

**PLAN OF MERGER
BY ACQUISITION**

CYFROWY POLSAT S.A.

AND

MTEL SP. Z O.O.

This plan of merger by acquisition (the "**MERGER PLAN**") was agreed on 17 June 2011 between the management boards of the following companies:

1. **CYFROWY POLSAT SPÓŁKA AKCYJNA** (joint-stock company) with registered office at 4A Łubinowa Street, 03-878 Warsaw, Poland, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000010078, VAT No.: 796-18-10-732, statistical number REGON: 670925160 (the "**TAKING-OVER COMPANY**" or "**CYFROWY POLSAT**")

and

2. **MTEL SP. Z O.O.** (limited liability company) with registered office at 37 Domaniewska Street, 02-672 Warsaw, Poland, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000008837, VAT No.: 813-32-25-593, statistical number REGON: 691552030 (the "**ACQUIRED COMPANY**" or "**MTEL**")

Cyfrowy Polsat and MTEL are hereinafter referred to collectively as the "**PARTICIPATING COMPANIES**".

RECITALS

- (A) The Participating Companies intend to merge in order to streamline and simplify their ownership structure;
- (B) The Participating Companies intend to carry out their merger in accordance with Title IV Division I (*Business Combinations*), Chapter I (*General Provisions*) and Chapter 2 (*Mergers of Capital Companies*) (Article 498 and subsequent articles, in particular Article 516) of the Polish Commercial Companies Code dated 15 September 2000 (Journal of Laws No. 94, item 1037, as amended) (the "**PCCC**"), as a result of which:
 - i. the Acquired Company shall be dissolved without going into liquidation, and
 - ii. all the assets and liabilities of the Acquired Company shall be transferred to or acquired by the Taking-over Company by way of universal succession, and
 - iii. the Taking-over Company shall assume all the rights and obligations of the Acquired Company;
- (C) The Taking-over Company is a public company and holds 100% of shares in the Acquired Company;
- (D) The Merger Plan has been drawn up jointly by the management boards of the Participating Companies.

THE PARTICIPATING COMPANIES HAVE AGREED AS FOLLOWS:

1. CORPORATE NAMES, FORMS AND REGISTERED OFFICES OF THE PARTICIPATING COMPANIES

1.1. TAKING-OVER COMPANY

Corporate name: Cyfrowy Polsat Spółka Akcyjna

Form: joint-stock company, a public company as understood by the Law of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies (consolidated text: Journal of Laws of 2009 No. 185, item 1439)

Registered office: Warsaw, Poland, address: 4A Łubinowa Street, postal code: 03-878

Company registration: The register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register

Registration number: KRS 0000010078

Share capital: PLN 13,934,113.44 – fully paid-up

1.2. ACQUIRED COMPANY

Corporate name: mTEL Spółka z ograniczoną odpowiedzialnością

Form: limited liability company

Registered office: Warsaw, Poland, address: 37 Domaniewska Street, 02-672 Warsaw

Company registration: The register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register

Registration number: KRS 0000008837

Share capital: PLN 50,000.00 – fully paid-up

The Taking-over Company is a shareholder in the Acquired Company, holding 100% (one hundred percent) of its shares. The Acquired Company's share capital is divided into 100 shares with a par value of PLN 500.00 each.

2. DEFINITIONS USED IN THE MERGER PLAN

Unless stipulated otherwise in this Merger Plan or indicated otherwise by the context, the following terms spelled with capital letters in this Merger Plan shall have the following meanings:

"MERGER DATE"	means the date on which the Merger is entered into the register appropriate for Cyfrowy Polsat.
"CCC"	means the Polish Law of 15 September 2000 – Commercial Companies Code (Journal of Laws of 2000, No. 94, item 1037, as amended).
"MERGER PLAN"	means this plan of merger by acquisition.
"MERGER"	means a business combination of Cyfrowy Polsat and MTEL as described in Article 3 of this Merger Plan.
"PARTICIPATING COMPANIES"	mean Cyfrowy Polsat and MTEL.
"TAKING-OVER COMPANY" or "CYFROWY POLSAT"	means Cyfrowy Polsat S.A. with registered office at 4A Łubinowa Street, 03-878 Warsaw, Poland, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000010078.
"ACQUIRED COMPANY" or "MTEL"	means mTEL Sp. z o.o. (limited liability company) with registered office at 37 Domaniewska Street, 02-672 Warsaw, Poland, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000008837.

