

CYFROWY POLSAT S.A.

Current report no.: **25/2008**

Date of report: **7 August 2008**

Subject: **Completion of consolidated quarterly report of the Cyfrowy Polsat Capital Group for Q1 2008 published on 14 May 2008.**

The Board of Cyfrowy Polsat S.A. („the Company”) hereby informs that today it shall publish through the ESPI system a completed quarterly report of Q1 of 2008 published on 14 May 2008. The report has been completed by point 10 with the following content:

10. Information about material proceedings regarding Cyfrowy Polsat S.A. or its consolidated subsidiaries

a) Proceedings before the President of UOKiK regarding complaints filed by consumers

On 18 October 2006, the President of UOKiK, with regard to complaints filed by consumers forwarded to Cyfrowy Polsat S.A. summons to forward templates of agreements (contracts, rules, pricelists) offered to consumers in the scope of business conducted. In correspondence dated 21 May 2007 the President of UOKiK informed that a number of clauses in templates of agreements used by the Company raised objections of the authority. In correspondence dated 29 June 2007, Cyfrowy Polsat S.A. submitted preliminary explanation, took a stance on the arguments raised by the President of UOKiK. In the correspondence dated 23 July 2007 the President of UOKiK called the Company to take a position on the remaining remarks and to forward a price list for its services applied by the Company. In correspondence dated 31 August 2007 Cyfrowy Polsat S.A. addressed the remaining remarks of the Presidents of UOKiK. In the case of application of unfair provisions in the templates of the agreement by the Company, the President of UOKiK may impose a financial penalty on the Company with a maximum amount of 10% of turnover made by the Company in the financial year prior to the year the penalty has been imposed.

b) Proceedings before the President of UOKiK regarding a suspected application of practices breaching collective interests of consumers.

On 14 March 2007 the President of the Office of Competition and Consumer Protection decided to initiate preliminary proceedings in order to find out whether Cyfrowy Polsat S.A. has committed a breach of legally protected consumers rights.

The subject of the proceeding is determination whether advertising leaflets and information presented on the Company's website misled consumers as to the scope of services it provided within a particular agreement. The proceedings also cover the issue of possible breach of provisions of the civil code through sending to customers paid text messages – sms, assuming that lack of objections of the consumer is tantamount to granting consent to provision of such services.

On 30 May 2007 the President of UOKiK notified Cyfrowy Polsat S.A. about initiation ex officio proceedings regarding recognition of the fact that the advertising policy applied by the company, is designed to mislead customers regarding the content of TV channels offered, which is a practice breaching collective interests of consumers as set forth by art. 24 section 2 point 3 of the law dated 16 February 2007 about protection of competition and consumers, involving application of misleading advertising as set forth by art. 16, section 1, pt 2 of the law dated 16 April 1993 about countering unfair competition. In correspondence dated 20 and 29 June 2007 the company addressed several of the issues indicating to discrepancies between the advertising messages and provisions of agreements concluded with clients and indicating to reasons of the factual state. The Company stressed that the discrepancies in question have been removed. In correspondence dated 25 September 2007 the

President of UOKiK called Cyfrowy Polsat S.A. to submit a financial statement for the financial year of 2006. The report in question was forwarded to the President of UOKiK together with a letter dated 8 October 2007.

In the case of identification, by the President of UOKiK, that the practice of misleading consumers by the Company regarding TV channels offered, which is a practice breaching collective interests of consumers, the President of UOKiK may order to stop thier application and in order to enforce the order, may determine means to remove the lasting effects of the breach. In particular, the President of UOKiK may oblige the Company to issue a single or multiple statements with contents and form designed in the order. It may also enforce publication of the decision in entirety or in full on the expense of the Company. Moreover, the President of UOKiK may impose a financial penalty totaling 10% of turnover made by the Company in the financial year prior to the year the penalty has been imposed.

c) Proceedings before the President of UOKiK regarding suspected application of competition limiting practices

On 23 May 2007 the UOKiK Branch in Wrocław notified Cyfrowy Polsat S.A. about initiation of preliminary proceedings regarding the fact whether the Company engaged in practices limiting competition through hindering authorized distributors' distribution of competing digital platform run by ITI Neovision Sp. z o.o., which may constitute a breach of art. 6 section 1 of the law dated 16 February 2007 on protection of competition and consumers. As a result the Company has been obligated to supply certain documents presented in the notification. In correspondence dated 22 June 2007 Cyfrowy Polsat S.A. presented explanation on the issue in question. Moreover, on 17 October 2007 the Company forwarded requested documents to the authority. On 8 November 2007 the UOKiK Branch in Wrocław called Cyfrowy Polsat S.A. to submit further information and data. Cyfrowy Polsat S.A. provided an answer in a letter dated 28 November 2007. Since that time the Company has not received any formal correspondence regarding the issue in question. The only source of information was press reports, e.g. an interview with the President of UOKiK in Gazeta Prawna, where he stated that antimonopoly proceedings shall not be initiated regarding the issue in question.

In an event that the President of UOKiK determines that the practices of the Company limit competition, the President of UOKiK may force the Company to refrain from its application. Moreover, the President of UOKiK may impose a financial penalty totaling 10% of turnover made by the Company in the financial year prior to the year the penalty has been imposed.

Legal basis: Paragraph 9 section 4 of a Decree of the Finance Minister regarding current and periodical information filed by issuers of securities.

Signed by:

/p/ Dominik Libicki
Dominik Libicki, Prezes Zarządu