



**Conditional transaction
regarding acquisition of
Metelem Holdings Limited,
indirectly controlling
Polkomtel Sp. z o.o.**

**Extraordinary General Meeting
of Cyfrowy Polsat S.A.
16 January, 2014**

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The historical financial information relating to Metelem Holdings Ltd and Polkomtel Sp. z o.o. included in the Presentation was prepared in accordance with International Financial Reporting Standards as adopted by the European Union (the "**IFRS**"). The historical financial information relating to the Company was prepared in accordance with the IFRS.

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1

Acquisition of Polkomtel



- **On November 14, 2013 and December 19, 2013 Cyfrowy Polsat concluded conditional agreements to acquire Metelem Holdings Limited, company indirectly controlling 100% shares in Polkomtel Sp. z o.o.**

- Attractive valuation

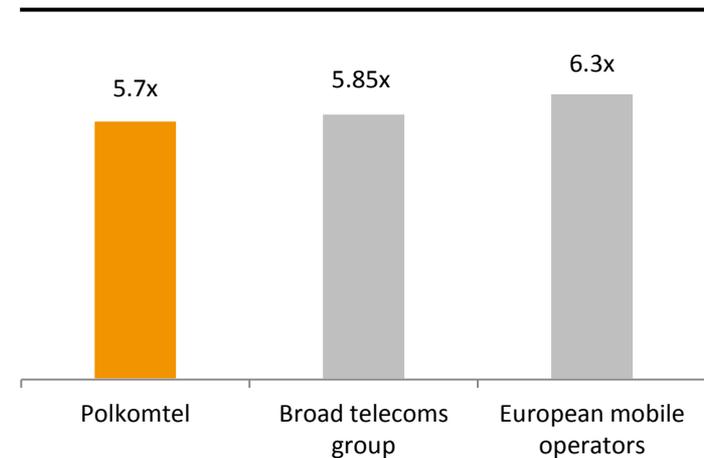
- Completion subject to following, most significant conditions:
 - EGM approval on conditional share capital increase
 - Registration of conditional share capital increase
 - Approval by the Polish Financial Supervision Authority (KNF) of the prospectus on the issue of new shares
 - Refinancing of Cyfrowy Polsat's current debt

Valuation approach

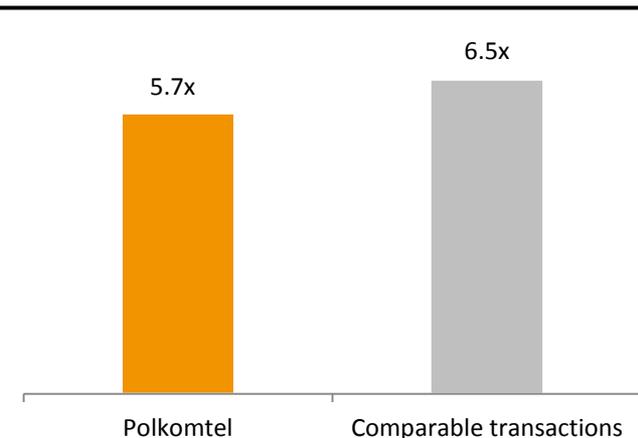


- Value, based on a DCF valuation, accounts for the market value of Metelem group debt
- Comparison of all multiples for peers and comparable transactions, used for valuation purposes, accounts for the balance sheet value of debt
- All methodologies imply a fair valuation
- An independent opinion issued by EY, an advisory firm, confirms that the proposed purchase price for the contemplated transaction is fair from the financial point of view to the shareholders of Cyfrowy Polsat as a whole
- Valuation does not include synergies

Peer group valuation⁽¹⁾



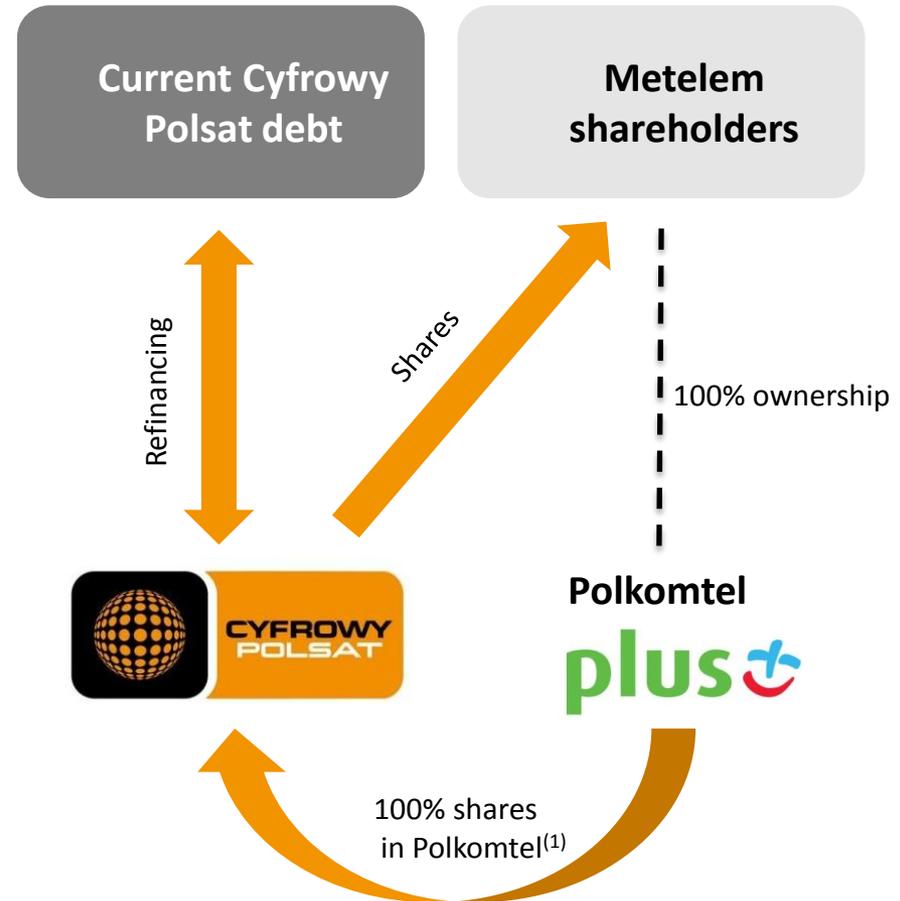
Comparable transactions



Key terms of the transaction

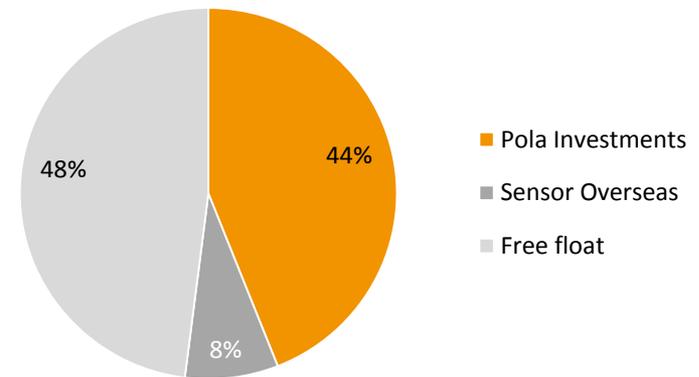


- Cyfrowy Polsat agreed in negotiations on the acquisition price of Metelem at PLN 6.15bn through negotiations (equity value)
- The payment will be made in the form of new shares for Metelem shareholders
- Assuming all assets and liabilities of Metelem (including net debt of PLN 10.2bn)

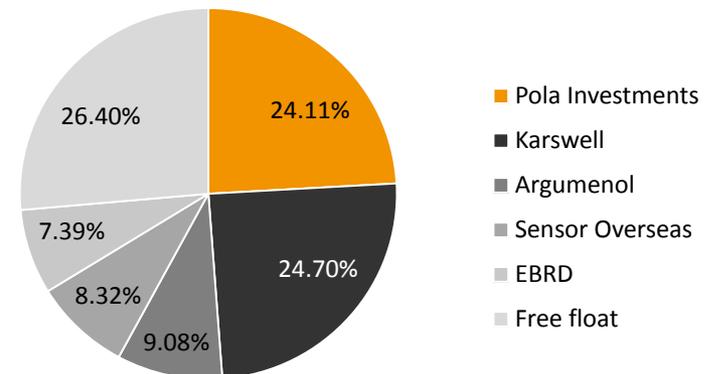


- 
 Number of new shares issued
291,193,180
- 
 Agreed issue price of
PLN 21.12⁽¹⁾ per share
- 
 New shares will constitute
45.53% of the share capital
and 35.55% of voting rights
- 
 The new shares will trade on
WSE on completion

Before the transaction (shares)



After the transaction (shares)



Combining two profitable businesses



PLN billion			Combined ⁽¹⁾
Revenue	2.86	6.81	9.65
EBITDA⁽²⁾	1.02	2.85	3.87
EBITDA margin	35.6%	41.8%	40.1%
Operating Cash Flow	0.72	2.90	3.62
Net Debt	1.82	10.17	11.99
Net Debt / LTM EBITDA	1.78x	3.57x	3.10x

Source: LTM 3Q'13 pro forma, Cyfrowy Polsat, Metelem, consolidated financial statements and internal analysis, unaudited

Note: (1) Rounding (2) We define EBITDA as net profit/(loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net book value of disposed property, plant and equipment, interest income, finance expenses, foreign exchange gains and losses, income taxes and share of results of jointly controlled entities. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets as well as net book value of disposed property, plant and equipment

- Anticipating and addressing changes in the market environment and in customer preferences
- Opportunity to improve operational and financial results
 - Portfolio of complementary products and services, which would be hard to replicate and offers strong upselling potential
 - Significant revenue and cost synergies
- Sustainable value creation for our shareholders
- Potentially in top 10 of Polish listed companies by market cap and a leading regional media/telecoms company

Meetings with **53** representatives of the Polish capital market during the first three days following the announcement of the transaction

78 meetings with representatives of foreign investment funds during a **2-week** roadshow

Positive reception – lack of opinion from Shareholders undermining the valuation of the acquired entity and conditions of the transaction

6 analytical reports issued since the announcement of the transaction, **5** recommend to **buy** Company shares, average value **PLN 23.3**

2

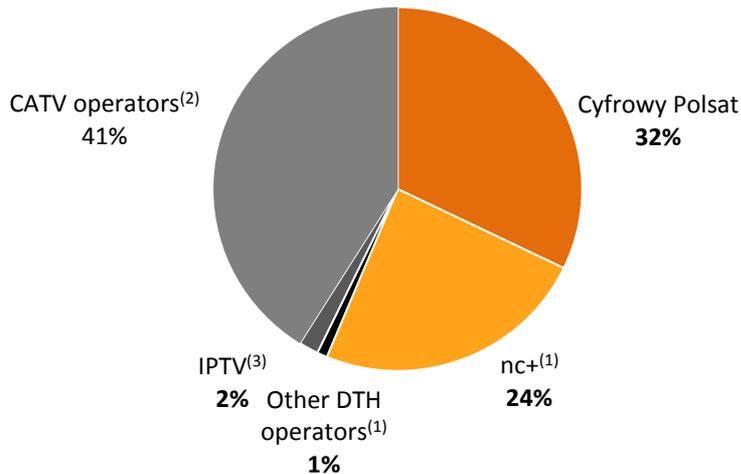
The acquisition in context

Cyfrowy Polsat group today (1)

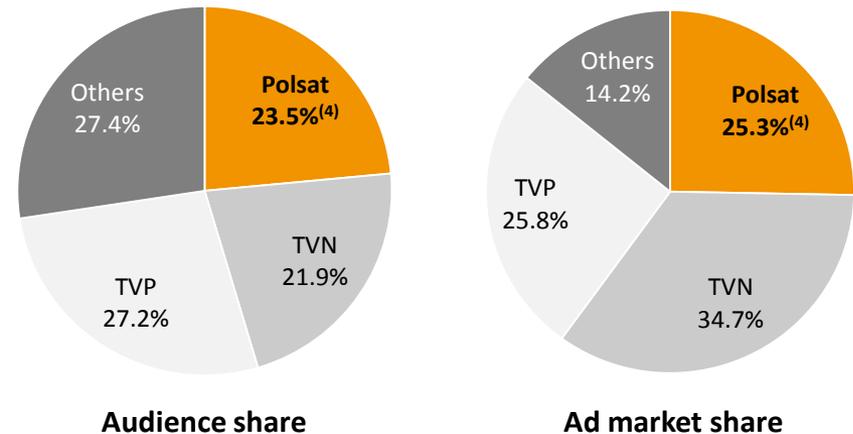


 We are the largest multimedia group in Poland

Cyfrowy Polsat share of pay-TV market



TV Polsat share of audience and ad market⁽⁴⁾



Source: NAM, 2012, all, 16-49, all day, % share; Starlink, advertising spots and sponsoring, internal analysis (TV Polsat for own data and Starlink for other TVs)

Note: (1) Based on own estimates and data published by operators (Annual reports of TVN S.A. Group and TP S.A. Group for 2012)

(2) Based on own estimates and data published by PIKE

(3) Based on own estimates and data published by operators (Annual reports of Telekomunikacja Polska S.A. Group and Netia S.A. for 2012)

(4) Includes shares of TV4 and TV6 channels

Cyfrowy Polsat group today (2)



● No.1 player in pay-TV market with 3.5m subscribers



● Leading television group with ca. 25% market share



● No.1 online video platform, with ca. 4m users



● Pay mobile TV offer using DVB-T technology



● The only DTH operator offering LTE

...the most profitable media company in Poland

Entertainment market leader in Poland.

