

Cyfrowy Polsat Newsletter

29 August – 4 September 2011



The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
<p>Gazeta Wyborcza: LTE – commercial service already in Poland Upon finalization of tests of the service started on March 16, during which two thousand people tested modems and SIM cards, Cyfrowy Polsat, began selling access to mobile internet in LTE technology. The offer is targeted not only to the present Cyfrowy Polsat subscribers. - Our tests have shown that we should enlarge our target group by young people from cities over 200 thousand residents, because they are interested in this technology - said President Libicki.</p>	<p>31.08</p>	
<p>Rzeczpospolita B ed. II: Solorz’s company is to be a leader Dominik Libicki, President of Cyfrowy Polsat, announced that the platform has 3.5 million subscribers. He added that next year in the first three quarters, the company will work to maintain the customer base, the increases will occur in the fourth quarter. For the first time, the published results of the platform included the results of Telewizja Polsat acquired for PLN 3.75 billion. The revenue of the Group amounted to PLN 1.04 billion and the net profit to PLN 146 million in the first half of the year. The value of Polsat brand was initially estimated at PLN 840 million.</p>	<p>01.09</p>	<p>Dziennik Gazeta Prawna: Platforms will fight for 1 million customers Cyfrowy Polsat, Cyfra+ and "n" platform prepare for the autumn offensive. According to Dominik Libicki, President of Cyfrowy Polsat, there will be about 1 million new customers to gain over the next three years. In the last months of the year CP will bet on the sale of integrated services: television, mobile telephony and recently launched high-speed LTE Internet offer. Libicki has announced a new strategy: after the acquisition of Telewizja Polsat, the operator is to be the leader of the entertainment market in Poland. The company has a chance to attract the greatest number of customers in the last quarter of this year, and a total of between 300 thousand and 350 thousand subscribers in the second half of the year. Then CP would end the year with more than 3.8 million customers. "n" platform, owned by TVN, hopes to increase customer base to 900 thousand from the current 826 thousand. Cyfra +, which does not provide Internet access, might be in the most difficult situation.</p>



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<p>Puls Biznesu: Polsat gains at the expense of TVP Cyfrowy Polsat published financial results after the acquisition of Telewizja Polsat. The listed company noted net profit of PLN 69.5 million in the second quarter of this year, (yoy growth of 4%), EBITDA doubled to PLN 218 million. Revenues increased by 67% to PLN 629 million. Increasing coverage of Polsat channel brought financial benefits greater than expected.</p>	<p>01.09</p>	<p>Dziennik Gazeta Prawna: Entrepreneur registering TV will pay PLN 100, instead of PLN 10 thousand. According to the draft regulation on fees for entries to the register of television channels, the application fee to register Internet TV or TV broadcasted through modern platforms, available online, will amount to PLN 100. New regulations were prepared by the National Broadcasting Council. The register will include the modern Internet TVs and DTH platforms, including "n" platform, Cyfrowy Polsat and Cyfra +. Platforms will pay PLN 100 for each broadcasted channel. Up to now, they had to pay a concession fee, which could amount up to PLN 10 thousand.</p> <p>Puls Biznesu: Vivendi wants mainly "n" platform The sale of TVN may begin the consolidation of satellite platforms. Everybody talks to each other. Vivendi Group, invited to talks over the purchase of TVN Group, is mainly interested in buying "n" platform. In Poland, the French company has Canal Plus and satellite platform Cyfra Plus. Recently, Maciej Witucki, President of Telekomunikacja Polska (Polish Telecom), did not exclude TP to be interested in the platform, and the president of France Telecom (controlling TP) has declared that the company may buy a minority stake in TVN Group.</p>



