



Świat Najlepszych Telewizji

Cyfrowy Polsat S.A.

Results for the fourth quarter of 2008
Results for the fiscal year 2008

26 February 2009



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Disclaimer

This presentation includes 'forward-looking statements'. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the our products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the our present and future business strategies and the environment in which the we will operate in the future. These forward-looking statements speak only as at the date of this presentation. We expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. We cautions you that forward-looking statements are not guarantees of future performance and that its actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the our financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. We do not undertake any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

Cyfrowy Polsat shares on WSE

- We debut on the WSE on 6 May 2008. Since that day the WIG index decreased by over 55% and our share price increased by more than 4%
- Our shares entered **MSCI EME** Index on 25 November 2008
- Our shares are to enter **WIG 20** Index as of 20 March 2009

CPS vs. WIG





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Highlights

Dominik Libicki
CEO



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Operational achievements

- Number of DTH subscribers increased by 659 ths. to 2,726,993 as at 31 December 2008
- Number of MVNO users reached 39 ths., of which 36 ths. were pre-paid users
- Family Package ARPU increased by 6% to PLN 40.7 in Q4 2008 and by 4% to PLN 39.4 in the whole 2008
- In 2008 we sold 257 ths. of in-house produced set-top boxes (156 ths. in Q4 2008)

Notes:

1 Financial data for the 3 and 12 month periods ended on 31 December 2008 are unaudited



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Great financial results

- Revenues up by 30% to PLN 316 m in Q4 2008 and up by 42% to PLN 1,134 m in the whole 2008
- EBITDA increased to PLN 48 m in Q4 2008 from the negative EBITDA of PLN 2 m in Q4 2007 and increased by 110% to PLN 348 m in the whole 2008
- EBITDA margin up to 15.2% in Q4 2008 and to 30.7% in the whole 2008 from 20.8% in 2007
- We increased significantly our EBITDA margin despite the acquisition of the comparable number of subscribers in Q4 2008
- Net income up to PLN 41 m in Q4 2008 and up by 137% to PLN 269 m in 2008

Notes:

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Awards and distinctions

- „**Lokomotywa Polskiej Gospodarki**”, the 5th position regarding return on equity and the 7th position regarding net bottom line growth according to Home&Market (*February 2009*)
- The third place in the ranking „**Stock exchange Company of the Year**”, conducted by the daily newspaper Puls Biznesu; 1. place in the category „Competence of the management board” and „Success in 2008 r.” (*February 2009*)
- Award „**Bulls and Bears**” in the category „Debut of 2008 – companies on WSE” granted by the daily Parkiet (*February 2009*)
- „**Company of the year**” according to the subjective ranking of the Puls Biznesu (*December 2008*)
- „**Pearl of the Polish Economy**” 2008 in Large Pearls category
According to the Polish Market Economic Magazine and the Institute of Economics of the Polish Academy of Sciences (INE PAN) ranking (*November 2008*)
- „**Good Company of 2008**” according to the Rzeczpospolita economic daily ranking (*October 2008*)
- **High Reputation Company 2008** according to the PremiumBrand 2008 research – Independent Ranking of the Publicly Traded Companies Reputation (*October 2008*).
- „**The greatest debut of first half of 2008**” in the category of value of the offer according to the ranking of the magazine CEO Magazyn Top Menedżerów (*September 2008*)



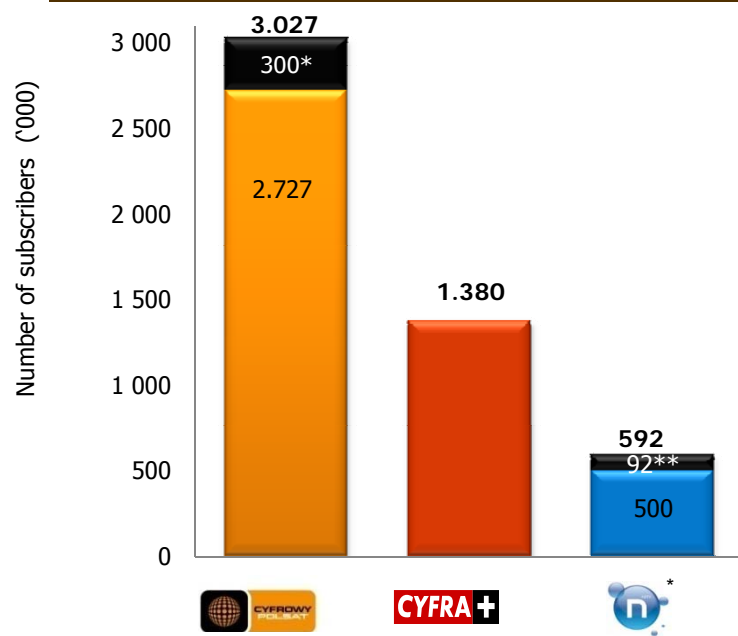
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DTH market in 2008