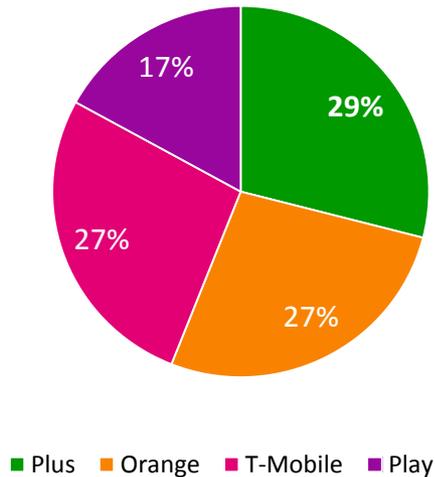
We create and provide the most attractive content, using the best and latest technologies, to deliver high quality multi-play services with the highest levels of customer satisfaction.

Polkomtel group today (1)

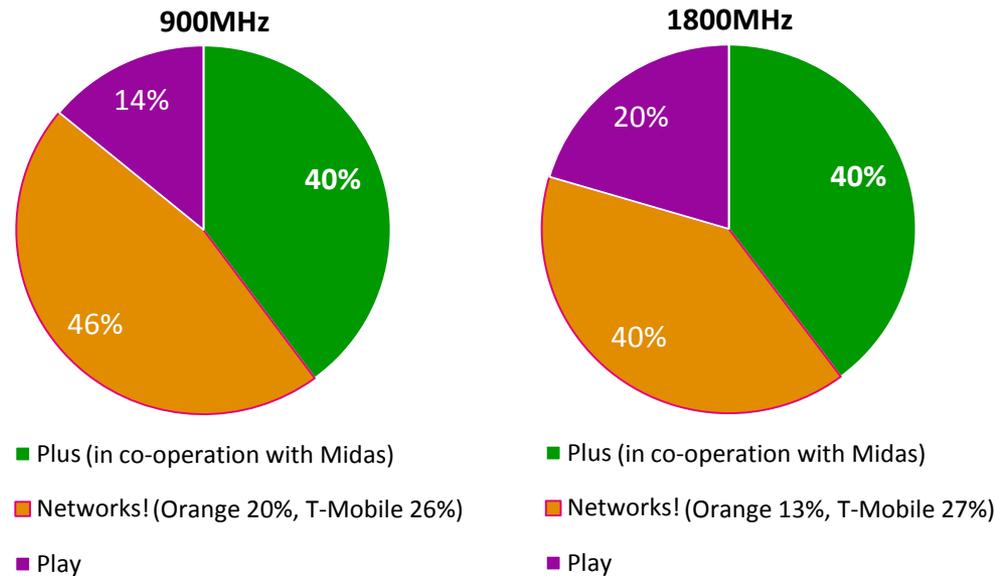


Leading mobile operator in Poland with 14.1m customer base

Polkomtel share of contracted customers⁽¹⁾



Spectrum: current situation⁽²⁾



Source: (1) Operators' financial reports, does not include MVNO operators, Q3'13
(2) Based on Office of Electronic Communications



- 7.4m contracted subscribers
- Focuses on delivering the newest technologies to customers
 - Ca. 3m smartphone users
 - More than 3m customers actively using data service
 - Potential for new products and services (eg. banking, insurance, smarthome, energy, health, monitoring, etc.)

...the most profitable mobile operator in Poland

Combination creates the leader



3.5m households
representing **11.2m**
individuals



Best content &
national coverage



4m users
30% streams via
tablets & smartphones



14.1m customers



Attractive spectrum
& national coverage



30% of smartphone
and tablet users

+

=



**MARKET
LEADER**



Unique offering



	nct+	upc	T-Mobile	orange™	PLAY	CYFROWY POLSAT	plus	plus+
Key content	X	—	—	—	—	X	—	X
Smartphones	—	—	X	X	X	—	X	X
In-Home								
Video	X	X	—	X	—	X	—	X
Broadband	—	X	X	X	X	X	X	X
Voice	—	X	X	X	X	—	X	X
Out-of-Home								
Video	X	—	—	X	—	X	—	X
Broadband	—	—	X	X	X	X	X	X
Voice	—	X	X	X	X	—	X	X

Source: Operator's websites; products and services provided with its own infrastructure, or using MVNO model

Entertainment and telecoms market leader in Poland.

We will continue to produce and deliver the most attractive content and telecoms services, using the best and the latest technologies, in order to provide high quality multi-play services which address changing needs, while maintaining the highest levels of customer satisfaction

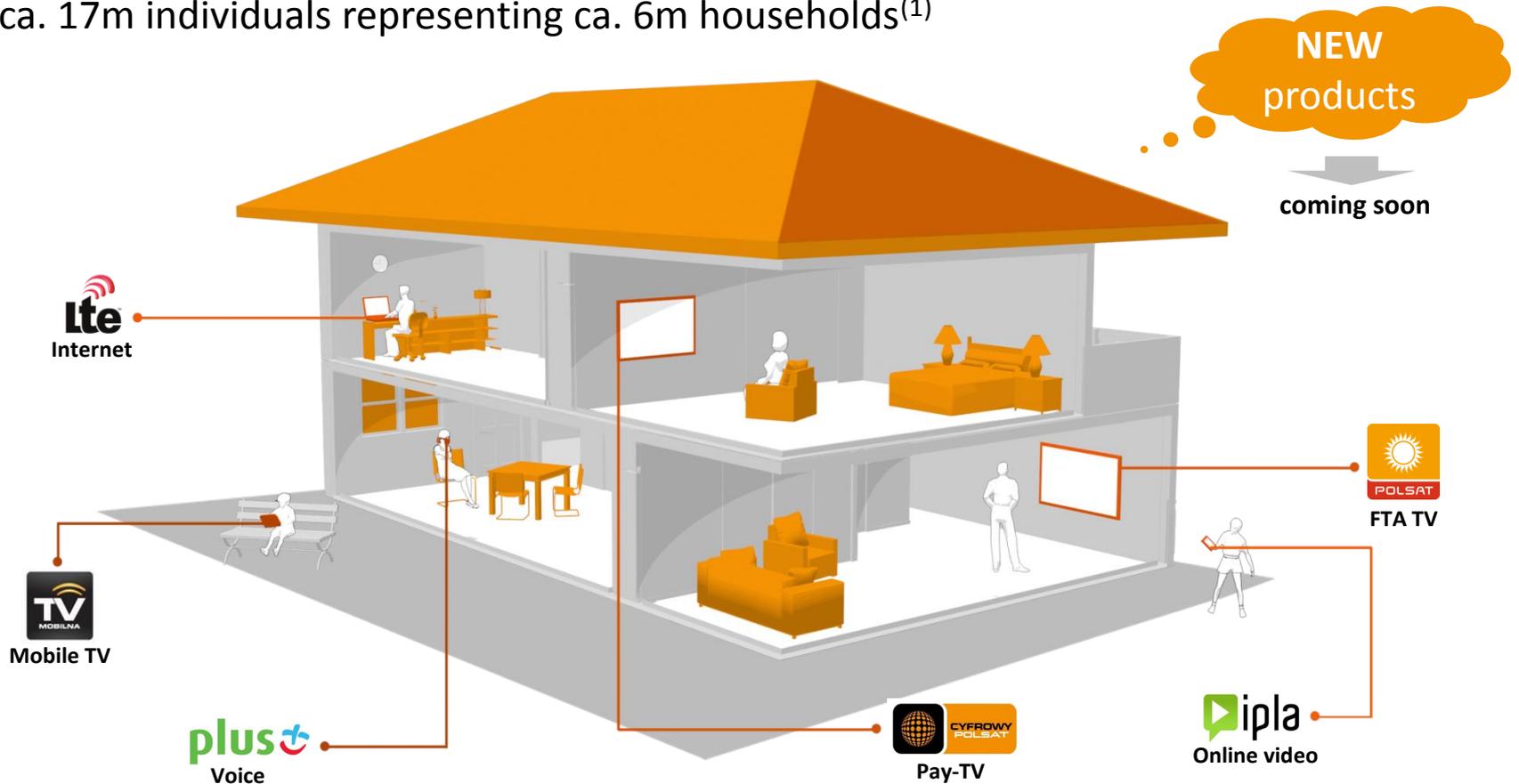
3

**Our enlarged
addressable market**

Fast growing market for home services



- Combined customer base creates an opportunity to address our products to ca. 17m individuals representing ca. 6m households⁽¹⁾

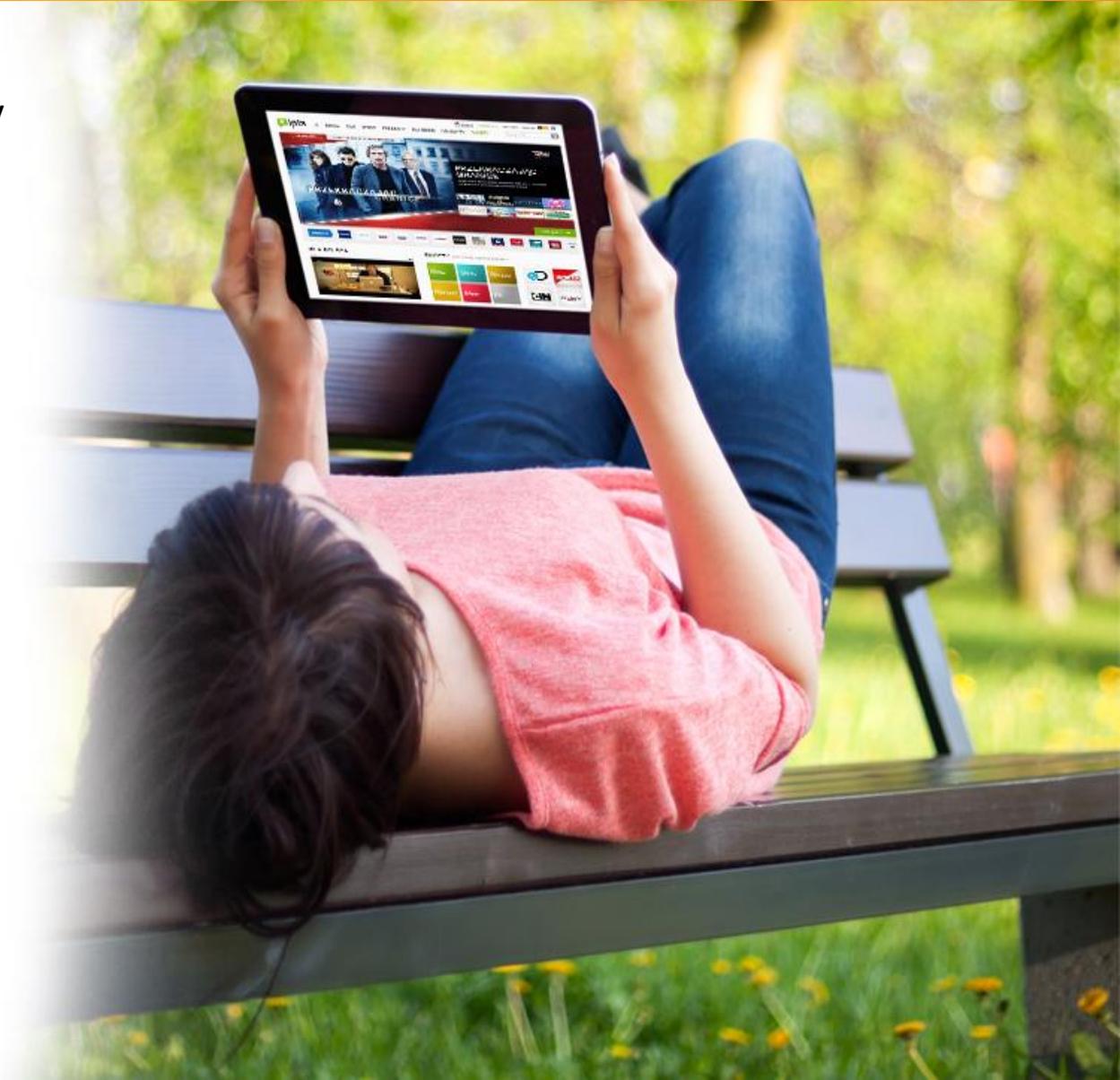


- With ca. 4 devices in every house, our enlarged market is now ca. 25m devices and growing

Changing customer behaviour (1)



- Consumers are increasingly watching video on a range of devices – at home as well as outside



Changing customer behaviour (2)



- Consumers are increasingly multi-tasking using a range of devices – while watching TV



