

Cyfrowy Polsat IR Newsletter

12 – 18 November 2012

The press about Cyfrowy Polsat	Date	The press about TMT market in Poland
	14.11	<p>Parkiet: Five for one, but no hidden meaning At Tuesday's session, TVN's stock price has practically not changed after the information on management reshuffles in the television station. As we wrote on Tuesday, Piotr Walter left for the Supervisory Board, and TVN Management Board got extended. On Monday, in addition to Edward Mischczak and Adam Pieczyński, Piotr Tyborowicz, director of sales and advertising, Piotr Korycki (director of finance) and Maciej Maciejowski, responsible for thematic channels, were appointed to the Management Board of TVN.</p>
<p>Puls Biznesu: Cyfrowy Polsat quickly picks up steam Zygmunt Solorz-Zak's company can still bite quite much on the satellite TV market. It counts on development of new media and telecommunications. <i>- The importance of new services such as internet, mobile TV, ipla or mobile telephony is growing. But I wouldn't belittle the importance of TV segment - we expect the growth in revenue per subscriber thanks to sales of higher packages and multiroom service - said Dominik Libicki, President of Cyfrowy Polsat.</i></p> <p>Rzeczpospolita: Cyfrowy Polsat speeds in the network Cyfrowy Polsat Group improved profitability. It is not excluded that it will pay dividend sooner than expected. In the third quarter of this year, EBITDA of the group amounted to PLN 257.9 million, 31% more than the year before. Also, Cyfrowy Polsat's operating and net profits positively surprised analysts and investors.</p>	15.11	<p>Puls Biznesu: Rebirth of TVN family After three years of perturbations, the owners of the media group have a precise vision of its shape in three years. They want to return to the supreme form. Money from the sale of Onet will allow to get rid of high debt; thanks to the new strategy TVN will shine in the internet and in the new technologies. And finally – the merger of Canal+ and "n". <i>- I expect an interesting fight for viewers, in which Cyfrowy Polsat will hold all the cards. nC+ may be forced to selectively reduce prices of packages to defend the subscriber base against Cyfrowy Polsat's designs - says Piotr Janik, analyst at KBC Securities.</i></p> <p>Dziennik Gazeta Prawna: Satellite platforms and cable TVs are struggling for customers Pay-TVs are trying to gain new customers thanks to the digitization of television. Cable and satellite operators are trying to make a deal on the wave of interest in free terrestrial television. The idea is simple: they try to get customers to chose their offers and for a dozen of zlotys per month be able to receive not only the channels available in the free terrestrial television, but also even a few dozen of additional programs.</p>

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<p>Puls Biznesu: Results changed the forefront Results for the third quarter made investors verify the approach to several firms considered as safe bets. Fortunately, there are replacements. Cyfrowy Polsat shines in media industry. The company gains against its competitors, as it cuts costs more effectively and has a more diversified business. When Cyfrowy Polsat, led by Dominik Libicki, acquired TV Polsat, analysts warned that it will reduce the company's resistance to economic fluctuations. The results show that this is not a problem.</p>	<p>15.11</p>	
	<p>17.11</p>	<p>Rzeczpospolita: Online advertising: Google and the rest Polish online advertising market resist to the crisis. With the growing number of Internet users and web pages, Internet is able to consume increasingly higher advertising budgets. In the first half of this year, the expenditures in this segment amounted to PLN 1,026 million, according to recently published IAB AdEx 2012 report. According to Piotr Kowalczyk, president of IAB Polska, Association of Employers in Internet Sector, resistance to the current crisis the online segment owes largely to video advertising on which the demand is growing. As there is not enough time in television advertising blocks for some spots, advertisers move them to the network.</p>

Latest events

**Current report no 27,
November 15, 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 i.e. December 4, 2012.

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 second notice.

Warsaw, November 15, 2012

Latest events

Press release,
November 14, 2012

Cyfrowy Polsat continues to grow

Cyfrowy Polsat Capital Group recorded very good financial results for the 3rd quarter of 2012, that exceeded the market consensus. In both business segments, the Group generated significant growth in EBITDA and EBITDA margin. The results of the Group were positively impacted primarily by: organic growth of revenue in retail business segment, consistent cost control and realized synergies. Cyfrowy Polsat maintained over 3.5-million subscriber base and stable low churn rate and recorded organic growth in ARPU. TV Polsat Group kept a stable strong market position, despite the fact that its operations were under the strong influence of adverse external factors.

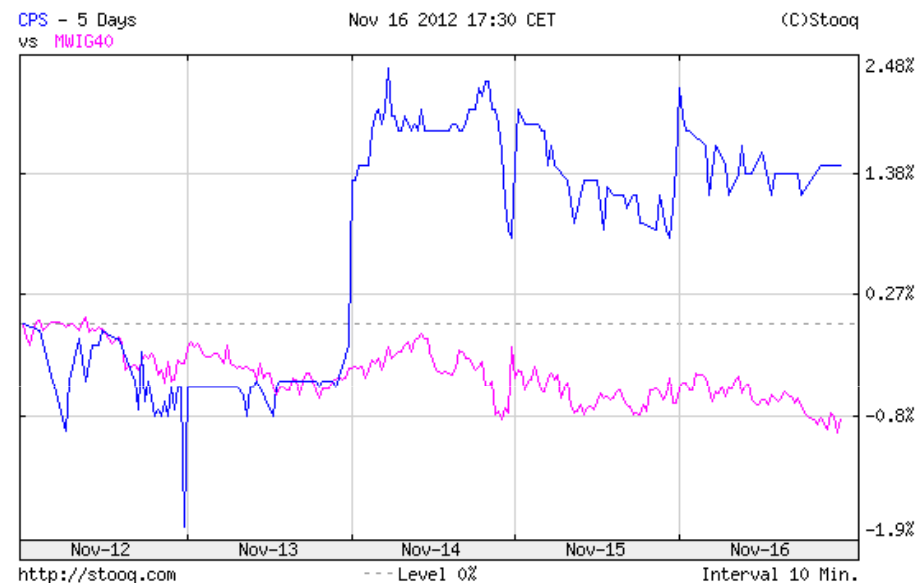
(...)

*-Once again we are proud to present high EBITDA of the Group and a record high 40% EBITDA margin in the 3rd quarter. The Group generates significant cash flow, that is sufficient not only for current operational activities but also for debt service and even prepayments of loan. In the 3rd quarter, from generated resources we made a voluntary prepayment of PLN 200 million of the loan – says **Dominik Libicki, President of the Management Board of Cyfrowy Polsat S.A.** – We recorded significant increases in the results of both business segments. In the retail business segment we can boast of almost 10% growth in revenue, achieved mainly thanks to constantly growing average revenue per subscriber. We are pleased with increasingly bigger interest in our additional services – we record growing number of users of HD set-top-boxes and Multiroom service as well as increasing base of Internet clients. Good results of broadcasting and television production segment is due to effective cost management and matching the level of costs to difficult situation on the TV advertising market. Thanks to the stable scheduling, in the nine-month period of this year, we maintained very good audience share of our channels, which is an excellent achievement considering the transmissions of EURO 2012 and the Olympic Games in the public television – adds Dominik Libicki.*

(...)

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Trade value (PLN ths.)
12-11-2012	14.48	14.20	14.20	-1.73%	2 780
13-11-2012	14.45	14.25	14.45	1.76%	736
14-11-2012	14.84	14.53	14.60	1.04%	13 365
15-11-2012	14.78	14.55	14.70	0.68%	2 258
16-11-2012	14.81	14.66	14.70	0.00%	926



Investors' calendar

4 December 2012

Extraordinary Shareholders Meeting