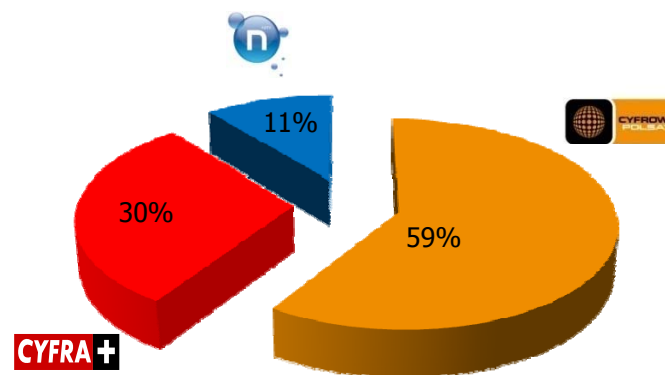
DTH market – Number of subscribers

- In 2008 DTH market grew faster than analysts expected, number of net additions reached 1,309 ths., 19% more than in 2007
- Number of DTH platforms subscribers increased to 4.6 m, number of customers of DTH platforms increased to 5.0 m

Number of DTH users
31 December 2008



Share in the number of DTH subscribers
31 December 2008



Source: Press publications, TVN Grup Annual Report

*Users having the set-top box with the coding system and being able to get the pay television immediately after paying a subscription fee

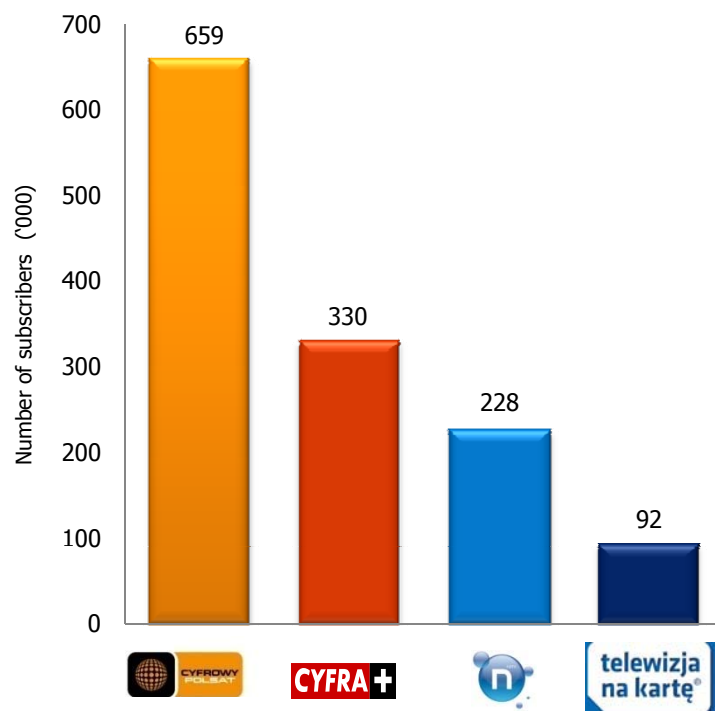
** Users of Telewizja na kartę



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DTH Market – net additions

Number of net additions 2008

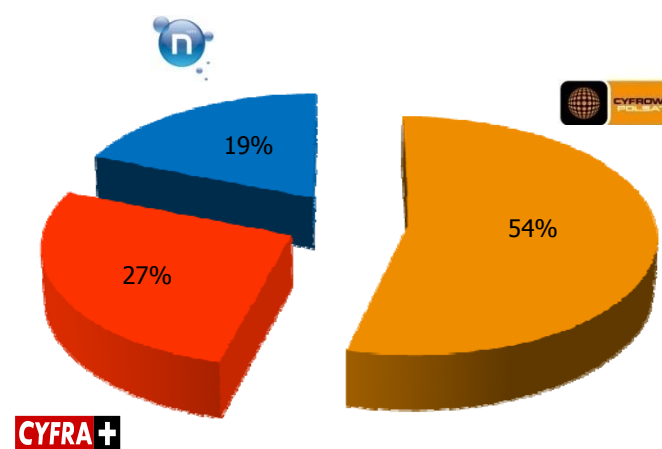


Source: Press publications, TVN Group Annual Report

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Our share in net subscriber additions 2008