Changing behaviour drives data growth

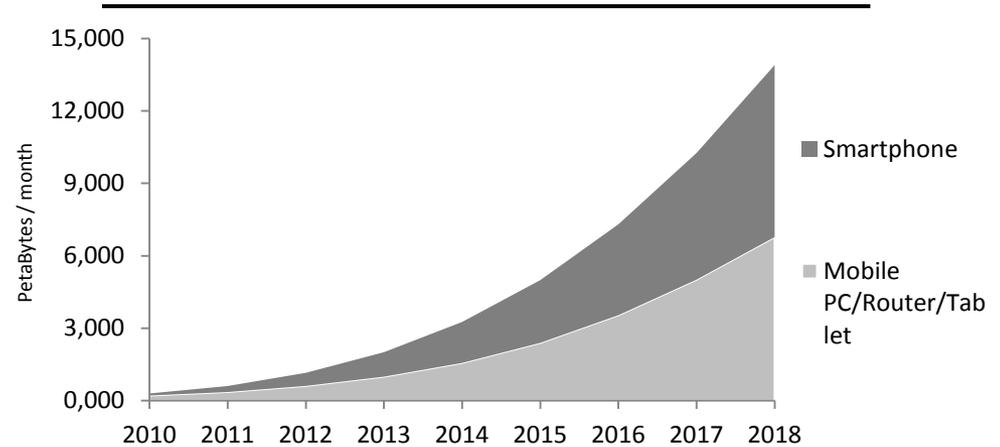


Video consumption on smartphones drives data volumes and penetration of these devices on the market

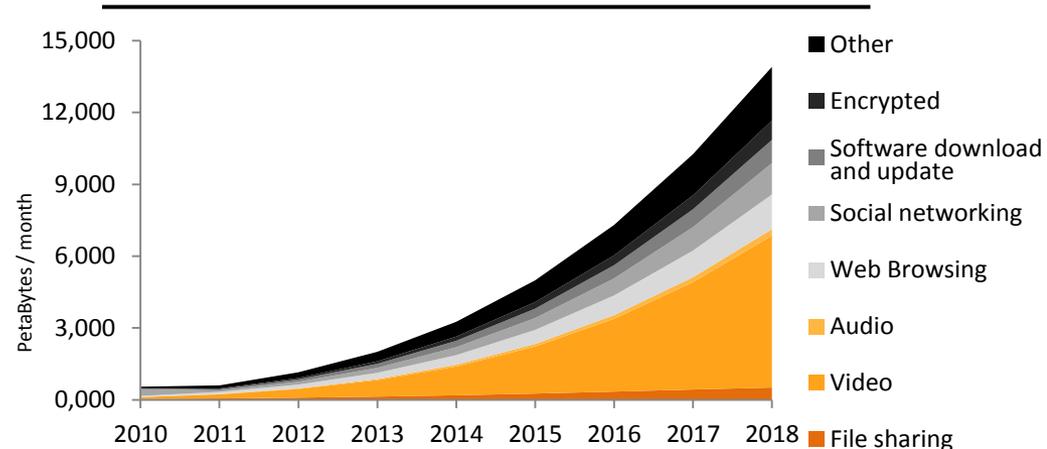
- Number of smartphones in Poland expected to reach ca. 13.5m in 2013, ca. 100% growth YoY⁽²⁾

Controlling the attractive content together with the right technology and proper devices is a key to success

Data consumption trends by devices⁽¹⁾



Data consumption trends by application⁽¹⁾



Our content and our technology



Content

PRODUCED IN HOUSE



ACQUIRED



Distribution

SATELLITE

DTH

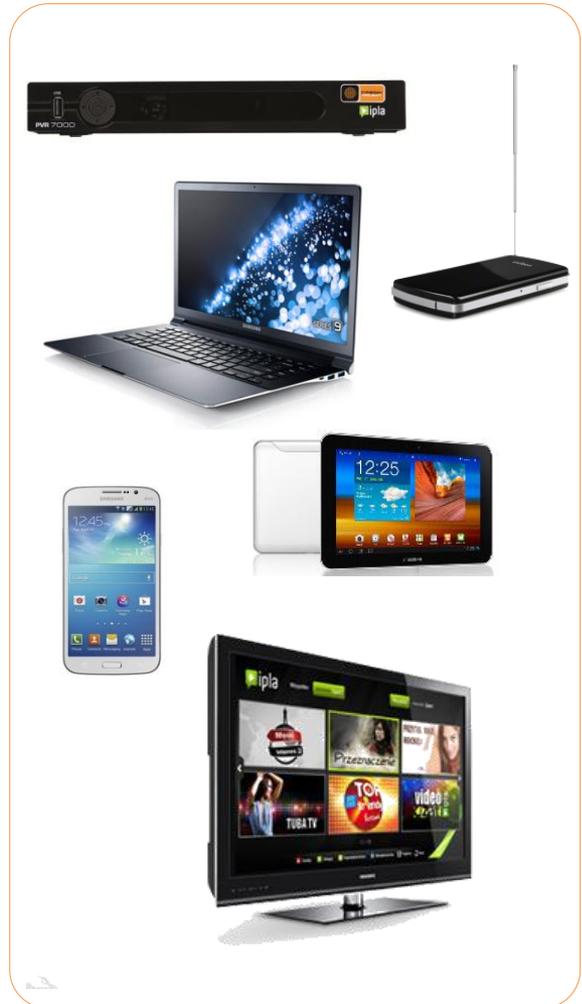
TERRESTRIAL

DVB-T

MOBILE

2G, 3G, 4G, LTE

Devices



Our mobile data reach

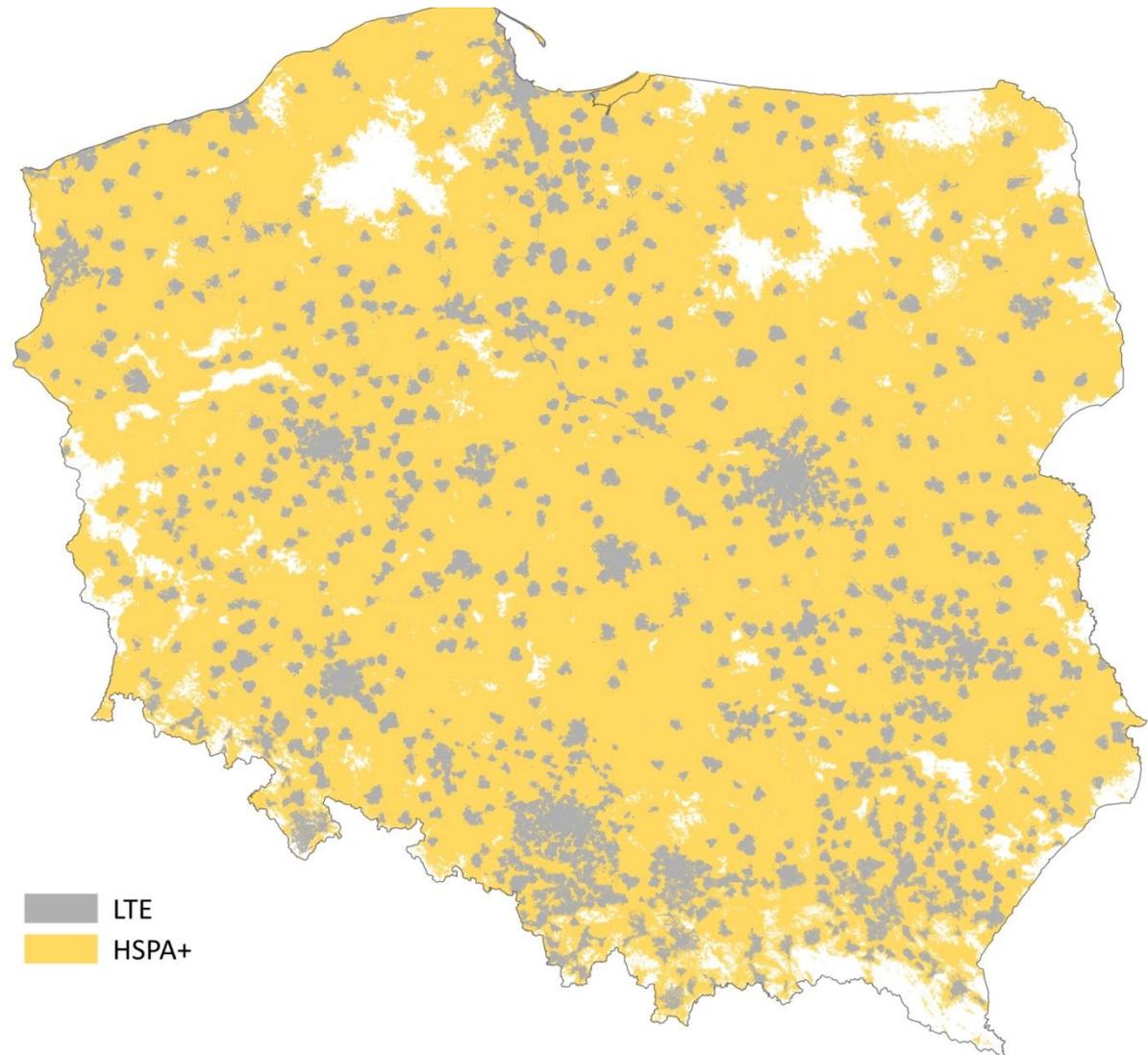


Current coverage:

- LTE - 62%
- HSPA/HSPA+ - 98%

Rollout plan for 2014:

- LTE - 66%
- HSPA/HSPA+ - 99%



Our strategy remains unchanged



The Polkomtel acquisition is a great opportunity to significantly accelerate the execution of our strategy

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Polkomtel and the mobile market

Leading mobile operator



14.1m customers, including 7.4m contracted

Fast growing number of smartphone, tablet and laptop users

Ahead of the market in LTE roll-out

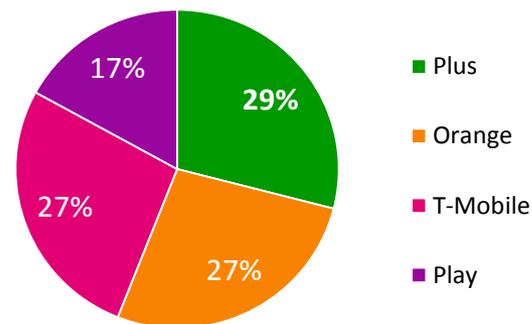
Strong financial profile, highly cash-generating asset

Attractive customer base

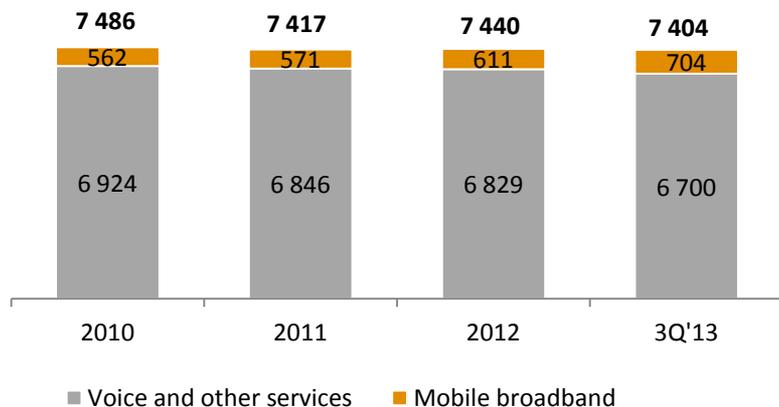


- Polkomtel consistently leads the market in contracted subscribers
- Mobile broadband provides a platform for future growth

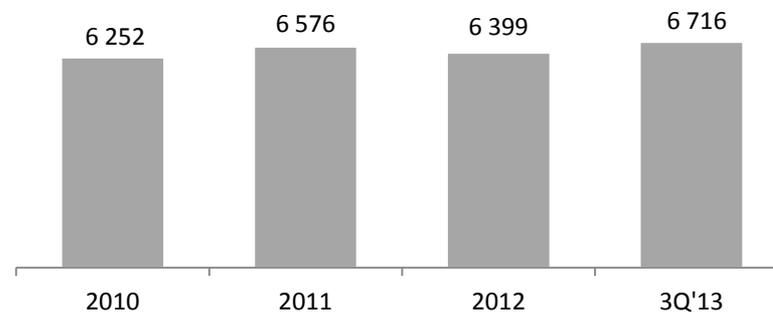
Share of contracted subscribers segment⁽¹⁾



Contracted subscriber base (k)

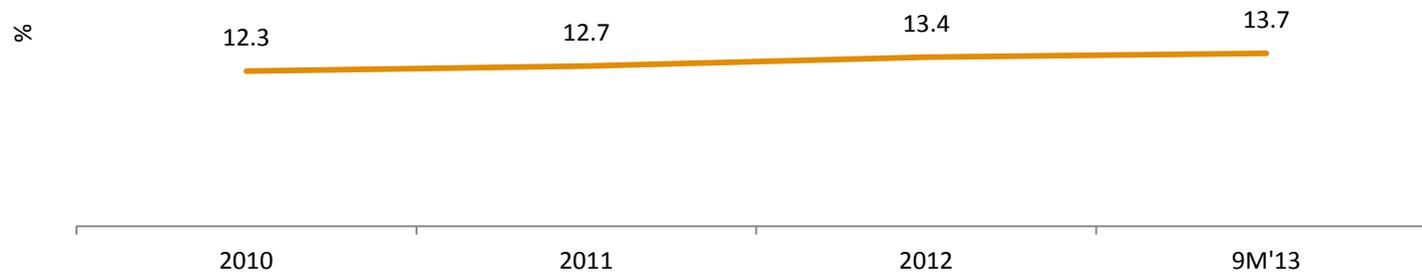


Pre-paid customer base (k)