3. MERGER METHOD

- 3.1. The Participating Companies shall be merged by: (i) transferring all the assets of the Acquired Company to the Taking-over Company (being the sole shareholder in the Acquired Company) by way of universal succession, and (ii) dissolution of the Acquired Company without its liquidation, in accordance with the provisions of art. 492 § 1 item 1) of the CCC (the "**MERGER**").
- 3.2. As a result of the Merger, Cyfrowy Polsat will – pursuant to art. 494 § 1 of the CCC – assume all the rights and obligations as well as assets and liabilities of MTEL as from the Merger Date.
- 3.3. Because all shares in the Acquired Company are held by the Taking-over Company:
 - 3.3.1. pursuant to art. 515 § 1 of the CCC, the Merger shall be carried out without increasing the share capital of the Taking-over Company;

- 3.3.2. pursuant to art. 516 § 5 and in conjunction with art. 516 § 6 of the CCC, the Merger Plan shall not be audited by any expert appointed by the court of registration;
- 3.3.3. pursuant to art. 516 § 5 and in conjunction with art. 516 § 6 of the CCC, the management boards of the Participating Companies shall not prepare any reports on their business operations.
- 3.4. Art. 516 § 1 sect. 1 of the CCC is not applicable due to the fact that the Taking-over Company is a public company and, therefore, in accordance with art. 506 of the CCC, the Merger shall be conducted on the basis of a resolution of the General Meeting of Shareholders of Cyfrowy Polsat expressing their approval for the Merger Plan, as well as a resolution of the Shareholders Meeting of MTEL expressing approval of its sole shareholder, i.e. Cyfrowy Polsat, for the Merger Plan.

4. RIGHTS GRANTED BY THE TAKING-OVER COMPANY TO SHAREHOLDERS AND HOLDERS OF SPECIAL ENTITLEMENTS IN THE ACQUIRED COMPANY

- 4.1. In connection with the Merger, the Taking-over Company does not and will not grant any special rights, as referred to in art. 499 § 1 item 5) of the CCC, neither to the sole shareholder of the Acquired Company nor to any persons with special entitlements in the Acquired Company.
- 4.2. Furthermore, in connection with the Merger, the Participating Companies do not and will not grant any special benefits to any members of the governing bodies of the Acquired Company, members of the governing bodies of the Taking-over Company, nor to any persons engaged in the Merger process.

5. OTHER PROVISIONS

- 5.1. In the event that any provision of this Merger Plan becomes invalid or unenforceable, it shall not affect the validity or enforceability of the remaining provisions of the Merger Plan. Such invalid or unenforceable provision shall be replaced by a valid and enforceable provision, which to the extent possible reflects the original intention of the invalid or unenforceable provision. The same is applicable by analogy to any potential gaps in the Merger Plan.
- 5.2. In compliance with art. 499 § 2 of the CCC, the Merger Plan is accompanied with the following appendices:
 - 1. Draft resolution of the General Meeting of Shareholders of the Taking-over Company on the merger of the Participating Companies.
 - 2. Draft resolution of the Shareholders Meeting of the Acquired Company on the merger of the Participating Companies.
 - 3. Determination of the net value of assets of the Acquired Company as at 31 May 2011.
 - 4. Statement containing information on the value of assets, equity and liabilities of the Taking-over Company as at 31 May 2011.
 - 5. Statement containing information on the value of assets, equity and liabilities of the Acquired Company as at 31 May 2011.

- 5.3. All appendices to the Merger Plan constitute an integral part thereof.
- 5.4. The Articles of Association of the Taking-over Company shall remain unchanged because the Merger shall be carried out in accordance with art. 515 § 1 of the CCC, this is without increasing the share capital of the Taking-over Company, as well as due to the fact that the Merger does not result in any circumstances requiring an amendment to the Articles of Association of the Taking-over Company.
- 5.5. This Merger Plan has been drawn up in four counterparts, two for each of the Participating Companies.

Signed in Warsaw, on 17 June 2011.