Source: Press publications, TVN Group Annual Report



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Operating results

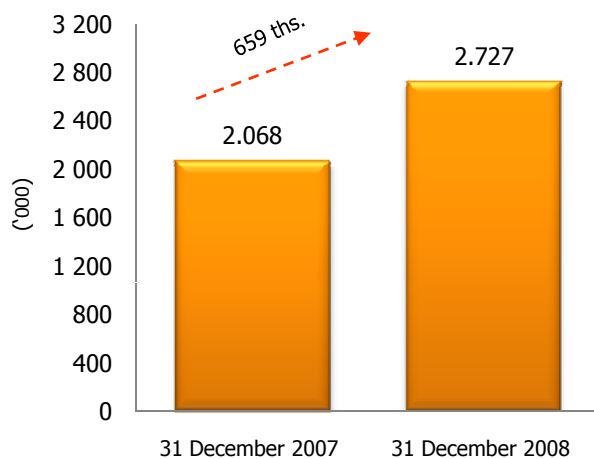


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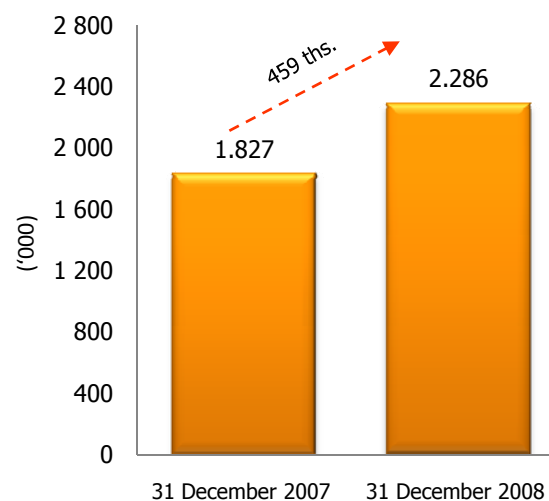
Dynamic growth year-on-year Subscribers

Our subscriber base grew by 32% in 2008

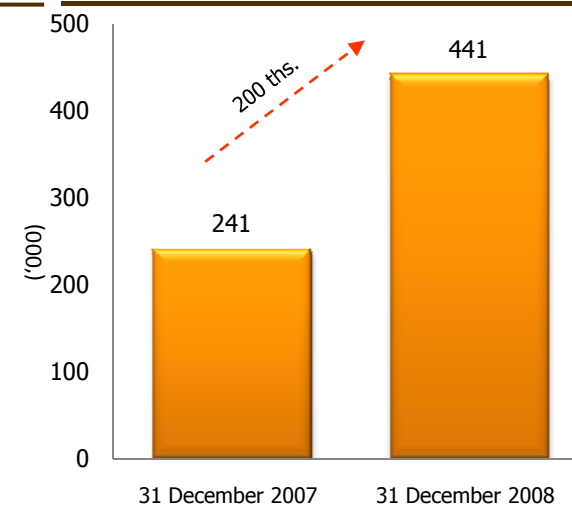
Subscribers



Subscribers - Family/Premium Package



Subscribers - Mini/Mini Max Package



70% of net adds

30% of net adds

Annualized churn rate (%)

5.1%

7.5%

5.7%

8.6%

0.0%

0.1%

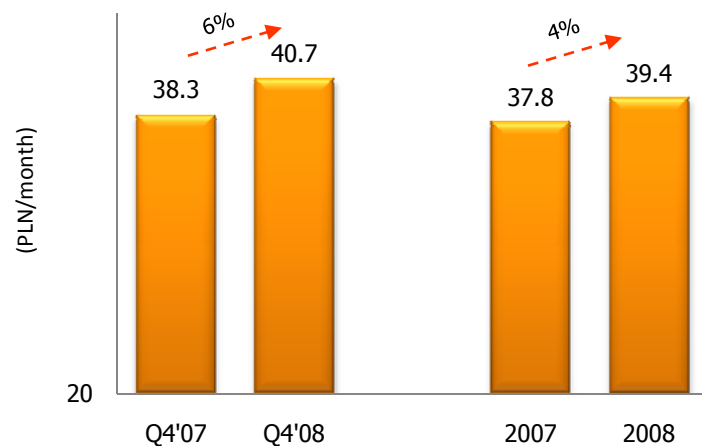


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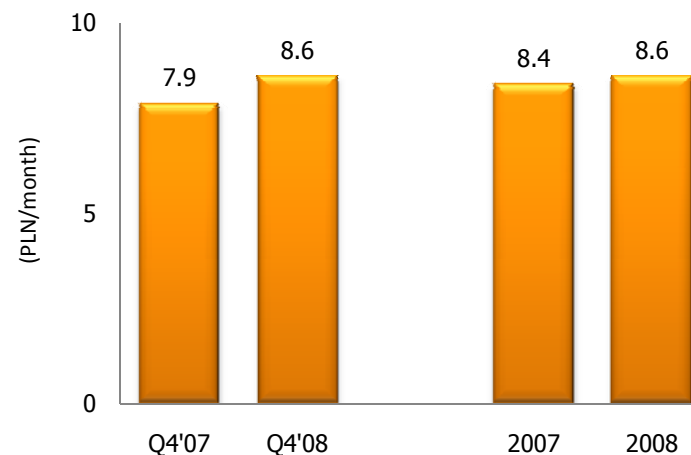
Dynamic growth ARPU