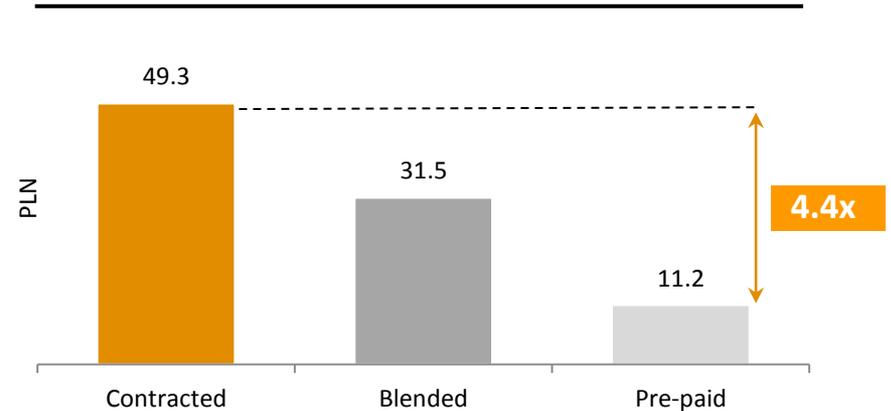
- Stable churn due to high customer satisfaction

Contracted subscriber churn rate (12M)

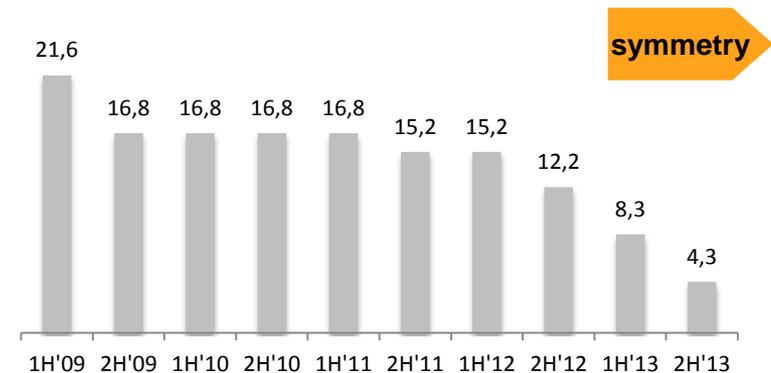


- Contracted subscribers provide attractive revenue and a more stable overall business performance
- Changes in regulation negatively affected inbound ARPU⁽²⁾
- But this effect applied to the entire market – and the biggest changes are behind us

ARPU (retail)⁽¹⁾ – YTD 3Q'13



MTR (voice) development⁽³⁾



Source: Polkomtel, UKE

Note: (1) Retail ARPU relates only to revenues from subscriptions and outbound calls; (2) Inbound ARPU from incoming calls is regulated by interconnect rates

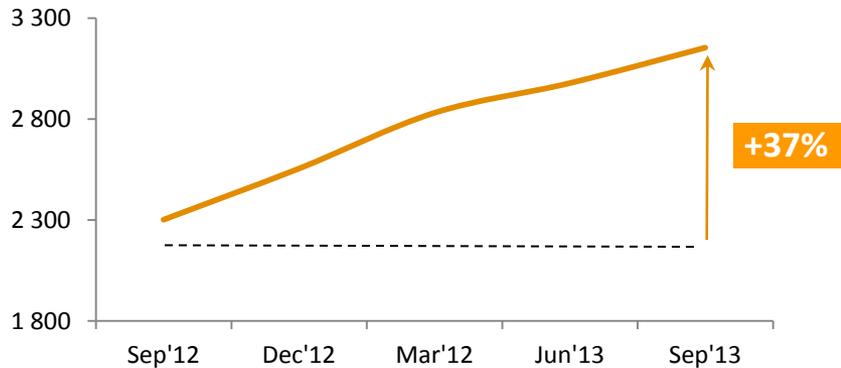
(3) Interconnect rates for incoming calls for incumbent operators (Plus, T-Mobile, Orange), Play starting from 1H'13

Growth in data

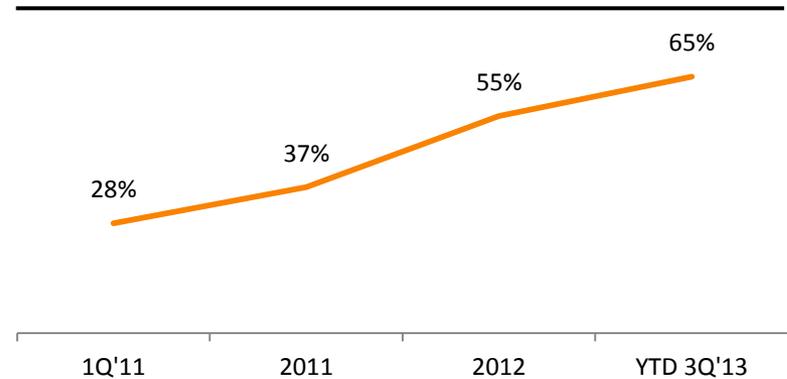


- Improving technology and increasing reach of our data services (with LTE) support rapid take-up of devices and a fast growing active user base
- Growth directly translating in to additional revenue streams

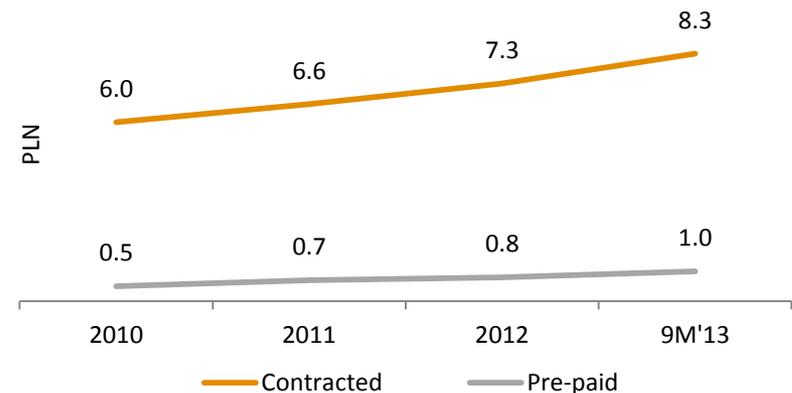
Active data user development (k)⁽¹⁾



Smartphones as % of handsets sales



ARPU from data transmission (outbound)⁽²⁾



Source: Polkomtel

Note: (1) Includes contracted mobile broadband subscribers as well as other subscribers that transferred at least 1MB within the specified month

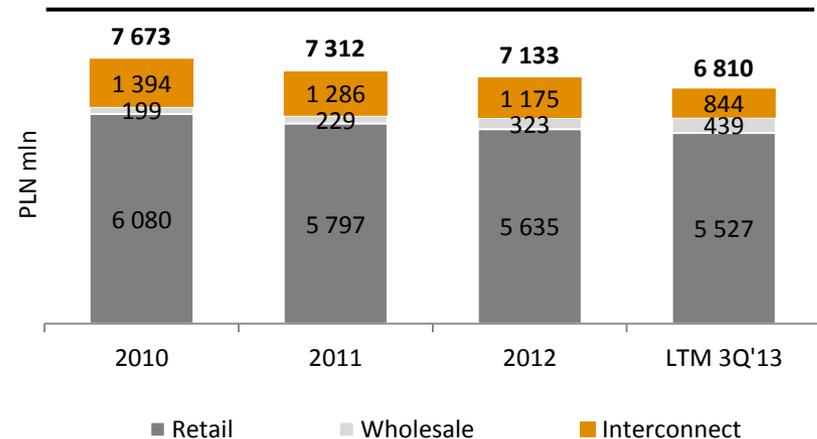
(2) Retail ARPU from data services relates to total revenue from these services, divided by the total number of customers, both contracted and pre-paid

A stable and highly efficient business

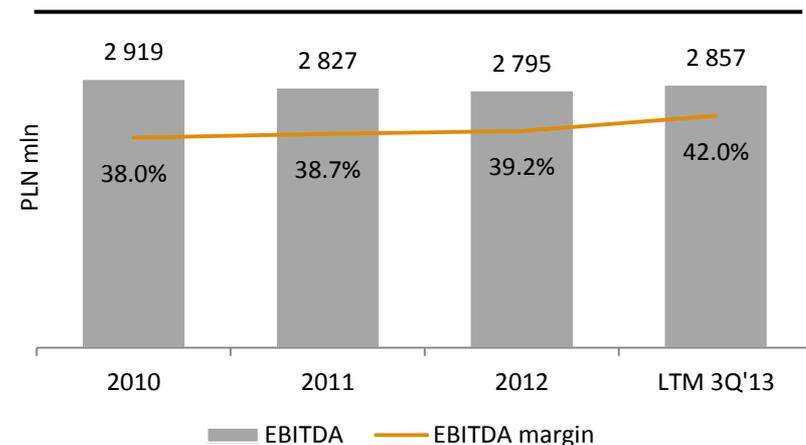


- Retail and wholesale revenues combined are stabilising
- Total revenue across the market has been affected by interconnect regulations – but the majority of the impact is behind us
- Consistently strong EBITDA performance supported by disciplined cost management

Revenue⁽¹⁾



EBITDA^(1,2)



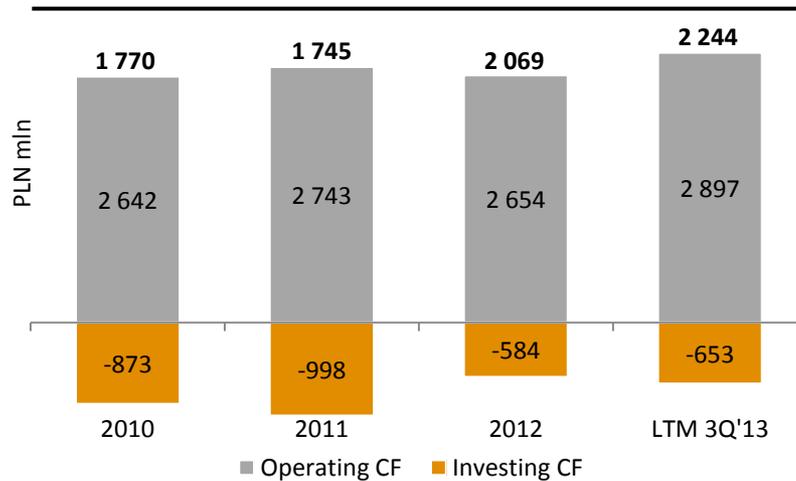
Source: Polkomtel
Note: (1) 2010-2012 audited; LTM 3Q'13 unaudited
(2) See note (2) on page 15

Strong cash flow generation

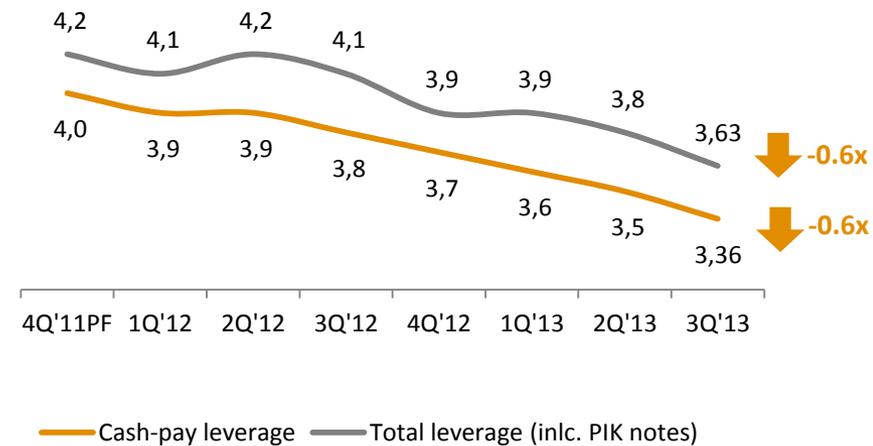


Operating cash flow supports deleveraging strategy

Net cash flow⁽¹⁾



Leverage development (net debt/EBITDA)



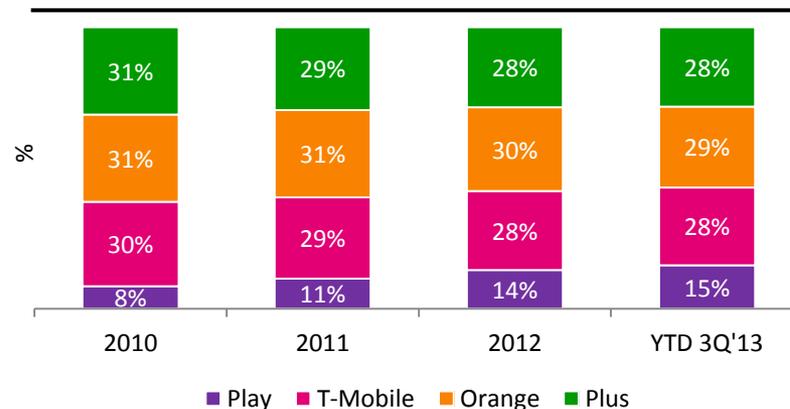
A strong market position



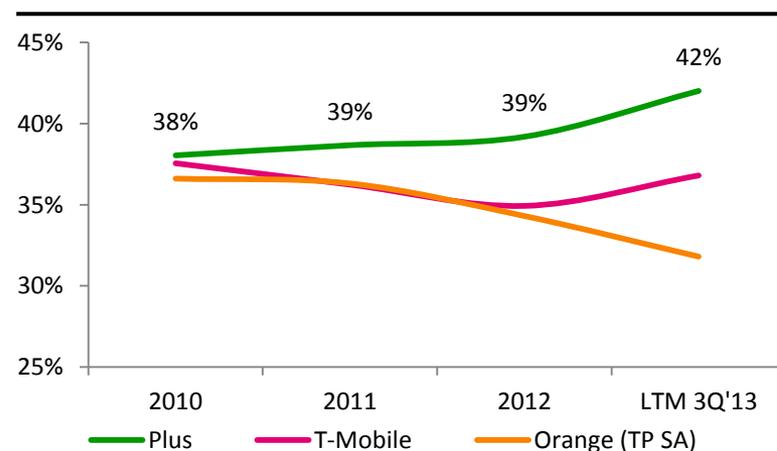
● Significant market share in terms of revenue

● Consistently the highest EBITDA margin in the market - achieved through the combination of a high value contracted subscriber base and a disciplined cost management approach

Market share by revenues⁽¹⁾



EBITDA margin⁽¹⁾





Profitable and resilient business



Valuable contracted customer base



Market leader in LTE deployment

Polkomtel's positioning and performance will improve...

