 2014, our set-top boxes gained a new functionality, which allows for wireless connection between the set-top box and the home Wi-Fi network making it easier to use online services.

Free-to-air channels

In addition to pay TV programming packages, customers using our set-top boxes have access to over 500 free-to-air TV and radio channels available via Hotbird satellite in Poland, including a dozen additional Polish-language channels and wide-known foreign channels, such as: TVP Info, CNBC, Bloomberg, ZDF, Rai News 24 and nine leading radio channels.

(ii) Mobile pay TV offer provided in DVB-T technology

In June 2012, we expanded our service portfolio to include the Mobile TV service in the DVB-T standard. The Mobile TV service enables the reception of real-time television on mobile devices. TV programmes are received via a DVB-T set-top box, connecting through the radio network with the user's terminal mobile device, such as a smartphone, tablet or laptop; as a result, no Internet connection is necessary to use the service, which means that it generates no data transmission and no related fees.

Under the Mobile TV service, we offer the Extra Package which includes 8 TV channels grouped in 4 thematic categories (sports, movies, news, children's channels) and 12 radio channels. This package, including a set-top box for the reception of digital terrestrial TV, is provided either on a subscription or a prepayment basis.

(iii) IPLA online TV and video on demand offer

The largest Polish online television IPLA is available to our customers since 2012. The IPLA online TV service offers access to over 1,600 feature films and over 100 TV series, more than 35 TV channels, about 200 hours per

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

month of live sports coverage in the HD format, and Poland's largest authorised library of television content, comprising approximately 48 thousand items. IPLA television also comprises a vast library of content available free of charge with commercials (90% of the entire resources).

Access to programming content via Internet is based on one of three settlement models. The first is a fixed monthly payment for the right to broadcast a given program, the second – settlement according to the audience share of the given programming content and the third – the percentage share in the advertising revenue generated by advertisements broadcast in proximity to the material. In the case of the IPLA service, about 75% of total revenue is generated by sales of advertisements, and about 25% is derived from content purchases by the service users.

IPLA offers access to TV content grouped in thematic packages (IPLA SPORT, IPLA FILMY I SERIALE, IPLA DZIECI, IPLA ROZRYWKA, IPLA WIEDZA I NEWS, IPLA PREMIERY and IPLA EXTRA), which are activated for a period of 30 or 90 days or on a one-off basis in the form of 48-hour access to selected items. Cyfrowy Polsat and Polkomtel customers enjoy special price reductions. In addition, customers of our satellite TV, internet services and Plus customers are offered dedicated content packages in IPLA (IPLA MIX, IPLA PLUS), some of them included in the subscription fee for a period of three months or for the entire term of the contract, depending on the basic package purchased by the customer.

Access to IPLA resources is available to users of computers running Windows through the www.ipla.tv website and dedicated applications, mobile devices powered by iOS, Android and Windows Phone, TV sets with internet connections (Samsung, LG, Sony, Panasonic, Philips, Sharp, Ikea, Loewe, Thomson, TCL), set-top boxes (Cyfrowy Polsat, cable TV TOYA, Netia) and game consoles (PlayStation 3).

Furthermore, as of 2009 our pay TV customers can also use our video on demand service VOD – Home Video Rental, offering paid access to new movies and hits via set-top boxes. One of our transponders is dedicated entirely to the provision of the VOD service by satellite. The service requires no additional technology solutions, it can be accessed via a TV set, and is available only to customers who have an HD set-top box.

VOD - Home Video Rental is based on 18 satellite channels, with over 50 films available per month. Our customers may usually choose from a selection of about 18 titles per day, which are updated on a regular basis and can be rented for up to 24 hours. Movie rental fees are paid on a one-off basis and depend on the film category ('Hit', 'New', 'Catalogue', 'For adults') or as monthly flat fees under the VOD monthly Movie Catalogue service, which offers unlimited access to movies within a given catalogue category. In selected programming packages we provide access to the VOD package within the subscription fee for the first 6 months of the entire term of the contract, depending on the package.

(iv) Technology and infrastructure pay TV services

Conditional access system

Access to TV channels offered in our pay programming packages is secured with a conditional access system that we leased from the company Nagravision. We use this system to control access to particular pay programming packages. Upon signing a contract for our services, the customers receive a set-top box together with an access card, which allows them to receive the pay programming offer. We routinely identify unauthorised access to our service because of the significant risks unauthorised access poses to our business and revenue.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

According to our agreement with Nagravision, in the event of a breach of our systems, which cannot be cured, Nagravision is obliged, under certain conditions, to replace the conditional access system together with the cards provided to our customers and, if necessary, to adapt the set-top boxes to the new system. Nagravision is paid a monthly fee on a per-customer basis.

Moreover, we cooperate with Irdeto to secure the digital content transmitted using DVB-T technology. Irdeto provides us with a conditional access system with the necessary technical support, as well as specialised and complete monitoring of the Internet enabling the collection and analysis of occurrences that may infringe copyrights of entities in our Group.

Satellite

We entered into Hot Bird satellite capacity contracts with Eutelsat S.A. The contracts involve three transponders dedicated to SD and two transponders dedicated to HD signal. The contracts expire in 2017, however we have the right to extend the agreements for additional successive periods. Since May 2012 we use part of the transponder on the Eutelsat satellite for mobile television purposes.

Broadcasting centre

Our broadcasting centre is located in Warsaw, Poland and enables us to transmit TV channels to the transponders we use on the Hot Bird satellites. Some TV channels are transmitted by the broadcasters of these channels or by third parties. We believe our broadcasting centre, which was built in 2006 and expanded in 2009, is one of the largest broadcasting centres in Poland. In 2012 we conducted a further modernization of the emission systems, which enables the playout of even up to 100 channels. It is equipped with up-to-date integrated video, audio and information systems and is used to broadcast SD and HD TV channels.

To mitigate risks of failure or shutdown of our broadcasting centre or any of its parts, our broadcasting, transmission and multiplexing equipment has redundancy solutions on critical nodes of our broadcasting network. In addition, Eutelsat will provide us with a backup transponder if necessary. In 2014, we activated a backup broadcasting centre located in Radom.

Services for television and radio broadcasters

We provide signal broadcast services to television and radio broadcasters. These services include the provision of transponder bandwidth, broadcasting and encoding the signal and its distribution to networks of other operators, including cable operators.

Services provided in DVB-T technology

Our Mobile TV services are provided in DVB-T technology within the multiplex dedicated to mobile television. The service is provided on 470-790 MHz frequencies (assigned to provide mobile audio-visual media services including broadcasting of radio and television nationwide channels) owned by our subsidiary INFO-TV-FM sp. z o.o. For the broadcasting of channels we use the infrastructure of Romford Investments sp. z o.o., currently owned by Emitel sp. z o.o., that comprises a network of radio transmitters in 31 largest cities in Poland. At the end of 2014, there were around 5 million households and 15 million people within the technical reach of the multiplex.

Set-top boxes

To reduce our costs, we began manufacturing our own SD set-top boxes in November 2007 and HD set-top boxes in April 2010. Control over the process of production of set-top boxes has proved to be more effective and

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

cost-efficient than purchasing set-top boxes manufactured by third parties and has allowed us to offer more competitively priced packages and achieve higher operational efficiency in our business. In-house manufacturing of set-top boxes has allowed us to save approximately 20% of the cost of a single device in comparison to equipment purchased from foreign suppliers. Additionally, it has allowed us to unify the software and interface of the set-top boxes, which is convenient to our customers if they switch between set-top box models. In addition, we have control over set-top box software and we have the flexibility to adapt the software to meet customer requirements.

We believe we can adjust production levels through our partnerships with third parties and believe we can adapt to future equipment needs and production demands. In manufacturing our set-top boxes, we rely on mature solutions and do not experiment with untested technologies. Thus far, we have not experienced any major post-manufacturing problems that would have led to the recall and replacement of set-top boxes manufactured by us.

During its 7 years of functioning,] 13 different models of set-top boxes left our production lines. Currently, to meet Cyfrowy Polsat needs, our plants produce HD set-top boxes, including PVR with a built-in hard drive (HD 5000, HD 5500s, HD 6000, MINI HD 2000, HD 3000, PVR HD 7000) and three models in DVB-T standard (T-HD 1000, T-HD 210 and T-HD 200) as well as a 320 GB USB hard drive (DTU 320). Thanks to the fact that our own experts design the equipment and the software, we adapt our set-top boxes to meet the changing expectations of our customers.

We also provide services to other operators interested in modern, functional devices at attractive prices. During last year's SAT KRAK 2014 Digital Television Fair and the accompanying SAT Kurier Awards 2014 gala the HD 6000 set-top box manufactured by Cyfrowy Polsat was awarded the first prize in the 'Best Polish sat-tv product' category.

We equipped all models of set-top-boxes produced in-house and designed to receive high-definition television with the IPLA application, enabling access to the content of our internet television after connecting the set-top-box to the Internet. Customers can also use the Multiroom service on our set-top-boxes.

In 2014 set-top boxes manufactured in-house represented over 95% of overall set-top boxes sold or leased. As of the end of March 2015, we produced a total of over 6.6 million set-top boxes, including over 4.5 million HD set-top boxes. We still cooperate with external providers of set-top boxes, mainly Samsung, Echostar, Thomson and Sagem, but since 2010 we limited the purchases from external providers only to newly developed technology, such as PVR set-top boxes.

Our customers can either buy or lease set-top boxes from us. The price of a purchased set-top box depends on the package of pay TV programmes purchased by the customer. Typically, the higher-priced the package purchased, the lower the price of the set-top box and the higher set-top box subsidy incurred by us. We view the subsidising of set-top boxes as a necessary component of acquiring new customers. Changes in set-top box prices and the size of the subsidy available for customers are linked to market conditions. We have a warranty service designed to help ensure customer satisfaction with the performance and operation of set-top boxes. Leased set-top boxes remain our property, and we update them on regular basis.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Internet content distribution

Within IPLA internet television, we use our own technology adapted to the leading operating systems and a wide range of consumer devices. We have developed unique technological competencies in encoding and streaming audiovisual content on the Internet, as well as optimising distribution of this type of signal. Unlike our competitors, we apply proprietary solutions, which enable us to provide services optimally adjusted to the limited Internet infrastructure in Poland and the capacities of external systems with which our applications are integrated. In this way, we may offer services of higher quality compared to widely used solutions. For instance, our system of HD video stream encoding in IPLA helps to significantly reduce the broadband required to deliver the signal as compared with the solutions implemented by other operators on the Polish market. It also enables us to offer multi-camera broadcasts live, which is a unique service on the Polish Internet market. The protection system (DRM), additionally applied in IPLA, enables us to offer pay content on mobile devices and smart TVs. Consequently, our platform meets current trends and accommodates all the needs of our customers regarding access to on-line video irrespectively of location, time and the device used.

4.5.2. Activities on the telecommunications market

(i) Mobile telephony offer

We provide mobile telephony services mainly through our subsidiary Polkomtel, Plus network operator. We offer mobile voice telephony services to business and residential customers. Mobile voice telephony services are available over both GSM and UMTS networks.

Residential mobile voice services

Our residential contract offer is standardised and includes a variety of contract plans. Currently, it is available in the post-paid and prepaid model as well as in the mix offer.

Our post-paid residential offer, is based on a monthly subscription fee which includes a specified number of minutes and frequently other services (e.g. text messaging). Currently, offers of all operators functioning on the Polish market are dominated by unlimited tariffs which allow the customer to make unlimited calls, send unlimited text messages and sometimes also multimedia messages (MMS). The extent of services available in unlimited tariffs, including the direction of voice calls (only within a given network, to all mobile networks or to fixed-line networks as well) depends on the subscription fee. Moreover, the higher the fee the larger the data package available without additional costs. Also the prepaid Plus offer is constructed in this manner. Customers who choose to pay a lower subscription fee can purchase services not included in the subscription, such as unlimited text messages, unlimited voice call to fixed-line networks, data packages or roaming packages. The contracts are for fixed term, typically 24 months in the case of contracts with subsidised handsets. Contract plans allow customers to either choose from a broad selection of subsidised handsets or to select a tariff without a handset.

The MIX-type offers combine the characteristics of a prepaid and contract offer. In exchange for a subsidised handset, customers undertake to make a specified number of top-ups of specified values. Unlike traditional contract plans, the period for providing services is not fixed and the customers is only required to make one top-up in the specified value at least once every 30 days.

Prepaid offerings allow customers to gain access to our mobile network upon the purchase of a starter pack (SIM card with a fixed amount of credits to be used for mobile services). In general, there are no monthly subscription

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

fees or obligations to top-up in a prepaid offer. All prepaid plans provide that the top-up can be made at any time with the use of a prepaid top-up available from agents, dealers and other sales channels. Prepaid voice services allow the customer to adjust the offer to meet specific needs by choosing among available packages and additional options, such as data packages or unlimited voice calls or SMS, and adequately managing the value of top-ups.

Mobile voice services for business customers

Business customers are mainly offered contract solutions, often on the basis of solicited tenders for their mobile requirements on a competitive basis. We also offer fixed telephony services, LAN (local area network)/WAN (wide area network) solutions, mobile broadband and other dedicated solutions. Business contracts specify the tariff, contract duration and the value of the monthly subscription fee. The contract may provide for a subsidized handset that can be chosen from a broad selection.

Business mobile voice services for Small Office/Home Office customers are more standardised. The offering comprises several monthly subscription fee options, taking into account the specific preferences of this segment. Small Office/Home Office contracts have a fixed term, which is usually 24 months.

International roaming

In the segment of services to individual and business customers, we provide international roaming services to our customers, who can use telecommunications services (including voice calls, text messaging and data transmission) while being abroad and logged into foreign networks.

The majority of roaming calls made by our customers are directed through European networks. Vodafone is Polkomtel's key partner in retail international roaming.

The retail offering of international roaming services is determined by the maximum level of retail prices in European Union and European Economic Area countries. These regulations determine a schedule for reduction of maximum retail prices for the voice calls and SMS in the international roaming in the European Union and the European Economic Area countries.

(ii) Internet access offer

We provide a comprehensive array of data services to both residential and business customers under two alternative brands: 'Plus' and 'Cyfrowy Polsat'. Data transmission services encompass pure mobile broadband services and a MMS, as well as a Wireless Application Protocol portal (providing multimedia, localization and social networks) and business-focused services such as Virtual Private Networks.

We offer our mobile broadband Internet services through the use of third generation technologies: HSPA+ and HSPA+ Dual Carrier and since 2011 also the world's latest, cutting edge LTE technology. Our broadband Internet offering is universal, and provides broadband Internet access via all supported technology platforms, for a single monthly fee. Thanks to this solution today almost 100% of Poles live on area covered by Cyfrowy Polsat's Internet service and 90% of the populace is covered by our LTE Internet.

We offer several data plans with different allowances and price tiers, tailored to customers' individual needs. Customers deciding to use our data services may choose between (i) a contract plan; (ii) a prepaid plan; or (iii) limited data packs offered as an addition to the voice offering and (iv) *pay as you go* services.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Dedicated mobile broadband Internet access is offered in contract tariffs. These contract plans are based on a monthly access fee and allow for a defined data transmission limit or unlimited data transmission in the LTE network. After exceeding a limit of data, determined by the subscription fee data is transmitted at reduced speed, but the customer does not incur additional costs for continued transmission. In order to regain full transmission speed additional data packages may be purchased. Under our contract plans customers may purchase subsidised access devices (including dongle modems, fixed and mobile routers). In addition, our offer includes a wide array of tablets and laptops which can be purchased in an instalment plan, as well as an offer without equipment 'SIM only'.

For customers who prefer prepaid services we have the prepaid Internet offer (*Internet na kartws*), which is a prepaid tariff dedicated to data transmission allowing customers to receive a specific extra data pack with each top-up, with the amount of additional data allowance and the grace period depending on the top-up value.

Under *pay as you go* services customers (both contract and prepaid) are charged on a per-kilobyte basis at a standard rate.

On June 3, 2014 as the first in Poland, together with Polkomtel we introduced an offer of unlimited internet access in the LTE technology throughout the entire term of the contract, addressed to both our individual and business customers, marketed under the name "Power LTE". Currently, after modifications made in May 2015, this offer constitutes the basis of our offering of broadband Internet access. The size of packages available in this offer vary depending on the level of service fee from 15 to 100 GB. Some levels of subscriptions also give the client access to the additional service "LTE bez limitu" (no-limit LTE access). A customer who activates this service may still have access to the Internet after having used up the basic data package. An additional monthly fee for the "LTE bez limitu" service is PLN 10. The clients who intensively use Internet capacity during night hours, e.g. download massive data to use during the day may expand their offer by a very large "night time package" of 200 GB for a monthly fee of PLN 2.90.

Thanks to the Internet LTE offer combined with the LTE Internet for the Home Set, especially created for Cyfrowy Polsat and Polkomtel, we can offer customers a product that constitutes an excellent substitute for fixed-line Internet. The LTE Internet for the Home Set consisting of an external LTE modem (ODU) and an internal router Wi-Fi (IDU) is a unique product on the market. It significantly improves LTE coverage and quality thus enabling the use of the state-of-the-art LTE technology in places, where it was so far impossible to do. The existing TV installation (satellite or terrestrial) can be used to install the set and transmit both the TV signal and LTE Internet over one concentric cable.

Additionally, anyone, who intends to buy LTE Internet from Cyfrowy Polsat or Plus Internet may profit from '7 trail days' enabling to try out a service and resign without additional costs after returning the modem.

4.5.3. Technology and infrastructure of telecommunications services

Network

Our broadband Internet access services are based on a radio infrastructure provided by Polkomtel and companies of Midas Group (Mobyland, Aero2).

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Polkomtel operates an integrated 2G and 3G mobile communication network. Polkomtel's network supports GSM/GPRS/EDGE (2G) and UMTS/HSPA+/HSPA+ Dual Carrier (3G) technologies. Polkomtel also has an extensive CDMA network. Under our agreement with Mobyland we have access to mobile data transmission service on 900 MHz and 2100 MHz frequencies in LTE and HSPA+ technologies.

As in mobile telecommunications networks it is possible to automatically switch between technologies, uninterrupted service functionality for end users is ensured, while the parameters (e.g. data transmission rate) improve when the user comes within the coverage of a more technologically advanced network.

As at March 31, 2015, excluding the transmitters operating based on the frequencies held by LTE Group, Polkomtel's 2G access network consisted of 6,886 base stations, while the 3G network consisted of 3,681 NodeB stations, a majority of which supported the HSPA technology (including 3,008 HSPA Dual Carrier). The CDMA network included 572 base transceiver stations. As at March 31, 2015, the LTE/HSPA+ network operated by LTE Group and being developed jointly with Polkomtel, consisted of 4,945 HSPA+ base stations, approximately 4,200 LTE 1800 MHz base stations and more than 1,000 LTE 800 MHz base stations.

Polkomtel's access network is supported by an appropriate transmission network using mainly packet data transmission technologies. The network is divided into the access layer (180 Mb/s and 360 Mb/s microwave links, and fibre optic links), an aggregation network (mainly fibre optic, using Carrier Ethernet Transport MPLS-TP technology, mainly 10 Gb/s), and a backbone network (solely fibre optic, using the IP/MPLS technology, with bit rates being multiples of 10 Gb/s, and since 2014, also of 100 Gb/s).

The backhaul microwave network is composed of 7,814 PHD links. The aggregation layer of the backhaul network is composed of 549 nodes with high-capacity CET switches, and the backbone layer has 10 nodes with redundant IP/MPLS routers. In the physical layer, 67 DWDM nodes operate, equipped with facilities enabling traffic transmission at the multiple of the 100 Gb/s bit rate (the multiple is adjusted to current needs of a given node). The transport network is used to provide dedicated services to the business segment, such as virtual private network (with broadband Internet access), PBX switchboards and leased lines.

Polkomtel's fibre optic network comprises 3,293 km of Polkomtel's own fibre optic cables and 3,937 km of leased fibre optic cables.

The core network, solely owned by Polkomtel, ensures central handling of customer services, integrating them for the 2G/3G/4G technologies (Single Core). In this way, Polkomtel is able to provide customers with access to its services irrespective of the radio technology applied, enabling an evolutionary transition of voice services from 2G (GSM), through 3G (including higher quality voice services), to 4G (with voice services based on CSFB or, in the future, VoLTE). The same strategy was used for data transmission services, enabling customers to use the broadband Internet access both in the 3G (HSPA+, HSPA+ Dual Carrier) and the 4G (LTE) networks. The core network architecture facilitates effective and easy capacity expansion to match the growth of the customer base and increased service demand.

Network upgrade and maintenance

Through Polkomtel we are the owner of both passive infrastructure (such as towers, masts, containers, power systems, and air-conditioning systems) and active infrastructure (including base transceiver stations, base station controllers and transmission systems). Active infrastructure is provided by leading international suppliers, such as

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Nokia Solutions and Networks and Ericsson (2G/3G hardware), as well as Huawei, Ericsson and NEC (transmission layer). Typically, Polkomtel enters into framework agreements, without defining in detail the obligations regarding network expansion, combined with support services, such as software upgrades and updates as well as repairs and troubleshooting with respect to the development of Polkomtel's network.

We regularly upgrade and expand our network in order to provide its customers with technologically advanced services and optimise the network's technical performance and efficiency. Network modifications include increasing the capacity of the network's existing elements, hardware replacement and installation of additional hardware, as well as continuous optimization achieved by reconfiguring the network parameters.

Polkomtel's network is monitored and maintained through the main network management centre (NMC) and four regional operation and maintenance centres (OMC). The maintenance centres are responsible for continuous monitoring and supervision of the access network, handling of failures and defects, integration and configuration work, and coordination of repair work carried out by field maintenance teams. The network management centre provides support of the core network and the platforms for value added services (to the same extent as the maintenance centres) and also serves as Polkomtel's central contact point for state administration bodies, as well as for other domestic and foreign operators in crisis situations and in the event of failures.

As part of the optimization process covering all components of the network, including the access network, transport network, core network and all network contact points, traffic distribution and certain network and service parameters are constantly monitored and analysed.

Development of the LTE technology

In 2011, as the first commercial provider in Poland we started offering broadband Internet access in LTE technology, which currently is able to provide a maximum speed of up to 150 Mb/s. We provide a service through the LTE network on 1800 MHz frequencies, that has been constructed since 2010 by Mobyland in cooperation with CenterNet (currently Aero2) and the first LTE 800 commercial network in Poland launched in March 2015. Compared to HSPA+ or UMTS, LTE is characterised by much lower latency and has the capacity to support a greater number of users. The potential of the LTE technology is based on greater capacity and transmission speed with lower latency, which enables LTE Internet service customers to use interactive and multimedia applications requiring high bandwidth and transmission in real time, such as online games, video communication and HD TV through Internet. Devices offered for customers of Cyfrowy Polsat LTE service enable the speeds of up to 150 Mb/s for data received from the Internet and 50 Mb/s for data sent by a user.

Internet equipment

Most of the terminals offered by us for Internet access relies on LTE data transmission technology. We sell modems, portable mobile routers, fixed-line routers, tablets as well as sets including laptops. At present we have a choice of equipment supporting maximum LTE download rates of up to 100 Mbps and 150 Mb/s.

Nearly half of the contracts sold with equipment involve mobile routers or fixed-line routers. Among the available devices it is the ODU-IDU set that is particularly worth noting. It is a combination of an LTE modem for installation outdoors, which is able to operate in difficult conditions, and a router which distributes signal at home. Such a solution provides much better signal power than traditional routers.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The growth rate of sales of LTE tablets is the strongest among all hardware categories. Until recently, this category of equipment was reserved for high-end brands and models. Today, apart from prestigious models, such as Samsung Galaxy Tab S or iPad Air, we also offer cheaper, mass market models, e.g. LG G-Pad, Huawei MediaPad M1, Lenovo S8.

Modems and routers are subsidised. The price of a device depends on the amount of the monthly fee paid for services – the higher the fee, the lower the price of the equipment. The amount of the subscription fee also determines the size of data packages available for use in a given month.

Tablets or sets with laptops are sold in instalment plans. An instalment for the purchased equipment is added to the monthly fee for a data pack each month. The offer features the possibility of dividing the product price into 24 or 36 instalments.

Offer of handsets

Currently, smartphones constitute the majority of the handsets sold. The share of classic handsets continues to decrease and currently does not exceed a dozen or so percent. One out of every two smartphones sold supports LTE technology for data transmission. What is more, LTE technology is offered in increasingly lower-end terminals. So far it have been the products of renowned producers brands but now popular brands are also joining the race. Today an LTE phone can be bought for the proverbial one zloty with a monthly commitment of PLN 50. This limit will continue to decrease with time.

Handsets are sold under two sales models: the subsidised model, where the price of equipment paid by the customer decreases as the subscription fee increases, and the instalment plan model, where an instalment for equipment purchased by a customer is added to the monthly fee. Bundled data packages, also for use in LTE technology, are now offered for all monthly commitment levels.

Based on our data, the share of smartphones in total number of handsets sold to Plus customers increased from 74% in the fourth quarter of 2013 to 85% in Q1 2015 and hence the share of smartphone users increased in Plus network from 33% at the end of 2013 to ca. 47% at the end of Q1 2015.

4.5.4. Activities on the multi-play market

(i) Multi-play offer

We view our bundled services offer as a tool to expand our customer base and increase revenue, as well as to increase customer satisfaction and loyalty. In the long-term, the multi-play offer will enable us to increase ARPU and to further reduce our churn rate.

In keeping with the strategy of integrating modern home products and services, Cyfrowy Polsat and Polkomtel launched smartDOM, a joint program, which enables bundling of innovative services offered by both operators to the benefit of their customers. Under the new program customers can combine, in a flexible way, such products as satellite TV, broadband LTE Internet, telephone, electricity and banking services, and make savings for each service purchased added to their package.

From May 2014 as part of the smartDOM program we offered a promotional scheme „Drugi produkt za połówkę, trzeci za złotówkę” (second product for half-price, third product for 1 zloty). The promotion was based on a simple

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

and flexible mechanism: a client who had one service from the Group's portfolio would be given attractive rebates on purchasing additional products for the whole period of the agreement.

In May 2015 we launched a new phase of the smartDOM program. The refreshed offer allows for purchasing as many as six services from the Group's portfolio, five of which offered with rebates. The promotion is addressed to the existing and new clients. The first service (television, Internet or telephone) – owned or purchased – is fully paid. Two other services from other categories are offered with rebates up to 50%. Another three telephone activations are offered with a discount of PLN 10 per month each. All rebates apply over the whole period of using the services purchased from Plus and Cyfrowy Polsat, not only over the original term of the given agreement.

In October 2014 we launched a program addressed to business customers under the name smartFIRMA (smartCOMPANY), which allows to combine mobile telephony, LTE Internet and fixed-line voice services. The program also includes Plus Bank products, electric energy from Plus, as well as a wide portfolio of supplementary services which support and enhance business.

In the program smartFIRMA, the customer can choose up to 5 products. The first and second product are always mobile telephony and Internet services (interchangeable) and a 50% discount is offered on the second product. The third product is fixed-line telephony starting from PLN 1. Additional mobile telephony cards (fourth and fifth products) can be purchased with discounts of PLN 10 and PLN 20. smartFIRMA is addressed both to existing customers and to new customers.

4.5.5. Sales and marketing

Marketing and branding

Purchasing decisions of a majority of our customers are driven by image and brand loyalty. Cyfrowy Polsat is currently the strongest and most recognizable brand among digital satellite pay TV operators, with the spontaneous awareness ratio of as much as 87% reached in 2013, according to a GFK Polonia survey. Association with a favourable offering (understood as low subscription rates and best quality at reasonable price) is an important element of our brand's perception, which sets it apart from the competition.

For years Polkomtel has engaged in marketing activities aimed at building a consistent image of the 'Plus' brand in line with the company's strategy. We also strive to further increase satisfaction of users of Polkomtel's services, especially with respect to the available range of products and services, quality, usefulness, availability of customer service, usability of self-information and self-service channels.

In 2014, apart from promoting the 'Plus' brand, Polkomtel introduced a new communication platform smartDOM (joint communication for both Cyfrowy Polsat and Plus aimed at promoting bundled services) as well as new brand Plush ('powered by Plus') addressed to young people. Additionally, in May 2015 a new strategy was launched for the core brand – Plus – in relations with the clients and the market. A new communication platform "Ja+ nowe możliwości" (me plus new possibilities) was launched to support the Plus' offer in each significant market segment. As a result of those (and other) activities, 'Plus' is currently one of the best known telecommunications brands in Poland. According to a study of Poland's telecommunications market carried out by IQS Group in November and December 2013, aided awareness of the 'Plus' brand reached 99% in the voice segment and 96% in the data transmission segment.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Our primary advertising channels include: TV (commercials, sponsorship billboards and product placement), online advertising and outdoor. We also carry out nationwide advertising campaigns in the radio and press. Key nationwide campaigns are supported by local campaigns. Advertising campaigns related to Cyfrowy Polsat's and Polkomtel's offering are additionally supported in social media.

At authorised points of sale, we promote our offerings using BLT advertising formats. Cyfrowy Polsat's and Polkomtel's commercial websites are also an important channel of communication with new and existing customers. In addition, we maintain communication with our existing customers using telemarketing tools, email bulletins, a dedicated customer channel (through which Cyfrowy Polsat customers have access to information concerning their subscription) and the Internet Customer Service Centre.

Sales network

We sell our services through sales network covering the entire territory of Poland.

As part of cooperation between Cyfrowy Polsat and Polkomtel customers of Cyfrowy Polsat can benefit from Polkomtel's all-inclusive offering, and Polkomtel's customers can use dedicated television services offered by Cyfrowy Polsat. At March 31, 2015, the combined sales network of Cyfrowy Polsat and Polkomtel covered over 1,380 points of sale. Both our Cyfrowy Polsat's pay TV and Internet offers and Polkomtel's telecommunications offer are available at a majority of those points. All points of sale offer additional benefits to all customers of Cyfrowy Polsat and Polkomtel. Polkomtel and Cyfrowy Polsat introduced the smartDOM scheme, under which customers who purchase another service of Cyfrowy Polsat or Polkomtel can benefit from attractive discounts.

Our pay TV products and services are also distributed using the direct door-to-door sales channel (D2D), which enables us to directly access selected customer groups, to maintain direct contact with customers, and to expand the reach of the sales network. As at March 31, 2015, Cyfrowy Polsat had 16 D2D sales offices.

The sales of prepaid telecommunications services is effected using different channels of distribution. At March 31, 2015, Polkomtel had 26 agreements with non-exclusive independent dealers of its prepaid services, with a total of approximately 75 thousand outlets selling starter kits and scratch cards and approximately 120 thousand outlets selling electronic top-ups.

Furthermore, Polkomtel has an extensive sales structure dedicated to business customers of various scale of operations. Corporate accounts (excluding smaller entrepreneurs who are classified as SMEs) are managed by a group of ca. 50 Key Customer Managers and ca. 50 dedicated account managers. Smaller SMEs (Small and Medium Enterprises) and larger customers in the SOHO segment (Small Office/Home Office), i.e. customers having at least five SIM cards and generating revenue higher than the average SOHO, are managed by about 360 authorised business advisers. The remaining Small Office/Home Office customers, along with residential customers, are served by both Polkomtel's own and authorised points of sales, call centre, six telesales partners and Polkomtel's e-shop.

Currently, a project aimed at fully integrating Cyfrowy Polsat's and Polkomtel's sales networks intone is underway. The total number of points of sale will be reduced and process within a point of sales – unified. Plans include building common logistics and warehousing systems as well as joint training and education. The above measures are designed to improve the efficiency of sales and to achieve announced operating synergies. The finalization of the project is expected in 2016.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Call centre

We provide Cyfrowy Polsat and Polkomtel's sales call centre number in advertisements of our products and services placed in various media and our promotional materials to enable potential customers to obtain information about our services, place orders or ask for directions to the nearest point of sale.

At December 31, 2014, Cyfrowy Polsat's call centre currently had over 600 operator stands as well as approximately 320 back-office stands handling written requests (including faxes and e-mails), while Polkomtel's call centre consisted of 820 operator stands and about 350 back-office stands. Our call centre services are available to our present and potential customers 24 hours a day, seven days a week, and are responsible for providing comprehensive and professional customer service. The call service operators provide information on our services, enter into service agreements with customers, accept customer complaints and provide information on payments and other support for customers. For Cyfrowy Polsat customers willing to have access to their account through the Internet we propose in addition the Internet Customer Service Centre, where, after logging in, customers can check the status of purchased services, payments, subscribed packages, dates of payments and much more.

In order to achieve announced operating synergies, expected following the acquisition of Polkomtel by Cyfrowy Polsat in May 2014, we are currently creating one, joint call centre for both companies. The finalization of the project is expected in 2016.

Polkomtel also has a telemarketing channel which has low customers' connection cost. It is divided into internal and external telemarketing function. The internal function is aimed at reducing the level of potential churn and build around the call centre facility, with dedicated teams within the call centre who take care of customers who have a high propensity to churn. The external telemarketing function is based on our cooperation with six external partners, focused mainly on saturation of the customer base with new activations as well as customer retention.

Online

Online communication plays an important informative role to a growing number of customers, both existing and prospective. It provides users with an opportunity to familiarise themselves with the programming, multimedia and telecommunications offers of companies from Cyfrowy Polsat Capital Group, order selected equipment together with a package of their choice or locate our nearest point of sale.

We also provide the users of our website with a daily updated TV guide with the programming of over 420 channels. The service is accompanied by an editorial, in which we recommend the most interesting - in our opinion - programming positions, and enables sorting the scheduling according to users' criteria.

Customers may also use Cyfrowy Polsat's website (<http://www.cyfrowypolsat.pl/>) in order to find information about the current VOD offer and purchase access to the selected programming. Moreover, our website contains details on the offer and most interesting content available in our online TV IPLA as well as HBO GO and Filmbox Live services with links which transfer the user directly to the webpage of the chosen service.

In July 2014 we launched Polkomtel's renew commercial website (www.plus.pl), fully designed in accordance with RWD (Responsive Web Design) guidelines. The presentation, functionality and layout of individual pages automatically adjust to fit the monitor of the device, making it easier to browse the portal on mobile devices. The service is divided into three sections:

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- *Telephones and devices* – this section presents the offer for telephones and internet equipment (tablets, laptops, routers, game consoles),
- *Offer* – this section presents the telecommunications offering as well as promotions available in the smartDOM program, it also contains links redirecting to websites presenting the pay TV offering of Cyfrowy Polsat, Plus Bank's offer and electric energy offer,
- *Customer Zone* – this section contains information related to additional services as well as advice and help for users.

Polkomtel also operates its own e-shop with products and services available to both existing and new customers.

Central warehouse

To support our distribution channels, Cyfrowy Polsat has organised its own central warehouse and logistics system. The central warehouse has a total area of approximately 9,500 m² and stores set-top boxes, modems, accessories, parts and materials necessary to ensure efficient logistics and sales operations including promotional materials and packaging. Together with our logistics system, our warehouse enables us to prepare 15,000 pre-activated set-top boxes per day for delivery and allows us to store up to 900,000 pieces of equipment. We believe our central warehouse is large enough to satisfy anticipated storage needs of Cyfrowy Polsat.

Polkomtel's central warehouse is managed by the logistics operator Arvato Polska, Centrum Usługowo-Logistyczne in Błonie, who provides services to Polkomtel in the scope of reception, distribution, returns of goods, packaging, assembly, archiving, purchase of consumables and sending packages within all existing channels of sales. The total area of the warehouse owned by Arvato Polska and used by Polkomtel is 4,500 m² currently offering 2,500 pallet holding spaces with the possibility of increasing this number by 1,000. This central warehouse stores telephones, modems, laptops, routers, television sets, SIM cards, prepaid phonecards, printing materials, gadgets, accessories, prepaid sets as well as equipment of Cyfrowy Polsat (set-top boxes, discs and antennas).

4.5.6. Customer Relations and Retention Management

Customer Relations Management

We seek to consistently improve the quality of our customer service using the latest, cutting edge technology. Our customer service department is managed by experienced and committed staff with a highly flexible approach supported by a quick decision making process.

We use an advanced customer relationship management IT system developed by our specialists based on an integrated platform handling telephone, fax, e-mail, SMS and text to speech communications and mail. Our customer relationship management system makes it possible to comprehensively document and handle all requests placed by customers in a timely and effective manner.

In the beginning of 2014 we launched a new, improved Internet Customer Service Centre (ICSC). ICSC is an advanced tool which provides our customers with secure and free of charge access to back-office resources and on-line technical support. Through ICSC customers can buy and modify their packages themselves, check their payment balance and payment history, control units available for use within active packages, or make payments (also advance payments for any number of months). Moreover, users of our new ICSC can modify their contact

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

data, print postal or bank orders, check technical specifications of the equipment owned, print the relevant user manual, restore signal transmission, restore the factory PIN settings of their set-top box, as well as contact us through our contact form.

Polkomtel's call centre, which handled approximately 6.9 million calls in 2014, is the core of the company's customer service. This system comprises of four operating call centres in various locations (two in Łódź, one in Warsaw and one in Toruń) that act as one call centre through an intelligent call routing system. It guarantees reliability and an uninterrupted twenty-four hour, seven-day a week phone service. The intelligent distribution system handles calls depending on the subject matter and forwards the call to appropriate agents, which reduces customer service time. The post-sale telephone customer service also involves active up-selling of products.

Polkomtel also offers a wide range of self-service account management options to its customers. The tools including automatic Interactive Voice Response, the possibility to make changes in customer accounts via SMS, and Unstructured Supplementary Service Data (USSD), i.e. short codes entered through the phone key-pad. In addition, the proposed customer service solutions include an Internet-based self-care system (Plus online), including, but not limited to, FAQs, an online contact form based on the mechanism that ensures automated analysis of customers' queries and automatic response sent to the customer prior to forwarding the question to an agent, and an online communication channel offering support to customers via electronic mail and online chats.

In 2000, Polkomtel received an ISO 9001 certificate. In addition, in 2011 Polkomtel received a certificate for meeting the requirements of the European Standard EN 15838:2009—the 'Customer Contact Centres—Requirements for Service Provision', issued by the Austrian Standards plus Certification (AS+C). This certificate is valid for six years and covers inbound customer care services and outbound up-sales activities. In October 2013, Polkomtel was successfully audited by DEKRA Certification Sp. z o.o. for compliance with quality management standards.

Retention management

We place high importance on customer retention. We are constantly developing our retention programmes to tailor our services to our customers. We have dedicated a department in Cyfrowy Polsat's and Polkomtel's joined organization specifically to retention management in order to optimise retention activities and therefore minimise quantitative and qualitative churn rates and secure the value of the joined customer base. We conduct reactive and proactive customer retention programmes.

Our reactive retention programmes are aimed mainly at customers who have already delivered their termination notices. These programmes are being handled by our anti-churn department, which contacts such clients and provides them with offers aimed at encouraging them to continue their subscription.

In our proactive retention programmes, we begin the retention efforts well before the end of the initial period of the subscription agreement. Using a variety of communication channels, we communicate our offers to customers extending contracts by suggesting services adjusted to meet the customer's needs and including the possibility of up-selling additional products.

Our multi-play offer supports our customer retention efforts. Customers can extend their package of services by adding broadband Internet or mobile telephony services to their already purchased TV package at any time

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

during the term of their agreement. All customers can also upgrade their TV package or buy additional telecommunications packages.

The introduction of our retention programmes and the offering of multi-play services will help us to manage our churn rate as an increasing part of our customer base is maintained on fixed-term (loyalty) agreements and increases the number of services.

4.5.7. Wholesale business

As part of our wholesale business we offer network interconnection, international and national roaming, services to MVNOs, shared access to network assets, lease of network infrastructure, as well as other telecommunications and non-telecommunications services provided to other telecommunications operators.

Exchange of traffic between operators (network interconnection)

Polkomtel's telecommunications infrastructure used in interconnection cooperation enables us to effectively manage telecommunications traffic routing to all operators domestically and abroad. As at March 31, 2015, Polkomtel was party to 25 interconnection agreements with national and international operators. Such a number of interconnection relations allows for optimising the costs of call termination in the networks of other operators, while maintaining the highest quality of interconnect traffic, both initiated and terminated in our network.

As part of interconnection cooperation with other operators, in 2014, as in previous years, active steps were taken in relations with domestic and foreign operators in order to reduce the incurred costs of wholesale call termination and increase wholesale revenue from the service of interconnection traffic transit carried out by Polkomtel. Cooperation with the biggest international operators and active management of traffic routing enabled us to immediately benefit from the reduction of wholesale termination rates in the networks of foreign operators (in particular foreign MTRs), introduced as a result of decisions of market regulators abroad, which translated directly into an improvement of Polkomtel's financial results. Active trade negotiations and effective traffic management in 2014 allowed to keep a downward trend of the costs of call termination in the networks of other operators in Poland and abroad.

International roaming

Within our wholesale business we provide roaming services to mobile operators that allow the subscribers of foreign mobile telecommunications network operators to use telecommunications services (including voice calls, text messaging and data transmission) when logged to Polkomtel's network and outside their home network. We also enter into international roaming wholesale agreements in order to provide, both to our own customers and the subscribers of MVNOs, international roaming services in the networks of our roaming partners.

Cooperation with roaming partners represents a significant part of sales in the wholesale segment. We consistently develop our international roaming services by offering roaming services over our own network to subscribers of foreign operators who are currently staying in Poland. In addition, we offer the wholesale roaming service over our own network to foreign operators under discount agreements in exchange in exchange for favourable terms offered by foreign partners for the handling of roaming traffic generated by our clients who use roaming services abroad. This helps reduce costs of wholesale international roaming services incurred by us and enables the provision of competitive international roaming services (in terms of their price and quality) to our customers. Low wholesale costs negotiated with foreign operators enabled us to create a revolutionary – in

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Poland and across Europe – promotion of calls in international roaming within the EU countries, where Plus users may make unlimited calls to the entire European Union at the rate of PLN 0.29 per minute - the offer is available not only to contract customers but for the first time such an attractive offer has been also addressed to prepaid and mix customers.

Thanks to the active policy of acquisition of new partners for discount agreements, mainly outside of the EU, i.e. in the areas in which the costs of wholesale international roaming have been quite high so far, we are constantly reducing the costs of roaming, and in particular the costs of data transmission, which allows for extending an offer of data packs in roaming in the forthcoming years, while making the offer even more attractive. In 2014, we were the first operator in Poland to set the new trends in telecommunications by allowing the customers of Plus network to use data transmission in roaming in LTE technology, which – together with offering attractive (in terms of price) data packages to be used abroad - has strengthened our position in Poland as the leader of LTE technology.

As at December 31, 2014, via Polkomtel we offered international roaming services for voice calls in 481 networks in 206 countries and designated areas. In addition, the international roaming service offers packet data transmission to our customers in 367 networks in 158 countries and designated areas.

National roaming and virtual operators (MVNOs)

We provide wholesale access services to Polkomtel's mobile telecommunications network based on different models of cooperation, which can be divided into two main groups: national roaming and virtual operators (MVNOs).

National roaming

As a part of the wholesale national roaming service, we offer voice calls, text messaging and packet data transmission services (including MMS) to P4, the operator of Play network. P4's subscribers has used Polkomtel's mobile telecommunications network since the beginning of P4's operations. Under these activities, Polkomtel also provides wholesale services to Cyfrowy Polsat and CenterNet (currently Aero2).

Virtual operators (MVNOs)

Mobile Virtual Network Operators (MVNOs) are operators that provide mobile telephony and packed data transmission services, as well as fixed telephony services based on Polkomtel's network in the model in which Polkomtel provides access to the mobile network, exchange of interconnect traffic to/from MVNO's subscribers and possible forms of wholesale support for MVNO's operations. In general, such cooperation takes place with operators who do not have all technical infrastructure required to provide telecommunications services (including their own frequency allocations). The parties of such a cooperation benefit from the strengths of either party, Polkomtel's high quality nation-wide network and support in servicing of telecommunications aspects of the operator's activities as well as a dedicated offer, marketing and sales under their own brand by the wholesale partner.

As part of the cooperation with MVNOs, we provide wholesale services including voice calls, text messaging and packet data transmission (including MMS), premium rate services, value-added services, international roaming services, services provided to specific governmental authorities and agencies, hosting services on Polkomtel's billing platform, customer support, access to SIM cards and terminals' buying channels and to Plus' reloading

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

channels as well as other services, depending on the needs and selected technical model of cooperation with MVNO.

Polkomtel was Poland's first mobile operator to open its network to MVNOs (in 2006). In December 2014, we cooperated with a dozen or so MVNOs operating in different sectors, mainly the telecommunications. We continue to actively develop the sale of services in the wholesale channel by actively seeking subsequent domestic and foreign partners and developing the cooperation with the existing wholesale partners under continuous development of the MVNO market.

Our broad scope of services and creation of dedicated solutions for the needs of our wholesale partners, allows us to cooperate under various wholesale models, from technologically advanced models for partners who have their own telecommunications infrastructure (for instance, their own points of interconnect with operators and IT platforms), through interim models to models that require only marketing and sales channels from MVNO partners.

4.5.8. Broadcasting and television production segment

(i) Offer

Channels

We believe we have a portfolio of channels that appeal to the important audience segments and that we will maintain the leading position in sports programming and we will strengthen our position in news programming. Our portfolio of channels addresses the entire family.

Channels portfolio of Polsat Group

Channel	Start date	Thematic group	Signal distribution	Availability	Household coverage ⁽¹⁾
POLSAT	December 5, 1992	general interest	Terrestrial/cable/satellite	FTA	99.9%
Polsat2	March 1, 1997	general interest	Cable/satellite	non-FTA	61.8%
TV4 ⁽⁵⁾	April 1, 2000	general Interest	Terrestrial /cable/satellite	FTA	99.8%
Polsat Sport	August 11, 2000	sport	Cable/satellite	non-FTA	47.9%
Polsat Sport Extra	October 15, 2005	sport	Cable/satellite	non-FTA	34.6%
Polsat News 2	February 8, 2007	business	Cable/satellite	non-FTA	54.0%
Polsat News	June 7, 2008	news	Cable/satellite	non-FTA	55.5%
Polsat Café	October 6, 2008	lifestyle	Cable/satellite	non-FTA	53.8%
Polsat Play	October 6, 2008	lifestyle	Cable/satellite	non-FTA	46.8%
Polsat Film	October 2, 2009	movie	Cable/satellite	non-FTA	50.1%
Polsat Jim Jam	August 2, 2010	children	Cable/satellite	non-FTA	43.1%
TV6	May 30, 2011	entertainment	Terrestrial /cable/satellite	FTA	92.9%
Polsat Sport News	June 1, 2011	sport	Terrestrial /cable/satellite	FTA	93.3%
CI Polsat	November 24, 2011	criminal	Cable/satellite	non-FTA	37.4%
Polsat Food	November 22, 2012	lifestyle	Satellite	non-FTA	20.1%
Polsat Viasat Explore	March 1, 2013	lifestyle	Satellite	non-FTA	25.4%
Polsat Viasat Nature	March 1, 2013	nature	Satellite	non-FTA	25.5%
Polsat Viasat History	March 1, 2013	history	Satellite	non-FTA	33.4%
Polsat Romans	September 1, 2013	women's	Cable/satellite	non-FTA	42.8%

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Disco Polo Music	May 1, 2014	music	Cable/satellite	non-FTA	44.2%
MUZO.TV	September 26, 2014	music	Cable/satellite	non-FTA	38.1%

(1) NAM, average TV household coverage, arithmetic average of monthly coverage in Q1 2015.

POLSAT

POLSAT, our main channel, is the number one channel in Poland in terms of audience share in the commercial group (all, ages 16-49), that amounted to 13.44% in Q1 2015. The channel broadcasts 24 hours a day, seven days a week. The channel is available on the digital terrestrial television on the second multiplex (MUX-2). Apart from terrestrial broadcasting, POLSAT is also provided in SD and HD by all the major Polish cable TV operators as well as DTH platforms. POLSAT airs a broad variety of movies, Polish and foreign series as well as talent shows realised based on licence agreements. Sports offer has also an important place in our programming.

The strongest programming offer is aired in spring, from March to May, and in autumn, from September to November, in prime time (from 5:00 p.m. to 11:00 p.m.). It is the key period for advertisers throughout the year. That is when we broadcast the premiere episodes of series, talent shows, and new movies (mainly from Sony Pictures Television International, 20th Century Fox, The Walt Disney Company or Warner Bros International TV Distribution). In off-prime time, POLSAT airs series, docu-soaps, movies or transmissions from sport events.

Thematic channels of the Group

Channel	Target audience segment	Average audience share in the target audience segment in 2014	Core programming	Additional information
Polsat Sport	Men Age 16-59	0.75%	The first sport channel in the Group's offer. It airs sports events and thematic programmes. The most important sports are: (i) volleyball (World Championships, World League, World Grand Prix, Plus League, Orlen League), (ii) athletics (e.g. Diamond League), (iii) football, qualifying competition for UEFA Euro 2016 (iv) handball, (v) world class boxing and (vi) MMA (Mixed Martial Arts) and KSW (Martial Arts Confrontation) contests.	The number one sports channel in Poland in 2014, both in commercial group and its target group. The channel is available in SD and HD.
Polsat Sport Extra	Men Age 16-44	0.17%	Premium sport events, primarily the largest international tennis tournaments such as Wimbledon and handball Champions League.	Broadcast since 2009, the channel is available in SD and HD.
Polsat Sport News	Men Age 16-44	0.42%	FTA channel broadcast on DTT. The programming includes sport news, sport events transmissions and journalistic materials.	The number four sports channel in 2014 in the 'Men Aged 16-44' segment. Channel broadcast since May 2011, audience share data available since November 2012.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Channel	Target audience segment	Average audience share in the target audience segment in 2014	Core programming	Additional information
Polsat Film	All Age 16-49 cable TV/satellite viewer	0.80%	Wide offer of movies. Hit movies, top box-office productions and non-mainstream movies. The offer based to a large extent on productions of Sony Pictures Television International and 20th Century Fox TV.	The channel is available in SD and HD.
Polsat Café	Women Age 16-44	0.51%	Lifestyle, fashion, health and beauty, cooking. The offer includes own productions as well as foreign editions of various shows.	
Polsat Play	Men Age 16-44	0.82%	Male hobbies, including fishing, automotive industry, documentary and guide series, lifestyle and trendy consumer gadgets.	
Polsat2	All Ages 16-49	1.73%	Reruns of programmes that premiered on our other channels.	Ranked 10 in terms of audience share in Poland in 2014. The channel is also available via satellite in other countries (e.g. USA).
Polsat News	All Ages 16-49	0.91%	24-hour news channel mainly broadcasting live and covering primarily news from Poland and key international events.	The channel is available in SD and since February 2013 in HD
Polsat News 2	Top management	0.14%	The latest news on the economy and financial markets.	Channel acquired by TV Polsat Group in February 2007. Until June 9, 2014 broadcast under Polsat Biznes, currently Polsat News 2.
Polsat Jim Jam	Children Age 4-6	2.79%	Entertainment for children.	Polsat Jim Jam is a joint venture launched by Polsat Group and Polsat JimJam Ltd. (AMC Networks International / Zone).
CI Polsat	Age 16-49, users of cable and DTH TV	0.15%	Criminal programmes based on true stories. Documentaries presenting the work of police, detectives and criminal laboratories.	Joint project of Polsat Group and AETN UK. The channel is aired since the end of November 2011.
Polsat Food	Women Age 16-49	0.11%	Culinary channel. Based mainly on Food Network's content.	Joint project of Polsat Group and Scripps Networks International (UK) Limited. The channel is broadcast since November 22, 2012.
Polsat Viasat Explore	Men Age 16-49	0.07%	Channel dedicated to men, it offers programmes featuring extreme jobs, sports, journeys to places that are hard to reach.	Joint project of Polsat Group and Viasat Broadcasting.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Channel	Target audience segment	Average audience share in the target audience segment in 2014	Core programming	Additional information
Polsat Viasat Nature	All Ages 16-49	0.02%	Offers nature programmes for the entire family about wild animals as well as pets.	Joint project of Polsat Group and Viasat Broadcasting.
Polsat Viasat History	All Ages 16-49	0.13%	Offers various programmes presenting the history of different times.	Joint project of Polsat Group and Viasat Broadcasting.
TV4	All Ages 16-49	2.88%	Programming offer includes films, series, intelligent entertainment.	Channel included in Polsat Group's portfolio since August 30, 2013. Ranked 8 in terms of audience share in 2014.
TV6	All Ages 16-49	1.09%	Offers drama series, animated movies, soap operas, reality shows and television quiz shows.	Channel included in Polsat Group's portfolio since August 30, 2013.
Polsat Romans	Women Age 16-49	0.16%	Channel dedicated to women, broadcasts both Polish and foreign drama films and series.	Broadcasts since September 1, 2013.
Disco Polo Music	All Ages 16-49	0.23%	Channel presents disco polo, dance and festive music.	Started broadcasting on May 1, 2014.
MUZO.TV	All Ages 16-49	0.03%	Entertainment channel dedicated to pop and rock music.	Started broadcasting on September 26, 2014.

Audience share for Polsat Group's channels in the period 2012-2014:

Channel	Audience share (SHR%)		
	2012	2013	2014
POLSAT	15.71	13.51	13.3
Polsat2	1.49	1.82	1.73
Polsat News	0.74	0.81	0.91
Polsat Sport	0.67	0.79	0.50
Polsat Film	0.42	0.53	0.72
Polsat Play	0.39	0.57	0.67
Polsat JimJam	0.38	0.33	0.20
Polsat Cafe	0.36	0.39	0.40
Polsat Sport Extra	0.17	0.21	0.12
CI Polsat ⁽¹⁾	0.12	0.11	0.09
Polsat Sport News ⁽²⁾	0.28	0.33	0.29
Polsat News 2 ⁽³⁾	0.02	0.06	0.07
Polsat Food	-	0.08	0.08
Polsat Viasat Explore ⁽⁴⁾	0.01	0.06	0.05
Polsat Viasat History ⁽⁴⁾	0.02	0.16	0.13
Polsat Viasat Nature ⁽⁴⁾	-	0.02	0.02
TV4 ⁽⁵⁾	2.74	2.92	2.88
TV6 ^{(5) (6)}	0.23	0.68	1.09
Polsat Romans ⁽⁷⁾	-	0.08	0.13
Disco Polo Music ⁽⁸⁾	-	-	0.23
Polsat Volleyball ⁽⁹⁾	-	-	2.43
MUZO.TV ⁽¹⁰⁾	-	-	0.03

Source: NAM, target All Day 16-49

(1) Included in the telemetric panel since January 2012.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- (2) Included in the telemetric panel since November 2012 (data for that period).
- (3) Until February 2013 the channel broadcast under TV Biznes, until June 9, 2014 - Polsat Biznes, currently – Polsat News 2.
- (4) Channel included in Polsat Group's portfolio in March 2013.
- (5) Channel included in Polsat Group's portfolio on August 30, 2013.
- (6) Included in the telemetric panel since June 2011 (data for that period).
- (7) Included in the telemetric panel since September 2013 (data for that period).
- (8) Included in the telemetric panel since May 1, 2014 (data for that period).
- (9) Channel broadcast since August 30, 2014 until September 21, 2014 (data for that period).
- (10) Included in the telemetric panel since September 26, 2014 (data for that period).

Scheduling

We tailor our programmes and programming schedules to the interests of the group, that considering its demographic characteristics, we believe is most attractive to advertisers. We analyse data relating to our audience share in detail, and, by identifying audience interests and general market trends, we attempt to ensure that our programming remains responsive to the expectations of the target audience and advertisers.

Our scheduling is based on two key commercial schedules (advertising revenue): the spring (March-May) and autumn (September-November) schedules. Then we broadcast premieres. In the summer and winter, we schedule mainly re-runs of the content premiering in the high season.

Our programming schedule is designed to maintain viewer loyalty so that the attractive programming keeps the viewer watching the specific channel. It is especially important in the time slot between early afternoon and 'prime time'. To achieve this goal, each day (from Monday to Friday) we plan stable slots so that the viewer can remember the programming scheme of the channel. This strategy is implemented between 3pm and 8pm. From 8pm, the channel proposes a strong offer including movies (inter alia Monday, Tuesday, Saturday), talent shows (Tuesday, Wednesday, Friday, Sunday) and popular series (Thursday).

Sources of Polish programming

We aim at diversifying sources of Polish content, enabling us to efficiently manage production costs. We are able to choose from a wide offering to select attractive and cost-effective programmes to fit successful scheduling. In addition, for formats owned by us, we organise pitches in order to select the most cost-effective producers that ensure high quality. Polish programmes are primarily commissioned to independent external producers. However, we also create programmes in-house. Approximately 60% of our programming hours consist of Polish content (data for the following channels: Polsat, Polsat HD, Polsat2, Polsat Play, Polsat Cafe, Polsat Film, Polsat News, Polsat Sport, Polsat Sport Extra, Polsat Sport HD, Polsat Sport News, Polsat News 2, TV4, TV6, Polsat Romans, Disco Polo Music, MUZO.TV).

When justifiable commissioned programmes are sub-contracted to third-party production companies to provide us with additional production capacity, thereby reducing overhead costs related to production employees, facilities and equipment. Our external producers include approximately 30 Polish and foreign producers such as: ATM Group S.A., Akson Studio sp. z o.o., Tako Media sp. z o.o., Constantin Entertainment Polska sp. z o.o., Rochstar sp. z o.o., Endemol Polska sp. z o.o., Baltmedia sp. z o.o. and Jake Vision sp. z o.o. To provide content for Polsat Play and Polsat Café, we use the services of smaller local production companies. Polsat News relies mainly on its own production resources. Sport channels rely mainly on acquired transmissions licences supported by strong in-house production focused on Polish sports.

In most cases, we use a standard template for all production contracts we enter into. When the production of TV programmes is commissioned to external producers, the contracts generally provide that the producer

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

transfers to us all the copyrights and related intellectual property rights of the covered programmes with the exclusive right to exercise the derivative copyright. The producer's fees include production fees as well as fees for the transfer of copyrights, related intellectual property rights to the program (or, alternatively, for granting the licence) and for granted authorizations and consents. All production agreements have definite terms, typically covering the time of production with the possibility for extensions.

Programmes produced in-house include sports, information and reporters' programmes as well as special events.

Sources of foreign programming

We purchase programming licences from foreign providers primarily for films, series and sports.

Our key partners for movie and series licences are major US movie studios such as Sony Pictures TV International, 20th Century Fox TV, The Walt Disney Company, Warner Bros International TV Distribution, CBS Studios. We also cooperate with Monolith Films. Usually, these contracts have terms of two to three years and are denominated in U.S. dollars or euro. We generally acquire broadcasting rights under one of two types of contractual arrangements: (i) volume contracts, which involve the acquisition of a specified volume of films or series or (ii) spot contracts, which involve the acquisition of the right to broadcast individual series or films.

Purchase of rights to broadcast sports

Strategic sports programming licences are required, among other, for FIVB Volleyball (World League until 2014, World Grand Prix, World Cup) and Infront/CEV (European championships in volleyball) as well as Polish Volleyball Federation (World League from 2015, Wagner's Memorial, matches of the national team played in Poland) . These contracts usually relate to playing seasons and have terms of three to five years. These contracts are generally denominated in euro. Once we have obtained the required programming licences for certain sports events, we provide our viewers with locally customised programming either in the form of complete productions or studio commentary. In 2012, we acquired broadcasting rights for paid, encoded channels to Polish national football team matches qualifying to World Cup in Brazil in 2014 and friendly meetings of the team. In 2013 we acquired exclusive, on all fields of exploitation, broadcasting rights to matches in the eliminations to European football championships in 2016 as well as final matches of the European football championships in 2016. We also acquired broadcasting rights to matches in the eliminations to World football championships in 2018 in Russia. Furthermore, since 2010 we hold broadcasting rights purchased from PLPS (Polish Professional Volleyball League) to Plus League and Orlen League matches. In 2014 we extended this contract for another five seasons 2015-2020.

4.5.9. Sale of advertising and sponsoring

Advertising options

There are two main forms of advertising in the TV market: (a) advertisements broadcast in advertising breaks and (b) sponsoring broadcast before and after selected programmes and trailers or in advertising breaks in-between sponsored programmes.

Advertising

Broadcasters use two forms of sale of advertising time in advertising breaks: (i) GRP sales and (ii) monthly rate-card sales.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

GRP sales are based on audience ratings and a specified price per rating point delivered. The valuation of the service is based on fixed price of one rating point.

Rate-card sales are based on a broadcaster's official rate-card for individual advertising breaks. Customers purchase specific advertising breaks at a price determined by the given rate-card.

GRP prices for specific months and rate-card discounts applied as well as annual minimum purchase commitments are set out in annual contracts negotiated with media agencies and customers. Pricing and discounts depend on the level of the annual minimum purchase commitment.

Sponsoring

Sponsor projects are sold throughout the year (usually sold on the basis of a project created together with a client). Prices and discount conditions are negotiated individually for each customer and each sponsor campaign.

Pricing of commercials

We set the prices for commercials with the objective of maximising revenue from the commercial time available (according to law) and based on estimated level of attractiveness of specific programming content next to which specific advertising breaks are located on demand forecasts for TV commercials. Forecasts of advertising break audience are prepared for each month based on the overall TV audience, the channel's share in the overall audience and seasonality (prices of commercials are highest from October to November, before Christmas season, and lowest from January to February and from July to August).

In order to provide flexibility to advertising customers, we offer advertising priced on (i) a rate card basis and (ii) cost per GRP.

Rate-card prices of commercials are set and published each month by our advertising sales team at Polsat Media Biuro Reklamy. Advertisers select commercial breaks based on their assessment of which programmes target the audience demographic they wish to reach (the channel is not accountable for the audience actually generated by the program).

GRP prices are established for the channel or group of channels each month during a calendar year by Polsat Media Biuro Reklamy advertising sales team and GRP delivery is guaranteed. Advertising sold on a cost per GRP basis is scheduled by Polsat Media on the basis of available resources after the booking of sales based on rate-cards. We believe this sales model to be the most profitable way to sell our advertising breaks. In 2014, rate-card sales accounted for 37% of all advertising sales on our main channel, POLSAT.

Pricing of sponsoring

We set the prices of sponsoring with the objective of maximising our revenue taking into account the programming offer and legal regulations regarding sponsoring limits. Our pricing is based on the relevance of the subject matter of the program to the sponsor's needs and the target group, the quality of our programmes, recognition of brands and the attractiveness of the broadcast slot. In order to provide flexibility to advertising customers, we negotiate sponsoring contracts on a case-by-case basis, taking into account all the factors mentioned above.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Sponsoring revenue is primarily dependent on programming quality and marketing attractiveness of the product and its target audience. As a result, sponsoring is not as dependent on the strength of the economy as advertising.

(i) Sales

The key source of revenue for our broadcasting and television production segment is advertising and sponsorship revenue (approximately 80% in 2014). Almost all of our advertising revenue is collected through TV Polsat Group's advertising sales house Polsat Media Biuro Reklamy, which acts as an advertising agent (sales house) for us under the terms of a Framework Agreement, dated December 27, 2003. Polsat Media Biuro Reklamy is responsible for the sale of advertisements, sponsoring services and contracts connected therewith. Polsat Media Biuro Reklamy is responsible for the sale of advertising services (advertising time) for our channels.

