

# Cyfrowy Polsat Newsletter

**21 – 27 March 2011**

The press about Cyfrowy Polsat	Date	The press about DTH/MVNO/Internet market in Poland
	21.03	<p><b>Rzeczpospolita: More optimism in the media</b>                      In 2010, the revenues of media companies in Europe increased by 5.4%, to 76.6 billion euro. This year, they expect a further stabilization in the market. Among Polish media companies, compared to other countries, the best operational performance shows Cyfrowy Polsat. The platform continues to evolve in line with worldwide trends, from pay-TV supplier to the company offering triple play packages (TV, Internet, telephone).</p> <p><b>Parkiet: Industry awaits the decision of the Office of Competition and Consumer Protection concerning UPC and Aster</b>                      Combined strengths of UPC and Aster will create a wider gap between the biggest player and the competition. Also Multimedia, the third largest cable TV operator in terms of the number of subscribers, has plans to consolidate the market.</p>
<p><b>Puls Biznesu: Top – Zygmunt Solorz</b>                      The choice of Zygmunt Solorz, the creator of the Polsat empire, as the Man of the Year of Telecommunications World was pretty obvious for participants of the industry gala. The development of broadband Internet access is of a particular importance among the market achievements of Cyfrowy Polsat. Zygmunt Solorz was honored twice, as the Polsat Group won the title of the Company of the Year.</p>	24.03	<p><b>Gazeta Wyborcza: Cyfra + without aggressive promotion</b>                      - We are changing the strategy – said CEO of Cyfra+, the second largest digital platform in Poland. Last year, the company improved its financial results, but did not increase the subscriber base.</p>
<p><b>Gazeta Finansowa: Cyfrowy Polsat S.A.</b>                      The company intends to issue high yield eurobonds to refinance PLN 1.4 billion bridge loan, which will be granted to the company for acquisition of Telewizja Polsat. The bonds are scheduled to be issued at the turn of 2Q and 3Q this year, probably at the Luxemburg parquet – said Tomasz Szelaĝ, Member of the Management Board and CFO.</p>	25.03	

## Latest events

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### Current report no 7 22 March 2011

#### **Decision on merger of Cyfrowy Polsat S.A. with mPunkt Polska S.A.**

The Management Board of Cyfrowy Polsat S.A. ("Company" or "Acquiring Company") announces that on March 21, 2011 it resolved to merge the Company with mPunkt Polska S.A. seated in Warsaw ("Ceasing company"), in which Cyfrowy Polsat S.A. holds 100% of share capital, and approved the merger plan.

Cyfrowy Polsat S.A. is the largest, in terms of the number of subscribers, provider of pay DTH satellite television broadcasting services in Poland. Its core business is to provide individual customers with access to television and radio channels grouped into different paid programming packages and transmitted via satellite, and from June 1, 2010 also to provide integrated services - television, Internet and mobile telephony.

mPunkt Polska S.A. seated in Warsaw, specializes in the distribution of telecommunication goods and services.

The merger of the two companies will be effected, in accordance with article 492 §1 item 1) of the Commercial Companies Code (KSH) (mergers through acquisition), by transferring all the assets of Ceasing Company to Acquiring Company. As a result of the merger, the Ceasing Company will be terminated without liquidation.

At the date of this report, share capital of Ceasing Company amounts to 8,850,000 and is divided into 8,850 unprivileged, registered shares of A Series of face value of PLN 1,000.00 each. Cyfrowy Polsat is the sole shareholder of Ceasing Company.

Given that the Acquiring Company holds all the shares of the Ceasing Company:

- (i) According to article 515 §1 KSH, the Merger will be effected without increasing the share capital of the Acquiring Company;
- (ii) According to article 516 §5 KSH in conjunction with article 516 §6, the Plan of Merger is not liable to auditing by an auditor appointed by a registry court;
- (iii) According to article 516 §5 KSH in conjunction with article 516 §6, the Reports of Management Boards of Acquiring Company and Ceasing Company will not be issued.

The Merger Plan, prepared in accordance with article 499 §1 KSH is attached to this current report, together with the documents mentioned in the article 499 §2 KSH.

The planned merger is meant to optimize costs and simplify the organizational structure of the Capital Group of Cyfrowy Polsat S.A. which is required in order to realize its medium and long term strategy.

## Latest events

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### Current report no 8 25 March 2011

#### **Conclusion of an Annex No. 2 to Investment Agreement of November 15, 2010**

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs about the execution on March 24, 2011 of an Annex No. 2 (the "Annex") to the investment agreement, concluded by the Company on November 15, 2010, amended by Annex 1 of December 28, 2010 (the "Investment Agreement"), which was notified by the Company in the current report No. 31/2010 of November 15, 2010 and No. 39/2010 of December 29, 2010. In its current report No. 40/2010 of December 30, 2010, the Company announced the fulfillment of the condition precedent concluded in Annex No. 1 of December 28, 2010 to the investment agreement of November 15, 2010.

The Annex was concluded between the Company, Zygmunt Solorz-Żak, Heronim Ruta, Mat Fundusz Inwestycyjny Zamknięty (the "Seller I"), Koma Fundusz Inwestycyjny Zamknięty (the "Seller II"), Karswell Limited (the "Seller III") and Sensor Overseas Limited (the "Seller IV") (hereinafter the "Sellers").

The Annex provides that a portion of the price for the shares in Telewizja Polsat S.A. (the "Sale Shares"), i.e. PLN 2,600,000,000 in total, which is to be paid by money transfer, shall be paid by the Company for the benefit of each of the Sellers within 48 days from the date of concluding with the given Seller of a Sale Shares sale agreement, however, not earlier than upon the delivery of the Sale Shares to the Company by a given Seller. The remaining part of the price, i.e. PLN 1,150,000,003.32 in total, shall be paid by the Company on the sale day of the Sale Shares by way of setting off the Sellers' liabilities against the Company's liabilities arising from the payment by the Sellers for the shares taken up by them in the performance of the rights attached to subscription warrants issued by the Company on the basis of Resolution No. 6 of the Extraordinary Shareholders' Meeting of the Company of December 17, 2010.

Additionally, the Annex provides that the Company shall offer to the Sellers subscription warrants authorizing them to take up Series H Shares issued by the Company on the basis of Resolution No. 8 of the Extraordinary Shareholders' Meeting of the Company of December 17, 2010 not later than within 5 days from the day of concluding credit agreements, the funds from which are to be allocated for, inter alia, the acquisition of the Sale Shares.

The above amendments to the Investment Agreement came into force as of the day of the signing of the Annex by all parties. The parties also executed the uniform text of the Investment Agreement with amendments adopted by the Annex.

The provisions set forth in the Annex have not been concluded subject to any condition precedent.

### Press release 25 March 2011

#### **„Złota Antena” (Golden Antenna) for Cyfrowy Polsat**

On 23 March 2011, at XIII Gala of Gold and Crystal Antennas, accompanying XI Symposium of Telecommunications and Media World, Cyfrowy Polsat has been awarded the Golden Antenna in the category „The Company of the Year”. The main shareholder – Zygmunt Solorz-Żak – was named „The Man of the Year”.

## Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Volume (PLN ths.)
21-03-2011	15.55	15.18	15.22	-1.81%	9 656
22-03-2011	15.39	15.00	15.05	-1.31%	23 037
23-03-2011	15.29	15.04	15.06	-1.50%	713
24-03-2011	15.15	14.92	14.99	-0.60%	2 515
25-03-2011	15.20	15.00	15.07	0.47%	2 286



## Investors' calendar

30 March 2011

Extraordinary General Meeting of Cyfrowy Polsat S.A.