5

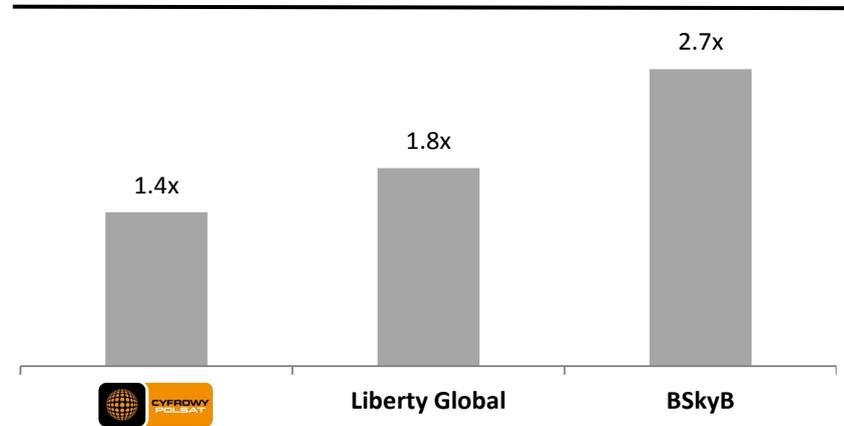
Synergies

Maximising customer revenues

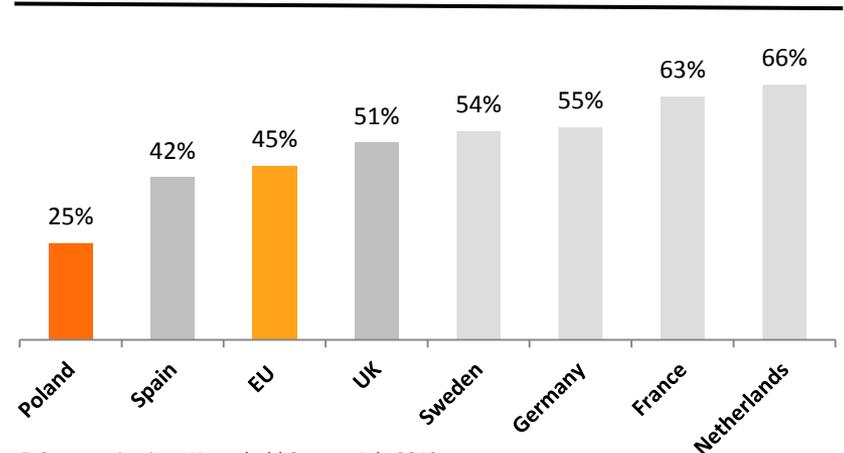


- ARPU growth driven by multiple products
- Our goal is to maximise the number of products per customer over time:
 - Content
 - Pay-TV (satellite)
 - Multi-room
 - Catch-up TV
 - VOD/PPV
 - Mobile TV (DVB-T)
 - Mobile broadband (data)
 - Online video platform – ipla
 - Voice
 - VAS
 - Other new products
- Polish multi-play market should reach the EU level

Products per customer



Multi-play penetration in Europe

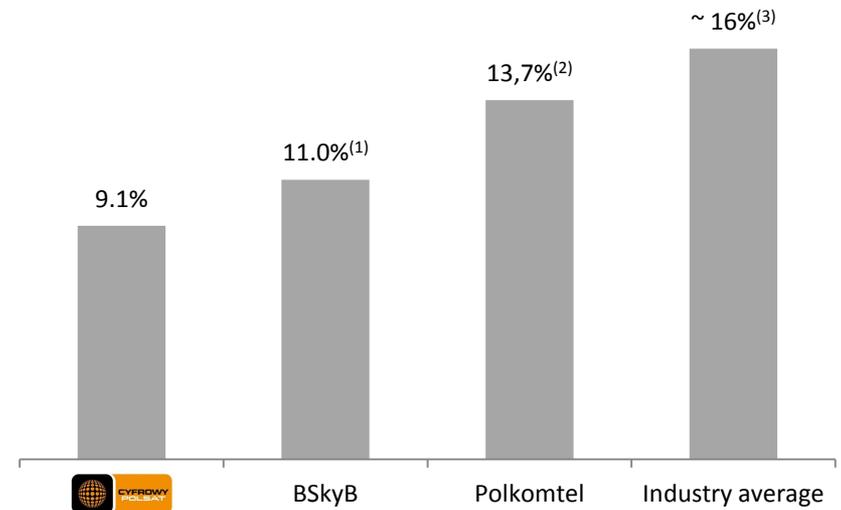


Improving customer satisfaction



- More products and an improved experience leads to greater customer satisfaction
- Offering more products should allow us to control our churn
- Our early experience is that each additional product decreases the churn rate by ca.20%⁽⁴⁾

Best-in-class churn



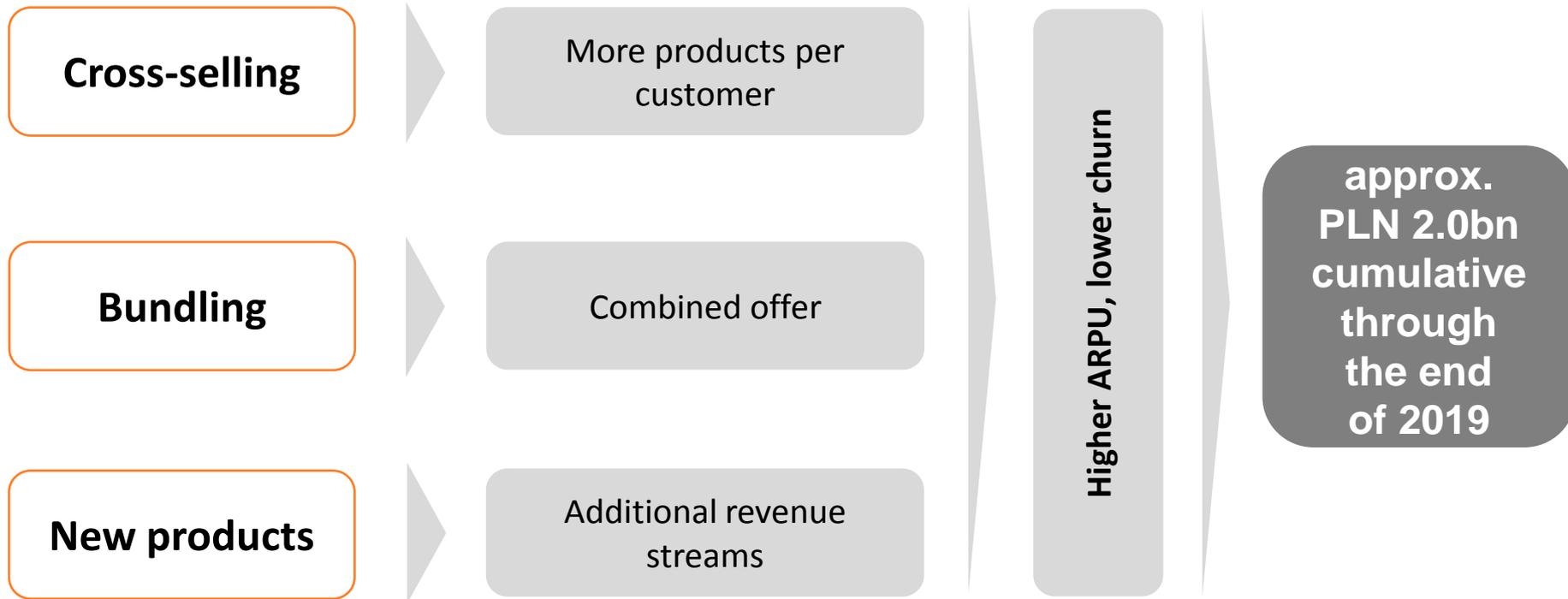
Source: (1) BSKYB (3Q'13 presentation)

(2) Polkomtel

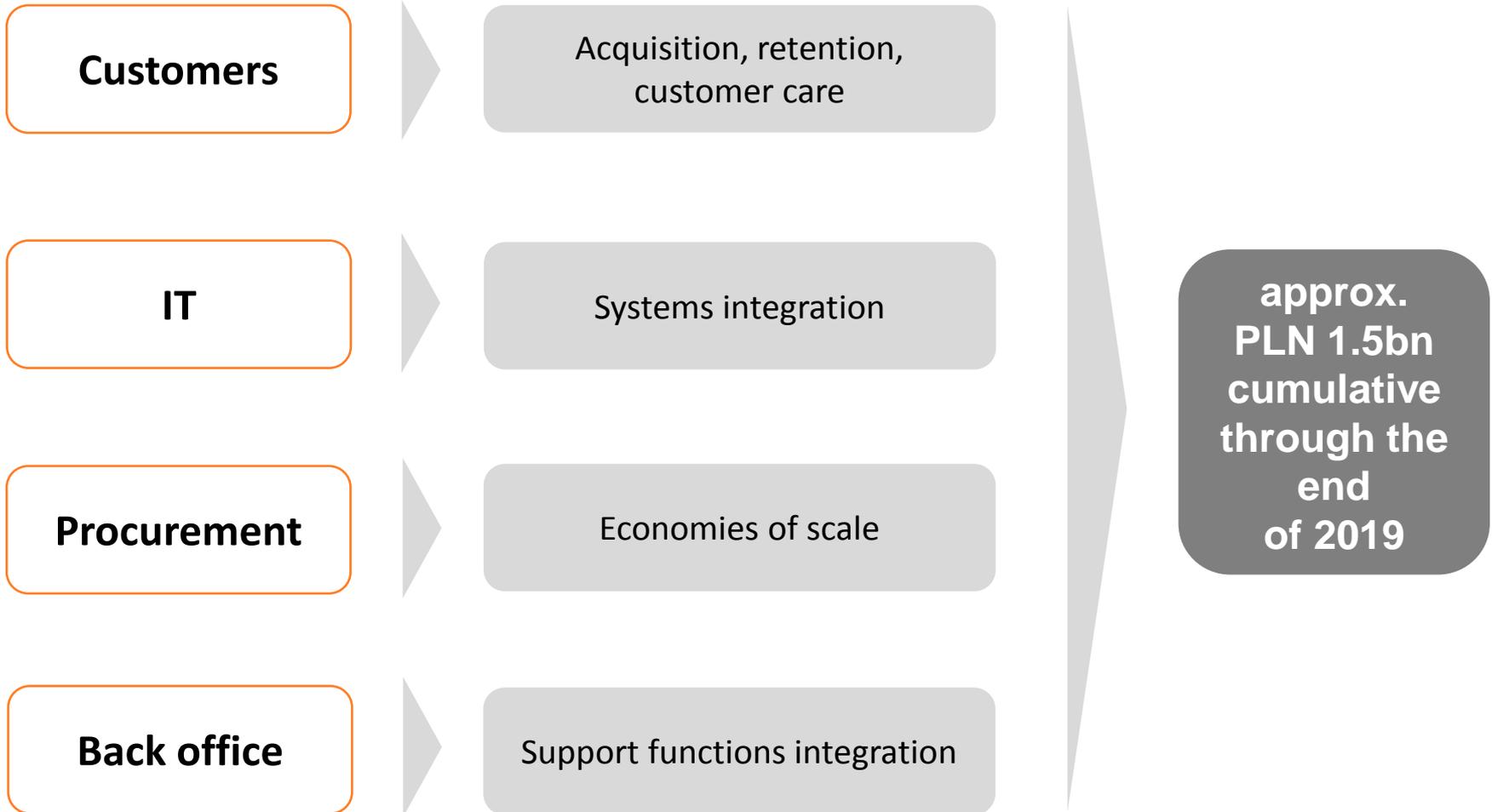
(3) Company analysis

(4) Company analysis, in relation to the group of customers taking both DTH and broadband services