In 2014, Polsat Media Biuro Reklamy carried out the sale of advertising time for twenty of our TV channels and twenty five other broadcasters outside our Group. Polsat Media Biuro Reklamy often works with international media buying agencies that operate as intermediaries, negotiating purchase conditions and conducting campaigns for their customers. The sale of advertising time is carried out both through annual contracts entered into with media buying agencies, as well as individual direct customers. In 2014, our ten largest media buying agencies collectively accounted for approximately 65% of our net advertising and sponsorship revenue with no single advertiser accounting for more than 1% of our net advertising and sponsorship revenue. Like the other nationwide broadcasters in Poland, our Group has a relatively stable group of advertisers that we work with.

According to the Media&Marketing Polska report, in 2014, Polsat Media Biuro Reklamy was once again the highest rated nation-wide TV advertising sales office in Poland. Similar evaluation was also given in the previous year as well as in 2009 and 2010. Polsat's TV advertising sales office is appreciated for high standards of service and business relations with partners, which are evaluated as excellent. It is worth noting that Polsat Media Biuro Reklamy is the leader in quality of cooperation among all TV advertising offices for the third year running.

The second largest source of our revenue in our broadcasting and television production segment after commercials and sponsoring, are agreements with cable TV networks and satellite TV operators to broadcast our channels, which comprised 18% of total revenue in this business segment in 2014. Our agreements with cable TV networks and satellite TV operators are generally non-exclusive licences for the broadcasting of our channels. Under typical licences, operators agree to pay us a monthly licence fee, the amount of which generally depends on the number of customers to individual packages and set rates for the package or channel customers.

Sale of content via Internet

Another source of revenue of the Group is the sale of content via Internet, which is realised by our subsidiary Redefine sp. z o.o., operator of IPLA internet television, the leader on online video market in Poland both in terms of availability on different devices (computers/laptops, tablets, smartphones, Smart-TVs, set-top-boxes, game consoles) and in terms of content offered. Online access to our programming is based on three settlement models. The first is a fixed monthly payment for the right to broadcast a given program, the second – settlement according to the audience share of the given programming content and the third – the percentage share in the advertising revenue generated by advertisements broadcast in proximity to the material.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

IPLA revenues consist in approximately 75% of revenue generated from advertising, the other 25% is generated by end users purchasing the content.

Sales team

Polsat Media Biuro Reklamy is responsible for sales of our advertising time, sponsorship, campaign planning, after-sales analysis, market research and analysis, development of new products and, most importantly, enhancing relationships with existing and potential advertisers. In addition to providing advice on the scheduling of advertisements on our channels, Polsat Media Biuro Reklamy sales force cooperates closely with advertisers to design special campaigns, including the sponsorship of particular programmes and related cross-promotional opportunities. Together with the programming department, Polsat Media's advertising sales department obtains TV audience ratings data from the NAM telemetric panel on a daily basis. They analyse this data and compare it with audience ratings of our competitors to determine the most effective strategy for scheduling advertising slots to reach advertising clients' preferred audience in the most efficient manner. The department is also responsible for ensuring that advertising slots are allocated in accordance with client specifications regarding context and timing.

In 2009, Polsat Media Biuro Reklamy implemented PROVYS Sales, a new sales and optimization software compatible with our fully integrated ERP system, PROVYS TV Office, used by the Group to manage, inter alia, programming broadcasting. PROVYS Sales enables to simultaneously sell airtime on 45 channels serviced by Polsat Media Biuro Reklamy in 2014 with fully automated broadcasts of commercial airtime as well as campaign results verification based on daily uploaded NAM data. The number of channels serviced by Polsat Media Biuro Reklamy increased to 48 in January 2015.

In addition, Polsat Media Biuro Reklamy advertising sales department conducts a wide range of market analyses based on external independent industry reports, including research conducted by Starlink and ZenithOptimedia. Polsat Media Biuro Reklamy also uses data from TGI consumer research held by the Polish branch of Millward Brown, the Megapanel PBI/Gemius which provides information on the behaviour of Internet users in Poland and other dedicated tools provided by Gemius group (gemiusPrism, gemiusTraffic, gemiusStream, AdOcean).

We are also a member of EGTA (international trade association of TV and radio sales houses), which gives us a unique opportunity to interact and cooperate with sales houses from most European countries.

4.5.10. Technology and infrastructure

Broadcasting of TV channels

We broadcast TV channels through terrestrial television, cable TV and digital satellite platforms. Analogue terrestrial broadcasting signal was switched off on July 23, 2013.

Terrestrial transmission

POLSAT, our main channel, and channels Polsat Sport News, TV4 and TV6 are broadcast via the nation-wide network of digital terrestrial transmitters within the MUX-2 operated by Emitel sp. z o.o. We have agreements with Emitel sp. z o.o. for transmission, uplinking, multiplexing and monitoring of the four mentioned channels in digital network. The remaining channels of our Group are broadcast exclusively via cable TV networks and satellite TV.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Satellite transmission

We have several agreements for the use of satellite transponders belonging to Eutelsat S.A. These are contribution agreements: (i) two 5-year agreements, entered into in 2012, providing the right to use two slots on the Eutelsat 12 West A (AB 1) satellite, (ii) a 5-year agreement, entered into in 2012 for access to Eutelsat 33A satellite transmission capacity, and one seven-year distribution agreement, entered into in 2010, to provide us with the right to use the entire transponder on Eutelsat HB 13C satellite until the end of 2017 with the right to extend the agreement for additional successive seven-year periods. In addition, through Cyfrowy Polsat, TV Polsat has access to four other Eutelsat transponders.

Technology and infrastructure

Our core technical infrastructure is comprised of: (i) four digital TV studios - one HD studio used by the Polsat News channel and the main information program - 'Wydarzenia', HD-compliant studio for sport programmes, studio of Polsat Biznes and a virtual HD studio designated for short-form TV shows (all studios are equipped with modern, or recently modernised, equipment fully HD-compliant); (ii) five digital outside broadcast vans, including four modern HD vans and a small SD van for the rapid production of short programmes; (iii) a two-camera Slow Motion HD van for slow down effects, (iv) 13 digital satellite news gathering trucks ensuring on-site signal feed; five of which are HD-capable, the rest operate in SD; (v) a multiplex system ensuring the effective transmission of eleven of our channels; (vi) a multichannel automatic TV broadcasting system; (vii) a digital audio visual routing system; (viii) an IT network capable of handling technological tasks; (ix) network production systems; (x) more than 80 SD and HD camera units; (xi) digital program archive with a modern system MAM and (xii) technological systems for signal exchange between head office and regional offices; (xiii) EC-135 helicopter used for the needs of POLSAT and Polsat News (twin-engine multipurpose helicopter approved for IFR (instrument flight rules) - flights on instruments only, with zero visibility, fit up with specialised audio-video equipment, being able to transmit HD signal up to 100 km and SD signal up to 200 km).

4.5.11. Other aspects of our business

Frequency reservations

Polkomtel holds a licence to provide mobile telephony services in Poland, with frequencies allocated in the 900 MHz band (issued in 1996), a licence to provide mobile telephony services, with frequencies allocated in the 1800 MHz band (issued in 1999) a licence to provide mobile telephony services in the 2100 MHz band (issued in 2000). Currently, there is no regulatory requirement to hold a licence to provide telecommunications services and the right to use frequencies results from issued frequency allocation decisions and can be extended for further periods by the President of UKE in the basis of an application for the extension of the frequency allocation (which, in accordance with the Telecommunications Law, must be submitted within 12 to 6 months before the expiry of a given allocation). Currently, based on frequency allocations issued by the President of UKE Polkomtel is entitled to use frequencies in the 900 MHz band until February 24, 2026, in the 1800 MHz band until September 14, 2029, and in the 2100 MHz band until January 1, 2023. All frequency allocations are technology neutral and can also be used to provide services in each of the technologies currently in use (including GSM, UMTS, LTE). Nordisk Polska sp. z o.o., a subsidiary of Polkomtel, holds a frequency allocation for provision of services in the CDMA technology which entitles to use the frequency until December 31, 2020. In addition, Polkomtel has a number of radio licences for equipment constituting the components of Polkomtel's radio network.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Broadcasting licences

In our broadcasting and television production segment we currently dispose of 28 broadcasting licences, including 6 universal broadcasting licences and 22 broadcasting licences for thematic TV channels. One broadcasting licence is for terrestrial broadcasting DTT only (POLSAT channel), 5 broadcasting licences are for terrestrial broadcasting DTT and satellite broadcasting (channels Polsat Sport News, TV4 and TV6), 27 broadcasting licences are for satellite broadcasting only. Our current broadcasting licences were granted by the KRRiT.

The list comprises licences acquired by the Group in connection with the merger of Telewizja Polsat and Polskie Media. Since 2013 TV Polsat disposes of licences for the distribution of nation-wide TV channels already in its possession (POLSAT, Polsat2, Polsat Sport, Polsat Café, Polsat Sport Extra, Polsat Play, Polsat HD, Polsat Sport HD, Polsat News, Polsat Film, Polsat News 2, TV4 and TV6) for a consecutive 10-year period after the expiry of the licences currently in force.

The table below sets out the broadcasting licences currently held by the Group:

Channel	Licence holder	Type of licence	Licensing body	Date of expiration
POLSAT	TV Polsat	Terrestrial broadcast licence (digital)	KRRiT	March 2, 2024
Polsat Sport News	TV Polsat	Satellite broadcast licence /Terrestrial broadcast licence (digital)	KRRiT	August 29, 2020
Polsat2	TV Polsat	Satellite broadcast licence	KRRiT	January 18, 2024
Polsat Sport	TV Polsat	Satellite broadcast licence	KRRiT	January 18, 2024
Polsat Café	TV Polsat	Satellite broadcast licence	KRRiT	July 28, 2024
Polsat Sport Extra	TV Polsat	Satellite broadcast licence	KRRiT	October 26, 2025
Polsat Play	TV Polsat	Satellite broadcast licence	KRRiT	November 15, 2025
Polsat HD	TV Polsat	Satellite broadcast licence	KRRiT	May 18, 2028
Polsat Sport HD	TV Polsat	Satellite broadcast licence	KRRiT	May 18, 2028
Polsat News	TV Polsat	Satellite broadcast licence	KRRiT	May 18, 2028
Polsat Film	TV Polsat	Satellite broadcast licence	KRRiT	June 4, 2029
Polsat News 2 ⁽¹⁾	Media-Biznes	Satellite broadcast licence	KRRiT	October 5, 2024
TV4	TV Polsat	Satellite broadcast licence/Digital terrestrial broadcast licence	KRRiT	February 2, 2029
TV6	TV Polsat	Satellite broadcast licence/Digital terrestrial broadcast licence	KRRiT	July 22, 2030
Polsat Romans	TV Polsat	Satellite broadcast licence	KRRiT	October 15, 2023
Polsat Sport Weekend ⁽²⁾	TV Polsat	Satellite broadcast licence	KRRiT	October 15, 2023
Disco Polo Music	TV Polsat	Satellite broadcast licence	KRRiT	April 24, 2024
Muzo.tv	TV Polsat	Satellite broadcast licence	KRRiT	April 24, 2024
Polsat Film 2 ⁽³⁾	TV Polsat	Satellite broadcast licence	KRRiT	April 24, 2024
Polsat World ⁽⁴⁾	TV Polsat	Satellite broadcast licence	KRRiT	May 11, 2025

⁽¹⁾ Until June 2014 the channel operated under 'Polsat Biznes'.

⁽²⁾ Licence acquired in October 2013, the channel had not yet began broadcasting.

⁽³⁾ The licence was obtained in April 2014 but the channel had not begun broadcasting yet.

⁽⁴⁾ The licence was obtained in May 2015 but the channel had not begun broadcasting yet.

Furthermore, Polsat JimJam Ltd., a jointly controlled entity established by Telewizja Polsat at JimJam CEE Limited, in which we hold 50%, has a licence granted by Ofcom for an unlimited period for satellite broadcasting of the programming Polsat JimJam.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Restrictions on programming and advertising

In addition to regulating broadcasting time and the content of programming aired by Polish TV broadcasters, the Broadcasting Act also imposes certain restrictions on advertising. All of these restrictions are usually described in detail in the broadcasting licences granted by the KRRiT. Each of our broadcasting licences is subject to restrictions related to:

- minimum daily TV program broadcasting time;
- minimum percentage share of individual categories of programmes in the monthly and daily broadcasting time;
- minimum requirements for the broadcast of programming originally produced in the Polish language and programming of European origin and the requirement to ensure that at least 10% of the broadcaster's programming is obtained from independent producers;
- the maximum percentage share of the daily and weekly broadcasting time of shows and other transmissions produced exclusively by the broadcaster or ordered from independent producers, and
- the obligations to ensure that minor viewers do not have access to transmissions containing acts of violence and to encrypt programmes broadcast at specified times or to ensure that previews of transmissions containing erotic content will not be broadcast during certain hours.

Additionally, the Amendment imposes on us strict advertising requirements including the following:

- TV advertising and teleshopping spots must be readily recognizable and distinguishable from editorial content;
- advertising and teleshopping spots shall not exceed 12 minutes in any given clock hour, however, this limitation does not apply to announcements made by the broadcaster in connection with its own programmes and ancillary products directly derived from those programmes (these announcements are not to exceed two minutes in any given clock hour) as well as to announcements required by the provisions of law (in particular, the sponsorship announcements);
- broadcasts of advertising and teleshopping spots shall be inserted between programmes, however, transmission of movies made for TV (excluding series, serials and documentaries) as well as cinematographic works may be interrupted by advertising and/or teleshopping spots only once for each period of full 45 minutes of the program and provided that at least 20 minutes in a TV program service has elapsed between each successive break in the program; with respect to transmission of sport events, which by their nature, are interrupted by breaks, advertising and teleshopping spots can only be transmitted during such natural breaks; news and current affairs programmes, programmes with religious content, commentaries and documentaries, the duration of which is less than 30 minutes, and programmes intended for children, cannot be interrupted with advertising spots at any time;

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- teleshopping spots must contain explicit visual and audio disclaimers and must be broadcast continuously for at least 15 minutes; and
- product-specific advertising restrictions including restrictions related to:
 - alcohol, which as a general rule is prohibited with the exception of beer, the advertising of which is allowed between 8 p.m. and 6 a.m.;
 - tobacco and gambling, the advertising of which is strictly prohibited at all times;
 - prohibition of advertising pharmaceutical products, with the exception of pharmaceuticals available without a prescription (OTC pharmaceuticals), the advertising of which must meet certain strict requirements (in particular it must not be misleading and it must inform the recipients of the reasonable use of the medication);
 - prohibition of advertising of health care services, as defined in the regulations on medical activity, available exclusively on the basis of a referral;
 - strict prohibition of advertising of psychotropic substances and/or intoxicating substances as well as foodstuff and other products, within the scope regulated by Act of July 29, 2005 on prevention of drug abuse (*Dziennik Ustaw* No. 179, item 1485, as amended).

Moreover, the Amendment, imposes on broadcasters the duty to ensure that their media services are accessible to people with visual or hearing disabilities, in particular, by introducing appropriate amenities (such as audio description, subtitles for the hearing-impaired and sign language translation), so that at least 5% of the quarterly broadcasting time (excluding advertising and teleshopping spots) contained such amenities.

On October 29, 2014 television broadcasters operating on the Polish market: ITI Neovision S.A., Telewizja Polsat Sp. z o.o., Telewizja Polska S.A., Telewizja Puls Sp. z o.o., TVN S.A., VIMN Poland Sp. z o.o. and The Walt Disney Company Limited, reached an agreement aimed at the protection of children from harmful content in relation to counteracting to the promotion of unhealthy eating habits. In cooperation with the National Broadcasting Council, broadcasters developed a set of qualifying rules for promotional videos and guidelines for sponsorship to be broadcast with children's programmes. The set of rules discussed above took form of self-regulation and is applicable from January 1, 2015.

Trademarks

We use a number of trademarks which are registered with, or have applications pending for registration with the appropriate authorities in order to secure our rights to these trademarks. The most significant trademarks to our business operations are the word and device marks of 'Cyfrowy Polsat', 'POLSAT', 'Plus', 'IPLA', 'TV4' and 'TV6'.

As at December 31, 2014, Polkomtel Group owned the protection rights to 676 trademarks, granted by the Patent Office of the Republic of Poland (including to the 'Plus' trademark), the right in registration of a Community Trade Mark (CTM)  granted by the Office for Harmonization in the Internal Market (OHIM), the right in registration of an industrial design granted by the Patent Office, the right in trademark applications in the Patent Office, and author's economic rights to individual trademarks and industrial designs.

In our broadcasting and television production segment, as at December 31, 2014 we held protection rights to 39 trademarks (including the word and device 'POLSAT' trademark).

Furthermore, as at December 31, 2014 Cyfrowy Polsat Group held protection rights to 71 trademarks granted by the Patent Office and the rights in registration of 16 community trademarks granted by OHIM (including the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

'Cyfrowy Polsat' trademark). We are also entitled to the rights in registration of 31 community industrial designs. We have applied for registration of another 46 domestic trademarks and 19 community trademarks (including trademarks submitted for registration jointly by companies from Cyfrowy Polsat Group). We have applied for one European patent.

Research and development

Our research and development activities are focused on intensive development work with respect to information technology systems and systems dedicated to our in-house manufactured set-top boxes. We also conduct research work activities in the scope of construction of those set-top boxes.

In September 2014, Polkomtel, Plus network operator and leader of LTE technology, together with Huawei conducted the first in Poland, successful trial of making voice calls using the LTE technology (Voice over LTE - VoLTE). Trials with the participation of chosen users (Friendly User Tests – FUT) were executed on elements of the commercial network. During the trials we achieved our goal and users could make voice calls and send text messages in the VoLTE technology, over the LTE network. The voice calls were conducted in HD Voice standard.

In December 2014 Plus introduced the HD Voice technology for its customers, which will enhance the quality of connections and improve the comfort of calls. HD Voice ensures perfect sound quality during a telephone conversation. The sound is crystal clear and the voice over the speaker is natural and sharp, giving users of HD Voice telephones the impression that the person they are talking to is standing next to them having a direct conversation.

On August 30, 2014, for the first time in Poland the revolutionary video transmission via wireless networks using the LTE Broadcast technology (eMBMS) was demonstrated on the National Stadium in Warsaw. The trial demonstration prepared by Polkomtel, Ericsson and Samsung is until now the largest in Europe demonstration of broadcasting via LTE. It took place during the opening ceremony of the FIVB Volleyball Men's World Championship Poland 2014 as well as the opening match of the tournament. For the first time the LTE Broadcast system was available everywhere in the stadium and no other demonstration had such a large number of recipients. Broadcast transmission in this technology is realised to all recipients simultaneously and its quality is independent of the number of viewers, making it similar to TV broadcasting in this respect. Using this technology is similar to watching television.

On August 30, 2014, users of the largest Polish online television IPLA had the possibility to watch the opening match of the FIVB Volleyball Men's World Championship Poland 2014 using a unique solution – the multi-camera service. Used in Poland for the first time, this service allows for the simultaneous transmission of the signal from numerous cameras recording the same event. Consequently, the viewer has the possibility to observe the match from different perspectives. When viewing the match, the user clicks on a camera icon and chooses 1 of the 3 additional cameras, which transfers him to the chosen part of the field.

IT systems

In the segment of services to individual and business customers we use IT systems facilitating effective and efficient management of our customer base. The systems include a customer relationship management system, sales support system, the Internet Customer Service Centre, and a transaction support system. Within our systems designed for set-top boxes, we also use applications and software enabling us to offer our products as efficiently as possible. These are our proprietary, internally developed systems. As the owner of the systems and

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

holder of intellectual property rights related to them, we are able to respond quickly and successfully to any customer needs. Moreover, in our segment of services to individual and business customers we use systems licensed from third parties, such as a conditional access system securing access to channels offered in our paid DTH channel packages.

IT systems are critical to our operations in the field of telecommunication. In network management, we manage all network infrastructure elements with respect to their availability, performance and security to control traffic and plan capacity of the network in line with expected business needs. With regard to customer activation and billing, we use systems that allow for flexible billing for different contract and prepaid plans. Our customer service systems enable us to address the needs of our customers through different communication channels (such as call centres, e-mail, Interactive Voice Response, SMS, POS and Internet). Moreover, we use a wide range of applications that support customer segmentation, product definition and the selection of sales channel and communication methodology.

In addition, our subsidiary, Polkomtel, uses management systems that include, among other things, financial control, revenue assurance, anti-fraud, rating and scoring systems and those that support reporting process for internal and regulatory purposes. Apart from the main data centre, Polkomtel maintains an off-site back-up facility in a disaster recovery centre to ensure that, in the event of a disaster, it can switch to such a centre and continue to provide critical services.

We use a wide range of systems, applications and specialised software solutions developed in-house and by leading local and international vendors. Simplification and modernization of software development processes and their reorientation towards specific business goals has played an important part in improving the efficiency of Polkomtel's IT systems in recent years. At the same time, growing competitiveness among Polkomtel's suppliers has helped to considerably reduce IT system costs in many areas.

In pursuit of the integration of Polkomtel and Cyfrowy Polsat and relying on the Group's existing IT solutions, Polsat Group launched a project aimed at developing a shared system environment to develop joint multi-product offers comprising the services of both Cyfrowy Polsat and Polkomtel. These efforts will also enable us to achieve further cost optimization and leverage significant synergies in both know-how and resources.

In our broadcasting and television production segment, we rely on a number of IT systems to assist us with the management of programmes production, file storage, generation of transmission graphics, and the maintenance of our programme library and licences. We rely on licences with third-party suppliers for all the systems we use.

Real estate property

Cyfrowy Polsat owns the majority of the real estate property on which our DTH satellite TV infrastructure, office and warehousing facilities are located. All of our real estate property is located in Poland. We believe that all of our real estate property is well maintained and in good condition. As at December 31, 2014, there was a mortgage registered on the entire real estate property owned by us, established in respect to the Term Loan. Some insignificant parts of Cyfrowy Polsat's real estate property are encumbered with typical easement rights for electricity cable conservation. We lease part of our real estate property from third parties that are not material to our business.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

In order to conduct its business activities, especially in the field of provision of telecommunications services, Polkomtel uses, among others, the following real estate property:

- Office space, including the company's principal registered office and regional offices, technical space and sales points in regions are located in leased premises;
- Key technological objects such as mobile switching centres and data centres, which are chiefly located in premises owned by Polkomtel or its subsidiaries;
- Points of sales network which is organised based on leased premises and partnerships with third parties.
- Base stations, located on leased areas.

A majority of Polkomtel's real estate property is encumbered with typical easement rights for electricity and telecommunications cable maintenance.

In order to secure our liabilities resulting from the PLK Term Loan and PLK Senior Notes, a mortgage was registered in favour of the security agent on real estate property owned by Polkomtel, that is on the real estate located on Puławska street in Warsaw and the real estate located on LG street in Biskupice Podgórze.

In our Television and broadcasting business segment, our basic production and TV broadcasting operations are carried out in leased premises in the office-industrial building located at 77 Ostrobramska Street in Warsaw, owned by Inwestycje Polskie.

Environmental matters

All issues related to environmental protection are very important to us. Compliance with regulations regarding environmental protection and fulfilment of our obligations are a priority. We make every effort to ensure that our operations do not violate environmental protection laws and regulations in force in Poland. We regularly monitor our compliance with the applicable environmental laws and regulations and any other environmental requirements that may apply to us. When necessary, we contact the relevant authorities and cooperate with them in monitoring compliance with the applicable laws and regulations. Moreover, we cooperate on a regular basis with independent companies specialising in environmental consulting and complex service of entities, whose activities may impact the environment.

Mobile network operators, including Polkomtel, are obliged to comply with environmental laws, in particular the regulations governing waste management, waste electrical and electronic equipment, as well as protection from electromagnetic fields.

As an entity using the environment, Polkomtel is obliged to submit appropriate notifications to relevant public administration authorities. However, in its operations Polkomtel is not required to obtain any permits for waste management, handling of waste equipment or protection from electromagnetic fields, as its field generation does not exceed the legally permitted levels.

In the course of its operations, Polkomtel has undergone numerous inspections of compliance with environmental regulations, which did not reveal any material breach or negligence. Polkomtel holds ISO 14001:2004

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Environmental Management System certification in the scope of sale of telecommunications products and services and sale of electric energy, customer service and retention’.

At the date of publication of this Offering Memorandum, no proceedings regarding breach of such environmental regulations were pending against us.

Insurance agreements

We maintain insurance coverage for our companies and their operations, substantially against all risks and with sums insured at levels typical of pay-TV providers, telecommunications operators and TV broadcasters operating in Poland.

We have third-party liability insurance, damage and personal auto insurance agreements, insurance policies concerning property and electronic equipment, insurance against all risks, as well as third party liability insurance on business operations and professional liability insurance on broadcasting activity, liability on business interruption, third-party liability insurance of a lessor and lessee of real estate property and chattels, third-party liability insurance of an employer against accidents at work, as well as third-party liability insurance against damage caused by a sudden and accidental environmental pollution. We also have third-party liability insurance for members of management and supervisory boards.

In 2014 Cyfrowy Polsat Capital Group signed insurance agreements described below.

In the scope of property insurance general agreements were concluded for the years 2014-2017 with TUiR Warta S.A. in co-insurance with STU Ergo Hestia S.A. and PZU S.A. regarding the insurance of assets against all risks, electronic equipment insurance, insurance of machinery against damages, loss-of-profit insurance, insurance of assets in domestic and international transport (cargo). In the scope of property and profit insurance against all risks, Polkomtel had an agreement with PZU S.A. until May 31, 2014. For the next period Polkomtel signed an agreement with two parties acting as co-insurers: PZU S.A. and TUiR Allianz S.A.

In the scope of third-party liability insurance a general agreement was concluded for the years 2014-2017 with TUiR Warta S.A. in co-insurance with STU Ergo Hestia S.A. and PZU S.A. regarding third-party liability insurance, including professional liability insurance. Furthermore, an agreement regarding bookkeeping liability insurance was concluded with PZU S.A. and Directors and Management Board liability insurance with TUiR Allianz Polska S.A.

Until November 30, 2014, Polkomtel was covered by third-party liability insurance offered by AIG Europe Limited Sp. z o.o. Branch in Poland. For the next period Polkomtel concluded an agreement with TUiR Warta S.A. PZU S.A. covers Polkomtel's bookkeeping liability insurance. Polkomtel has Directors and Management Board liability insurance agreements with TUiR Allianz S.A., AIG Branch in Poland, ACE Branch in Poland, TU Generali S.A., TUiR Warta S.A., Sopockie TU Ergo Hestia S.A. and PZU S.A.

In 2014 Polsat Group purchased fleet motor insurance and assistance insurance with STU Ergo Hestia S.A. Polkomtel held fleet motor insurance and assistance insurance agreements with Compensa Towarzystwo Ubezpieczeń S.A. and Vienna Insurance Group.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The agreement concluded in 2008 with AIG Europe Limited Sp. z o.o. Branch in Poland (former Chartis Europe S.A. and AIG Europe S.A. Branch in Poland) concerning third-party liability insurance relating to public securities offering was still in force in 2014.

Moreover, international business travel health insurance was concluded with ACE European Group Limited Sp. z o.o. Branch in Poland and personal injury insurance with TUIR Warta S.A.

We believe that our insurance coverage is in line with the practice followed by other pay-TV providers, TV broadcasters and telecommunications operators in Poland.

4.6. Basic operating information

4.6.1. Operating review of the Group

The key performance indicators presented below for the 12-month period ended December 31, 2013 and for the 3-month period ended March 31, 2014 have been prepared for information purposes only to present the potential effect that the performance of Metelem, and Polkomtel in particular, would have had on the Group's operating results if Metelem had been part of our Capital Group in the compared periods. These key performance indicators have been prepared for illustrative purposes only and because of their nature they present a hypothetical situation rather than the actual performance of the Group for the given periods.

Key performance indicators relating to our broadcasting and television production segment have not been modified.

When assessing our operating results in the segment of services to individual and business customers, we analyse contract services and prepaid services separately. In the case of contract services we consider the number of unique, active services provided in the contract model (RGUs), the number of customers, churn rate and average revenue per customer (ARPU). When analysing prepaid services we consider the number of unique, active services provided in the prepaid model (prepaid RGUs) as well as average revenue per prepaid RGU. The number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.

The table below presents our key performance indicators for the analysed periods.

	for the 3-month period ended December 31			for the 12-month period ended December 31		
	2014	2013	change / %	2014	2013	change / %
Total number of RGUs (contract + prepaid)	16,482,031	16,447,334	0.2%	16,482,031	16,447,334	0.2%
CONTRACT SERVICES						
Total number of RGUs, including:	12,347,828	11,978,807	3.1%	12,347,828	11,978,807	3.1%
Pay TV, including:	4,391,702	4,212,323	4.3%	4,391,702	4,212,323	4.3%
<i>Multiroom</i>	844,809	719,935	17.3%	844,809	719,935	17.3%
Mobile telephony	6,587,915	6,778,675	-2.8%	6,587,915	6,778,675	-2.8%
Internet	1,368,211	987,809	38.5%	1,368,211	987,809	38.5%
Number of customers	6,137,531	6,287,658	-2.4%	6,137,531	6,287,658	-2.4%

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	for the 3-month period ended December 31			for the 12-month period ended December 31		
	2014	2013	change / %	2014	2013	change / %
ARPU per customer [PLN]	87.2	87.1	0.1%	85.9	88.5	-2.9%
Churn per customer	9.1%	9.2%		9.1%	9.2%	
RGU saturation per one customer	2.01	1.91	5.2%	2.01	1.91	5.2%
Average number of RGUs, including:	12,272,311	11,924,710	2.9%	12,091,316	11,857,027	2.0%
Pay TV, including:	4,361,890	4,175,145	4.5%	4,283,695	4,108,908	4.3%
<i>Multiroom</i>	822,568	697,978	17.9%	776,635	623,034	24.7%
Mobile telephony	6,597,742	6,801,845	-3.0%	6,661,539	6,886,650	-3.3%
Internet	1,312,679	947,720	38.5%	1,146,082	861,469	33.0%
Average number of customers	6,159,903	6,279,979	-1.9%	6,219,660	6,301,765	-1.3%
PREPAID SERVICES						
Total number of RGUs, including:	4,134,203	4,468,527	-7.5%	4,134,203	4,468,527	-7.5%
Pay TV	122,787	77,771	57.9%	122,787	77,771	57.9%
Mobile telephony	3,792,978	4,171,810	-9.1%	3,792,978	4,171,810	-9.1%
Internet	218,438	218,946	-0.2%	218,438	218,946	-0.2%
ARPU per total prepaid RGU [PLN]	18.2	17.5	4.0%	17.7	18.2	-2.7%
Average number of RGUs, including:	4,172,129	4,599,374	-9.3%	4,267,047	4,578,919	-6.8%
Pay TV	129,021	77,953	65.5%	88,894	74,807	18.8%
Mobile telephony	3,798,701	4,338,987	-12.5%	3,939,774	4,384,573	-10.1%
Internet	244,407	182,434	34.0%	238,379	119,539	99.4%
TELEVISION						
Audience share	24.50%	23.06%	6.2%	23.67%	21.14%	12.0%
Share in advertising market	24.8%	25.4%	-2.5%	25.1%	23.6%	6.3%

4.6.2. Segment of services to individual and business customers

As at December 31, 2014, in the segment of services to individual and business customers, our Group provided a total of 16,482,031 active services, both in the contract and prepaid models, which constitutes an increase of 0.2% compared to 16,447,334 active services provided as at December 31, 2013. As at March 31, 2015 a total of RGU was 16,429,469, which constitutes an increase of 0.6% compared to 16,333,003 active services as at March 31, 2014. This change was due to a rapidly growing number of provided Internet access services and a higher number of provided pay TV services (including Multiroom).

As at December 31, 2014, the share of contract services in the total number of provided services was 74.9%. This indicator increased from 72.8% as at December 31, 2013. As at March 31, 2015, the share of contract services in the total number of provided services was 75.4%, which constitutes an increase of 2.0 p.p. against 73.4% as at March 31, 2014.

Contract services

As at December 31, 2014, we provided contract services to a total of 6,137,531 customers, i.e. by 2.4% less compared to the number of customers, which the Group would have had as at December 31, 2013, if Polkomtel

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

had been part of the Group at the time. As at March 31, 2015, this number decreased by 3.1% to 6,068,839 as compared to 6,260,662 as at March 31, 2014. The main drivers behind these decreases are the merging of contracts under one common contract for the household and customer attrition in mobile voice services.

The number of active contract services provided by us increased by 369,021, that is 3.1%, to 12,347,828 as at December 31, 2014 from 11,978,807 as at December 31, 2013. As at March 31, 2015 the number of active RGUs was 12,394,712, an increase by 412,034, or 3.4%, from 11,982,678 as at March 31, 2014. This change is primarily the effect of an increase of the number of broadband Internet access services due to our strategy of actively promoting sales of services provided in the LTE/HSPA+ technologies, for example by actively expanding access to this technology and rapidly growing number of Internet users in Poland. The total number of pay TV services provided in the contract model increased by 4.0% in Q1 2015 to 4,405,464 as at March 31, 2015 from 4,236,986 as at March 31, 2014 due to a significant increase in the number of Multiroom services provided. Concurrently, the number of provided mobile telephony services decreased from 6,713,629 as at March 31, 2014 to 6,552,365 as at March 31, 2015 due to the fact that the Polish mobile telephony market is highly competitive and mature. We believe that further saturation of our customer base with integrated services, including our product smartDOM, will positively influence the growth of the number of contract RGUs provided by us as well as the loyalty of our customers in the future.

In 2014, ARPU per customer fell by 2.9% to PLN 85.9 compared to PLN 88.5 in 2013. This decrease was triggered primarily by lower revenue from interconnect related to the regulatory reduction of MTR rates on voice services by 48.1% from PLN 0.0826 in the first half of 2013 to PLN 0.0429 in the first half of 2014 as well as lower prices on the mobile telephony market due to price pressure from our main competitors.

In Q1 2015 the average monthly revenue per client was PLN 85.8, an increase by PLN 1.0 or 1.2%, as compared to PLN 84.8 in Q1 2014. As part of marketing efforts related to our integrated offer smartDOM we proactively cross-sell products and services to the merged clients' base of Cyfrowy Polsat and Polkomtel which positively drives ARPU.

Thanks to our efficient customer retention programmes, our churn rate was equal to 9.1% in the twelve-month period ended December 31, 2014 compared to 9.2% in the twelve-month period ended December 31, 2013. Our churn rate was equal to 9.5% in the twelve-month period ended March 31, 2015 compared to 9.1% in the twelve-month period ended March 31, 2014.

As at December 31, 2014, each customer from our customer base had 2.01 active contract services, which constitutes an increase of 5.2% compared to 1.91 active contract services per customer as at December 31, 2013, whereas as at March 31, 2015 this ratio was 2.04, an increase by 6.8% compared to 1.91 as at March 31, 2014. The increase in RGU saturation per one customer is the result of our marketing and sales activities aimed at maximising the sale of products and services to one customer.

Our product smartDOM has excellent sales results and has a positive effect on both the level of RGU saturation per one customer and ARPU per contract customer. Since its launch in mid-February 2014 until the end of Q1 2015, 707 thousand customers joined the programme and bought a total of over 2.17 million RGUs. Cross-sales dynamics in the smartDOM program remains high and stable – in Q1 2015 the number of RGUs provided within the smartDOM programme increased by ca. 319 thousand. RGU saturation per one customer in this group was 3.1 as at March 31, 2015. Bearing in mind the long-term goal of our Group, which is to maximise revenue per

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

contract customer through sales of additional products and services, the smartDOM programme is perfectly in line with the implementation of our strategy.

Prepaid services

The number of prepaid services provided by us as at December 31, 2014 decreased by 334,324, that is 7.5%, to 4,134,203 from 4,468,527 as at December 31, 2013. As at March 31, 2015 this number decreased by 315,568, or 7.3% to 4,034,757 as at March 31, 2015 from 4,350,325 as at March 31, 2014. These decreases were mainly driven by a lower number of prepaid mobile telephony services. Moreover, in Q1 2015 the base of prepaid services in 2015 was affected by seasonal occurrences and an observed gradual migration of prepaid clients to tariff contracts.

In 2014, ARPU per prepaid RGU decreased by 2.7% to PLN 17.7 from PLN 18.2 in the corresponding period of 2013. The main reason behind the decrease in 2014 was the fall in revenue from network interconnection caused by the regulatory reduction of MTR rates on voice services by 48.1% from PLN 0.0826 in the first half of 2013 to PLN 0.0429 in the first half of 2014, as well as lower prices on the mobile telephony market due to price pressure from our main competitors.

The average monthly revenue per prepaid RGU was PLN 17.3 in Q1 2015, an increase by 4.8% compared to PLN 16.5 in the same period of 2014. The prepaid ARPU increase was driven by growing data transmission capacity appetite in smartphones with stable service prices in this market segment.

4.6.3. Broadcasting and television production segment

We consider audience share by channel, advertising market share and technical reach when analysing and evaluating our television broadcasting and production activities. The following tables set forth these key performance indicators for the relevant periods.

Audience share

	12 months ended December 31		
	2014	2013	change [%]
Audience share⁽¹⁾ (7), including:	23.67%	21.14%	11.97%
POLSAT (main channel)	13.30%	13.51%	-1.55%
Thematic channels⁽⁷⁾	10.37%	7.63%	35.91%
Polsat2	1.73%	1.82%	-4.95%
Polsat News	0.91%	0.81%	12.35%
Polsat Sport	0.50%	0.79%	-36.71%
Polsat Sport Extra	0.12%	0.21%	-42.86%
Polsat Sport News	0.29%	0.33%	-12.12%
Polsat Film	0.72%	0.53%	35.85%
Polsat JimJam	0.20%	0.33%	-39.39%
Polsat Cafe	0.40%	0.39%	2.56%
Polsat Play	0.67%	0.57%	17.54%
CI Polsat	0.09%	0.11%	-18.18%
Polsat News 2 ⁽²⁾	0.07%	0.06%	16.67%
Polsat Food	0.08%	0.09%	11.11%

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	12 months ended December 31		
	2014	2013	change [%]
Polsat Viasat Explore ⁽³⁾	0.05%	0.06%	-16.67%
Polsat Viasat History ⁽³⁾	0.13%	0.16%	-18.75%
Polsat Viasat Nature ⁽³⁾	0.02%	0.02%	0.00%
Polsat Romans ⁽⁵⁾	0.13%	0.08%	62.50%
Disco Polo Music ⁽⁸⁾	0.23%	n/a	--
TV4 ⁽⁶⁾	2.88%	2.92%	-1.37%
TV6 ⁽⁶⁾	1.09%	0.68%	60.29%
MUZO.TV ⁽⁹⁾	0.03%	n/a	--
Polsat Volleyball 1 ⁽¹⁰⁾	2.43%	n/a	--
Advertising market share⁽⁴⁾	25.1%	23.6%	6.3%

- 1) Nielsen Audience Measurement, All day ages 16-49 audience share.
- 2) Until February 2013 the channel operated under 'TV Biznes', until June 9, 2014 as 'Polsat Biznes', currently as 'Polsat News 2'.
- 3) The channels operate under the Polsat brand since March 2013, data for three quarters of 2013 include the period March - September 2013.
- 4) Our estimates based on Starlink data.
- 5) Channel broadcast since September 2013, data for the period of broadcasting.
- 6) Channel included in Polsat Group since September 2013, data relate to full periods indicated in the table above.
- 7) When calculating the total audience share of Polsat Group and audience share of thematic channels, we take into account the moment of including the channel into our portfolio (audience share of Polsat Viasat channels is included since March 2013, and audience share of Polsat Romans, TV4 and TV6 are included since September 2013, other months are calculated as zero audience share).
- 8) Channel broadcast since May 2014, data for the period of broadcasting.
- 9) Channel launched on September 26, 2014, data for the period of broadcasting.
- 10) Channel broadcast from August 30 until September 21, 2014, data for the period of broadcasting.

In 2014, one of the most significant positions of the programming schedule was consequently the Monday Mega Hit slot (1.23 million viewers and 20.6% audience share). Another fixed slot, the series *First Love*, gathered 0.94 million viewers (22.2% audience share).

In 2014, novelties of both the spring and autumn schedules were the driver behind high viewership results. The show *Your Face Sounds Familiar* attracted an average of 1.24 million viewers (24.35% audience share). Another programming position, *Dancing with the Stars*, gathered an average of 1.1 million viewers and reached a 18,6% audience share. *Hell's Kitchen* was a significant new position in this year's schedule with an average of 1.07 million viewers, which translated to an 17.5% audience share. The continuation of the talent show *Must be the Music* was also a key position in both the spring and autumn schedules. The Sunday slots dedicated to this show had, on average, 1.11 million viewers with an audience share of 15.9%.

Also the cabaret *Śmiechosteron, czyli 10-lecie Kabaretu Skeczów Męczących* broadcast in January 2014 gained a significant audience of 2.1 million viewers and 27.7% audience share. In February the cabaret *Sex, Alcohol and Books* was very popular with 1.4 million viewers and a 19.0% audience share.

The most popular broadcast of the Festival Top Trends was the *Cabaret Night* of June 1, which gathered an average of 1.6 million viewers, translating in to a 30.3% audience share.

The IV Cabaret Night in Zielonagóra, broadcast on August 9, 2014 gained over 1.08 million viewers and a 24.5% audience share. *Disco Polo under the Stars*, broadcast on August 16, 2014 gathered a similar number of viewers but with an audience share of 21.1%. The concert *Disco under the Stars*, which took place on August 15, 2014 was viewed by 1.2 million people (21.7% audience share).

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

High viewership results of the opening match of the FIVB Volleyball Men's World Championship Poland 2014 aired by Telewizja Polsat on August 30, 2014, are worth notice. The match gathered over 1.3 million viewers, which translated into a 24.5% audience share. The simultaneous broadcast on Polsat Sport channel had 614 thousand viewers (11.3% audience share). Almost 200 thousand viewers saw the same broadcast on Polsat Volleyball 1 channel, which had an audience share of 3.64%. A total of 2.1 million viewers saw the opening match of the FIVB Volleyball Men's World Championship Poland 2014 on three channels of Telewizja Polsat, translating into an audience share of 39.44%.

The final match of the FIVB Volleyball Men's World Championship Poland 2014 had record high viewership results. On September 21, 2014 almost 4 million viewers (50.36% audience share) watched the match, during which the Polish team won the title of world champion. The simultaneous broadcast on Polsat Volleyball 1 channel gathered over 700 thousand viewers and had an 8.8% audience share. A total of 4.7 million viewers saw the opening match of the FIVB Volleyball Men's World Championship Poland 2014 on Telewizja Polsat channels, translating into an audience share of 59.16%.

Matches of the qualifiers to the European Football Championship gained record viewership results. This position gained popularity with every match. The first meeting, played on September 7, 2014 between Poland and Gibraltar, gathered 0.98 million viewers on the Polsat channel, which translated into a 15.5% audience share. Additionally, all the matches in the qualifying competition were broadcast simultaneously on Polsat Sport, on which the opening match Poland – Gibraltar was viewed by 270 thousand people, translating into a 4.2% audience share. The second match, played on October 11 2014 by the Polish national team against Germany, gathered an audience of 2.9 million with 44.6% audience share for Polsat. At the same time 434 thousand people saw this match on Polsat Sport (6.7% audience share). The match Poland – Scotland of October 14 gathered 3.6 million viewers, giving Polsat a 48.5% audience share (simultaneously 475 thousand viewers and a 6.4% audience share of Polsat Sport). The last of this year's qualifying matches, Poland – Georgia, gathered 2 million viewers of Polsat, translating into a 35.9% audience share. The results for the simultaneous broadcast on Polsat Sport were 284 thousand viewers and 4.9% audience share.

This year's *Sylwestrowa Moc Przebojów* (New Year's Eve Greatest Hits) broadcast on Polsat gathered an average of almost 1.4 million viewers, translating into a 22.6% audience share. The show was broadcast simultaneously on Polsat2, where it gathered 124 thousand viewers, i.e. 2% audience share.

Growing audience shares of all the Group's channels, as well as of thematic channels are still due to the incorporation of TV4 and TV6 channels into Telewizja Polsat Group. In terms of thematic channels in 2014 the highest audience shares were recorded by TV4, TV6 and Polsat 2. The thematic channels with the highest audience growth dynamics (compared to 2013) were Polsat Romans (launched in September 2013), TV6, Polsat Film. The annual audience results of Polsat Group also include the audience of the channel Disco Polo Music, which began broadcasting in May 2014, MUZO.TV launched on September 26, 2014 and Polsat Volleyball 1 (broadcast from August 30 until September 21, 2014).

	3 months ended March 31		Change / %
	2015	2014	
Audience share^{(1) (2)}, including:	23.97%	22.50%	6.53%
<i>POLSAT (main channel)</i>	<i>13.44%</i>	<i>13.20%</i>	<i>1.82%</i>
<i>Thematic channels⁽²⁾</i>	<i>10.52%</i>	<i>9.3%</i>	<i>13.12%</i>

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	3 months ended March 31		Change / %
	2015	2014	
Polsat2	1.42%	1.56%	-8.97%
Polsat News	0.73%	0.96%	-23.96%
Polsat Sport	0.35%	0.42%	-16.67%
Polsat Sport Extra	0.09%	0.12%	-25.00%
Polsat Sport News	0.28%	0.25%	12.00%
Polsat Film	0.74%	0.61%	21.31%
Polsat JimJam	0.17%	0.24%	-29.17%
Polsat Cafe	0.39%	0.41%	-4.88%
Polsat Play	0.70%	0.60%	16.67%
CI Polsat	0.10%	0.09%	11.11%
Polsat News 2 ⁽³⁾	0.08%	0.06%	33.33%
Polsat Food	0.08%	0.08%	0.00%
Polsat Viasat Explore ⁽⁴⁾	0.06%	0.06%	0.00%
Polsat Viasat History	0.11%	0.13%	-15.38%
Polsat Viasat Nature	0.03%	0.03%	0.00%
Polsat Romans	0.15%	0.13%	15.38%
Disco Polo Music ⁽⁵⁾	0.23%	--	--
TV4	3.38%	2.54%	33.07%
TV6	1.42%	1.01%	40.59%
Muzo.tv ⁽⁶⁾	0.02%	--	--
Advertising market share⁽⁷⁾	25.3%	24.6%	2.7%

(1) Nielsen Audience Measurement, All day ages 16-49 audience share.

(2) The aggregate share of the Polsat Group and thematic channels reflects the moment of including the channels to our portfolio.

(3) Until February 2013 the channel operated under 'TV Biznes', until June 9, 2014 as 'Polsat Biznes', currently as 'Polsat News 2'.

(4) Until April 29, 2014 this channel operated as Polsat Viasat Explorer.

(5) Channel broadcast since May 2014, data for the period of broadcasting.

(6) Channel launched on September 26, 2014, data for the period of broadcasting.

(7) Our estimates based on Starlink data.

In Q1 2015 our main channel attracted most viewers to regular shows, such as the Monday program Mega Hit, with the average audience of 1.2 million viewers, giving the station a share of 19.14% of total audience, or the TV series "Pierwsza miłość" viewed by almost 1.06 million viewers (21.9% audience share).

Also worth a mention are the film blocks that existed before the Spring programming was launched: on Tuesdays the program Mega Hit was viewed on average by 1.05 million viewers, with an audience share of 16.17% and the Thursday evening prime time at 20:00 – with 1.08 million viewers and the audience share of 16.91%. Large audience has also been kept by the news program Wydarzenia at 18:50, attracting on average 1.11 million viewers and a share of 20.39% in the audience.

The results of Q1 2015 were significantly affected by the spring programming. Large audience was attracted by the show *Must be the Music (Tylko Muzyka)*, attracting on average 1.15 million viewers (audience share of 15.55%). Another spring attraction *Dancing with the Stars (Taniec z gwiazdami)* also attracted on average 0.93 million viewers representing a 15.17% audience share. Another key item was the continuation of the show *Twoja Twarz Brzmi Znajomo*. The Saturday broadcasts of this show reached on average 1.06 million viewers representing 20.39% of the audience. A novelty in the spring programming was the show *Celebrity Splash*. The program was viewed on average by 0.94 million, representing on average 14.68%. A mention should also be

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

made of the *Hell's Kitchen*, viewed on average by 1.06 million viewers representing 16.38% of the audience, and *Top Chef* with the audience of 0.94 million and a share of 14.55%.

Remarkable audience was attracted to TV sets by the European Football Championship elimination match Poland-Ireland. The average number of viewers in Polsat was 2.84 million and its market share 36.94%. A simultaneous transmission of the game on Polsat Sport attracted 0.45 million viewers, 5.93% of the audience.

Another popular program was the *RMF FM 25th anniversary concert*, with the audience of 1.2 million and the audience share of 19.31%. The cabaret show *Sex, alkohol i książki* was watched by 1.1 million viewers, representing 18.34% of the total audience.

We continue to observe a positive effect of including TV4 and TV6 to the Telewizja Polsat Group. These channels have strong audience growth and significantly contribute to the audience of thematic channels in our portfolio. In addition to these two, in Q1 2015 strong audience growth (against the first 3 months of 2014) was also shared by Polsat Film i Polsat News 2.

Distribution and technical reach

Technical reach ⁽¹⁾	12 months ended December 31		
	2014	2013	Change / %
Polsat	99.8%	98.8%	1.11%
Polsat2	63.7%	63.0%	1.11%
Polsat News	55.9%	54.4%	2.76%
Polsat Sport	49.5%	49.4%	0.20%
Polsat Sport Extra	35.3%	34.0%	3.82%
Polsat Sport News	90.3%	78.0%	15.77%
Polsat Film	50.9%	48.1%	5.82%
Polsat JimJam	42.7%	39.7%	7.56%
Polsat Cafe	54.6%	53.3%	2.44%
Polsat Play	46.9%	43.1%	8.82%
CI Polsat	37.7%	35.3%	6.80%
Polsat News 2 ⁽²⁾	55.2%	54.5%	1.28%
Polsat Food	20.9%	20.8%	0.48%
Polsat Viasat Explore ⁽³⁾	25.0%	22.2%	12.61%
Polsat Viasat History ⁽³⁾	35.0%	31.5%	11.11%
Polsat Viasat Nature ⁽³⁾	23.6%	19.2%	22.92%
Polsat Romans ⁽⁴⁾	37.8%	24.7%	53.04%
Disco Polo Music ⁽⁶⁾	39.3%	n/a	--
TV4 ⁽⁵⁾	99.6%	97.0%	2.68%
TV6 ⁽⁵⁾	90.4%	81.6%	10.78%
MUZO.TV ⁽⁷⁾	33.8%	n/a	--
Polsat Volleyball ⁽⁸⁾	27.8%	n/a	--

- 1) Nielsen Audience Measurement, percentage of TV households able to receive a given channel; arithmetical average of monthly technical reach.
- 2) Until February 2013 the channel operated under 'TV Biznes', then until June 9, 2014 as 'Polsat Biznes', currently as 'Polsat News 2'.
- 3) Channel broadcast based on cooperation of TV Polsat and Viasat Broadcasting since March 2013 (data for prior periods relate to the technical reach before the cooperation with TV Polsat).
- 4) Channel broadcast since September 2013.
- 5) Channel included in Polsat Group since September 2013, data relate to full periods indicated in the table above.
- 6) Channel broadcast since May 2014, data for the period of broadcasting.
- 7) Channel launched on September 26, 2014.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

8) Channel broadcast from August 30 until September 21, 2014.

Technical reach ⁽¹⁾	3 months ended March 31		Change / %
	2015	2014	
Polsat	99,9%	99,8%	0,1%
Polsat2	61,8%	64,6%	-4,3%
Polsat News	55,5%	55,4%	0,2%
Polsat Sport	47,9%	50,3%	-4,8%
Polsat Sport Extra	34,6%	35,4%	-2,3%
Polsat Sport News	93,3%	88,4%	5,5%
Polsat Film	50,1%	50,8%	-1,4%
Polsat JimJam	43,1%	42,1%	2,4%
Polsat Cafe	53,8%	54,5%	-1,3%
Polsat Play	46,8%	46,6%	0,4%
CI Polsat	37,4%	37,5%	-0,3%
Polsat News 2 ⁽²⁾	54,0%	55,4%	-2,5%
Polsat Food	20,1%	21,4%	-6,1%
Polsat Viasat Explore ⁽³⁾	25,4%	25,8%	-1,6%
Polsat Viasat History	33,4%	36,3%	-8,0%
Polsat Viasat Nature	25,5%	24,0%	6,3%
Polsat Romans	42,8%	36,6%	16,9%
Disco Polo Music ⁽⁴⁾	44,2%	--	--
TV4	99,8%	99,5%	0,3%
TV6	92,9%	89,1%	4,3%
MUZO.TV ⁽⁵⁾	38,1%	--	--

(1) Nielsen Audience Measurement, percentage of TV households able to receive a given channel; arithmetical average of monthly technical reach.

(2) Until February 2013 the channel operated under 'TV Biznes', then until June 9, 2014 as 'Polsat Biznes', currently as 'Polsat News 2'.

(3) Until April 29, 2014 the channel operated under 'Polsat Viasat Explorer'.

(4) Channel broadcast since May 2014, data for the period of broadcasting.

(5) Channel launched on September 26, 2014.

Thematic channels of Polsat Group are currently available on all significant cable and satellite platforms. In the whole year 2014 and in Q1 2015 the highest growth year-to-year in technical reach was recorded by Polsat Romans. Also worth a notice is the growth dynamics of such stations as Polsat Viasat Nature, TV6, Polsat Sport News. New channels that have been on air for less than one year are Disco Polo Music (launched on May 1, 2014) and MUZO.TV, launched on September 26, 2014.

Advertising and sponsoring market share

According to Starlink media house estimates, expenditures on TV advertising and sponsoring in 2014, expenditures on TV advertising and sponsoring increased to PLN 3.8 billion, which constitutes a year-on-year increase of 5.6%. In the analysed period our TV advertising market share increased year-on-year to 25.1% from 23.6%. In Q1 2015 the outlays on TV advertising and sponsoring amounted to approximately PLN 873 million, an increase year-to-year by 3.7%. Based on these estimates we assess our share in the TV advertising market in Q1 2015 to have increased year-to-year to 25.3% from 24.6%.

Comparing the present portfolio of the Group's channels, in Q1 2015 we generated GRP higher by 10.76% than in the same period of 2014.

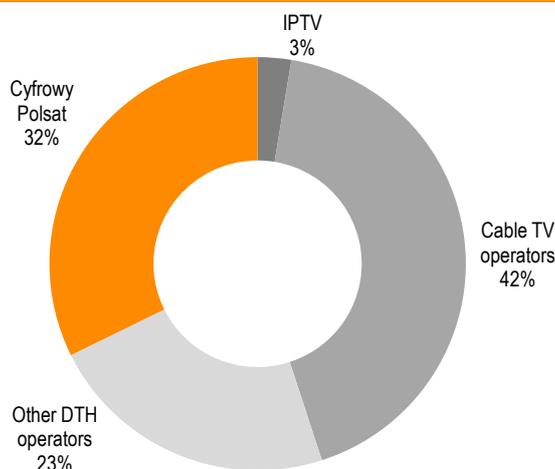
INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

4.7. Description of the market environment in which the Group operates

4.7.1. Pay TV market in Poland

Pay TV services in Poland are offered by DTH operators, cable TV operators and IPTV providers. At the end of 2014 the operators of satellite TV platforms had the dominant share (55%) in the pay TV market, followed by cable TV operators (over 42%). The significance of IPTV was minor, with market share of less than 3%. The graph below presents the pay TV market in Poland in 2014 in terms of subscriber base.

Pay TV market in Poland in 2014 in terms of subscriber base



Source: Based on own estimates and data published by operators

Historically, cable TV has been the principal pay TV platform in Poland. Although the DTH market has been growing more rapidly over the past few years, DTH providers compete with cable TV operators only to a limited extent. In particular, cable TV operators concentrate on inhabitants of densely populated areas where highly developed network infrastructure already exists or in locations where the establishment of such infrastructure involves a relatively low cost per customer, whereas DTH providers are able to provide their services, at no extra cost, to customers residing in both, urban areas as well as in less densely populated areas with no or limited cable TV infrastructure.

In recent years, the growth dynamics of cable TV customers has been decreasing systematically, among others due to the migration of cable TV users from analogue services towards digital services. The other reason is an already high penetration rate of cable TV in urban areas as well as reluctance of cable TV operators to make significant investments in cable TV infrastructure in the less-densely populated and rural areas of Poland. As a result, inhabitants of those areas currently have access only to a limited number of Polish terrestrial channels and alternative providers of broadband Internet and mobile telephony services. Polish towns with up to 50,000 inhabitants, suburban and rural areas are therefore natural target markets for DTH because these areas have poorly developed cable TV infrastructure and are less attractive for cable TV companies to develop cable TV infrastructure there.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The IPTV market is developing at a relatively slow rate in Poland, mainly due to technological constraints resulting from the lack of modern infrastructure with sufficient capacity to enable a high-quality and effective IPTV service. We believe that the introduction of IPTV services by fixed-line telecommunications service providers such as Orange may have a negative impact on cable TV operators in Poland, since these providers plan to launch IPTV services primarily in urban areas, while having less significant effect on DTH providers who are less dependent on customers living in densely populated areas. It is difficult to assess when fixed-line telecommunications service providers will significantly develop their IPTV offer in rural, suburban areas and small and medium sized towns and the impact of such a development on the operations of DTH providers.

The process of digitization of terrestrial TV in Poland, completed in July 2013, has been an important milestone in the development of the Polish pay TV market. Initially competition from digital terrestrial TV led to an outflow of pay TV customers, which was particularly visible in the case of low-end programming packages. Currently, customers are gradually returning to pay TV operators, which is associated with the limited number of channels available in DTT as well the low quality of these channels.

According to PMR forecasts, in the years to come the number of pay TV customers in Poland will remain stable mainly due to high market penetration and high saturation of the target group for terrestrial TV services with DVB-T standard services. To attract DVB-T users, pay TV operators will be forced to increase their competitiveness and to propose a unique offer to such users. According to PMR experts, bundled offers, containing telecommunications and content services combined with sales of equipment (tablets, smartphones, laptops, TV sets) and supplementary services will be of great importance in own customer base retention.

PMR expects the market value to grow in the years 2014-2018, however growth dynamics will remain low. The forecasts assume ARPU growth. According to PMR, in the years 2014-2018 digital platforms will continue to be the biggest segment of pay TV market in Poland, reaching a market share of 52% (in terms of market value) at the end of the forecast period. Cable TV operators will remain the other major segment, with a market share of 39%. Significance of IPTV will remain marginal.

DTH operators

In 2014, there were two main DTH platforms operating in Poland: Cyfrowy Polsat, and nc+.

Since 2006, Cyfrowy Polsat has been the market leader in terms of the number of customers and market share. At the end of 2014 we were providing nearly 4.4 million pay TV services, including almost 845 thousand Multiroom services.

nc+ platform was created by merging Cyfra+ and 'n' platforms in March 2013, in accordance with the strategic partnership agreement between Canal+ Cyfrowy and TVN. According to the information presented by TVN group, at the end of 2014 the n+ platform had approximately 2.15 million customers. Additionally, we estimate that in 2014 about 300 thousand customers used pre-paid television (Telewizja na Kartę, TNK). Orange cooperates with nc+ platform, offering pay DTH TV based on nc+ programming offer as an element of its integrated packages.

Cable TV operators

At the end of 2014 Polish cable TV market was dominated by three major operators with a combined market share of approximately 69%. In 2014 the three major Polish cable TV operators were: UPC Polska sp. z o.o.,

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Vectra S.A. and Multimedia Polska S.A. capital group. In addition, according to our estimates, there are more than 500 small cable TV operators in Poland.

IPTV

The leading IPTV providers in Poland, offering fixed-line telephony services, are Orange and Netia S.A., who acquired Telefonía Dialog sp. z o.o. in 2011. The remaining part of the IPTV market is divided among Multimedia Polska S.A. capital group and local ISP's.

4.7.2. Mobile telephony market in Poland

The Polish mobile telephony market is a mature one. Based on data published by the Central Statistical Office of Poland (GUS), the number of mobile telephony cards as at December 31, 2014 reached 57.6 million, which translates into a 150% penetration rate of the population of Poland. Concurrently however, during 2014 Polish mobile operators reported to the Central Statistical Office of Poland an increase in their SIM card bases of nearly 1.1 million new SIM cards.

PMR expects further growth in the number of SIM cards used in Poland to 64.3 million in 2018, though the growth dynamics will be much lower than in previous years. As a result, the mobile penetration rate in Poland will increase to 167.5% in 2018.

In 2013, mobile telephony continued to be the most important segment of the Polish telecommunications market, with a revenue share of nearly 46.3% in the total market. According to data published by UKE in the 'Report on the telecommunications market in Poland in 2013', the estimated value of mobile market in Poland in 2013, expressed as the sum of the operators' retail service revenues, was PLN 18.6 billion and it was lower by around 1.5% compared to 2012. According to the UKE report over 81% of revenue was generated by post-paid customers. At the same time, however, 54.2% of the SIM cards reported by Polish mobile operators constituted pre-paid cards. In Cyfrowy Polsat's opinion, this discrepancy in statistical data results mainly from the relatively long period of including pre-paid cards in their reported bases by domestic operators, even after end-users have stopped using those cards.

In recent years, average revenue per customer of mobile voice services (ARPU) decreases systematically as a result of competitive pressure stimulated by regulatory reductions of wholesale voice and SMS termination rates (MTR). Since July 1, 2013 the MTR rate per minute of voice connection is stable at the level of PLN 0.0429, which according to a BEREC report from December 2014 is below the European Union average. As at the date of this Offering Memorandum, no plans concerning further potential reductions of MTR rates in Poland are known.

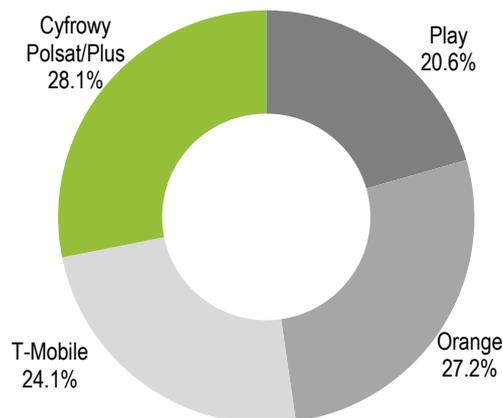
Assuming no further MTR reductions, PMR estimates that the market will stabilise in the next four years and will continue to grow at an average rate of 0.9% (CAGR 2013-2017) until 2017 while its value will reach PLN 24.56 billion in 2018.

The Polish mobile telephony market is highly competitive and relatively polarised. In Poland, there are four leading infrastructural operators: Polkomtel (Plus network), Orange (Orange network), T-Mobile (T-Mobile network) and P4 (Play network), as well as two smaller operators: Mobyland and Aero2, who concentrate their operations on wholesale activities. There are also as dozen or so mobile virtual network operators, but their market share in terms of revenue and customer base is very low.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The graph below presents market shares of the major MNOs in terms of number of contract SIM cards at the end of 2014.

