

Cyfrowy Polsat IR Newsletter

29 October – 4 November 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	29.10	<p>Puls Biznesu: Solorz: repayment of debt is the priority Polkomtel will save more than planned. This will allow the company to better handle the multi-billion debt while facing the deteriorating indicators. In the latest report, Deutsche Bank (the leader of the consortium providing the loan for the acquisition of Plus) estimates that this year Polkomtel will prepay PLN 750 million of the debt. <i>-The attractiveness of investing in Polkomtel is based not on the growth perspectives of the company, in which we forecast increases only in 2014, but on the growing profitability thanks to optimizing costs - wrote Deutsche Bank analysts.</i> According to them, Polkomtel increases the scale of economies – in 1 – 1.5 year, its EBITDA should gain on that PLN 250 million instead of previously planned PLN 150 million.</p> <p>Dziennik Gazeta Prawna: Tellenbach’s difficult mission The lowest valuation in history, shrinking market, layoffs, merger of n platform with Cyfra+ and the pressure from the new French shareholder. President of TVN faces some very difficult months.</p>
	31.10	<p>Dziennik Gazeta Prawna: There will be a fierce struggle for LTE Why is high speed internet in Poland still a tune of the future? <i>- In terms of fixed broadband we are at the tail end of EU. Mobile connections seem much better as in this category we are above the European average. According to EU digitalization strategy, by the end of 2020 all residents of the continent should be able to access the global network with a speed of at least 30 Mbps. We face significant investments. We have designed EUR 1.5 billion of the public funds for the development of broadband networks, the private sector will contribute another EUR 1.5 billion. The fast fixed connections are based on fiber, the mobile on LTE. Currently the Office of Electronic Communications is carrying out the tender for 1800 MHz frequencies, 800 MHz frequencies will be the issue of next year – explains Magdalena Gaj, president of the Office of Electronic Communications.</i></p>

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	31.10	<p>Dziennik Gazeta Prawna: More self-promotion for TVP, TVN and Polsat It will be easier for televisions with Polish licenses to compete with those operating based on foreign ones. The National Broadcasting Council of Poland (KRRiT) wants that the stations could broadcast twice as much self-promotional spots as it is allowed now. The regulator intends thus to give an equal chance for the Polish broadcasters in the competition with numerous foreign televisions, that are not bind by the restrictions. The representatives of televisions ensure that this will not cause the schedule to be flooded by self-promotion. After the change in regulations, it will be allowed to break every hour of a program with 12 minutes of advertising and 4 minutes of self-promotion.</p>
<p>Dziennik Gazeta Prawna: Zeebox or death, the future of television Internet forces television to changes. Diametrical changes. As the way of making profits established for decades ceases to work. Cyfrowy Polsat has acquired Ipla, application that is a web library of content mainly from Polsat and its thematic channels but also from the external broadcasters. It even offers live programs. And it enables watching the content on smartphones and tablets. <i>- Along with the development of technology, customers will not consider how we deliver television to their homes. Therefore our strategy assumes delivering entertainment using all possible platforms – explains Dominik Libicki, president of Cyfrowy Polsat. Ipla will not become a serious source of revenue for the company any soon, but for many customers it may be a key factor while deciding to pay for Cyfrowy Polsat instead of Cyfra+.</i></p>	02.11	

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	03.11	<p>Rzeczpospolita: Digital viewer watches increasingly more channels</p> <p>Thanks to digital multiplexes, TV viewers got the access to numerous new channels. Main players on the market must fight stronger for the audience.</p> <p>Growing number of channels makes the attention of viewers spread between more stations. The younger the viewer, the more channels he or she watches.</p> <p>There are about 5 million viewers that have switched to digital signal, about 4.6 million still receive the analogue signal and about 26 million are connected to cable or digital platforms.</p>

Latest events

**Current report no 25,
October 31, 2012**

Notice of intention to merge Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o.

The Management Board of Cyfrowy Polsat S.A. ("Company", "Cyfrowy Polsat" or "Taking-over Company"), in accordance with article 504 § 1 and § 2 of the Polish Commercial Companies Code ("PCCC"), informs the Shareholders of Cyfrowy Polsat on the planned merger of Cyfrowy Polsat and Cyfrowy Polsat Technology Sp. z o.o. seated in Warsaw, address: 4a Łubinowa Street, 03-878 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 0000254220 ("CPT" or "Acquired Company"), in which Cyfrowy Polsat S.A. holds 100% of share capital.

The merger will be 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) PCCC.

As a result of the merger, Cyfrowy Polsat - in accordance with article 494 §1 PCCC will assume all rights and obligations of CPT, effective on the date of the merger.

Given that Taking-over Company holds all the shares of Acquired Company, and according to article 515 §1 PCCC, the merger will be effected without increasing the share capital of Taking-over Company.