Management Board of Cyfrowy Polsat S.A.:

Dominik Libicki
President of the Management Board

Aneta Jaskólska
Member of the Management Board

Tomasz Szelaġ
Member of the Management Board

Dariusz Działkowski
Member of the Management Board

Management Board of mTEL Sp. z o.o.:

Jarosław Marchewka
President of the Management Board

Janusz Kaliszyk
Member of the Management Board

**Resolution No. [●]
dated [●] 2011
of the Extraordinary General Meeting of Shareholders
of the company Cyfrowy Polsat S.A.
seated in Warsaw
on the merger of Cyfrowy Polsat S.A. with mTEL Sp. z o.o. seated in Warsaw**

§ 1

Acting on the basis art. 506 § 492 of the Commercial Companies Code (the "**CCC**"), the Extraordinary General Meeting of Shareholders of Cyfrowy Polsat S.A. (the "**Taking-over Company**") hereby decides on the merger of the Taking-over Company with the company of mTEL Sp. z o.o. (limited liability company) seated in Warsaw, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000008837 (the "**Acquired Company**"), to be executed pursuant to art. 492 § 1 item 1 of the CCC, this is by transferring all the assets of the Acquired Company to the Taking-over Company (being the sole shareholder in the Acquired Company) and subsequent dissolution of the Acquired Company without its liquidation.

§ 2

The Extraordinary General Meeting of Shareholders of the Taking-over Company furthermore decides that the merger of the Taking-over Company with the Acquired Company shall be carried out in the manner set forth in art. 515 § 1 of the CCC, this is without increasing the share capital of the Taking-over Company as well as without amending its Articles of Association, following the rules provided for in the merger plan as agreed between the management boards of the Taking-over Company and the Acquired Company on 16 June 2011 and subsequently announced on [●] 2011 in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) No. [●], item [●] (the "**Merger Plan**"), attached to this Resolution.

§3

Because the Taking-over Company is the sole shareholder in the Acquired Company, the merger shall be performed in a simplified procedure according to art. 516 § 6 of the CCC, with certain restrictions resulting from the fact that the Taking-over Company is a public company.

§4

The Extraordinary General Meeting of Shareholders of the Taking-over Company hereby approves the Merger Plan as attached to this Resolution.

§5

The Company's Management Board shall be authorized to undertake any actions necessary to complete the procedure of merger between the Taking-over Company and the Acquired Company.

**Appendix No. 2 to the Merger Plan of the companies of Cyfrowy Polsat S.A. and mTEL Sp.
z o.o.**

**Resolution No. [●]
dated [●] 2011
of the Extraordinary Meeting of Shareholders
of the company mTel Sp. z o.o.
seated in Warsaw
on the merger of mTEL Sp. z o.o. with Cyfrowy Polsat S.A. seated in Warsaw**

§ 1

Acting on the basis art. 506 § 1 of the Commercial Companies Code (the "**CCC**"), the Extraordinary Meeting of Shareholders of mTEL Sp. z o.o. (limited liability company) seated in Warsaw (the "**Acquired Company**") hereby decides on the merger of the Acquired Company with the company of Cyfrowy Polsat seated in Warsaw, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000010078 (the "**Taking-over Company**"), to be executed pursuant to art. 492 § 1 item 1 of the CCC, this is by transferring all the assets of the Acquired Company to the Taking-over Company (being the sole shareholder in the Acquired Company) and subsequent dissolution of the Acquired Company without its liquidation.

§ 2

The Extraordinary Meeting of Shareholders of the Acquired Company furthermore decides that the merger of the Acquired Company with the Taking-over Company shall be carried out in the manner set forth in art. 515 § 1 of the CCC, this is without increasing the share capital of the Taking-over Company as well as without amending its Articles of Association, following the rules provided for in the merger plan as agreed between the management boards of the Acquired Company and the Taking-over Company on 16 June 2011 and subsequently announced on [●] June 2011 in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) No. [●], item [●] (the "**Merger Plan**"), attached to this Resolution.

§3

Because the Taking-over Company is the sole shareholder in the Acquired Company, the merger shall be performed in a simplified procedure according to art. 516 § 6 of the CCC, with certain restrictions resulting from the fact that the Taking-over Company is a public company.

§4

The Extraordinary Meeting of Shareholders of the Acquired Company hereby approves the Merger Plan as attached to this Resolution.