Market shares in 2014 in terms of number of contract SIM cards



Source: Based on own estimates and data published by operators

Infrastructure operators (MNOs)

As at the date of this Offering Memorandum, there were six MNOs operating commercially in Poland based on their own allocated frequency bands and infrastructure necessary to provide mobile telephony services on their own. This group included Polkomtel, Orange, T-Mobile, P4, and Midas Group (including Aero2 and Mobyland).

According to the UKE report, Polkomtel, Orange, T-Mobile and P4 together accounted for approximately 99.6% of the revenue generated on the Polish mobile telephony market in 2013. The remaining revenue was generated by MVNOs and other MNOs.

- Polkomtel – Polkomtel operates under the umbrella Plus brand, it also owns an alternative brand Plush. On May 7, 2014 Polkomtel was incorporated in Polsat Group. Activities of Polsat Group on the telecommunications market are described in following chapters;
- Orange – owned by Orange Polska S.A. is a leading Polish fixed-line telephony operator, who operates under the umbrella Orange brand and also has an alternative brand nju.mobile. As at March 31, 2015 Orange reported ca. 15.5 million SIM cards;
- T-Mobile – T-Mobile operates under the umbrella T-Mobile brand and also uses additional brands such as Heyah, Blueconnect and Tu Biedronka. According to the data provided by the operator, at March 31, 2015 T-Mobile had ca. 15.8 million SIM cards. T-Mobile is currently expanding its offer by fixed-line telephony services addressed to business customers based on the infrastructure acquired together with the company GTS Poland in 2014;
- P4 – P4 operates under the umbrella Play brand, and also has an additional brand Red Bull Mobile. According to the data provided by the operator, at March 31, 2015 P4 had ca. 12.7

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

million SIM cards. P4 operates solely on the mobile services market relying on purchased access to mobile networks of its competitors, Polkomtel included;

- Midas Group – Midas Group operates on the wholesale market through companies Aero2 and Mobyland, providing wholesale access to its network mainly to Cyfrowy Polsat group. At the same time, Aero2 operates on the residential market, where it offers free broadband Internet access and provides residential services mainly in the prepaid model based on the ‘wRodzinie’ brand.

Frequency allocations

The following table presents key information on the frequencies allocated to MNOs as at March 23, 2015.

MNO	Frequency band	Size of allocated band	Sum of allocated band	Date of issue of first allocation decision	Allocation decision expiry date
Polkomtel	900 MHz	2x9 MHz	176 MHz	February 23, 1996	February 24, 2026
	1800 MHz	2x9.6 MHz		September 13, 1999	September 14, 2029
	2100 MHz	2x14.8 MHz + 1x5 MHz		December 20, 2000	January 1, 2023
	410-430 MHz ⁽¹⁾	2x2.5 MHz		May 25, 2006	December 31, 2020
Mobyland	1800 MHz	2x9.8 MHz		November 30, 2007	December 31, 2022
Aero2	900 MHz	2x5 MHz		December 9, 2008	December 31, 2023
	(after a merger with CenterNet)	1800 MHz	2x9.8 MHz	November 30, 2007	December 31, 2022
	2570-2620 MHz	1x50 MHz		November 10, 2009	December 31, 2024
Sferia.....	800 MHz	2x5MHz		December 31, 2003	December 31, 2018
Orange	900 MHz	2x6.8 MHz	76 MHz	July 5, 1999	July 6, 2029
	1800 MHz	2x9.6 MHz		August 21, 1997	August 22, 2027
	2100 MHz	2x14.8 MHz + 1x5 MHz		December 20, 2000	January 1, 2023
	450-470 MHz	2x4.5 MHz		December 16, 1991	December 31, 2016
T-Mobile	900 MHz	2x9 MHz	92 MHz	February 23, 1996	February 24, 2026
	1800 MHz	2x9.6 MHz		August 11, 1999	August 12, 2029
	1800 MHz	2x10 MHz		June 14, 2013	December 31, 2027
	2100 MHz	2x14.8 MHz + 1x5 MHz		December 20, 2000	January 1, 2023
P4.....	900 MHz	2x5 MHz	75 MHz	December 9, 2008	December 31, 2023
	1800 MHz	2x15 MHz		June 14, 2013	December 31, 2027
	2100 MHz	2x14.8 MHz + 1x5 MHz		August 23, 2005	December 31, 2022

Source: UKE, as at March 23, 2015

(1) By Nordisk Polska Sp. z o.o.

For the purpose of planning, building and maintaining a new mobile telecommunications network, and participating in related tenders, Orange and T-Mobile formed a joint venture in 2011 under the name NetWorks! Recently the operators have extended their cooperation by declaring that Orange will be able to provide LTE services while also using the 1800 MHz spectrum owned by T-Mobile. It is expected that in the future this cooperation may be extended to other frequency bands. The agreement related to sharing of RAN resources was signed for a period of 15 years with an option for further extension.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Following the analogue TV switch-off in 2013, certain frequency resources became available within what is known as 'digital dividend'. In February 2013, following an auction for frequencies in the 1800 MHz band, the frequencies were allocated to T-Mobile and P4. The frequencies were finally allocated in July 2013. In addition, on October 10, 2014, the auction for frequency allocation in the 800 MHz and 2600 MHz bands was announced once again. According to information provided by UKE six entities submitted preliminary bids and were qualified to the next stage of the auction. The entities were: Polkomtel, Orange, T-Mobile, P4, Hubb Investments sp. z o.o. and NetNet sp. z o.o. As at the date of this Offering Memorandum, the auction was still in progress.

Virtual operators (MVNOs)

MVNOs are those operators who provide mobile telephony and/or mobile data transmission services, but do not hold any frequency allocations on their own and do not need to have their own infrastructure to provide such services. Under the MVNO business model, existing MNOs provide frequency resources and the necessary infrastructure to MVNOs. According to the UKE report, 19 operators provided mobile services under the MVNO model in 2013.

Although the number of MVNOs is on the increase, none of them has significant market power. According to the UKE report, the joint share of all MVNOs (including MNOs belonging to Midas Group) in the mobile customers market was 2.5% in 2013. However, the combined revenue of all MVNOs, including MNOs belonging to Midas Group, accounted for only 0.4% of the total value of the Polish mobile telephony market in 2013.

4.7.3. Internet access market in Poland

Broadband Internet access services can be provided through a wide range of different solutions based on fixed-line technologies, including (but not limited to) xDSL, cable modem, LAN-Ethernet, and WLAN, or mobile technologies such as mobile modems or routers operating in the GPRS, EDGE, UMTS, HSPA or LTE technologies. In Poland broadband Internet access is provided through fixed-line and wireless networks.

Broadband Internet penetration has been increasing systematically in Poland over the past few years. According to the UKE report, 87.7% of Polish households had broadband Internet access in 2013, and the penetration rate was 30.8% per 100 inhabitants which means that there were ca. 12 million broadband Internet access services in Poland, up by over 11% compared to 2012. 7.6 million Poles had fixed-line broadband Internet access (an increase of 7.1% on 2012) and more than 4.2 million used mobile Internet services (an increase of 19.5% on 2012).

At the same time, however, according to data published by Eurostat in December 2014, as many as 28% of Poles have never accessed Internet, with the European Union average at the level of 18% and corresponding indicators for chosen countries (the Netherlands, Great Britain and Scandinavian countries) in the range 3-6%.

The relatively low saturation of the Polish broadband market and the advancing development of mobile technologies make mobile data transmission the fastest-growing segment of today's telecommunications market.

According to the UKE report, the value of the Polish broadband market, measured in terms of revenue from sale of services, was PLN 4.57 billion in 2013, up by 3.7% on 2012. 2013 saw growth of revenue from mobile services by 15.1% Y-o-Y, while the revenue from fixed-line offers, relying on xDSL lines and cable modems, witnessed a

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

downward trend at that time. According to the UKE report, the average monthly revenue per user of Internet services (ARPU) decreased by PLN 2.21 in 2013, down to PLN 32.1.

Fixed broadband Internet access in Poland

In Poland, availability of fixed-line broadband services is limited mainly to urban areas. Outside urban areas, fixed-line broadband services are offered only to a limited extent, which is due to historical underinvestment resulting from the high cost of build-out of local loops. According to the UKE report, access to xDSL technology remains the most popular form of fixed-line Internet access. Orange Group is the dominant player operating this technology, with 75.3% share in the total number of xDSL customers.

Cable modems, offered by cable TV operators, are the second most popular fixed-line access technology. Based on the UKE report, UPC Polska sp. z o.o. (with 39.8% share in user base), Vectra (18.8%) and Multimedia (15.6%) were the major operators on this market. Due to the high cost of cable network construction in less urbanised areas, cable networks' growth potential in the field of Internet access is limited.

Mobile broadband Internet access

The market of broadband Internet access based on mobile technologies (defined as access via modems or dedicated SIM cards integrated with laptop computers or tablets) is dominated by four main providers of those services (Polkomtel, T-Mobile, Orange and P4), who according to the UKE report jointly held 92.1% of the market in 2013.

Compared with other EU Member States, Polish mobile broadband market offers large potential for growth. It is related to relatively low quality of the existing fixed-line infrastructure in Poland, which makes mobile broadband technology more attractive to Internet users as it offers better quality parameters in their respective area of residence. Moreover, Poland's low urbanization level often makes mobile access the only technology available in a given location.

In 2013, according to the UKE report, revenue from mobile technologies grew at the fastest rate in the entire broadband Internet access market, and mobile broadband became the most popular Internet access technology in terms of the number of users (market share of 39.4%, up from 34.8% in 2012). The success of mobile broadband can be attributed to broad availability and the ease of installation of this form of broadband access, the growing HSPA+ and LTE network coverage, and increasing data transmission speeds. The mobility feature constitutes an advantage of this form of broadband access to a group of customers.

The continuing development of HSPA+, LTE and LTE Advanced technologies, offering high-quality mobile broadband Internet access to the majority of the population of Poland, combined with the provision of new services and products (such as those based on video streaming), will make this form of broadband Internet access even more popular among Polish users. As network investments by fixed-line operators in suburban and rural areas are limited, mobile broadband technologies will be also the key factor contributing to further increase in the penetration of Internet access services in Poland. In addition, the high quality of LTE-based services will lead to increased data usage by customers, which will improve ARPU, reduce churn, and increase the market share of those operators who have access to the frequencies and the infrastructure necessary to provide such services.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

According to PMR forecasts, the Data Transmission, Line Rental and Internet Services Provision (DLISP) market will remain the fastest growing segment of the telecommunications market. Further investments into broadband network roll out as well as further development of LTE technology will be the most significant factors. According to PMR forecasts, the mean annual growth rate of the value of the DLISP market in the period 2014-2018 will be 2.0% (CAGR) while the market value will reach PLN 7 billion in 2018.

In accordance with the PMR forecasts, in 2018 the number of broadband Internet access users in Poland will increase to 14.9 million. In the years 2013-2018 the base of mobile broadband Internet users will continue to increase faster than the number of fixed-line access users, which will be the result of competitive pricing of mobile services as well as growth of 3G network coverage, which will directly translate to improved quality and continuity of the service. The fast development of LTE network coverage is an additional factor stimulating development of mobile Internet services and reduction of their prices. LTE standard enables mobile services to be provided at transmission rates and network throughput levels which have so far been unachievable for radio access technologies.

4.7.4. Bundled services market in Poland

The Polish media and telecommunications sector has been converging as customers are increasingly seeking to receive their media and communications services from one provider at affordable prices. In response, service providers are providing TV, broadband Internet access and telephony services bundled into multi-play offerings enabling customers to purchase all these services under one contract, one subscription fee and one invoice. Offering bundled services allows media and telecommunications service providers to meet customers' needs and, we believe, increase customer loyalty, favourably impacting churn rates. Concurrently, given the high level of saturation of the pay TV and mobile telephony markets, bundling of services is rapidly becoming a significant means of retaining existing customers and maintaining APRU.

Multi-play services in Poland are typically provided by cable TV operators and telecommunications service providers. Both cable TV operators and telecommunications service providers offer their services mainly in large and medium sized cities, due in part to the geographical limitations of their infrastructure and the quality of the overall telecommunications infrastructure in Poland. The multi-play services market in Poland is underdeveloped in less densely populated areas and therefore has the potential to grow rapidly in suburbs, small towns and rural areas where these services are currently practically non-existent. In addition to the low penetration rate of multi-play services in less densely populated areas, Internet services provided by fixed line operators typically suffer in quality of service due to the severe limitations of the established infrastructure throughout Poland. This creates an opportunity for pay TV providers, such as Cyfrowy Polsat, who do not have the same geographic and fixed network infrastructure limitations as cable TV operators and fixed-line telecommunications service providers, to become the principal providers of high quality multi-play services to consumers in suburbs, small towns and rural areas in Poland.

According to European Commission report 'E-Communications Household Survey' dated June 2014, the penetration rate of multi-play services market (defined as more than one service within an offer of one operator) in Poland as at the end of 2013 amounted to 21%, while in European Union it reached 46%, and in the Netherlands and Belgium even exceeded 70%.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Currently, triple-play services, that include TV, Internet and telephone services, are offered by cable-TV operators, such as UPC Polska Sp. z o.o., capital group Multimedia Polska S.A. and Vectra S.A., telecommunications operators, such as Orange Group, Netia S.A. and among DTH operators – Cyfrowy Polsat.

Consolidation trends, observed on the media and telecommunications market, indicate that large groups emerge on the market and will provide customers with packages of services developing the multi-play services market. Since 2011 TVN S.A. and Orange Polska cooperate within offering their services – Internet (Orange) and TV packages (formerly ‘n’ platform). At the end of 2012, TVN S.A. Group and Canal+ Cyfrowy Sp. z o.o. finalised the agreement concerning the merger of their DTH platforms, which took place in March 2013, and the cooperation with Orange was maintained and extended to joint nc+ platform. In response to market trends Cyfrowy Polsat also develops its bundled offer. Following the indirect acquisition of Polkomtel in 2014, both companies currently offer both existing customers as well as newcomers a joined programme of bundled services, comprising mainly satellite television, mobile telephony and broadband Internet access.

4.7.5. Television market in Poland

The Polish TV broadcasting market consists of state-owned and private commercial broadcasters airing both at the regional and national levels, significant number of stations offer pay-channels (through cable and DTH platforms).

TV broadcasting in Poland was started in the 1950s by the state-owned Telewizja Polska, which was the sole Polish TV broadcaster until 1992. Since the opening of the Polish TV market to private commercial broadcasters in 1992, the number of TV channels has increased substantially. On July 23, 2013 the process of implementing digital terrestrial television (DTT – Digital Terrestrial Television) ended. Currently DTT offers free access to 24 channels and the outreach of the multiplexes exceeds 99% of Poland’s population.

The Polish TV broadcasting market is supervised by the KRRiT (the National Broadcasting Council) which grants broadcasting licenses and supervises the operations of Polish TV broadcasters (such as checking compliance with license terms for specific channels).

Polish TV advertising market

According to ZenithOptimedia estimates, in 2014 Poland was the third largest advertising market in Central-Eastern Europe (after Russia and Turkey) with a total net advertising expenditure of PLN 6.5 billion (after discounts or rebates) with growth of 2.4% compared to 2013. The value of TV advertising amounted to over PLN 3.4 billion (by 3.0% more compared to 2013). ZenithOptimedia forecasts an increase in the value of TV advertising market by 3.4% in 2015 and by 2.4% in 2016.

In 2014, TV was the dominant advertising medium in Poland with 53% share in the total advertising expenditure. According to ZenithOptimedia forecasts, this share is expected to remain stable in the upcoming years. The significant increase in Internet as an advertising medium has not resulted in a substantial change in TV’s share of advertising spending but it has had a significant adverse impact on print advertising.

Advertising expenditure by medium from 2010 to 2017:

2010	2011	2012	2013	2014	2015P	2016P	2017P
------	------	------	------	------	-------	-------	-------



INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

TV	53%	52%	52%	52%	53%	53%	53%	52%
Print	18%	16%	14%	12%	9%	8%	6%	5%
Outdoor	8%	8%	7%	7%	7%	7%	6%	6%
Radio	7%	7%	7%	7%	7%	7%	7%	7%
Internet	14%	16%	18%	20%	22%	24%	26%	28%
Cinema	1%	2%	2%	2%	2%	2%	2%	2%

Source: ZenithOptimedia, Advertising Expenditure Forecasts - December 2014

The Polish TV market is characterised by high average daily TV viewing time, which was approximately 260 minutes in 2014, an increase of 13 minutes compared to 2013. Considering such a high average TV viewing time, it is justified to assume that the TV market will continue to be an attractive communications platform for advertisers.

Based on data from Starlink, we estimate that in 2014, Polsat Group had a 25.1% share of the PLN 3.8 billion Polish TV advertising market and an advertising power ratio, which is a ratio of advertising market share to total individual audience share in the group All 4+, of 1.17.

ZenithOptimedia forecasts that in 2015, the TV advertising market in Poland will increase by 2.6% net. We believe TV is a highly effective advertising medium, and given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets that there is still substantial growth potential for TV advertising in Poland. The Polish advertising market constitutes 0.38% of GDP, representing a substantially lower value as a percentage of GDP than in certain other European markets such as the United Kingdom (0.85%), Germany (0.66%) and the Czech Republic (0.57%).

Key TV channels

The Polish TV market is dominated by the four largest terrestrial channels: TVP1, TVP2, TVN and POLSAT, which collectively had 43.6% of the aggregate audience share in the commercial group in 2014. In 2014, further significant fragmentation of the TV market was observed. The importance of smaller broadcasters available on the multiplexes was growing, mainly at the expense of the abovementioned four largest TV channels available earlier in analogue terrestrial television.

In 2014, our main channel, POLSAT, had 13.3% all day audience share, which was the best result on the market. Average annual technical coverage was over 99%. Our thematic channels had a 10.4% combined audience share. We broadcast 24 thematic channels with competitive offers on each important market segment (including sport, information, music and channels dedicated to female and male audience). They include channels distributed by cable and satellite networks as well as four channels available through DTT on MUX-2 (POLSAT, Polsat Sport News, TV4 and TV6). POLSAT, the main channel of the Group, competes with the nationwide channels: TVN, TVP1, TVP2 and smaller channels available on digital terrestrial television.

In 2014, POLSAT's main competitor, TVN channel achieved a 13% all day audience share and had over 98% average annual technical coverage. The TVN channel, launched in 1997, belongs to TVN Group, which was sold in March 2015 by ITI Group to Scripps Networks Interactive, Inc. TVN Group thematic channels achieved a 9.1% combined all day audience share in 2014.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

TVP broadcasts 12 channels, including two nationwide, historically available in the analogue signal distribution: TVP1 and TVP2, and is one of the main players on the Polish TV advertising market. In 2014, the main channels of TVP Group had 9.1% (TVP1) and 8.2% (TVP2) all day audience share. The technical reach of both channels reaches almost 100% of TV households in Poland. TVP's thematic channels had 6.9% audience share. Except advertising revenue, as the national state-owned broadcaster, TVP receives additional revenue from license fees mandatorily charged to Polish citizens owning TV or radio sets under the License Fees Act of April 21, 2005 (*Dziennik Ustaw* of 2005 No. 85 Item 728). Despite regulation preventing TVP from interrupting programmes to broadcast advertising, which lessens its advertising inventory, in 2013, TVP group generated only 18.7% of its income from license fees.

Digital Terrestrial TV

Poland finished the conversion from analogue terrestrial broadcasting TV to digital broadcasting based on Digital Video Broadcasting – Terrestrial (DVB-T) standards on July 23, 2013. The switch to digital broadcasting allowed to improve picture and sound quality and eliminated the interference that accompanied analogue broadcasting. Digital TV systems use an electronic programme guide, which enables viewers to compile their own sets of favourite programmes and exercise parental control. Digital TV systems also allowed broadcasters to introduce additional multimedia services such as additional soundtracks for individual channels (ex. additional narratives) as well as the ability to view programmes with subtitles in various languages. DVB-T provides users with a new option of recording programmes (PVR).

Digital transmission systems (DTT) differ from analogue systems in their bandwidth requirements. DTT requires TV-sets equipped with a tuner or a special adapter for older devices. Thanks to the application of DVB-T broadcasting standard with MPEG-4 compression and encryption, it is estimated that viewers will be able to view up to seven - eight channels in one multiplex.

Currently, digital television is offered within three free multiplexes and one pay multiplex dedicated for TV reception on mobile devices. It is expected that the process of digitalization in Poland may involve six multiplexes and a seventh dedicated to fast Internet in LTE technology. A multiplex (MUX) is a term used to describe the package of radio and TV channels, possibly enriched by additional services, transmitted digitally on a specific band.

Until April 27, 2014, the first multiplex, MUX-1, was shared between three public TV broadcasters' core channels (TVP1, TVP2, TVP Info) and four commercial channels. After that date TVP was to release space held on this multiplex in order to allocate it to broadcasters selected in a competition. New channels available on MUX-1 include: Telewizja Trwam (socio-religious channel), STOPKLATKA TV (film channel), Fokus TV (educational channel) and TVP ABC (channel for children aged 4 to 12). The Office of Electronic Communications (UKE) estimated the reach of MUX-1 at 98.8% of the population in Poland on the date of the final switch-off of analogue terrestrial television broadcasting. MUX-2 is reserved for the commercial broadcasters including TV POLSAT. Regular digital transmissions of POLSAT started on September 30, 2010. On the date of the final switch-off of analogue terrestrial television broadcasting the coverage of MUX-2 was estimated at 98,8%. MUX-3 is reserved solely for the public TV broadcaster. It had the widest coverage, that was estimated at 99,5% on the date of the final switch-off of analogue terrestrial television broadcasting, due to the fact that its signal is transmitted from a larger number of objects than signals of the remaining multiplexes. MUX-4 is currently reserved for INFO-TV-FM sp. z o.o. (subsidiary of Cyfrowy Polsat) that has launched on it the broadcasting of television on mobile devices.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

On November 6, 2013 the Office of Electronic Communications announced the availability of new frequency resources, which are to be used to activate another multiplex (MUX-8). A total of 18 entities have declared their interest in the new resources (2 of which submitted their declarations past the deadline), therefore the process of preparing procedures to elect those entities, who will receive frequency reservations, was initiated. In October 2014, the National Broadcasting Council made a decision regarding the allocation of space available on MUX-8. According to its resolution, TVP will be able to launch three SD channels or one SD and one HD channel on MUX-8. The remaining four channels will be selected in a competition. An earlier decision, stating that the new multiplex will be available free of charge, was sustained.

In addition to nationwide multiplexes, channels can be broadcast through local multiplexes. Currently three such multiplexes have been activated. The first began functioning on December 19, 2013 (L3) in the area of Radomsko, where it broadcasts the programming of the local television NTL Radomsko and four commercial channels. The second multiplex (L2) was activated on December 20, 2013. It broadcasts the programming of the local television TVT and five nationwide channels in the area of Rybnik. The third multiplex (L1) is located in Luban and was activated on September 12, 2014. It broadcasts the local TV Łużyce. As a result of a competition announced by the Office of Electronic Communications on August 29, 2014 regarding the allocation of five frequencies dedicated to digital signal transmission on the territory of Lower Silesia (L4, L5, L6, L7, L8), on December 5, 2014 two entities were selected and granted the right to reserve two out of the five offered frequencies (L4 and L7).

4.8. Key factors impacting our operating activities and financial results

Factors related to social-economic environment

(i) Economic situation in Poland

Macroeconomic trends in the Polish economy and the economic situation on global markets have thus far affected the operations and operating results of Polsat Group, and are expected to continue affecting them in the future. The key factors affecting our operations, in particular the demand for advertising and the spending on our services, include GDP growth, unemployment rate, changes in salaries in real terms, household consumption, and capital expenditure incurred by enterprises.

In the sluggish world economy of 2011-2013, Poland continued to record one of the highest real GDP growth rates in the EU. According to Eurostat, Poland's real GDP growth in 2011, 2012 and 2013 was 4.8%, 1.8% and 1.7%, respectively, with the corresponding figures for the EU 28 at 1.7%, -0.5% and 0.0%, respectively. Despite the Polish economy's relatively good condition, the downturn on the global markets in 2011-2013 adversely impacted the volume of advertising spending in Poland, including on TV advertising.

Based on Eurostat data, a slight recovery of economies both of Poland and other EU countries took place in 2014. The estimated GDP growth for Poland in 2014 was 3.4%, with the forecast GDP growth in 2015 – 2016 being, respectively, 3.2% and 3.4%. GDP growth in 28 EU countries is estimated at 1.3% in 2014, 1.7% in 2015 and 2.1% in 2016.

We believe that average consumer spending, including spending on pay TV, mobile telephony, Internet access and bundle services generally will grow in line with the overall GDP growth in Poland, and will support our future

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

revenue growth. We expect, that the economic recovery, anticipated in 2015-2016, will also have a positive impact on the advertising expenditures in Poland.

(ii) Situation on the pay TV market in Poland

Our revenue from subscription fees is dependent upon the number of our customers and their loyalty, pricing of our services and the penetration rate of pay TV in Poland, that we consider almost saturated.

The market on which we operate is very dynamic and competitive. Strong competition and the evolving market environment (including consolidation processes on the satellite and cable TV market) impact promotional offerings to our new customers. In addition, due to the heavy competition, we continuously invest in customer retention programmes and loyalty building.

Currently, we consider our programming packages to offer the best value-for-money on the Polish DTH market. We believe, that it gives us a chance to attract a significant portion of migrating customers to our platform. Additionally, we offer pay TV services as an element of our integrated offer for the smartDOM program which contributes to build clients' loyalty and maintaining a relatively low churn rate.

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. This market is still small in Poland (according to data presented by PwC, its value was estimated at ca. 7 million USD in 2013, while in Great Britain and Germany at 485 million USD and 134 million USD, respectively) and in our opinion has significant growth prospects. We consequently develop our services which provide our customers with content on demand – our VOD rental service and the leading online television in Poland, IPLA. These products are complementary to our core business in the field of pay TV and allow us to broaden our content distribution channels.

(iii) Development of advertising market in Poland

Part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on TV channels.

Demand for advertising air-time is highly correlated with the macro-economic situation. ZenithOptimedia Media House forecasts a 2.6% growth Y-o-Y of total net TV advertising expenditure in 2015, while in 2016 this segment will increase by 2.4%. Given that TV is a highly effective advertising medium, and given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets, we believe there is still a substantial growth potential for TV advertising in Poland in the long term, and the expected economic recovery in the years 2015-2016 will positively influence the level of advertising expenditure in Poland. It is worth noticing, that despite the growing importance of new media, it is forecasted that television will remain an attractive and popular pastime, primarily thanks to new technical opportunities, which include an increasing number of HD channels and VOD, as well as thanks to a growing number of smart-TVs.

The Internet advertising market is characterised by dynamic growth. According to the IAB AdEx report, online advertising expenditures increased at a rate of 7.2% in 2014 compared to 2013, while expenditures on the video advertising segment, in which we generate our revenue, increased by 16% during this period and represented 7.5% of the total expenditures on online advertising. According to PwC forecasts (Global entertainment and media outlook: 2014-2018) the online video advertising in Poland will grow by an average 45,1% (CAGR) in the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

years 2013-2018. We believe that thanks to the leading position on the online video market (through IPLA internet television) we may benefit from the growth of this promising advertising market segment.

(iv) Growing importance of thematic channels

With the high penetration of the Polish market by pay TV, that provides viewers with increasingly greater selection of thematic channels, as well as a broader offer of channels available via digital terrestrial television (DTT), main general entertainment channels (FTA) have experienced a decline in audience share. What is more, Starlink data suggests that the advertising market share of thematic stations and channels broadcast via terrestrial television multiplexes is consistently growing. In order to maintain total audience share and advertising market share, we have focused on developing our thematic channels portfolio.

(v) Fixed-mobile substitution and growth of mobile broadband Internet saturation

Substituting fixed services with their mobile counterparts is the universal trend on the telecommunications market. Number of fixed lines and revenues generated by fixed line operators have been gradually decreasing along with the growing penetration of mobile services. This phenomenon have been visible in the voice services area, but currently the fixed-mobile substitution is already visible in the area of broadband Internet access.

In Poland the fixed-mobile substitution has a larger scale than in most of the EU countries. Based on the UKE data, in 2013 the volume of voice traffic in fixed networks – which amounted to 11.5 billion minutes, was already 6.5 times lower than the voice traffic volume in mobile networks – which amounted to 75.5 billion minutes.

At the same time the availability of fixed-line broadband services is limited mainly to urban areas. Outside urban areas, high-quality fixed-line broadband services are offered only to a limited extent, which is due to historical underinvestment resulting from the high cost of build-out of local loops.

High preference of Poles for mobile technology combined with improving quality of mobile data transmission as a result of implementation of the LTE/HSPA+ technology in our opinion create the opportunity for dynamic growth of the value of broadband Internet market in Poland in the next years, which we intend to utilise.

(vi) Growing demand for smartphones and data transmission

Popularity and sales of smartphones in Poland has been gradually growing. In Q1 2015 85% of handsets sold by us to our telecommunications service customers were smartphones and this share is systematically growing. At the same time, we estimate that at the end of March 2015 ca. 47% of phones used by our customers were smartphones. This disproportion shows that the smartphones' penetration among our mobile services customers will grow consistently in the next years.

Popularization of smartphones translates into growing sales of data transmission products in the segment of small screen devices. According to data presented in the Ericsson Mobility Report dated November 2014, the volume of transmitted data will increase 9 times in the years 2014-2020. We offer data transmission mainly under primary subscriptions and additional data packs. Customers who do not purchase a recurring data pack may use the data transmission in the so-called 'pay-as-you-go' model (i.e. charged per every MB used).

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

We expect that the growing popularity and technological advancement of smartphones offered by manufacturers, combined with improving quality parameters of data transmission services provided in our mobile network and constantly extending offer of application and contents available for customers resulted in the growing demand for data transmission services.

(vii) Seasonality of advertising market

Our advertising revenue tends to be lowest during the third quarter of each calendar year due to the summer holiday period and highest during the fourth quarter of each calendar year due to the increased consumer spending during the Christmas season. In the year ended December 31, 2014, TV Polsat Group generated approximately 21.6% of advertising revenue in the first quarter, 28.0% in the second quarter, 20.7% in the third quarter and 29.7% in the fourth quarter.

(viii) Seasonality of the telecommunications market

Although our telecommunications business is not subject to significant seasonal effects, revenue from mobile telephony tends to increase during the summer period due to increased usage of roaming services by customers travelling abroad. In the first quarter of the year revenue from mobile telephony tends to be slightly lower compared to other quarters as a result of the fewer number of calendar and business days in February.

The December holiday period also has an impact on the costs level as a result of the seasonal growth in customer contract acquisition and retention transactions as well as an increase in our sales and marketing efforts resulting in higher costs of goods sold and external services costs.

Factors related to the operations of the Group

(i) The growing importance of integrated services

Growing interest in integrated services, observed among our customers base, provides us with a possibility to generate growth of average revenue per user. We carefully follow the evolution of expectations of our customers and strive to meet their growing needs by combining our pay-TV, broadband Internet access and mobile television services into attractive packages.

In this context, the acquisition of Polkomtel, one of the leading mobile operators on the Polish market, is significant. Together with Polkomtel we create a unique portfolio of products which are simultaneously targeted at customers of both operators. Our programmes smartDOM (addressed to individual customers) and smartFIRMA (addressed to business customers) allow our customers to combine in a flexible way products into packages, on which we offer attractive discounts. The programme smartDOM, launched in mid-February 2014, yields excellent sales results. The possibility to sell additional products and services (cross-selling) to current customers of Cyfrowy Polsat and Plus network has a positive impact both on our revenue and the level of ARPU per contract client.

We strive to meet the needs of our customers by offering to every basic service a broad range of complementary services. We combine our traditional pay TV services with VOD, PPV, Multiroom, online video services and mobile television. For Internet access and mobile telephony services we offer the so-called VAS, that is value added services including, among others, infotainment, location-based, financial and insurance services.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Proper utilization of the potential in the area of provision to our customers of integrated and value added services, both through up-selling of single products and value added services as well as through the sale of integrated offers, among others under the smartDOM program, may significantly increase the number of services per individual customer, thus increasing the average revenue per user (ARPU).

(ii) Providing Internet access services in LTE technology

We provide broadband Internet access services in numerous available mobile technologies, including mainly HSPA/HSPA+ and the latest LTE technology. LTE Internet is considered to be the future of mobile broadband Internet and successor of commonly used UMTS standard. Due to its technical characteristics and quality parameters, mobile LTE Internet replaces fixed-line connections and satisfy increasingly demanding customers. In addition it has the advantage of mobility, which is more desired by consumers. We strongly believe that over the long term, as the necessary radio infrastructure and LTE-enabled devices develop, the technology will revolutionise not only the broadband Internet market but also content distribution. Broad access to our LTE services constitutes a significant competitive advantage and it will help us to further increase our customer base both of stand-alone and integrated services.

We provide LTE-based wideband Internet access services based, among other things, on the network infrastructure of the Midas Group. On March 3, 2015 the Midas Group announced that on the basis of an agreement concluded with Sferia S.A. it obtained access to a telecommunications network supporting services based on LTE 800 MHz technology. Additionally, the Midas Group invited future providers of 800 MHz band technology to jointly build an LTE 800 network. This included, in particular Hubb Investments sp. z o.o., NetNet sp. z o.o. and P4 sp. z o.o.

According to the agreements concluded between the Midas Group and Polsat Group, if Midas Group companies roll-out services in additional frequencies owned by them or used on the basis of other rights, the Midas Group will expand the scope of data transmission services rendered to the Polsat Group. On March 24, 2015 the Midas Group was the first firm in Poland to launch a commercial LTE 800 network. With the first phase of the LTE 800 network coverage completed and covering over 1000 locations, the fastest mobile Internet access LTE at the end of March 2015 was available to more than 90% of Poles. The Midas Group announced that, considering the optimum coverage of the LTE 800 network, the roll-out of the LTE 800 network may involve the construction and starting up more than 5000 stations.

Launching and continuing the development of the 800 MHz band network will make the fast broad band Internet access available not only to the denizens of large cities but also to those in rural areas. With the development of the LTE 800 network we can expect the growth in the number of customers to our service, that translates to growth in revenue from telecommunications services.

(iii) New terms of provision of data transmission services

We provide telecommunications services in LTE/HSPA+ technologies, data transmission in particular, based on the network infrastructure of Midas Group. On March 3, 2015, we concluded memoranda of understanding with Midas Group (see section 4.12.2. "Agreements related to cooperation with LTE Group") determining new terms of cooperation between the Group and Polkomteltel in the scope of telecommunications services related to data transmission. In particular, a new, lower unit price of PLN 2.40 net per 1 GB was established, which will be

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

applied to both newly ordered data packages as well as unused data packages already partially paid for under previous orders. Concurrently, we placed an order with Mobyland for the purchase of a data package of ca. 1.6 billion GB, that will cover our mid-term demand for data transmission capacity.

The new terms of cooperation between Polsat Group and Midas Group constitute an important element of the implementation of our strategy to provide our customers with multi-play services, a significant component of which is LTE Internet access. The commercial success of the integrated services programme smartDOM and unlimited access to LTE Internet services triggered the dynamic growth rate of the number of users of mobile Internet services offered by Polsat Group, which translates into growing costs of data transmission services. In our opinion, the data package purchased from Midas Group meets our business needs over the medium term, while a lower unit price per 1 GB of data transmission allows to present a more attractive offer to customers, which may help to maintain a high dynamic of customer acquisition or improve margins generated from services in the future. At the same time, a significantly lower unit price will contribute to better control of incurred data transmission costs given the growing volume of used data in the coming quarters, which will be reflected in the Group's financial results.

(iv) Development of IPLA

IPLA, being the leader on online video market, strengthens our position as aggregator and distributor of content and ensures an important competitive advantage. We continue to develop the service using our experience in sales of pay TV. Developing IPLA is a source of synergies in terms of costs and revenues. Costs synergies come from jointly executed content acquisition and investments in technology development, marketing activities, use of the same infrastructure as well as optimised use of back-office resources. Revenues synergies come from cross-selling and from increased attractiveness of current and new products introduced, that positively impact the customers' satisfaction level.

Mobile video traffic is the fastest growing segment of global mobile data traffic. According to estimates presented in Ericsson Mobility Report dated November 2014, mobile video traffic is expected to grow at an average annual rate of 45% between 2014 and 2020. Bearing this in mind, we believe that IPLA online television will make an increasingly significant element of our business in the future.

(v) Integration of Cyfrowy Polsat and Polkomtel

The incorporation of Polkomtel in Polsat Group provides new opportunities for distribution of TV content, as well as for further development of telecommunications services. Thanks to this combination, the attractive content and the wide range of our services will be delivered through a variety of reliable distribution channels – via satellite (DTH), within digital terrestrial television (DVB-T), through mobile technologies: 2G, 3G and LTE – to all consumer devices, from TV sets and PCs to tablets and smartphones.

The unique portfolio of services is simultaneously targeted to customers of Cyfrowy Polsat and Polkomtel. Proper addressing of this potential may significantly boost sales of additional services to an individual user, thus increasing the average revenue per customer (ARPU).

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

(vi) Attractive content of our TV channels

We offer the biggest and most versatile portfolio of TV channels on the Polish market which ensures for us the leading position in terms of audience among private television groups in Poland, which translates into our share in the advertising market. Our direct production covers mainly news programmes, documentaries, shows and series based on international formats as well as solely created concepts. Moreover, we have contracts with major film studios, such as Sony Pictures Television International, Sony Pictures Entertainment Inc., 20th Century Fox International Television, Inc., The Walt Disney Company, Warner Bros International TV Distribution or Monolith Films Sp. z o.o., which provide access to a wide selection of the most attractive films and series. We also offer a wide selection of sports transmissions, including UEFA European Championships 2016 qualifying stage, UEFA Euro 2016 final tournament, FIFA World Championships 2018 qualifying stage, European volleyball and handball championships, boxing and mixed martial arts events, World Rally Championships, Formula 1 races, Wimbledon and many others. We believe that attractive content, including content which is not available in the offer of other pay-TV operators is a significant competitive advantage over other pay-TV operators in Poland.

Factors related to the regulatory environment

(i) International roaming in mobile networks

International roaming rates in the EU are regulated by the Regulation of the European Parliament and the Council of the European Union. The Regulation covers retail and wholesale charges for voice (outbound and inbound calls), SMS, MMS and data roaming services, by determining average wholesale rates and maximum retail charges for the services. Starting from July 1, 2014, the Regulation led to a further reduction of rates applied by the operators within the EU, as specified in the table below.

	Maximum retail prices (excluding VAT)		Average wholesale prices (settlements between operators)	
	from July 1, 2013 to June 30, 2014	from July 1, 2014	from July 1, 2013 to June 30, 2014	from July 1, 2014
Data transmission (1 MB)	45 euro cents	20 euro cents	15 euro cents	8 euro cents
Outbound voice calls (minute)	24 euro cents	19 euro cents	10 euro cents	5 euro cents
Inbound voice calls (minute)	7 euro cents	5 euro cents	10 euro cents	5 euro cents
SMS (1 SMS)	8 euro cents	6 euro cents	2 euro cents	2 euro cents

Under the proposal of the Telecommunications Single Market Regulation, the possibility of complete elimination of roaming charges within EU starting at the break of 2015 and 2016 is debated. As at the date of publication this Offering Memorandum there are no detailed guidelines regarding this proposal.

(ii) Reservation of frequencies

The national strategy for frequency allocation is prepared by the President of UKE, taking into account national and social needs as well as international agreements. As a rule, frequency reservation for provision of telecommunications services is granted based on the application and, whenever there are more interested parties than available frequency resources, licenses are awarded by way of a tender or auction procedure.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

A frequency license may be amended or withdrawn if, among other things, the licensed entity does not fulfil its commitments under the license, alters use of the frequency band, or fails to utilise the frequency band within six months of the date of allocation or for any continuous six month period.

A frequency license is awarded for a specified term and the telecommunications operators may apply, 12 to 6 months before the expiry of the frequency license, for renewal of the frequency allocation for a further period. The President of UKE, acting in consultation with the President of UOKiK, may decide to refuse to extend frequency allocation if revocation of the frequency allocation follows from the necessity to ensure equal and effective competition or substantially better use of frequencies, especially if the extension of the allocation would lead to excessive frequency concentration at a single entity or within a single group. Pursuant to the law, the extension of the license requires a one-time payment on behalf of the national treasury.

As a result of switching off analogue television in 2013, certain frequency resources have become available under the so-called Digital Dividend. An announcement about the auction for the reservation of frequencies in 800 MHz and 2600 MHz bands was published on December, 30, 2013. On February 11, 2014 the President of UKE decided to cancel the auction, and on April 4, 2014 announced the next stage of consultations regarding a new auction for the reservation of the aforementioned frequency. Following the publication of opinions of interested parties, on October 10, 2014 the President of UKE once again announced the auction on 5 blocks in the 800 MHz band and 14 blocks in the 2600 MHz band. The opening bid for one block in the 800 MHz band is set at PLN 250 million and for one in the 2600 MHz band – at PLN 25 million. The auction documentation determines, inter alia, detailed conditions of conducting the auction, limitations regarding joining frequency blocks by entities, who receive frequency allocations through the auction and conditions of use of allocated frequencies. Six entities submitted initial bids: Orange, P4, Hubb Investments sp. z o.o., T-Mobile, Polkomtel and NetNet sp. z o.o., all of which qualified to the second stage of the auction. The auction began on February 10, 2015 and as at the date of this Offering Memorandum had not ended.

On March 10, 2015 Polkomtel, a direct subsidiary of Cyfrowy Polsat, took the decision to discontinue its participation in active bidding for spectrum blocks from the 800 MHz band and switched to the so-called passive approach.

At the same time the Management Board of Cyfrowy Polsat learned from a current report published by Midas on March 3, 2015 that cooperation agreements had been concluded by and between Aero2 and Mobyland, on the one hand, and Sferia S.A., on the other, by virtue of which Midas Group intends to roll out the LTE 800 network.

In accordance with Cyfrowy Polsat's current report No. 7/2015, dated March 3, 2015, the launching by Mobyland of services with the use of further frequencies to which it will acquire the right will result in Mobyland expanding the scope of data transmission services provided to Polkomtel.

Based on the information provided by Midas, the first 1200 LTE 800 base stations were planned to be put on-air in a matter of weeks, thanks to which by the end of March over 90% of Poland's population were within the coverage footprint of Midas's LTE network.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Financial factors

(i) Exchange rates fluctuations

Zloty (PLN) is our functional and reporting currency. Our revenue is primarily denominated in PLN, whereas a portion of our expenses, capital expenditures and debt service costs is denominated in foreign currencies, in particular USD and EUR.

Foreign exchange rate fluctuations have historically affected the level of our operating costs, finance costs, as well as the profit or loss on investing activities, and are expected to do so in the future. In particular, our exposure to foreign exchange rate fluctuations stems from our foreign currency payments for (i) licensing fees paid to TV broadcasters, (ii) signal transmission-related charges, (iii) access to the offering of leading film and TV studios, and of other programming suppliers and producers, including sports federations; (iv) set-top box parts, and other hardware and software; (v) transponder capacity lease; (vi) telecommunications equipment for mobile telephony customers; (vii) UMTS license fees; (viii) telecommunications network equipment; (ix) selected leases of land for telecommunications network sites; (x) selected office building lease agreements; (xi) international roaming and interconnect agreements; and (xii) other trade obligations.

In addition, we may be exposed to currency risk in relation to the PLK Senior Notes, multi-currency Revolving Loan Facility and multi-currency PLK Revolving Loan Facility, since movements in the exchange rate of the euro, dollar or any other currency provided for in the PLK Senior Notes Indentures, Senior Facilities Agreement or PLK Senior Facilities Agreement against the zloty may increase the amounts expressed in Polish zloty required to service principal and interest payments under the PLK Senior Notes, Revolving Loan Facility or PLK Revolving Loan Facility.

We have no control over how exchange rates will change in the future, and consequently foreign exchange rate fluctuations will continue to affect (positively or negatively) our operations and financial results. Considering our open exposure to the currency exchange risk, the Group has in place a market risk management policy and uses, inter alia, natural hedging and hedging transactions.

(ii) Consolidation of Metelem Group and the Group's debt service costs

In consequence of the transaction of acquisition of shares in Metelem, the company and its capital group is consolidated within the consolidated financial statements of Cyfrowy Polsat Group from May 7, 2014.

The obligation to service substantial debt of group Metelem, in particular the debt under the PLK Senior Facilities Agreement and PLK Senior Notes, will increase financial costs incurred by us related to capital and interest payments, and therefore it will have a material effect on the level of net profit generated by our Group.

Additionally, in order to refinance the debt under the Term Loan related to the acquisition of Telewizja Polsat and Senior Notes, both incurred in 2011, Cyfrowy Polsat concluded in April 2014 a new Term Loan maturing in 2019. In consequence we will continue to incur interest costs on debt financing.

The Term Loan and PLK Term Loans have a built-in mechanism of bank margin reduction parallel to the decrease in the net debt to EBITDA ratio defined in both agreements, which means that by generating cash from

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

operating and investing activities and by maintaining a high level of EBITDA. we are able to decrease interest costs and payments.

Furthermore, the Term Loan and PLK Term Loans are based on a floating market interest rate, therefore fluctuations of interest rates in Poland will have an effect on value of current debt costs related to those loans.

The Group has embarked on preliminary analytical efforts to examine the viability and potential terms of refinancing the Group's existing indebtedness totalling to PLN 13 billion. Such refinancing could cover both the existing banking facilities and other debt instruments of the Group companies, which could have positive impact amounting to, among other things:

- a reduction of interest expenses, e.g. through replacing the Senior Notes PLK with a debt bearing costs that would reflect the present market terms, which could bring about substantial interests savings' and
- improved flexibility resulting from lifting fund transfer limitations between the Metelem Group and other Polsat Group companies which could improve the effectiveness of liquidity management in the Group and contribute to even better integration of Cyfrowy Polsat and Polkomtel.

(iii) Information concerning market trends

The main trends which we believe to be likely to have a material impact on the Group's development prospects, revenue and profitability before the end of the current financial year include:

- dynamic development of non-linear video content, distributed via VOD and OTT services;
- increasing sales of smart-TVs - television sets with integrated Internet access;
- development of the programming offer of digital terrestrial TV;
- bundling of television and telecommunications services;
- development of the data transmission market, both in the fixed-line and mobile segments, reflected in the number of users of data transmission services;
- gradual growth in smartphone penetration among mobile network users;
- growing demand for data transmission and high-speed broadband connectivity, driven by the growing sophistication of data transmission-based services;
- growing number of mobile customers and users, driven by, inter alia, gradual fixed-to-mobile substitution, and the growing popularity of machine-to-machine solutions;
- pressure on revenue from traditional mobile telecommunications services caused by the intensifying competition on the mobile services market, and by traditional mobile telecommunications services being driven out by data transmission communication;

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- pressure on revenue from roaming services, resulting from a potential next stage of regulation of roaming charges.
- revival on the TV advertising market;
- further fragmentation of the television market (growing share of thematic channels in audience and advertising revenue); and
- growing spending on video advertising on the Internet.

4.9. Events after the balance sheet date

Purchase of Teleaudio Dwa and Interphone Service

On April 1, 2015 we acquired 100% shares in Orsen Holdings Ltd., indirectly controlling 100% of shares in the companies: Teleaudio Dwa sp. z o.o., S.K.A. and Interphone Service sp. z o.o. for the total value of PLN 35 million.

Teleaudio Dwa is a leading company in the telecommunications and IT industry, specialising in the provision of premium rate services based on SMS/IVR/MMS/WAP technologies. The company's operations are based on a proprietary, modern and systematically developed IT platform dedicated to supporting even the most advanced projects. Teleaudio Dwa is one of the leading providers of value added services in Poland. Thanks to Teleaudio Dwa we will be able to develop modern sales and customer service channels which will meet the expectations of our customers, thus increasing the competitiveness of our Group and customer satisfaction regarding services provided by us.

Interphone Service is a factory equipped with modern machinery which produces telecommunications equipment designed for data transmission, also in the LTE technology, as well as low-line electronic equipment, such as set-top boxes. It is located in the Special Economic Zone EURO-PARK MIELEC. The purchase of the factory will allow us to improve the efficiency of our set-top box production process, lower production costs and develop new production lines.

Early prepayment of a part of the PLK term loan

On 3 April 2015 Polkomtel submitted an instruction to for initiating the procedure of early prepayment of a part of the term loan in the amount of PLN 600 million to the facilities agreement agent. The prepayment, along with the allocation to individual credit tranches, is to be effected on April 13, 2015.

Additionally, on May 15, 2015 Polkomtel prepaid part of the PLK Term Loan in an amount of PLN 30 million.

Admission of series J shares to trading

In the Resolution No. 337/2015 of April 13, 2015 the Management Board of the Warsaw Stock Exchange introduced, in the ordinary regime, with effect as of April 20, 2015, 243,932,490 series J ordinary bearer shares of Cyfrowy Polsat, bearing code PLCFRPT00021 assigned by the National Depository for Securities, to trading on the main market. Additionally, in the Resolution No. 233/15 of April 16, 2015 the Management Board of the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

National Depository for Securities effected, as of April 20, 2015, an assimilation of 243,932,490 series J ordinary bearer shares of Cyfrowy Polsat, bearing code PLCFRPT00021 with 216,196,025 shares of Cyfrowy Polsat bearing code PLCFRPT00013. The shares so assimilated bear the code PLCFRPT00013.

The series J shares were introduced to trading on the WSE in relation to equalizing the rights attached to series J shares with the rights attached to the shares of Cyfrowy Polsat introduced to trading on the WSE on April 2, 2015 as a result of the resolution adopted by the Annual General Meeting of Cyfrowy Polsat on the appropriation of 2014 profits. The free float of Cyfrowy Polsat on the regulated market is now 460,128,515 ordinary bearer shares.

Decision to merge Cyfrowy Polsat and Redefine

On April 14, 2015 the Management Board of Cyfrowy Polsat adopted a decision to merge Cyfrowy Polsat with Redefine, a company being a wholly owned subsidiary of Cyfrowy Polsat, and approved the relevant merger plan. The merger will be effected by way of transferring to Cyfrowy Polsat – as the sole shareholder – of all property of Redefine and winding-up Redefine without conducting liquidation proceedings.

As a result of the merger Cyfrowy Polsat will assume all rights and obligations of Redefine. Since Cyfrowy Polsat holds all shares in the share capital of Redefine, the merger will be effected without increasing the share capital of Cyfrowy Polsat. The purpose of the contemplated merger of Cyfrowy Polsat and Redefine is to optimise the costs and streamline the organisational structure of the Group, in line with our long-term strategy. Details concerning the merger are described in the Merger Plan approved on April 14, 2015 and published on the web sites of Cyfrowy Polsat and Redefine.

Transfer of IP rights and issuance of intra-group notes

On April 30, 2015 Polsat Group companies Plus TM Group S.K.A. and Plus TM Management entered into an IT rights sale agreement. According to this agreement, Plus TM Group S.K.A. sold to Plus TM Management certain rights to and in trademarks and industrial designs with a total value of PLN 1,150 million.

Furthermore, on April 30, 2015 Plus TM Management issued to Plus TM Group S.K.A., and Plus TM Group S.K.A. acquired 59 registered notes with a total value of PLN 1,150 million, maturing on December 31, 2025, including:

- 15 registered notes of series 1/2015 with a nominal value of PLN 50 million each and the total nominal value of PLN 750 million;
- 14 registered notes of series 2/2015 with a nominal value of PLN 20 million each and the total nominal value of PLN 280 million;
- 10 registered notes of series 3/2015 with a nominal value of PLN 10 million each and the total nominal value of PLN 100 million; and
- 20 registered notes of series 4/2015 with a nominal value of PLN 1.0 million each and the total nominal value of PLN 20.0 million.

The proceeds from this issue were used by Plus TM Management to pay the price for the acquisition of these IP rights paid to Plus TM Group S.K.A.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

At the same time, in relation to the PLK Facilities Agreement of June 17, 2012 and the Senior Notes PLK Agreement of January 26, 2013, on April 30, 2015 Plus TM Group S.K.A. entered into the Bonds Pledge Agreement with Citicorp Trustee Company Limited, wherein it established in favour of Citicorp, as the security agent for the PLK Facilities Agreement, a pledge on the said 59 unsecured notes with the total value of PLN 1,150 million.

Requests for joint use of the network placed by the Midas Group with Polkomtel

On the basis of the Shared Network Operation Agreement (as described in Section 4.12 "Description of major agreements"), on April 22, 2015 Polkomtel accepted two requests for SITE-type services and SITE transmission services from Aero2, to be provided by Polkomtel to Aero2. SITE-type services include leasing surface area on base stations to the other party for the purpose of installing broadcasting and receiving equipment, in particular one supporting LTE or HSPA+ technologies. The SITE transmission services include transmission of the requesting party from the base station to its own core network.

4.10. Basic financial information

The table below presents the basic financial information – the data in the table are in PLN millions.

	March 31, 2015	December 31, 2014	December 31, 2013
Consolidated Balance Sheet			
Cash and cash equivalents *	1,534.3	1,747.9	342.2
Assets	27,088.9	27,381.2	5,676.2
Non-current liabilities	13,627.2	14,072.4	1,700.2
Current liabilities	4,149.8	4,167.2	974.8
Equity	9,311.9	9,141.6	3,001.2
Share capital	1,534.3	25.6	13.9

* - the balance includes cash and cash equivalents as well as restricted cash.

	For the 3-month period ended		For the 12-month period ended	
	March 31, 2015	March 31, 2014	December 31, 2014	December 31, 2013
Consolidated cash flow statement				
Net cash from operating activities	417.7	169.2	1,973.9	802.7
Net cash from/(used in) investing activities	(208.2)	(36.6)	972.8	(133.8)
Net cash used in financing activities	(467.4)	(46.6)	(1,542.9)	(596.5)
Net change of cash and cash equivalents	(257.9)	86.0	1,403.8	72.4

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

4.11. Analysis of financial liabilities

4.11.1. Debt structure and value as at March 31, 2015

The balance sheet values presented below have been taken from the Group's consolidated financial statements for the 3-month period ended March 31, 2015.

	Balance value as at December 31, 2014 [mPLN]	Nominal value as at December 31, 2014 [mPLN]
CP Term Loan Facility (PLN)	2.237,7	2.273,0
CP Revolving Loan Facility	50,0	50,0
PLK Term Loan – Tranche A (PLN)	1.937,7	1.944,3
PLK Term Loan – Tranche B (PLN)	3.077,7	3.095,6
PLK Term Loan – Tranche C (PLN)	1.598,7	1.610,1
PLK Revolving Loan Facility	0,0	0,0
PLK Senior Notes (EUR) ¹	2.660,1	2.218,3
PLK Senior Notes (USD) ²	2.272,4	1.906,3
Total	13.834,3	13.097,6

- 1) Equivalent of the nominal value of EUR 542.5m, converted at the average PLN/EUR foreign exchange rate of the Polish National Bank of 4.0890 as at March 31, 2015. Balance value estimated to fair value at the moment of the purchase of Metelem.
- 2) Equivalent of the nominal value of USD 500m, converted at the average PLN/USD foreign exchange rate of the Polish National Bank of 3.8125 as at March 31, 2015. Balance value estimated to fair value at the moment of the purchase of Metelem.

4.11.2. Debt analysis

A description of major agreements related to the debt of the Group's companies is found in section 4.12 "Description of major agreements".

4.11.3. Due dates

	Nominal value as at March 31, 2015 [mPLN]	2015	2016	2017	2018	2019	2020
CP Term Loan Facility (PLN)	2.273,0	323,0	440,0	520,0	640,0	350,0	-
CP Revolving Loan Facility	50,0						
PLK Term Loan – Tranche A (PLN) ¹	1.944,3	501,3	849,1	593,9	-	-	-
PLK Term Loan – Tranche B (PLN) ¹	3.095,6	-	-	-	3.095,6	-	-
PLK Term Loan – Tranche C (PLN) ¹	1.610,1	-	-	-	-	1.610,1	-
PLK Revolving Loan Facility	0,0						

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	Nominal value as at March 31, 2015	2015	2016	2017	2018	2019	2020
	[mPLN]						
PLK Senior Notes (EUR) ²	2.218,3	-	-	-	-	-	2.218,3
PLK Senior Notes (USD) ³	1.906,3	-	-	-	-	-	1.906,3
Total	13.097,6	824,3	1.289,1	1.113,9	3.735,6	1.960,1	4.124,6

- 1) Following the balance sheet date, on April 13, 2015 Polkomtel voluntarily prepaid the PLN Term Loan in an amount of PLN 50,600 million and on February 27, 2015 it once again repaid a principal amount of PLN 50 million; on May 15, 2015 Polkomtel made another prepayment of PLN 30 million.
- 2) Equivalent of the nominal value of EUR 542.5m, converted at the average PLN/EUR foreign exchange rate of the Polish National Bank of 4.0890 as at March 31, 2015. Balance value estimated to fair value at the moment of the purchase of Metelem.
- 3) Equivalent of the nominal value of USD 500m, converted at the average PLN/USD foreign exchange rate of the Polish National Bank of 3.8125 as at March 31, 2015. Balance value estimated to fair value at the moment of the purchase of Metelem.

4.11.4. Securities granted

The description of major securities granted by the Group's companies is found in section 4.12 "Description of major agreements".

4.11.5. Debt amount and debt servicing ratios

Pursuant to the Senior Facility Agreement, the Group, excluding Metelem Group, should maintain financial ratios at specified levels. The debt service cover for the period of the last 12 months should be at least 1.20:1. The interest cover for the period of the last 12 months should be at least 2.00:1. Total leverage for the period of the last 12 months should not exceed 4.00:1. The total secured leverage for the period of the last 12 months should not exceed 3.20:1. The financial ratios are analysed quarterly.

Pursuant to the PLK Senior Facilities Agreement, Metelem Group should maintain financial ratios at specified levels. The debt service cover for the period of the last 12 months should be at least 1.20:1. The interest cover for the period of the last 12 months ended March 31, 2015 should be at least 2.35:1. Total leverage for the period of the last 12 months ended March 31, 2015 should not exceed 4.00:1. The financial ratios are analysed quarterly.

4.11.6. Contractual obligations

Commitments to purchase programming assets

As at March 31, 2015 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments – the values are presented in PLN million:

	March 31, 2015 (unaudited)	December 31, 2014
within one year	159.9	117.0
between 1 to 5 years	123.2	104.4
Total	283.1	221.4

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements – the values are presented in PLN million:

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	March 31, 2015 (unaudited)	December 31, 2014
within one year	15,1	13,6
Total	15,1	13,6

Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements on the production and purchasing of property, plant and equipment was PLN 112.8 million as at March 31, 2015 (PLN 203.7 million as at December 31, 2014). Total amount of contractual liabilities resulting from agreements for the purchases of intangible assets as at December 31, 2014 was PLN 31.2 million (PLN 72.1 million as at December 31, 2014).

4.12. Description of major agreements

Below is a summary of contracts concluded by the companies from the Group which are material to the Group's operations, or which could result in any Group member being under an obligation or entitlement that may be material to the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

The above mentioned agreements have been divided into three groups: (i) financing agreements; (ii) agreements related to cooperation with the LTE Group; and (iii) other agreements

4.12.1. Financing agreements

Facilities agreement concluded by Cyfrowy Polsat

The agreements described below have been concluded, inter alia, in connection with refinancing of the debt incurred for the purpose of Cyfrowy Polsat's acquisition of shares representing 100% of the share capital of TV Polsat. The funds have been also used to repay the debt under the PIK Notes. The Senior Facilities Agreement also provides for the possibility of using the funds to finance acquisitions and other payments.

(i) Senior Facilities Agreement

On April 11, 2014 Cyfrowy Polsat, acting as the borrower, together with Telewizja Polsat, Cyfrowy Polsat Trade Marks, Polsat License Ltd. and Polsat Media Biuro Reklamy entered into a Senior Facilities Agreement with a syndicate of Polish and foreign banks.

The Senior Facilities Agreement envisages granting a Term Loan Facility to Cyfrowy Polsat up to the maximum amount of PLN 2,500.0 million and a multicurrency Revolving Loan Facility up to the maximum amount of the equivalent of PLN 500.0 million.

The Term Loan Facility bears interest at a variable rate being the sum of the WIBOR rate for an appropriate interest period and the applicable margin, whereas the Revolving Loan Facility bears interest at a variable rate being the sum of, depending on currency of the debt, the WIBOR, EURIBOR or LIBOR rate for the appropriate interest period and the applicable margin. The margin on the Term Loan Facility and the Revolving Loan Facility will depend on the level of the 'total leverage' ratio in such way that the lower it is, the lower the margin. The Term Loan Facility is repaid in quarterly instalments of variable amounts, starting on June 30, 2014, with the final debt

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

repayment date being April 11, 2019. The final date for the repayment of the full amount of the Revolving Loan Facility will also be April 11, 2019.

The Group repaid the Revolving Loan Facility: on January 30, 2015 it repaid a principal amount of PLN 50 million and on February 27, 2015 another PLN 50 million of principal. The Group also repaid interest. The indebtedness has been repaid using own proceeds generated in the Groups' business. Additionally, on March 30, 2015 the Group contracted a revolving loan of PLN 50 million.

As at the Date of the Offering Memorandum the Groups' indebtedness under the Revolving Loan is PLN 50 million.

The Term Loan Facility and the Revolving Loan Facility were used by the Company in particular:

- to repay the whole indebtedness arising from or referred to in the following documents: (i) the senior facilities agreement of March 31, 2011, as amended, entered into between Cyfrowy Polsat (as the borrower) and certain financing parties; and (ii) the Indenture of May 20, 2011 concerning the issuance of debt securities and relating to Senior Secured Notes;
- to repay the whole indebtedness arising from or referred to in the PIK Notes Indenture; and
- for the purpose of financing the current operations of the Group.

The Senior Facilities Agreement provides for, inter alia, the possibility of financing of acquisitions and other distributions permitted under the Senior Facilities Agreement.

In order to limit the interest rate exposure risk associated with the Senior Facilities Agreement, on July 31, 2014 and August 1, 2014 Cyfrowy Polsat carried out an IRS (Interest Rate Swap) transaction which consisted in the conversion of payments based on a WIBOR 3M floating interest rate to a fixed interest rate in the average amount of 2.50%. The transactions were concluded with the following banks - ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Société Générale Spółka Akcyjna, Branch in Poland, Bank Zachodni WBK S.A., BNP Paribas SA and Bank Polska Kasa Opieki SA. The IRS transactions were concluded for the period from September 30, 2014 to December 31, 2016 and they hedge the total nominal value of the loan of PLN 1,136.5 million.

Under the terms of the Senior Facilities Agreement, if the total leverage ratio stays below the threshold defined in the agreement, Cyfrowy Polsat will have the right to contract additional facilities. Terms of such additional facilities will be determined each time in an additional facility accession deed executed to contract such facility, but the repayment date of the additional facility may not be shorter than six months from the final repayment of the Term Loan Facility and the Revolving Loan Facility.

