



Press release
Warsaw, 4 December 2017

Polsat Group to boost its TV segment

Telewizja Polsat with new channels from ZPR Media Group

Polsat Group continues its development strategy for the television production and broadcasting segment as, pursuant to an agreement executed with ZPR Media Group, it acquires 100% of shares in the companies owning Eska TV, Eska TV Extra, Eska Rock TV, Polo TV and Vox Music TV channels, as well as a 34% stake in the company owning Fokus TV and Nowa TV stations, and concluded a preliminary share purchase agreement pertaining to further 15% of shares in that company to be acquired in the future. The total value of the transaction is circa PLN 103 million and it will be financed from the Group's own funds. The transaction will reinforce the position of Polsat Group, a group owned by Polish capital, against international and local competitors on the Polish media market.

Eska TV, Eska TV Extra, Eska Rock TV, Polo TV and Vox Music TV stations will significantly strengthen the music programming in Telewizja Polsat and cooperation with Nowa TV and Fokus TV channels will complement its comprehensive program range. All stations have a strong market presence and solid viewership: in total circa 3% in the commercial group during the first ten months of this year.

"Acquiring the new channels and agreeing on cooperation to develop two new stations for our terrestrial digital television is perfectly in line with our Group's strategy to maintain strong viewership and market presence on an increasingly fragmented market," said **Maciej Stec, Member of the Management Board of Cyfrowy Polsat S.A. and Telewizja Polsat Sp. z o.o.**

"On the media market, both Polish and global, the times of consolidation have come. The main competitor of Fokus TV channel, which we have managed to overtake in terms of viewership, i.e. Discovery channel, was globally purchased by Scripps Networks Interactive and thus in Poland it bought TVN. It also bought Metro channel from Agora, that competes with Nowa TV on MUX 8. Our TV stations Eska TV, Polo TV, Fokus TV and Nowa TV have been created from scratch and we are proud of them. At the same time, we want them to continue to grow and we are aware that these days they need support from a strong player. We are happy that together with Polsat Group we remain in this business and, based on the executed agreement, we will remain in charge of the channels created by us. As ZPR Media Group, we will also focus on the production of television content based on synergy with our brands" says **Zbigniew Benbenek, Chairman of the Supervisory Board of ZPR Media S.A. and Time S.A.**

Telewizja Polsat channels, varying from general interests, through sports, information, documentary, to music and entertainment, are viewed by almost 20 million Poles every day. The announced transaction and cooperation on creating two additional channels mean new and interesting content for the viewers of both Telewizja Polsat and ZPR Media Group's channels, as well as new development prospects for Nowa TV i Fokus TV stations, which may now leverage on the 25-year



experience, broad competences, technical resources and extensive program library of Telewizja Polsat.

“We have not overlooked the fact that the acquired channels show a strong financial performance, generating more than PLN 70 million in revenues in 2016 alone. Furthermore, we expect the transaction to generate measurable, significant sales and cost synergies that we estimate at PLN 15 million annually,” said **Katarzyna Ostap-Tomann, Member of the Management Board, Finance, Cyfrowy Polsat S.A., Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o.**

Under an agreement concluded with ZPR Media Group, Telewizja Polsat acquired 100% of shares in Eska TV S.A. (broadcasting Eska TV, Eska TV Extra and Eska Rock TV), 100% of shares in Lemon Records sp. z o.o. (broadcasting Polo TV and Vox Music TV) and a minority stake of 34% of shares in TV Spektrum Sp. z o.o. (broadcasting Fokus TV and Nowa TV). Simultaneously Telewizja Polsat concluded a preliminary share purchase agreement pertaining to further 15% of shares in TV Spektrum Sp. z o.o. to be acquired in the future. The today announced transaction with the total value of circa PLN 103 million will be financed using the Group’s own funds.

Eska TV is a music and entertainment channel – a leader on the market of thematic channels addressed to young people aged 15-34. It was created on the basis of Radio ESKA – Poland’s largest network of local radio stations employing the CHG (Contemporary Hit Radio) format. Eska TV shows the latest videos by artists featured on Radio ESKA, as well as exclusive interviews, showbiz gossip, and information on musical events in Poland and abroad. The station is also available via terrestrial digital television on MUX1 and via paid satellite television and cable operators. The station can also be viewed online using a mobile app, eskaGo.pl platform and www.eska.tv website.

Eska TV Ekstra music channel was launched under the Eska brand on June 16, 2017. The channel broadcasts current music hits as well as the biggest pop hits from the past 20 years. It is addressed to audiences aged 15-49.

Eska Rock TV music channel has been on the air since September 1, 2017. It offers music which is termed as mainstream pop rock, classic rock and alternative rock. Eska Rock TV is addressed to people aged 20 and up.

Polo TV is the most popular music television channel in Poland. It broadcasts 24/7 the greatest disco polo and dance hits as well as the latest music from cult Polish stars. It also airs reports from the most famous disco dance festivals and largest concerts. The musical range is completed with euro disco, italo disco and dance hits from the 80s and 90s. The shows are hosted by the biggest icons of disco polo. Polo TV supports disco polo labels which release the songs that are aired on disc. The television is available on DVB-T via MUX1, satellite platforms and on most cable networks.

Vox Music TV is a music-and-entertainment channel airing top disco hits from the 1980’s and 1990’s as well as Italo disco, Eurodance and Disco Polo dance music clips. The station’s scheduling includes shows devoted to music stars, music charts, thematic blocks as well as news from the entertainment and mass culture areas. The station is addressed to viewers aged 25-45.

Fokus TV is a free of charge educational channel. The channel’s programming is addressed to the whole family and segmented mainly into: knowledge, documentary and entertainment. The primary goal of Fokus TV is to convey knowledge through fun and games, in a user-friendly manner. The channel broadcasts educational and how-to programs as well as documentaries on various subjects (history, nature, society). The daily programming is addressed to children, young people and adults.



Fokus TV is available on DVB-T format via MUX 1, most cable networks, such as UPC, Vectra, Inea, Toya, Netia, and on the Cyfrowy Polsat, nc+ and Orange platforms.

Nowa TV is a freely available (MUX 8 DVB-T), free of charge family television channel. It features entertainment and factual programs, series and feature movies, as well as attractive programs for children. Nowa TV wants to be close to its viewers, offers top quality entertainment and the issues dealt with in its current affairs and factual programs concern the most important issues for viewers from all parts of Poland.

The portfolio of Telewizja Polsat comprises the following channels: Polsat HD, Polsat 2 HD, Polsat 1, Super Polsat HD, Polsat Sport HD, Polsat Sport Extra HD, Polsat Sport Fight HD, Polsat Sport News HD, Polsat News HD, Polsat News 2, Polsat Play HD, Polsat Cafe HD, Polsat Film HD, Polsat Doku HD, Polsat Music HD, Disco Polo Music, Polsat Romans, TV6 HD i TV4 HD.

The legal counsel to Cyfrowy Polsat in this transaction was Greenberg Traurig Grzesiak sp. k., and the financial advisor – Trigon.

Contact for the media:

Olga Zomer

Spokesperson

T: (+48 22) 356 60 35, +48 507 096 883

E-mail: ozomer@cyfrowypolsat.pl