§5

The Company's Management Board shall be authorized to undertake any actions necessary to complete the procedure of merger between the Taking-over Company and the Acquired Company.

Appendix No. 3 to the Merger Plan of the companies of Cyfrowy Polsat S.A. and mTEL Sp. z o.o.

**STATEMENT by the Management Board of
mTEL Sp. z o.o. seated in Warsaw
dated 17 June 2011
on determination of the net value of assets
of the company mTEL Sp. z o.o.
as at 31 May 2011**

Pursuant to art. 499 § 2 item 3 of the Commercial Companies Code, the Management Board of mTEL Sp. z o.o. (limited liability company) seated in Warsaw, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000008837 (the "**Acquired Company**"), hereby represents that:

the net value of assets of the Acquired Company as at 31 May 2011, determined taking into account the book value of equity as at 31 May 2011, amounts to PLN 754 (seven hundred and fifty-four zlotys).

All figures in the tables are presented in thousands of Polish zlotys (PLN '000).

	<u>31 May 2011</u> <u>(PLN '000)</u>
Short-term receivables	8.5
Short-term investments	6.9
TOTAL ASSETS	15.4
Current liabilities	14.6
TOTAL LIABILITIES	14.6
NET ASSETS	0.8

Jarosław Marchewka
President of the Management Board

Janusz Kaliszyk
Member of the Management Board

Appendix No. 4 to the Merger Plan of the companies of Cyfrowy Polsat S.A. and mTEL Sp. z o.o.

**STATEMENT by the Management Board of
Cyfrowy Polsat S.A. seated in Warsaw
dated 17 June 2011
on the value of assets, equity and liabilities
of the company Cyfrowy Polsat S.A.
as at 31 May 2011**

Acting on the basis art. 499 § 2 item 4 of the Commercial Companies Code, the Management Board of Cyfrowy Polsat S.A. seated in Warsaw, entered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000010078 (the "**Company**"), hereby represents that the values of the Company's total assets and total equity and liabilities amount to PLN 5,628,509,637 (five billion, six hundred and twenty-eight million, five hundred and nine thousand, six hundred and thirty-seven zlotys).

The accompanying balance sheet of the Company made as at 31 May 2011 has been prepared in accordance with the Accounting Act of 29 September 1994 (Journal of Laws of 2002 No. 76, item 694, as amended) and with regard to International Accounting Standards (IAS), and presents a true and accurate view of the Company's financial position as at 31 May 2011.

Furthermore, the Management Board represents that the accompanying balance sheet has been drawn up using the same methods and layout as applied in the preparation of the Company's last annual balance sheet. All figures in the tables are presented in thousands of Polish zlotys (PLN '000).

ASSETS	31 May 2011	31 Dec. 2010
Reception equipment	368,454	291,208
Other property, plant and equipment	138,082	131,994
Goodwill	52,227	0
Intangible assets	19,111	20,479
Investment property	6,907	6,931
Shares in subsidiaries	4,367,213	675,471
Other non-current assets	41,178	35,898
Total non-current assets	4,993,172	1,161,981
Inventories	133,523	140,165
Short-term loans granted to related companies	0-	5,446
Income tax receivable	7,660	6,760
Trade accounts receivable and other receivables	209,324	178,588
Other current assets	116,500	77,154
Cash and cash equivalents	168,331	24,195
Total current assets	635,338	432,308
Total assets	5,628,510	1,594,289

SHAREHOLDERS' EQUITY AND LIABILITIES	31 May 2011	31 Dec. 2010
Share capital	13,934	10,733
Reserve capital	1,037,258	153,093
Capital reserves	1,156,850	10,174
Retained earnings	56,157	885,036
Total shareholders' equity	2,264,199	1,059,036
Liabilities under bank loans and borrowings	1,116,070	0
Liabilities under corporate bonds issued	1,240,575	0
Finance lease liabilities	1,123	884
Deferred income tax liabilities	82,138	69,986
Other long-term liabilities and provisions	1,412	1,900
Total non-current liabilities	2,441,318	72,770
Liabilities under bank loans and borrowings	368,956	0
Liabilities under corporate bonds issued	106,258	0
Finance lease liabilities	224	226
Trade accounts payable and other liabilities	255,528	280,411
Deposits received for reception equipment	15,091	15,434
Deferred income	176,936	166,412
Total current liabilities	922,993	462,483
Total liabilities	3,364,311	535,253
Total shareholders' equity and liabilities	5,628,510	1,594,289

Management Board of Cyfrowy Polsat S.A.:

Dominik Libicki
President of the Management Board

Aneta Jaskólska
Member of the Management Board

Tomasz Szelaĝ
Member of the Management Board

Dariusz Działkowski
Member of the Management Board

Appendix No. 5 to the Merger Plan of the companies of Cyfrowy Polsat S.A. and mTEL Sp. z o.o.