In Q4 2008 our Family Package ARPU increased by 6% and in 2008 it increased by 4%, as a result of (i) an increase in penetration of premium packages including HBO and (ii) an increase of Family Package subscription fee.

ARPU ⁽¹⁾ — Pakiet Familijny/Premium



ARPU ⁽¹⁾ — Pakiet Mini/Mini Max



An increase in the subscriber base and an increase in ARPU contributed to a 48% increase in subscription revenues, to PLN 978 m in 2008

Note: (1) ARPU is calculated as subscription revenues in the period divided by average subscribers (based on the monthly averages).
(2) Financial data for the 3 and 12 month periods ended on 31 December 2008 are unaudited



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MVNO

- Full MVNO offer available since 8 September 2008 (pre-paid and post-paid)
- Change of the MVNO strategy– sale of the mobile services to almost 9 m of Poles using our DTH services, without the mass media advertising – limited spendings on marketing – slower grow in the number MVNO users
- Limited spendings for the mass media advertising in 2008
- 39 ths. users of our MVNO services as at 31 December 2008, of which 36 ths. users of pre-paid services
- Negative EBITDA on the MVNO project of PLN 19 m in Q4 2008 and PLN 38 m in the whole 2008



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Financial overview

Maciej Gruber
CFO

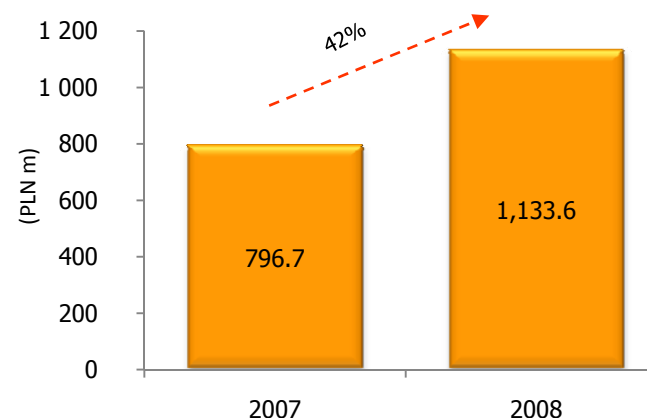
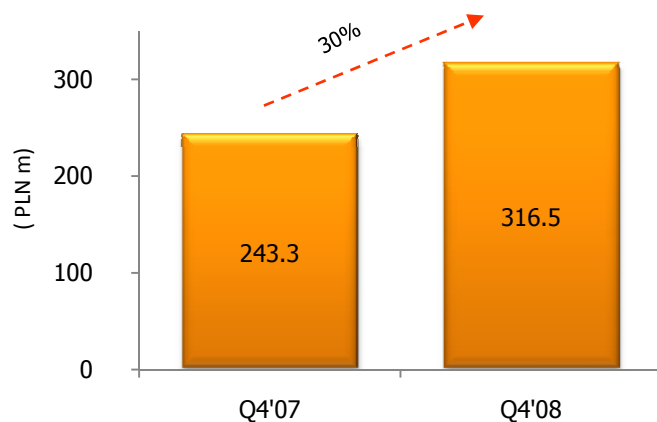