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<p>Rzeczpospolita ed. II: Pay and watch the fight between Adamek and Kliczka</p> <p>For the first time in Poland, the fight will be shown in the pay-per-view system. Cyfrowy Polsat will broadcast the fight in two formats - traditional (SD) and high definition (HD). In addition, upon the end of the gala, the recording will be available for 14 days in „Strefa Wideo” (catch-up TV provided by the operator) for free to all who placed the order for the fight in PPV.</p>	03.09	<p>Rzeczpospolita B ed. II: Technology</p> <p>According to Andrzej Rogowski, President of Multimedia Polska, the third largest (by the number of subscribers) cable TV network in Poland, in several weeks the Management Board will decide on the company’s strategy for subsequent years. The cable operator reported that it ended the first half of the year with PLN 303 million revenue and net profit of PLN 35.4 million. At the end of June, the operator had 726 thousand subscribers, out of which 380 thousand used also Internet access services.</p>

Latest events

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Registration of merger of Cyfrowy Polsat S.A. with mTEL Sp. z o.o.

The Management Board of Cyfrowy Polsat S.A. ("Cyfrowy Polsat" or "Taking-over Company") announces that on August 31, 2011 it received a decision of the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division for the National Court Register dated August 31, 2011 regarding the registration of merger of the Company with mTEL Sp. z o.o. seated in Warsaw, address: Domaniewska 37, 02-672 Warsaw, Poland, registered in entrepreneurs register kept by the District Court for the Capital City of Warsaw in Warsaw, XIII Business Division of the National Court Register, under the number KRS 0000008837 ("mTEL" or "Acquired Company").

The merger was effected by:

- (i) transferring to Taking-over Company - as the sole shareholder of Acquired Company - all the assets of Acquired Company by the way of universal succession, and
 - (ii) termination of Acquired Company without liquidation,
- in accordance with article 492 §1 item 1) KSH.

As a result of the merger, Cyfrowy Polsat - in accordance with article 494 §1 KSH assumed all rights and obligations of mTEL, effective on the date of the merger.

Given that before the merger, Taking-over Company held all the shares of Acquired Company, and according to article 515 §1 KSH, the merger was effected without increasing the share capital of Taking-over Company.

The detailed terms of the merger, were specified in the Merger Plan prepared on June 17, 2011 and published on July 4, 2011 in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) no 127, item 8632.

Press Release 30 August 2011

Cyfrowy Polsat launches LTE - the fastest mobile Internet in Poland

Upon successful completion of consumer tests of LTE, edge technology of mobile broadband Internet access, on August 30, Cyfrowy Polsat launches commercial LTE service. LTE Internet of speed up to 100 Mb/s is available from PLN 30 per month. Services are delivered using Huawei's modern modem that supports both technologies of Internet access provided by Cyfrowy Polsat - LTE 1800 and HSPA + 900.

(...)

Latest events

- I am convinced that the future of Internet access market in Poland belongs to mobile technologies, that will be increasingly important for Polish consumers. In the long run, services characterized by LTE parameters, will revolutionize the market and will establish a fair competition with cable Internet - highlights Dominik Libicki, President of Cyfrowy Polsat SA.

-(...)

Press Release
31 August 2011

Cyfrowy Polsat recorded increases in the second quarter of 2011

Cyfrowy Polsat Group presented an increase in operational results and very good financial results in the second quarter of this year, which were influenced by both consolidation of the results of Telewizja Polsat Group from April 20, 2011 and the fast-developing "old" Cyfrowy Polsat Group. The number of subscribers of all three services offered by the platform increased - to 3.47 million subscribers to pay digital satellite TV, 130 thousand of MVNO users and 43 thousand HSPA + Internet customers. The Company recorded a few percent increase in revenue and ARPU, and remained low churn rate of 9.1%. Telewizja Polsat Group also showed an increase in operating results - audience share increased to 21.2% and advertising market share to 23%.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Volume (PLN ths.)
29-08-2011	15.30	14.84	14.99	1.28%	6 179
30-08-2011	15.39	15.00	15.24	1.94%	17 351
31-08-2011	15.35	14.76	15.00	-1.51%	112 476
01-09-2011	15.08	14.51	14.75	-1.67%	11 135
02-09-2011	14.85	14.50	14.72	-0.20%	2 830