**STATEMENT by the Management Board of
mTEL Sp. z o.o. seated in Warsaw
dated 17 June 2011
on the value of assets, equity and liabilities
of the company mTEL Sp. z o.o.
as at 31 May 2011**

Acting on the basis of art. 499 § 2 item 4 of the Commercial Companies Code, the Management Board of mTEL Sp. z o.o. (limited liability company) seated in Warsaw (the "**Acquired Company**") hereby represents that the values of the Acquired Company's total assets and total equity and liabilities amount to PLN 15,345 (fifteen thousand three hundred and forty-five zlotys).

The accompanying balance sheet of the Acquired Company made as at 31 May 2011 has been prepared in accordance with the Accounting Act of 29 September 1994 (Journal of Laws of 2002 No. 76, item 694, as amended) and presents a true and accurate view of the Company's financial position as at 31 May 2011.

Furthermore, the Management Board represents that the accompanying balance sheet has been drawn up using the same methods and layout as applied in the preparation of the Company's last annual balance sheet. All figures in the tables are presented in thousands of Polish zlotys (PLN '000).

	31 May 2011 (PLN '000)	31 Dec. 2010 (PLN '000)
A NON-CURRENT ASSETS	0	0
I Intangible assets	0	0
1 Other intangible assets	0	0
II Property, plant and equipment	0	0
1 Tangible assets	0	0
2 Tangible assets under construction	0	0
III Long-term receivables	0	0
IV Deferred income tax assets	0	0
V Long-term deferred expenses	0	0
B CURRENT ASSETS	15.4	17.7
I Inventories	0	0
II Short-term receivables	8.5	7.5
1 Receivables from related companies	0	0
2 Receivables from other companies	8.5	7.5
a trade accounts receivable, of which falling due:	2.6	2.6
- within 12 months	2.5	2.5
b receivables on taxes, subsidies, import tariffs, social security, and other benefits	5.9	4.9
III Short-term investments	6.9	10.2

1 Short-term financial assets	6.9	10.2
a cash and cash equivalents	6.9	10.2
- cash on hand and at bank	6.9	10.2
IV Short-term deferred expenses	0	0
TOTAL ASSETS	15.4	17.7

	31 May 2011 (PLN '000)	31 Dec. 2010 (PLN '000)
A SHAREHOLDERS' EQUITY	0.8	2.9
I Share capital	50.0	50.0
II Not paid-up share capital	0	0
III Treasury shares	0	0
IV Reserve capital	70.4	70.4
V Revaluation capital	0	0
VI Other capital reserves	5.7	5.7
VII Prior years' loss	(123.2)	(122.4)
VIII Net profit (loss)	(2.1)	(0.8)
IX Net profit write-offs during the financial year	0	0
B LIABILITIES AND PROVISIONS FOR LIABILITIES	14.6	14.8
I Provisions for liabilities	0	0
1 Deferred income tax provision	0	0
2 Other provisions	0	0
II Non-current liabilities	0	0
1 To related companies	0	0
2 To other companies	0	0
III Current liabilities	14.6	12.8
1 To related companies	0	0
a bank loans and borrowings	0	0
b trade accounts payable, of which falling due:	0.3	0.3
- within 12 months	0.3	0.3
2 To other companies	14.3	12.5
a bank loans and borrowings	0	0
b trade accounts payable, of which falling due:	10.7	9.5
- within 12 months	10.7	9.5
- after 12 months	0	0
c financial liabilities	0	0
d liabilities on taxes, import tariffs, social security, and other payables	3.0	3.0
e salaries payable	0	0
f other	0.6	0
IV Accrued expenses and deferred income	0	2.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	15.3	17.7

Jarosław Marchewka
President of the Management Board

Janusz Kaliszyk
Member of the Management Board