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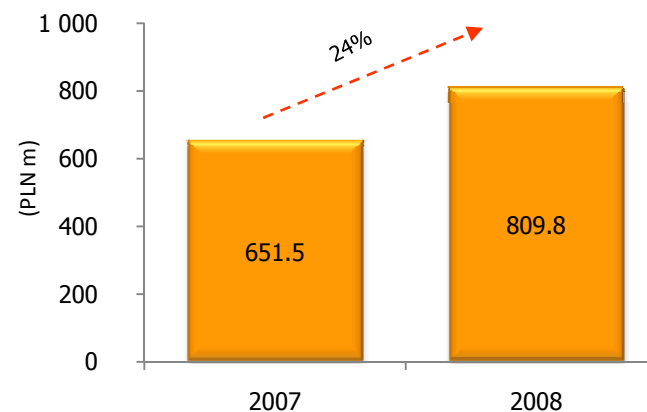
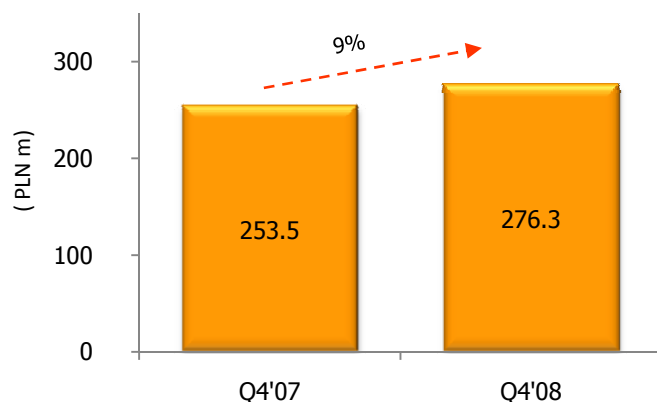
Impressing revenue growth

Much slower growth in the operating costs

Revenues



Operating costs



Notes:

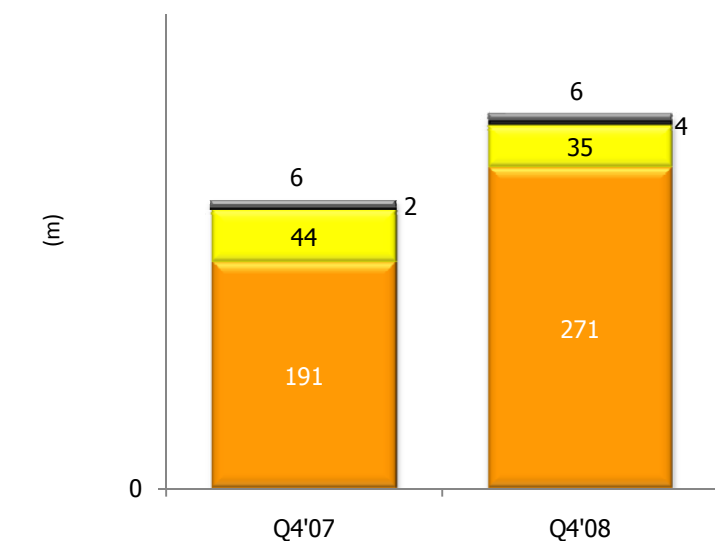
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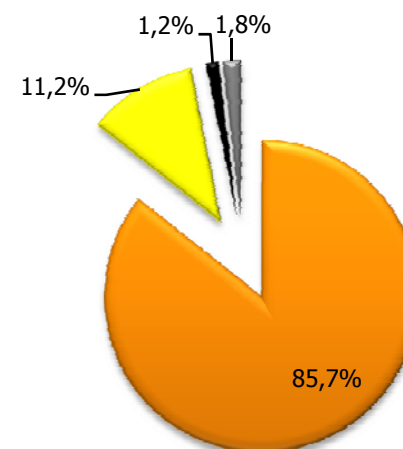
Revenues up by 42% due to an increase in subscription fees

Revenues (PLN m)



- Subscription fees
- Sales of satellite television receiving equipment
- Sales of signal transmission services
- Other operating revenues

Q4 2008 revenues breakdown (%)



('000 PLN)	Q4'08	Q4'07	Change	2008	2007	Change
Revenues, of which:	316,465	243,326	30%	1,133,527	796,669	42%
Subscription fees	271,245	191,142	42%	977,678	662,521	48%
Sales of satellite television receiving equipment	35,463	43,807	(19%)	100,180	107,205	(7%)
Sales of signal transmission services	3,950	2,464	60%	16,440	11,602	42%
Other operating revenues	5,807	5,913	(2%)	39,276	15,341	156%

Notes:

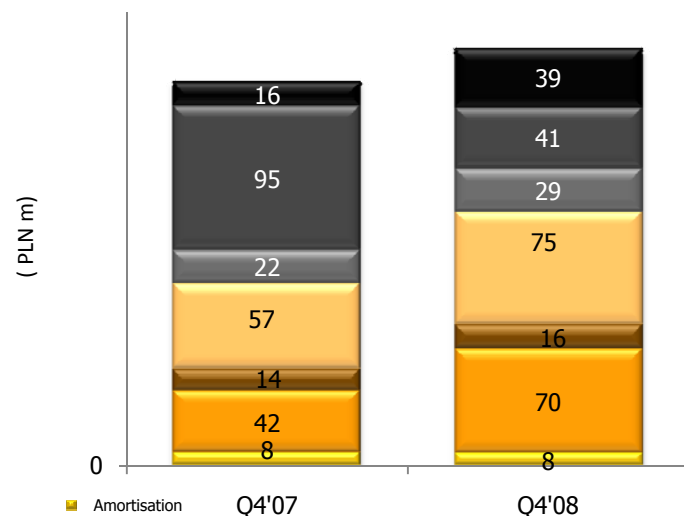
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Operating costs grew slower than revenues

