

Cyfrowy Polsat Newsletter

27 June – 3 July 2011

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Parkiet: Cyfrowy Polsat, Solorz sells Polaris Finance and Karswell, companies controlled by Zygmunt Solorz-Zak, sold 74 million shares for PLN 1.16 billion .</p> <p>Rzeczpospolita: "Buy" Cyfrowy Polsat In the latest report, UniCredit analysts have raised the recommendation for Cyfrowy Polsat from "hold" to "buy". Target price increased by 12%, to PLN 18.9. That is higher by 12.8% than the yesterday's share price (PLN 16.75). Experts believe that the recent sale of 24.7% of Cyfrowy Polsat shares by the two main shareholders removed the main (recently) risk factor for the company's share prices. They believe that doubling the number of free float shares of the company can cause that, in March 2012, Cyfrowy Polsat may return to the WIG20 index.</p> <p>Puls Biznesu: Cyfrowy Polsat: Buy DM IDM, in the report of 20 June, has raised its recommendation for Cyfrowy Polsat to "buy" from "hold", while leaving the target price at PLN 19. DM IDM analysts notified that the change in recommendation was due to the attractive valuation of the company's shares.</p>	<p>30.06</p>	<p>Dziennik Gazeta Prawna: Ipla says it will end this year in the black Ipla tv has already more than 2.5 million users. It is available on mobile phones, tablets and TV sets of certain producers. Ipla, that in the future may reinforce Cyfrowy Polsat, is to end this year in the black. Its revenues may exceed PLN 20 million.</p> <p>PAP: Aero2 wants to invest about PLN 1 billion in developing the high-speed Internet Aero2, telecommunication infrastructure operator plans to invest a total of about PLN 1 billion in the development of high-speed Internet network on the three frequency bands 900 MHz, 1800 MHz and 2500 MHz. "At the end of 2012 we need to cover 25% of the population and at the end of 2014 50% of population." - says Adam Kuriański, President of Aero2.</p>
	<p>01.07</p>	<p>Dziennik Gazeta Prawna: Internet Aero2 through Cyfrowy Polsat SIM cards for free Internet supplied by Aero2 may be distributed by Cyfrowy Polsat – says Zygmunt Solorz-Zak, the owner of both entities.</p>



The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	01.07	<p>TV-Sat Magazyn: Challenges and threats to the industry - summary of the National Conference on Electronic Communications Operators in Jachranka</p> <p>The National Conference of Electronic Communications Operators has become another major industry event, at which during the panel discussions, key issues related to the continued, dynamic growth of the markets in the context of upcoming changes concerning both broadcasting system and new law regulations were discussed .</p> <p>TV-Sat Magazyn: The war for the market</p> <p>In recent years the telecommunications market has evolved without obstacles: the digital platforms gained, cable TVs kept their positions. But such a state comes to an end. The market is already close to saturation, and the real battle for new customers is to begin.</p> <p>Gazeta Wyborcza: Parliament adopted the act - digitalization in two years</p> <p>According to the Act on the implementation of DTT, analogue transmitters in Poland will be switched off by 31 July 2013. The government will allocate the budget of PLN 8.125 million to the launch of digital terrestrial television in the years 2011-20.</p>

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Parkiet: Solorz-Zak will introduce Polkomtel to the Warsaw Stock Exchange</p> <p>According to analysts, the purchase of Polkomtel by Zygmunt Solorz-Zak is a good news for Cyfrowy Polsat, as it will have a positive impact on the telecommunications operations of the platform.</p> <p>Analysts expect that next year Polkomtel will enter the Warsaw Stock Exchange. The businessman declared earlier, that he did not intend to merge Cyfrowy Polsat and Plus and that two groups – media and telecommunications – will be quoted on the stock exchange.</p>	02.07	<p>Gazeta Wyborcza: Solorz-Zak has Plus</p> <p>Long awaited, the largest transaction in the European telecommunications market this year took place on Thursday evening. Analysts believe that with the acquisition of Polkomtel, Zygmunt Solorz-Zak has a chance to build an empire, which can threaten the dominance of Telekomunikacja Polska (Polish Telecom).</p>

Latest events

Current report no 44 27 June 2011

Information on signing an addendum to the licensing agreement with Sony Pictures Entertainment Inc.