The detailed terms of the merger, were specified in the Merger Plan prepared on October 19, 2012 and published on October 25, 2012 in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) no 208, item 13971.

The Management Board of Cyfrowy Polsat also informs, that the following documents:

1. Merger Plan,
2. Financial Statements and Management Board's Reports on Activities of the merging companies for the last three financial years, together with opinion of the independent auditor and report supplementing the auditor's opinion (if opinion or report was issued),
3. Draft resolution of the General Meeting of Taking-over Company concerning the merger,
4. Draft resolution of the Shareholders Meeting of Acquired Company concerning the merger,
5. Valuation of assets and liabilities of Acquired Company as at September 30, 2012,
6. Statement containing information on accounting condition of Acquired Company as at September 30, 2012

Latest events

("Merger Documents") will be available for inspection for Cyfrowy Polsat shareholders from the date of publication of this announcement, that is October 31, 2012 until the date of appointment of the resolution regarding the merger.

Pursuant to article 499 § 4 of the PCCC, with regard to the fact that the Taking-over Company is a public listed company and in line with the regulations on public offering and conditions for introducing financial instruments to organized trading system and on public companies, it publishes and presents to shareholders semi-annual financial reports, no declaration has been drafted that would include information on the book value of the Taking-over Company.

Merger Documents will be available in Cyfrowy Polsat Headquarters, at 4A Lubinowa Street in Warsaw, building B1, room no 118, from Monday to Friday from 9.00 am to 4.00 pm.

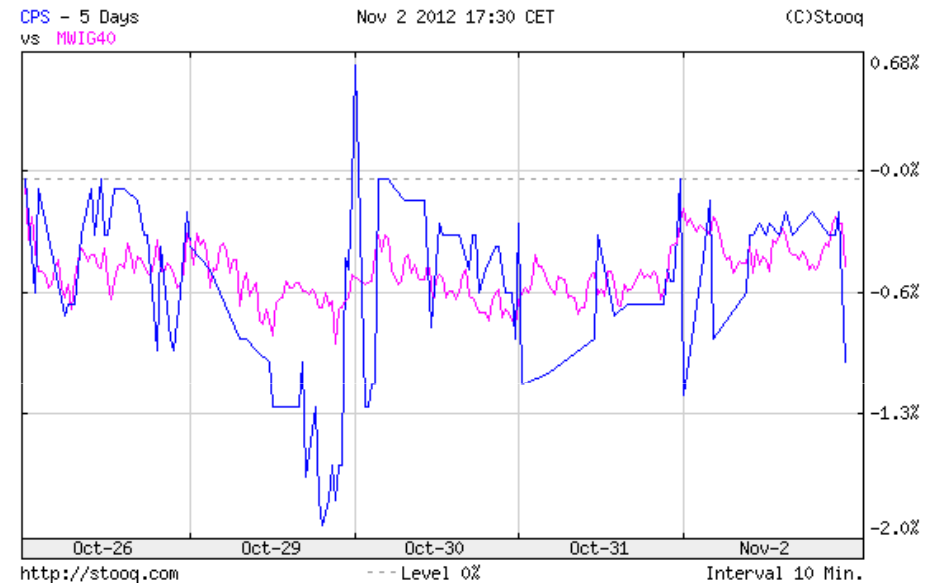
Cyfrowy Polsat Shareholders may request copies of Merger Documents free of charge in Cyfrowy Polsat Headquarters.

The completion of the planned merger is subject to the consent of the financial institutions pursuant to the Senior Facilities Agreement signed by the Company on March 31, 2011, on which the Company informed in the current report no 11/2011 dated March 31, 2011.

This notice is the first notice.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
29-10-2012	14.49	14.20	14.49	0.14%	1 896
30-10-2012	14.60	14.30	14.36	-0.90%	954
31-10-2012	14.50	14.32	14.50	0.97%	856
02-11-2012	14.50	14.32	14.50	0.97%	529



Investors' calendar

31 October – 14 November 2012	Closed period prior to the publication of Q3 2012 results
14 November 2012	<p>Publication of report for Q3 2012</p> <p>Schedule of publication of the results for Q3 2012:</p> <p>7:00 am Publication of the quarterly report in ESPI (WSE publishing system)</p> <p>8:00 am Publication of the quarterly report on our website: www.cyfrowypolsat.pl/investor-relations</p> <p>10:00 am Meeting with investors and analysts</p> <p>12:00 pm Meeting with journalists</p> <p>16:00 pm (CET) Conference call with investors and analysts</p> <p>Details of conference call:</p> <p>Date: 14 November 2012</p> <p>Time: 4.00 pm (Warsaw), 3.00 pm (London), 10.00 am (New York)</p> <p>Phone numbers: +44 (0) 1452 555 566 (international); 22 307 0118 or 00 800 121 2655 (Poland)</p> <p>Conference ID: 60281855</p>