The sale of all or a substantial part of the Group companies or the Group's assets will also accelerate the existing debt.

The Senior Facilities Agreement is governed by English law, and any disputes arising in connection with the agreement are to be resolved within the exclusive jurisdiction of English courts. The jurisdiction clause has been

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

reserved for the benefit of the creditors and hence they are entitled to initiate proceedings before any court having jurisdiction over a given matter.

(ii) Intercreditor Agreement

On April 11, 2014, Cyfrowy Polsat, Telewizja Polsat, Cyfrowy Polsat Trade Marks, Polsat License Ltd. and Polsat Media executed an Intercreditor Agreement with a syndicate of Polish and foreign banks, including: ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Société Générale Corporate and Investment Banking and UniCredit Bank AG, London Branch, as the security agent (the "**Security Agent**").

The purpose of the agreement is to determine the seniority of claims under the Senior Facilities Agreement (the "**Secured Claims**"), in particular the priority of satisfying such claims if satisfaction is sought from the security established over the Secured Claims.

The above agreement is governed by English law, and any disputes arising in connection with the agreement are to be resolved within the exclusive jurisdiction of English courts. The jurisdiction clause has been reserved for the benefit of the creditors and hence they are entitled to initiate proceedings before any court having jurisdiction over a given matter.

(iii) Securities

As at the date of this Offering Memorandum, in order to secure the repayment of the Secured Claims, the following encumbrances over assets of the Group were established by the Group companies in favour of the Security Agent.

- (i) registered pledges over variable sets of movable property and rights contained in the enterprises of Cyfrowy Polsat, Cyfrowy Polsat Trade Marks, Polsat Media Biuro Reklamy and Telewizja Polsat;
- (ii) financial and registered pledges over shares of Metelem, governed by Cypriot law, as well as over shares of Cyfrowy Polsat Trade Marks and Telewizja Polsat, governed by Polish law, with power of attorney to exercise corporate rights attached to shares in those companies;
- (iii) financial and registered pledges over receivables under bank account agreements of Cyfrowy Polsat, Cyfrowy Polsat Trade Marks, Polsat Media Biuro Reklamy and Telewizja Polsat, governed by Polish law;
- (iv) powers of attorney to bank accounts of Cyfrowy Polsat, Cyfrowy Polsat Trade Marks, Polsat Media Biuro Reklamy and Telewizja Polsat, governed by Polish law;
- (v) ordinary and registered pledges over protective rights on trademarks vested in Polsat Brands (*einfache Gesellschaft*), governed by Polish law;
- (vi) assignment by way of security of property rights in Polsat Media Biuro Reklamy, governed by Polish law;
- (vii) joint contractual mortgage under Polish law on real properties owned by Cyfrowy Polsat;
- (viii) assignment by way of security of receivables under hedging agreements payable to Cyfrowy Polsat, governed by English law;

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- (ix) assignment by way of security of rights under insurance of the assets referred to in item (i) and (vii) above;
- (x) pledge over shares in Polsat Licence Ltd., governed by Swiss law;
- (xi) assignment by way of security of (a) receivables due from various debtors; (b) receivables and rights under bank account agreements; and (c) rights under insurance contracts for the benefit of Polsat License Ltd, governed by Swiss law;
- (xii) assignment by way of security of receivables under the license agreement executed by Polsat Brands (*einfache Gesellschaft*) and Polsat License Ltd., and rights under bank account agreements, governed by Swiss law;
- (xiii) pledge over rights attached to the shares and property rights in Polsat Brands (*einfache Gesellschaft*), governed by Swiss law; and
- (xiv) representations on submission to enforcement under a notarial deed, made by Cyfrowy Polsat, Cyfrowy Polsat Trade Marks, Polsat Media Biuro Reklamy and Telewizja Polsat, governed by Polish law;

Additionally, Cyfrowy Polsat, Cyfrowy Polsat Trade Marks, Polsat Media Biuro Reklamy, Telewizja Polsat and Polsat License Ltd. granted certain guarantees to each party to the Senior Facilities Agreement and other finance documents executed in relation to the Senior Facilities Agreement, governed by English law, with respect to the following:

- timely performance of the obligations under the Senior Facilities Agreement and other finance documents executed in relation to the Senior Facilities Agreement;
- payment of any monies due under the Senior Facilities Agreement and other finance documents executed in relation to the Senior Facilities Agreement; and
- 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.

Financing agreements concluded by Metelem Group companies

The agreements described below were concluded in connection with the acquisition of Polkomtel by Spartan on November 9, 2011 in connection with the performance of the obligations under the preliminary share purchase agreement dated June 30, 2011.

The acquisition of Polkomtel was partly financed from the funds obtained by Metelem Group companies on the basis of the following agreements concluded on June 30, 2011: (i) non-subordinated loan agreement in the amount of PLN 8.273.4 million; and (ii) two bridge facility agreements having the total value of EUR 1,145.0 million. On January 26, 2012 and February 17, 2012 Eileme 2 and Eileme 1 issued, respectively, PLK Senior Notes and PIK Notes while the funds obtained from the notes issue were used in the repayment of the debt on account of the two aforementioned bridge facility agreements.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

On June 17, 2013 the Metelem Group companies concluded a non-subordinated facilities agreement for the purpose of refinancing the non-subordinated facilities agreement dated June 30, 2011. On May 30, 2014 the entire debt under the PIK Notes was repaid with the use of funds coming indirectly from the Senior Facilities Agreement concluded by Cyfrowy Polsat.

Below are descriptions of the agreements which have not expired and are valid as at the date of this Offering Memorandum.

(i) PLK Senior Facilities Agreement

On June 17, 2013 Polkomtel, Eileme 2, Eileme 3, and Eileme 4 executed the PLK Senior Facilities Agreement with a consortium of Polish and international banks and financial institutions, including Bank Polska Kasa Opieki S.A., Bank Zachodni WBK S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Powszechny Zakład Ubezpieczeń S.A.; the agreement was subsequently joined by certain subsidiaries of Polkomtel.

The PLK Senior Facilities Agreement provides for PLK Term Loans A, B and C of up to PLN 2,650.0 million, PLN 3,300.0 million and PLN 1,700.0 million, respectively, as well as the PLK Revolving Loan Facility of up to PLN 300.0 million. The interest rates on the PLK Term Loans and the PLK Revolving Loan Facility are variable rates being the sum of: the WIBOR rate for the respective interest periods (and in the case of the PLK Revolving Loan Facility – also EURIBOR or LIBOR, depending on the currency in which the debt under the revolving facility was contracted) and the applicable margin. Term Loan Facility A should be repaid in varying quarterly instalments, starting on March 31, 2014. Term Loan Facility B and C should be repaid on June 24, 2018 and June 24, 2019, respectively. The final repayment date for Term Loan Facility A and the PLK Revolving Loan Facility is November 30, 2017.

As at the date of this Offering Memorandum, no amounts had been drawn under the PLK Revolving Loan Facility.

The PLK Senior Facilities Agreement provides for a mandatory prepayment of the debt in the amount of: (i) 50%-75% of the funds obtained as a result of the admission of specific companies' shares to trading on a regulated market (if net debt/EBITDA is equal to or greater than 2.25); (ii) 25%-75% of the generated cash flow surplus in a given financial year (if net debt/EBITDA is equal to or greater than 3.0); (iii) certain proceeds from the sale of assets in transactions in excess of PLN 50.0 million for all transactions combined (in a given financial year of Eileme 2); and (iv) certain proceeds from insurance policies.

Furthermore, pursuant to the PLK Senior Facilities Agreement, voluntary repayment of debt under the PLK Senior Notes, if the net debt/EBITDA ratio for the preceding quarter is above 2.25:1, can only proceed concurrently with the repayment of debt under the term facilities, using exclusively the surplus cash flows which have not been allocated to the mandatory debt prepayment. Polkomtel is authorised to make voluntary prepayments in the minimum amount determined in the PLK Senior Facilities Agreement.

On April 13, 2015 and May 15, 2015 Polkomtel made prepayments of part of the PLK Term Loan respectively in the amount of PLN 600 million and PLN 30 million.

The PLK Senior Facilities Agreement imposes restrictions on subsidiaries of Metelem that are parties to the agreement, in respect of: (i) acquiring or subscribing for shares (or other participation units), in particular as part of mergers and acquisitions or joint-venture investments, (ii) selling or encumbering assets, (iii) issuing

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

guarantees or sureties, (iv) advancing loans or other debt instruments, (v) significantly changing the principal business activity, (vi) incurring new debt and issuing shares, and (vii) distributing funds (including the payment of dividend, redemption or repurchase of own shares, other cash transfers, payment of certain debt and interest, payment of remuneration for management or advisory services, prepayments and other payments to related parties); and (viii) repayment of the debt under the PLK Senior Notes and amendments to the terms of the related documents.

In addition, the PLK Senior Facilities Agreement imposes additional obligations on subsidiaries of Metelem, which are parties to the agreement, such as the obligation to hedge interest rate and currency exchange risks in respect of a specific part of the debt under the PLK Senior Facilities Agreement and the PLK Senior Notes issue, the obligation to maintain specific insurance policies, or the obligation to provide intellectual property protection.

Under the PLK Senior Facilities Agreement, a change of control of Polkomtel, understood as a change of control within the meaning of the PLK Senior Notes Indenture, disruption in the continuity of full control between Eileme 1 and Polkomtel, the loss of the holding, under various conditions, of between 30% and 50% of the share capital of Eileme 2, or the overall number of votes at the Eileme 2 shareholders' meeting by Mr. Zygmunt Solorz-Żak (or a person related to him), or acquisition by another entity of a greater share in the share capital, or the overall number of votes at the Eileme 2 shareholders' meeting, will result in the debt under the PLK Senior Facilities Agreement, including the accruing interest, becoming immediately due and payable. The sale of all or a substantial part of Metelem's subsidiaries or assets of Metelem or its subsidiaries will also result in the necessity of immediate repayment of the existing debt.

Metelem and certain of its subsidiaries issued guarantees and established a number of encumbrances over assets belonging to Metelem and certain of its subsidiaries in favour of Citicorp Trustee Company Limited (the "PLK Security Agent") in order to secure the claims under the PLK Senior Facilities Agreement.

The PLK Senior Facilities Agreement is governed by English law, and any disputes arising in connection with the agreement are resolved within the exclusive jurisdiction of English courts. The jurisdiction clause has been reserved for the benefit of the creditors and hence they are entitled to initiate proceedings before any court having jurisdiction over a given matter.

(ii) PLK Senior Notes

On January 26, 2012 Eileme 2, Eileme 3, Eileme 4, Spartan (whose legal successor is Polkomtel), Ortholuck, Citibank, N.A., London Branch, Citibank, N.A., New York Branch, Citigroup Global Markets Deutschland AG, executed the Indenture on the issue of senior notes by Eileme 2 for the total nominal amount of EUR 542.5 million and USD 500.0 million, maturing in 2020, subsequently joined by selected Polkomtel subsidiaries.

On or after January 31, 2016, Eileme 2 may redeem all or a part of the Senior Notes denominated in EUR and/or USD at the redemption price (expressed as percentages of the principal amount) set out below plus accrued and unpaid interest on the notes redeemed on the applicable redemption date, if redeemed during the twelve-month period beginning on January 31 of the years indicated below (subject to the rights of holders of notes on the relevant record date to receive interest on the relevant interest payment date): (i) in 2016 the redemption price is 105.875% for Senior Notes EUR and 105.813% for Senior Notes USD, (ii) in 2017 the redemption price is 102.938% for Senior Notes EUR and 102.906% for Senior Notes USD and (iii) thereafter the redemption price is

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

100.000%. Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the notes (or portions thereof) called for redemption on the applicable redemption date.

Pursuant to the PLK Senior Notes Indenture, the interest on the PLK Senior Notes accrues on the assumption that a year is 360 days, or 12 months of 30 days each. The interest on the PLK Senior Notes is 11.75% (EUR tranche) and 11.625% (USD tranche) per year, paid semi-annually, in arrears, on January 31 and July 31.

To hedge future cash flows on scheduled interest payments under EUR-denominated PLK Senior Notes, Metelem and its subsidiaries executed cross currency interest rate swaps (CIRS) and forward transactions.

The PLK Senior Notes Indenture restricts, inter alia, the right of Eileme 2 (and its subsidiaries covered by the restriction) to: (i) contract additional debt; (ii) make certain reserved payments (e.g. payments in favour of related parties as dividend or for repurchase of their shares); (iii) transfer or sell assets; (iv) execute transactions with related parties; (v) establish certain encumbrances or take actions which could materially and adversely affect the security established in favour of the PLK Senior Notes holders; (vi) impose restrictions on the right to pay dividend, and make other payments by subsidiaries covered by the restriction; (vii) issue guarantees by subsidiaries covered by the restriction; (viii) combine with other entities.

In addition, under the PLK Senior Notes Indenture, additional obligations are binding on Eileme 2 (and its subsidiaries covered by the restriction), inter alia, regarding the maintenance of corporate existence, and maintenance of the PLK Senior Notes listing on the Luxembourg Stock Exchange.

In the event of a change of control (as defined in the agreement), Eileme 2 is required to make a repurchase offer for all PLK Senior Notes on the terms set forth in the PLK Senior Notes Indenture. In the event of a change of control, Eileme 2 will offer cash payment equal to 101% of the total nominal amount of the repurchased PLK Senior Notes, inclusive of interest, due but not paid until the repurchase date, on the repurchased PLK Senior Notes (subject to the rights of the PLK Senior Notes holders, inuring to them at the record date, to receive interest at the relevant interest payment date).

Metelem and certain of its subsidiaries issued guarantees and established a number of encumbrances over their assets in favour of the Security Agent of the PLK Senior Notes Indenture in order to secure the repayment of claims under the PLK Senior Notes Indenture.

The PLK Senior Notes are listed on the Luxembourg Stock Exchange.

The PLK Senior Notes and the PLK Senior Notes Indenture are governed by the law of the state of New York in the United States of America, while any disputes arising in connection with the agreement or the PLK Senior Notes are resolved within the non-exclusive jurisdiction of the courts in Manhattan, New York

(iii) Intercreditor agreement

On June 30, 2011, Metelem, Eileme 1, Eileme 2, Eileme 3, Eileme 4 and Spartan (whose legal successor is Polkomtel) executed an intercreditor agreement with a consortium of Polish and international banks, including: Crédit Agricole CIB, Deutsche Bank AG, London Branch, Société Générale, The Royal Bank of Scotland plc and Citicorp Trustee Company.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The purpose of this agreement is to determine the priority of claims under, inter alia, the PLK Senior Facilities Agreement and the PLK Senior Notes Indenture, and of claims of related parties, in particular the priority of satisfying those claims if satisfaction is sought from the established security.

The agreement is governed by English law, and any disputes arising in connection with the agreement are resolved within the exclusive jurisdiction of English courts. The jurisdiction clause has been reserved for the benefit of the creditors and hence they are entitled to initiate proceedings before any court having jurisdiction over a given matter.

(iv) Securities

As at the date of this Offering Memorandum, the following encumbrances over assets of Metelem and its subsidiaries have been established by Polkomtel and its related parties in favour of the PLK Security Agent, to secure the repayment of debt under the PLK Senior Facilities Agreement and the PLK Senior Notes:

- financial and registered pledges over shares of Polkomtel, Polkomtel Business Development sp. z o.o., Nordisk Polska sp. z o.o., Plus TM Group, Plus TM Management and shares of Liberty Poland S.A., Plus TM Group SKA, New Media Ventures sp. z o.o. and Paszport Korzyści sp. z o.o. governed by Polish law;
- pledges over shares of LTE Holdings, Polkomtel Finance AB (publ), Eileme 2, Eileme 3 and Eileme 4, governed by the laws of the companies' respective jurisdictions;
- registered pledges over variable sets of movable property and rights composing the corporate assets of the following companies: Polkomtel, Plus TM Group SKA, Plus TM Group and Plus TM Management, governed by Polish law;
- registered pledges and civil-law pledges over rights to trademarks owned by Plus TM Management, governed by Polish law;
- financial pledges and registered pledges over receivables under bank account agreements of the following companies: Polkomtel, Eileme 3, Eileme 4, Plus TM Group SKA, Plus TM Group, Plus TM Management, governed by Polish law;
- registered pledges and financial pledges on series 1/2015, 2/2015, 3/2015 oraz 4/2015 notes issued on April 30, 2015 by Plus TM Management and acquired by Plus TM Group SKA;
- pledges over receivables under bank account agreements of the following companies: Eileme 3, Eileme 4, governed by Swedish law;
- financial and registered pledges over Series D and E, as well as Series F Notes (intragroup bonds issued by Metelem subsidiaries defined below), governed by Polish law;
- financial and registered pledges over series 1/2014 notes, issued on July 7, 2014 by Polkomtel in favour of Plus TM Group SKA;

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- pledges and letters of confirmation for pledges over Eileme 2 promissory notes and Eileme 3 promissory notes (intragroup bonds issued by Metelem subsidiaries), governed by Swedish law;
- authorizations to administer bank accounts of the following companies: Polkomtel, Eileme 3, Eileme 4, Plus TM Group SKA, Plus TM Group, Plus TM Management, governed by Polish law;
- assignment by way of security of receivables under insurance contracts payable to Polkomtel, governed by Polish law;
- assignment by way of security of Polkomtel's rights under currency and exchange rate risk hedging agreements, governed by English law;
- assignment by way of security of the rights of Polkomtel and LTE Holdings under the Additional LTE Agreement (agreement concluded on November 9, 2011 between Spartan (whose legal successor is Polkomtel), Ortholuck, Litenite, Eileme Companies and PLK Security Agent), the agreement on the option to purchase 51% of Litenite shares, a pledge over those shares, and a pledge over LTE Holdings shares, governed by English laws;
- assignment by way of security of Plus TM Group rights as the general partner of Plus TM Group SKA, governed by Polish law;
- assignment by way of security of rights under licensing agreements executed by Plus TM Group SKA and Plus TM Management, governed by Polish law;
- assignment by way of security of rights under managerial contracts executed by Plus TM Management, governed by Polish law;
- contractual mortgage over properties owned by Polkomtel, governed by Polish law;
- declarations by Polkomtel, Plus TM Group, Plus TM Group SKA and Plus TM Management on submission to enforcement in respect of the duty to pay, governed by Polish law;
- declarations by Eileme 3 and Plus TM Group SKA on submission to enforcement in respect of the duty to deliver Notes documents, governed by Polish law;
- declarations by Polkomtel on submission to enforcement in respect of the duty to deliver shares of Liberty S.A. and PLUS TM Group SKA, governed by Polish law; and
- guarantees provided by Polkomtel, Eileme 3, Eileme 4, Plus TM Group SKA, Plus TM Group and Plus TM Management under the PLK Senior Facilities Agreement and the PLK Senior Notes Indenture, governed by the respective applicable laws of the financing agreements.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

(v) Intra-group financing

In connection with the raising of funds by companies of Metelem Group to partly finance the acquisition of Polkomtel by Spartan, and then to partly refinance the debt, Metelem Group companies issued the debt instruments listed below, of which the following remain outstanding at the Offering Memorandum date:

- series D and E notes of Spartan (whose legal successor is Polkomtel), with the total nominal amount of EUR 542.5 million and USD 500 million, respectively, acquired by Eileme 3 (the "**Series D and E Notes**"),
- series F notes of Spartan (whose legal successor is Polkomtel), with the total nominal amount of USD 201 million, acquired by Eileme 3 (the "**Series F Notes**"),
- promissory notes, with the total nominal amount of USD 201 million, issued by Eileme 2 and acquired by Eileme 1 (the "**Eileme 2 Promissory Notes**")
- promissory notes, with the total nominal amount of EUR 542.5 million and USD 701 million, issued by Eileme 3 and acquired by Eileme 2 (the "**Eileme 3 Promissory Notes**").

The following intra-group transactions were carried out in connection with transferring the funds obtained under the Senior Facilities Agreement to repayment of the PIK Notes:

- Cyfrowy Polsat acquired shares in the increased share capital of Metelem for the total issue price of EUR 212 million, and
- Metelem acquired promissory notes with a nominal value of USD 283.4 million which were issued by Eileme 1 ("**Eileme 1 Promissory Notes**").

Moreover, Plus TM Group SKA acquired notes with the nominal value of PLN 290 million, issued by Polkomtel and the notes with the nominal value of PLN 1,150 million issued by Plus TM Management.

Series D and E Notes

Series D and E Notes are unsecured registered notes with the total nominal amount of EUR 542.5 million and USD 500 million, respectively, issued in accordance with Polish law. They fall due on January 31, 2020. Holders of Series D and E Notes are free to dispose of them in any way, including sale or pledge. The interest rate on Series D and E Notes is equal to the interest rate on the PLK Senior Notes issued under the indenture of January 26, 2012 plus a margin specified in the indenture. The interest periods for Series D and E Notes are the same as the interest periods for the PLK Senior Notes, denominated, respectively, in EUR and USD. At the issue date of Series D and E Notes, interest was payable semi-annually on January 31, and July 31. The terms of the Series D and E Notes provide an option for Eileme 3 to demand the early repurchase of the Series D and E Notes, if an obligation arises binding upon Eileme 2 to repay a portion of or the entire debt under the PLK Senior Notes denominated, respectively, in EUR and USD.

Series F Notes

Series F Notes are unsecured registered notes with the total nominal amount of USD 201 million, issued in accordance with Polish law. They fall due on August 15, 2020. Holders of Series F Notes are free to dispose of

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

them in any way, including sale or pledge. The interest rate on Series F Notes is equal to the interest rate on the PIK Notes issued under the indenture of February 17, 2012, i.e. 14.25% plus a margin. The interest periods for Series F Notes are semi-annual and are the same as the interest periods for the PIK Notes. At the issue date of Series F Notes, interest was payable semi-annually on February 15, and August 15. The terms of the Series F Notes also provide for interest compounding if, under the PIK Notes Indenture, interest accrued on the debt under the PIK Notes is compounded. Then, upon notice by the issuer of the Series F Notes, interest for a given interest period will not be payable at the end of that interest period, but at the date of the repurchase or early repurchase of the Series F Notes, on the following terms: (i) in subsequent interest periods starting from the first day upon the expiry of the interest period to which the notice pertained, and until the date of repurchase or early repurchase, the amount of compounded interest will bear interest at the rate applicable to the principal (nominal amount) of the Series F Notes, and (ii) on each first day of each subsequent interest period until the day of repurchase or early repurchase, the amount of compounded interest will be increased by the interest accrued as indicated in (i) above in the preceding interest period.

Eileme 2 Promissory Notes

Eileme 2 Promissory Notes, with the nominal amount of USD 201 million, were issued under Swedish law. As in the case of Series F Notes, their maturity, interest, as well as options for and terms of early repurchase are set forth by reference to the relevant terms of the PIK Notes.

Eileme 3 Promissory Notes

Eileme 3 Promissory Notes, with the nominal amount of EUR 542.5 million, USD 500 million, and USD 201 million, were issued under Swedish law. Their maturity date, interest, as well as options for and terms of early promissory note repurchase are set forth by reference to the relevant terms of the PLK Senior Notes and the PIK Notes.

Increase of Metelem's share capital

On May 23, 2014 Cyfrowy Polsat took up 212,000 common shares (the "New Shares") in the increased share capital of Metelem, with the nominal value of EUR 1 per share and the issue price of EUR 1,000 per share. The total issue price of the New Shares was EUR 212 million. The new shares account for ca. 9.6% of Metelem's share capital and represent 9.6% of votes at Metelem's shareholders meeting. Cyfrowy Polsat financed the acquisition of the New Shares from own funds as well as from the funds from the Senior Facilities Agreement.

Eileme 1 Promissory Notes

Eileme 1 Promissory Notes were issued under Swedish law. Eileme 1 Promissory Notes incorporate the right to obtain the amount of USD 283.4 million plus interest on February 15, 2020, or any other date agreed by and between Eileme 1 and Metelem. Eileme 1 may at any time repay all or part of the principal and/or interest if it notifies Metelem of this fact at least two business days in advance. The funds provided to Eileme 1 by Metelem came from the aforementioned increase of Metelem's share capital.

Acquisition of Polkomtel's Notes by Plus TM Group SKA

On July 7, 2014 Plus TM Group SKA acquired 29 interest-bearing registered notes of series 1/2014 ("Notes 1/2014") issued for its benefit by Polkomtel. Notes 1/2014 were issued in documentary form and are not secured. The nominal value of one Note 1/2014 is PLN 10 million and corresponds to the issue price of one Note 1/2014,

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

while the total nominal value of Notes 1/2014 is PLN 290 million and corresponds to the total issue price of the Notes 1/2014. The interest on Notes 1/2014 is defined based on an interest rate which is the sum of the WIBOR 6M base rate plus a margin. The redemption date for Notes 1/2014 was December 31, 2014. The acquisition of Notes 1/2014 was financed by Plus TM Group SKA from own funds.

Plus TM Management notes acquired by Plus TM Group SKA

On April 30, 2015 Plus TM Group SKA acquired 59 registered notes with the total value of PLN 1,150 million issued by Plus TM Management, comprising:

- 15 registered notes of series 1/2015 with a nominal value of PLN 50 million each and the total nominal value of PLN 750 million;
- 14 registered notes of series 2/2015 with a nominal value of PLN 20 million each and the total nominal value of PLN 280 million;
- 10 registered notes of series 3/2015 with a nominal value of PLN 10 million each and the total nominal value of PLN 100 million; and
- 20 registered notes of series 4/2015 with a nominal value of PLN 1.0 million each and the total nominal value of PLN 20.0 million.

The nominal value of the notes is equal to their issue price. The notes bear interest at a rate being a total of the WIBOR 1M reference rate and a margin. The maturity date is December 31, 2025.

The proceeds from the issue have been used by Plus TM Management to pay a price for certain trademarks and industrial designs acquired by it on the basis of an IP rights sale agreement concluded on April 30, 2015 between Plus TM Management as the buyer and Plus TM Group SKA as the seller.

4.12.2. Agreements related to cooperation with the LTE Group

Cooperation of Cyfrowy Polsat with Mobyland and Polkomtel

(i) Introduction

On December 15, 2010 Cyfrowy Polsat concluded an agreement with Mobyland, the basic scope of which included the determination of the terms of cooperation related to the provision by Mobyland to Cyfrowy Polsat of wholesale data transmission services relying on LTE as well as HSPA/HSPA+ technologies, based on the spectrum owned by LTE Group in the 1800 MHz (LTE) and 900 MHz (HSPA/HSPA+) bandwidths.

Due to the pace of the growth in the number of subscribers using the broadband Internet access service provided by Cyfrowy Polsat and due to the pace of the growth of average data usage by Cyfrowy Polsat subscribers, in order to create a reserve data package, which in Cyfrowy Polsat's view would enable it to develop the service in the mid-term, on March 27, 2014 Cyfrowy Polsat concluded an agreement with Polkomtel regarding the provision of telecommunications services on wholesale terms. Based on this agreement, Cyfrowy Polsat has obtained the possibility of purchasing data transmission services using LTE, HSPA/HSPA+ and EDGE technologies on wholesale terms based on Polkomtel's own mobile network as well as on the mobile network operated by Polkomtel by virtue of separate agreements with LTE Group.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Moreover, on March 27, 2014 Cyfrowy Polsat signed separate agreements with Mobyland and Polkomtel which defined: (i) the principles of mutual settlements between the parties on account of the wholesale data transmission services provided to Cyfrowy Polsat; and (ii) in the case of the agreement between Cyfrowy Polsat and Polkomtel – the principles of allocation and settlements on account of the traffic consumed by Cyfrowy Polsat subscribers based on wholesale data transmission provided to Cyfrowy Polsat by Mobyland and Polkomtel.

Subsequently, in connection with the dynamic growth of Cyfrowy Polsat's user base and consumption of data packages ordered directly from Mobyland, on March 3, 2015 Cyfrowy Polsat concluded an agreement with Polkomtel by virtue of which it placed an order for data packages (including the unconsumed portion of the data packages from the previous order placed by Polkomtel), which gave Cyfrowy Polsat a lower price per GB and to use those data packages in Mobyland's network, in Polkomtel's own mobile network as well as in the mobile network operated by Polkomtel by virtue of separate agreements with LTE Group.

(ii) Cooperation between Cyfrowy Polsat and Mobyland

Wholesale Data Transmission Agreement

On December 15, 2010 Cyfrowy Polsat concluded an agreement with Mobyland, defining the terms of cooperation related to the provision by Mobyland to Cyfrowy Polsat of wholesale data transmission services relying on LTE and HSPA/HSPA+ technologies, based on the spectrum owned by LTE Group in the 1800 MHz (LTE) and 900 MHz (HSPA/HSPA+) bandwidths (the "**CP-MBL Wholesale Data Transmission Agreement**", for the purpose of this subsection, the "**Agreement**").

The Agreement can be terminated in the following situations: (i) by Mobyland in the event of a valid decision being issued which repeals the decision issued by the President of UKE as regards the reservation of a spectrum in the 1800 MHz or 900 MHz bandwidth, or which amends such a spectrum reservation in a manner preventing or restricting the possibility of fulfilling the Agreement by Mobyland; (ii) by either of the parties if a material breach occurs, while observing a 60-day notice period if the breach is not eliminated within 30 business days from the date of the receiving a notice, and (iii) by either party with 12 months' notice, with the termination taking effect at the end of a calendar month.

Agreements between Cyfrowy Polsat and Mobyland

On September 28, 2012 Cyfrowy Polsat signed a memorandum of understanding with Mobyland which amended the Agreement ("**CP-MBL Memorandum I**"). Prior to its execution date, Cyfrowy Polsat placed two orders under the Agreement, for the purchase of data transmission services for the aggregate of 25 million GB. By virtue of CP-MBL Memorandum I, Cyfrowy Polsat placed order No. 3 for the purchase of data transmission services amounting in total to 31 million GB for the total net price of PLN 204.7 million (i.e. for a net unit price equal to 0.00645 PLN per 1 MB), where the net amount of PLN 139.1 million, which included instalments for unconsumed parts of the first two orders under the Agreement, was credited towards the payment for Order No. 3. The total value of order No. 3 included: (i) the portions of the data packages from the first two orders which were not consumed by August 31, 2012; and (ii) the newly ordered data package covered by Order No. 3 (the "**Services Available for Use**")

On March 27, 2014 Cyfrowy Polsat signed a memorandum of understanding with Mobyland related to the CP-MBL Wholesale Data Transmission Agreement ("**CP-MBL Memorandum II**") in which the parties agreed that in the event of an order placed with Mobyland before March 30, 2014:

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- by Cyfrowy Polsat – order No. 4 based on the CP-MBL Wholesale Data Transmission Agreement; or
- by Polkomtel, under the agreement with Cyfrowy Polsat – an order for data transmission services (regarding provision of wholesale data transmission services by Mobyland to Cyfrowy Polsat via Polkomtel),

with a total data volume not smaller than 51 million GB, the net unit price per 1 MB of data transmitted by virtue of the CP-MBL Wholesale Data Transmission Agreement will be reduced to PLN 0.00477.

In connection with the CP-PLK Wholesale Agreement and the accompanying memorandum of understanding concluded by Cyfrowy Polsat and Polkomtel, as described above, by virtue of the memorandum of understanding accompanying the PLK-MBL Wholesale Data Transmission Agreement concluded by and between Polkomtel and Mobyland, on March 27, 2014 Polkomtel placed order No. 3 with Mobyland under the PLK-MBL Wholesale Data Transmission Agreement, which included an order for wholesale data transmission services for the needs of Cyfrowy Polsat.

In connection with the above, by virtue of CP-MBL Memorandum II, the unit price per 1 MB of data for data transmission offered as Services Available for Use under the CP-MBL Wholesale Data Transmission Agreement was reduced to 0.00477 PLN net per 1 MB, from 0.00645 PLN net per 1 MB, while the data transmission services remaining for use were recalculated by applying the reduced unit price. Thus, as a result of CP-MBL Memorandum II, the volume of the Services Available for Use increased to 20.1 million GB. In addition, Cyfrowy Polsat was exempt from part of the fees due to Mobyland by virtue of CP-MBL Memorandum I. At the end of November 2014, the above mentioned Services Available for Use had been consumed by Cyfrowy Polsat and currently Cyfrowy Polsat uses the Mobyland network only via Polkomtel.

(iii) Cooperation between Cyfrowy Polsat and Polkomtel

Wholesale Agreement for provision of services

On March 27, 2014, Cyfrowy Polsat and Polkomtel concluded a wholesale agreement for the provision of telecommunications services (the “**CP-PLK Wholesale Data Transmission Agreement**”, for the purpose of this subsection, the “**Agreement**”). The Agreement sets out: (i) the terms of cooperation in the field of ensuring the provision of wholesale data transmission services by Polkomtel to Cyfrowy Polsat, and (ii) the terms on which Cyfrowy Polsat can provide access for third parties to wholesale data transmission services purchased from Polkomtel by virtue of the Agreement. The Parties agreed that the effective date of the Agreement will be January 1, 2014.

Pursuant to the Agreement, Cyfrowy Polsat can at any time place an order with Polkomtel for data transmission services. The Parties agreed that the minimum volume of the first order will be 61 million GB. Each subsequent order must be placed for the volume of 1 million GB or a multiple thereof. The period for consuming each order is 36 months from the date on which the order is accepted by Polkomtel.

The Agreement obliges Polkomtel to enable Cyfrowy Polsat to use data transmission services relying on LTE, HSPA+, HSPA and EDGE technologies based on Polkomtel’s own mobile network as well as based on the mobile network operated by Polkomtel by virtue of separate agreements with LTE Group.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The Agreement has been concluded for an unspecified period of time. The Agreement can be terminated: (i) by Cyfrowy Polsat while observing at least a 5-month notice period in a situation in which Mobyland terminates the separate agreement concluded with Polkomtel due to assuming control over Polkomtel; and (ii) by either party, while observing at least a 12-month notice period (however the parties are not entitled to terminate the agreement in this mode for the 36 months following January 1, 2014).

Moreover, the Agreement can be terminated by either party without observing the notice period:

- by Cyfrowy Polsat: (i) in the event of a valid decision being issued by the President of UKE repealing the decision regarding the reservation of the frequencies indicated in the Agreement, or amending the reservation in a manner preventing or restricting the possibility of fulfilment of the Agreement by Polkomtel; (ii) in the event of restriction or loss by Mobyland of the right to use the spectrum from the 1800 MHz or 900 MHz bandwidths owned by Aero2 and CenterNet (currently Aero2), or the network infrastructure by virtue of the agreement concluded with Aero2, and (iii) if, in the situations defined in the Agreement, Polkomtel no longer provides services during a specified time; and
- by Polkomtel: (i) in a situation of infringement by Cyfrowy Polsat of the terms and conditions, defined in the Agreement, which govern the manner in which Cyfrowy Polsat provides access for third parties to the data transmission services purchased from Polkomtel by virtue of the Agreement; and (ii) in the event of Cyfrowy Polsat being late with payments due to Polkomtel on account of the Agreement.

Agreements between Cyfrowy Polsat and Polkomtel

On the date of concluding the CP-PLK Wholesale Data Transmission Agreement (i.e. on March 27, 2014), Cyfrowy Polsat concluded a memorandum of understanding with Polkomtel, accompanying the above agreement (“**CP-PLK Memorandum I**”). By virtue of CP-PLK Memorandum I, Cyfrowy Polsat placed with Polkomtel, on the date of signing that memorandum, order No. 1 for the purchase of 61 million GB, in the form of a wholesale data transmission services, for the total net amount of PLN 298.0 million (i.e. for a net unit price of PLN 0.00477 per 1 MB) – with the effective date of January 1, 2014 – which included the following: (a) an order for the purchase of data transmission services provided by Mobyland to Cyfrowy Polsat via Polkomtel, as stipulated in CP-MBL Memorandum II (see the subsection “Cooperation of Cyfrowy Polsat with Mobyland and Polkomtel—Cooperation between Cyfrowy Polsat and Mobyland—Agreements between Cyfrowy Polsat and Mobyland” in this section 4.12.2 above); and (b) newly ordered volumes of data transmission services provided directly by Polkomtel based on Polkomtel’s own mobile network. CP-PLK Memorandum I defines the principles of mutual settlements between the parties on account of order No. 1 as well as the principles of allocation and settlements on account of the traffic generated by Cyfrowy Polsat subscribers, based on the wholesale data transmission services provided to Cyfrowy Polsat by Mobyland and Polkomtel, respectively by virtue of the CP-MBL Wholesale Data Transmission Agreement and the CP-PLK Wholesale Data Transmission Agreement. Pursuant to CP-PLK Memorandum I, payments on account of order No. 1 are effected by Cyfrowy Polsat to Polkomtel in the period from January 2014 to December 2016, in monthly instalments in the amount as set out in the agreement.

On March 3, 2015 Cyfrowy Polsat concluded a memorandum of understanding accompanying the Agreement (“**CP-PLK Memorandum II**”). By virtue of CP-PLK Memorandum II, Cyfrowy Polsat placed with Polkomtel, on the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

date of signing the memorandum, order No. 2 for the purchase of wholesale data transmission services in the volume of 601 million GB for the total net amount of PLN 1,442.2 million (i.e. for the net unit price of PLN 2.40 per 1 GB) effective from January 1, 2015. The order includes (a) newly ordered volumes of data transmission provided by Polkomtel to Cyfrowy Polsat; and (b) data transmission services ordered earlier, but not consumed to date, which are covered by CP-PLK Memorandum I. CP-PLK Memorandum II defines the principles of the parties' mutual settlements on account of order No. 2 for the traffic generated by Cyfrowy Polsat subscribers based on the wholesale data transmission services provided to Cyfrowy Polsat by Polkomtel while using Polkomtel's own network and the mobile network operated by Polkomtel on the basis of separate agreements with LTE Group, which were concluded by virtue of the Agreement. Pursuant to CP-PLK Memorandum II, payments on account of order No. 2 are effected by Cyfrowy Polsat to Polkomtel in the period from January 2015 to December 2018, in monthly instalments in the amount as set out in the agreement. At the same time, the parties agreed in CP-PLK Memorandum II that should Mobyland launch wholesale services using further frequencies that it owns or to which it acquires the rights, and subsequently should it extend the scope of the provided data transmission services to include services provided with the use of these frequencies, then correspondingly Polkomtel will provide access to such services to Cyfrowy Polsat as part of the ordered data transmission services.

(iv) Cooperation of Polkomtel with LTE Group companies

Introduction

Mobyland provides LTE and HSPA+ wholesale data transmission services to Polkomtel. Furthermore, using frequencies held by LTE Group and Polkomtel, Aero2 and Polkomtel are jointly designing and developing a mobile telecommunications network dedicated to the services and products based on LTE (1800 MHz band) and HSPA/HSPA+ (900 MHz and 2100 MHz band) and EDGE (900 MHz and 1800 MHz band) data transmission standards.

Prior to the execution of the collaboration agreements between Polkomtel and Mobyland (on wholesale mobile data transmission), and between Polkomtel and Aero2 (on joint mobile telecommunications network design and development), Polkomtel had signed letters of intent with Mobyland and Aero2 and obtained the opinion of an independent financial consultant, Booz & Company GmbH, confirming that the terms of those agreements comply with the arm's length principle and do not prejudice Metelem Group, and that the terms of the wholesale mobile transmission agreement are not less advantageous for Metelem Group than the terms of any other agreement for the provision of frequencies or wholesale mobile transmission services between LTE Group and Cyfrowy Polsat or between LTE Group and any of Cyfrowy Polsat's subsidiaries or related entities.

As at March 31, 2015, the LTE Group-operated LTE/HSPA+ network, developed jointly with Polkomtel, comprised 4,945 HSPA+ base stations and about 4,200 LTE base stations, which, combined with Polkomtel's base stations operating in the 2100 MHz range, reached 99% and over 90% of Poland's population in HSPA+ and LTE technologies (both outdoor coverage), respectively.

Wholesale Agreement

On March 9, 2012, Mobyland and Polkomtel executed an agreement for the provision of wholesale telecommunications services (the "**PLK-MBL Wholesale Agreement**", for the purpose of this subsection, the "**Agreement**"). The Agreement defines (i) the terms of providing Polkomtel with access to the public mobile telecommunications network operated by Mobyland (the "**Mobyland Network**"), (ii) the terms of Mobyland's provision to Polkomtel of specific LTE and WCDMA (including HSPA+) wholesale transmission services, and (iii)

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

the terms of the provision by Polkomtel to other entities (including Cyfrowy Polsat) of wholesale data transmission services purchased from Mobyland under the Agreement.

Pursuant to the Agreement, Polkomtel may at any time place orders with Mobyland for data transmission services. Each order must be for 1 million GB or a multiple thereof. Purchased data must be used within 36 months of the receipt of the respective order by Mobyland. Mobyland must accept any order, except where the volume of an order exceeds 51 million GB in a given one-year period and Mobyland has no technical capacity to fulfil the order.

Mobyland's fee for data transmission services provided under a given order is calculated at the settlement rates stipulated in the Agreement, subject to volume discounts depending on the amounts of data purchased in any one-year period. Payments for each order are made in equal monthly instalments, the number of which may not however be less than twelve.

If no order is placed in a given settlement period, Polkomtel shall place a relevant order upon Mobyland's request (within 30 days of such request).

The Agreement requires Mobyland to enable Polkomtel's use of LTE and WCDMA (including HSPA+) data transmission services, in both cases based on the Mobyland Network available at a given time. Furthermore, Mobyland undertook to make every effort to: (a) satisfy Polkomtel's requirements with respect to extending the Mobyland Network coverage to include further areas and with respect to Mobyland Network's planned capacity; (b) consistently expand the Mobyland Network required for the provision of the services to Polkomtel, to meet increased demand for Polkomtel's telecommunications services; and (c) ensure that the use of the Mobyland Network by other entities does not affect the quality of data transmission services provided to Polkomtel. Subject to the terms of the Agreement, the data transmission services purchased from Mobyland under the Agreement may be resold by Polkomtel to other entities (including Cyfrowy Polsat).

The Agreement was concluded for five years. If neither party gives notice to the other no later than two years before the end of that period of its intent to terminate the Agreement upon its expiry, the Agreement will be automatically extended for another five-year period. At the date of the Offering Memorandum, the automatic extension of the Agreement according to the aforementioned procedure had already taken place. If neither party gives notice to the other no later than two years prior to the lapse of such five-year period of its intent to terminate the Agreement upon its expiry, the Agreement will be extended for an indefinite term and each party will have the right to terminate the Agreement giving 24 months' notice.

The Agreement may be terminated by Polkomtel without notice, among others, if: (i) the UKE President's decision relating to the allocation of the 1800 MHz and 900 MHz frequency bands to LTE Group is validly repealed or amended in a manner preventing or restricting Mobyland's ability to perform the Agreement; (ii) Mobyland's right to use the 1800 MHz or 900 MHz band allocations under agreements with Aero2 and CenterNet (currently Aero2), or the network infrastructure under the agreement with Aero2, is revoked or restricted; or (iii) Mobyland fails to provide the services for a specified period of time, in the cases stipulated in the Agreement.

The Agreement may be terminated by Mobyland with at least 6 months' notice if a competitive telecommunications operator (as defined in the Agreement) acquires control of Polkomtel, provided that the termination notice is served within three months of such change of control. Furthermore, the Agreement may be

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

terminated by either party giving at least 6 months' notice if the other party is in material breach of the Agreement and fails to remedy the breach within 30 business days of being so advised.

Cooperation between Polkomtel and Mobyland

On March 27, 2014, Polkomtel and Mobyland executed a memorandum of understanding to the Agreement ("**PLK-MBL Memorandum I**"). Prior to its execution date, Polkomtel placed two orders under the Agreement, for the purchase of data transmission services for an aggregate of 33 million GB for the total net price of PLN 222.0m. In the PLK Memorandum I, the parties laid down the terms for order No. 3 placed under the Agreement, for the purchase of 306 million GB in data transmission. The parties agreed that order No. 3 is to be used within 36 months from January 1, 2014.

On the PLK Memorandum I execution date (March 27, 2014), Polkomtel placed order No. 3 under the Agreement, and Mobyland accepted the order. Pursuant to the PLK-MBL Memorandum I, the order No. 3 is for the purchase of 306 million GB in data transmission and includes: (a) data transmission services unused by Polkomtel at December 31, 2013 covered by order No. 2 under the Agreement placed in 2012, and (b) data transmission purchase order placed by Polkomtel with Mobyland in connection with the order placed by Cyfrowy Polsat with Polkomtel under the CP-PLK Wholesale Agreement, as stipulated in CP-MBL Memorandum II and CP-PLK Memorandum I ("**CP-PLK Order I**") (see "Cooperation of Cyfrowy Polsat with Mobyland and Polkomtel—Cooperation between Cyfrowy Polsat and Mobyland—Cooperation between Cyfrowy Polsat and Mobyland" in this section 4.12.2 above). The total net value of order No. 3 is PLN 1,442.3 million, and the average net unit price under order No. 3 (including the unused data transmission volumes covered by order No. 2 under the Agreement, included in order No. 3, and the CP-PLK Order I) is PLN 0.0046031 per 1 MB, including the discount granted to Polkomtel. Pursuant to the Agreement and the PLK-MBL Memorandum I, Polkomtel will be entitled to receive further discounts on its subsequent orders to the limited extent, once the amount of data purchased under order No. 3 has been used up.

Payments due under order No. 3 will be made by Polkomtel in monthly instalments, whose amounts were determined in the PLK-MBL Memorandum I, from January 2014 to December 2016.

On March 3, 2015, Polkomtel and Mobyland executed a memorandum of understanding to the Agreement ("**PLK-MBL Memorandum II**"). On the PLK-MBL Memorandum II execution date, Polkomtel placed order No. 4 with Mobyland for the purchase of data transmission services for an aggregate of 1,572 million GB for the total net price of PLN 3,772 million (i.e. at the average net unit price of PLN 2.40 per 1 GB) – effective as of January 1, 2015 – including: (a) newly ordered data transmission services provided by Mobyland to Polkomtel (with the right to resell to other entities using Polkomtel's network, including Cyfrowy Polsat); and (b) data transmission services unused by Polkomtel under PLK-MBL Memorandum I. PLK-MBL Memorandum II sets forth the terms of mutual settlement of the parties under order No. 4 for the traffic generated by Polkomtel's subscribers and other entities using the Polkomtel Network, including Cyfrowy Polsat, based on the wholesale data transmission services provided to Polkomtel by Mobyland in the Mobyland Network under the Agreement. Under PLK-MBL Memorandum II, payments due to Mobyland under order No. 4 will be made by Polkomtel in monthly instalments, the amounts of which were determined in PLK-MBL Memorandum II, from January 2015 to December 2018. At the same time, under PLK-MBL Memorandum II, the Parties agreed that in the event that Mobyland introduces wholesale services on other frequencies that it owns or to which it acquires the rights, Mobyland shall extend the scope of provided data transmission services provided via these new frequencies.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

(v) Shared network operation agreement

On March 30, 2012, in connection with the letter of intent signed by Polkomtel and Aero2 on November 29, 2011, Aero2 and Polkomtel executed an agreement whereby they undertook to collaborate in the provision of services using their telecommunications infrastructures (the "**Shared Network Operation Agreement**", for the purposes of this subsection, the "**Agreement**").

The Agreement defines the terms of collaboration between Polkomtel and Aero2 with respect to the development, shared use and maintenance of the telecommunications infrastructure of Polkomtel and Aero2 for the purposes of their telecommunications operations, and the mutual provision of services by the parties on the basis of their telecommunications infrastructures and frequencies held by Polkomtel and LTE Group.

The purpose of the Agreement is to enable the parties to reduce telecommunications infrastructure maintenance costs, to further technology optimisation, and to improve the quality of the telecommunications services provided by the parties.

Pursuant to the Agreement, each party undertook to provide the following specific services to the other party: (i) RAN services; (ii) Site services, and (iii) Site transmission services (in combination with Site services).

The RAN services comprise (i) establishment and maintenance of technical conditions for radio signal broadcasting at base stations; (ii) transmission, by the service provider, of the service user's data to the networks' interconnect point in order to enable the service user to provide voice transmission, data transmission and short messaging services to its customers; as well as (iii) establishment and maintenance of proper technical conditions at base stations. Relevant permits and licences must be obtained by the parties before the RAN services can be provided.

With respect to Site services, each party undertook to lease to the other party (for the fee specified in each order) base station space to enable the lessee to use that space (at its own expense) for the installation of the transceiver equipment specified in the order, in particular any equipment supporting LTE or HSPA+ technologies.

A party placing an order for a Site service may also order a Site transmission service whereby the party's traffic will be transmitted from its base station to its trunk network.

As the Agreement is a framework agreement, the exact scope of services to be provided by the parties is determined in individual orders placed under the Agreement, and neither party may be held liable for a refusal to accept the other party's order. Each order must specify, in particular, the type of ordered services and the period of time over which the services are to be provided.

The total fee due for the provision of each of the services is determined based on the unit price for a given service provided through a single base station, multiplied by the number of base station locations (for the purposes of this subsection, the "**Location**") through which the services are to be provided; the unit price depends on the type of services, including the type and number of systems and technologies used, as well as any investments made at a given Location by the party providing the service. Further, the parties are remunerated for their availability to provide the contracted services. The Agreement also defines detailed terms on which the parties are to remedy and settle any damage sustained under the Agreement.

The Agreement was concluded for five years. If neither party gives notice to the other party no later than one year before the end of that period of its intent to terminate the Agreement, the Agreement will be automatically

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

extended for another five-year period. As at the date of this Offering Memorandum, the automatic extension of the Agreement according to the above mentioned procedure had already taken place. If neither party gives notice to the other party no later than one year prior to the lapse of such five-year period of its intent to terminate the Agreement, the Agreement will be extended for an indefinite term and each party will have the right to terminate the Agreement with 12 months' notice.

The Agreement may also be terminated by either party without notice if, as a result of a final administrative decision or a final court judgement:

- either party loses its frequency allocation (so that the parties are unable to cooperate in respect of the RAN services) or the radio permit necessary to use the RAN services at individual Locations (to the extent applicable to those Locations); and
- Either party, CenterNet (now Aero2) or Mobyland, loses the radio permit necessary to use the Site services at individual Locations (to the extent applicable to those Locations).

The Agreement further stipulates that the party providing services to the other party is authorised to terminate the Agreement by giving two months' notice, relating to specific Locations if, for reasons beyond its control, continuing operations at a given Location is not possible, entails obstacles which are difficult to overcome or becomes unprofitable; where possible, the party providing the Service will offer a comparable Location to the other party.

Furthermore, if a third party acquires control of a party to the Agreement, the other party to the agreement may, by giving two months' notice, terminate the entire Agreement or the part relating to the Services provided by such party to the party over which a third party has acquired control.

In 2012-2014, Aero2 placed a number of orders with Polkomtel under the Agreement, specifying the type and detailed scope of the ordered services. In connection with the orders, and as part of the collaboration between the parties under the Agreement, Polkomtel invested in the LTE/HSPA+ network developed together with LTE Group. Pursuant to the orders, the RAN services will be provided at each such Location for five years from the date on which Polkomtel declares its readiness to provide services at a given Location.

(vi) Additional arrangements regarding LTE Group companies and their cooperation with Polkomtel

On November 9, 2011, in connection with the financing granted under the PLK Senior Facilities Agreement and the PLK Notes Indentures (see section 4.12.1 "Financing agreements" above), Spartan (whose legal successor is Polkomtel), Ortholuck, Litenite, Eileme Companies, and the PLK Security Agent executed the LTE Side Agreement (the "**LTE Side Agreement**").

The LTE Side Agreement provided for the obligatory execution of specific agreements and imposed contractual limitations on Ortholuck and Litenite with respect to LTE Group's operations.

In performance of the obligations imposed by the LTE Side Agreement, Polkomtel established LTE Holdings, a special purpose vehicle, which subsequently acceded to the LTE Side Agreement. A pledge for the benefit of the PLK Security Agent was established by Polkomtel over the shares of LTE Holdings, corresponding to the company's entire share capital, in order to secure the receivables under the PLK Senior Facilities Agreement and

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

the PLK Senior Notes Indenture. In connection with the pledges established over Polkomtel shares for the benefit of the PLK Security Agent, as well as the pledge discussed above, the rights under the agreements described below serve as security for the creditors on whose behalf the PLK Security Agent acts in respect of receivables arising under the PLK Senior Facilities Agreement and the PLK Senior Notes.

Pursuant to the LTE Side Agreement, LTE Holdings purchased 49% of Litenite's share capital from Ortholuck. Subsequently, in 2012, a call option agreement was executed between Ortholuck and LTE Holdings, for the purchase of shares representing the remaining 51% of Litenite's share capital held by Ortholuck. Pursuant to the call option agreement, LTE Holdings may demand that Ortholuck sell its shares in Litenite at the market price if Aero2, CenterNet, Litenite or Mobyland are declared insolvent or if Aero2 or Mobyland are in breach of the Shared Network Operation Agreement or the PLK Wholesale Agreement, which would entitle Polkomtel to terminate these agreements, as well as in other cases stipulated in the agreement.

In addition, a pledge over Ortholuck's interest in Litenite, corresponding to 51% of its share capital, was established for the benefit of Polkomtel, which may take Litenite's shares into ownership or sell them to satisfy claims arising from the pledge in cases where LTE Holdings is able to exercise the call option referred to above. Furthermore, on June 1, 2012, Polkomtel assigned by way of security its rights under the call option agreement and the agreement establishing the pledge over Litenite Limited's shares held by Ortholuck for the benefit of the PLK Security Agent.

In connection with the pledge over LTE Holdings' shares established for the benefit of the Security Agent, if specific rights under the pledge are exercised, the call option may be exercised as instructed by the PLK Security Agent. The exercise of the call-back option referred to below, as well as the repayment of debt under the PLK Senior Facilities Agreement, PLK Senior Notes and PIK Notes, will cause the call option to expire.

In 2012, in connection with the LTE Side Agreement, Ortholuck and LTE Holdings executed a call-back option agreement, under which Ortholuck may demand from LTE Holdings the call-back of Litenite shares if the leverage ratio specified in the PLK Senior Facilities Agreement falls below 2.75:1 and no grounds exist for the exercise of the call option referred to above. The exercise of the call option in full, as well as the acquisition or sale by Polkomtel of the remaining 51% interest in Litenite in Polkomtel's performance of the pledge agreement, will cause the call-back option to expire. Under the PLK Notes Indentures (see section 4.12.1 "Financing agreements" above), Ortholuck waived its rights under the option until the satisfaction or repayment of the PLK Senior Notes and the PIK Notes.

The LTE Side Agreement imposes restrictions on: (i) making dispositions with respect to Litenite shares and issuing shares or other instruments incorporating the right to acquire Litenite shares; (ii) Aero2, CenterNet, Litenite, Mobyland and Ortholuck making dispositions with respect to their assets; (iii) amending specific terms of the Shared Network Operation Agreement and the PLK Wholesale Agreement; (iv) funds distributions by Litenite (inter alia, dividend payment, redemption or repurchase of own shares or other cash transfer methods, repayment of principal and interest, payment of remuneration for management and consultancy services, prepayments and other payments to related parties); (v) payment by Aero2, CenterNet and Mobyland of remuneration for management or consultancy services, as well as other fees, to the shareholders of Litenite and Ortholuck. Pursuant to the agreement, the restrictions referred to in (iv) and (v) above apply only if the leverage ratio specified in the PLK Senior Facilities Agreement, and the corresponding ratio for Aero2, CenterNet, Mobyland and Litenite, is equal to or greater than 2.75:1.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

The LTE Side Agreement also provides that, save for certain exceptions, Aero2, CenterNet, Litenite, Mobyland and Ortholuck may not participate in transactions with any of LTE Group's related parties (including, but not limited to, Metelem Group companies) where the total value of the transaction exceeds a certain limit unless the terms of the transaction are not less advantageous to Aero2, CenterNet, Litenite and Mobyland than the terms they would obtain in a comparable arm's length transaction with an entity other than a related party. In addition, if the total value of the transaction exceeds a certain limit, the opinion of an independent financial consultant must be sought to confirm that the transaction is at arm's length for Aero2, CenterNet, Litenite and Mobyland from the financial point of view or that its terms are not materially less advantageous than the terms that could be obtained in a comparable arm's length transaction with an entity other than an LTE Group related party.

4.12.3. Other agreements

Transponder capacity lease agreements

On February 26, 2009 and October 1, 2009, Cyfrowy Polsat and Eutelsat S.A. ("**Eutelsat**") executed four agreements, as amended, for the lease of capacity on transponders 74, 78 and 79 of the Eutelsat Hot Bird 13B satellite and on transponder 112 of the Eutelsat Hot Bird 13C satellite. The agreements remain in effect until December 31, 2017.

On July 6, 2012, Cyfrowy Polsat and Eutelsat executed an agreement for the lease of capacity on transponder C6 of the Eutelsat 33A satellite. The agreement was executed for a period of five years until April 30, 2017, however, the term may be extended by another five years provided that Cyfrowy Polsat expresses its intention to do so not later than six months prior to the expiry of the original term of the agreement.

On November 15, 2013, Cyfrowy Polsat and Eutelsat executed an agreement for the lease of 100% of the capacity on transponder 120 of the Eutelsat Hot Bird 13C satellite. The agreement remains in effect until December 31, 2017.

In addition, on December 8, 2010 Telewizja Polsat and Eutelsat executed an agreement for the lease of satellite capacity, under which Telewizja Polsat was granted the right to use transponder 132 of the Hot Bird 6 satellite. The agreement remains in effect until December 31, 2017 and may be extended by Telewizja Polsat for another seven years on the same terms. At Eutelsat's request and upon the consent of Telewizja Polsat, on February 29, 2012 the service was moved to transponder 132 of the Eutelsat Hot Bird 13C satellite.

On June 6, 2012, Telewizja Polsat and Eutelsat executed two agreements for the allocation of satellite capacity, under which Telewizja Polsat was granted the right to use capacity on transponders F3 and F4 of the Atlantic Bird 1 satellite until May 19, 2017 and June 5, 2017, respectively.

On June 27, 2012, Telewizja Polsat and Eutelsat executed an agreement for the allocation of satellite capacity, under which Telewizja Polsat was granted the right to use capacity on transponder C6 of the Eutelsat 33A satellite until June 30, 2017.

The above agreements are governed by French law, and any disputes arising in connection therewith are to be resolved under the exclusive jurisdiction of the commercial court in Paris.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Conditional access agreements

On November 2, 2004, Cyfrowy Polsat and Nagravision S.A. ("**Nagravision**") executed an agreement for the lease, licensing and installation of a conditional access system and for the sale of SMART cards (as amended), under which Nagravision provides the Conditional Access System (CAS) to Cyfrowy Polsat, with the necessary installation and maintenance services, including lease of equipment, software licence, technical and maintenance support (including security services), installation of CAS, and sale of SMART cards. CAS is used by Cyfrowy Polsat to control user access to individual DTH pay programme packages. Upon signing a satellite pay TV contract, each subscriber obtains a set-top box with a SMART card which enables the reception of the pay TV programme. In exchange for the service, Cyfrowy Polsat pays to Nagravision a monthly fee, equal to the product of the number of active SMART cards and a fixed monthly rate. The agreement provides for replacement of the SMART cards by Nagravision in the event of a breach of security rules which is not removed within a prescribed time limit. In addition, in the event of any breach of CAS, Cyfrowy Polsat is entitled to receive a reduction in the monthly fees it pays to Nagravision. The agreement remains in effect until December 31, 2020. Nagravision may terminate the agreement in writing with three months' notice if the aggregate amount of overdue fees from Cyfrowy Polsat exceeds the total amount of the last three invoices. The agreement may also be terminated by Nagravision in writing with 12 months' notice if (without limitation) Cyfrowy Polsat is in serious breach of the agreement and the breach is not removed within three months from receipt of a relevant notice demanding that Cyfrowy Polsat remove the breach. Upon receipt of a termination notice and at the request of Cyfrowy Polsat, Nagravision is obliged to provide support for Cyfrowy Polsat's migration to a new conditional access system against payment of a fee which is consistent with the prevailing market rates. The agreement is governed by Swiss law, and any disputes arising in connection with the agreement are to be resolved by arbitration by the London Court of International Arbitration in London.

On July 18, 2012, Cyfrowy Polsat and Nagravision executed an agreement for the installation of components of a conditional access system in set-top boxes produced by Cyfrowy Polsat. Under the agreement, Nagravision granted a non-exclusive licence to the Issuer to use Nagravision's software preinstalled and used in set-top boxes produced by Cyfrowy Polsat and undertook to provide technical support services to integrate Nagravision software with Cyfrowy Polsat set-top boxes. The agreement remains in effect for four years, until March 31, 2016. Either party may terminate the agreement if the other party is declared bankrupt or is in serious breach of the agreement, unless the defaulting party removes such breach within the time limit prescribed in the agreement. Under the licence, Cyfrowy Polsat pays a licence fee for every set-top box which uses the licensor's software. In addition, if Nagravision is contracted to provide technical support services, Cyfrowy Polsat will also pay a daily integration fee to Nagravision for such services. The agreement is governed by Swiss law, and any disputes arising in connection with the agreement are to be resolved by arbitration by the court of arbitration of the Swiss Chamber of Commerce.

For more details on the conditional access system, see subsection "Activities on the pay TV market—Technology and infrastructure of pay TV services—Conditional access system" under section 4.5.1 "Segment of services to individual and business customers" above.

Terrestrial programme distribution agreements

On September 29, 2010, Telewizja Polsat and Polskie Media S.A. executed agreements with TP Emitel sp z o.o. ("**Emitel**") on access to terrestrial stations for digital signal broadcasting. Under the agreements, Emitel undertook

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

to provide digital signal transmission services in the DVB-T technology for the purpose of the terrestrial distribution of POLSAT, POLSAT News, TV4 and TV6 on MUX-2. The agreements were concluded for a period of 10 years and may be terminated with a one month's notice in the cases provided for therein. In exchange for the provision of signal transmission services, Emitel receives a flat monthly fee in the amount specified separately for each of the 48 transmitter stations; Telewizja Polsat and Polskie Media S.A. also pay a flat monthly fee for the DVB-T multiplexing services. At the end of each half-year calendar period, the fee payable to Emitel is adjusted by half the inflation rate.

Emitel may be held liable for any damage resulting from the non-performance or improper performance of the agreements, subject to the limitation of liability for lost profit up to the amount specified in the agreements with respect to events occurring in a given calendar year. The agreements also provide for contractual penalties to be paid to Telewizja Polsat and Polskie Media S.A. in the event of non-availability of services with respect to events occurring in a given calendar year. The payment of contractual penalties shall not preclude the right of Telewizja Polsat and Polskie Media S.A. to seek compensation in excess of the contractual penalties, on general terms.

Licence agreements

(i) Licence agreement executed between Cyfrowy Polsat and Telewizja Polsat

On December 30, 2011, Cyfrowy Polsat and Telewizja Polsat executed a licence agreement (as amended). Under the agreement, Telewizja Polsat granted a licence to the Company for the distribution of the following programmes: POLSAT (version SD/HD), POLSAT2, POLSAT Sport (version SD/HD), POLSAT Sport Extra (version SD/HD), POLSAT Sport News, POLSAT Café, POLSAT Play, POLSAT News, POLSAT News 2, POLSAT Film (version SD/HD), Polsat Romans Disco Polo Music and Muzo.TV.