The Management Board of Cyfrowy Polsat S.A. ("Company") informs that on 27 June 2011 it was notified that on 17 June 2011 Polsat License Ltd (PLL) based in Zurich (Switzerland), an indirect subsidiary of the Company, signed an addendum to the licensing agreement ("Addendum") with Sony Pictures Entertainment Inc. ("Licensor"). Under the Addendum, the Licensor agreed to extend the license to broadcast films and TV series from the Licensor's programming collection as well as some of its future productions in the territory of Poland for a further period of 3 years. Other terms and conditions specified both in the agreement and the addendum are consistent with the market standards applied in such agreements.

During the past 12 months, Cyfrowy Polsat Group concluded, on an arm's length basis, a number of agreements with the group of Sony Pictures Entertainment Inc., whose aggregate value together with the above-mentioned Addendum may exceed 10% of the Company's revenues for the last four quarters.

Current report no 45 29 June 2011

Information on share acquisition

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on June 29, 2011 the Company received from a member of its Management Board the information provided under Article 160 Section 1 item 1 in conjunction with Section 2 of the Act of July 29, 2005 on Trading in Financial Instruments (consolidated text: Dz. U. of 2010 No. 211, item 1384, as amended) regarding the purchase of 400,000 (four hundred thousand) shares in the Company by a person closely related to that member of the Management Board.

The price was PLN 15.70 per share, the transactions were executed on a regulated market, in the form of block transactions, on June 22, 2011.

Current report no 46 29 June 2011

Information on share disposal

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on June 29, 2011 the Company received from Mr. Heronim Ruta, member of its Supervisory Board, the information provided under Article 160 Section 1 item 1 in conjunction with Section 2 item 4 paragraph b of the Act of July 29, 2005 on Trading in Financial Instruments (consolidated text: Dz. U. of 2010 No. 211, item 1384, as amended) regarding the sale of 12,004,174 (twelve million four thousand one hundred and seventy four) shares in the Company by an entity closely related to Mr. Heronim Ruta, i.e. by Sensor Overseas Limited with its registered office in Nicosia, Cyprus ("Sensor").

The price was PLN 15.70 per share, the transaction was executed on a regulated market, in the form of a block transaction, on June 22, 2011.

Mr. Heronim Ruta holds 100% of shares in Sensor.

Latest events

Current report no 47 29 June 2011

Information on share disposal

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on June 29, 2011 the Company received from Mr. Zygmunt Solorz-Żak, Chairman of its Supervisory Board, the information provided under Article 160 Section 1 item 1 in conjunction with Section 2 item 4 paragraph b of the Act of July 29, 2005 on Trading in Financial Instruments (consolidated text: Dz. U. of 2010 No. 211, item 1384, as amended) regarding the following share sale transactions by entities closely related to Mr. Zygmunt Solorz-Żak:

- Polaris Finance B.V. with its registered office in Rotterdam, the Netherlands ("Polaris") sold 6,083,182 (six million eighty three thousand one hundred and eighty two) shares in the Company; and
- Karswell Limited with its registered office in Nicosia, Cyprus ("Karswell") sold 68,023,662 (sixty eight million twenty three thousand six hundred and sixty two) shares in the Company.

The price was PLN 15.70 per share, both transactions were executed on a regulated market, in the form of a block transaction, on June 22, 2011.

Mr. Zygmunt Solorz-Żak holds 85% of shares in Polaris.

Mr. Zygmunt Solorz-Żak holds 100% of shares in Karswell.

Current report no 48 30 June 2011

Information on the listing and the first date of trading of EUR 350 million 7.125% Senior Secured Notes due May 20, 2018 on the Luxembourg Stock Exchange

The Management Board of Cyfrowy Polsat S.A. (the "Company") has been informed that on June 28, 2011, 7.125% Senior Secured Notes due May 20, 2018 of a total nominal value of EUR 350 million: EUR 340 million coded ISIN XS0626064363 and EUR 10 million coded ISIN XS0626064017, issued on May 20, 2011 by Cyfrowy Polsat Finance AB, the Company's subsidiary (current report no 34/2011 dated May 20, 2011) ("Notes") were approved and listed on the Luxembourg Stock Exchange (the "LuxSE") and that it was the first day of trading of the Notes on the LuxSE.

Current report no 49 1 July 2011

Notification of the disposal of the major share portfolio

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on July 1, 2011 the Company received notification from Polaris Finance B.V. (the "Shareholder") pursuant to Article 69 Section 1 item 2 in connection with Article 69 Section 2 item 2 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading System and Public Companies of July 29, 2005 (consolidated text Dz. U. of 2009 No. 185, Section 1439, as amended) on the decrease in the interest held by him in the total number of votes in the Company.