Operating costs



Q4'07

Q4'08

- Amortisation
- Programming costs
- Signal transmission services costs
- Distribution and marketing costs
- Salaries and employee-related expenses
- Costs of satellite television receiving equipment sold
- Other operating costs

	Q4'08	Q4'07	Change	2008	2007	Change
(‘000 PLN)						
Operating costs, of which:	276,312	253,536	9%	809,837	651,522	24%
Amortisation	7,930	8,366	(5%)	24,360	20,777	17%
Programming costs	69,716	41,548	68%	221,443	152,031	46%
Signal transmission services costs	15,680	14,245	10%	59,006	48,402	22%
Distribution and marketing costs	74,769	56,683	32%	202,465	125,919	61%
Salaries and employee-related expenses	28,553	21,813	31%	64,454	41,701	55%
Costs of satellite television receiving equipment sold	40,817	95,023	(57%)	132,410	209,028	(37%)
Other operating costs	38,847	15,858	145%	105,699	53,664	97%

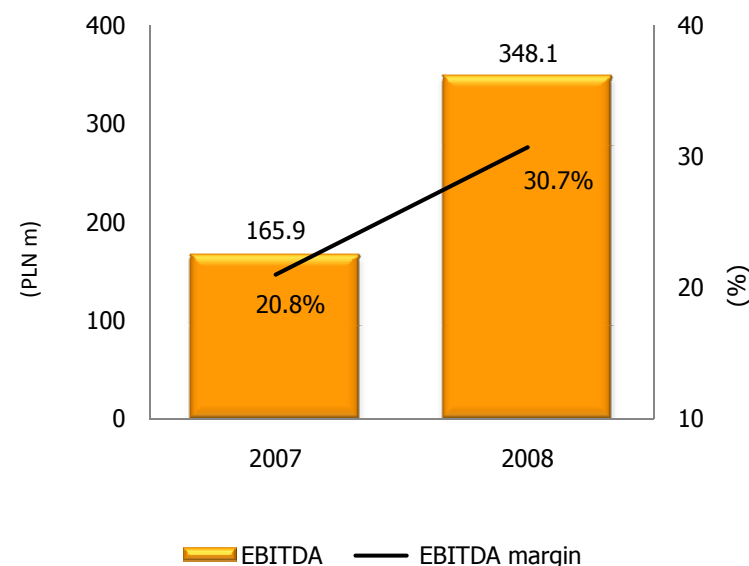
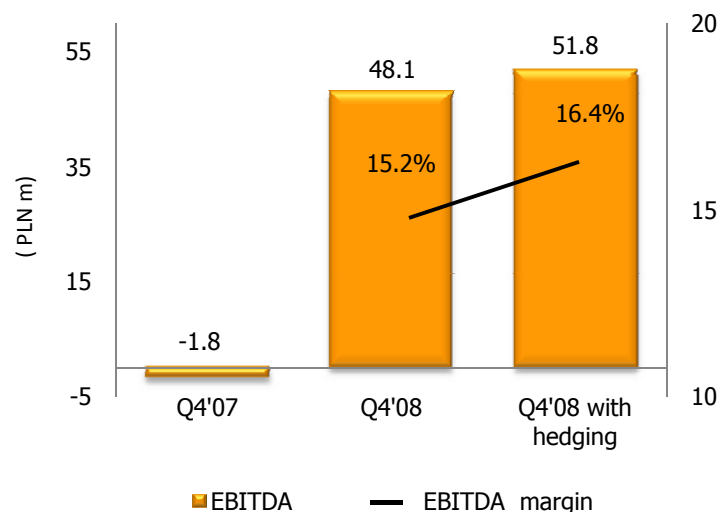
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Significant increase in the profitability

- EBITDA increased to PLN 48 m in Q4 2008 from negative EBITDA of PLN 2 m in Q4 2007 and increased by 110% to PLN 348 m in the whole 2008
- EBITDA margin increased to 15.2% in Q4 2008 and to 30.7% in the whole 2008 from 20.8% in 2007