As a rule, those licences are non-exclusive; however, the Company obtained an exclusive licence to distribute POLSAT Sport and POLSAT Sport Extra programmes via satellite. Under the acquired rights, Cyfrowy Polsat may distribute programmes through various channels, depending on the programme, including by way of: (i) wireless satellite distribution, (ii) ADSL, (iii) the Internet, and (iv) the DVB-T technology. In the case of Internet distribution, Cyfrowy Polsat may distribute programmes both in its own name and through Redefine as the sub-licensee, as part of the IPLA service package.

In exchange for the licences obtained, Telewizja Polsat shall receive monthly licence fees, in the amount depending on the distribution channels used by Cyfrowy Polsat. In exchange for the licence for distribution by way of: (i) wireless satellite technology, (ii) ADSL, or (iii) DVB-T technology – Cyfrowy Polsat shall pay a monthly flat fee. The monthly licence fee for the distribution of programmes over the Internet is calculated based on: (i) the average monthly number of subscribers or (ii) the number of service packages sold and the audience share for individual programmes, with the proviso that the rate applied to Cyfrowy Polsat's direct subscribers is lower than the rate paid for the subscribers of the sub-licensee (i.e. Redefine).

The agreement was executed for an indefinite term and may be terminated by either party with six months' notice, both in its entirety and in relation to any given programme. In cases provided for therein, the parties may terminate the agreement without a notice period, subject to the proviso that breaks and interruptions in programmes shall not constitute a breach of contract and may only be used as a basis for claiming a reduction in the licence fees.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

(ii) Licence agreement executed between Cyfrowy Polsat and HBO Polska sp. z o.o.

On August 4, 2014, Cyfrowy Polsat and HBO Polska sp. z o.o. ("**HBO Polska**") executed an agreement for the distribution of channels broadcast by HBO Polska and other HBO Group companies and of audiovisual content of the HBO GO service. Under the said agreement, Cyfrowy Polsat was granted a three-year licence for the distribution of the following programmes, either separately or in packages: HBO, HBO HD, HBO2, HBO Comedy, HBO2 HD, HBO Comedy HD, Cinemax HD and Cinemax 2 HD. Audiovisual content of the HBO GO service is distributed via the Internet and is available as video on demand in exchange for a subscription fee.

Cyfrowy Polsat pays HBO Polska a monthly licence fee per each subscriber who is granted access, or who pays for access, to at least one of the TV programmes or content of the HBO GO service distributed by Cyfrowy Polsat. Therefore, the amount of a monthly licence fee depends on the bills paid by the Company's subscribers and cannot be lower than the minimum rate in USD specified in the agreement.

Either party may terminate the agreement in the event of a gross breach thereof, unless the breach is removed within the time limit prescribed in the agreement. The agreement may be terminated by either party with immediate effect in the event of bankruptcy or liquidation and in case of delays in the payment of licence fees. The agreement was executed for a fixed term until January 1, 2017 and may be automatically extended for another three years unless it is terminated by either party not later than six months prior to the expiry date.

Polkomtel's roaming agreements

(i) National roaming agreement with P4

As part of the wholesale national roaming service, Polkomtel offers voice calls, text messaging and packet data transmission services (including MMS) to P4, the operator of the Play network. P4's subscribers have used Polkomtel's mobile telecommunications network since the beginning of the operations of P4 (since 2007). The concluded agreement enables P4 to provide its subscribers with the possibility of using the radio network of Polkomtel in areas not covered by the P4 network.

(ii) International roaming agreements

Polkomtel is a party to over 400 roaming agreements with international mobile telecommunications network operators pursuant to which Polkomtel offers voice, SMS and data services in approximately 200 countries. Furthermore, Polkomtel was the first operator in Poland to provide LTE roaming services. These roaming agreements, among other things, regulate billing and accounting, settlement procedures, customer care, technical aspects of the roaming agreements, testing, security, information on signalling interconnection and connectivity. Additionally, the roaming agreements, in order to prevent fraudulent activities, provide for the exchange of information on roaming services on a near real-time basis. The visiting operator pays the host operator directly on a monthly basis and then bills the amount for the provision of roaming service to the relevant subscriber.

Roaming agreements signed by Polkomtel generally remain in force unless one of the parties terminates upon six months' notice or sooner, in the event of a material breach or an insolvency event. The particular terms of each agreement vary by country.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Based on these roaming agreements Polkomtel provides roaming services to its end users as well as to customers of MVNOs logging into Polkomtel's network.

(iii) Interconnect agreements

Polkomtel is a party to a number of interconnect agreements with Polish mobile and fixed-line telecommunications network operators, as well as with selected foreign operators. In effect, its subscribers are able to call the subscribers of those operators. With regard to interconnection agreements with Polish operators, each party charges the other party for terminating calls according to MTR, which are set and frequently adjusted by the President of UKE.

(iv) Handsets and accessories supply contracts

Polkomtel is a party to a number of agreements with third-party handset and accessory suppliers. The terms of such contracts are typically standardised. Under the contracts suppliers are required to supply specific products to Polkomtel based on the latter's orders. The suppliers are also required to charge prices which are not higher than those offered to certain other customers operating in Poland. Contracts for the supply of handsets and accessories are entered into for an indefinite term, with a 90-day notice period, or for definite terms with a renewal option, and each party may terminate the contract with immediate effect in specific circumstances, including in the case of a material breach of its terms (subject to a remedy period). Certain contracts may also be terminated with immediate effect in case of a change of control.

(v) Telecommunications infrastructure agreements

Polkomtel, jointly with Aero2, is a party to a number of agreements with telecommunications hardware manufacturers on the supply of telecommunications hardware, as well as maintenance and extension of the telecommunications infrastructure. Polkomtel's cooperation with those entities (such as Nokia Siemens Networks sp. z o.o., Ericsson sp. z o.o. and Huawei Polska sp. z o.o.) is based on framework agreements, without specific obligations in place regarding infrastructure development. Those agreements also set forth the terms for support services, such as software upgrades and updates, or telecommunications infrastructure repair.

4.13. Information on material court, arbitration or administrative proceedings against the Company or consolidated subsidiaries

Presented below are court and administrative proceedings in the past 12 months, which might have or have recently had a material impact on the financial condition or profitability of Cyfrowy Polsat Group. Except for the proceedings described below, in the past 12 months neither Cyfrowy Polsat nor other Cyfrowy Polsat Group companies were party to any court, arbitration or administrative proceedings which have or could have a material impact on the profitability and financial condition of the Group. Further, Cyfrowy Polsat has no knowledge of any potential court, arbitration or administrative proceedings threatened against Cyfrowy Polsat or any other Cyfrowy Polsat Group company which could have a material impact on the profitability and financial condition of Cyfrowy Polsat or Cyfrowy Polsat Group.

Apart from the court proceedings described below, to which the Group is a party and for which the provisions have been established according to the best knowledge of the Management Board regarding the value of potential future outflows of economic benefits related to settling of these proceedings. In the opinion of the

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Management Board, the level of provisions as at March 31, 2015 is sufficient to cover any possible future outflows, and any unfavourable resolution of disputes will have no material adverse impact on the financial situation of the Group.

4.13.1. Court proceedings

GoMobile sp. z o.o.

GoMobile sp. z o. o. ("**GoMobile**") has initiated two proceedings against Polkomtel with the amount in dispute totalling, respectively, (i) PLN 49.8 million and (ii) PLN 0.6 million. Both proceedings were related to the agreement for the provision of text messaging services, executed on July 4, 2003 by and between GoMobile and Polkomtel. The original expiry date of the agreement was July 4, 2009; however, it was terminated earlier by Polkomtel due to a gross breach of contract by GoMobile related to excessive fees charged by GoMobile. According to Polkomtel, the agreement was effectively terminated on October 15, 2007.

However, GoMobile claims that Polkomtel had no right to terminate the agreement and demands that: (i) the loss incurred due to unjustified termination of the agreement be compensated; (ii) damages be paid for the loss incurred due to a failure by Polkomtel to perform its obligations to develop cooperation between the parties and promote of the service provided under the agreement; (iii) payment for the services provided by GoMobile be made. Polkomtel applied to court for dismissal of actions brought to court in both proceedings initiated by GoMobile against Polkomtel in their entirety.

Orange

On December 15, 2014, Polkomtel received a claim from Orange for the total amount of PLN 21 million related to actions allegedly contrary to the obligations arising under the agreement for the transfer of rights to radio frequencies. On January 13, 2015 the company filed an answer to the claim. In management's opinion the claim is groundless.

4.13.2. Proceedings before the President of the Office of Competition and Consumer Protection and court proceedings relating to the so-called abusive contract clauses

At the Offering Memorandum date, Polkomtel is party to a number of proceedings before the President of the Office of Competition and Consumer Protection (UOKiK). These proceedings mainly concern the alleged infringement of collective interests of consumers, antitrust matters and allegedly abusive contract clauses.

Proceedings regarding the infringement of collective interests of consumers and abusive contract clauses

Polkomtel is party to a few proceedings pending before the President of UOKiK relating to the alleged infringement of the collective interests of consumers arising out of allegedly misleading information contained in the terms and conditions of certain of Polkomtel's offers.

Polkomtel is also party to a number of investigation proceedings initiated by UOKiK, which are pending at the Offering Memorandum date, with respect to potential infringement of collective interests of consumers, including in relation to misleading information presented to consumers and imposition of undue penalties for contract termination.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Furthermore, as at March 10, 2015, Polkomtel was a party to a number of proceedings before the Antimonopoly Court (SOKiK) in the cases for declaring certain provisions of standard contracts used by Polkomtel in the agreements with consumers as prohibited.

On December 27, 2012, Polkomtel received the decision of the President of UOKiK ending investigations related to Polkomtel's alleged practices which infringed upon the collective interests of consumers by presenting misleading slogans in advertising campaigns. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 4.5 million. The Company appealed to SOKiK against the decision. On October 15, 2014, SOKiK issued a decision where the penalty has been reduced to PLN 1.5 million. The judgment is not final. Both parties appealed against this decision.

On December 23, 2014, Polkomtel received the decision of the President of UOKiK ending investigations related to Polkomtel's alleged practices which infringed upon the collective interests of consumers by including certain clauses in the terms and conditions of the online shop and including certain clauses in the equipment return policy when telecommunications agreements are terminated by the subscriber. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 8.8 million. The company appealed to SOKiK against the decision.

On December 30, 2014, the President of UOKiK issued a decision ending investigations related to Polkomtel's alleged practices which infringed upon the collective interests of consumers by not providing its telecommunications clients (who entered into a written agreement) the promotion regulations in the written form along with the agreement as well as not informing about the termination of the promotion regarding the itemised bill. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 6.0 million. The company appealed to SOKiK against the decision.

Proceedings regarding antitrust matters

On September 21, 2010, the President of UOKiK initiated antitrust proceedings concerning, inter alia, the alleged application of anticompetitive practices in relation to Polkomtel's refusal to sign the agreement with INFO-TV-FM sp. z o.o. (the winning bidder in the tender organised by the President of UKE for the frequencies allocated to the provision of wholesale audio-visual services), which was considered unfavourable by Polkomtel. According to public press reports, the remaining three major operators, i.e. T-Mobile, Orange and P4, also refused to enter into similar agreements.

As a result, on November 23, 2011 Polkomtel received a decision of the President of UOKiK in which UOKiK recognised the alleged agreement between Polkomtel, PTK Centertel Sp. z o.o., PTC S.A. and P4 Sp. z o.o. as a competition-restricting practice on the domestic mobile telecommunications services retail market as well as on the domestic wholesale mobile DVB-H technology services market. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 33.5 million. In management's opinion, no such agreement had been concluded between the parties. Polkomtel appealed to SOKiK against the decision of the UOKiK's President regarding the penalty.

As a result, on November 23, 2011 Polkomtel (an indirect subsidiary of Cyfrowy Polsat) received a decision of the President of UOKiK in which UOKiK recognised the alleged agreement between Polkomtel, PTK Centertel sp. z o.o., PTC S.A. and P4 sp. z o.o. as a competition-restricting practice on the domestic mobile telecommunications

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

services retail market as well as on the domestic wholesale mobile DVB-H technology services market. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 33.5 million. In management's opinion, no such agreement had been concluded between the parties. Polkomtel appealed to SOKiK against the decision of the UOKiK's President regarding the penalty.

Under the proceedings, on February 24, 2011 the President of UOKiK imposed a penalty on Polkomtel in the amount of PLN 130.7 million for the alleged infringement of procedural requirements of the Act on Competition Protection related to the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to SOKiK. According to management, during the inspection the Company had fully and at all times cooperated with UOKiK within the scope provided by the law. On June 18, 2014 the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 4 million (i.e. EUR 1 million). The verdict is non-binding and was appealed against by both parties. In management's opinion it is more likely than not that the ultimate outcome of the proceedings will be favourable to Polkomtel.

On March 18, 2013, the President of UOKiK instituted antitrust proceedings against Polkomtel, T-Mobile and Orange in relation to the alleged abuse of their collective dominant position in the Polish retail mobile telephony market, consisting in the application of different retail prices to voice calls made by individual end users calling P4's network (i.e. higher than the retail prices applied by Polkomtel, T-Mobile and Orange to voice calls made by individual consumers from their own network to the network of any of those three operators), which do not correspond to the differences in the voice call termination rates in their networks and in P4's network. Polkomtel believes that the allegations of the President of UOKiK are in fact entirely unjustified. However, if UOKiK finds that infringement actually took place, a financial penalty may be imposed on Polkomtel and Polkomtel will be forced to pay the penalty unless it is cancelled by the competent.

4.13.3. Proceedings pending before the President of UKE and administrative courts

At March 10, 2015, Polkomtel was party to a several dozen administrative proceedings before the President of UKE. Those proceedings were related to settlement rates applied in interconnect agreement, among other matters. In addition, at March 10, 2015 Polkomtel was party to a several dozen proceedings before administrative courts initiated as a result of appeals against the administrative decisions or rulings of the President of UKE, including in relation to the action taken by Polkomtel to cancel the results of the 2013 tender for the allocation of 1800 MHz frequencies, under which P4 and T-Mobile were the winning bidders.

Proceedings before the President of UKE concerning the change of the allocation of 1800 MHz frequency

On December 24, 2013, Polkomtel applied to the President of UKE for extension of the 1800 MHz band frequency allocation. Before applying for extension of the frequency allocation in the 1800 MHz band, on August 29, 2013 Polkomtel applied for a change of the entity holding the allocation in the 2.4 MHz frequency band, from the frequency range covered by the application to extend the allocation, to PTK Centertel. The said request was made in accordance with the agreement executed on July 22, 2013 between Polkomtel and PTK Centertel concerning the transfer by Polkomtel of the 2.4 MHz frequency band, part of the 1800 MHz frequency range held by Polkomtel, to PTK Centertel. The agreement with PTK Centertel was signed subject to the condition that the relevant decision would be issued by the President of UKE. On September 10, 2013, Telekomunikacja Polska S.A. (currently Orange) announced in its current report No. 98/2013 that PTK Centertel and T-Mobile had signed

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

an annex to the agreement on the use of their mobile access networks on a reciprocal basis, under which Orange was granted the right to use the 1800 MHz frequencies allocated to T-Mobile.

In the notice dated October 22, 2013, Polkomtel informed the President of UKE that the change in frequency allocation requested in the application filed by Polkomtel may, in light of the above circumstances, require an opinion of an antitrust authority on the compliance with the rules of competition. On February 28, 2014, the President of UKE issued a decision changing the frequency allocation by changing the entity holding the frequencies within the ranges covered by the application to Orange, operating formerly as Telekomunikacja Polska S.A., i.e. the entity that had merged (as the acquirer) with PTK Centertel and Orange Polska sp. z o.o. (as the acquirees) on December 31, 2013. After the decision was issued by the President of UKE and rendered immediately enforceable at the request of Orange, Orange became the holder of the frequency band with effect from March 1, 2014. On March 3, 2014, Polkomtel applied to UKE to reconsider the case and to stay the order of immediate enforceability, arguing that the said decision has a significant legal defect in that it infringes the applicable substantive and procedural laws, in particular in relation to Polkomtel's right to present its position as to all the documents and evidence adduced in the case and as to the immediate enforceability of the decision, as well as the fact that the President of UKE should take into account that Polkomtel had modified its application with respect to the entity holding frequency allocations. On July 22, 2014, the President of UKE repealed in its entirety the Decision issued on February 28, 2014 and discontinued the said proceedings. Orange appealed against this decision to the Provincial Administrative Court. On September 8, 2014, the President of UKE issued a decision extending for another period (extension) the frequency allocation to Polkomtel in 1800 MHz band, also including 2,4 MHz.

4.14. General information on Polsat Group

4.14.1. Composition of the Group

The following table and graph below present the organizational structure of Cyfrowy Polsat S.A. Capital Group as at March 31, 2015, indicating the consolidation method.

Company name	Registered office	Activity	Share in voting rights (%) as at	
			March 31, 2015	December 31, 2014
Parent Company				
Cyfrowy Polsat S.A.	Łubinowa 4a, Warsaw	radio, TV and telecommunications activities	n/a	n/a

Subsidiaries consolidated using the full consolidation method

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Company name	Registered office	Activity	Share in voting rights (%) as at	
			March 31, 2015	December 31, 2014
Cyfrowy Polsat Trade Marks sp. z o.o.	uŁubinowa 4a, Warsaw	non-current assets and intellectual property rights management	100%	100%
Cyfrowy Polsat Finance AB	Stureplan 4C, 4 TR 114 35 Stockholm, Sweden	financial transactions	100%	100%
Telewizja Polsat sp. z o.o.	Ostrobramska 77, Warsaw	broadcasting and television production	100%	100%
Polsat Media Biuro Reklamy sp. z o.o. Sp. k.	Ostrobramska 77, Warsaw	advertising activities	100%	100%
Polsat Media Biuro Reklamy sp. z o.o.	Ostrobramska 77, Warsaw	media	100%	100%
Nord License AS	Vollsvseien 13B, Lysaker Norway	trade of programming licenses	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	trade of programming licenses	100%	100%
Polsat Ltd.	238A King Street, London W6 0RF, Great Britain	television broadcasting	100%	100%
Radio PIN S.A.(1)	Ostrobramska 77, Warsaw	radio broadcasting	100%	-
Telewizja Polsat Holdings sp. z o.o.	Ostrobramska 77, Warsaw	holding activities	100%	100%
Media-Biznes sp. z o.o.	Ostrobramska 77, Warsaw	television activities	100%	100%
Polsat Brands (einfache Gesellschaft)	Alte Landstrasse 17, 8863 Buttikon, Switzerland	intellectual property rights management	100%	100%
INFO-TV-FM sp. z o.o.	Łubinowa 4a, Warsaw	radio and TV activities	100%	100%
Redefine sp. z o.o.	Aleja Stanów Zjednoczonych 61 A, Warsaw	web portals activities	100%	100%
Poszkole.pl sp. z o.o.	Aleja Stanów Zjednoczonych 61 A, Warsaw	web portals activities	100%	100%
Gery.pl sp. z o.o.	Aleja Stanów Zjednoczonych 61 A, Warsaw	web portals activities	100%	100%
Frazpc.pl sp. z o.o.	Aleja Stanów Zjednoczonych 61 A, Warsaw	web portals activities	100%	100%
Netshare sp. z o.o.	Aleja Stanów Zjednoczonych 61 A, Warsaw	electronic media (Internet) advertising broker	100%	100%
CPSPV1 sp. z o.o.	Łubinowa 4a, Warsaw	technical services	100%	100%
CPSPV2 sp. z o.o.	Łubinowa 4a, Warsaw	technical services	100%	100%
PL 2014 sp. z o.o.	Aleja Stanów Zjednoczonych 53, Warsaw	other activity related to sports	100%	100%
Metelem Holding Company Limited ⁽¹⁾	Kostakis Pantelidi 1, 1010 Nicosia, Cyprus	holding and financial activities	100%	100%
Eileme 1 AB (publ) ⁽²⁾	Stureplan 4C, 114 35 Stockholm, Sweden	holding and financial activities	100%	100%
Eileme 2 AB (publ) ⁽²⁾	Stureplan 4C, 114 35 Stockholm, Sweden	holding and financial activities	100%	100%

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Company name	Registered office	Activity	Share in voting rights (%) as at	
			March 31, 2015	December 31, 2014
Eileme 3 AB (publ) ⁽²⁾	Stureplan 4C, 114 35 Stockholm, Sweden	holding and financial activities	100%	100%
Eileme 4 AB (publ) ⁽²⁾	Stureplan 4C, 114 35 Stockholm, Sweden	holding activities	100%	100%
Polkomtel sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	telecommunications activities	100%	100%
Nordisk Polska sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	telecommunications activities	100%	100%
Polkomtel Finance AB (publ) ⁽²⁾	Norrandsgatan 18, 111 43 Stockholm, Sweden	financial activities	100%	100%
Liberty Poland S.A. ⁽²⁾	Katowicka 47, 41-500 Chorzów	telecommunications activities	100%	100%
Polkomtel Business Development sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	other activities supporting financial services	100%	100%
Plus TM Management sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	telecommunications activities	100%	100%
LTE Holdings Limited ⁽²⁾	Kostakis Pantelidi 1, 1010 Nicosia, Cyprus	holding activities	100%	100%
Plus TM Group sp. z o.o. SKA ⁽²⁾	Postępu 3, 02-676 Warsaw	intellectual properties and similar items rental	100%	100%
Plus TM Group sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	holding activities	100%	100%
Subsidiaries consolidated using the equity method				
Polsat JimJam Ltd.	105-109 Salusbury Road London NW6 6RG, Great Britain	television activities	50%	50%
Polski Operator Telewizyjny sp. z o.o.	Huculska 6, Warsaw	radio communications and radio diffusion	50%	50%
New Media Ventures sp. z o.o. ⁽²⁾	Wolaska 18, 02-675 Warsaw	maintenance of loyalty programmes	49.97%	49.97%
Paszport Korzyści sp. z o.o. ⁽²⁾	Postępu 3, 02-676 Warsaw	maintenance of loyalty programmes	49%	49%

(1) On February 27, 2015 Telewizja Polsat sp. z o.o. acquired 100% shares in Radio PIN S.A. for the price of PLN 4.3 million. Radio PIN S.A. is the broadcaster of the radio station Muzo.fm.

(2) Company consolidated since May 7, 2014.

Additionally, the following entities were included in the consolidated financial statement for the 3-month period ended March 31, 2015:

Company	Registered office	Activity	Share in voting rights (%) as at	
			March 31, 2015	December 31, 2014
Karpacka Telewizja Kablowa sp. z o.o. ⁽¹⁾	Chorzowska 3, Radom	dormant	99%	99%
Litenite Limited ⁽²⁾	Kostakis Pantelidi 1, 1010 Nicosia, Cyprus	holding company	49%	49%

(1) Investment accounted for at cost less any accumulated impairment losses

(2) Due to restrictions to the dividend rights and the structure of the transactions related to their acquisition, the shares in Litenite Limited are disclosed as an investment in an affiliate without reflecting changes of results and net assets.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

4.15. Composition of the Management Board and Supervisory Board

4.15.1. Composition of the Management Board

Name and surname	Function	Year of first appointment	Year of appointment for the current term	Year of expiry of term
Tomasz Gillner-Gorywoda	President of the Management Board	2014	2014	2016
Tobias Solorz	Vice-president of the Management Board	2014	2014	2016
Dariusz Działkowski	Member of the Management Board	2007	2013	2016
Tomasz Szelaǳ	Member of the Management Board	2009	2013	2016
Aneta Jaskólska	Member of the Management Board	2010	2013	2016
Maciej Stec	Member of the Management Board	2014	2014	2016

4.15.2. Composition of the Supervisory Board

Name and surname	Function	Year of first appointment	Year of appointment for the current term	Year of expiry of term
Zygmunt Solorz-Żak	Chairman of the Supervisory Board Member of the Remuneration Committee	2008	2015	2018
Robert Gwiazdowski	Independent ⁽¹⁾ member of the Supervisory Board Member of the Audit Committee	2008	2015	2018
Józef Birka	Member of the Supervisory Board	2015	2015	2018
Aleksander Myszk	Member of the Supervisory Board	2015	2015	2018
Leszek Reksa	Independent ⁽¹⁾ member of the Supervisory Board Member of the Audit Committee	2008	2015	2018
Heronim Ruta	Member of the Supervisory Board Member of the Audit Committee Member of the Remuneration Committee	2001	2015	2018

(1) conforms with the independence criteria listed in the Best Practices of WSE listed Companies in Chapter III point 6

4.16. Shareholding structure

The following table presents shareholders of Cyfrowy Polsat S.A. possessing material bundles of shares at as the Offering Memorandum date. Information included in the table is based on the information received from shareholders pursuant to Art. 69 of the Act of July 29, 2005 on Public Offering.

Shareholder	Number of shares	% of shares	Number of votes	% of votes
Reddev Investments Limited ⁽¹⁾, including:	154,204,296	24.11%	306,709,172	37.45%
- privileged registered shares	152,504,876	23.85%	305,009,752	37.24%
- ordinary bearer shares	1,699,420	0.27%	1,699,420	0.21%
Argumenol Investment Company Limited ⁽²⁾	28,415,173	4.44%	28,415,173	3.47%

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Embud Sp. z o.o. ⁽²⁾	29,648,775	4.64%	29,648,775	3.62%
Karswell Limited ⁽²⁾	157,988,268	24.70%	157,988,268	19.29%
Sensor Overseas Limited ⁽³⁾, including:	54,921,546	8.59%	81,662,921	9.97%
- privileged registered shares	26,741,375	4.18%	53,482,750	6.53%
- ordinary bearer shares	28,180,171	4.41%	28,180,171	3.44%
Others	214,367,958	33.52%	214,539,208	26.20%
Total	639,546,016	100.00%	818,963,517	100.00%

(1) Reddev Investments Limited is an indirect subsidiary of Zygmunt Solorz-Żak.

(2) Entity controlled by Mr. Zygmunt Solorz-Żak.

(3) Entity controlled by EVO Foundation with its registered seat in Vaduz, Liechtenstein.

4.17. Other information important for the assessment of the Company's personnel, economic and financial position, as well as financial results

4.17.1. Material transactions concluded by the Company or its subsidiaries with related parties on conditions other than market conditions

Transactions concluded in 3-month period ended March 30, 2015 by us or our subsidiaries with entities related to Polsat Group have all been concluded on market conditions and are described in Note 18 of the condensed interim consolidated financial statements of the Group for the 3-month period ended March 31, 2015.

4.17.2. Changes to the principle rules of management of our Company and the Capital Group

There were no changes to the principle rules of management of our Company and the Capital Group in the year 2014.

4.17.3. Sales markets and dependence on the supplier and client markets

All our services are offered in Poland. The share of any of our suppliers or customers does not exceed 10% of our operating revenues.

4.17.4. Trade unions

Two trade unions are active at Polkomtel Group: Niezależny Samorządny Związek Zawodowy Solidarność (the Solidarity Independent Self-Governing Trade Union) and Ogólnopolskie Porozumienie Związków Zawodowych (All-Poland Alliance of Trade Unions). At March 31, 2015, 173 employees (expressed as full-time equivalents), or 4.8% of the total workforce of Polkomtel Group, were trade union members. At the Offering Memorandum date, we are not involved in, or aware of, any dispute with trade unions or any form of collective bargaining.

4.17.5. Dividend policy

In accordance with the dividend policy adopted by the Management Board on January 22, 2014, Cyfrowy Polsat intends to provide its shareholders with a share in the generated profit through the payment of dividends. When recommending Cyfrowy Polsat's profit distribution scenario for a given financial year to which the new dividend policy will apply, the Management Board of Cyfrowy Polsat shall submit a proposal to the General Meeting for the distribution of dividends representing from 33% to 66% of the standalone net profit of Cyfrowy Polsat, provided

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

that the total indebtedness ratio of the Group, i.e. net debt to EBITDA as at the end of the financial year to which the profit distribution refers is less than 2.5x.

When preparing the recommendation for the distribution of Cyfrowy Polsat's profit and the dividend payment, the Management Board will also take into consideration: the amount of standalone net profit achieved by Cyfrowy Polsat, the financial condition of the Group, existing obligations (including any restrictions arising from financing agreements and indebtedness of Cyfrowy Polsat and other members of Polsat Group), the ability to use and manage capital reserves, the Management and Supervisory Boards' assessment of the prospects of Cyfrowy Polsat and Polsat Group in a particular market situation, as well as the need to make expenditures in pursuit of the overriding goal of Cyfrowy Polsat, that is its continued growth, in particular through acquisitions and engaging in new projects. According to the resolution of the Management Board, the new dividend policy shall come into effect and first apply to the standalone net profit for the financial year ending December 31, 2014.

4.18. Consolidated financial statements for 2013 and 2014 and for the first quarter of 2015

The consolidated financial statements of the Group for 2013 and 2014 and for Q1 2014 and Q1 2015 are available on the website of Cyfrowy Polsat: <http://grupapolsat.pl/en/arc/results>.

Presented below are tables that include basic financial information about the Group. Data in the tables are presented in million PLN.

4.18.1. Consolidated income statement

	year ended	
	December 31, 2014	December 31, 2013
Revenue	7,409.9	2,910.8
Operating costs	(5,977.1)	(2,157.7)
Other operating income, net	9.6	36.8
Profit from operating activities	1,442.4	789.9
Gain/loss on investment activities, net	15.2	16.1
Finance costs	(1,146.0)	(216.0)
Share of the profit of joint ventures accounted for using the equity method	2.6	2.9
Gross profit for the period	314.2	592.9
Income tax	(21.7)	(67.4)
Net profit for the period	292.5	525.5
Net profit attributable to equity holders of the Parent	292.5	525.5
Basic and diluted earnings per share (in PLN)	0.54	1.51

	3 months ended	
	March 31, 2015	March 31, 2014
Revenue	2 329,0	723,3
Operating costs	(1.909,0)	(507,5)
Other operating income, net	8,7	3,6

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	3 months ended	
	March 31, 2015	March 31, 2014
Profit from operating activities	428,7	219,4
Gain/loss on investment activities, net	28,9	1,3
Finance costs	(261,3)	(108,8)
Share of the profit of joint ventures accounted for using the equity method	0,5	0,7
Gross profit for the period	196,8	112,6
Income tax	(26,0)	(14,4)
Net profit for the period	170,8	98,2
Net profit attributable to equity holders of the Parent	170,8	98,2
Basic and diluted earnings per share (in PLN)	0,27	0,28

4.18.2. Consolidated balance sheet

Assets

	March 31, 2015	December 31, 2014	December 31, 2013
Reception equipment	416.6	421.1	407.6
Other property, plant and equipment	2,855.8	2,961.6	251.1
Goodwill	10,831.2	10,826.8	2,602.8
Customer relations	4,002.2	4,145.8	-
Brands	1,783.7	1,797.1	890.8
Other intangible assets	2,527.5	2,591.4	137.4
Non-current programming assets	158.7	135.8	71.6
Investment property	5.2	5.3	5.3
Non-current deferred distribution fees	84.1	81.0	29.5
Other non-current assets	238.0	198.5	20.8
<i>includes derivative instruments assets</i>	-	1.2	-
Deferred tax assets	229.0	234.2	38.9
Total non-current assets	23,132.0	23,398.6	4,455.8
Current programming assets	163.1	152.1	181.3
Inventories	252.9	301.4	146.8
Trade and other receivables	1,599.5	1,453.4	374.4
Income tax receivables	28.9	26.0	0.2
Current deferred distribution fees	165.3	141.7	70.1
Other current assets	212.9	160.1	105.4
<i>includes derivative instruments assets</i>	26.3	22.2	-
Short-term investments	42.7	-	-
Cash and cash equivalents	1,478.9	1,735.3	342.2
Restricted cash	12.7	12.6	-
Total current assets	3,956.9	3,982.6	1,220.4

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

Total assets	27,088.9	27,381.2	5,676.2
---------------------	-----------------	-----------------	----------------

Equity and Liabilities

	March 31, 2015	December 31, 2014	December 31, 2013
Share capital	25.6	25.6	13.9
Share premium	7,237.4	7,237.4	1,295.1
Other reserves	(12.7)	(12.2)	(9.0)
Retained earnings	2,061.6	1,890.8	1,701.2
Equity attributable to equity holders of the Parent	9,311.9	9,141.6	3,001.2
Non-controlling interests	-	-	-
Total equity	9,311.9	9,141.6	3,001.2
Loans and borrowings	7,357.9	7,683.5	239.9
Issued bonds	4,470.0	4,550.2	1,340.0
Finance lease liabilities	13.4	11.7	0.2
UMTS licence liabilities	724.4	750.3	-
Deferred tax liabilities	888.6	887.8	108.1
Deferred income	5.5	4.7	4.1
Other non-current liabilities and provisions	167.4	184.2	7.9
<i>includes derivative instruments liabilities</i>	22.6	40.1	0.1
Total non-current liabilities	13,627.2	14,072.4	1,700.2
Loans and borrowings	1,543.9	1,322.6	246.0
Issued bonds	462.5	464.4	98.7
Finance lease liabilities	2.7	6.8	0.2
UMTS licence liabilities	113.0	117.1	-
Trade and other payables	1,333.5	1,523.0	413.2
<i>includes derivative instruments liabilities</i>	99.7	87.0	12.0
Income tax liability	22.5	48.0	4.5
Deposits for equipment	1.4	1.4	2.7
Deferred income	670.3	683.9	209.5
Total current liabilities	4,149.8	4,167.2	974.8
Total liabilities	17,777.0	18,239.6	2,675.0
Total equity and liabilities	27,088.9	27,381.2	5,676.2

4.18.3. Consolidated cash flow statement

	Year ended	
	December 31, 2014	December 31, 2013
Net profit	292.5	525.5
Adjustments:	1,825.3	334.3
Depreciation, amortisation, impairment and liquidation	1,295.9	256.4

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	Year ended	
	December 31, 2014	December 31, 2013
Payments for film licenses and sports rights	(306.8)	(222.4)
Amortization of film licenses and sports rights	224.4	220.4
Gain on sale of property, plant and equipment and intangible assets	(2.9)	(35.8)
Cost of programming rights sold	30.5	6.4
Interest expense	603.7	183.8
Change in inventories	0.5	14.8
Change in receivables and other assets	(191.9)	60.9
Change in liabilities, provisions and deferred income	(195.6)	(104.9)
Change in internal production and advance payments	(4.9)	6.5
Valuation of hedging instruments	(3.9)	14.4
Share of the profit of joint ventures accounted for using the equity method	(2.6)	(2.9)
Foreign exchange losses, net	369.9	16.3
Income tax	21.7	67.4
Net additions of reception equipment provided under operating lease	(193.1)	(158.9)
Net loss on derivatives	84.3	-
Other adjustments	96.1	11.9
Cash from operating activities	2,117.8	859.8
Income tax	(189.1)	(67.5)
Interest received from operating activities	45.2	10.4
Net cash from operating activities	1,973.9	802.7
Acquisition of property, plant and equipment	(263.6)	(60.8)
Acquisition of intangible assets	(71.8)	(62.0)
Concessions payments	(482.3)	-
Acquisition of shares in subsidiaries, net of cash acquired	1,800.4	(64.3)
Proceeds from disposal of related entities, net	-	48.7
Proceeds from sale of property, plant and equipment	4.1	2.1
Loans granted	(23.1)	-
Other investing activities - derivatives	6.6	-
Dividends received	2.5	2.5
Net cash from/(used in) investing activities	972.8	(133.8)
Repayment of loans and borrowings	(1,087.1)	(431.1)
Loans and borrowings inflows	2,800.0	-
Bonds repayment	(2,275.9)	-
Finance lease – principal repayments	(0.9)	(0.4)
Payment of interest on loans, borrowings, bonds, Cash Pool, finance lease and commissions*	(872.2)	(165.0)
Dividends paid	(102.9)	-
Payment of share issuance-related consulting costs	(3.9)	-

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	Year ended	
	December 31, 2014	December 31, 2013
Net cash used in financing activities	(1,542.9)	(596.5)
Net change in cash and cash equivalents	1,403.8	72.4
Cash and cash equivalents at the beginning of the period	342.2	270.3
Effect of exchange rate fluctuations on cash and cash equivalents	1.9	(0.5)
Cash and cash equivalents at the end of the period	1,747.9**	342.2

* Includes impact of hedging instruments, premium for early repayment of bonds and payment of costs related to new financing.

** Includes restricted cash in the amount of PLN 12.6 million.

	For the 3-month period ended	
	March 31, 2015	March 31, 2014
Net profit	170.8	98.2
Adjustments:	282.2	86.6
Depreciation, amortisation, impairment and liquidation	467.9	62.4
Payments for film licenses and sports rights	(41.5)	(109.4)
Amortization of film licenses and sports rights	43.7	40.1
Gain on sale of property, plant and equipment and intangible assets	(0.4)	-
Cost of programming rights sold	0.1	-
Interest expense	177.4	90.4
Change in inventories	48.6	(16.3)
Change in receivables and other assets	(211.8)	(5.1)
Change in liabilities, provisions and deferred income	(216.1)	31.5
Change in internal production and advance payments	(11.7)	(13.3)
Valuation of hedging instruments	(0.6)	11.1
Share of the profit of joint ventures accounted for using the equity method	(0.5)	(0.7)
Foreign exchange losses, net	37.1	10.3
Income tax	26.0	14.4
Net additions of reception equipment provided under operating lease	(43.6)	(30.6)
Net loss on derivatives	10.6	-
Other adjustments	(3.0)	1.8
Cash from operating activities	453.0	184.8
Income tax	(48.5)	(17.8)
Interest received from operating activities	13.2	2.2
Net cash from operating activities	417.7	169.2
Acquisition of property, plant and equipment	(137.6)	(19.4)
Acquisition of intangible assets	(19.1)	(20.0)
Concessions payments	(4.2)	-
Acquisition of shares in subsidiaries, net of cash acquired	0.2	0.3
Proceeds from disposal of related entities, net	(42.7)	-
Proceeds from sale of property, plant and equipment	(6.0)	-

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

	For the 3-month period ended	
	March 31, 2015	March 31, 2014
Loans granted	1.2	-
Other investing activities - derivatives	-	2.5
Dividends received	(208.2)	(36.6)
Net cash from/(used in) investing activities	(157.0)	(37.4)
Repayment of loans and borrowings	50.0	-
Loans and borrowings inflows	(2.5)	(0.1)
Bonds repayment	(357.9)	(9.1)
Finance lease – principal repayments	(467.4)	(46.6)
Payment of interest on loans, borrowings, bonds, Cash Pool, finance lease and commissions*	(257.9)	86.0
Dividends paid	1,747.9**	342.2
Payment of share issuance-related consulting costs	1.6	-
Net cash used in financing activities	1,491.6***	428.2

* Including effect of IRS/CIRS/forward instruments

** Including limited liquidity funds of PLN 12.6 million

*** Including limited liquidity funds of PLN 12.7 million

4.19. Pro forma financial information for 2013 and 2014

Data in the tables below are presented in million PLN.

Unaudited consolidated pro forma income, operating costs and EBITDA statement of Polsat Group for the financial year ended December 31, 2013.

	Pro forma adjustments					
	CP S.A. Group without Metelem Group (1)	Metelem Group (2)	Uniform data presentation (3)	Eliminations of intra-group balances and transactions (4)	Acquisition costs (5)	Pro forma total
Revenue from the sale of services, products, goods and materials	2,910.8	6,682.3	63.9	(18.6)	-	9,638.4
Operating costs less amortisation and depreciation, disposal and impairment costs	(1,901.3)	(3,901.7)	(11.7)	18.6	(5.5)	(5,801.6)
Other operating income/(costs), net	36.8	77.3	(52.2)	-	-	61.9
EBITDA	1,046.3	2,857.9	-	-	(5.5)	3,898.7

1) The financial data of the Group without Metelem Group has been compiled on the basis of the consolidated financial statements of the Group for the year ended December 31, 2013.

2) The financial data of the Metelem Group has been compiled on the basis of the consolidated financial statements of the Metelem Group included in the Prospectus of Series I and J shares of Cyfrowy Polsat.

INFORMATION ON POLSAT GROUP (EXCERPT FROM THE OFFERING MEMORANDUM)

- 3) To ensure uniform presentation of the financial data of Metelem Group with the income statement format presented in the consolidated financial statements of the Group for the year ended December 31, 2013, the following presentation changes have been introduced:
- Revenue from contractual penalties
 The Group and Metelem Group differ in their presentation of revenue from contractual penalties. Since in the Group revenue from contractual penalties is part of revenue from core business, a corresponding item with the amount of PLN 63.9 million has been transferred from "Other operating income" of Metelem Group to "Revenue from the sale of services, products, goods and materials".
 - Allowances for receivables, costs of uncollectible receivables and result on sale of receivables
 In addition, Metelem Group recognises allowances for receivables, costs of uncollectible receivables and the result on sale of receivables in "other operating activities". The Group discloses those items as part of its core business under "operating costs", on a net basis. For this reason, PLN 11.7 million was reclassified from "Other operating income/(cost), net" to "Operating costs less amortisation and depreciation, disposals and impairment costs".
- 4) Elimination of intra-group balances (income and expenses) of PLN 18.6 million resulting from transactions executed between the Group and Metelem Group
- 5) The adjustment consists in the recognition of consulting costs related to the acquisition transaction

Unaudited consolidated pro forma income, operating costs and EBITDA statement of Polsat Group for the financial year ended December 31, 2014

	Pro forma adjustments				
	CP S.A. Group without Metelem Group (1)	Metelem Group (2)	Eliminations of intra-group balances and transactions (3)	Acquisition costs (4)	Pro forma total
Revenue from the sale of services, products, goods and materials	3,160.1	6,666.7	(121.8)	-	9,705.0
Operating costs less amortisation and depreciation, disposals and impairment costs	(2,160.2)	(3,890.1)	131.5	5.5	(5,913.3)
Other operating income/(costs), net	23.5	(21.6)	(0.9)	-	1.0
EBITDA	1,023.4	2,755.0	8.8	5.5	3,792.7

- The financial data of the Group without Metelem Group has been compiled on the basis of the consolidated financial statements of the Group for the year ended December 31, 2014
- The financial data of Metelem Group has been compiled on the basis of the consolidation package (intra-group materials)
- Elimination of intra-group balances (income and expenses) resulting from transactions executed between the Group and Metelem Group
- The adjustment consists in elimination of consulting costs related to the acquisition transaction

APPENDICES

5. APPENDICES

- 5.1. Information corresponding to the current excerpt from the register of entrepreneurs of the National Court Register

CENTRALNA INFORMACJA KRAJOWEGO REJESTRU S DOWEGO

KRAJOWY REJESTR S DOWY

Stan na dzie 22.07.2015 godz. 14:54:49

Numer KRS: 0000010078

Informacja odpowiadaj ca odpisowi aktualnemu
Z REJESTRU PRZEDSI BIORCÓWpobrana na podstawie art. 4 ust. 4aa ustawy z dnia 20 sierpnia 1997 r. o Krajowym Rejestrze
S dowym (Dz. U. z 2007 r. Nr 168, poz.1186, z pó n. zm.)

Data rejestracji w Krajowym Rejestrze S dowym		21.06.2001	
Ostatni wpis	Numer wpisu	59	Data dokonania wpisu
	Sygnatura akt	WA.XIII NS-REJ.KRS/25562/15/618	
	Oznaczenie s du	S D REJONOWY DLA M. ST. WARSZAWY W WARSZAWIE, XIII WYDZIAŁ GOSPODARCZY KRAJOWEGO REJESTRU S DOWEGO	

Dział 1

Rubryka 1 - Dane podmiotu	
1.Oznaczenie formy prawnej	SPÓŁKA AKCYJNA
2.Numer REGON/NIP	REGON: 670925160, NIP: 7961810732
3.Firma, pod któr spółka działa	CYFROWY POLSAT SPÓŁKA AKCYJNA
4.Dane o wcze niejszej rejestracji	RHB 1651 S D REJONOWY W RADOMIU V WYDZIAŁ GOSPODARCZY
5.Czy przedsi biorca prowadzi działalno gospodarcz z innymi podmiotami na podstawie umowy spółki cywilnej?	NIE
6.Czy podmiot posiada status organizacji po ytku publicznego?	---

Rubryka 2 - Siedziba i adres podmiotu	
1.Siedziba	kraj POLSKA, woj. MAZOWIECKIE, powiat M.ST. WARSZAWA, gmina M.ST. WARSZAWA, miejsc. WARSZAWA
2.Adres	ul. ŁUBINOWA, nr 4A, lok. ---, miejsc. WARSZAWA, kod 03-878, poczta WARSZAWA, kraj POLSKA
3.Adres poczty elektronicznej	-----
4.Adres strony internetowej	-----

Rubryka 3 - Oddziały	
Brak wpisów	

Rubryka 4 - Informacje o statucie		
1. Informacja o sporządzeniu lub zmianie statutu	1	30.10.1996 R.-STATUT SPÓŁKI AKCYJNEJ-NOTARIUSZ SŁAWOMIR WOLBERGIER, KANCELARIA NOTARIALNA W RADOMIU UL.SIENKIEWICZA 3 REP.A-6526/96; 17.05.2001 R. ZMIANA STATUTU, NOTARIUSZ DARIUSZ WIERZCHUCKI Z KANCELARII NOTARIALNEJ PRZY UL. ZIMNEJ 2M.23 W WARSZAWIE; REP. A NR 4638/2001; ZMIANA ART.7 STATUTU
	2	17.03.2003, REP. A 1410/2003, NOTARIUSZ DARIUSZ WIERZCHUCKI, PROWADZ CY KANCELARI NOTARIALN W WARSZAWIE PRZY UL.ZIMNEJ 2 M.23; W ART.7 STATUTU DODANO PKT 21)
	3	09.09.2004R. REP.A-5296/2004, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL.ZIMNA 2 M.23 ZMIENIONO: ART.7, TYTUŁ ROZDZIAŁU III, ART.11 UST.1, ART.11 UST.3, ART.11 UST.4, ART.12 UST.1 PKT A), ART.12 UST.2, ART.15 UST.3, ART.19 UST.2, ART.20 UST.1, ART.20 UST.4, ART.21 UST.3, ART.24 (PIERWSZE ZDANIE), ART.24 PKT A), ART.24 PKT G), ART.24 PKT I), ART.24 PKT N), ART.25 UST.7, ART.28 UST.1, ART.28 UST.2, ART.28 UST.3, ART.33 PKT A), ART.36 STATUTU SPÓŁKI DODANO: ART.22 UST.3 STATUTU SPÓŁKI
	4	18.12.2003, REP. A-9098/2003, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL. ZIMNA 2 M.23, ZMIENIONO: ART. 8, ART. 27 POPRZEZ DODANIE NOWEGO PKT 4 I OZNACZENIE DOTYCHCZASOWEGO PKT 4 JAKO PKT 5; 18.03.2004, REP. A-2446/2004, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL. ZIMNA 2 M.23, ZMIENIONO: ART. 2, ART. 3 ORAZ ART. 26 STATUTU SPÓŁKI.
	5	7.12.2004, REP. A 7015/2004, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL.ZIMNA 2 M 23 ZMIENIONO: ART.8, W ART.27 DODANO NOWY PKT 5, A DOTYCHCZASOWY PKT 5 OZNACZONO JAKO PKT 6
	6	16.05.2006, REP. 3531/2006, NOTARIUSZ DARIUSZ WIERZCHUCKI, PROWADZ CY KANCELARI NOTARIALN W WARSZAWIE PRZY UL.ZIMNEJ 2 M.23, ZMIENIONO ART.3, TYTUŁ ROZDZIAŁU II, ART.7 I ART.26 STATUTU SPÓŁKI
	7	21.11.2006, REP. A - 7431/2006, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL. ZIMNA 2 M. 23, ZMIENIONO ART. 16 STATUT SPÓŁKI.
	8	AKT NOTARIALNY SPORZĄDZONY DNIA 17 KWIETNIA 2007 ROKU, REPERTORIUM A NR 2672/2007, NOTARIUSZ DARIUSZ WIERZCHUCKI PROWADZ CY KANCELARI NOTARIALN PRZY UL. ZIMNEJ NR 2 LOKAL 23 W WARSZAWIE ZMIENIONO NASTĘPUJĄCE ARTYKUŁY STATUTU CYFROWY POLSAT S.A. - ART. 15 UST. 1 ORAZ ART. 16
	9	05.09.2007 R. - DARIUSZ WIERZCHUCKI - NOTARIUSZ W WARSZAWIE, REP. A - 5748/2007 - ZMIENIONO ART. ART. 10, 19, 20, 27, DODANO ART. 20A.
	10	20.09.2007 R. - DARIUSZ WIERZCHUCKI - NOTARIUSZ W WARSZAWIE, REP. A - 5967/2007 - DODANO ART. 38.
	11	27.09.2007 R. - DARIUSZ WIERZCHUCKI - NOTARIUSZ W WARSZAWIE, REP. A - 6060/2007 - ZMIENIONO ART. 8.
	12	05.09.2007 R. - NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL. ZIMNA 2 M. 23, REP. A NR 5748/2007 - ZMIANA ART. 8; 30.10.2007 R. - NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL. ZIMNA 2 M. 23, REP. A NR 6939/2007 - ZMIANA ART. 27.
	13	04.12.2007 R., NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE PRZY UL. ZIMNEJ 2 M. 23, REP. 8240/2007, NA PODSTAWIE UCHWAŁY NR 8 ZMIENIA SIĘ : ART. 12 UST. 2, ART. 14 UST. 3, ART. 18, ART. 19 UST. 1, ART. 21 UST. 2, ART. 35. DODAJE SIĘ : ART. 15 UST. 5, ART. 19 UST. 3 LIT. H.
	14	ZMIANA ART.11,19,25,27,35; SKREŚLENIE ART.37; ZMIANA NUMERACJI ART.38 NA 37; TEKST JEDNOLITY Z DN.23.04.2009 - NOTARIUSZ DARIUSZ WIERZCHUCKI, KN W WARSZAWIE, NR REP.A 2416/2009
	15	08.03.2010 R., REP. A NR 2389/2010, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA

	NOTARIALNA W WARSZAWIE PRZY UL. ZIMNEJ 2 M 23 ZMIENIONO ART. 8, USUNI TO UST. 2 W ART. 27, DOTYCHCZASOWE UST. 3 I 4 W ART. 27 OZNACZONO JAKO UST. 2 I 3
16	24.06.2010 R., REP. A NR 5915/2010, NOTARIUSZ DARIUSZ WIERZCHUCKI Z KANCELARII NOTARIALNEJ W WARSZAWIE - DODANO W ART. 7 STATUTU PKT: 28, 29 I 30.
17	04.05.2011 R. - DARIUSZ WIERZCHUCKI - NOTARIUSZ W WARSZAWIE, REP. A - 5114/2011 - ZMIENIONO ART. 19, PRZYJ TO TEKST JEDNOLITY.
18	19.05.2011 R. - DARIUSZ WIERZCHUCKI - NOTARIUSZ W WARSZAWIE, REP. A - 5843/2011 - ZMIENIONO ART. 8.
19	5.06.2012 R., REP. A NR 4400/2012, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE ZMIANA ART. 27 UST. 1
20	11 CZERWCA 2013 R.: NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, UL.ZIMNA 2 M. 23, REP. A NR 3737/2013 ZMIANA ART. 7;
21	23.09.2014 R., NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE, REP. A NR 5552/2014, ZMIANA ART. 8, ART. 15 UST. 1, ART. 16.
22	16.01.2015 R., REP. A NR 141/2015, NOTARIUSZ DARIUSZ WIERZCHUCKI, KANCELARIA NOTARIALNA W WARSZAWIE PRZY UL. ZIMNEJ 2 LOK. 23 ZMIANA ART. 7, ART. 11, ART, 14, ART. 15 UST. 1, ART. 16, ART. 24 LIT. J

Rubryka 5

1.Czas, na jaki została utworzona spółka	NIEOZNACZONY
2.Oznaczenie pisma innego niż Monitor S dowy i Gospodarczy, przeznaczonego do ogłosze spółki	-----
4.Czy statut przyznaje uprawnienia osobiste określonym akcjonariuszom lub tytuły uczestnictwa w dochodach lub majątku spółki nie wynikających z akcji?	NIE
5.Czy obligatoriusze mają prawo do udziału w zysku?	NIE

Rubryka 6 - Sposób powstania spółki

Brak wpisów

Rubryka 7 - Dane jedyne akcjonariusza

Brak wpisów

Rubryka 8 - Kapitał spółki

1.Wysokość kapitału zakładowego	25 581 840,64 Zł
2.Wysokość kapitału docelowego	-----
3.Liczba akcji wszystkich emisji	639546016
4.Wartość nominalna akcji	0,04 Zł

5. Kwotowe określenie czuci kapitału wpłaconego	25 581 840,64 ZŁ
6. Warto nominalna warunkowego podwyższenia kapitału zakładowego	--- ZŁ
Podrubryka 1 Informacja o wniesieniu aportu	
1. Określenie wartości akcji objętych za aport	1 11 647 727,20 ZŁ

Rubryka 9 - Emisja akcji		
1	1. Nazwa serii akcji	SERIA A
	2. Liczba akcji w danej serii	2500000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	2 500 000 AKCJI UPZYWILEJOWANYCH CO DO PRAWA GŁOSU: PO 2 GŁOSY NA JEDNĄ AKCJĘ
2	1. Nazwa serii akcji	SERIA B
	2. Liczba akcji w danej serii	2500000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	2 500 000 AKCJI UPZYWILEJOWANYCH CO DO PRAWA GŁOSU: PO 2 GŁOSY NA JEDNĄ AKCJĘ
3	1. Nazwa serii akcji	SERIA C
	2. Liczba akcji w danej serii	7500000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	7 500 000 AKCJI UPZYWILEJOWANYCH CO DO PRAWA GŁOSU: PO 2 GŁOSY NA JEDNĄ AKCJĘ
4	1. Nazwa serii akcji	SERIA D
	2. Liczba akcji w danej serii	175000000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	166 917 501 AKCJI OZNACZONYCH NUMERAMI OD 1 DO 166 917 501 UPZYWILEJOWANYCH CO DO PRAWA GŁOSU; PO 2 GŁOSY NA JEDNĄ AKCJĘ
5	1. Nazwa serii akcji	E
	2. Liczba akcji w danej serii	75000000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	AKCJE NIE SĄ UPZYWILEJOWANE
6	1. Nazwa serii akcji	SERIA F
	2. Liczba akcji w danej serii	5825000
	3. Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, że akcje nie są uprzywilejowane	AKCJE NIE SĄ UPZYWILEJOWANE
7	1. Nazwa serii akcji	H
	2. Liczba akcji w danej serii	80027836

	3.Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, e akcje nie s uprzywilejowane	AKCJE NIE S UPRZYWILEJOWANE
8	1.Nazwa serii akcji	I
	2.Liczba akcji w danej serii	47260690
	3.Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, e akcje nie s uprzywilejowane	AKCJE NIE S UPRZYWILEJOWANE
9	1.Nazwa serii akcji	J
	2.Liczba akcji w danej serii	243932490
	3.Rodzaj uprzywilejowania i liczba akcji uprzywilejowanych lub informacja, e akcje nie s uprzywilejowane	AKCJE NIE S UPRZYWILEJOWANE

Rubryka 10 - Wzmianka o podj ciu uchwały o emisjach obligacji zamiennych

Brak wpisów

Rubryka 11

1.Czy zarz d lub rada administruj ca s upowa nieni do emisji warrantów subskrypcyjnych?

