

CYFROWY POLSAT S.A.

Current report No. **7/2011**

Report date: **22 March 2011**

Subject: **Decision on merger of Cyfrowy Polsat S.A. with mPunkt Polska S.A.**

The Management Board of Cyfrowy Polsat S.A. ("Company" or "Acquiring Company") announces that on March 21, 2011 it resolved to merge the Company with mPunkt Polska S.A. seated in Warsaw ("Ceasing company"), in which Cyfrowy Polsat S.A. holds 100% of share capital, and approved the merger plan.

Cyfrowy Polsat S.A. is the largest, in terms of the number of subscribers, provider of pay DTH satellite television broadcasting services in Poland. Its core business is to provide individual customers with access to television and radio channels grouped into different paid programming packages and transmitted via satellite, and from June 1, 2010 also to provide integrated services - television, Internet and mobile telephony.

mPunkt Polska S.A. seated in Warsaw, specializes in the distribution of telecommunication goods and services.

The merger of the two companies will be effected, in accordance with article 492 §1 item 1) of the Commercial Companies Code (KSH) (mergers through acquisition), by transferring all the assets of Ceasing Company to Acquiring Company. As a result of the merger, the Ceasing Company will be terminated without liquidation.

At the date of this report, share capital of Ceasing Company amounts to 8,850,000 and is divided into 8,850 unprivileged, registered shares of A Series of face value of PLN 1,000.00 each. Cyfrowy Polsat is the sole shareholder of Ceasing Company.

Given that the Acquiring Company holds all the shares of the Ceasing Company:

- (i) According to article 515 §1 KSH, the Merger will be effected without increasing the share capital of the Acquiring Company;
- (ii) According to article 516 §5 KSH in conjunction with article 516 §6, the Plan of Merger is not liable to auditing by an auditor appointed by a registry court;
- (iii) According to article 516 §5 KSH in conjunction with article 516 §6, the Reports of Management Boards of Acquiring Company and Ceasing Company will not be issued.

The Merger Plan, prepared in accordance with article 499 §1 KSH is attached to this current report, together with the documents mentioned in the article 499 §2 KSH.

The planned merger is meant to optimize costs and simplify the organizational structure of the Capital Group of Cyfrowy Polsat S.A. which is required in order to realize its medium and long term strategy.

[The Plan of Merger – attachment]

Legal basis: § 5 Section 1 item 13 of the Ordinance of the Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

Signed by:

/p/ Dominik Libicki

Dominik Libicki, President of the Management Board