Revenue synergies



Cost synergies



Financial synergies



Significant operating synergies of approx. PLN 3.5b (cumulative) expected by the end of 2019

Revenue and cost synergies expected to increase pro forma EBITDA margin by ca. 2pp by the end of 2016

Additional revenue and cost synergies should increase pro forma EBITDA margin by another ca. 1.5pp in the years 2017-2019

Financial synergies will improve the bottom line

6

Transaction details

Transaction steps



Step I:

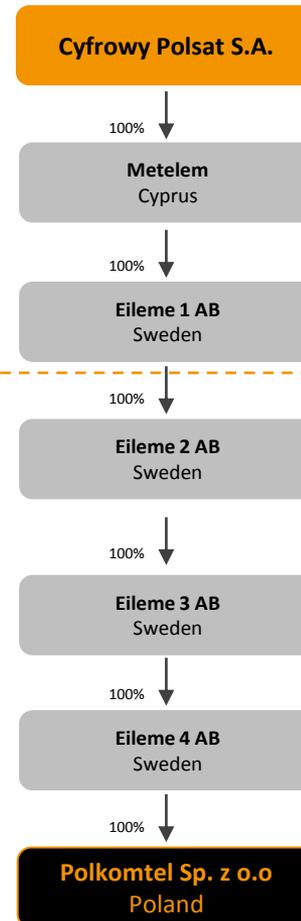
1. Acquisition of Metelem
2. Refinancing of Cyfrowy Polsat's debt
3. Repayment of PIK Notes (Eileme 1)

Expected finalisation – 2Q 2014

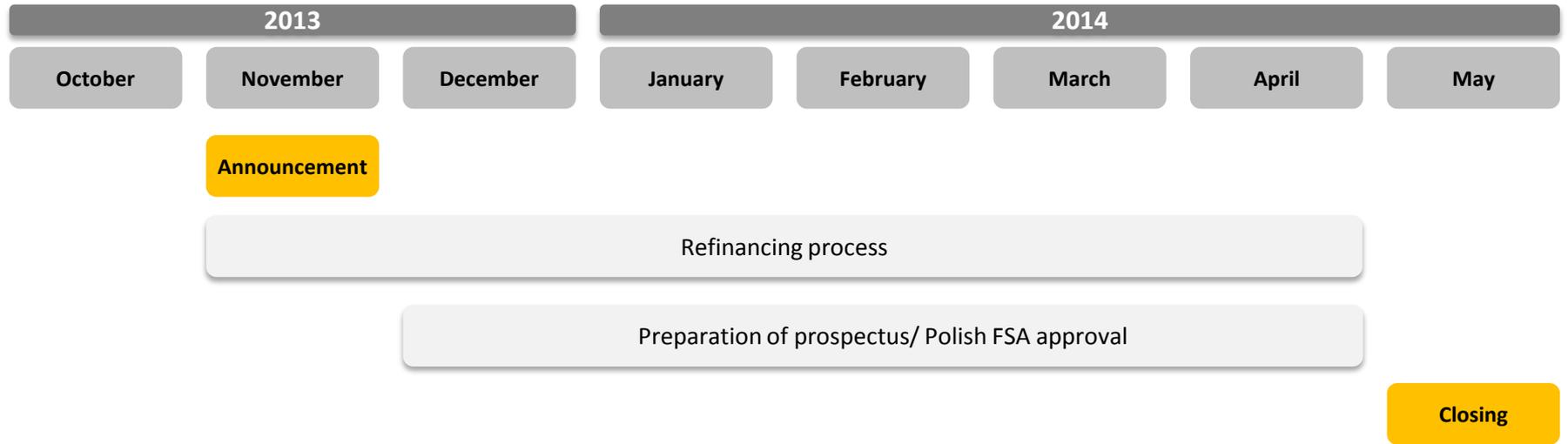
Step II:

1. Refinancing of other Metelem group debt instruments
2. Liquidation of intermediate financial vehicles

Expected finalisation – 2016



Indicative timetable to closing



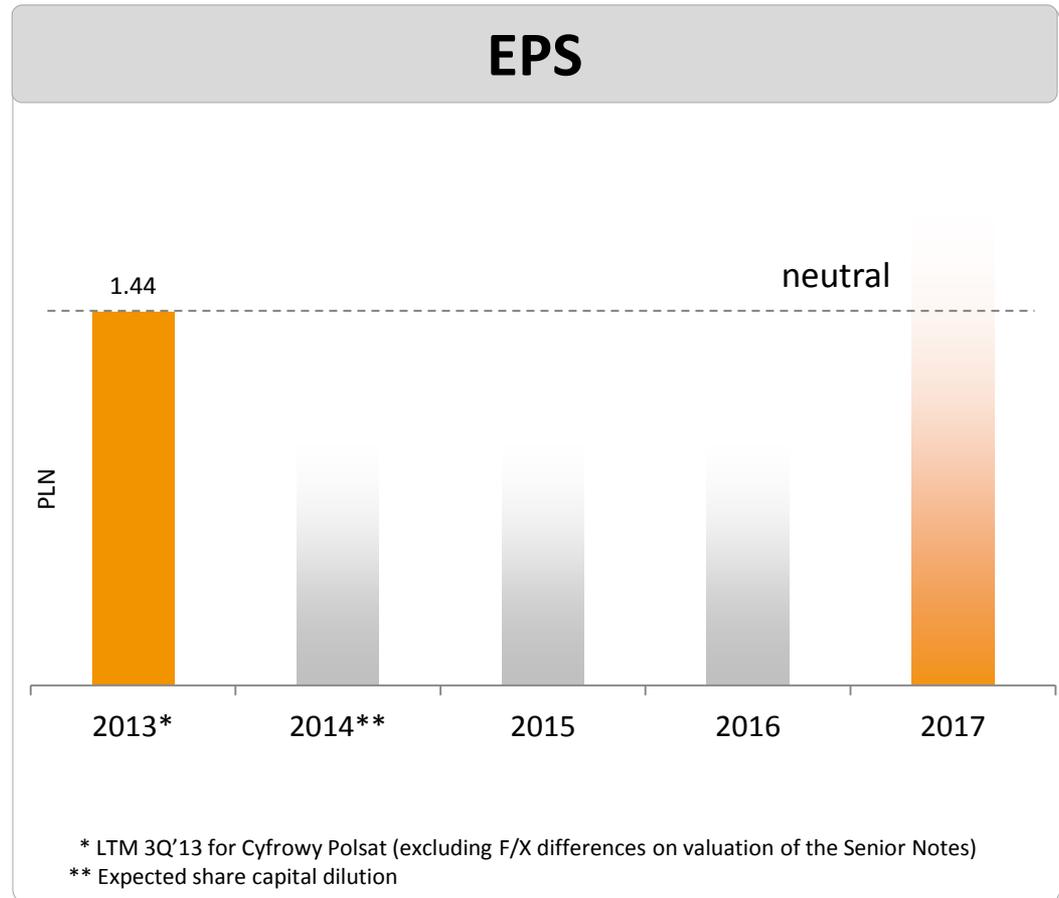
Key dates

14 November	– Announcement	March/April 2014	– Finalisation of CP refinancing process
15.11-30.11	– Roadshow	April 2014	– Finalisation of the prospectus for new shares WSE admission
2013/2014	– EGM approval	May 2014	– WSE debut of new shares
		By the end of May 2014	– Expected closing date

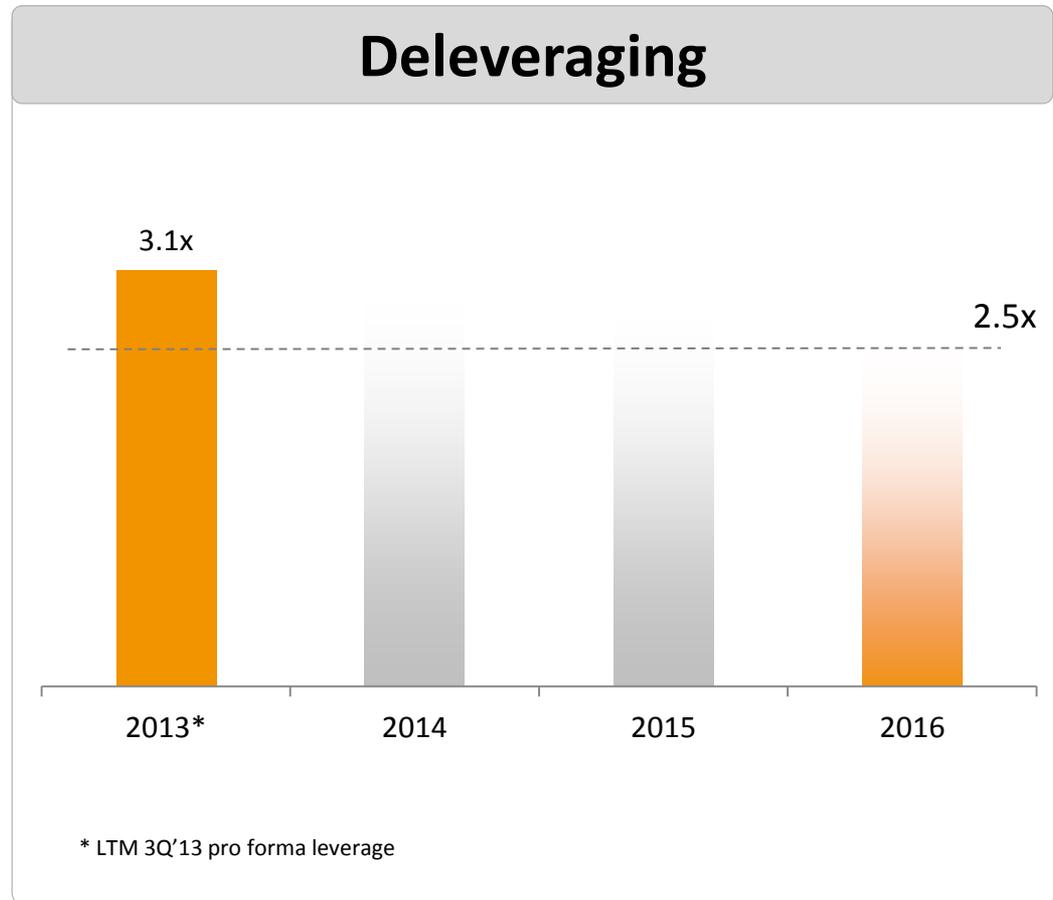
Earnings per share - EPS



- Closing and share capital dilution expected in May 2014
- We expect to be EPS neutral within 3 years from closing (excluding F/X differences)



- Combined pro forma leverage (LTM 3Q'13) of 3.1x net debt/EBITDA
- Management goal is to deleverage below the level of 2.5x by the end of 2016 (excluding F/X differences)
- Dividend policy to be reviewed again once net debt/EBITDA level will be below 2.5x



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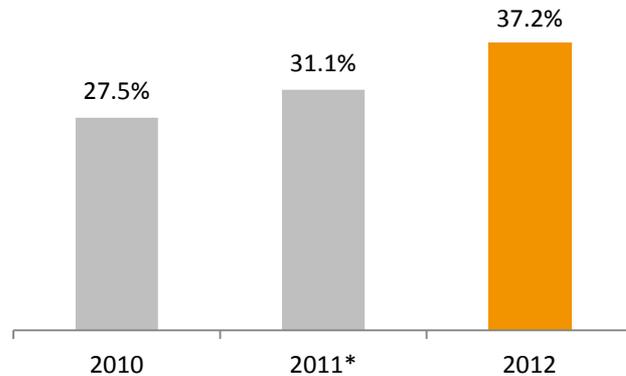
Summary