Dział 2

Rubryka 1 - Organ uprawniony do reprezentacji podmiotu

1.Nazwa organu uprawnionego do reprezentowania podmiotu	ZARZ D	
2.Sposób reprezentacji podmiotu	DO SKŁADANIA O WIADCZE W IMIENIU SPÓŁKI UPRAWNIENI S : - W PRZYPADKU ZARZ DU JEDNOOSOBOWEGO - PREZES ZARZ DU DZIAŁAJ CY SAMODZIELNIE, - W PRZYPADKU ZARZ DU WIELOOSOBOWEGO - PREZES ZARZ DU DZIAŁAJ CY SAMODZIELNIE, WICEPREZES ZARZ DU DZIAŁAJ CY Ł CZNIE Z CZŁONKIEM ZARZ DU LUB INNYM WICEPREZESEM ZARZ DU, DWÓCH CZŁONKÓW ZARZ DU DZIAŁAJ CYCH Ł CZNIE, DWÓCH WICEPREZESÓW ZARZ DU DZIAŁAJ CYCH Ł CZNIE, WICEPREZES ZARZ DU DZIAŁAJ CY Ł CZNIE Z PROKURENTEM ALBO CZŁONEK ZARZ DU DZIAŁAJ CY Ł CZNIE Z PROKURENTEM.	
Podrubryka 1 Dane osób wchodz cych w skład organu		
1	1.Nazwisko / Nazwa lub firma	DZIAŁKOWSKI
	2.Imiona	DARIUSZ
	3.Numer PESEL/REGON	67042712696
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w	NIE

	czynno ciach?	
	7.Data do jakiej została zawieszona	-----
2	1.Nazwisko / Nazwa lub firma	SZEL G
	2.Imiona	TOMASZ PIOTR
	3.Numer PESEL/REGON	77011305695
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	NIE
	7.Data do jakiej została zawieszona	-----
3	1.Nazwisko / Nazwa lub firma	JASKÓLSKA
	2.Imiona	ANETA JUSTYNA
	3.Numer PESEL/REGON	75070404380
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	NIE
	7.Data do jakiej została zawieszona	-----
4	1.Nazwisko / Nazwa lub firma	SOLORZ
	2.Imiona	TOBIAS MARKUS
	3.Numer PESEL/REGON	80081919257
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	WICEPREZES ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	NIE
	7.Data do jakiej została zawieszona	-----
5	1.Nazwisko / Nazwa lub firma	GILLNER GORYWODA
	2.Imiona	TOMASZ
	3.Numer PESEL/REGON	58122603290
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	PREZES ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	NIE
	7.Data do jakiej została zawieszona	-----
6	1.Nazwisko / Nazwa lub firma	STEC
	2.Imiona	MACIEJ ARKADIUSZ
	3.Numer PESEL/REGON	74123000010
	4.Numer KRS	****
	5.Funkcja w organie reprezentuj cym	CZŁONEK ZARZ DU
	6.Czy osoba wchodz ca w skład zarz du została zawieszona w czynno ciach?	NIE
	7.Data do jakiej została zawieszona	-----

Rubryka 2 - Organ nadzoru			
1	1.Nazwa organu		RADA NADZORCZA
	Podrubryka 1 Dane osób wchodzących w skład organu		
	1	1.Nazwisko	RUTA
		2.Imiona	HERONIM BOGUSŁAW
		3.Numer PESEL	50072503794
	2	1.Nazwisko	GWIAZDOWSKI
		2.Imiona	ROBERT ANDRZEJ
		3.Numer PESEL	60032304178
	3	1.Nazwisko	REKSA
		2.Imiona	LESZEK
		3.Numer PESEL	52061304276
	4	1.Nazwisko	SOLORZ AK
		2.Imiona	ZYGMUNT JÓZEF
		3.Numer PESEL	56080407253
	5	1.Nazwisko	MYSZKA
		2.Imiona	ALEKSANDER
		3.Numer PESEL	49093006896
	6	1.Nazwisko	BIRKA
		2.Imiona	JÓZEF FRANCISZEK
		3.Numer PESEL	47041701633

Rubryka 3 - Prokurenci
Brak wpisów

Dział 3

Rubryka 1 - Przedmiot działalności		
1.Przedmiot prowadzenia działalności przedsiębiorcy	1	61, 30, Z, DZIAŁALNOŚĆ W ZAKRESIE TELEKOMUNIKACJI SATELITARNEJ
2.Przedmiot pozostałej działalności przedsiębiorcy	1	60, , , DZIAŁALNOŚĆ RADIOWA I TELEWIZYJNA
	2	61, , , DZIAŁALNOŚĆ TELEKOMUNIKACYJNA
	3	82, , , USŁUGI W ZAKRESIE CALL CENTER
	4	59, , , PRODUKCJA I DYSTRYBUCJA FILMÓW, NAGRAŃ AUDIO I VIDEO, ZAKUP ORAZ SPRZEDAŻ PRAW AUTORSKICH
	5	26, , , PRODUKCJA SPRZĘTU I URZĄDZEŃ RADIOWYCH, TELEWIZYJNYCH I TELEKOMUNIKACYJNYCH
	6	70, , , DORADZTWO W ZAKRESIE PROWADZONEJ DZIAŁALNOŚCI GOSPODARCZEJ I ZARZĄDZANIA
	7	69, , , USŁUGOWE PROWADZENIE KSIĘGZACHUNKOWYCH
	8	78, , , USŁUGI KADROWO-PŁACOWE
	9	63, , , DZIAŁALNOŚĆ PORTALI INTERNETOWYCH

Rubryka 2 - Wzmianki o zło onych dokumentach			
Rodzaj dokumentu	Nr kolejny w polu	Data zło enia	Za okres od do
1.Wzmianka o zło eniu rocznego sprawozdania finansowego	1	05.06.2002	01.01.2000 - 31.12.2000
	2	30.09.2002	01.01.2001 - 31.12.2001
	3	28.11.2003	01.01.2002 - 31.12.2002
	4	26.08.2004	01.01.2003-31.12.2003
	5	05.09.2005	01.01.2004 R. - 31.12.2004 R.
	6	07.08.2006	1 STYCZNIA 2005 - 31 GRUDNIA 2005
	7	11.09.2007	01.01.2006 - 31.12.2006
	8	17.07.2008	01.01.2007 DO 31.12.2007
	9	04.05.2009	01.01.2008 - 31.12.2008
	10	02.07.2010	01.01.2009 - 31.12.2009
	11	31.05.2011	01.01.2010 - 31.12.2010
	12	12.06.2012	01.01.2011 - 31.12.2011
	13	23.07.2013	01.01.2012 - 31.12.2012
	14	06.05.2014	OD 01.01.2013 DO 31.12.2013
	15	09.05.2015	OD 01.01.2014 DO 31.12.2014
2.Wzmianka o zło eniu opinii biegłego rewidenta	1	*****	01.01.2000 - 31.12.2000
	2	*****	01.01.2001 - 31.12.2001
	3	*****	01.01.2002 - 31.12.2002
	4	*****	01.01.2003-31.12.2003
	5	*****	01.01.2004 R. - 31.12.2004 R.
	6	*****	1 STYCZNIA 2005 - 31 GRUDNIA 2005
	7	*****	01.01.2006 - 31.12.2006
	8	*****	01.01.2007 DO 31.12.2007
	9	*****	01.01.2008 - 31.12.2008
	10	*****	01.01.2009 - 31.12.2009
	11	*****	01.01.2010 - 31.12.2010
	12	*****	01.01.2011 - 31.12.2011
	13	*****	01.01.2012 - 31.12.2012
	14	*****	OD 01.01.2013 DO 31.12.2013
	15	*****	OD 01.01.2014 DO 31.12.2014
3.Wzmianka o zło eniu uchwały lub postanowienia o zatwierdzeniu sprawozdania finansowego	1	*****	01.01.2000 - 31.12.2000
	2	*****	01.01.2001 - 31.12.2001
	3	*****	01.01.2002 - 31.12.2002
	4	*****	01.01.2003-31.12.2003
	5	*****	01.01.2004 R. - 31.12.2004 R.
	6	*****	1 STYCZNIA 2005 - 31 GRUDNIA 2005
	7	*****	01.01.2006 - 31.12.2006
	8	*****	01.01.2007 DO 31.12.2007
	9	*****	01.01.2008 - 31.12.2008
	10	*****	01.01.2009 - 31.12.2009
	11	*****	01.01.2010 - 31.12.2010
	12	*****	01.01.2011 - 31.12.2011

	13	*****	01.01.2012 - 31.12.2012
	14	*****	OD 01.01.2013 DO 31.12.2013
	15	*****	OD 01.01.2014 DO 31.12.2014
4.Wzmianka o złożeniu sprawozdania z działalności podmiotu	1	*****	01.01.2000 - 31.12.2000
	2	*****	01.01.2001 - 31.12.2001
	3	*****	01.01.2002 - 31.12.2002
	4	*****	01.01.2003-31.12.2003
	5	*****	01.01.2004 R. - 31.12.2004 R.
	6	*****	1 STYCZNIA 2005 - 31 GRUDNIA 2005
	7	*****	01.01.2006 - 31.12.2006
	8	*****	01.01.2007 DO 31.12.2007
	9	*****	01.01.2008 - 31.12.2008
	10	*****	01.01.2009 - 31.12.2009
	11	*****	01.01.2010 - 31.12.2010
	12	*****	01.01.2011 - 31.12.2011
	13	*****	01.01.2012 - 31.12.2012
	14	*****	OD 01.01.2013 DO 31.12.2013
	15	*****	OD 01.01.2014 DO 31.12.2014

Rubryka 3 - Sprawozdania grupy kapitałowej

Rodzaj dokumentu	Nr kolejny w polu	Data złożenia	Za okres od do
1.Skonsolidowane roczne sprawozdanie finansowe	1	17.07.2008	01.01.2007 DO 31.12.2007
	2	04.05.2009	01.01.2008 - 31.12.2008
	3	02.07.2010	01.01.2009 - 31.12.2009
	4	31.05.2011	01.01.2010 - 31.12.2010
	5	12.06.2012	01.01.2011 - 31.12.2011
	6	23.07.2013	01.01.2012 - 31.12.2012
	7	06.05.2014	OD 01.01.2013 DO 31.12.2013
2.Opinia biegłego rewidenta	1	*****	01.01.2007 DO 31.12.2007
	2	*****	01.01.2008 - 31.12.2008
	3	*****	01.01.2009 - 31.12.2009
	4	*****	01.01.2010 - 31.12.2010
	5	*****	01.01.2011 - 31.12.2011
	6	*****	01.01.2012 - 31.12.2012
	7	*****	OD 01.01.2013 DO 31.12.2013
3.Uchwała lub postanowienie o zatwierdzeniu skonsolidowanego rocznego sprawozdania finansowego	1	*****	01.01.2007 DO 31.12.2007
	2	*****	01.01.2008 - 31.12.2008
	3	*****	01.01.2009 - 31.12.2009
	4	*****	01.01.2010 - 31.12.2010
	5	*****	01.01.2011 - 31.12.2011
	6	*****	01.01.2012 - 31.12.2012
	7	*****	OD 01.01.2013 DO 31.12.2013

4.Sprawozdanie z działalności jednostki dominującej	1	*****	01.01.2007 DO 31.12.2007
	2	*****	01.01.2008 - 31.12.2008
	3	*****	01.01.2009 - 31.12.2009
	4	*****	01.01.2010 - 31.12.2010
	5	*****	01.01.2011 - 31.12.2011
	6	*****	01.01.2012 - 31.12.2012
	7	*****	OD 01.01.2013 DO 31.12.2013

Rubryka 4 - Przedmiot działalności statutowej organizacji pożytku publicznego

Brak wpisów

Rubryka 5 - Informacja o dniu kończącym rok obrotowy

1.Dzień kończący pierwszy rok obrotowy, za który należy złożyć sprawozdanie finansowe

31.12.1996

Dział 4

Rubryka 1 - Zaległości

Brak wpisów

Rubryka 2 - Wierzytelności

Brak wpisów

Rubryka 3 - Informacje o zabezpieczeniu majątku dłużnika w postępowaniu w przedmiocie ogłoszenia upadłości, o oddaleniu wniosku o ogłoszenie upadłości z uwagi na fakt, że majątek niewypłacalnego dłużnika nie wystarcza na zaspokojenie kosztów postępowania

Brak wpisów

Rubryka 4 - Umorzenie prowadzonej przeciwko podmiotowi egzekucji z uwagi na fakt, że z egzekucji nie uzyskana suma wystarczy na pokrycie kosztów egzekucyjnych

Brak wpisów

Dział 5

Rubryka 1 - Kurator

Brak wpisów

Dział 6

Rubryka 1 - Likwidacja
Brak wpisów

Rubryka 2 - Informacje o rozwoju lub unieważnieniu spółki
Brak wpisów

Rubryka 3 - Zarząd komisaryczny
Brak wpisów

Rubryka 4 - Informacja o połączeniu, podziale lub przekształceniu		
1	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	POŁĄCZENIE ZOSTAŁO DOKONANE W DRODZE PRZENIESIENIA NA CYFROWY POLSAT S.A. Z SIEDZIBĄ W EMOWIE /SPÓŁKA PRZEJMOWANA/ CAŁEGO MAJĄTKU POLSAT SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ Z SIEDZIBĄ W WARSZAWIE /SPÓŁKA PRZEJMOWANA/ WPISANEJ DO KRAJOWEGO REJESTRU SĄDOWEGO POD NR 0000011720, O NUMERZE REGON 016372500, W TRYBIE ART.492 PAR.1 PKT.1 ORAZ ART.516 KODEKSU SPÓŁEK HANDLOWYCH, NA WARUNKACH OKREŚLONYCH W PLANIE POŁĄCZENIA OGŁOSZONYM W MONITORZE SĄDOWYM I GOSPODARCZYM Z DNIA 16 GRUDNIA 2004 ROKU NR 245, POZ.13221, BEZ PODWYKSZANIA KAPITAŁU ZAKŁADOWEGO CYFROWEGO POLSATU S.A. ORAZ BEZ ZMIANY STATUTU CYFROWEGO POLSATU S.A.; UCHWAŁA SPÓŁKI PRZEJMOWANEJ POLSAT SP.Z O.O. O POŁĄCZENIU Z DNIA 27 STYCZNIA 2005 ROKU ZOSTAŁA PODJĘTA NA NADZWYCZAJNYM ZGROMADZENIU WSPÓLNIKÓW POLSAT SP. Z O.O. /AKT NOTARIALNY REP.A 509/2005, NOTARIUSZ DARIUSZ WIERZCHUCKI PROWADZĄCY KANCELARIĘ NOTARIALNĄ W WARSZAWIE PRZY UL.ZIMNEJ 2 LOKAL 23/.
	Podrubryka 1 Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki	
	Brak wpisów	
	Podrubryka 2 Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału	
	Brak wpisów	
2	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	POŁĄCZENIE NA PODSTAWIE ART. 492 § 1 PKT 1 W ZWIĄZKU Z ART. 515 § 1 KODEKSU SPÓŁEK HANDLOWYCH I POPRZECZ PRZENIESIENIE NA CYFROWY POLSAT S.A. (SPÓŁKA PRZEJMOWANA) CAŁEGO MAJĄTKU PRAGA BUSINESS PARK SP. Z O.O. (SPÓŁKA PRZEJMOWANA), W TRYBIE ART. 516 § 6 KODEKSU SPÓŁEK HANDLOWYCH, BEZ PODWYKSZANIA KAPITAŁU ZAKŁADOWEGO I BEZ ZMIANY STATUTU CYFROWEGO POLSATU S.A. UCHWAŁA NADZWYCZAJNEGO WALNEGO ZGROMADZENIA SPÓŁKI CYFROWY POLSAT S.A. W SPRAWIE POŁĄCZENIA ZOSTAŁA PODJĘTA W DNIU 4 LISTOPADA 2008 ROKU, UCHWAŁA NADZWYCZAJNEGO ZGROMADZENIA WSPÓLNIKÓW SPÓŁKI PRAGA BUSINESS PARK SP. Z O.O. Z DN. 04.11.2008 R.
	Podrubryka 1	

Dane podmiotów powstałych w wyniku połącznienia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
1	1.Nazwa lub firma	PRAGA BUSINESS PARK SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR SĄDOWY
	3.Numer w rejestrze	0000252905
	4.Nazwa siedziby prowadzonego rejestru	*****
	5.Numer REGON	016279113
3	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	WZMIANKA O PODJĘCIU DNIA 15 WRZEŚNIA 2010 R. PRZEZ NADZWYCZAJNE WALNE ZGROMADZENIE CYFROWY POLSAT SPÓŁKA AKCYJNA UCHWAŁY NR 6 POŁĄCZENIOWEJ, ZAPROTOKOŁOWANEJ PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZONEGO KANCELARIE NOTARIALNA W WARSZAWIE ZA REP. A NR 8735/2010, O POŁĄCZENIU TRANSGRANICZNYM CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE, KTÓRA JEST ("SPÓŁKA PRZEJMOWANA") ORAZ M.PUNKT HOLDINGS LIMITED SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ NA CYPRZE, KTÓRA JEST ("SPÓŁKA PRZEJMOWANA"), PRZEPROWADZANYM NA PODSTAWIE ART. 492 § 1 PKT 1 K.S.H. W ZWIĄZKU Z ART. 516 Z INDEKSEM 15 K.S.H. I ART. 516 K.S.H. ORAZ SEKCJI 201 I DO SEKCJI 201 X CYPRYJSKIEGO PRAWA SPÓŁEK ZMIENIONEGO PRZEZ SEKCJII USTAWY LAW N.186(I)2007 IMPLEMENTUJĄCA POSTANOWIENIA DYREKTYWY CYPRYJSKIEGO PRAWA SPÓŁEK POPRZECZ PRZENIESIENIEM CAŁEGO MAJĄTKU SPÓŁKI PRZEJMOWANEJ NA SPÓŁKĘ PRZEJMOWANĄ.
Podrubryka 1		
Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
Brak wpisów		
4	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	POŁĄCZENIE CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (JAKO SPÓŁKA PRZEJMOWANA) Z M.PUNKT HOLDINGS LIMITED (CYPRYJSKA SPÓŁKA PRYWATNA Z ODPOWIEDZIALNOŚCIĄ OGRANICZONĄ DO WYSOKI CI AKCJI) Z SIEDZIBĄ NA CYPRZE (JAKO SPÓŁKA PRZEJMOWANA) POPRZECZ PRZENIESIENIEM NA SPÓŁKĘ PRZEJMOWANĄ - JAKO JEDYNEGO WSPÓLNIA SPÓŁKI PRZEJMOWANEJ - CAŁEGO MAJĄTKU SPÓŁKI PRZEJMOWANEJ W DRODZE SUKCESJI UNIWERSALNEJ I ROZWIĄZANIE SPÓŁKI PRZEJMOWANEJ BEZ PRZEPROWADZANIA JEJ LIKWIDACJI, ZGODNIE Z POSTANOWIENIAMI ART. 492 § 1 PKT 1)KSH W ZW. Z ART. 516 INDEKS 15 KSH I AR. 516 INDEKS 1 KSH ORAZ SEKCJI 201 I CYPRYJSKIEGO PRAWA SPÓŁEK, NA ZASADACH OKREŚLONYCH W PLANIE POŁĄCZENIA Z DNIA 30 LIPCA 2010 ROKU. POŁĄCZENIE PRZEPROWADZANE JEST NA PODSTAWIE UCHWAŁY NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWY POLSAT S.A. Z DNIA 15.09.2010 ROKU W SPRAWIE TRANSGRANICZNEGO POŁĄCZENIA CYFROWY POLSAT S.A. I M.PUNKT HOLDINGS LIMITED Z SIEDZIBĄ NA CYPRZE OBJĘTEJ AKTEM NOTARIALNYM SPORZĄDZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZONEGO KANCELARII NOTARIALNEJ W WARSZAWIE, PRZY UL.ZIMNEJ 2 LOK. 23, ZA REPERTORIUM A NR 8735/2010
Podrubryka 1		
Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów		

przejmuj cych cało lub cz majtku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
1	1.Nazwa lub firma	M.PUNKT HOLDINGS LIMITED
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	REJESTR INNY NI REJESTR S DOWY I EWIDENCJA DZIAŁALNOŚCI GOSPODARCZEJ
	3.Numer w rejestrze	125353
	4.Nazwa sądu prowadzącego rejestr	MINISTER HANDLU, PRZEMYSŁU I TURYSTYKI
	5.Numer REGON	---
5	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	PODJEŃCIE UCHWAŁY O POŁĄCZENIU CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (JAKO SPÓŁKA PRZEJMOWANA) Z MPUNKT POLSKA SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (JAKO SPÓŁKA PRZEJMOWANA) ZGODNIE Z POSTANOWIENIAMI ART. 492 § 1 PKT 1) KSH W ZWIĄZKU Z ART. 516 § 1 KSJ. POŁĄCZENIE PRZEPROWADZONE NA PODSTAWIE UCHWAŁY NWZ CYFROWY POLSAT SPÓŁKA AKCYJNA Z DNIA 04.05.2011 R., PROTOKÓŁ NOTARIALNY ZA REP. A NR 5114/2011, NOTARIUSZ W WARSZAWIE DARIUSZ WIERZCHUCKI.
Podrubryka 1		
Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
1	1.Nazwa lub firma	MPUNKT POLSKA SPÓŁKA AKCYJNA
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR S DOWY
	3.Numer w rejestrze	0000246160
	4.Nazwa sądu prowadzącego rejestr	*****
	5.Numer REGON	690683303
6	1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI
	2.Opis sposobu połączenia, podziału lub przekształcenia	POŁĄCZENIE CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (JAKO SPÓŁKA PRZEJMOWANA) Z MPUNKT POLSKA SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (JAKO SPÓŁKA PRZEJMOWANA) POPRZEZ: (I) PRZENIESIENIE NA SPÓŁKĘ PRZEJMOWANĄ - JAKO JEDYNEGO AKCJONARIUSZA SPÓŁKI PRZEJMOWANEJ - CAŁEGO MAJTKU SPÓŁKI PRZEJMOWANEJ W DRODZE SUKCESJI UNIWERSALNEJ ORAZ (II) ROZWIĄZANIE SPÓŁKI PRZEJMOWANEJ BEZ PRZEPROWADZANIA JEJ LIKWIDACJI, ZGODNIE Z POSTANOWIENIAMI ART. 492 § 1 PKT 1) KSH, NA ZASADACH OKREŚLONYCH W PLANIE POŁĄCZENIA Z DNIA 21 MARCA 2011 ROKU. POŁĄCZENIE PRZEPROWADZANE JEST NA PODSTAWIE UCHWAŁY NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWY POLSAT S.A. Z DNIA 04.05.2011 ROKU W SPRAWIE POŁĄCZENIA CYFROWY POLSAT S.A. I MPUNKT POLSKA SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE OBJĘTEJ AKTEM NOTARIALNYM SPORZĄDZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZĄCEGO KANCELARIĘ NOTARIALNĄ W WARSZAWIE, PRZY UL. ZIMNEJ 2 LOK. 23, ZA REP. A NR 5114/2011 ORAZ UCHWAŁY ZWYCZAJNEGO WALNEGO ZGROMADZENIA MPUNKT POLSKA S.A. Z DNIA 23.05.2011 ROKU W SPRAWIE POŁĄCZENIA CYFROWY POLSAT S.A. I MPUNKT POLSKA SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE OBJĘTEJ AKTEM NOTARIALNYM SPORZĄDZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZĄCEGO KANCELARIĘ NOTARIALNĄ W WARSZAWIE, PRZY UL. ZIMNEJ 2 LOK. 23, ZA REP. A NR 5861/2011.
Podrubryka 1		

Dane podmiotów powstałych w wyniku połącznienia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
1	1.Nazwa lub firma	MPUNKT POLSKA SPÓŁKA AKCYJNA
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR SŁOWY
	3.Numer w rejestrze	0000246160
	4.Nazwa siedziby prowadzonego rejestru	*****
	5.Numer REGON	690683303
7		
1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI	
2.Opis sposobu połączenia, podziału lub przekształcenia	WZMIANKA O PODJĘCIU UCHWAŁY O POŁĄCZENIU CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (SPÓŁKA PRZEJMOWANA) Z MTEL SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ Z SIEDZIBĄ W WARSZAWIE (SPÓŁKA PRZEJMOWANA) POPRZECZ PRZENIESIENIEM NA SPÓŁKĘ PRZEJMOWANĄ CAŁEGO MAJĄTKU SPÓŁKI PRZEJMOWANEJ BEZ PODWYSZANIA KAPITAŁU WŁASNICZKÓW I BEZ ZMIANY STATUTU SPÓŁKI PRZEJMOWANEJ - UCHWAŁA NR 6 NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWY POLSAT SPÓŁKA AKCYJNA Z DN. 05.08.2011 ZAPROTOKOŁOWANA PRZEZ ASESORA NOTARIALNEGO MARTYNA JÓZEFINA KOLBUSZA, ZASTĘPCĘ NOTARIUSZA W WARSZAWIE DARIUSZA WIERZCHUCKIEGO ZA NR REP. A 8406/2011	
Podrubryka 1		
Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
Brak wpisów		
8		
1.Określenie okoliczności	PRZEJĘCIE INNEJ SPÓŁKI	
2.Opis sposobu połączenia, podziału lub przekształcenia	POŁĄCZENIE CYFROWY POLSAT SPÓŁKA AKCYJNA Z SIEDZIBĄ W WARSZAWIE (SPÓŁKA PRZEJMOWANA) Z MTEL SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ Z SIEDZIBĄ W WARSZAWIE (SPÓŁKA PRZEJMOWANA) POPRZECZ PRZENIESIENIEM NA SPÓŁKĘ PRZEJMOWANĄ CAŁEGO MAJĄTKU SPÓŁKI PRZEJMOWANEJ - UCHWAŁA NR 6 NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWY POLSAT SPÓŁKA AKCYJNA Z DN. 05.08.2011 ZAPROTOKOŁOWANA PRZEZ ASESORA NOTARIALNEGO MARTYNA JÓZEFINA KOLBUSZA, ZASTĘPCĘ NOTARIUSZA W WARSZAWIE DARIUSZA WIERZCHUCKIEGO ZA NR REP. A 8406/2011	
Podrubryka 1		
Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki		
Brak wpisów		
Podrubryka 2		
Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału		
1	1.Nazwa lub firma	MTEL SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR SŁOWY
	3.Numer w rejestrze	0000008837

	4.Nazwa s du prowadz cego rejestr	*****
	5.Numer REGON	691552030
9	1.Okre lenie okoliczno ci	PRZEJ CIE INNEJ SPÓŁKI
	2.Opis sposobu poł czenia, podziału lub przekształcenia	POŁ CZENIE CYFROWEGO POLSATU SPÓŁKI AKCYJNEJ Z SIEDZIB W WARSZAWIE (JAKO SPÓŁKI PRZEJMUJ CEJ) Z CYFROWYM POLSATEM TECHNOLOGY SPÓŁK Z OGRANICZON ODPOWIEDZIALNO CI Z SIEDZIB W WARSZAWIE (JAKO SPÓŁK PRZEJMOWAN) POPRZEZ: (I) PRZENIESIENIE NA SPÓŁK PRZEJMUJ C - JAKO JEDYNEGO WSPÓLNIKA SPÓŁKI PRZEJMOWANEJ CAŁEGO MAJ TKU SPÓŁKI PRZEJMOWANEJ W DRODZE SUKCESJI UNIWERSALNEJ ORAZ (II) ROZWI ZANIE SPÓŁKI PRZEJMOWANEJ BEZ PRZEPROWADZANIA JEJ LIKWIDACJI, ZGODNIE Z POSTANOWIENIAMI ART. 492 § 1 PKT 1) KSH, NA ZASADACH OKRE LONYCH W PLANIE POŁ CZENIA Z DNIA 19 PA DZIERNIKA 2012 ROKU. POŁ CZENIE PRZEPROWADZANE JEST NA PODSTAWIE UCHWAŁY NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWEGO POLSATU S.A. Z DNIA 4 GRUDNIA 2012 ROKU W SPRAWIE POŁ CZENIA CYFROWEGO POLSATU S.A. Z CYFROWYM POLSATEM TECHNOLOGY SP. Z O.O. Z SIEDZIB W WARSZAWIE, OBJ TEJ AKTEM NOTARIALNYM SPORZ DZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZ CEGO KANCELARI NOTARIALN W WARSZAWIE, ZA REP. A NR 10398/2012 ORAZ UCHWAŁY NADZWYCZAJNEGO ZGROMADZENIA WSPÓLNIKÓW CYFROWEGO POLSATU TECHNOLOGY SP. Z O.O. Z SIEDZIB W WARSZAWIE Z DNIA 4 GRUDNIA 2012 ROKU W SPRAWIE POŁ CZENIA CYFROWEGO POLSATU TECHNOLOGY SP. Z O.O. Z CYFROWYM POLSATEM S.A. Z SIEDZIB W WARSZAWIE, OBJ TEJ AKTEM NOTARIALNYM SPORZ DZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZ CEGO KANCELARI NOTARIALN W WARSZAWIE, ZA REP. A NR 10402/2012.
	Podrubryka 1 Dane podmiotów powstałych w wyniku poł czenia, podziału lub przekształcenia albo dane podmiotów przejmuj cych cało lub cz majtku spółki	
	Brak wpisów	
	Podrubryka 2 Dane podmiotów, których majtek w całości lub części jest przejmowany w wyniku poł czenia lub podziału	
	1	1.Nazwa lub firma
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR S DOWY
	3.Numer w rejestrze	0000254220
	4.Nazwa s du prowadz cego rejestr	*****
	5.Numer REGON	140501529
10	1.Okre lenie okoliczno ci	PRZEJ CIE INNEJ SPÓŁKI
	2.Opis sposobu poł czenia, podziału lub przekształcenia	POŁ CZENIE CYFROWEGO POLSATU SPÓŁKI AKCYJNEJ Z SIEDZIB W WARSZAWIE (JAKO SPÓŁKI PRZEJMUJ CEJ) Z REDEFINE SPÓŁKA Z OGRANICZON ODPOWIEDZIALNO CI Z SIEDZIB W WARSZAWIE (JAKO SPÓŁK PRZEJMOWAN) POPRZEZ: PRZENIESIENIE NA SPÓŁK PRZEJMUJ C - JAKO JEDYNEGO WSPÓLNIKA SPÓŁKI PRZEJMOWANEJ - CAŁEGO MAJ TKU SPÓŁKI PRZEJMOWANEJ W DRODZE SUKCESJI UNIWERSALNEJ ORAZ ROZWI ZANIE SPÓŁKI PRZEJMOWANEJ BEZ PRZEPROWADZANIA JEJ LIKWIDACJI, ZGODNIE Z POSTANOWIENIAMI ART. 492 § 1 PKT 1) KSH, NA ZASADACH OKRE LONYCH W PLANIE POŁ CZENIA Z DNIA 14 KWIETNIA 2015 ROKU. POŁ CZENIE PRZEPROWADZANE JEST NA PODSTAWIE UCHWAŁY NADZWYCZAJNEGO WALNEGO ZGROMADZENIA CYFROWEGO POLSATU S.A. Z DNIA 18 MAJA 2015 ROKU W SPRAWIE POŁ CZENIA CYFROWEGO POLSATU S.A. Z REDEFINE SP. Z O.O. Z SIEDZIB W WARSZAWIE, OBJ TEJ AKTEM NOTARIALNYM SPORZ DZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZ CEGO KANCELARI NOTARIALN W WARSZAWIE, PRZY UL. ZIMNEJ 2 LOK. 23, ZA REP. A NR 3169/2015 ORAZ UCHWAŁY NADZWYCZAJNEGO ZGROMADZENIA WSPÓLNIKÓW REDEFINE SP. Z O.O. Z SIEDZIB W WARSZAWIE Z DNIA 18 MAJA 2015 ROKU W SPRAWIE POŁ CZENIA REDEFINE SP. Z O.O. Z CYFROWYM POLSATEM S.A. Z SIEDZIB W WARSZAWIE, OBJ TEJ AKTEM NOTARIALNYM SPORZ DZONYM PRZEZ NOTARIUSZA DARIUSZA WIERZCHUCKIEGO PROWADZ CEGO KANCELARI NOTARIALN W WARSZAWIE, PRZY UL. ZIMNEJ 2 LOK. 23, ZA REP. A NR

3173/2015.

Podrubryka 1

Dane podmiotów powstałych w wyniku połączenia, podziału lub przekształcenia albo dane podmiotów przejmujących całość lub część majątku spółki

Brak wpisów

Podrubryka 2

Dane podmiotów, których majątek w całości lub części jest przejmowany w wyniku połączenia lub podziału

1	1.Nazwa lub firma	REDEFINE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
	2.Nazwa rejestru, w którym podmiot jest zarejestrowany	KRAJOWY REJESTR SĄDOWY
	3.Numer w rejestrze	0000287684
	4.Nazwa sądu prowadzącego rejestr	*****
	5.Numer REGON	141066449

Rubryka 5 - Informacja o postępowaniu upadłościowym

Brak wpisów

Rubryka 6 - Informacja o postępowaniu układowym

Brak wpisów

Rubryka 7 - Informacja o postępowaniu naprawczym

Brak wpisów

Rubryka 8 - Informacja o zawieszeniu działalności gospodarczej

Brak wpisów

data sporządzenia wydruku 22.07.2015

adres strony internetowej, na której są dostępne informacje z rejestru: <https://ems.ms.gov.pl>

5.2. Current consolidated text of the Issuer's articles of association

CONSOLIDATED TEXT OF ARTICLES OF ASSOCIATION

OF CYFROWY POLSAT SPÓŁKA AKCYJNA

SEATED IN WARSAW

(consolidated text with amendments implemented on January 16, 2015, adopted by the Supervisory Board in resolution no. 01/19/01/2015 dated January 19, 2015, based on the authorization granted in the resolution no. 7 of the Extraordinary General Meeting of the Company held on January 16, 2015)

ARTICLES OF ASSOCIATION

CHAPTER I

General provisions

Art. 1

The persons arriving are the founders of a joint-stock company, herein referred to as the Company.-----

Art. 2

1. The business name of the Company is: Cyfrowy Polsat Spółka Akcyjna -----
2. The Company may also use its abbreviated name: Cyfrowy Polsat S.A. and its distinctive logo. -----

Art. 3

The registered office for the Company is in Warsaw.-----

Art. 4

The Company conducts its activity on the territory of the Republic of Poland and abroad. -----

Art. 5

The Company may establish branches as well as other organizational entities, incorporate companies, join already existing companies and other business organizations. -----

Art. 6

The term of the Company is unlimited.-----

CHAPTER II
The object of the Company

Art. 7

The object of the Company is: -----

1. radio and television business; -----
2. telecom business; -----
3. data processing; -----
4. database business; -----
5. IT business; -----
6. call center services; -----
7. arts and literary business; -----
8. entertainment business; -----
9. film, audio and video recordings, production and distribution, purchase and sale of copyrights; -----
10. advertising business; -----
11. printing business; -----
12. electrical equipment installation, repair and maintenance services; -----
13. radio and television transmitter installation, repair and maintenance services; -----
14. construction business; -----
15. real estate management; -----
16. real estate development, purchase, sale, rental and management; -----
17. telecom, television and radio equipment and machinery production; -----
18. electrical and electronic equipment production; -----
19. rental and lease; -----
20. loading, storing and warehousing of goods; -----
21. trade business (wholesale and retail), commission sale; -----
22. performance of research and technical analysis; -----
23. research and development activities within technical sciences; -----
24. holding business; -----
25. business and management advisory services; -----
26. financial services; -----
27. financial mediation; -----
28. bookkeeping service; -----

29. payroll and personnel services; -----
30. economic and financial consulting services; -----
31. activity of insurance agents and brokers; -----
32. Web portal business; -----
33. IT advisory services; -----
34. retail mail-order sale or retail Web sale; -----
35. activities of intermediaries and agents organizing the sales of electricity through distribution systems, operated by other entities. -----

An activity for which a concession or permit is required shall be undertaken by the Company after such concession or permit has been obtained. -----

CHAPTER III

Share capital. Shares

Art. 8

Share capital of the Company amounts to 25,581,840.64 (twenty five million five hundred eighty one thousand eight hundred forty 64/100) zlotys, and is divided into 639,546,016 (six hundred thirty nine million five hundred forty six thousand sixteen) shares with a nominal value of 4 (four) groszy (0.04 PLN) each, including: -----

1. 2,500,000 (two million five hundred thousand) series A registered shares, privileged as to the voting rights, identified by the numbers A No. 1 – 2 500 000. Each series A share gives a right to two (2) votes in a General Meeting. -----
2. 2,500,000 (two million five hundred thousand) series B registered shares, privileged as to the voting rights, identified by the numbers B No. 1 – 2 500 000. Each series B share gives a right to two (2) votes in a General Meeting. -----
3. 7,500,000 (seven million five hundred thousand) series C registered shares, privileged as to the voting rights, identified by the numbers C No. 1 – 7 500 000. Each series C share gives a right to two (2) votes in a General Meeting. -----
4. 175,000,000 (one hundred seventy five million) series D shares, identified by the numbers D No. 1 – 175 000 000, including: -----
 - (a) 166,917,501 (one hundred sixty six million nine hundred seventeen five hundred one) registered shares, privileged as to the voting rights in such a way that each of these shares gives the right to 2 (two) votes at the General Meeting, identified by the numbers D No. 1 – 166 917 501 -----

- (b) 8,082,499 (eight million eighty two thousand four hundred ninety nine) bearer shares, identified by the numbers D No. 166 917 502 – 175 000 000.-----
- 5. 75,000,000 (seventy five million) series E bearer shares, identified by the numbers E No. 1 – 75 000 000.-----
- 6. 5,825,000 (five million eight hundred twenty five thousand) series F bearer shares, identified by the numbers F No. 1 – 5 825 000.-----
- 7. 80,027,836 (eighty million twenty seven thousand eight hundred thirty six) series H bearer shares, identified by the numbers H No. 1 – 80 027 836.-----
- 8. 47,260,690 (forty seven million two hundred sixty thousand six hundred ninety) ordinary series I bearer shares, identified by the numbers I No. 1 – 47 260 690. -----
- 9. 243,932,490 (two hundred forty three million nine hundred thirty two thousand four hundred ninety) ordinary series J bearer shares, identified by the numbers J No. 1 – 243 932 490. -----

Art. 9

The Shares shall be paid up at 1/4 (one fourth) of their face value before the Company registration, and the remainder in installments and dates indicated in a resolution of the General Meeting. -----

Art. 10

- 1. Conversion of shares from registered into bearer shares is done upon the motion of a shareholder. -----
- 2. The possibility of conversion of the bearer shares into registered shares is excluded. -----

Art. 11

- 1. The share capital may be increased: -----
 - a) through new shares issue, -----
 - b) through share face value increase. -----
- 2. Company shares are issued in series marked with subsequent letters of the alphabet. -----
- 3. A decrease of the share capital may be effected through: -----
 - a) a decrease in the share face value, -----
 - b) redemption of a part of shares, or, -----
 - c) share consolidation.-----
- 4. The Company may issue convertible bonds. -----

Art. 12

1. Shares may be redeemed pursuant to a resolution of the General Meeting in the case of: ---
 - a) resolving to decrease the share capital, -----
 - b) purchase of own shares by the Company. -----
2. Redemption of shares requires a decrease in the share capital of the Company. -----
3. Shares may be redeemed upon a shareholder's request. -----
4. The repayment of redeemed shares shall be made according to the book value. In the case a the company being a listed one, the repayment price is determined as an average share price of the Company for the 30 previous days prior the resolution of the General Meeting regarding the redemption. -----

CHAPTER IV

Authorities of the Company

Art. 13

The authorities of the Company's are: -----

- I. The Management Board, -----
- II. The Supervisory Board, -----
- III. The General Meeting of Shareholders. -----

I. THE MANAGEMENT BOARD

Art. 14

1. The Management Board conducts the Company's daily business under the lead of the President of the Board and represents it in external relations. -----
2. All matters related to the business of the Company, not restricted by the law or the Articles of Association to the competence of the Supervisory Board or the General Meeting are within the scope the business of the Board. -----
3. A detailed procedure for the conduct of the Board of the Company is set out by the Regulations of the Board, adopted by the Board and approved by the Supervisory Board. -
4. The Supervisory Board determines the division of responsibilities among the members of the Management Board. -----

Art. 15

1. The Management Board shall consist of 1 (one) or more members, including the President and Vice-President or Vice-Presidents of the Management Board. -----
2. The Supervisory Board appointing members of the Board sets out their number. -----
3. The term of the First Board is two years. The term of each subsequent Board is three years. The term of the Board is a joint one. -----
4. Members of the Board may be dismissed at any time by the Supervisory Board, not preventing them from forwarding claims resulting from their employment agreements. ----
5. In a case of equal number of votes upon passing resolution by the Board, the President's vote shall be the decisive one. -----

Art. 16

The following individuals shall be authorized to make statements on behalf of the Company: -

- if the Management Board consists of one member – the President of the Management board, acting individually; -----
- if the Management Board consists of more than one member – the President of the Management Board, acting individually; a Vice-President of the Management Board, acting jointly with a Management Board member or another Vice-President; two Management Board members, acting jointly; two Vice-Presidents acting jointly; a Vice-President, acting jointly with a registered proxy; or a Management Board member acting jointly with a registered proxy. -----

Art. 17

All the members of the Board must grant their consent to establishment of a proxy. -----

Each member of the Board may revoke the power of proxy. -----

Art. 18

The Supervisory Board is authorized to enter into agreements with members of the Board on behalf of the Company. -----

II. THE SUPERVISORY BOARD

Art. 19

- 1. The Supervisory Board exercises permanent supervision over the Company's activities in all areas. Within their supervisory competence, the Supervisory Board may claim any information or document regarding the activities of the Company. -----
- 2. Competencies of the Supervisory Board include matters set out by the commercial companies code, in particular: -----
 - a) audit of financial statements both with regards to its compliance with the books and documents and the factual state, audit of interim and annual reports of the Board, and motions of the Board regarding appropriation of profits and covering for the losses and forwarding a written report on results of the audits to the General Meeting, -----
 - b) creating, once a year, and present before the Annual General Meeting a concise evaluation of the situation of the Company, considering the evaluation of the internal control system, and the system for managing risks relevant for the Company, -----
 - c) appointing members of the Board, -----
 - d) delegating members of the Supervisory Board to temporarily perform functions of the members of the Board who are unable to perform their duties, -----
 - e) suspending particular or all members of the Board for material reasons, -----
 - f) approving the regulations of the Board, -----
 - g) establishment of rules of setting remuneration for the members of the Board, -----
 - h) appointment of the auditors of the financial statements of the Company, -----
 - i) granting consent to disburse a down-payment toward a future dividend to shareholders. -----
- 3. Moreover, the following matters belong the competencies of the Supervisory Board: -----
 - a) creation and presentation of evaluation of the work of the Board before the Annual General Meeting, -----
 - b) discussion and issuing an opinion regarding matters to be subject of resolutions of the General Meeting, -----
 - c) approval of annual and long-term programs of activities of the Company developed by the Board, -----

- d) determination of the level of remuneration for the members of the Supervisory Board delegated to temporary performance of duties of a member of the Board, ---
 - e) granting consent for participation in other companies, -----
 - f) granting consent for appointing, dismissing and suspending members of authorities of the subsidiaries,-----
 - g) granting consent for entering into a material agreement by the Company with a related party, -----
 - h) granting consent for the Company to perform activities resulting in incurring liabilities with exception of: -----
 - i. activities anticipated in the annual plan of activities for the Company approved by the Supervisory Board, or -----
 - ii. activities resulting in incurring liabilities up to the amount of 10,000,000 zlotys (ten million zlotys), including granting guarantees and issuing and guaranteeing bills of exchange, performed in the course of daily business, including the business of pay television and MVNO. -----
 - i) issuing, upon a request of the Board, opinions on all matters relevant for the Company. -----
4. A detailed procedure of proceedings of the Supervisory Board, including the regulations of activities of particular committees in its composition, is set out by the Regulations of the Supervisory Board set out by them.-----

Art. 20

1. The Supervisory Board comprises from five to nine members including the Chairman of the Supervisory Board. -----
2. The General Meeting, prior to election of members of the Supervisory Board for a new term, determines the number of members the Supervisory Board. -----
3. The Supervisory Board, in a secret ballot, elects the Chairman of the Supervisory Board from among its members. -----
4. The term of the Supervisory Board is three years and is performed jointly.-----

Art. 20a

In the period in which the shares of the Company shall be subject to public trade on a regulated market as set out in the Law dated 29 July 2005 on trade in financial instruments, the Supervisory Board may comprise two members meeting the criteria of an independent

member of the Supervisory Board, set out in the rules governing the regulated market on which the shares of the Company are traded.-----

Art. 21

- 1. Meetings of the Supervisory Board are held at least once a quarter.-----
- 2. The Chairman of the Supervisory Board, or a member of the Supervisory Board indicated by the Chairman convenes meetings of the Supervisory Board. The meetings of the Supervisory Board are chaired by the Chairman, an in the case of their absence by a member of the Supervisory Board appointed by the Chairman in writing, or another member of the Supervisory Board appointed by the members present in the meeting-----
- 3. Moreover, the Chairman convenes meetings of the Supervisory Board upon a motion of a member of the Board, or a member of the Supervisory Board or upon a motion of shareholders representing at least 1/10 (one tenth) of the share capital. Meetings of the Supervisory Board shall be convened at the latest within 14 days of submitting a written motion to the Chairman.-----

Art. 22

- 1. Resolutions of the Supervisory Board are adopted by majority of votes cast. In the case equal number of votes the Chairman's vote is decisive. -----
- 2. For the validity of resolutions of the Supervisory Board inviting all the members of the Supervisory Board is required, and also presence of at least half of the composition of the Board. -----
- 3. Resolutions of the Supervisory Board may be adopted by means of remote direct communication, and moreover, a member of the Board may cast their vote in writing through another member of the Supervisory Board. -----

Art. 23

Members of the Supervisory Board exercise their rights and duties personally. -----

III. GENERAL MEETING

Art. 24

The General Meeting of Shareholders takes decisions limited to matters set out in the commercial companies code and in the Articles of Association herein. -----

The following matters, in particular, require a resolution of the General Meeting: -----

- a) discussion and approval of the report of the Board and the Supervisory Board, financial statements for the previous year, -----
- b) decision regarding appropriation of profits or covering for a loss,-----
- c) approval of duties of the Supervisory Board and the Board, -----
- d) appointment and revocation of members the Supervisory Board and determination of their remuneration, with observation of provisions of 19,-----
- e) amendments to the Articles of Association of the Company, -----
- f) change to the business of the Company,-----
- g) increase or decrease in the share capital, -----
- h) merger or transformation of the Company,-----
- i) dissolution or liquidation of the Company,-----
- j) issuance of convertible bonds or seniority bonds, -----
- k) sale or lease of the entity and assignment of usufruct rights and sale of factory premises for the Company,-----
- l) purchase of real estate or equipment for the Company, serving for permanent usufruct for a price exceeding by 1/5 (one fifth) the paid-up share capital if the purchase takes place within two years of the Company's registration,-----
- m) all provisions regarding claims for compensation for damage caused upon establishment of the Company, or exercise of management or supervision, -----
- n) other issues set out by the provisions of the commercial companies code. -----

Art. 25

1. The General Meeting of Shareholders holds its meetings as ordinary or extraordinary.-----
2. Annual General Meeting shall take place no later than six month after conclusion of the fiscal year of the Company. -----

3. The Extraordinary General Meeting is convened in cases set out in the Articles of Association herein, and when bodies or persons authorized to convene General Meetings deem it advisable. -----

Art. 26

General Meetings are held in the Company's registered office. -----

Art. 27

- 1. The General Meeting shall be valid if attended by shareholders representing jointly more than 50% of the total number of votes in the Company. -----
- 2. Shareholders may take part in the General Meeting personally or through representatives.
- 3. Members of the Supervisory Board and the Board participate in proceedings of the General Meeting.-----

Art. 28

- 1. Resolutions of the General Meeting are normally adopted by regular majority of votes cast, unless the provisions of the Commercial Companies Code or the Articles of Association set out stricter conditions. -----
- 2. With observation of provisions of art. 417 § 4 of the Commercial Companies Code a change of business of the Company may be executed without a share buyback.-----
- 3. In cases, when the balance sheet presented by the Board indicates a loss in excess of reserve and surplus capitals, and 1/3 (one third) of the share capital (art. 397 of Commercial Companies Code) a resolution regarding dissolution of the Company shall be passed with 2/3 (two thirds) of votes cast.-----

Art. 29

Proceedings of the General Meeting are open by the Chairman of the Supervisory Board or a person indicated by them. Next the Meeting elects a Chairman of the Meeting, who takes over the management of the proceedings and appoints a secretary, whose task is to prepare a list of attendance with indication of shares held by each participant and the number of votes they are entitled to. The attendance list signed by the Chairman of the Meeting shall be made available during the proceedings. -----

ACCOUNTS OF THE COMPANY

Art. 30

The fiscal year corresponds to a calendar year. -----

Art. 31

The first fiscal year of the Company ends on 31 December 1996. -----

Art. 32

The Board of the Company is obligated to prepare, within three months of end of a fiscal year, and present before the Supervisory Board an annual financial statements and a detailed written report on the activities of the Company in the period.-----

Art. 33

The Company creates following capitals and funds: -----

- a) Share Capital, -----
- b) Reserve Capital, -----
- c) other capitals and funds set out by the provisions of law. -----

Art. 34

The net profit of the Company may be appropriated in particular to: -----

- 1. reserve capital, -----
- 2. other capitals and funds set out by the provisions of law, -----
- 3. dividend for shareholders,-----
- 4. other purposes set out in a resolution of the General Meeting. -----

Art. 35

- 1. Dividend date and the dividend payment date are set by the Annual General Meeting of Company. -----
- 2. The Management Board is authorized to disburse a down-payment towards the future dividend expected at the end of the fiscal year to shareholders.-----

FINAL PROVISIONS

Art. 36

To all matters, which are not regulated by these Articles of Association, the provisions of the Commercial Companies Code shall apply. -----

Art. 37

1. The share of votes in the General Meeting of foreign persons and subsidiaries of foreign persons, as set out by the Commercial Companies Code, shall not exceed 49%. -----
2. Members of the Board of the Company and the Supervisory Board of the Company must be, in their majority, Polish persons residing permanently in Poland. -----
3. The limitations set out in section 1 do not apply to foreign persons whose registered office or place of residence is with the member state of the European Commercial Area. -----

5.3. Resolutions which are the basis for issuing the Bonds

PROTOKÓŁ
Z PODJĘCIA PRZEZ ZARZĄD
SPÓŁKI „CYFROWY POLSAT” S.A. „SPÓŁKA”
UCHWAŁY PRZY WYKORZYSTANIU TRYBU PISEMNEGO

W dniu 25 czerwca 2015 roku Zarząd Cyfrowego Polsatu S.A., działając na podstawie § 7 ust. 5 Regulaminu Zarządu, podjął w trybie pisemnym następującą uchwałę:

**Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 01/25/06/2015 z dnia 25 czerwca 2015 r.
w sprawie programu emisji obligacji Spółki**

Zarząd Spółki niniejszym postanawia, co następuje:

§ 1

1. Zarząd postanawia o otwarciu programu emisji obligacji („**Program Emisji**”), w ramach którego Spółka będzie mogła wielokrotnie zaciągać zobowiązania finansowe w drodze emisji przez Spółkę w ramach Programu Emisji niezabezpieczonych obligacji na okaziciela denominowanych w złotych („**Obligacje**”).
2. Łączna wartość nominalna Obligacji nie przekroczy kwoty 1.000.000.000 (słownie: jednego miliarda) złotych.
3. Obligacje mogą być emitowane w jednej lub w wielu seriach.
4. Poszczególne serie Obligacji będą emitowane na podstawie odrębnych uchwał emisyjnych podejmowanych przez Zarząd („**Uchwały Emisyjne**”), na podstawie których zostaną określone szczegółowe warunki emisji Obligacji danej serii, w tym w formie suplementu sporządzanego dla danej serii Obligacji, którego wzór stanowi Załącznik 1 do Wzoru Warunków Emisji (zdefiniowanego w § 2 ust. 1 niniejszej uchwały).
5. Obligacje mogą być emitowane w trybie oferty publicznej lub poprzez proponowanie nabycia niestanowiące oferty publicznej.
6. Obligacje zostaną wyemitowane jako papiery wartościowe zarejestrowane w depozycie papierów wartościowych prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A. („**KDPW**”).
7. Zarząd będzie ubiegał się o wprowadzenie wyemitowanych Obligacji do alternatywnego systemu obrotu prowadzonego przez Giełdę Papierów Wartościowych w Warszawie S.A. w ramach rynku Catalyst („**ASO GPW**”).
8. Przydział Obligacji może być dokonywany przez Zarząd odrębną uchwałą albo przez osoby upoważnione przez Zarząd w Uchwałach Emisyjnych.
9. Zarząd jest upoważniony do etapowej realizacji emisji Obligacji, wstrzymania emisji lub całkowitej lub częściowej rezygnacji z niej.

§ 2

1. Zarząd Spółki niniejszym akceptuje i zatwierdza wzór podstawowych warunków emisji Obligacji określony w Załączniku 1 do niniejszej uchwały („**Wzór Warunków Emisji**”).
2. We Wzorze Warunków Emisji mogą być dokonywane, bez potrzeby podejmowania dodatkowej uchwały przez Zarząd, zmiany techniczne i redakcyjne oraz zmiany, które nie wpływają istotnie na prawa i obowiązki Spółki oraz nie wpływają na procedurę rejestracji Obligacji w depozycie papierów wartościowych prowadzonym przez KDPW.

§ 3

1. Zarząd wyraża zgodę i upoważnia osoby uprawnione do reprezentacji Spółki do podejmowania wszelkich czynności i składania wszelkich oświadczeń woli, jakie mogą być konieczne lub właściwe do wykonania niniejszej Uchwały, w tym w szczególności w związku z rejestracją Obligacji w depozycie papierów wartościowych prowadzonym przez KDPW i wprowadzeniem Obligacji do ASO GPW.
2. Zarząd niniejszym upoważnia doradców Spółki zaangażowanych do prac nad przygotowaniem Programu Emisji do dokonywania wszelkich czynności koniecznych lub właściwych do przeprowadzenia emisji Obligacji oraz wprowadzenia ich do ASO GPW.

§ 4

Zarząd wystąpi do Rady Nadzorczej Spółki o wyrażenie zgody na otwarcie Programu Emisji na warunkach określonych w niniejszej uchwale oraz na podjęcie przez Zarząd czynności niezbędnych do realizacji Programu Emisji.

§ 5

Uchwała wchodzi w życie w dniu wyrażenia przez Radę Nadzorczą Spółki zgody na otwarcie Programu Emisji na zasadach określonych w niniejszej Uchwale.

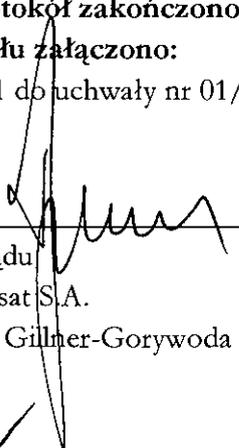
Uchwała została podjęta:

6 (słownie: sześcioro) głosami za,
- (słownie: -) głosami przeciw i
- (słownie: -) wstrzymującymi się od głosu

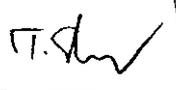
Na tym Protokół zakończono.

Do protokołu załączono:

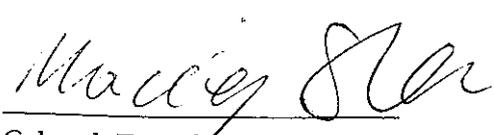
- Załącznik 1 do uchwały nr 01/25/06/2015 – Wzór Warunków Obligacji



Prezes Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Gillmer-Gorywoda



Członek Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Szeląg

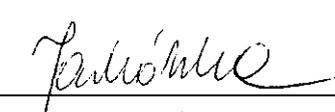


Członek Zarządu
Cyfrowy Polsat S.A.
Pan Maciej Stec



Wiceprezes Zarządu
Cyfrowy Polsat S.A.
Pan Tobias Solorz

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Dariusz Działkowski



Członek Zarządu
Cyfrowy Polsat S.A.
Pani Aneta Jaskólska /protokolant/

PROTOKÓŁ
Z PODJĘCIA PRZEZ ZARZĄD
SPÓŁKI „CYFROWY POLSAT” S.A. „SPÓŁKA”
UCHWAŁY PRZY WYKORZYSTANIU TRYBU PISEMNEGO

W dniu 25 czerwca 2015 roku Zarząd Cyfrowego Polsatu S.A., działając na podstawie § 7 ust. 5 Regulaminu Zarządu, podjął w trybie pisemnym następującą uchwałę:

Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 01/25/06/2015 z dnia 25 czerwca 2015 r.
w sprawie programu emisji obligacji Spółki

Zarząd Spółki niniejszym postanawia, co następuje:

§ 1

1. Zarząd postanawia o otwarciu programu emisji obligacji („**Program Emisji**”), w ramach którego Spółka będzie mogła wielokrotnie zaciągać zobowiązania finansowe w drodze emisji przez Spółkę w ramach Programu Emisji niezabezpieczonych obligacji na okaziciela denominowanych w złotych („**Obligacje**”).
2. Łączna wartość nominalna Obligacji nie przekroczy kwoty 1.000.000.000 (słownie: jednego miliarda) złotych.
3. Obligacje mogą być emitowane w jednej lub w wielu seriach.
4. Poszczególne serie Obligacji będą emitowane na podstawie odrębnych uchwał emisyjnych podejmowanych przez Zarząd („**Uchwały Emisyjne**”), na podstawie których zostaną określone szczegółowe warunki emisji Obligacji danej serii, w tym w formie suplementu sporządzanego dla danej serii Obligacji, którego wzór stanowi Załącznik 1 do Wzoru Warunków Emisji (zdefiniowanego w § 2 ust. 1 niniejszej uchwały).
5. Obligacje mogą być emitowane w trybie oferty publicznej lub poprzez proponowanie nabycia niestanowiące oferty publicznej.
6. Obligacje zostaną wyemitowane jako papiery wartościowe zarejestrowane w depozycie papierów wartościowych prowadzonym przez Krajowy Depozyt Papierów Wartościowych S.A. („**KDPW**”).
7. Zarząd będzie ubiegał się o wprowadzenie wyemitowanych Obligacji do alternatywnego systemu obrotu prowadzonego przez Giełdę Papierów Wartościowych w Warszawie S.A. w ramach rynku Catalyst („**ASO GPW**”).
8. Przydział Obligacji może być dokonywany przez Zarząd odrębną uchwałą albo przez osoby upoważnione przez Zarząd w Uchwałach Emisyjnych.
9. Zarząd jest upoważniony do etapowej realizacji emisji Obligacji, wstrzymania emisji lub całkowitej lub częściowej rezygnacji z niej.

§ 2

1. Zarząd Spółki niniejszym akceptuje i zatwierdza wzór podstawowych warunków emisji Obligacji określony w Załączniku 1 do niniejszej uchwały („**Wzór Warunków Emisji**”).
2. We Wzorze Warunków Emisji mogą być dokonywane, bez potrzeby podejmowania dodatkowej uchwały przez Zarząd, zmiany techniczne i redakcyjne oraz zmiany, które nie wpływają istotnie na prawa i obowiązki Spółki oraz nie wpływają na procedurę rejestracji Obligacji w depozycie papierów wartościowych prowadzonym przez KDPW.

§ 3

1. Zarząd wyraża zgodę i upoważnia osoby uprawnione do reprezentacji Spółki do podejmowania wszelkich czynności i składania wszelkich oświadczeń woli, jakie mogą być konieczne lub właściwe do wykonania niniejszej Uchwały, w tym w szczególności w związku z rejestracją Obligacji w depozycie papierów wartościowych prowadzonym przez KDPW i wprowadzeniem Obligacji do ASO GPW.
2. Zarząd niniejszym upoważnia doradców Spółki zaangażowanych do prac nad przygotowaniem Programu Emisji do dokonywania wszelkich czynności koniecznych lub właściwych do przeprowadzenia emisji Obligacji oraz wprowadzenia ich do ASO GPW.

§ 4

Zarząd wystąpi do Rady Nadzorczej Spółki o wyrażenie zgody na otwarcie Programu Emisji na warunkach określonych w niniejszej uchwale oraz na podjęcie przez Zarząd czynności niezbędnych do realizacji Programu Emisji.

§ 5

Uchwała wchodzi w życie w dniu wyrażenia przez Radę Nadzorczą Spółki zgody na otwarcie Programu Emisji na zasadach określonych w niniejszej Uchwale.

Uchwała została podjęta:

___ (słownie: 53 głosy) głosami za,
___ (słownie: _____) głosami przeciw i
___ (słownie: _____) wstrzymującymi się od głosu

Na tym Protokół zakończono.

Do protokołu załączono:

- Załącznik 1 do uchwały nr 01/25/06/2015 – Wzór Warunków Obligacji

Prezes Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Gillner-Gorywoda

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Szelaż

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Maciej Stec

Wiceprezes Zarządu
Cyfrowy Polsat S.A.
Pan Tobiasz Solorz



Członek Zarządu
Cyfrowy Polsat S.A.
Pan Dariusz Działkowski

Członek Zarządu
Cyfrowy Polsat S.A.
Pani Aneta Jaskólska /protokolant/

REPERTORIUM A Nr 4089 /2015

Dariusz Wierzchucki notariusz w Warszawie,
Kancelaria Notarialna, ul. Zimna nr 2 lokal 23.

Dnia trzynastego lipca

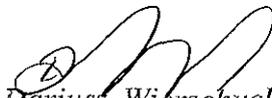
roku dwa tysiące piętnastego (13.07.2015)

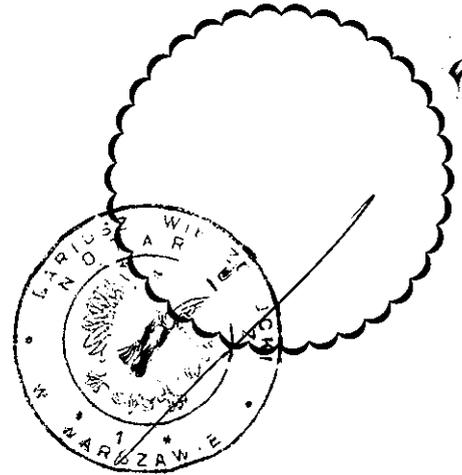
Poświadczam zgodność powyższej kserokopii
z okazanym mi oryginałem dokumentu.

Pobrano za dokonanie czynności notarialnej
z § 13 rozporządzenia w sprawie maksymalnych
stawek taksy notarialnej złotych .24,-

oraz podatku VAT od czynności notarialnej
według stawki 23% złotych5,52




Dariusz Wierzchucki
notariusz



**PROTOKÓŁ
Z PODJĘCIA PRZEZ RADĘ NADZORCZĄ
SPÓŁKI „CYFROWY POLSAT” S.A.**

„SPÓŁKA”

UCHWAŁY

PRZY WYKORZYSTANIU ŚRODKÓW JEDNOCZESNEGO POROZUMIEWANIA SIĘ NA ODLEGŁOŚĆ

W dniu 25 czerwca 2015 roku Rada Nadzorcza Cyfrowego Polsatu S.A., działając na podstawie art. 388 § 3 Kodeksu spółek handlowych, art. 22 ust. 3 Statutu Spółki oraz § 5 ust. 4 Regulaminu Rady Nadzorczej postanowiła podjąć uchwałę przy wykorzystaniu środków jednoczesnego porozumiewania się na odległość, tj. przy użyciu środków łączności telefonicznej.

Wszyscy Członkowie Rady Nadzorczej zostali powiadomieni o treści projektowanej uchwały oraz o dacie, w której ma nastąpić głosowanie nad podjęciem uchwały.

W głosowaniu nad uchwałą wzięli udział: Pan Zygmunt Solorz-Żak – Przewodniczący Rady Nadzorczej oraz Członkowie Rady Nadzorczej: Pan Heronim Ruta, Pan Robert Gwiazdowski, Pan Leszek Reksa, Pan Józef Birka i Pan Aleksander Myszk.

Rada Nadzorcza podjęła następującą uchwałę:

Uchwała Rady Nadzorczej

Cyfrowy Polsat S.A.

nr 01/25/06/2015 z dnia 25 czerwca 2015 r.

w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu

Rada Nadzorcza Spółki na podstawie Art. 19 ust. 3 lit. h Statutu Spółki postanawia, co następuje:

§ 1

1. Rada Nadzorcza wyraża zgodę na otwarcie programu emisji obligacji („**Program Emisji**”) i jego realizację na zasadach określonych w uchwale nr 01/25/06/2015 Zarządu Spółki z dnia 25 czerwca 2015 r. w sprawie otwarcia programu emisji obligacji Spółki („**Uchwała Programowa**”).
2. Rada Nadzorcza wyraża zgodę na wielokrotne zaciąganie zobowiązań finansowych w drodze emisji przez Spółkę poszczególnych serii niezabezpieczonych obligacji na okaziciela emitowanych w ramach Programu Emisji („**Obligacje**”) na zasadach określonych w Uchwale Programowej, do łącznej maksymalnej wartości nominalnej Obligacji emitowanych w ramach Programu Emisji, tj. 1.000.000.000 (słownie: jeden miliard) PLN.

3. Uchwały emisyjne Obligacji konkretnych serii będą podejmowane przez Zarząd w terminie 1 roku od dnia podjęcia niniejszej uchwały. Podejmowanie przez Zarząd uchwał emisyjnych Obligacji konkretnych serii po upływie tego terminu wymaga odrębnej zgody Rady Nadzorczej.

§ 2

Rada Nadzorcza wyraża zgodę i upoważnia Zarząd Spółki do podjęcia wszelkich czynności prawnych i faktycznych niezbędnych do realizacji Programu Emisji, w tym w szczególności do określenia warunków emisji każdej serii Obligacji emitowanych w ramach Programu Emisji.

§ 3

Zobowiązuje się Zarząd Spółki do informowania Rady Nadzorczej o przebiegu Programu Emisji.

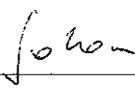
§ 4

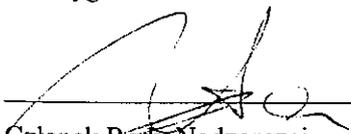
Uchwała wchodzi w życie z dniem podjęcia.

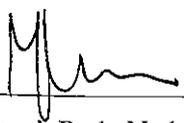
Uchwała została podjęta:

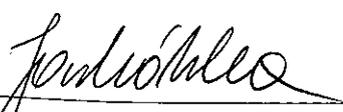
6 (słownie: szesnaście) głosami za,
— (słownie: —) głosami przeciw i
— (słownie: —) wstrzymującymi się od głosu

Na tym protokół zakończono.


Przewodniczący Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Zygmunt Solorz-Żak

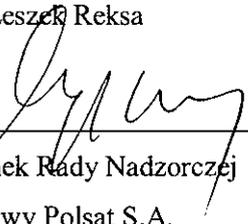

Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Heronim Ruta


Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Józef Birka


Protokolant
Pani Aneta Jaskólska

Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Robert Gwiazdowski

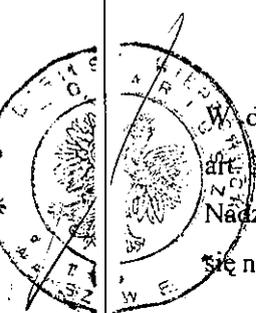
Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Leszek Reksa


Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Aleksander Myszka



PROTOKÓŁ
Z PODJĘCIA PRZEZ RADĘ NADZORCZĄ
SPÓŁKI „CYFROWY POLSAT” S.A.
„SPÓŁKA”
UCHWAŁY

PRZY WYKORZYSTANIU ŚRODKÓW JEDNOCZESNEGO POROZUMIEWANIA SIĘ NA ODLEGŁOŚĆ



W dniu 25 czerwca 2015 roku Rada Nadzorcza Cyfrowego Polsatu S.A., działając na podstawie art. 388 § 3 Kodeksu spółek handlowych, art. 22 ust. 3 Statutu Spółki oraz § 5 ust. 4 Regulaminu Rady Nadzorczej postanowiła podjąć uchwałę przy wykorzystaniu środków jednoczesnego porozumiewania się na odległość, tj. przy użyciu środków łączności telefonicznej.

Wszyscy Członkowie Rady Nadzorczej zostali powiadomieni o treści projektowanej uchwały oraz o dacie, w której ma nastąpić głosowanie nad podjęciem uchwały.

W głosowaniu nad uchwałą wzięli udział: Pan Zygmunt Solorz-Żak – Przewodniczący Rady Nadzorczej oraz Członkowie Rady Nadzorczej: Pan Heronim Ruta, Pan Robert Gwiazdowski, Pan Leszek Reksa, Pan Józef Birka i Pan Aleksander Myszka.

Rada Nadzorcza podjęła następującą uchwałę:

Uchwała Rady Nadzorczej
Cyfrowy Polsat S.A.

nr 01/25/06/2015 z dnia 25 czerwca 2015 r.

w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia
zgody na emisję przez Spółkę obligacji w ramach tego programu

Rada Nadzorcza Spółki na podstawie Art. 19 ust. 3 lit. h Statutu Spółki postanawia, co następuje:

§ 1

1. Rada Nadzorcza wyraża zgodę na otwarcie programu emisji obligacji („**Program Emisji**”) i jego realizację na zasadach określonych w uchwale nr 01/25/06/2015 Zarządu Spółki z dnia 25 czerwca 2015 r. w sprawie otwarcia programu emisji obligacji Spółki („**Uchwała Programowa**”).
2. Rada Nadzorcza wyraża zgodę na wielokrotne zaciąganie zobowiązań finansowych w drodze emisji przez Spółkę poszczególnych serii niezabezpieczonych obligacji na okaziciela emitowanych w ramach Programu Emisji („**Obligacje**”) na zasadach określonych w Uchwale Programowej, do łącznej maksymalnej wartości nominalnej Obligacji emitowanych w ramach Programu Emisji, tj. 1.000.000.000 (słownie: jeden miliard) PLN.

Uchwała została przyjęta przez Radę Nadzorczą Cyfrowego Polsatu S.A. w siedzibie przy wykorzystaniu środków jednoczesnego porozumiewania się na odległość z dnia 25 czerwca 2015 r.

3. Uchwały emisyjne Obligacji konkretnych serii będą podejmowane przez Zarząd w terminie 1 roku od dnia podjęcia niniejszej uchwały. Podejmowanie przez Zarząd uchwał emisyjnych Obligacji konkretnych serii po upływie tego terminu wymaga odrębnej zgody Rady Nadzorczej.