EBITDA and EBITDA margin

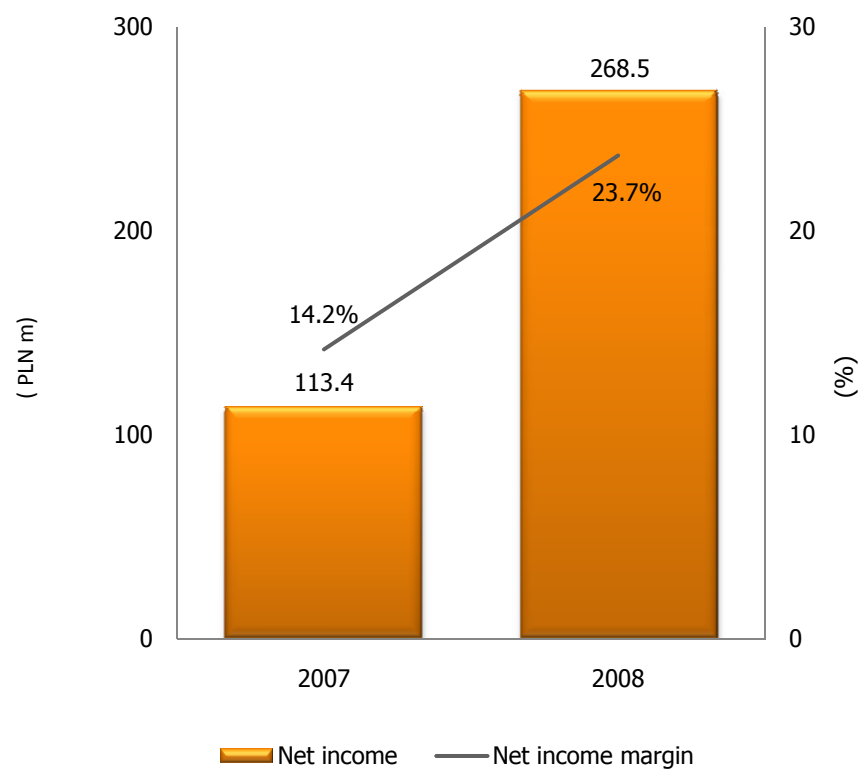


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Net income more than doubled

Net income (PLN m)



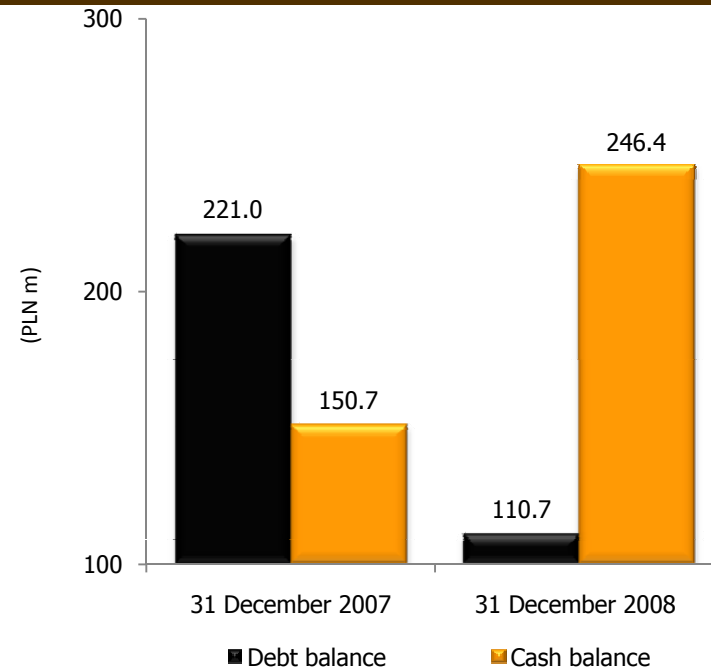
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Safe debt level

- As of 31 December 2008 our cash balance was higher than our debt balance by PLN 136 m
- In 2008 we repaid PLN 108 m under our loan agreements
- Entire debt denominated in the foreign currencies was repaid; debt under current loan agreement is only in PLN