Latest events

The above-mentioned decrease is a result of the sale of 6,083,182 (six million eighty three thousand and one hundred eighty two) shares of the Company by the Shareholder. The transaction was carried out on the regulated market in the form of block transactions on June 22, 2011.

Prior to the transaction the Shareholder held directly 175,025,000 Company's shares constituting 50.24% interest in the share capital and representing 341,967,501 votes at the general meeting, which constituted 64.79 % of the total number of votes in the Company. The above-mentioned portfolio consisted of:

-166,942,501 privileged registered shares constituting 47.92% of the Company's share capital and representing 333,885,002 votes at the general meeting, which constituted 63.26% of the total number of votes in the Company,

-8,082,499 bearer shares constituting 2.32% of the Company's share capital and representing 8,082,499 votes at the general meeting, which constituted 1.53% of the total number votes in the Company.

Currently, the Shareholder directly holds 168,941,818 of the Company's shares constituting 48.5% of the share capital of the Company and representing 335,884,319 votes at the general meeting, which constitutes 63.64% of the total number of votes in the Company. The above-mentioned portfolio consists of:

-166,942,501 privileged registered shares constituting 47.92% of the Company's share capital and representing 333,885,002 votes at the general meeting of the Company, which constituted 63.26% of the total number of votes in the Company,

-1,999,317 bearer shares constituting 0.57% of the Company's share capital and representing 1,999,317 votes at the general meeting of the Company, which constitutes 0.38% of the total number of votes in the Company.

The Shareholder notified us that it held no other subsidiaries which would hold the Company's shares nor was it a party to any agreements the object of which would be the transfer of the right to vote from Company's shares.

Current report no 50 1 July 2011

Notification of the disposal of the major share portfolio

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on July 1, 2011 the Company received notification from Karswell Limited (the "Shareholder") pursuant to Article 69 Section 1 item 2 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading System and Public Companies of July 29, 2005 (consolidated text Dz. U. of 2009 No. 185, Section 1439, as amended) on the decrease in the interest held by him in the total number of votes in the Company.

The above-mentioned decrease is a result of the sale of 68,023,662 (sixty eight million twenty three thousand and six hundred sixty two) shares of the Company by the Shareholder.

The transaction was carried out on the regulated market in the form of block transactions on June 22, 2011.

Latest events

Prior to the transaction the Shareholder held directly 68,023,662 bearer shares constituting 19.53% interest in the share capital and representing 68,023,662 votes at the general meeting, which constituted 12.89% of the total number of votes in the Company. Currently, the Shareholder does not hold any Company's shares, either directly or indirectly. The Shareholder notified us that it held no any other subsidiaries which would hold the Company's shares nor was it a party to any agreements the object of which would be the transfer of the right to vote from Company's shares.

Current report no 51 1 July 2011

Notification of the disposal of the major share portfolio

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on July 1, 2011 the Company received notification from Mr. Zygmunt Solorz-Żak (the "Shareholder") pursuant to Article 69 Section 1 item 2 in connection with Article 69 a Section 1 item 3 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading System and Public Companies of July 29, 2005 (consolidated text Dz. U. of 2009 No. 185, Section 1439, as amended) on the decrease in the interest held by him in the total number of votes in the Company.

The above-mentioned decrease is a result of:

- the sale of 6,083,182 (six million eighty three thousand and one hundred eighty two) shares of the Company by Polaris Finance B.V., with its registered office in Rotterdam, the Netherlands ("Polaris"),
- the sale of 68,023,662 (sixty eight million twenty three thousand and six hundred sixty two) shares of the Company by Karswell Limited, with its registered office in Nicosia, Cyprus ("Karswell").

The transactions were carried out on the regulated market in the form of block transactions on June 22, 2011.

The Shareholder holds 85% interest in the share capital of Polaris.

The Shareholder holds 100% interest in the share capital of Karswell.