§ 2

Rada Nadzorcza wyraża zgodę i upoważnia Zarząd Spółki do podjęcia wszelkich czynności prawnych i faktycznych niezbędnych do realizacji Programu Emisji, w tym w szczególności do określenia warunków emisji każdej serii Obligacji emitowanych w ramach Programu Emisji.

§ 3

Zobowiązuje się Zarząd Spółki do informowania Rady Nadzorczej o przebiegu Programu Emisji.

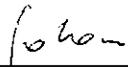
§ 4

Uchwała wchodzi w życie z dniem podjęcia.

Uchwała została podjęta:

6 (słownie: sześcioro) głosami za,
— (słownie: —) głosami przeciw i
— (słownie: —) wstrzymującymi się od głosu

Na tym protokół zakończono.

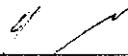

Przewodniczący Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Zygmunt Solorz-Żak

Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Heronim Ruta



Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Józef Birka

Protokolant
Pani Aneta Jaskólska

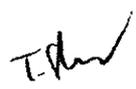


Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Robert Gwiazdowski

Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Leszek Reksa



Członek Rady Nadzorczej
Cyfrowy Polsat S.A.
Pan Aleksander Myszka



REPERTORIUM A Nr 4091 /2015

Dariusz Wierzchucki notariusz w Warszawie,
Kancelaria Notarialna, ul. Zimna nr 2 lokal 23.

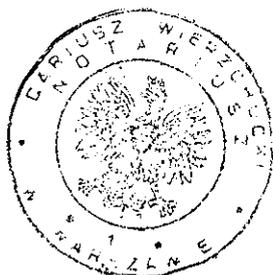
Dnia trzynastego lipca

roku dwa tysiące piętnastego (13.07.2015)

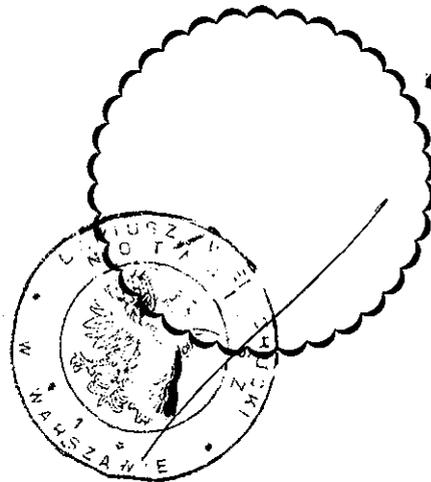
Poświadczam zgodność powyższej kserokopii
z okazanym mi oryginałem dokumentu.

Pobrano za dokonanie czynności notarialnej
z § 13 rozporządzenia w sprawie maksymalnych
stawek taksy notarialnej złotych241-

oraz podatku VAT od czynności notarialnej
według stawki 23% złotych5,52




Dariusz Wierzchucki
notariusz



PROTOKÓŁ
Z PODJĘCIA PRZEZ ZARZĄD
SPÓŁKI „CYFROWY POLSAT” S.A. „SPÓŁKA”
UCHWAŁ PRZY WYKORZYSTANIU TRYBU PISEMNEGO

W dniu 2 lipca 2015 roku Zarząd Cyfrowego Polsatu S.A., działając na podstawie § 7 ust. 5 Regulaminu Zarządu, podjął w trybie pisemnym następujące uchwały:

Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 01/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie emisji obligacji serii A

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki oraz uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu (łącznie „**Uchwały Programowe**”), niniejszym postanawia, co następuje:

§ 1

1. Zarząd podejmuje decyzję o emisji nie więcej niż 1.000.000 niezabezpieczonych obligacji na okaziciela serii A o wartości nominalnej 1.000 (tysiąc) PLN każda oraz o łącznej wartości nominalnej nie większej niż 1.000.000.000 (słownie: jeden miliard) złotych („**Obligacje**”).
2. Obligacje zostaną wyemitowane w ramach programu emisji obligacji ustanowionego Uchwałami Programowymi.
3. Szczegółowe warunki emisji Obligacji („**Warunki Emisji**”) określone zostały w warunkach emisji Obligacji oraz suplemencie sporządzonym dla Obligacji, stanowiącym integralną część warunków emisji Obligacji. Warunki Emisji stanowią Załącznik 1 do niniejszej uchwały.

§ 2

1. Obligacje będą emitowane w drodze oferty publicznej przeprowadzanej w sposób wskazany w art. 34 ust. 2 ustawy z dnia 15 stycznia 2015 r. o obligacjach (Dz. U. z 2015 r., poz. 238).
2. Zarząd upoważnia każdego z członków Zarządu do ustalenia, zgodnie z własną oceną, kręgu inwestorów, do których zostaną skierowane propozycje nabycia Obligacji.
3. Propozycje nabycia Obligacji mogą być kierowane do inwestorów za pośrednictwem pełnomocników, w tym w szczególności (ale nie wyłącznie) za pośrednictwem Trigon Dom Maklerski S.A. działającego jako agent emisji, na podstawie pełnomocnictwa udzielonego przez Spółkę.

§ 3

Zarząd upoważnia każdego z członków Zarządu do dokonania, zgodnie z własną oceną, przydziału Obligacji. Przydział Obligacji zostanie dokonany poprzez podpisanie listy wskazującej liczbę Obligacji przydzieloną każdemu inwestorowi.

§ 4

Zarząd upoważnia każdego z członków Zarządu do podjęcia wszelkich czynności prawnych i faktycznych niezbędnych lub wskazanych w celu wykonania niniejszej uchwały.

§ 5

Uchwała wchodzi w życie w dniu jej podjęcia.

Uchwała została podjęta:

6 (słownie: sześcioro) głosami za,
— (słownie: —) głosami przeciw i
— (słownie: —) wstrzymującymi się od głosu

**Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 02/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie określenia wzoru propozycji nabycia obligacji serii A
emitowanych w ramach programu emisji Spółki**

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki, uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu oraz uchwałą Zarządu Spółki nr 01/02/07/2015 z dnia 2 lipca 2015 r. w sprawie emisji obligacji serii A („**Uchwała Emisyjna**”), niniejszym postanawia, co następuje:

§ 1

Zarząd Spółki niniejszym akceptuje i zatwierdza wzory następujących dokumentów w związku z emisją obligacji na podstawie Uchwały Emisyjnej („**Obligacje**”):

- (i) propozycji nabycia Obligacji kierowanej do Europejskiego Banku Odbudowy i Rozwoju, stanowiącej Załącznik 1 do niniejszej uchwały;
- (ii) propozycji nabycia Obligacji kierowanej do pozostałych inwestorów, stanowiącej Załącznik 2 do niniejszej uchwały;
- (iii) memorandum ofertowego, stanowiącego Załącznik 3 do niniejszej uchwały.

§ 2

Uchwała wchodzi w życie w dniu jej podjęcia.



Uchwała została podjęta:

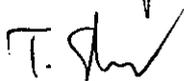
- 6 (słownie: sześcioro) głosami za,
- (słownie: _____) głosami przeciw i
- (słownie: _____) wstrzymującymi się od głosu

Na tym Protokół zakończono.

Do protokołu załączono:

- Załącznik 1 do uchwały nr 01/02/07/2015 – Warunki Emisji Obligacji
- Załącznik 1 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla EBOiR
- Załącznik 2 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla pozostałych inwestorów
- Załącznik 3 do uchwały nr 02/02/07/2015 – Wzór Memorandum Ofertowego

Prezes Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Gillner-Gorywoda



Członek Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Szelaż

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Maciej Stec

Wiceprezes Zarządu
Cyfrowy Polsat S.A.
Pan Tobiasz Solorz

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Dariusz Działkowski

Członek Zarządu
Cyfrowy Polsat S.A.
Pani Aneta Jaskólska /protokolant/

PROTOKÓŁ
Z PODJĘCIA PRZEZ ZARZĄD
SPÓŁKI „CYFROWY POLSAT” S.A. „SPÓŁKA”
UCHWAŁ PRZY WYKORZYSTANIU TRYBU PISEMNEGO

W dniu 2 lipca 2015 roku Zarząd Cyfrowego Polsatu S.A., działając na podstawie § 7 ust. 5 Regulaminu Zarządu, podjął w trybie pisemnym następujące uchwały:

Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 01/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie emisji obligacji serii A

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki oraz uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu (łącznie „**Uchwały Programowe**”), niniejszym postanawia, co następuje:

§ 1

1. Zarząd podejmuje decyzję o emisji nie więcej niż 1.000.000 niezabezpieczonych obligacji na okaziciela serii A o wartości nominalnej 1.000 (tysiąc) PLN każda oraz o łącznej wartości nominalnej nie większej niż 1.000.000.000 (słownie: jeden miliard) złotych („**Obligacje**”).
2. Obligacje zostaną wyemitowane w ramach programu emisji obligacji ustanowionego Uchwałami Programowymi.
3. Szczegółowe warunki emisji Obligacji („**Warunki Emisji**”) określone zostały w warunkach emisji Obligacji oraz suplemencie sporządzonym dla Obligacji, stanowiącym integralną część warunków emisji Obligacji. Warunki Emisji stanowią Załącznik 1 do niniejszej uchwały.

§ 2

1. Obligacje będą emitowane w drodze oferty publicznej przeprowadzanej w sposób wskazany w art. 34 ust. 2 ustawy z dnia 15 stycznia 2015 r. o obligacjach (Dz. U. z 2015 r., poz. 238).
2. Zarząd upoważnia każdego z członków Zarządu do ustalenia, zgodnie z własną oceną, kręgu inwestorów, do których zostaną skierowane propozycje nabycia Obligacji.
3. Propozycje nabycia Obligacji mogą być kierowane do inwestorów za pośrednictwem pełnomocników, w tym w szczególności (ale nie wyłącznie) za pośrednictwem Trigon Dom Maklerski S.A. działającego jako agent emisji, na podstawie pełnomocnictwa udzielonego przez Spółkę.

§ 3

Zarząd upoważnia każdego z członków Zarządu do dokonania, zgodnie z własną oceną, przydziału Obligacji. Przydział Obligacji zostanie dokonany poprzez podpisanie listy wskazującej liczbę Obligacji przydzieloną każdemu inwestorowi.

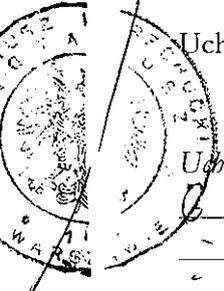
§ 4

Zarząd upoważnia każdego z członków Zarządu do podjęcia wszelkich czynności prawnych i faktycznych niezbędnych lub wskazanych w celu wykonania niniejszej uchwały.

§ 5.

Uchwała wchodzi w życie w dniu jej podjęcia.

Uchwała została podjęta:

 (słownie: 123456789) głosami za,
- (słownie: _____) głosami przeciw i
- (słownie: _____) wstrzymującymi się od głosu

**Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 02/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie określenia wzoru propozycji nabycia obligacji serii A
emitowanych w ramach programu emisji Spółki**

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki, uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu oraz uchwałą Zarządu Spółki nr 01/02/07/2015 z dnia 2 lipca 2015 r. w sprawie emisji obligacji serii A („**Uchwała Emisyjna**”), niniejszym postanawia, co następuje:

§ 1

Zarząd Spółki niniejszym akceptuje i zatwierdza wzory następujących dokumentów w związku z emisją obligacji na podstawie Uchwały Emisyjnej („**Obligacje**”):

- (i) propozycji nabycia Obligacji kierowanej do Europejskiego Banku Odbudowy i Rozwoju, stanowiącej Załącznik 1 do niniejszej uchwały;
- (ii) propozycji nabycia Obligacji kierowanej do pozostałych inwestorów, stanowiącej Załącznik 2 do niniejszej uchwały;
- (iii) memorandum ofertowego, stanowiącego Załącznik 3 do niniejszej uchwały.

§ 2

Uchwała wchodzi w życie w dniu jej podjęcia.

Uchwała została podjęta:

6 (słownie: sześć) głosami za,
— (słownie: —) głosami przeciw i
— (słownie: —) wstrzymującymi się od głosu

Na tym Protokół zakończono.

Do protokołu załączono:

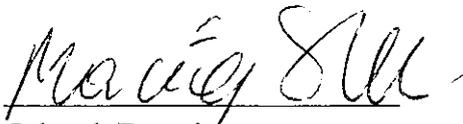
- Załącznik 1 do uchwały nr 01/02/07/2015 – Warunki Emisji Obligacji
- Załącznik 1 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla EBOiR
- Załącznik 2 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla pozostałych inwestorów
- Załącznik 3 do uchwały nr 02/02/07/2015 – Wzór Memorandum Ofertowego

Prezes Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Gillner-Gorywoda

Wiceprezes Zarządu
Cyfrowy Polsat S.A.
Pan Tobiasz Solorz

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Szelaż

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Dariusz Działkowski



Członek Zarządu
Cyfrowy Polsat S.A.
Pan Maciej Stec

Członek Zarządu
Cyfrowy Polsat S.A.
Pani Aneta Jaskólska /protokolant/

PROTOKÓŁ
Z PODJĘCIA PRZEZ ZARZĄD
SPÓŁKI „CYFROWY POLSAT” S.A. „SPÓŁKA”
UCHWAŁ PRZY WYKORZYSTANIU TRYBU PISEMNEGO

W dniu 2 lipca 2015 roku Zarząd Cyfrowego Polsatu S.A., działając na podstawie § 7 ust. 5 Regulaminu Zarządu, podjął w trybie pisemnym następujące uchwały:

Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 01/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie emisji obligacji serii A

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki oraz uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu (łącznie „**Uchwały Programowe**”), niniejszym postanawia, co następuje:

§ 1

1. Zarząd podejmuje decyzję o emisji nie więcej niż 1.000.000 niezabezpieczonych obligacji na okaziciela serii A o wartości nominalnej 1.000 (tysiąc) PLN każda oraz o łącznej wartości nominalnej nie większej niż 1.000.000.000 (słownie: jeden miliard) złotych („**Obligacje**”).
2. Obligacje zostaną wyemitowane w ramach programu emisji obligacji ustanowionego Uchwałami Programowymi.
3. Szczegółowe warunki emisji Obligacji („**Warunki Emisji**”) określone zostały w warunkach emisji Obligacji oraz suplemencie sporządzonym dla Obligacji, stanowiącym integralną część warunków emisji Obligacji. Warunki Emisji stanowią Załącznik 1 do niniejszej uchwały.

§ 2

1. Obligacje będą emitowane w drodze oferty publicznej przeprowadzanej w sposób wskazany w art. 34 ust. 2 ustawy z dnia 15 stycznia 2015 r. o obligacjach (Dz. U. z 2015 r., poz. 238).
2. Zarząd upoważnia każdego z członków Zarządu do ustalenia, zgodnie z własną oceną, kręgu inwestorów, do których zostaną skierowane propozycje nabycia Obligacji.
3. Propozycje nabycia Obligacji mogą być kierowane do inwestorów za pośrednictwem pełnomocników, w tym w szczególności (ale nie wyłącznie) za pośrednictwem Trigon Dom Maklerski S.A. działającego jako agent emisji, na podstawie pełnomocnictwa udzielonego przez Spółkę.

§ 3

Zarząd upoważnia każdego z członków Zarządu do dokonania, zgodnie z własną oceną, przydziału Obligacji. Przydział Obligacji zostanie dokonany poprzez podpisanie listy wskazującej liczbę Obligacji przydzieloną każdemu inwestorowi.

§ 4

Zarząd upoważnia każdego z członków Zarządu do podjęcia wszelkich czynności prawnych i faktycznych niezbędnych lub wskazanych w celu wykonania niniejszej uchwały.

§ 5

Uchwała wchodzi w życie w dniu jej podjęcia.

Uchwała została podjęta:

 (słownie:) głosami za,
 (słownie:) głosami przeciw i
 (słownie:) wstrzymującymi się od głosu

**Uchwała Zarządu spółki Cyfrowy Polsat Spółka Akcyjna
nr 02/02/07/2015 z dnia 2 lipca 2015 r.
w sprawie określenia wzoru propozycji nabycia obligacji serii A
emitowanych w ramach programu emisji Spółki**

Zarząd Spółki, w związku z uchwałą Zarządu Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie programu emisji obligacji Spółki, uchwałą Rady Nadzorczej Spółki nr 01/25/06/2015 z dnia 25 czerwca 2015 r. w sprawie wyrażenia zgody na otwarcie programu emisji obligacji oraz w sprawie wyrażenia zgody na emisję przez Spółkę obligacji w ramach tego programu oraz uchwałą Zarządu Spółki nr 01/02/07/2015 z dnia 2 lipca 2015 r. w sprawie emisji obligacji serii A („**Uchwała Emisyjna**”), niniejszym postanawia, co następuje:

§ 1

Zarząd Spółki niniejszym akceptuje i zatwierdza wzory następujących dokumentów w związku z emisją obligacji na podstawie Uchwały Emisyjnej („**Obligacje**”):

- (i) propozycji nabycia Obligacji kierowanej do Europejskiego Banku Odbudowy i Rozwoju, stanowiącej Załącznik 1 do niniejszej uchwały;
- (ii) propozycji nabycia Obligacji kierowanej do pozostałych inwestorów, stanowiącej Załącznik 2 do niniejszej uchwały;
- (iii) memorandum ofertowego, stanowiącego Załącznik 3 do niniejszej uchwały.

§ 2

Uchwała wchodzi w życie w dniu jej podjęcia.

Uchwała została podjęta:

- 6 (słownie: szesciu) głosami za,
____ (słownie: _____) głosami przeciw i
____ (słownie: _____) wstrzymującymi się od głosu

Na tym Protokół zakończono.

Do protokołu załączono:

- Załącznik 1 do uchwały nr 01/02/07/2015 – Warunki Emisji Obligacji
- Załącznik 1 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla EBOiR
- Załącznik 2 do uchwały nr 02/02/07/2015 – Wzór Propozycji Nabycia Obligacji dla pozostałych inwestorów
- Załącznik 3 do uchwały nr 02/02/07/2015 – Wzór Memorandum Ofertowego

Prezes Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Gillner-Gorywoda

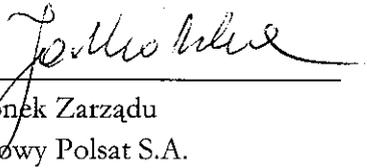


Wiceprezes Zarządu
Cyfrowy Polsat S.A.
Pan Tobias Solorz

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Tomasz Szelaż

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Dariusz Działkowski

Członek Zarządu
Cyfrowy Polsat S.A.
Pan Maciej Stec



Członek Zarządu
Cyfrowy Polsat S.A.
Pani Aneta Jaskólska /protokolant/

REPERTORIUM A Nr 4090 /2015

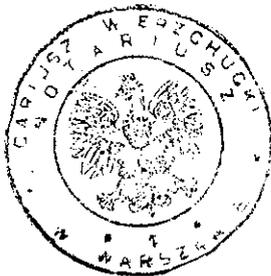
Dariusz Wierzchucki notariusz w Warszawie,
Kancelaria Notarialna, ul. Zimna nr 2 lokal 23.

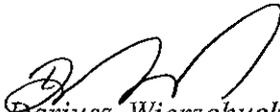
Dnia trzynastego lipca

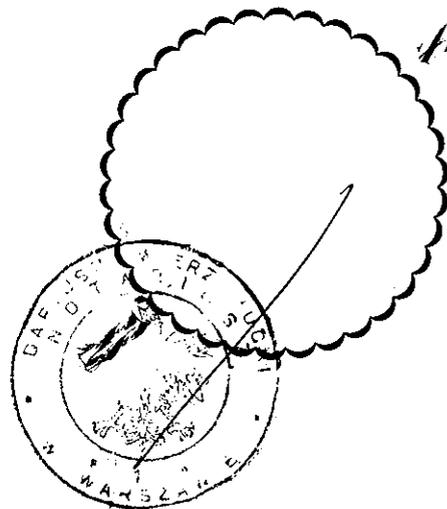
roku dwa tysiące piętnastego (13.07.2015)

Poświadczam zgodność powyższej kserokopii
z okazanym mi oryginałem dokumentu.

Pobrano za dokonanie czynności notarialnej
z § 13 rozporządzenia w sprawie maksymalnych
stawek taksy notarialnej złotych54,-
oraz podatku VAT od czynności notarialnej
według stawki 23% złotych12,42




Dariusz Wierzchucki
notariusz



5.4. Bonds Terms and Supplement

TERMS AND CONDITIONS OF BONDS ISSUANCE

Cyfrowy Polsat Spółka Akcyjna (Joint Stock Company), with its registered office in Warsaw, ul. Łubinowa 4a, 03-878 Warszawa, registered in the register of entrepreneurs of the National Court Register, maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Business Division of the National Court Register, under KRS No. 0000010078, NIP 796-181-07-32 (the “**Issuer**”) is the Issuer of the bonds (the “**Bonds**”) that are the subject of this terms and conditions of bonds issuance document (the “**Bonds Terms**”).

The Bonds issuance is effected by virtue of resolution No. 01/25/06/2015 of June 25, 2015 of the Management Board of the Issuer and resolution No. 01/25/06/2015 of June 25, 2015 of the Supervisory Board of the Issuer, in accordance with which the Issuer may issue bonds in series under a bond issuance program up to the total nominal value of PLN 1,000,000,000 (say: one billion zloty) (the “**Program**”), and by virtue of the resolution of the Issuer’s management board which is indicated in the Supplement (as defined below).

1. DEFINITIONS

1.1 Definitions

”**Bond Issuance Agent**” means Trigon Dom Maklerski S.A. with its registered office in Kraków, ul. Mogilska, 31-545 Kraków, the function of which is described in Clause 13 (*Function of the Bond Issuance Agent*).

”**ATS**” means the alternative trading system organized by the WSE.

”**Reference Banks**” means the banks indicated in the Supplement to this Bonds Terms.

”**Additional Interest Margin**” has the meaning indicated in Sub-clause 3.6(f) hereof.

”**Existing Financial Debt Documentation**” means:

(a) Financial Debt documentation of any of the Group member, existing on the Issue Date, including:

(i) *Senior Facilities Agreement* of 11 April 2014, concluded, among others, by the Issuer, as well as agreements and documents related thereto;

(ii) *Senior Facilities Agreement* of 17 June 2013, concluded, among others, by Polkomtel sp. z o.o. as well as agreements and documents related thereto; and

(iii) *Indenture* of 26 January 2012 and Senior Notes (debt securities) governed by the laws of New York State, issued by Eileme 2 AB (publ) based thereon with maturity in the year 2020 as well as agreements and documents related thereto;

(b) agreements regarding derivative transactions concluded for the purpose of hedging against exchange rate and interest rate fluctuations in relation to the abovementioned agreements and instruments; and

(c) in the case of Permitted Acquisition, resulting in a new party becoming a Group member – the Financial Debt documents of such an entity and its subsidiaries, existing on the date of the Permitted Acquisition.

”**Refinancing Indebtedness Documentation**” means all the agreements, understandings, statements and transactions by virtue of which or in connection with which the Issuer or a Group member shall

incur or may incur Financial Indebtedness for the purpose, among others, of partial or full repayment of the Permitted Financial Indebtedness of any member of the Group.

”**Financial Advisor**” means any entity being a member of any of the following capital groups: Deloitte, EY, KPMG, PricewaterhouseCoopers as well as any other entity providing services in the field of valuation of companies (enterprises) with an appropriate reputation on the Polish market or on international markets;

“**Permitted Guarantee**” means any guarantee, surety, accession to debt, indemnity (including any guarantee, surety, accession to debt, indemnity that has been granted or made in respect of any liability of any Group member):

- (a) granted or made at the time when the Leverage Ratio at the end of the last Financial Quarter, for which the financial statements have been published in accordance with Clause 9.1 is not higher than 3.5:1;
- (b) granted or made in the course of ordinary business (including in connection with agreements concluded with contracting parties (including agents and customers) in the course of ordinary business);
- (c) granted or made in connection with tenders in which Group members participate
- (d) granted or made for any Group member as a beneficiary; or
- (e) granted or made in connection with *joint venture* type investments, or in relation to the liabilities of entities established as part of *joint venture* investments;
- (f) granted or made in respect of *cash pooling* transactions;
- (g) granted or made for the purpose of, or in connection with making a Permitted Acquisition or disposal other than a Restricted Disposal (including, among others, to buyers of receivables when sale of receivables or other disposal of receivables is a Disposal other than Restricted Disposal), for the purpose of granting or in connection with a Permitted Loan or for the purpose of incurring or in connection with Permitted Financial Indebtedness;
- (h) granted or made in respect of netting or set-off arrangements, or other activities of similar effect;
- (i) granted or made under the Existing Financial Indebtedness Documentation or in connection with indebtedness arising out of Existing Financial Indebtedness Documentation;
- (j) granted for the purpose of establishing a security interest required in connection with a public tender offer related to subscription for the sale or conversion of shares announced in connection with a Permitted Acquisition;
- (k) the granting or making of which is required by relevant legal regulations in connection with the performance of a permitted act by virtue of this Bonds Terms; or
- (l) any guarantee, surety, accession to debt or indemnity other than permitted by virtue of any of the preceding Items as long as it applies, in total, to an amount of liabilities not exceeding, at any time, PLN 150,000,000 (say: one hundred fifty million zloty), or the equivalent of that amount in any other currency or currencies (exclusive of VAT).

“**Permitted Loan**” means:

- (a) any Loan granted at a time when the Leverage Ratio at the end of the last Financial Quarter, for which the financial statements have been published in accordance with 9.1, as calculated on a pro forma basis, i.e. while including the granted Loan, is not higher than 3.5:1;
- (b) a Loan extended by any member of the Group to its contracting parties (including agent and customer) in the course of its ordinary business;
- (c) Loan constituting Financial Indebtedness, to which the definition of Permitted Financial Indebtedness refers to;
- (d) a Loan made to any member of the Group;
- (e) a Loan made as part of a *joint venture* transaction or to an entity established as part of a *joint venture* transaction;
- (f) a Loan made as part of a *cash pooling* transactions;
- (g) a Loan made for the purpose of or in connection with a Permitted Acquisition or disposal other than a Restricted Disposal or in connection with a Permitted Guarantee;
- (h) a Loan made to an employee, associate or an officer of member of the Group in connection with share options or subscription warrants;
- (i) a Loan made to an employee, associate or an officer of member of the Group from the social benefits fund established by such member of the Group in accordance with the Polish Act dated 4 March 1994 on Social Benefits Funds (*Ustawa o zakładowym funduszu świadczeń socjalnych*) or other act to replace it, provided that the social benefits fund is financed by a member of the Group only to the extent required by law;
- (j) any Loans other than permitted by virtue of any of the preceding Items, so long as the aggregate principal amount to be repaid does not exceed PLN 150,000,000 (say: one hundred million zloty) at any time, or its equivalent in any currency or currencies (exclusive of VAT).

“**Permitted Dividend Payment**” means a dividend payment, an advance payment on account of the dividend to be paid by the Issuer, payment of the price for own shares acquired by the Issuer, or the repayment by the Issuer of any additional payments (*dopłaty*) subject to:

- (a) the Leverage Ratio at the end of the last Financial Quarter for which the financial statements were published in accordance with Clause 9.1, preceding the Financial Quarter during which a resolution on the dividend payment, an advance payment on account of the dividend, acquisition of own shares or the repayment of additional payments (*dopłaty*) is adopted by the relevant body of the Issuer, as calculated on a pro forma basis, i.e. while including such payment, being not higher than 3.5:1; or
- (b) the payment made by the Issuer in connection with Permitted Acquisition or Disposal, other than a Restricted Disposal.

“**Permitted Acquisition**” means:

- (a) the acquisition of any Equity Interests in a company or other entity existing at the time of such an acquisition, or the acquisition of an enterprise or its organized part, with the following conditions satisfied:

- (i) if the funds paid as the price for such Equity Interests in the company, or other entity, or for the enterprise or its organized part, exceed PLN 200,000,000 (say: two hundred million zloty) or an equivalent of this amount in another currency or currencies (exclusive of VAT) - a fairness opinion must be obtained from the Financial Advisor prior to conducting such acquisition or taking-up; and
 - (ii) the main scope of business of the entity in which Equity Interests have been acquired or taken up or the entity which has acquired the enterprise or its organized part, must be mostly identical, similar, complementary, auxiliary, related or supportive to the business conducted by any Group member or other entities conducting business in the industry in which any Group member conducts business, including the business of broadcasting radio or television signal via satellite or fixed network or online, production of films, TV or radio shows, media, public relations, advertising, entertainment, telecommunication services, Internet access, data transmission, management and consulting, IT, leasing, financial services (including brokerage services, investment advice, dealer and banking services), insurance services (including insurance brokerage services), brokerage services, intermediary services, acquisition and sale of data capacity, acquisition and sale of energy and fuels, production, acquisition and sale of telecommunication equipment and other appliances or assets used in the above described scope of business, as well as holding and investment activities with respect to any entities engaging in the above described business;
- (b) the acquisition or taking up of any number of Equity Interests in relation to the establishment of a company or another entity, if such a company or entity is established for the purpose of conducting business in a scope described in Sub-clause (a)(ii); or
 - (c) the acquisition of any Equity Interests or the acquisition of an enterprise or its organized part other than permitted under any of the Sub-clause above, provided that the total funds paid as the price for such Equity Interests, enterprise or its organized part before the Redemption Date or Early Redemption Date do not exceed PLN 100,000,000 (one hundred million) or an equivalent of this amount in another currency or currencies (exclusive of VAT and expenses).

“**Permitted Financial Indebtedness**” means:

- (a) any Financial Indebtedness incurred at the time when the Leverage Ratio, at the end of the last Financial Quarter for which the financial statements were published in accordance with Clause 9.1, as calculated on a pro forma basis, i.e. while including such Financial Indebtedness and utilization of the funds obtained from such Financial Indebtedness, is not higher than 4.0:1;
- (b) Financial Indebtedness on account of bonds issued under the Program;
- (c) Financial Indebtedness incurred by virtue of the Existing Financial Indebtedness Documentation;
- (d) Financial Indebtedness incurred by virtue of Refinancing Indebtedness Documentation, the value of which will correspond to the sum of the principal, interest, all fees, margins, commission and costs payable in accordance with the documentation of the refinanced Financial Indebtedness (in particular but not limited to the Existing Financial Indebtedness Documentation) as well as the costs (including commission and fees) of obtaining the financing on the basis of the Refinancing Indebtedness Documentation, as well as the remaining Financial Indebtedness incurred by virtue of Refinancing Indebtedness Documentation, i.e. working capital facility, revolving facility, overdrafts, guarantees, letters of credit or other Financial Indebtedness available under a working capital facility or revolving facility.

- (e) Financial Indebtedness incurred in the course of its ordinary business, including on account of factoring, forfaiting, debt discounting, collections agreement, trade credit, due and payable recourse of a bank or other financial institution which issued a guarantee on request or surety (including in return for a loan or credit for the purchase of products or services offered within the framework of the Group's regular business activity), or similar agreements;
- (f) Financial Indebtedness on account of due and payable recourse or indemnification in respect of any guarantee, surety, assumption of responsibility or documentary credit or any other instrument of a similar nature issued by a bank or financial institution in respect of the liabilities of an entity which is a Group member, incurred in the ordinary course of business or in documents of Permitted Acquisition or disposal other than Restricted Disposal or in relation to Permitted Acquisition (in particular for the purpose of establishing a security interest required in connection with a public tender offer related to subscription for the sale or conversion of shares announced in connection with a Permitted Acquisition) or disposal other than Restricted Disposal;
- (g) Financial Indebtedness for which the creditor is a related party to the party incurring such Financial Indebtedness (in the meaning of the IFRS), who, however, is not a Group member (in particular Mr. Zbigniew Solorz-Żak or his Related Persons or entities controlled by them), incurred for any purpose whatsoever, as long as according to the terms and conditions of such a Financial Indebtedness the final repayment date (maturity) falls at a later date than the Redemption Date;
- (h) Financial Indebtedness on account of financial and capital leases, sale-and-lease-back transactions and other agreements which, in accordance with the relevant accounting standards, should be treated as such;
- (i) Financial Indebtedness incurred as part of *cash pooling* transactions;
- (j) Financial Indebtedness incurred for the purpose of or in connection with a Permitted Acquisition or disposal, other than a Restricted Disposal;
- (k) Financial Indebtedness on account of any Permitted Guarantee;
- (l) Financial Indebtedness on account of any Permitted Loan;
- (m) Financial Indebtedness incurred for the purpose of or in connection with making a Permitted Dividend Payment;
- (n) Financial Indebtedness on account of foreign exchange transactions or derivative transactions entered into for the purpose of hedging against interest rate, or currency exchange rate or price fluctuations (in particular in relation to Existing Financial Indebtedness Documentation or Refinancing Indebtedness Documentation); or
- (o) any other Financial Indebtedness which is not permitted by virtue of any of the preceding Sub-clause, so long as the aggregate amount does not exceed PLN 100,000,000 (say: one hundred million zloty) at any time (or the equivalent of such an amount in any currency or currencies, exclusive of VAT),

however the Issuer is entitled to freely choose and change the basis of recognizing a given operation as Permitted Financial Indebtedness.

“**Test Date**” means: 31 March, 30 June, 30 September and 31 December of each year before the Redemption Date or Early Redemption Date of the last unredeemed Bond.

“**Issuance Date**” means the date on which the Bonds are recorded for the first time on the Securities Accounts or the Consolidated Accounts; the Issuer’s intention is that it is the day indicated as the Issuance Date in the Supplement, or a day near that date.

“**Amount Payable Payment Date**” means any day on which the Amount Payable becomes due and payable hereunder.

“**Interest Payment Date**” has the meaning indicated in Clause 3.1 (*Interest Payment*) hereof.

“**Early Redemption Date**” means the day on which the Early Redemption takes place.

“**Business Day**” means a day other than a Saturday or Sunday or a public holiday in Poland on which the NDS conducts operational activities enabling the performance of the activities described herein.

“**Redemption Date**” has the meaning indicated in Clause 6.1 hereof.

“**Record Date**” means the 6th Business Day before the Amount Payable Payment Date, or any other date permitted by NDS Regulations as the date on which the status of ownership of Bonds is determined for the purpose of determining the entities and the persons entitled to obtain the benefits on account of the Bonds on the Amount Payable Payment Date that is the nearest to the above indicated date, of which the Issuer will notify the Bondholders.

“**Interest Rate Setting Date**” means the 3rd Business Day before the commencement of each Interest Period during which a given Interest Rate will apply, or any other date permitted by the NDS Regulations as the date for determining the interest rate that is nearest to the above indicated date, of which the Issuer will notify the Bondholders.

“**EBIT**” means, for any Test Period, the consolidated result of operating activities of the Group before taxation (including the result of discontinued activities):

- (a) excluding any interest, commission, fees, discounts, premiums or charges (in particular fees and premiums in connection with an early repayment of indebtedness or redemption of debt instruments), any effect of foreign exchange gains or losses, as well as any other finance payments, notwithstanding whether paid, payable, received, receivable or capitalized by any Group member (on consolidated basis) with regard to any Test Period;
- (b) excluding all interest accrued, due and paid to other Group members;
- (c) excluding the impact of one-time events;
- (d) after deducting of the amount of the profit (or adding the amount of the loss) of each Group member to the extent allocated to minority interest;
- (e) excluding the cost incurred by any Group member in connection with a Permitted Acquisition;
- (f) after deducting the amount of the profit generated by any entity not being a Group member, in the part in which the amount of such profit, which is included in the financial statement of such non-member of the Group, exceeds the amount actually received in cash by the entities that are Group members in the course of payments made by such non-member of the Group;
- (g) excluding any unrealized profits and losses on account of transactions involving derivatives entered into for the purpose of hedging against exchange rate and interest rate fluctuations;
- (h) excluding any profits and losses from the revaluation of assets after 31 December 2014;

- (i) excluding the revenues and the costs associated with liabilities on account of retirement benefits;
- (j) excluding the charged profit represented by the expensing of stock options; and
- (k) excluding all the commission, fees, discounts and other payments payable by and the amounts payable to any Group member by virtue of transactions involving derivative instruments made for the purpose of hedging against exchange rate and interest rate fluctuations and excluding commission, fees, discounts and other payments payable by and the amounts paid to any Group member under the transactions entered into in connection with the Financial Indebtedness generated by virtue of the Existing Financial Indebtedness Documentation or the Refinancing Indebtedness Documentation; and

in each case without double counting and to the extent such addition, deduction, or respectively inclusion, takes place for the purpose of determining the Group's profit from operating activity before tax.

“**EBITDA**” means EBIT for any Test Period plus the value of amortization of intangible assets (excluding amortization of programming rights) and depreciation of tangible assets of Group members, impairments for tangible and intangible assets (excluding reversals on account of loss of value (impairment) applied in a given Test Period) and liquidation of tangible and intangible assets.

“**WSE**” means the Warsaw Stock Exchange in Warsaw (*Gięda Papierów Wartościowych w Warszawie S.A.*)

“**Group**” means the Issuer and companies to which a full consolidation method with the Issuer under IFRS applies.

“**Material Subsidiary**” means Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. as well as any other Group member whose:

- (a) gross assets, excluding the rights that a given Group member may have with regard to another Group member and the values of shares held in the entities from the Group (intragroup assets) at the end of the last Financial Quarter, for which the financial statements were published in accordance with Clause 9.1, constitute more than 5% of the Group's consolidated assets at the end of this Financial Quarter (excluding the goodwill); or
- (b) result of operating activities before taxation (including the result of discontinued activity) plus the value of amortization of intangible assets (excluding amortization of programming rights) and depreciation of tangible assets of Group members, impairments for tangible and intangible assets (excluding reversals on account of loss of value (impairment) applied in a given Test Period) and liquidation of tangible and intangible assets calculated pursuant to principles which applies to calculate EBITDA at the end of the last Financial Quarter for which the financial statements were published in accordance with Clause 9.1, constitutes more than 5% of the consolidated Group's EBITDA for the Test Period ended at the end of this Financial Quarter.

For the avoidance of doubt, investment funds which are Group members and established on the basis of the Act of 27 May 2004 on Investment Funds (consolidated text: *Dziennik Ustaw* of 2014, Item 157 as amended) will not be considered Material Subsidiaries.

“**NDS**” means National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*), authorized to maintain a securities depository, with whom the Issuer entered into an agreement for the registration of bonds.

“**Financial Quarter**” means any of the four consecutive three-month quarters counted from the beginning of a Financial Year.

“**Amount Payable**” means an amount, expressed in Polish zloty, which depending on the circumstances is equal to the Interest Amount, the Principal Amount, or the Premium, due and payable on the Amount Payable Payment Date and which the Issuer is obligated to pay to the Bondholder in accordance with this Bonds Terms.

“**Interest Amount**” has the meaning indicated in Clause 2.33 hereof.

“**Interest Margin**” has the meaning indicated in Sub-clause 3.6(b) hereof.

“**IFRS**” means International Financial Reporting Standards whose legal basis is found in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, or other standards adopted by the European Union which will replace such standards.

“**Principal Amount**” has the meaning assigned to it in Clause 2.33 hereof.

“**Restricted Disposal**” means:

- (a) direct or indirect Disposal of the whole of the Issuer’s enterprise to an entity not being a Group member, carried out in one or several transactions,
- (b) direct or indirect Disposal of 50% + 1 share in Polkomtel Sp. z o.o or sale of the whole of the enterprise of Polkomtel sp. z o.o. to an entity not being a Group member, carried out in one or several transactions,; and
- (c) direct or indirect Disposal of 50% + 1 share in Telewizja Polsat sp. z o.o or sale of the whole of the enterprise of Telewizja Polsat sp. z o.o. to an entity not being a Group member, carried out in one or several transactions;

“**Financial Charges**” means, for a given Test Period, the consolidated amount of charged interest, commission, fees, discounts, premiums and charges or other costs associated with servicing the Financial Indebtedness which has been paid by or is due for payment by any member of the Group during a given Test Period:

- (a) excluding all one-time commission payments and fees,
- (b) including the payments on account of financial lease agreements but only in the portion related to interest,
- (c) excluding the interest cost or the revenue associated with the assets owned as part of employee pension schemes,
- (d) excluding unrealized profits and losses on account of transactions involving derivative instruments entered into for the purpose of hedging against exchange rate or interest rate fluctuations.

“**Net Financial Charges**” means for a given Test Period the Financial Charges less the value of the interest paid or due to each Group member in connection with the free funds and equivalent short-term financial instruments shown in the Issuer’s consolidated financial statements.

“**Bondholder**” means a person who is entitled to rights under the Bonds (for the avoidance of doubt – of each series), i.e. the owner of a Securities Account on which the Bonds have been recorded, or a

person indicated to the entity running the Consolidated Account by the owner of that account as the person entitled under the Bonds registered on such an account.

“**Test Period**” means, for each Test Date, the period of 12 months ended on the Test Date.

“**Cure Period**” has the meaning assigned to it in Clause 7.1.2 (d) hereof.

“**Interest Period**” has the meaning assigned to it in Clause 3.2 (*Interest Periods*) hereof.

“**Related Person**” means, with a regard to a given person:

- (a) his/her spouse, partner or a relative (i.e. any descendant, ancestor, siblings, siblings’ descendants, relative by marriage, adopted, adopting) and the spouse of such relative, as well as any heir of the persons enumerated above,
- (b) trustee, foundation or any other entity for which the person or persons mentioned above in Sub-clause (a) are the only beneficiaries; and
- (c) persons acting in concert with the person or persons and entities mentioned above in Sub-clauses (a) and (b), within the meaning of Article 87 section 1 item 5 of the Public Offer Act.

“**Designated Office**” has the meaning assigned to it in Clause 15.1 (*Designated Office*) hereof.

“**First Day of Interest Payment**” has the meaning assigned to it in Sub-clause 3.3(a) hereof.

“**Loan**” means a loan, credit, bond issuance or issuance of other debt securities.

“**Equity Interest**” means shares and other interests, partners rights or participation entitlements (also as a beneficiary) in a company or other entity (with or without legal personality) established in accordance with law of any country.

“**Issuer’s Right to Early Redemption**” has the meaning assigned to it in Sub-clause 7.4(a) hereof.

“**Premium**” means the sum paid by the Issuer to Bondholders in case of the Early Redemption of the Bonds by the Issuer in the manner indicated in Clause 7.4 (*Issuer’s Right to Early Redemption*) in the amount indicated in the Supplement.

“**Early Redemption**” means a redemption of the Bonds before the Redemption Date carried out under Clause 7 (*Early Redemption of Bonds*) of the Bonds Terms.

“**Event of Default**” means any event listed in Sub-clauses 7.1.1 and 7.2.1 hereof.

“**Consolidated Account**” means a cumulative account as defined in Article 8a of the Trading in Financial Instruments Act.

“**Securities Account**” means the securities account as defined in Article 4, item 1 of the Trading in Financial Instruments Act.

“**Bonds Account**” means the Consolidated Account or the Securities Account.

“**Regulations**” means the ATS Regulations, NDS By-Laws, Detailed Rules, or any other regulations which apply to the organization and functioning of the ATS and NDS.

“**ATS Regulations**” means by-laws of the alternative trading system organised by the WSE adopted in resolution No. 147/2007 of the WSE Management Board dated 1 March 2007 (as amended).

“**NDS By-Laws**” mean the NDS by-laws, passed by the NDS supervisory board in accordance with Article 50 of the Trading in Financial Instruments Act in effect at a given time or any other legal basis which replaces this Act and is in effect at a given time.

“**By-Laws of the Bondholders Meeting**” means the By-Laws of the Bondholders Meeting which constitute Attachment 2 hereto.

“**Financial Year**” means a financial year of the Issuer as defined in its articles of association.

“**Disposal**” means a sale, exchange, donation or other disposal with an effect of transfer of ownership.

“**Adjusted Total Nominal Value of the Bonds**” means a total nominal value of the respective Bonds series excluding the Bonds held by members of a capital group of the Issuer in accordance with Article 3 item 1 section 44 of the Accountancy Act and redeemed Bonds.

“**Base Rate**” has the meaning assigned to it in Sub-clause 3.6(b) hereof;

“**Interest Rate**” means the interest rate determined in accordance with the provisions of Clause 3.6 (*Determining the Interest Rate*) hereof and it serves as the basis for calculating the Interest Amount.

“**Website**” means the Issuer’s website at the web address www.grupapolsat.pl.

“**Supplement**” means a supplement to this Bonds Terms whose specimen is found in Attachment 1 hereto; it is drafted separately for each series of bonds issued as part of the Program unless stated otherwise by the wording of such a Supplement.

“**Detailed Rules**” means the Detailed Rules of Operation of the NDS, i.e. Attachment No. 1 to Resolution No. 1128/11 of the NDS management board of 15 December 2011, as amended, or any other document which replaces this document.

“**Deposit Certificate**” means the deposit certificate as defined in Article 9 et seq. of the Trading in Financial Instruments Act; it defines, among others, the number of Bonds held by a given Bondholder and the expiry date;

“**Deposit System Participant**” means the NDS, an investment firm or a bank, in each case having the status of a participant in a deposit system in accordance with the NDS By-Laws and entitled to maintain securities accounts and collective accounts in accordance with the relevant legal regulations and relevant By-Laws.

“**Bonds Act**” means the Bonds Act of 15 January 2015 (*Dziennik Ustaw* of 2015, item 238)

“**Trading in Financial Instruments Act**” means the Act on Trading in Financial Instruments of 29 July 2005 (*Dziennik Ustaw* of 2014, item 94, as amended)

“**Public Offer Act**” means the Public Offer of Financial Instruments Act of 29 July 2005 (*Dziennik Ustaw* of 2013, item 1382, as amended)

“**Accountancy Act**” means the Accountancy Act of 29 September 1994 (*Dziennik Ustaw* of 2013, item 330, as amended).

“**Bankruptcy and Reorganisation Law**” means the Bankruptcy and Rehabilitation Law act of 28 February 2003 (*Dziennik Ustaw* of 2015, item 233, as amended).

“**Interest Cover Ratio**” for a given Test Period means the EBITDA to Net Finance Charges ratio.

“**Leverage Ratio**” for a given Test Period means the ratio of the Net Financial Indebtedness to EBITDA.

„**Financial Indebtedness**” means the indebtedness on account of:

- (a) loan or credit agreements (or other credit instruments) entered into with the bank or another financial institution;
- (b) a negative balance on an account constituting an indebtedness from a bank or another financial institution;
- (c) a bond, promissory note (other than one issued as security against commercial liabilities incurred in the course of ordinary activity) or other debt securities;
- (d) financial leasing;
- (e) receivables sold or discounted (except for receivables sold without the right of recourse which meet the premises for being excluded from the seller’s books of account in accordance with the IFRS);
- (f) any due and payable obligations to pay the amount of recourse or to indemnify with respect to any guarantee, surety, takeover of liability, documentary letter of credit or any other similar instrument issued by a bank of a financial institution in respect of liabilities of any entity, which would meet the criteria of being recognized as Financial Indebtedness pursuant to other Items in this definition;
- (g) amounts obtained from the issuance of shares that are redeemable, except for stock and shares to which the preemptive right is vested in the issuer) prior to the Redemption Date or otherwise regarded as borrowed funds in accordance with the IFRS;
- (h) the amounts of liabilities under preliminary sale agreements or sale agreements with deferred payment of the price, provided that (i) one of the principal aims of entering into such an agreement is the obtaining of financing or the financing of the acquisition or creation of an asset or a service which such an agreement concerns, or (ii) the agreement concerns the delivery or provision of services and payment is due later than 180 days after the delivery or the provision of a service and is recorded in the books of account (financial statements) of the entity acquiring the assets or the services as borrowings (however, (1) amounts not paid or withheld by the entity acquiring the assets or services as security against claims against the entity supplying the assets or services under warranty, loss, damage, etc. and (2) obligations under UMTS license will not be recognized as Financial Indebtedness);
- (i) any other action (including any purchase or sale term agreement) that produces the economic effect of a loan or credit is otherwise deemed to constitute the incurring of borrowings in accordance with IFRS;
- (j) due and payable liability arising from a guarantee or surety relating to any of the liability described in the above Items;

however, in each instance, with the exclusion of:

- (A) indebtedness with regard to which another Group entity is the creditor (intragroup indebtedness);
- (B) indebtedness arising from derivatives;

- (C) indebtedness whose terms do not envisage a cash disbursement of interest before the maturity date of the principal amount of such indebtedness and whose final repayment (due and payable) date falls on a day coming no sooner than 6 months after the Redemption Date.
- (D) indebtedness (with respect to which Mr. Zygmunt Solorz-Żak or his Related Persons or entities controlled by them are creditors) incurred for the purpose of preventing or curing the Event of Default referred to in Sub-clause 7.1.1.(g) of these Bond Terms;
- (E) the impact of balance sheet valuation with regard to the Financial Indebtedness;

“**Net Financial Indebtedness**” means the value of the consolidated Financial Indebtedness of all Group members decreased by the consolidated value of free cash and the cash equivalent of short-term investments (within the meaning of IFRS).

“**Compliance Certificate**” has the meaning assigned to it in Clause 9.2; its specimen is found in Attachment No. 3 hereto.

“**Notice of Event of Default**” means a document, signed by persons duly authorized to represent the Issuer, in which the Issuer informs the Bondholders of the occurrence of an Event of Default; the specimen notice is found in Attachment No. 4 hereto.

“**Notice of Cure of an Event of Default**” means a document, signed by persons duly authorized to represent the Issuer, in which the Issuer informs the Bondholders that an Event of Default has been cured; the specimen notice is found in Attachment No. 5 hereto.

“**Bondholders Meeting**” means a Bondholders meeting which has been convened and held in accordance with the principles defined in Attachment No. 2 hereto.

“**Change of Control**” means a situation in which:

- (i) Mr. Zygmunt Solorz-Żak or his Related Persons, jointly or individually, will cease to hold, either directly or indirectly, shares representing at least 30% of the share capital and the total number of votes at the Issuer’s general meeting; or
- (ii) a party or parties, acting in concert within the meaning of Article 87 section 1 item 5 of the Public Offer Act, other than Mr. Zygmunt Solorz-Żak or his Related Persons, will hold, directly or indirectly, shares representing a stake in the share capital or in the total number of votes at the Issuer’s general meeting that is larger than the stake held by Mr. Zygmunt Solorz-Żak and his Related Persons, unless during a period of 60 days from the date on which the Issuer learns of such situation, such parties lose the ownership of the shares representing a stake in the share capital or the total number of votes at the Issuer’s general meeting that is larger than that held by Mr. Zygmunt Solorz-Żak and his Related Persons (including in connection with the acquisition by Mr. Zygmunt Solorz-Żak or his Related Persons of additional shares of the Issuer).

1.2 Principles of interpretation

In this Bonds Terms:

- (a) unless explicitly stated otherwise the references to a clause, sub-clause or attachment constitute references to a clause, sub-clause or attachment hereto;
- (b) the references to:
 - (A) this Bonds Terms or any other document, include the references to this Bonds Terms or any other document as amended; and

- (B) a legal regulation, act or order, include references to such a legal regulation, act or order as amended and legal regulations, acts or orders which replace them;
- (c) the term “includes” or “including” or “in particular” will be not construed to create a closed list;
- (d) titles and sub-titles at the beginning of some of the provisions to this Bonds Terms have been added for convenience only and have no influence on the interpretation hereof;
- (e) attachments to this Bonds Terms form its integral part; a
- (f) the final wording of this Bonds Terms for a given series of Bonds will be determined at the moment when a Supplement is drafted in accordance with the specimen constituting Attachment No. 1 hereto, with such Supplement filled out with the data concerning such given series of Bonds and signed by the Issuer; the Supplement will constitute an integral part of the Bonds Terms for a given series of Bonds, and the definition of “**Bonds**” will refer to bonds of given series issued under the Program.

2. DESCRIPTION OF THE BONDS

- 2.1 Each Bond issued pursuant in this Bonds Terms is a bearer security which is issued in a series and has no documentary form.
- 2.2 Bonds will be registered in the securities depository maintained by the NDS.
- 2.3 For each Bond the Issuer declares that it is the Bondholder’s debtor and undertakes to make a payment of cash benefits to the Bondholder in the amount corresponding to the nominal value of one Bond which is indicated in Clause 2.6 (the “**Principal Amount**”) in a manner and on the dates defined in Clause 6 (*Redemption of Bonds*) or as indicated in Clause 7 (*Early Redemption of Bonds*) hereof, plus the amount of interest (the “**Interest Amount**”) in the manner and on the dates defined in Clause 3 (*Interest Rate*) hereof.
- 2.4 Registration of the Bonds in the NDS will be take place in accordance with §11 of the Detailed Rules or other relevant Regulations which replace this Sub-clause. The registration of Bonds will take place as a result of the settlement of accounts related the purchase transaction which will be conducted by the NDS, based on the compliant settlement instructions leading to the Bonds being recorded on the accounts of Deposit System Participants. The rights related to the Bonds will be obtained at the moment the bonds are recorded for the first time on the Bonds Accounts, or at any other time indicated in relevant regulations, including the Bonds Act and the Trading in Financial Instruments Act.
- 2.5 The legal basis for a Bonds issuance and the method of their offering shall be set forth in the Supplement. Subscription orders for the Bonds may be placed or offers to purchase the Bonds may be accepted in an electronic form.
- 2.6 The nominal value of one Bond is PLN 1,000 (say: one thousand zloty).
- 2.7 The Bonds issued in compliance with this Bonds Terms are unsecured.
- 2.8 The Bonds are issued on the Issuance Date. The place of the Bonds issuance is Warsaw.
- 2.9 The purpose of the Bonds issuance is undefined but it may be defined in the Supplement.
- 2.10 Subject to the peremptory provisions of law and the relevant Regulations, the Bonds may be rematerialized pursuant to a resolution of the Bondholders Meeting. Simultaneously with the rematerialization of the Bonds, the Bondholders Meeting will adopt a resolution on amending

the terms of the Bonds issuance to the necessary extent, which shall in particular define the terms of delivering the Bonds certificates and making payments due under the Bonds.

3. **INTEREST**

3.1 **Payment of the Interest Amount**

The Bonds are interest-bearing from the Issuance Date (inclusive) until the Redemption Date or – in case of the Early Redemption – the Early Redemption Date (excluding the actual redemption date itself in both cases). On each interest payment date indicated in Clause 3.3 (*Interest Payment Dates*) hereof (the “**Interest Payment Date**”), each party being a Bondholder shall be entitled to receive, on the Record Date, the Interest Amount calculated in accordance with this Clause 3 (*Interest*). The Interest Amounts will be payable in arrears. Interest Amount payment will be made via the NDS on the basis of and in accordance with the relevant Regulations.

3.2 **Interest Periods**

An interest period is a period from the Issuance Date (inclusive) until the First Interest Payment Date (excluding that day) as well as each subsequent period continuing from the previous Interest Payment Date (inclusive) until the next Interest Payment Date (excluding the date itself) (the “**Interest Period**”), however the last Interest Period ends on the day preceding the Redemption Date or the Early Redemption Date.

3.3 **Interest Payment Dates**

- (a) The first Interest Payment Date will occur on the day indicated in the Supplement (the “**First Interest Payment Date**”).
- (b) Subsequent Interest Payment Dates will occur pursuant to the schedule indicated in the Supplement, subject to the last Interest Payment Date taking place on the Redemption Date or Early Redemption Date.

3.4 **Accrual of interest**

- (a) The Interest Amount is calculated separately for each Interest Period.
- (b) Where the Interest Amount is calculated in accordance with this Bonds Terms for a period shorter than the Interest Period originally indicated in the Supplement, such amount will be calculated on the basis of the actual number of days in the period since the previous Interest Payment Date (inclusive), or the Issuance Date (inclusive) in the event of the first Payment Date, until the date when the Bonds are redeemed (excluding the actual redemption date itself).
- (c) In the event of late payment (except for an event set forth in Sub-clause 7.2.1.(a)) of the Principal Amount or the Interest Amount, in whole or in part, a Bondholder will be entitled to interest which will accrue from the date when the delay in payment started (inclusive) until the date of payment (excluding the payment date itself) in the amount equal to the amount of the Interest Rate for the last Interest Period plus Additional Interest Margin (without double-counting the Additional Interest Margin if another Event of Default occurs before the end of the last Interest Period).
- (d) In any case, the amount of any interest under the Bonds will not be capitalized and no interest will accrue on such interest amount.

3.5 Calculation of the Interest Amount

Interest per Bond shall be calculated based on the following formula:

$$K = SP * N * L / 365$$

Where:

K means the Interest Amount for a given Interest Period for one Bond,

SP means the agreed Interest Rate,

N means the nominal value of one Bond,

L means the number of days in a given Interest Period,

where the obtained amount will be rounded off to the nearest grosz (however half or more of a grosz will be rounded upwards).

3.6 Determining the Interest Rate

- (a) If the Bonds bear interest at a fixed rate in accordance with the Supplement, the amount of Interest Rate for a given Interest Period will be indicated in the Supplement.
- (b) If the Bonds bear interest at a floating rate in accordance with the Supplement, the amount of Interest Rate for a given Interest Period will be the Base Rate value, as indicated in the Supplement (the “**Base Rate**”), plus the percentage margin indicated in the Supplement (the “**Interest Margin**”).
- (c) The Base Rate amount will be determined in accordance to this Clause and the Supplement by the Bond Issuance Agent on the Interest Rate Setting Date.
- (d) In the event that the Base Rate is not available on the Interest Rate Setting Date, the Base Rate will be equal to the arithmetical average of the rates given to the Bond Issuance Agent by Reference Banks, upon rejecting the highest and lowest rate given by the Reference Banks, however if necessary, the Base Rate will be rounded off to four decimal places (while 0.00005 will be rounded upwards).
- (e) When it is impossible to determine the Base Rate in accordance with the above provisions, the Base Rate will then be equal to the most recently available Base Rate that was published before the Interest Rate Setting Date for PLN deposits with the duration indicated in the Supplement.
- (f) In case of the occurrence of an Event of Default, during the period from the fifth Business Day after the date when such Event of Default occurred (including the date of its occurrence) and ending on the fifth Business Day on the earlier of the date when such Event of Default ceases, the Redemption Date or the Early Redemption Date (excluding that date), the Interest Rate will be increased by an additional percentage margin indicated in the Supplement (the “**Additional Interest Margin**”).
- (g) The information regarding the amount of the Interest Rate will be provided in accordance with the relevant Regulations.

3.7 Exemption of statutory interest

The provisions on statutory interest shall not apply to amounts due under Bonds or related thereto.

4. PAYMENT OF CASH BENEFITS UNDER BONDS

4.1 Subject to Clause 4.6 hereof as well as principles of carrying out the Early Redemption in accordance with Clauses 7.1 –7.3, Amount Payable is payable without any additional instructions and declarations of the Bondholder.

4.2 If the payment date of the Amount Payable is not a Business Day, the payment shall be made on the next Business Day following such day, without any right to demand late payment or default interest or any other additional payments. For avoidance of doubts, if the payment is not effected on the next Business Day referred to in the preceding sentence, the interest will be calculated pursuant to the remaining terms of the Bond Terms, in particular Sub-clauses 3.4(c) or 3.6(f) and 7.2.1.(a).

4.3 Any payments on account of Bonds shall be made subject to the applicable laws in force on the day of payment.

4.4 Any payments on account of Bonds shall be made through the NDS and Deposit System Participants, in accordance with the relevant Regulations, to the entities whose rights to Bonds are registered on the Bonds Accounts on the Record Date. The Bond Issuance Agent shall calculate the Amount Payable per Bond on the nearest Amount Payable Payment Date and shall inform the Issuer about the Amount Payable, whereas the Issuer shall notify the NDS of the nearest Record Date, Amount Payable Payment Date and the amount of the Amount Payable to be paid on the nearest Amount Payable Payment Date, pursuant to § 117a of the Detailed Rules or other relevant Regulations that replace them.

4.5 The cash payments due under the Bonds shall be made at the registered office of the entity referred to in Section 2.2.

4.6 Information about the bank account number and any other information and documents required by the Deposit System Participant maintaining the Bonds Account, shall be delivered by the Bondholder or a holder of the Consolidated Account in the form and within the time limits set forth in the regulations of such Deposit System Participant. For the avoidance of doubt, lack of payment of the Amount Payable to the Bondholder or a holder of the Consolidated Account resulting from the failure to provide the information mentioned in this Clause 4.6 by the Bondholder shall not constitute an Event of Default, a basis for overdue redemption, delay or default by the Issuer and shall not be the basis for any liability of the Issuer towards such Bondholder or a holder of the Consolidated Account.

4.7 Claims under the Bonds may, upon a Bondholder's request, be credited towards the purchase price for bonds of a new issue.

5. TAXATION

5.1 Any payments on account of Bonds shall be made while taking into account any tax deductions or collections, charges or other public imposts if they result from the applicable law, according to the relevant Regulations.

5.2 If any payment on account of Bonds entails the obligation to collect and pay any tax, charge or other public imposts, the Issuer shall not be obliged to pay to the Bondholders any amounts

compensating the collected taxes, charges or other public imposts, or to make any other payments.

6. REDEMPTION OF BONDS

6.1 The Bonds of a given series shall be redeemed by the Issuer on the day set forth in the Supplement concerning the Bonds of this series (the “**Redemption Date**”) or on the Early Redemption Date.

6.2 On the Redemption Date or Early Redemption Date, the Issuer shall pay the Amount Payable for each Bond, including the Principal Amount, Interest Amount for the last Interest Period, and – in case of the redemption of Bonds pursuant to Clause 7.4 – the Premium. Bond payments related to their redemption shall be made through the NDS according to the relevant Regulations.

6.3 Upon redemption of the Bonds, in accordance with the provisions hereof, the Bonds shall be redeemed pursuant to the Bonds Act and the relevant Regulations.

6.4 Subject to Clause 7.3 hereof, the Bondholder shall not be entitled to request the redemption of the Bonds before the Redemption Date.

7. EARLY REDEMPTION OF BONDS

7.1 Early Redemption of Bonds with the consent of the Bondholders Meeting

7.1.1 Any of the following events shall constitute an Event of Default:

(a) Restricted Acquisition

The Issuer, or any member of the Group, acquires or takes up any number of the Equity Interest of any entity not being a Group member or acquires enterprise or an organized part thereof from an entity not being a Group member other than under a Permitted Acquisition.

(b) Restricted Guarantee

The Issuer, or any member of the Group, grants a guarantee or surety, other than a Permitted Guarantee, or accedes to the debt or offers an indemnity, other than under the Permitted Guarantee.

(c) Restricted Loan

The Issuer, or any member of the Group, grants (becomes a creditor under) a Loan, other than a Permitted Loan.

(d) Restricted Disposal

Restricted Disposal occurs.

(e) Restricted Dividend Payment

The Issuer pays a dividend or an advance dividend, the price for own shares acquired by the Issuer or returns an additional payment (*dopłata*) to its shareholder, other than the Permitted Dividend Payment.

(f) Restricted Financial Indebtedness

The Issuer, or any member of the Group, assumes Financial Indebtedness, other than Permitted Financial Indebtedness.

(g) Breach of Financial Ratio

On the Test Date:

- (i) the Interest Cover Ratio is less than 1.5:1; or
- (ii) the Leverage Ratio is more than 4.5:1.