Debt balance vs. cash balance

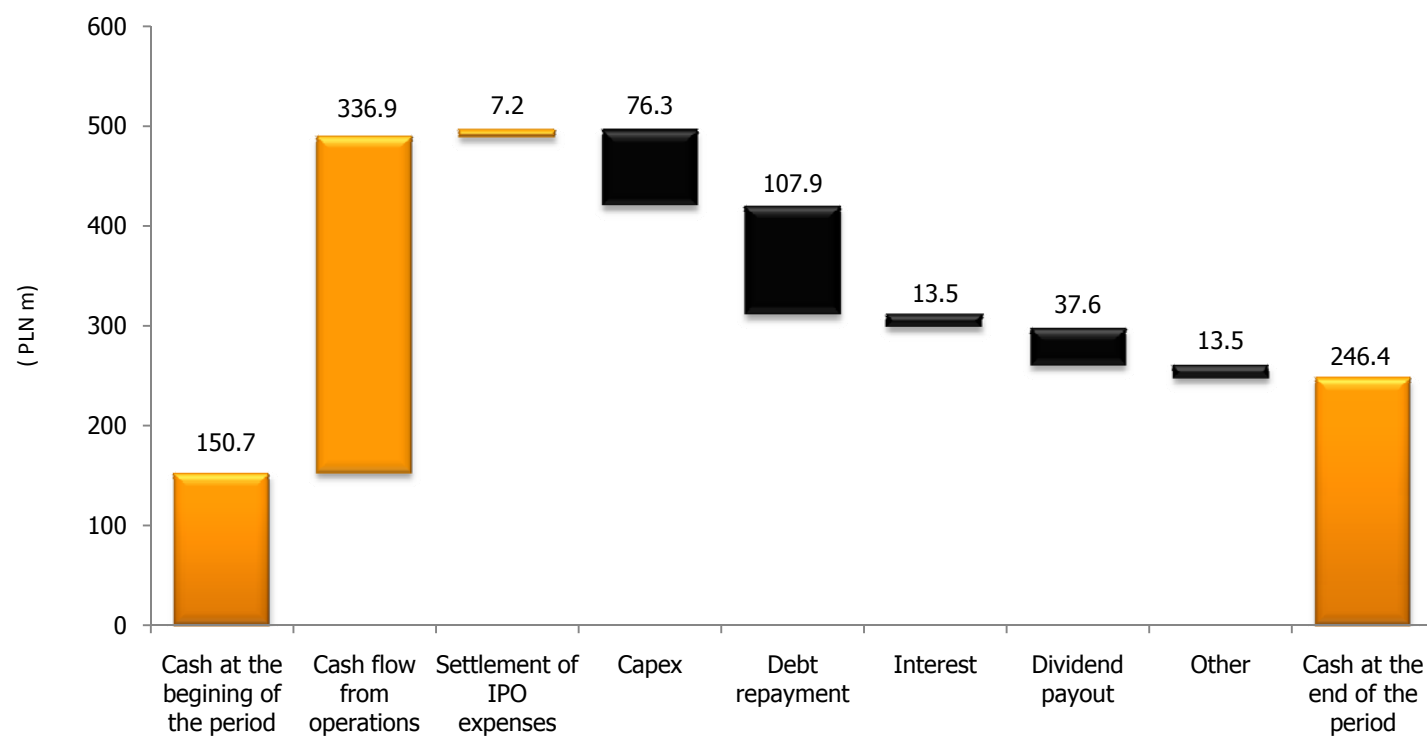


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Our cash balance increased by PLN 96 m (64%)

Net cash flow – 2008



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Currency risk and hedging arrangements

Following categories of costs are dependent on fluctuations of exchange rates:

- Approx. 44% of our programming costs is denominated in Euro and approx. 55% in USD
- 100% of our signal transmission services costs is denominated in Euro

Fluctuations of exchange rates also influence our costs of satellite television receiving equipment :

- Approx. 20% of our costs of satellite television receiving equipment and telephones sold is denominated in Euro and approx. 60% in USD

Our costs of satellite television receiving equipment are based on historical exchange rates – PLN weakening will not be visible in the results of Q4 2008

Hedging arrangements

- Forward transactions for the purchase of the USD 2 m monthly at the rate of PLN 2.3180/USD until September 2009
- Forward transactions for the purchase of Euro 1.5 m monthly at the rate of PLN 3.4590/Euro until March 2009

We hedge approximate 66% of our foreign currency denominated costs in USD until September 2009 and approx. 55 % of our foreign currency denominated costs in Euro until March 2009

Our Q4 2008 operating costs increased by PLN 12 m as a result of PLN weakening in Q4 2008 (including forward transactions)

In 2008 we recognized the gain on realized forwards and gain on the revaluation of unrealized forwards of PLN 18 m.

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Outlook for 2009

Dominik Libicki
CEO



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Outlook for 2009

- Sale in January 2009 higher than in the corresponding period 2008
- An increased in proportion of the leased receiving equipment will have positive impact on EBITDA
- New promotional offers – starting from February 2009 – offering 1, 3 and 6 months without subscription payments
- We consider introduction of new packages (DTH)
- We limit our costs on the MVNO project – sale of MVNO services only to our new and existing DTH subscribers
- As a result of the change in the MVNO strategy the number of MVNO subscribers will grow slower than initially anticipated
- Change of the mobile termination rates – 21.6 gr/min until 30 June 2009, 16.8 gr/min starting from 1 July 2009



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