Experienced in delivering synergies – TV Polsat acquisition



Synergies

**Announced additional
2 pp EBITDA within 2 years**

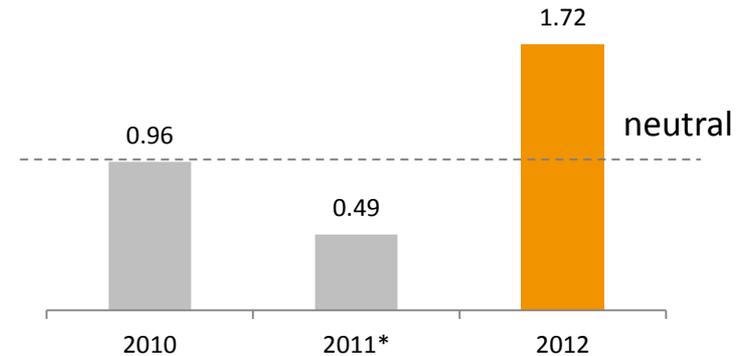


Delivered

* TV Polsat consolidated from Apr'11

EPS

**Announced EPS neutral
within 2 years**



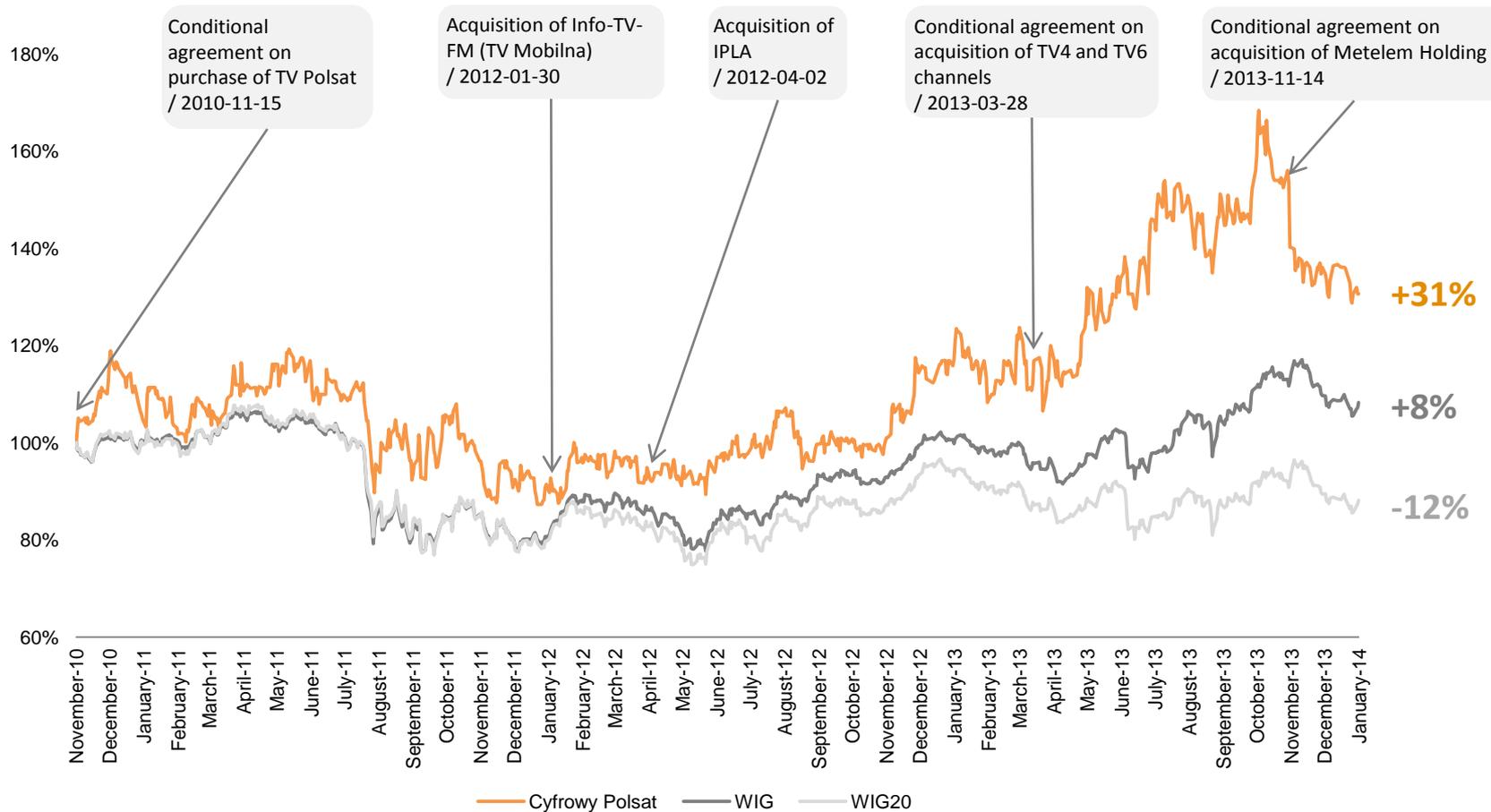
Delivered

* Share dilution effect due to TV Polsat acquisition

Constantly creating shareholder value



Since TV Polsat acquisition we outperformed the WIG 20 index by ca. 40%



- This transaction will enable us to meet the demands of a rapidly evolving market and changing customer behavior
- It is a significant opportunity for us to accelerate the execution of our strategy and as a consequence to improve our operational and financial results
- We have a consistent track record of creating value for our shareholders and we are committed to this continuing in the future

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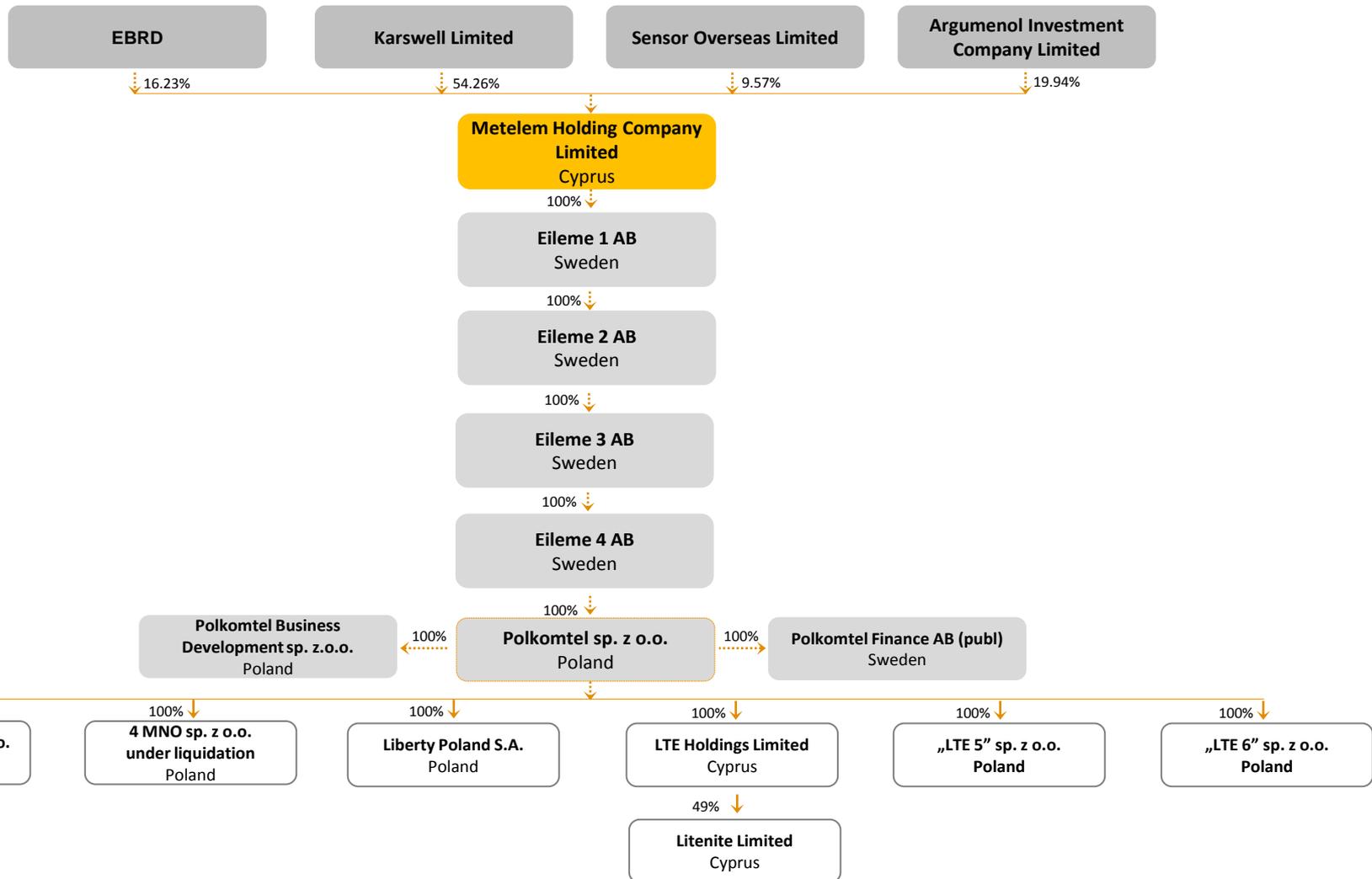
Q&A

9

Appendices

- During the negotiations, the Management Board of Cyfrowy Polsat has engaged EY to provide a fairness opinion related to the acquisition price of shares in Metelem Holdings Limited („Metelem”).
- Metelem, through its shares in the holding companies: Eileme 1 AB („Eileme 1”), Eileme 2 AB („Eileme 2”), Eileme 3 AB („Eileme 3”) and Eileme 4 AB („Eileme 4”), is the owner of 100% of the equity of Polkomtel Sp. z o.o. („Polkomtel”).
- EY has conducted a series of meetings with the Management Board of Polkomtel and received the long-term consolidated economic and financial forecast of Eileme 2, and other documents necessary to perform the fair value analysis of Metelem.
- EY has taken into account the received information and utilized the standard methods of valuation to independently evaluate the fair value of Metelem.
- For the purpose of the calculation of the fair value of Metelem:
 - EY performed the valuation of Eileme 2 based on:
 - The income approach (discounted cash flow method) based on the long-term economic and financial forecast;
 - The market approach (comparable companies method) based on the multiples of comparable public companies;
 - The market approach (comparable transaction method) based on the transactions multiples related to the acquisitions of comparable companies that occurred in the private market.
 - At the following stage, the value of the equity of Eileme 1 was calculated based upon the adjusted net book value method that took into account the fair value of the equity of Eileme 2, evaluated based upon the methods described above.
 - At the final stage, the value of the equity of Metelem was calculated based upon the adjusted net book value method that took into account the fair value of the equity of Eileme 2, evaluated based upon the method described in the previous point.
- In the opinion of EY, that was presented to the Management Board of Cyfrowy Polsat prior to the announcement of the above transaction, the proposed transaction price as described in the offer is fair from the financial point of view to the shareholders of Cyfrowy Polsat as a whole.

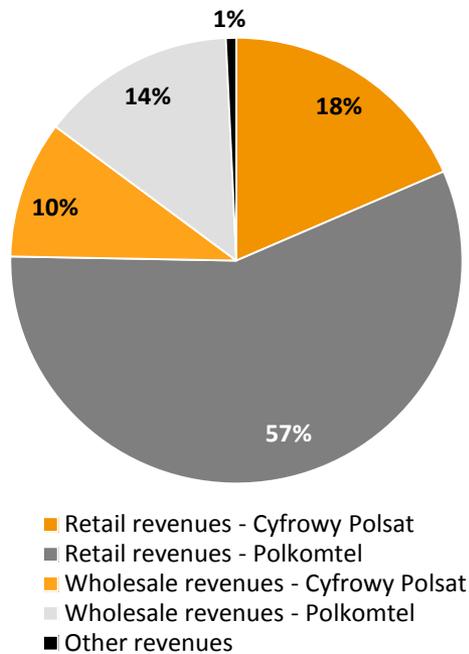
Current structure of the holding group



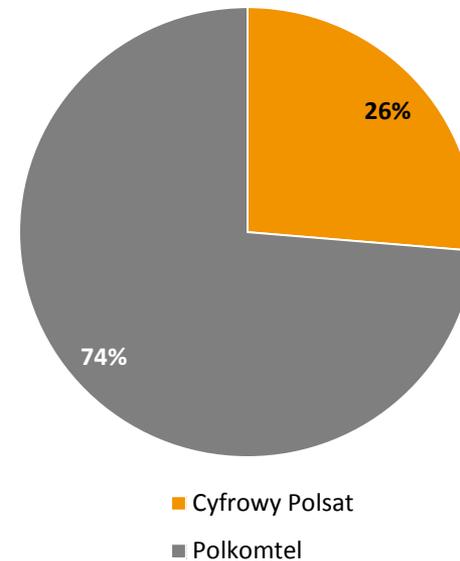
Customer oriented business profile



Revenue breakdown – LTM 3Q'13



EBITDA breakdown – LTM 3Q'13



Debt structure (Metelem)

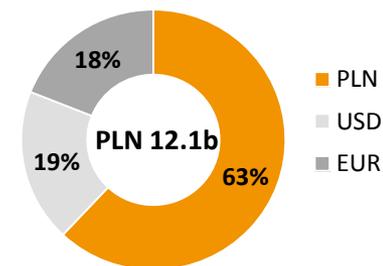


Structure of debt, as of September 30, 2013

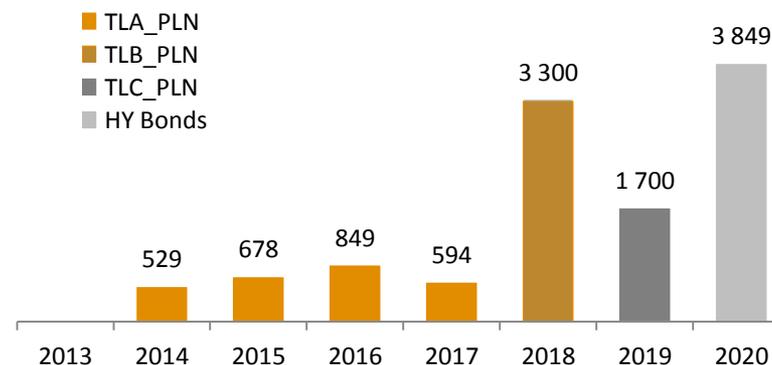
	Total (PLNm)	%	Interest
Cash	-1 887		
Term Loan A (PLN)	2 634	22%	WIBOR 3M + margin
Term Loan B (PLN)	3 277	27%	WIBOR 3M + margin
Term Loan C (PLN)	1 686	14%	WIBOR 3M + margin
Total senior secured debt⁽¹⁾	7 597		
HY notes (EUR ⁽²⁾)	2 203	18%	11.75%
HY notes (USD ⁽³⁾)	1 527	13%	11.625%
Total cash pay debt⁽¹⁾	11 327		
PIK notes (USD ⁽³⁾)	729	6%	14.25%
Total net debt⁽¹⁾	10 169		
RCF (PLN, currently undrawn)	300		WIBOR 3M + margin