The Event of Default referred to in this Section will not occur if in the Cure Period, specified in Sub-clause 7.1.2(d), the Issuer will deliver the Compliance Certificate confirming the occurrence of an event or events after the Test Date, which if had occurred no later than on the Test Date, would have had such impact on the calculation the Interest Cover Ratio or Leverage Ratio, none of the above ratios would exceed the above values. In such a case, the Compliance Certificate should provide for details of such event or events, their impact on calculating Interest Cover Ratio or Leverage Ratio and recalculation of both ratios including such event or events.

(h) Breach of information obligations

The Issuer breaches any information obligation set forth in Clause 9 (*Information Obligations*).

(i) Event of default under other Financial Indebtedness

Any Financial Indebtedness of the Material Subsidiary, other than the Financial Indebtedness under the Bonds issued under the Program, towards a bank, credit institution or financial institution, exceeding PLN 200,000,000 (say: two hundred million zloty) in aggregate, is not repaid upon maturity (accounting for a relevant period to cure such default if such a period is envisaged in the documentation of a given Financial Indebtedness).

(j) Creditor's bankruptcy petition

The Creditor of the Issuer or a Material Subsidiary, files a petition with the court to declare the bankruptcy of the Issuer or a Material Subsidiary, unless the Issuer (or Material Subsidiary) reasonably demonstrates that such petition is groundless, was filed in bad faith or is rejected, dismissed or relevant proceedings are discontinued within 90 days from the date of filing the petition.

(k) Financial Indebtedness restructuring or composition

The Issuer or a Material Subsidiary, in view of irremovable difficulties in repayment of Financial Indebtedness, undertakes actions (including, among others, filing an application or proposal or convening a general meeting of shareholders) aimed at concluding by the Issuer or a Material Subsidiary of a composition agreement with creditors under the proceedings regulated by the Bankruptcy and Reorganization Law or any other regulation in its place.

(l) False representations

Any representation made by the Issuer herein proves to be substantially false in full or in part at the time of its making and the making of such representation leads to actual substantial financial loss of the Bondholder.

(m) Failure to enforce the final and absolute court judgments and administrative decisions

The Issuer fails to enforce final and absolute court judgment or administrative decision under which the Issuer is obliged to make a payment of the amount exceeding PLN 100,000,000 (one hundred million). The “final and absolute” court judgments or administrative decisions are judgments and decisions issued after all measures and appellate procedures have been exhausted or after the same have been appealed against before Polish or international courts or administrative bodies, or after the laps of any deadlines for instituting appellate proceedings, cessation or revision.

7.1.2 In case of the occurrence of any Event of Default, referred to in Sub-clause 7.1.1, the following rules shall apply:

- (a) The Issuer shall notify Bondholders about the occurrence of an Event of Default immediately upon learning of it, in the form of the Notice of Event of Default;
- (b) Notwithstanding the foregoing obligation of the Issuer, every Bondholder, upon learning of the occurrence of an Event of Default that has not been reported by the Issuer in the form of the Notice of Event of Default, may request the Issuer to set a period, referred to in Sub-clause (c) below, within which the remaining Bondholders could express their intention to participate in the Bondholders Meeting; A request filed by a Bondholder to set a period, referred to in Sub-clause (c) below is tantamount to expressing the intention by such Bondholder to participate in the Bondholders Meeting.
- (c) In the event of any Bondholder expressing the intention referred to in Sub-clause (b) above, the Issuer shall be obliged to notify all the Bondholders of such request within 5 Business Days (by publishing relevant information on the Website), while setting a period, not shorter than 5 Business Days but not longer than 10 Business Days, within which the Bondholders will be entitled to express their intention to participate in the Bondholders Meeting; A request referred to in Sub-clause (b) above, as well as an intention to participate in the Bondholders Meeting shall be submitted to the Issuer and the Bond Issuance Agent in writing to the address of the Designated Office, or by e-mail to the Issuer’s address: obligatariusze@cyfrowypolsat.pl and the Bond Issuance Agent: bonds@trigon.pl;
- (d) The cure period (“**Cure Period**”) shall apply to an Event of Default (except for Events of Default referred to in Sub-clause 7.1.1(e) and (k) above) and shall be calculated from the date of (i) delivery by the Issuer of the Notice of Event of Default, referred to in Sub-clause (a) above, or (ii) delivery by the Bondholder of a request, referred to in Sub-clause (b) above, whereas: (1) as regards an Event of Default referred to in Sub-clause (j) the Cure Period shall be 90 days, and (2) as regards as regards any other Event of Default (except for an Event of Default referred to in Sub-clause 7.1.1(e) and 7.1.1(k) above), the Cure Period shall be 30 days;
- (e) If as a result of the Bondholders’ notification referred to in Sub-clause (c) above, the intention to participate in the Bondholders Meeting is expressed by Bondholders who hold Bonds whose total nominal value corresponds to at least 5% of Adjusted Total Nominal Value of the Bonds, (i) in case of the occurrence of an Event of Default

referred to in Sub-clauses 7.1.1(e) and (k) above, the Issuer shall be obliged to convene the Bondholders Meeting within 5 Business Days from the last day on which Bondholders may submit their intention to participate in the Bondholders Meeting pursuant to Sub-clause (c) above; (ii) in case of another Event of Default, if before the end of the Cure Period a given Event of Default is not cured, the Issuer shall be obliged to convene the Bondholders Meeting within 5 Business Days after the latter of the following: (1) the last day on which Bondholders may submit their intention to participate in the Bondholders Meeting pursuant to Sub-clause (c) above or (2) expiry of the Cure Period; the date, time and venue of the Bondholders Meeting will be determined in an announcement of the convening of the Bondholders Meeting, in compliance with the By-laws of Bondholders Meeting;

- (f) If (i) during the Cure Period, or (ii) after expiry of the Cure Period, but before the date of the Bondholders Meeting set by the Issuer, or (iii) with reference to Events of Default referred to in Sub-clause 7.1.1(e) and (k) above, by the date of the Bondholders Meeting set by the Issuer, a given Event of Default ceases to exist (whether through the actions of the Issuer or any entity from the Group or otherwise), the Bondholders shall not have any claims on account of the occurrence of the Event of Default, in particular the right to demand Early Redemption of the Bonds except for an Additional Interest Margin calculated for the period during which the Event of Default took place;
- (g) If the Event of Default ceases to exist, both during the Cure Period and after its expiry (but before the date of the Bondholders Meeting referred to in Sub-clause (e) above), the Issuer shall notify the Bondholders that the Event of Default has ceased to exist, immediately upon learning of this fact, in the form of the Notice of Cure of an Event of Default;
- (h) If within the time limit set forth in Sub-clause (f) above, the Event of Default does not cease to exist, the Meeting of Bondholders holding the Bonds of the given series will be entitled to pass a resolution on granting consent to the Bondholders exercising the right to request the Early Redemption of Bonds due to the occurrence of Events of Default, referred to in Clause 7.1.1; the adoption of such a resolution requires a two-thirds majority of votes corresponding to the Adjusted Total Nominal Value of Bonds of the given series. If such resolution is passed, each Bondholder shall be entitled to request the Early Redemption of Bonds of a given series held by such Bondholder. For the avoidance of doubts, if the Event of Default discontinues after the adoption of the resolution of the Bondholders Meeting expressing consent to the exercise by the Bondholders of the right to demand Early Redemption referred to in this Clause (h), the Bondholders' right to demand Early Redemption shall not expire.

7.2 Early Redemption of Bonds at the request of Bondholders

7.2.1 Any of the following events shall constitute an Event of Default:

- (a) Non-payment:

The Issuer is in delay with payment of any benefit arising from the Bonds on its due date, unless the non-payment will not be at fault – in particular as a result from technical or administrative reasons and such payment is made within 3 days.

- (b) Insolvency:

Any of the following events occur: (i) the Issuer or a Material Subsidiary declares in writing its insolvency or; (ii) the Issuer or a Material Subsidiary files a bankruptcy

petition; or (iii) the Issuer or a Material Subsidiary files a declaration on instituting restructuring proceedings as referred to in Article 494 of the Bankruptcy and Reorganization Law or any other statutes that should replace it; or (iv) a resolution is adopted on dissolving or opening the liquidation of the Issuer or a Material Subsidiary; or (v) a receiver, manager or administrator is appointed over the assets of the Issuer or Material Subsidiary, or the management board of such entity files an application to appoint a receiver, manager or administrator.

(c) Cessation of business activity:

The Group ceases to conduct its primary business activity, in whole or in substantial part.

(d) Withdrawal of the Issuer's shares from trading on the regulated market:

All the Issuer's shares are withdrawn from trading on the regulated market operated by the WSE.

(e) Change of Control:

Change of Control takes place.

7.2.2 If an Event of Default referred to in Sub-clause 7.2.1 occurs, the following rules shall apply:

- (a) The Issuer shall notify the Bondholders of the occurrence of an Event of Default immediately after learning of its occurrence, in the form of the Notice of Event of Default;
- (b) From the date following the day on which such Event of Default occurred, each Bondholder shall be entitled to request the Early Redemption of the Bonds such Bondholder holds.

7.3 The following additional rules shall apply to the events referred to in Sub-clauses 7.1.1 and 7.2.1 hereof:

- (a) A request for the Early Redemption shall be made by submitting an appropriate statement to a Deposit System Participant, indicating among others the number of Bonds subject to redemption in the form and within the deadlines set forth in the regulations of such Deposit System Participant; Bondholders shall be notified of the change of the manner of submitting a request for the Early Redemption of Bonds resulting from any amendment to the applicable laws and regulations;
- (b) The Early Redemption of Bonds referred to in Sub-clause (a) shall be carried out in accordance with §118 of the Detailed Rules of Operations or other relevant Regulations which will replace them;
- (c) The Early Redemption Date shall fall on the 6th Business Day from submitting the aforementioned statement by the Bondholder.

7.4 **Issuer's Right to Early Redemption**

- (a) The Issuer at any time has the right to carry out the Early Redemption of Bonds (the "**Issuer's Right to Early Redemption**"). Bondholders shall be notified about the Issuer's intention to exercise the Issuer's Right to Early Redemption at least 10 Business Days in advance of the Early Redemption Date pursuant to Clause 14 (*Notifications*) hereof.

- (b) The Issuer's Right to Early Redemption may be exercised at any moment before the Redemption Date, both in relation to all or part of the issued and unredeemed Bonds, however the Early Redemption may not apply to Bonds of a given series that constitute less than 10% of the total nominal value of Bonds of such series, or of all unredeemed Bonds (of given series), if their total nominal value was lower than the above mentioned amount.
- (c) In the event of the early redemption of part of the Bonds as a result of the Issuer exercising the Issuer's Right to Early Redemption, subject to voluntary submission of Bonds for redemption (if such submissions will be projected), the Bonds shall be redeemed from Bondholders in proportion to the status of Bonds recorded on their Bond Accounts. The number of Bonds redeemed from individual Bondholders shall be agreed according to the relevant Regulations, in particular pursuant to §123 of the Detailed Rules, or Regulations that replace it.
- (d) Early Redemption of Bonds as a result of exercising the Issuer's Right to Early Redemption shall be carried out based on their nominal value together with the accrued interest plus the applicable Premium.

8. ISSUER'S REPRESENTATIONS AND WARRANTIES

8.1 The Issuer represents that:

- (a) The Issuer is a joint stock company duly incorporated and operating under Polish law;
- (b) The Issuer has or will have the necessary authorizations and approvals of its governing bodies enabling it to issue and fulfill the obligations under the Bonds;
- (c) The Issuer's obligations related to the Bonds will be consistent with the binding and enforceable law;
- (d) The Issuer's obligations related to the Bonds to be issued hereunder will be ranked *pari passu* with other unsecured and junior liabilities of the Issuer, subject to the binding provisions of law; and
- (e) Any information (as supplemented), which was presented to the Bondholders by the Issuer or its agents is complete and correct in all substantial aspects and does not contain of any illegal statements and does not omit any necessary statements, in order to ensure that representations and warranties included herein are not misleading;
- (f) The Issuer is not listed in the Register of Insolvent Debtors, referred to in Article 55 of the Act on the National Court Register dated 20 August 1997 (*Dziennik Ustaw* of 2013, Item 1203, as amended).

8.2 The above mentioned representations will be made to the buyers of Bonds on the Issuance Date of the relevant Bonds, according to the status as at the Issuance Date.

9. INFORMATION OBLIGATIONS

9.1 The Issuer, until the Redemption Date or Early Redemption Date of the last unredeemed Bond of a given series, shall be obliged to make available to the Bondholders – at the Issuer's registered office – the following financial statements within the following time limits:

- (a) quarterly, unaudited consolidated financial statements of the Issuer, prepared in accordance with IFRS, for the first and third quarter, within 45 days from the end of the first and third quarter;

- (b) interim consolidated financial statements of the Issuer subject to review by auditors, prepared in accordance with IFRS, within 62 days from the end of the half-year; and
- (c) annual audited consolidated financial statements of the Issuer (along with the auditor's opinion), prepared in accordance with IFRS, within 120 days from the end of a given Financial Year,

9.2 Along with the financial statements, referred to in Clause 9.1 above and based thereon, the Issuer shall make available to the Bondholders for review, at the Issuer's registered office, a certificate signed by people authorized to represent the Issuer prepared in the form set out in Attachment No. 3 hereto (the "**Compliance Certificate**").

9.3 Publication in due time of financial statements, Compliance Certificates, Notices of Events of Default, Notices of Cure of an Event of Default and other notifications, which are mentioned herein or the Bonds Act, on the Website or on the website of the ATS on which the Bonds will be traded or in a different manner consistent with the relevant WSE regulations, or in the form of a current report published according to the requirements of the Trading in Financial Instruments Act, the Public Offer Act, Detailed Rules or other relevant Regulations, including secondary legislation under the above mentioned acts, shall be deemed equivalent to rendering them available or delivered.

10. **CONSENT TO THE DISCLOSURE OF INFORMATION**

Any Bondholder purchasing the Bonds expresses, irrevocably and unconditionally (subject to peremptory provisions of the law), its consent to provide the Issuer Bondholder, the Bond Issuance Agent, the NDS, the WSE and other entities performing the relevant duties in connection with the issuance of the Bonds, with information about the Bondholder and, in respect of the Consolidated Account, its holder, to the extent that this is indispensable for effecting the issuance of the Bonds and performing other actions envisaged by these Conditions of Bonds Issuance. In particular, the Bondholder consents to provide the entities listed above with any information and data, including personal data, the Bondholder's status, to the extent indispensable for performing the Issuer's rights and obligations and the rights and obligations of other entities named above in connection with the issuance of Bonds, and also pursuant to the relevant provisions of law and Regulations, including those related to the tax obligations and the rules of trading in securities. In particular, the consent given in this Clause 10 constitutes an authorization to process the Bondholder's personal data within the meaning of the Act on personal data protection of 29 August 1997 (consolidated text: Dziennik Ustaw of 2014, item 1182, as since amended), to the extent to which this is indispensable for the exercise of rights and performance of obligations in connection with the issuance of Bonds.

11. **LISTING OF BONDS**

The Issuer shall apply for admitting and introducing the Bonds to trading on the ATS. The Issuer shall make all efforts to ensure that the Bonds are introduced to trading on the ATS within 90 days from the Issuance Date.

12. **TRANSFER OF RIGHTS UNDER THE BONDS**

12.1 The Bonds shall be registered in the depository referred to in Article 8 Section 5 of the Bonds Act;

12.2 If the Bonds are registered on Securities Accounts, the Bondholders being holders of the Securities Accounts shall be entitled to rights under the Bonds;

- 12.3 If the Bonds are registered on Consolidated Accounts, the persons indicated by the holder of such Consolidated Account to the entity running the Consolidated Account as persons entitled under the Bonds registered on such Consolidated Account, shall be entitled to rights under the Bonds;
- 12.4 The rights under the Bonds shall be transferred according to the provisions of the Trading in Financial Instruments Act related to the rights under dematerialized securities as well as the relevant Regulations.
- 12.5 Bonds redeemed on the Redemption Date or Early Redemption Date shall be redeemed according to the applicable Regulations.

13. **FUNCTION OF THE BOND ISSUANCE AGENT**

- 13.1 The Bond Issuance Agent acts on all matters related to the Bonds only as a plenipotentiary of the Issuer and shall not be liable to Bondholders with respect to payments of Amounts Payable by the Issuer, nor for any other obligations of the Issuer under the Bonds. The Bond Issuance Agent does not perform the function of a representative bank within the meaning of Article 79 of the Bonds Act.
- 13.2 The Bond Issuance Agent is obliged to assist in contact between the Issuer and Bondholders.
- 13.3 The Bond Issuance Agent does not evaluate the benefits or risks of investment in the Bonds and shall not be liable for any loss or damage incurred by the Bondholders in connection with the purchase of Bonds.
- 13.4 The Bond Issuance Agent, within the framework of its activity, cooperates with the Issuer with regard to various services and has information that can be material in the context of the Issuer's financial situation and its ability to perform its duties arising from the Bonds but is not authorized to disclose such information to the Bondholders, unless the Issuer expressly indicates the documents and information that is to be passed to the Bondholders in connection with the Bonds and with the holding of the position of Bond Issuance Agent. The performance of specific actions by the Bond Issuance Agent or the holding of specific positions in relation to the Bonds do not bar the Bond Issuance Agent and its subsidiaries or affiliates from providing other services to the Issuer, advising the Issuer, holding the Bonds or cooperating with the Issuer in any other scope or form.

14. **NOTICES**

- 14.1 Unless provided otherwise in the Regulations, any notices by the Issuer to the Bondholders shall be served by publication on the Website, unless they are published in the form of a current report published according to the requirements of the Trading in Financial Instruments Act, the Public Offer Act, Detailed Rules or other relevant Regulations, including secondary legislation under the above mentioned Acts.
- 14.2 Any notices addressed to the Issuer or the Bond Issuance Agent shall be deemed to have been delivered if they are sent by registered mail or courier to the address of the Designated Office of a given entity and when the entity sending such notice receives acknowledgement of its receipt.

15. **DESIGNATION OF THE ISSUER'S OFFICE**

- 15.1 The designated office:
- (a) of the Issuer - is located in Warsaw, at ul. Lubinowa 4a, 03-878 Warszawa;

- (b) of the Bond Issuance Agent – is located in Warsaw, at ul. Puławska 2 (building B), 02-566 Warszawa;

(the “**Designated Office**”).

- 15.2 The Issuer or the Bond Issuance Agent shall notify in accordance with Clause 14 (*Notices*) the Bondholders of the change of the address of the Designated Office 5 Business Days in advance.

16. **BONDHOLDERS MEETING**

- 16.1 The Bondholders Meeting is convened for the given series of Bonds.
- 16.2 Bondholders may pass resolutions of the Bondholders Meeting at the Bondholders Meeting regarding any matter requested to be put on the agenda by a Bondholder or the Issuer, pursuant to this Bonds Terms.
- 16.3 Resolutions of the Bondholders Meeting shall be passed according to the By-Laws of the Bondholders Meeting.
- 16.4 By-Laws of the Bondholders Meeting constitute an integral part of this Bonds Terms.

17. **AMENDMENT OF THE BONDS TERMS**

Subject to the limitations resulting from the binding provisions of law, provisions of Sections 1 through 16, the Supplement which constitutes Attachment 1 hereto, the By-laws of the Bondholders Meeting which constitutes Attachment 2 hereto, form of Compliance Certificate which constitutes Attachment 3 hereto, Form of Notice of Event of Default which constitutes Attachment 4 hereto and a Form of Notice of Cure of an Event of Default which constitutes Attachment 5 hereto may be amended upon the consent of the Issuer in a form of a statement on the consent on amendment of Bonds Terms published on the Website, based on a resolution of the Bondholders Meeting.

18. **LIMITATION OF CLAIMS**

Claims arising out of the Bonds shall expire after 10 years.

19. **GOVERNING LAW**

- 19.1 The Bonds are issued under Polish law and shall be governed by this law.
- 19.2 Any disputes related to the Bonds shall be resolved in proceedings at the Polish common court having jurisdiction over the registered office of the Issuer.

Warsaw, on: July 2, 2015

Tomasz Gillner-Gorywoda
President of the Management Board

Tomasz Szeląg
The Management Board Member for Finance

Attachment 1**SUPPLEMENT FORM**

This document constitutes a supplement to the Bonds Terms dated [●] related to the Bonds issued by Cyfrowy Polsat Spółka Akcyjna with its registered office in Warsaw (the “**Bonds Terms**”) under the bond issue program up to the total amount of PLN 1,000,000,000 (one billion) (“the **Program**”).

This document shall be read in conjunction with the Bonds Terms and constitutes an integral part of the Bonds Terms.

Capitalized terms used herein and not defined in this Supplement shall have the meaning assigned to them in the Bonds Terms.

DETAILED BONDS TERMS

1.	Series designation:	[●]
2.	Legal basis of the issuance:	Bonds issued are pursuant to: (A) [Bonds Act;] (B) [resolution of the Management Board of the Issuer dated [●] 2015]; and (C) [in accordance with the procedure set forth in Article [●] of the Bonds Act;]
3.	Maximum number of bonds to be offered under this Indenture / Number of Bonds issued:	[●]
4.	Issuance Date:	[●]
5.	Redemption Date:	[●]
6.	Total nominal value of issued Bonds:	[●]
7.	Nominal value per one Bond:	PLN 1000
8.	Interest:	[Fixed/Floating]
9.	First Day of Interest Payment:	[●]
10.	[Interest Rate:]	[●]
11.	Basis Rate:	WIBOR (Warsaw Interbank Offered Rate), for six-month bank deposits in PLN, published on the „WIBO” page by Thomson Reuters Information Service or its successor, at 11 a.m. or about this hour (CET) (or at another hour at which a given rate is fixed on a given day according to the regulations concerning fixing of

		WIBOR rate)
12.	[Interest Margin:]	<p>(A) If the Leverage Ratio at the end of the last the Financial Quarter for which financial statements were published in accordance with Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is less than or equal to 3.5:1 – X;</p> <p>(B) If the Leverage Ratio at the end of the last Financial Quarter for which financial statements were published in accordance with Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is greater than 3.5:1 but less than or equal to 4.0:1: X + 25 bps;</p> <p>(C) If the Leverage Ratio at the end of the last Financial Quarter for which financial statements were published in accordance with Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is greater than 4.0:1: X + 75 bps;</p>
13.	Additional Interest Margin:	200 bps
14.	Term of the deposits referred to in Clause 3.6(e) of the Terms and Conditions of Bonds Terms	[●]
15.	[Reference Banks:]	[Bank Polska Kasa Opieki S.A., Polska Kasa Oszczędności Bank Polska S.A., Bank Handlowy w Warszawie SA. ING Bank Śląski S.A., mBank S.A., Bank Zachodni WBK S.A.]
16.	Issuance purpose:	[Not specified]
17.	Premium:	<p>a) if the Early Redemption ensuing from the exercise of Issuer’s Right to Early Redemption occurs before one year from the Issuance Date: 3% of the nominal value of the Bonds subject to the Early Redemption;</p> <p>b) if the Early Redemption ensuing from the exercise of Issuer’s Right to Early Redemption occurs before two years from the Issuance Date, but after one year from the Issuance Date: 2% of the nominal value of the Bonds subject to the Early Redemption;</p> <p>c) if the Early Redemption ensuing from the exercise of Issuer’s Right to Early Redemption occurs before three years from the Issuance Date, but after two years from the Issuance Date: 1% of the nominal value of the Bonds subject to the Early Redemption;</p>

INTEREST PERIODS

Interest Period	First day of the Interest Period	Interest Payment Date (last day of the Interest Period)
1.	[•]	[•]
2.	[•]	[•]
3.	[•]	[•]
4.	[•]	[•]
5.	[•]	[•]
6.	[•]	[•]
7.	[•]	[•]
8.	[•]	[•]
9.	[•]	[•]
10.	[•]	[•]
[•]	[•]	[•]

Warsaw, on: _____

Full name:
Position:

Full name:
Position:

Attachment 2

BY-LAWS OF THE BONDHOLDERS MEETING

1. GENERAL PROVISIONS

- (a) These By-Laws of the Bondholders Meeting apply to Bondholders Meetings convened in connection with the bonds issued by Cyfrowy Polsat S.A. (the “**Issuer**”) under the Program, by virtue of resolution [●] and the resolution of the Issuer’s Management Board on the issuance of bonds appropriate for the given series of bonds (the “**Bonds**”) (the “**Bondholders Meeting**”).
- (b) The terms not defined in these By-Laws of the Bondholders Meeting shall have the meanings assigned to them in the terms and conditions of bonds issue for the given series of bonds (the “**Bonds Terms**”).

2. CONVENING OF THE BONDHOLDERS MEETINGS

- (a) The Bondholders Meeting is convened by the Issuer at its own initiative, or at the request of a Bondholder or Bondholders holding Bonds having total nominal value corresponding to at least 10% of the total nominal value of a given series of Bonds (subject to Sub-clause (f) below), excluding the Bonds held by the entities belonging to the Issuer’s group within the meaning of Article 1 section 1 item 44 of the Accounting Act of 29 September 1994 (*Dziennik Ustaw* of 2013, item 330, as amended) and redeemed Bonds (“**Adjusted Total Nominal Value of the Bonds**”). The Bondholder or Bondholders submit a request to convene a Bondholders Meeting to the Issuer and to the Bond Issuance Agent in writing to the address of the Designated Office, or by e-mail to the Issuer’s address obligatariusze@cyfrowypolsat.pl or the Bond Issuance Agent’s address: bonds@trigon.pl, along with a justification and a proposed agenda.
- (b) The Bondholders Meeting is convened by an announcement indicating the date, time, place and the agenda of the Bondholders Meeting, as well as the place where the Deposit Certificates are to be submitted. The announcement may also include other information needed for the Bondholders to decide whether to participate in the Bondholders Meeting.
- (c) The Bondholders Meeting is convened by way of announcement on the convening of the Bondholders Meeting is published at the Issuer’s website at least 21 days prior to the planned date of the meeting.
- (d) The Bondholders Meeting may pass a resolution in spite of not being formally convened if the full Adjusted Total Nominal Value of the Bonds is represented at the Bondholders Meeting and if no objections have been voiced by those present at the Bondholders Meeting regarding holding the Bondholders Meeting, or regarding specific items proposed for the agenda.
- (e) If any of the Bondholders notifies the Issuer of his wish to participate in the Bondholders Meeting and requests that the Issuer indicates a period during which other Bondholders will be able to notify the Issuer of their wish to participate in the Bondholders Meeting in connection with the occurrence of an Event of Default, the Issuer shall be obliged to notify all the Bondholders of such a request within 5 Business Days (by publishing the relevant information on the Website), while simultaneously setting a period, not shorter than 5 Business Days but not longer than 10 Business Days, during which the Bondholders will be entitled to notify the Issuer

of their wish to participate in the Bondholders Meeting. Request for setting the above mentioned period, as well as the notification of a Bondholder's wish to participate in a Bondholders Meeting, shall be submitted in writing to the Issuer and to the Bond Issuance Agent, to the address of the Designated Office, or by e-mail to the Issuer's address obligatariusze@cyfrowypolsat.pl and the Bond Issuance Agent's address: bonds@trigon.pl.

- (f) If as a result of the announcement described in Sub-clause (e) above the intention to take part in the Bondholders Meeting shall be notified by Bondholders holding Bonds corresponding to at least 5% of the Adjusted Total Nominal Value of the Bonds: (i) in the event of the occurrence of an Event of Default as defined in Clause 7.1.1(e) and (k) of the Bonds Terms, the Issuer shall be obliged to convene the Bondholders Meeting within 5 Business Days from the last day on which the Bondholders may notify their intention to participate in the Bondholders Meeting in accordance with Sub-clause (e) above; and (ii) in the event of the occurrence of another Event of Default mentioned in Clause 7.1.1 of the Bonds Terms, if a given Event of Default does not cease during the Remedy Period, the Issuer shall be obliged to convene a Meeting within 5 Business Days from the later of the following dates: (1) the last day on which the Bondholders can submit a request in accordance with Sub-clause (e) above, or (2) the end of the Remedy Period indicated in Clause 7.1.2(d) of the Bonds Terms.
- (g) The Bondholders Meetings shall be held in Warsaw. The precise venue for the Bondholders Meeting shall be defined by the Issuer in the announcement on the convening of the Bondholders Meeting.
- (h) The right to participate in a Bondholders Meeting shall vest with the Bondholders who, at least 7 days ahead of the Bondholders Meeting, have submitted Deposit Certificates with a validity period not shorter than 60 days from the date on which the Bondholders Meeting is scheduled. Deposit Certificates may not be collected before the end of the Bondholders Meeting. The Bonds held by the members of the Issuer's group as defined in Article 3 Section 1 item 44 of the Accounting Act do not entitle to participate in the Bondholders Meeting.
- (i) The list of Bondholders entitled to participate in a given Bondholders Meeting (the "**List of Bondholders**") shall be provided by the Issuer at its registered office at least 3 business days before the commencement of such a Meeting.
- (j) The List of Bondholders shall contain the Bondholder's first and last name and his place of residence or his business name and registered office, as well as the number of Bonds held by such Bondholder and the number of votes to which he is entitled.
- (k) A Bondholder may review the List of Bondholders and request a copy of the List of Bondholders to be prepared at his expense, or request that the List of Bondholders be sent free of charge by e-mail to such Bondholder's e-mail address. The Bondholder has the right to request copies of documents regarding matters on the agenda. Such copies should be delivered no later than 7 days before the date of the Bondholders Meeting.
- (l) A person representing a Bondholder at the Bondholders Meeting should prove the authorization to act on behalf of the Bondholder by presenting a valid copy of the excerpt from the register of entrepreneurs of the National Court Register, or any other relevant register where a given Bondholder is registered or a relevant information corresponding to the excerpt from the register, or another document confirming that a given person is authorized to act on behalf of a given Bondholder.

- (m) A Bondholder can be represented at a Bondholders Meeting by a proxy. A Bondholder may act as the proxy for another Bondholder. A pledgee and a user (*użytkownik*) of the Bonds may also be a Bondholder's proxy. The proxy should be granted in writing in order for it to be valid. A member of the Issuer's corporate bodies, an employee of the Issuer, a member of the corporate bodies of an entity which controls the Issuer, or any employee of such entity may not act as a proxy for the Bondholder. The above rules shall apply respectively to other representatives.
- (n) Apart from the Bondholders, the Bondholders Meeting is also attended by a member of the Issuer's management board. The Bondholders Meeting can also be attended by other representatives of the Issuer, the Bond Issuance Agent, financial or legal advisors of the Issuer or the Bond Issuance Agent as well as financial or legal advisors of the Bondholders.
- (o) A Bondholder's right to participate in a Bondholders Meeting includes in particular the right to:
 - (i) participate in voting, and
 - (ii) take floor,and each Bond entitles a Bondholder to one vote at the Bondholders Meeting.
- (p) The Bond Issuance Agent can take actions relating to convening and holding a Bondholders Meeting at the Issuer's request.
- (q) The Issuer covers justified and documented costs associated with convening and holding the Bondholders Meeting, except for the costs associated with the participation of a given Bondholder, or such Bondholder's representative, proxy or advisor at the Bondholders Meeting.

3. **HOLDING A BONDHOLDERS MEETING**

- (a) A Bondholders Meeting shall be opened by a member of the Issuer's management board, or a representative of the Issuer authorized by the Issuer's management board.
- (b) Once the Bondholders Meeting is opened, the chairperson of the Bondholders Meeting is elected from among the meeting's participants.
- (c) The duties of the chairperson of the Bondholders Meeting include:
 - (i) checking and signing the attendance list as well as verifying that the quorum requirement is fulfilled;
 - (ii) ensuring the efficient and appropriate course of discussions;
 - (iii) giving the floor and ensuring that the discussions are to the point;
 - (iv) adjourning the discussions;
 - (v) managing voting and ensuring it proceeds correctly;
 - (vi) ensuring that all the items on the agenda are considered;
 - (vii) counting the votes cast (or supervising the counting of votes);

- (viii) signing the attendance list and verifying that the attendance list is drafted correctly,

as well as issuing relevant orders and instructions having the purpose of ensuring fulfillment of the above indicated duties.

- (d) An attendance list is drawn up immediately upon electing the chairperson. The list includes: the first and last name and the place of residence, or the business name and registered office of a Bondholder, as well as the information regarding the nominal number of the Bonds held by a given Bondholder and the number of votes to which a given Bondholder is entitled. If a Bondholder's proxy attends the Bondholders Meeting, the attendance list should additionally include the first and the last name as well as the address of such a proxy. The attendance list is signed by the chairperson and all the Bondholders present at the Bondholders Meeting.
- (e) The attendance list is available for review during the discussions at the Bondholders Meeting.
- (f) At the request of a Bondholder, or of the Bondholders holding at least 10% of nominal value of the Bonds represented at the Bondholders Meeting, or at the request of the Issuer, the attendance list should be checked by a committee selected for such purpose. A request regarding this issue can be filed many times. The committee shall consist of three people. The requesting party or the requesting parties, as well as the Issuer, shall be entitled to select one member of the committee each. The third member of the committee will be selected by the remaining Bondholders present at the Bondholders Meeting by an absolute majority of votes. As a result of the verification performed by such a committee, the attendance list may be supplemented or corrected during the meeting.
- (g) Once the agenda of the Bondholders Meeting is presented, the chairperson shall open the discussion by giving the floor to the participants in the sequence in which they submitted their requests. The participants may take floor only with regard to the matters included on the agenda which are the subject of the discussion at a given moment in time. Amendment of the sequence of the items on the agenda by the chairperson of the Bondholders Meeting involves a Bondholders Meeting's consent. The representatives of the Bond Issuance Agent and of the Issuer may take the floor out of turn.
- (h) Each participant in a Bondholders Meeting can submit questions regarding the matters included on the agenda.
- (i) The chairperson may call an adjournment of the Bondholders Meeting at the request of Bondholder or Bondholders or the Issuer. The calling of an adjournment requires a Bondholders Meeting's consent. Adjournments of the meeting may not last longer than 30 days in total.
- (j) Minutes of the Bondholders Meeting are signed by the chairperson and the person taking the minutes. The minutes should contain a confirmation of the correctness of convening the Bondholders Meeting, confirmation of the Bondholders Meeting's capacity to adopt resolutions, indication of the resolutions considered by the Bondholders Meeting, including quotation of their content; in the case of each resolution the minutes should indicate the total number of valid votes, the percentage share of the Bonds from which valid votes were cast in the Adjusted Nominal Value of the Bonds, the number of votes "for," "against" and "abstaining", the decision of the Bondholders Meeting formulated as a result of the vote, and the objections that

were voiced. The attendance list which contains the signatures of the participants of the Bondholders Meeting is attached to the minutes of the meeting. The minutes including resolutions of the Bondholders Meeting on amendments to qualified provisions of the Bonds Terms shall be taken by a notary.

- (k) The Issuer publishes the minutes at the Website within 7 days from the date on which the Bondholders Meeting ended. The minutes remain on the Website for at least 6 months, after admission of Bonds to trading on ATS - 3 months from the date when the Bondholders Meeting passed the last of its resolutions.
- (l) The originals or excerpts of the minutes are stored in the minute book maintained by the Issuer. The confirmations of proper convening of the Bondholders Meeting and the proxies granted by Bondholders are added to the minutes book.
- (m) The minutes book is accessible to Bondholders and it may be disclosed to a court of law.
- (n) A Bondholder shall have the right to request that certified copies of resolutions be released to such Bondholder by the Issuer at the Bondholder's expense.

4. **ADOPTING RESOLUTIONS**

- (a) A Bondholders Meeting is valid if attended by Bondholders representing at least half of the Adjusted Total Nominal Value of the Bonds of a given series issued on the basis of the Bonds Terms (quorum).
- (b) If there is no quorum after 90 minutes from the time indicated in the announcement on convening the meeting, the chairman may close the Bondholders Meeting without passing resolutions. Extension of the waiting time for a quorum of the Bondholders Meeting requires the consent of all the Bondholders present at the Bondholders Meeting.
- (c) The Management Board of the Issuer is obliged to submit at the Bondholders Meeting a declaration regarding the Adjusted Total Nominal Value of the Bonds. This representation may be made by the Management Board of the Issuer in writing, read out at the Bondholders Meeting by a member of the Management Board or representative of the Management Board and then enclosed to the minutes of the Bondholders Meeting.
- (d) The Bondholder Meeting adopts resolution only on matters included in the agenda.
- (e) Voting takes place in written or electronic forms.
- (f) A resolution of the Bondholders Meeting regarding amendment of the Bonds Terms, which are "qualified provisions of the of the bonds terms" as defined in Article 49 Section 1 of the Act on Bonds shall be adopted by the majority of $\frac{3}{4}$ of votes, and following the introduction of the Bonds to trading on the ATS shall require the consent of all Bondholders present at the Bondholders Meeting. Amendment of the Bonds Terms also requires the consent of the Issuer given in the form of a representation consenting to the amendment of the Bond Terms placed on the Website. The Issuer is obliged to place the declaration regarding his consent, or lack of it, to amendment of the Bonds Terms on the Website within 7 days from the date of ending the Bondholders Meeting. If such a declaration is not published it is deemed that the Issuer did not consent to the amendment of the Bonds Terms.

- (g) Matters other than amendments to qualified provisions of the Bonds Terms require absolute majority of votes of the Bondholders present at the Bondholders Meeting, unless the Bonds Terms or these Bondholders Meeting By-laws expressly require another majority.
- (h) The adoption of a resolution on a decrease of the nominal value of Bonds shall require the consent of all Bondholders present at the Bondholders Meeting.
- (i) The adoption of a resolution on rematerialization of the Bonds and on amendments to the Bonds Terms resulting from rematerialization shall require the consent of all the Bondholders attending the Bondholders Meeting.
- (j) The resolution on giving consent for the Bondholders to exercise their right to demand Early Redemption of the given series as a result of occurrence of an Event of Default indicated in Clause 7.1.1 of the Bonds Terms requires approval by a majority of the votes of the Bondholders who hold bonds corresponding to 2/3 of the Adjusted Total Nominal Value of the Bonds of the given series.
- (k) A resolution passed by a correctly convened and held Bondholders Meeting shall be binding upon all the Bondholders, including those who did not attend the Bondholders Meeting or voted against such resolution.

Attachment 3

FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

From: **Cyfrowy Polsat S.A.** (the “**Issuer**”)
To: Bondholders holding the series [●] Bonds of the Issuer
Place: [●]
Date: [●]
Re: Series [●] Bonds issued by the Issuer in accordance with the Bonds Terms of [●] (the „**Bonds Terms**”) and the Supplement of [●]

Pursuant to Clause 9.2 of the Bonds Terms, the Management Board of the Issuer hereby presents the Bondholders with this Compliance Certificate including the calculation of the Leverage Ratio and the Interest Cover Ratio within the meaning of the Bonds Terms as at [●] prepared based on the consolidated financial statements of the Issuer for the Test Period ended on [●] (the “**Test Date**”):

1. Leverage Ratio

- (a) Financial Indebtedness on the Test Date was [●];
- (b) aggregated value of cash and short-term financial instruments equivalent to cash held by the members of the Group on the Test Date was [●];
- (c) Net Financial Indebtedness on the Test Date was [●];
- (d) EBITDA for the Test Period was [●];
- (e) accordingly the Leverage Ratio on the Test Date was [●];

2. Interest Cover Ratio

- (a) EBITDA for the Test Period was [●];
- (b) Net Financial Charges for the Test Period were [●];
- (c) accordingly the Interest Cover Ratio on the Test Date was [●];

3. One-off events

[No one-off events were excluded from the calculation of EBITDA for the Test Period.]/[The following one-off events were excluded from the calculation of EBITDA for the Test Period:]

4. Material Subsidiaries

We hereby confirm that [the following companies meet the criteria of a Material Subsidiary: [●].

5. Compliance confirmation

We hereby confirm that the Leverage Ratio and the Interest Cover Ratio are compliant with the Bonds Terms.

Capitalized terms used herein and not defined in this notice shall have the meaning assigned to them in the Bonds Terms.

Signature: _____ *Signature:* _____

Full name: _____ *Full name:* _____

Position: _____ *Position:* _____

Attachment 4

FORM OF NOTICE OF DEFAULT

NOTICE OF AN EVENT OF DEFAULT

From: Cyfrowy Polsat S.A. (the “**Issuer**”)

To: Bondholders holding the series [●] Bonds of the Issuer

Place: [●]

Date: [●]

Re: Series [●] Bonds issued by the Issuer in accordance with the Bonds Terms dated [●] (the “**Bonds Terms**”) and the Supplement dated [●].

The Management Board of the Issuer hereby notifies you of the occurrence of an Event of Default as referred to in Clause [●] of the Bonds Terms, i.e. of *[indication of the manner of default]* on *[date of occurrence of the Basis for Early Redemption]*.

Pursuant to the Bonds Terms, each Bondholder may i.a.:

1. [demand that the Issuer set a term during which the remaining Bondholders will be able to register their interest in attending a Bondholders Meeting]
2. demand an Early Redemption of the Bonds held by it [following the adoption of a resolution by the Bondholders Meeting, in accordance with the Bonds Terms.]

If [(i) during the Cure Period, or (ii) following the lapse of the Cure Period, but not later than the date of the Bondholders Meeting set by the Issuer/ *[with regard to Events of Default referred to in Clauses 7.1.1(e) and (k) of the Bonds Terms]* [until the date of the Bondholders Meeting set by the Issuer] the Event of Default referred to above discontinues (irrespective of whether this discontinuation is caused by the Issuer or another Group member or otherwise), the Bondholders will not have any rights related to the occurrence of the Event of Default except for the Additional Interest Margin calculated for the period during which the Event of Default continued.

All capitalized terms used herein and not defined in this notice shall have the meaning assigned to them in the Bonds Terms.

Signature:

Signature:

Full name: _____

Full name: _____

Position:

Position:

Attachment 5

FORM OF THE NOTICE OF CURE OF AN EVENT OF DEFAULT

NOTICE OF CURE OF AN EVENT OF DEFAULT

From: **Cyfrowy Polsat S.A.** (the “**Issuer**”)

To: Bondholders holding the Series [●] Bonds of the Issuer

Re: Series [●] Bonds issued by the Issuer in accordance with the Bonds Terms dated [●] (the “**Bonds Terms**”) and the Supplement dated [●].

The Management Board of the Issuer hereby notifies you of the cure of an Event of Default as referred to in the Notice of Event of Default dated [●] sent by the Issuer.

In order to cure the Event of Default the Issuer took the following measures:

(a) [●],

(b) [●].

Capitalized terms used herein and not defined in this notice shall have the meaning assigned to them in the Bonds Terms.

Signature:

Signature:

Full name:

Full name:

Position:

Position:

SUPPLEMENT

This document constitutes a supplement to the Bonds Terms dated July 2, 2015 related to the Bonds issued by Cyfrowy Polsat Spółka Akcyjna with its registered office in Warsaw (the “**Bonds Terms**”) under the bond issue program up to the total amount of PLN 1,000,000,000 (one billion) (“the **Program**”).

This document shall be read in conjunction with the Bonds Terms and constitutes an integral part of the Bonds Terms.

Capitalized terms used herein and not defined in this Supplement shall have the meaning assigned to them in the Bonds Terms.

DETAILED BONDS TERMS

1.	Series designation:	A
2.	Legal basis of the issuance:	Bonds issued are pursuant to: (A) Bonds Act; (B) resolution of the Management Board of the Issuer dated June 25, 2015; and (C) in accordance with the procedure set forth in Article 33 item 1 of the Bonds Act;
3.	Maximum number of bonds to be offered under this Indenture / Number of Bonds issued:	1,000,000
4.	Issuance Date:	July 21, 2015
5.	Redemption Date:	July 21, 2021
6.	Total nominal value of issued Bonds:	PLN 1,000,000,000
7.	Nominal value per one Bond:	PLN 1000
8.	Interest:	Floating
9.	First Day of Interest Payment:	21.01.2016
10.	Basis Rate:	WIBOR (Warsaw Interbank Offered Rate), for six-month bank deposits in PLN, published on the „WIBO” page by Thomson Reuters Information Service or its successor, at 11 a.m. or about this hour (CET) (or at another hour at which a given rate is fixed on a given day according to the regulations concerning fixing of WIBOR rate)
11.	Interest Margin:	(A) If the Leverage Ratio at the end of the last the Financial Quarter for which financial statements were published in accordance with

		<p>Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is less than or equal to 3.5:1 – 250 bps;</p> <p>(B) If the Leverage Ratio at the end of the last Financial Quarter for which financial statements were published in accordance with Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is greater than 3.5:1 but less than or equal to 4.0:1: 250 bps + 25 bps;</p> <p>(C) If the Leverage Ratio at the end of the last Financial Quarter for which financial statements were published in accordance with Clause 9.1 of the Bonds Terms preceding the Interest Rate Setting Date is greater than 4.0:1: 250 bps + 75 bps;</p>
12.	Additional Interest Margin:	200 bps
13.	Term of the deposits referred to in Clause 3.6(e) of the Terms and Conditions of Bonds Terms	6 months
14.	Reference Banks:	Bank Polska Kasa Opieki S.A., Polska Kasa Oszczędności Bank Polska S.A., Bank Handlowy w Warszawie S.A., ING Bank Śląski S.A., mBank S.A., Bank Zachodni WBK S.A.
15.	Issuance purpose:	Not specified
16.	Premium:	<p>a) if the Early Redemption ensuing from the exercise of Issuer's Right to Early Redemption occurs before one year from the Issuance Date: 3% of the nominal value of the Bonds subject to the Early Redemption;</p> <p>b) if the Early Redemption ensuing from the exercise of Issuer's Right to Early Redemption occurs before two years from the Issuance Date, but after one year from the Issuance Date: 2% of the nominal value of the Bonds subject to the Early Redemption;</p> <p>c) if the Early Redemption ensuing from the exercise of Issuer's Right to Early Redemption occurs before three years from the Issuance Date, but after two years from the Issuance Date: 1% of the nominal value of the Bonds subject to the Early Redemption;</p>

INTEREST PERIODS

Interest Period	First day of the Interest Period	Interest Payment Date (last day of the Interest Period)
1.	21.07.2015	21.01.2016
2.	21.01.2016	21.07.2016
3.	21.07.2016	21.01.2017
4.	21.01.2017	21.07.2017
5.	21.07.2017	21.01.2018
6.	21.01.2018	21.07.2018
7.	21.07.2018	21.01.2019
8.	21.01.2019	21.07.2019
9.	21.07.2019	21.01.2020
10.	21.01.2020	21.07.2020
11.	21.07.2020	21.01.2021
12.	21.01.2021	21.07.2021

Warsaw, on: July 2, 2015

Tomasz Gillner-Gorywoda
President of the Management Board

Tomasz Szeląg
The Management Board Member for Finance

5.5. Abbreviations and definitions

Capitalised terms used herein and not defined in the Information Note shall have the meaning assigned to them below, unless the context requires otherwise. Definitions which have not been indicated below are presented in the Bonds Terms which, together with the Supplement, constitute **Appendix 5.4** to this Information Note.

Glossary of general terms

Term	Definitions
Act on Television and Radio Broadcasting	The Act on Television and Radio Broadcasting of December 29, 1992 (consolidated text in <i>Dziennik Ustaw</i> of 2011, No. 43, item 226, as amended).
Aero2	Aero2 spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000305767.
Arvato Polska	Bertelsmann Media spółka z ograniczoną odpowiedzialnością entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000007209.
Bonds	The bonds covered by this Information Note, i.e. 1,000,000 dematerialised, interest-bearing, senior and unsecured Series A bearer bonds with the total nominal value of PLN 1,000,000,000 and the nominal value of PLN 1,000 each, issued pursuant to the Issuer's management board Resolution No. 01/02/07/2015 dated 2 July 2015 on the issuance of series A bonds, whereas a "Bond" shall mean one of such Bonds.
Bonds Terms	The sample Bonds issuance terms, which, together with the Supplement, constitute Appendix 5.4 to this Information Note.
CenterNet	CenterNet Spółka Akcyjna, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000144651. It has been deleted from the register of entrepreneurs of the National Court Register as a result of a merger through acquisition in which Aero2 was the acquiring company.
Cyfrowy Polsat Trade Marks	Cyfrowy Polsat Trade Marks spółka z ograniczoną odpowiedzialnością entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000373011.
Cyfrowy Polsat, the Issuer	Cyfrowy Polsat Spółka Akcyjna, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000010078.
EBITDA	Net profit/(loss), as determined in accordance with IFRS, before depreciation and amortisation (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortisation expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

APPENDICES

Term	Definitions
Eileme 1	Eileme 1 AB (publ), a company organised under Swedish law, registered under No. 556854-5668.
Eileme 2	Eileme 2 AB (publ), a company organised under Swedish law, registered under No. 556854-5676.
Eileme 3	Eileme 3 AB (publ), a company organised under Swedish law, registered under No. 556854-5692.
Eileme 4	Eileme 4 AB (publ), a company organised under Swedish law, registered under No. 556854-5684.
Eileme Companies	Jointly Eileme 1, Eileme 2, Eileme 3 and Eileme 4.
Group, Polsat Group, Cyfrowy Polsat Group	Cyfrowy Polsat together with its direct and indirect subsidiaries.
Investment Agreements	Jointly the Investment Agreement of November 14, 2013 concluded by Cyfrowy Polsat with Argumenol Investment Company Limited, Karswell Limited and Sensor Overseas Limited and the Investment Agreement of December 19, 2013 concluded by Cyfrowy Polsat with Argumenol Investment Company Limited, Karswell Limited Sensor Overseas Limited, and the EBRD.
KRRiT	The National Broadcasting Council (<i>Krajowa Rada Radiofonii i Telewizji</i>).
Litenite	Litenite Limited, a company organised under Cypriot law, registered under No. 240249
LTE Group	Litenite Limited, a company organised under Cypriot law, registered under No. 240249 and its indirect and direct subsidiaries.
Management Board	The Management Board of Cyfrowy Polsat
Metelem	Metelem Holding Company Limited, a company organised under Cypriot law, registered under No. 286591, indirectly controlling 100% of shares in Polkomtel.
Metelem Group	Metelem together with the following companies: Eileme 1, Eileme 2, Eileme 3, Eileme 4, Polkomtel, Nordisk Polska sp. z o.o., Liberty Poland, Polkomtel Finance AB (publ), Polkomtel Business Development sp. z o.o., Plus TM Group SKA, Plus TM Group, LTE Holdings and Plus TM Management.
Midas	Midas S.A. entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000025704.
Midas Group	Midas together with its direct and indirect subsidiaries.
Mobyland	Mobyland spółka z ograniczoną odpowiedzialnością entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000269979
Orange	Orange Polska Spółka Akcyjna, entered in the register of entrepreneurs of the National Court register under entry No. KRS 0000010681, previously operating under the name of Telekomunikacja Polska Spółka Akcyjna.
P4	P4 spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000217207.

APPENDICES

Term	Definitions
PFSA	The Polish Financial Supervision Authority (<i>Komisja Nadzoru Finansowego</i>).
PIK Notes	<i>Pay-in-kind</i> notes with the total initial nominal value of USD 201 million, maturing in 2020, issued by Eileme 1, redeemed in full in 2014.
PIK Notes Indenture	The PIK Notes Indenture of February 17, 2012, between Eileme 1, Ortholuck, Citibank, N.A., London Branch, Citibank, N.A., New York Branch, and Citigroup Global Markets Deutschland.
PLK Notes Indentures	Jointly the PIK Notes Indenture and PLK Senior Notes Indenture.
PLK Revolving Loan Facility	The multicurrency revolving loan facility of up to PLN 300 million, issued under the PLK Senior Facilities Agreement, whose final repayment date is 2017.
PLK Senior Facilities Agreement	The senior facilities agreement of June 17, 2013 between Eileme 2, Eileme 3, Eileme 4, Polkomtel and subsidiaries, and a syndicate of banks.
PLK Senior Notes	Senior notes with the total nominal amount of EUR 542.5 million and USD 500 million, maturing in 2020, issued by Eileme 2.
PLK Senior Notes Indenture	PLK Senior Notes Indenture of January 26, 2012 between Eileme 2, Eileme 3, Eileme 4, Spartan, Ortholuck, Citibank, N.A., London Branch, Citibank, N.A., New York Branch, and Citigroup Global Markets Deutschland.
PLK Term Loan Facility	The term facility loans A, B and C issued under the PLK Senior Facilities Agreement of up to PLN 2.65 billion, PLN 3.3 billion and PLN 1.7 billion respectively with maturity dates in 2017, 2018 and 2019, respectively.
Plus Bank	Plus Bank Spółka Akcyjna entered in the register of entrepreneurs of the National Court Register under entry No. 0000096937.
Plus TM Group	Plus TM Group spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000373023, previously operating under the name of Once 2 spółka z ograniczoną odpowiedzialnością.
Plus TM Group SKA	Plus TM Group spółka z ograniczoną odpowiedzialnością spółka komandytowo-akcyjna, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000474497, previously operating under the name of Cinco spółka z ograniczoną odpowiedzialnością – XXI – spółka komandytowo-akcyjna.
Plus TM Management	Plus TM Management spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000378997.
Polkomtel	Polkomtel spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. 0000419430. The company was established following the transformation of Polkomtel Spółka Akcyjna, which was entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000020908.
Polkomtel Group	Polkomtel together with the following companies: Nordisk Polska sp. z o.o., Liberty Poland, Polkomtel Finance AB (publ), Polkomtel Business Development sp. z o.o., Plus TM Group SKA, Plus TM Group, LTE Holdings and Plus TM Management.

APPENDICES

Term	Definitions
Polsat Media Biuro Reklamy	Polsat Media Biuro Reklamy spółka z ograniczoną odpowiedzialnością sp.k. entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000467579.
Redefine	Redefine spółka z ograniczoną odpowiedzialnością entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000287684.
Revolving Loan Facility	The multicurrency revolving loan facility of up to PLN 500 million, issued under the Senior Facilities Agreement, whose final repayment date is April 11, 2019.
Senior Facilities Agreement	The senior facilities agreement of April 11, 2014 between Cyfrowy Polsat, Telewizja Polsat, Cyfrowy Polsat Trade Marks, Polsat License Ltd. and Polsat Media and a syndicate of Polish and foreign banks, including the Term Loan Facility and Revolving Loan Facility.
Senior Notes	Senior secured notes with the value of EUR 350 million, bearing interest at a rate of 7.125%, issued by Cyfrowy Polsat Finance AB (publ) in 2011, redeemed in full in 2014.
SOKiK	The District Court in Warsaw, 17 th Department for Competition and Consumer Protection.
Spartan	Spartan Capital Holdings spółka z ograniczoną odpowiedzialnością entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000308530. It has been deleted from the register of entrepreneurs of the National Court Register as a result of a merger through acquisition in which Polkomtel was the acquiring company.
Supervisory Board	The Supervisory Board of Cyfrowy Polsat
Telecommunications Law	The Telecommunications Law of July 16, 2004 (<i>Dziennik Ustaw</i> of 2004, No. 171, item 1800, as amended).
Telewizja Polsat Group	Telewizja Polsat together with its direct and indirect subsidiaries.
Telewizja Polsat, TV Polsat	Telewizja Polsat spółka z ograniczoną odpowiedzialnością, entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000388899. The company was established following the transformation of Telewizja Polsat Spółka Akcyjna, which was entered in the register of entrepreneurs of the National Court Register under entry No. KRS 0000046163.
Term Loan Facility	The term loan facility of up to PLN 2,500 million, issued under the Senior Facilities Agreement, whose final repayment date is April 11, 2019.
TiVi Foundation	TiVi Foundation, a family foundation of Kirchstrasse 12, 9490 Vaduz, Liechtenstein.
T-Mobile	T-Mobile Polska Spółka Akcyjna, entered in the register of entrepreneurs of the National Court register under entry No. KRS 0000391193, previously operating under the name of Polska Telefonía Cyfrowa Spółka Akcyjna.
UKE	The Office of Electronic Communications (<i>Urząd Komunikacji Elektronicznej</i>).
UOKiK	The Office of Competition and Consumer Protection (<i>Urząd Ochrony Konkurencji i Konsumentów</i>).

APPENDICES

Term	Definitions
Viasat Broadcasting	Viasat World Limited.

Glossary of technical terms

Term	Definitions
2G	Second-generation cellular telecommunications networks commercially launched on the GSM standard in Europe.
3G	Third-generation cellular telecommunications networks that allow simultaneous use of voice and data services.
4G	Fourth-generation cellular telecommunications networks.
Add-on sales	Sales technique combining cross-selling and up-selling.
Advertising market share	The Group's revenue from advertising and sponsoring in the overall revenue from TV advertising in Poland (market data according to Starlink).
Audience share	The percentage of TV viewers watching a channel at a given time, expressed as the percentage of all TV viewers at a given time (based on Nielsen Audience Measurement (NAM), in the "from 16 to 49 years old" demographic throughout the day).
CAGR	<p>Compounded Annual Growth Rate – the average annual growth rate calculated for a given value using the following formula:</p> $CAGR = \left(\frac{W_{rk}}{W_{rp}} \right)^{\left(\frac{1}{rk-rp} \right)} - 1$ <p>where: rp – start year, rk – end year, Wrp – value in start year, Wrk – value in end year.</p>
Catch-up TV	Services providing access to view selected programming content for a certain period after it was broadcast. Cyfrowy Polsat provides such services since 2011.
CDMA	A family of mobile telecommunications standards developed by the 3rd Generation Partnership Project 2, comprising e.g. CDMAOne and CDMA2000. CDMA is mainly used for data transmission services in rural areas. Its maximum transmission speed is 3.1 MB/s. CDMA also supports direct communication between user terminals and restriction of access to selected devices, and the technology is therefore used for digital trunked communications.
Churn	<p>Termination of the contract with a Customer by means of a termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model.</p> <p>The Churn rate represents the relation of the number of customers for whom the last service has been deactivated (by means of a termination notice as well as deactivation as a result of collection activities or for other reasons) within the last 12 months to the annual average number of customers in that 12-month period.</p>
Contract ARPU	Average monthly revenue per Customer generated in a given settlement period (including Interconnect Revenue)

APPENDICES

Term	Definitions
Converged (integrated) services	A package of two or more services from our pay TV, mobile telecommunications and broadband Internet access offering, provided under a single contract and for a single subscription fee.
Customer	A natural person, legal entity or an organisational unit without legal personality who has at least one active service provided in a contract model.
DTH	Satellite pay TV services provided by us in Poland since 2001.
DTT	Digital Terrestrial Television.
DVB-T	Digital Video Broadcasting – Terrestrial technology.
EDGE	Cellular telecommunications technology supporting faster data transmission as a backward-compatible extension of the 2G network. EDGE increases the capacity of the radio interface and ensures more convenient use of data transmission services. Its maximum design speed is nearly 1 Mb/s (Enhanced Data rates for GSM Evolution).
ERP	A family of IT systems supporting enterprise management or shared operation of a group of collaborating enterprises through data collection and enabling transactions based on the collected data (enterprise resource planning).
GB	Gigabyte – a measure of digital information, comprising one billion bytes, or 1024 ³ bytes, depending on the interpretation – decimal or binary, respectively.
GPRS	Mobile data transmission service for GSM users (General Packet Radio Service).
GRP	A rating point defined as the overall number of persons viewing a given advertising spot over a specific time, expressed as a percentage share of the target group. In Poland, one GRP equals 0.2 million residents in the primary target group for advertisers aged 16-49 (Gross Rating Point).
GSM	A standard developed by the European Telecommunications Standards Institute, which designates 2G cellular telecommunications network protocols, in particular regarding access to voice services (Global System for Mobile Communications).
HD	Above-standard resolution signal (High Definition).
HSPA/HSPA+	Radio data transmission technology for wireless networks, increasing the capacity of the UMTS network (High Speed Packet Access/High Speed Packet Access Plus). It also covers the HSPA+ Dual Carrier technology (Evolved High Speed Packet Access Dual Carrier). It supports transmission speeds of up to 42 Mb/s for download and up to 5.7 Mb/s for upload.
Interconnect revenue	Wholesale revenue for terminating voice and non-voice traffic on Polkomtel's network from other network operators based on interconnect agreements as well as revenue from transit of traffic.
IPLA	Internet platform providing access to video content, operated by entities from the Redefine capital group.
IPTV	Technology enabling transfer of a television signal over IP broadband networks (Internet Protocol Television).

Term	Definitions
IVR	A telecommunications system enabling human-computer interaction using voice or tone signals (Interactive Voice Response).
LTE	A standard for faster data transmission for wireless networks (Long Term Evolution). It supports the maximum design transmission speed of 326.4 Mb/s.
LTE-Advanced	Technology assuming the aggregation of up to five, not necessarily adjacent, carriers of the maximum width of 20 MHz each, thus forming one broad band of the maximum width of 100 MHz, which will allow the sending of data to a mobile device with a speed of up to 1 Gb/s (<u>Long Term Evolution Advanced</u>).
Mb/s	A unit of telecommunications channel capacity, being one million or 1024 ² bytes (Megabyte) per second, depending on the interpretation – decimal or binary, respectively.
Mobile TV	Our pay mobile TV service rendered in DVB-T technology;
MTR	A wholesale charge for call termination in another operator's mobile telecommunications network (Mobile Termination Rate).
Multiroom	Our service providing access to the same range of TV channels on two television sets in one household for a single subscription fee.
MUX, Multiplex	A package of TV and radio channels and additional services, simultaneously transmitted digitally to the user over a single frequency channel.
MVNO	Mobile Virtual Network Operator.
Node B	A device for wireless connection between a mobile terminal and a fixed part of the third-generation telecommunications network.
PPV	Services providing paid access to selected TV content (pay-per-view).
Prepaid ARPU	Average monthly revenue per prepaid RGU generated in a given settlement period (including Interconnect Revenue)
PVR	Electronic commodity hardware for digital recording of TV programmes on its hard drive (Personal Video Recorder).
RGU (Revenue Generating Unit)	Single, active service of pay TV, Internet Access or mobile telephony provided in a contract or prepaid model.
SD	Standard-resolution television signal (Standard Definition).
SMS	A service enabling the sending of short text messages over telecommunications networks (Short Message Service).
Streaming	A technical process initiated by the user, enabling the replaying (of video or audio/video content) of material available on the Internet on the user's terminal device, without it being necessary to download the entire content. The process involves the sending of digital data streams, being sections of the entire content spread over time, instead of the entire material.
Technical coverage	The percentage of households in Poland capable of receiving the broadcast of a given channel by Telewizja Polsat.

APPENDICES

Term	Definitions
UMTS	The globally-used European 3G telecommunications standard based on GSM, enabling the provision of data transmission services with a maximum speed of 384 kb/s (Universal Mobile Telecommunications System).
USSD	A protocol used in GSM networks, which enables communication between a mobile phone and a network operator's computer.
Value-added services, VAS	Services offered by telecommunications undertakings and including entertainment, news, location and financial services.
Virtual private network	A network enabling a private connection over a public network (e.g. Internet).
VOD - Home Movie Rental	Our video on demand services
VoLTE	Technology which ensures immediate call set-up, high quality of voice and the possibility to provide advanced communication services with the guarantee of quality, such as e.g. HD video streaming based on the standard phone number (<i>Voice over LTE</i>).
WiFi	A set of standards for the development of wireless computer networks.