Prior to the transaction the Shareholder held in total 253,652,412 Company's shares constituting 72.81% interest in the Company's share capital and representing 431,198,663 votes at the general meeting of the Company, which constitutes 81.7% of the total number of votes in the Company, consisting of 10,603,750 privileged registered shares of the Company held by the Shareholder directly, constituting 3.04% in the share capital of the Company and representing 21,207,500 votes at the general meeting, which constituted 4.02% of the total number of votes in the Company, and shares held by the Shareholder indirectly:

Latest events

a) through Polaris - 175,025,000 Company's shares constituting 50.24% interest in the share capital and representing 341,967,501 votes at the general meeting, which constituted 64.79% of the total number of votes in the Company. The above-mentioned portfolio consisted of:

-166,942,501 privileged registered shares constituting 47.92% of the Company's share capital and representing 333,885,002 votes at the general meeting, which constituted 63.26% of the total number of votes in the Company,

-8,082,499 bearer shares constituting 2.32% of the Company's share capital and representing 8,082,499 votes at the general meeting, which constituted 1.53% of the total number votes in the Company.

b) through Karswell - 68,023,662 bearer shares constituting 19.53% interest in the share capital and representing 68,023,662 votes at the general meeting, which constituted 12.89% of the total number of votes in the Company.

Currently, the Shareholder holds in total 179,545,568 Company's shares constituting 51.54% interest in the Company's share capital and representing 357,091,819 votes at the general meeting of the Company, which constitutes 67.66% of the total number of votes in the Company, consisting of 10,603,750 privileged registered shares of the Company held by the Shareholder directly, constituting 3.04% shares in the Company's share capital and representing 21,207,500 votes at the general meeting which constitutes 4.02% of the total number of votes in the Company, and consisting of 168,941,818 of the Company's shares held by the Shareholder indirectly, through Polaris, constituting 48.5% in the share capital of the Company and representing 335,884,319 votes at the general meeting, which constitutes 63.64% of the total number of votes in the Company. The abovementioned portfolio consists of:

- 166,942,501 privileged registered shares constituting 47.92% of the Company's share capital and representing 333,885,002 votes at the general meeting of the Company, which constitutes 63.26% of the total number of votes in the Company,

-1,999,317 bearer shares constituting 0.57% of the Company's share capital and representing 1,999,317 votes at the general meeting of the Company, which constitutes 0.38 % of the total number of votes in the Company.

The Shareholder notified us that except for Polaris he had no any other subsidiaries which would hold the Company's shares nor was he a party to any agreements the object of which would be the transfer of the right to vote from Company's shares.

Latest events

Press release
30 June 2011

The first day of trading of Cyfrowy Polsat bonds on the Luxembourg Stock Exchange

On 28 June this year, the senior secured notes issued by a subsidiary of Cyfrowy Polsat SA - Cyfrowy Polsat Finance AB, were listed on the Stock Exchange in Luxembourg.

7.125% Senior Secured Notes due May 20, 2018 of a total nominal value of EUR 350 million - EUR 340 million coded ISIN XS0626064363 and EUR 10 million coded ISIN XS0626064017 were admitted to trading. The bonds were issued by Cyfrowy Polsat Finance AB, a subsidiary of Cyfrowy Polsat SA on 20 May 2011. Covered bonds have been awarded The ratings of Ba3 and BB-, both with stable outlook, were assigned to the Notes by Moody's Investor Service Inc. and Standard & Poor's Rating Services, respectively.

The offer of the Notes of Cyfrowy Polsat Finance AB was carried out on 3 - 6 May 2011. It raised a great interest of investors, which include, among others funds, banks and hedge funds from across the whole Europe, including Great Britain, Ireland, Germany, Austria, France, Benelux, Switzerland, Italy and Scandinavia. Demand for the Notes exceeded the offer by almost 7 times. The entries submitted under the book building by 185 accounts amounted to 2,400 million euro.

*-When offering the bonds we had an intense series of meetings with investors in Europe. The investors evaluated very well, not only our offer of bonds, development plans and achievements of the company, but also the purchase of Telewizja Polsat - said **Dominik Libicki, President of Management Board of Cyfrowy Polsat.** - We are very pleased with the ratings assigned by reputable agencies to our company and bonds. They are higher than those granted to our direct competition and show very good condition and prospects of development of the whole Cyfrowy Polsat Group – added **Libicki.***

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
27-06-2011	16.10	15.80	15.98	-0.13%	5 033
28-06-2011	16.10	15.96	16.00	0.06%	18 895
29-06-2011	16.54	16.10	16.54	3.38%	18 321
30-06-2011	16.95	16.32	16.50	-1.49%	11 157
01-07-2011	16.70	16.40	16.42	-0.48%	943