Ratings and currency structure ⁽¹⁾

	Moody's	S&P
corporate rating	B1, stable	BB-, stable
HY notes	B3, stable	B, stable
PIK notes	Caa1, stable	B, stable



Debt maturity profile (PLNm, excl. PIK) ⁽⁴⁾



Source: Polkomtel

Note: (1) Balance sheet values excluding financial lease and derivative liabilities; (2) Note: EUR – PLN FX rate of 4.2163 as of September 30, 2013;

(3) Note: USD – PLN FX rate of 3.1227 as of September 30, 2013; (4) Nominal values

Polkomtel - KPI



Customers statistics		2010	2011	2012	YTD 3Q'12	YTD 3Q'13
Total number of reported subscribers		13 737,5	13 993,3	13 838,6	13 770,6	14 120,3
Contract	thousands	7 485,7	7 417,0	7 439,5	7 413,4	7 404,2
therein Mobile Broadband		562,0	570,9	611,0	589,4	703,6
Prepaid		6 251,8	6 576,3	6 399,1	6 357,2	6 716,1
Monthly average churn						
Contract	%	1,0	1,1	1,1	1,1	1,1
Prepaid		4,9	4,1	4,5	4,5	4,2
Total ARPU (outbound and inbound)		44,6	40,7	39,5	39,6	35,6
Contract	PLN	67,5	62,6	60,3	60,5	55,2
Prepaid		17,9	16,0	15,5	15,7	13,2
Total ARPU (outbound)		36,7	33,8	33,1	33,2	31,5
Contract	PLN	56,3	52,6	51,1	51,2	49,3
Prepaid		13,8	12,7	12,4	12,5	11,2
ARPU from data transmission (outbound)						
Contract	PLN	6,0	6,6	7,3	7,2	8,3
Prepaid		0,5	0,7	0,8	0,8	1,0

ARPU - service revenue divided by the average reported number of SIM cards (average subscriber base), in a given period. ARPU is calculated on a monthly basis, therefore annual and quarterly ARPU are calculated based on average monthly levels of service revenue.

(In the definition of ARPU, charges for incoming calls are included, but certain revenue sources that other operators may include, such as revenue from fixed line services rendered to retail customers, roaming services rendered to subscribers of other national and international mobile networks and traffic transit services, activation fees, revenue from handset and accessory sales, revenue from the expiration of unused prepaid top-ups, fines for contract customers who break their contracts before they expire, the impact of loyalty program liability valuation upon the revenue stream, revenue from SMS Center services, and certain other services are excluded. In calculating ARPU, revenue is not netted against the cost of content paid to third-party content providers.)

Average annual reported number of SIM cards is calculated as average of the monthly averages. Monthly average reported number of SIM cards is calculated as the average of the number of SIM cards as at the beginning of the month and end of the month.

Data ARPU or ARPU from data transmission represents the revenue derived directly from data usage per subscriber through smartphones and less advanced handsets as well as dedicated mobile broadband services, but excludes subscriptions which combine voice and data services. Revenues from subscriptions to dedicated mobile broadband sources are included in data ARPU.

Churn - the total number of SIM cards in respect of which the contract to render telecommunications services was terminated or, in the case of the prepaid segment, if a user fails to top up the account before the grace period ends (which is generally 12 months after the account is deactivated for paid services or since the time the prepaid limit was fully depleted). The churn in contract (postpaid and mix) and prepaid segments also includes reported subscribers who migrated from one segment to another in a given period.

Number of subscribers is reported on the basis of a number of SIM cards which are registered on the network and that have not been deactivated. In the case of prepaid subscribers, SIM cards are generally deactivated if a user fails to top up the account before the grace period ends (which is generally 12 months after the account is deactivated for paid services or since the time the prepaid limit was fully depleted).

Market share in reported subscribers - the percentage of a market (defined in terms of reported subscribers) attributable to a given company.

Penetration - the ratio of reported SIM cards that grant access to mobile telecommunications network services to the number of persons constituting the entire population of the country. With respect to smartphones - **the smartphone penetration** is the ratio of subscribers who use smartphones compared to the total base of active subscribers. The penetration ratio is expressed as a percentage

Contract subscribers - either postpaid subscribers (residential and business voice, dedicated mobile broadband/CDMA or Machine-to-Machine) or mix SIM card subscribers (the subscribers using one of the mix tariffs, such as Plus Mix, which are contract tariffs based on a prepaid solution with a subsidized handset and an obligation to make a specific number and value of top-ups and an obligation to top-up the subscriber's account at least every 30 days until the subscriber's contract expires). After expiration of a contract's validity, the SIM is still reported as contract-based until the subscriber decides to migrate to prepaid tariffs or to churn. A company or an individual owning a number of active contract SIM cards will be reported as that number of contract subscribers. A company or an individual owning both a standard voice contract SIM as well as a separate contract mobile broadband SIM would be reported as two contract subscribers.

Prepaid subscribers or reported prepaid subscribers - subscribers using one of the prepaid offerings and who have not been deactivated or have not migrated to postpaid or mix tariffs. In all prepaid tariffs, the SIM card can be topped up at any time. Prepaid tariffs do not have monthly subscription fees and subscribers must provide their own handsets. Prepaid subscribers are reported on the basis of a number of SIM cards and are generally deactivated if a user fails to top up the account before the grace period ends (which is generally 12 months after the account is deactivated for paid services or since the time the prepaid limit was fully depleted).

Active subscribers - the total reported subscriber base excluding inactive prepaid subscribers. Inactive subscribers are those who have consumed all available top-up value or whose validity period for the latest top-up has expired. After an inactive subscriber tops up his/her account and is able to generate a paid connection, he/she becomes an active subscriber again.

Coverage, unless otherwise indicated, is the area in which cellular radio signal is strong enough to provide normal operation of a standard user terminal.

Smartphones - handsets with one of the following operation systems: Symbian, Android, iOS, Blackberry, Windows Mobile, Meamo or Bada.

SIM cards - subscriber identity modules. A SIM card is a smart card that securely stores the key identifying a mobile phone service subscriber, as well as subscription information, preferences and text messages.



Subscriber relates to a person who signed an agreement for subscription to pay digital television services and who is obligated, under the terms of agreement, to make payments to access a package or packages of television and radio channels or who has access to such packages within pay digital television services, after making required monthly payments but without having signed such an agreement.

ARPU relates to average monthly net revenue per subscriber to whom we rendered services calculated as a sum of net revenue generated by our subscribers from our pay digital television services in the reporting period divided by the average number of subscribers to whom we rendered services in this reporting period.

Churn relates to the churn rate, defined as the ratio of the number of contracts terminated during a 12-month period to the average number of contracts during such 12-month period. The number of terminated contracts is net of churning subscribers entering into a new contract with us no later than the end of the same 12-month period as well as of subscribers who used to have more than one agreement and terminated one of them to replace it with the commitment to use Multiroom service.

Audience share relates to percentage of television viewers tuned to a particular channel during a given period, expressed as a percentage of the total number of people watching TV, data are presented based on Nielsen Audience Measurement (NAM), 16-49, all day.

Advertising market share relates to the share of Cyfrowy Polsat Capital Group revenues from advertising and sponsoring in the total revenues from TV advertising in Poland, the source of our data on the size of the market is Starlink.

Profit and loss (Metelem)



	Period	
	from 09/05/2011	Year ended
	to 31/12/2011	31/12/2012
Revenue and other operating income	1 089,6	7 362,1
Revenue	1 064,4	7 133,4
Other operating income	25,2	228,7
Operating expenses	-1 267,2	-6 606,8
Costs of goods sold	-166,3	-1 253,3
Amortisation and depreciation, disposals and impairment	-430,0	-2 031,5
Materials and energy	-16,9	-99,2
Interconnect and roaming charges	-188,7	-1 271,6
External services	-262,2	-1 100,3
Employee benefits	-98,5	-397,5
Taxes and charges	-17,3	-125,0
Marketing costs and other overheads	-33,4	-154,1
Other operating expenses	-53,9	-174,3
Operating profit	-177,6	755,3
Finance income	50,0	538,5
Finance costs	-445,7	-1 812,7
Loss before tax	-573,3	-518,9
Income tax expense	46,9	119,3
Net loss for the year/period	-526,4	-399,6
Total comprehensive loss for the year/period	-526,4	-399,6

Balance sheet (Metelem)



ASSETS	31/12/2011	31/12/2012
Non-current assets	18 750,0	17 139,9
Property, plant and equipment	3 729,1	3 131,8
Goodwill	6 560,4	6 560,4
Intangible assets	8 430,8	7 424,9
Investments in other entities	0,2	0,5
Deferred tax assets	11,3	7,9
Other non-current assets	18,2	14,4
Current assets	2 707,4	2 370,0
Inventories	110,4	138,6
Trade and other receivables	989,3	1 070,1
Corporate income tax receivables	0,0	5,5
Cash and cash equivalents	1 545,2	1 147,0
Derivatives	30,1	5,0
Other current assets	32,4	3,8
TOTAL ASSETS	21 457,4	19 509,9

EQUITY AND LIABILITIES	31/12/2011	31/12/2012
Shareholders' equity	4 271,8	3 873,1
Share capital	8,3	8,4
Reserve capital	4 789,9	4 790,7
Accumulated losses	-526,4	-926,0
Non-current liabilities	9 590,8	12 662,4
Notes payable	0,0	3 969,8
Loans	7 362,7	6 714,1
UMTS license liability	1 010,2	899,5
Finance lease liabilities	6,6	3,2
Deferred tax liabilities	1 131,1	985,1
Provision for employee benefits	6,7	6,8
Other provisions	73,5	83,9
Current liabilities	7 594,8	2 974,4
Trade and other payables	536,8	516,2
Corporate income tax liabilities	13,7	8,1
Notes payable	0,0	424,1
Loans	5 689,6	612,2
UMTS license liability	65,0	60,1
Finance lease liabilities	1,6	3,4
Derivatives	6,4	228,6
Provision for employee benefits	0,5	0,3
Other provisions	126,1	99,3
Accrued expenses	517,6	450,5
Deferred income	637,5	571,6
TOTAL EQUITY AND LIABILITIES	21 457,4	19 509,9

Cash flow (Metelem)



	Period from 09/05/2011 to 31/12/2011	Year ended 31/12/2012
Operating activities		
Loss before tax:	-573,3	-518,9
Adjustments for:		
Interest expense and discount, net	310,7	1 492,4
Foreign exchange losses / (gains)	46,7	-486,1
Income tax paid	-58,3	-75,9
Amortisation and depreciation	372,1	1 990,0
Disposals and impairment on property, plant and equipment and intangibles	57,9	41,5
Net loss on investing activities	101,1	286,2
Profit on disposal of property, plant and equipment, net	-0,1	-1,8
Other adjustments	-5,7	-1,6
Cash from operating activities before movements in working capital	251,1	2 725,8
Increase / decrease in:		
Inventories	33,6	-28,2
Trade and other receivables	58,4	-80,7
Trade and other payables	-132,1	91,1
Accrued expenses	-5,1	-13,7
Deferred income	-33,1	-65,9
Provisions	40,8	-23,4
Commissions on loans and bank guarantees	0,0	16,6
Net cash from operating activities	213,6	2 621,6

	Period from 09/05/2011 to 31/12/2011	Year ended 31/12/2012
Investing activities		
Proceeds from disposal of property, plant and equipment	1,3	8,8
Purchase of property, plant and equipment and intangibles	-160,6	-492,0
Other investing activities - derivatives	-85,0	-39,1
UMTS license liability payments	0,0	-61,7
Acquisition of subsidiaries and associates	-14 936,3	-20,2
Acquisition of other financial assets	-1 010,5	0,0
Net cash used in investing activities	-16 191,1	-604,2
Financing activities		
Outflows due to:		
Repayment of bank loans	0,0	-5 513,0
Interest paid	-0,2	-1 215,0
Finance lease payments	-0,3	-2,1
Realised loss on derivatives	0,0	-10,1
Other (commissions on loans, notes and other financing related expenses)	-559,2	-169,4
Proceeds from:		
Bank loans and overdrafts	13 284,1	0,0
Notes	0,0	4 476,9
Capital increase	4 798,3	0,8
Other (funding fee refund, guarantee premiums)	0,0	16,3
Net cash (used in)/from financing activities	17 522,7	-2 415,6
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	1 545,2	-398,2
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR / PERIOD	0,0	1 545,2
including effect of foreign exchange rate changes	5,0	-5,4
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD	1 545,2	1 147,0
<i>Restricted cash</i>	<i>125,6</i>	<i>24,3</i>

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