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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting Cyfrowy Polsat S.A.

We have audited the accompanying consolidated financial statements of Cyfrowy Polsat S.A. Group, whose parent entity is seated in Warsaw, ul. Łubinowa 4a ("the Group"), which comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and supplementary information to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

Management's and Supervisory Board's Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union and with other applicable regulations and preparation of the Report on the Group's activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act"), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the Report on the Group's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these consolidated financial statements. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

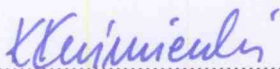
Opinion

In our opinion, the accompanying consolidated financial statements of Cyfrowy Polsat S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2011 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

As required under the Accounting Act, we also report that the Report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw



.....
Certified Auditor No. 90106
Krzysztof Kuśmierski



.....
Certified Auditor No. 9645
Limited Liability Partner with power of
attorney
Marek Strugała

9 March 2012
Warsaw



Cyfrowy Polsat S.A. Group

**Report supplementing
the auditor's opinion
on the consolidated financial
statements
Financial Year ended
31 December 2011**

The report supplementing the auditor's opinion
contains 12 pages
Report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2011

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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

Cyfrowy Polsat S.A. Group

1.1.2 Registered office of the Parent Company of the Group

ul. Łubinowa 4a
03-878 Warsaw

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court for the Capital City Warsaw in Warsaw XIII Commercial Department of the National Court Register
Date:	21 June 2001
Registration number:	KRS 0000010078
Share capital as at balance sheet date:	13,934,113

1.1.4. Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

At 31 December 2011, the Management Board of the Parent Company was comprised of the following members:

- Dominik Libicki – President of the Management Board,
- Tomasz Szelaǳ – Member of the Management Board,
- Dariusz Działkowski – Member of the Management Board,
- Aneta Jaskólska – Member of the Management Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2011, the following companies were consolidated by the Group:

Parent Company:

- Cyfrowy Polsat S.A.

Subsidiaries consolidated on the full consolidation basis:

- Cyfrowy Polsat Technology Sp. z o.o.,
- Cyfrowy Polsat Trade Marks Sp. z o.o.,
- Cyfrowy Polsat Finance AB,
- Telewizja Polsat Sp. z o.o.,

- RS TV S.A.,
- Polsat Media Sp. z o.o.,
- Media-Biznes Sp. z o.o.,
- Polsat Futbol Ltd.,
- Nord License AS,
- Polsat License Ltd.

The following subsidiaries were consolidated for the first time during the year ended 31 December 2011, as a result of the Parent Company acquiring a controlling interest:

- Cyfrowy Polsat Finance AB – subject to consolidation for the period from 10 March 2011 to 31 December 2011,
- Telewizja Polsat Sp. z o.o. – subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- RS TV S.A. - subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- Polsat Media Sp. z o.o. - subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- Media-Biznes Sp. z o.o. - subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- Polsat Futbol Ltd. - subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- Nord License AS - subject to consolidation for the period from 20 April 2011 to 31 December 2011,
- Polsat License Ltd. - subject to consolidation for the period from 20 April 2011 to 31 December 2011.

1.2.2 Entities excluded from consolidation

As at 31 December 2010, Karpacka Telewizja Kablowa Sp. z o.o. was not consolidated due to insignificant size of that company for the Group and fact that this entity does not carry out any operations.

1.3 Auditor information

1.3.1 Key certified auditor information

Name and surname: Marek Strugała
Registration number: 9645

Name and surname: Krzysztof Kuśmierski
Registration number: 90106

1.3.2 Audit auditor information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2010 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unqualified opinion

The consolidated financial statements were approved at the General Meeting on 19 May 2011.

The consolidated financial statements were submitted to the Registry Court on 31 May 2011 and were published in Monitor Polski B No. 1421 on 29 August 2011.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of Cyfrowy Polsat S.A. seated in Warsaw, ul. Łubinowa 4a, and relates to the consolidated financial statements comprising: the consolidated balance sheet as at 31 December 2011, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information.

The Parent Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of General Meeting dated 4 December 2007.

The consolidated financial statements have been audited in accordance with the contract dated 29 December 2011, concluded on the basis of the resolution of Supervisory Board dated 5 July 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements in the Parent Company's head office during the period from 6 February to 9 March 2012.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the Report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements.

The Management Board of the Parent Company submitted a statement, dated the same date as this report, as to the true and fair presentation of the consolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

Key certified auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. fulfill independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and Their Government, Audit Firms and Public Oversight dated 7 May 2009 (Official Journal from 2009, No. 77, item 649).

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k.

1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The financial statements of the Parent Company for the year ended 31 December 2011 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., certified auditor number 3546, and received an unqualified opinion.

1.6.2 Other consolidated entities

<u>Entity's name</u>	<u>Authorised auditor</u>	<u>Financial year end</u>	<u>Type of auditor's opinion</u>
Cyfrowy Polsat Technology Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2011	Unqualified opinion
Cyfrowy Polsat Trade Marks Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	30 November 2011	Unqualified opinion
Cyfrowy Polsat Finance AB	KPMG AB	31 December 2011	Audit not yet completed
Telewizja Polsat Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2011	Unqualified opinion
RS TV S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2011	Unqualified opinion
Polsat Media Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2011	Unqualified opinion
Media-Biznes Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2011	Audit not yet completed
Polsat Futbol Ltd.	KPMG LLP	31 December 2011	Unqualified opinion
Nord License AS	KPMG AS	31 December 2011	Unqualified opinion
Polsat License Ltd.	KPMG AG Zurich	31 December 2011	Unqualified opinion

2 Financial analysis of the Group

2.1 Summary of the consolidated financial statements

2.1.1 Consolidated balance sheet

ASSETS	31.12.2011		31.12.2010	
	PLN '000	% of total	PLN '000	% of total
Non-current assets				
Reception equipment	408,610	7.7	275,399	27.1
Other property, plant and equipment	263,277	4.9	152,857	15.1
Goodwill	2,412,285	45.3	52,022	5.1
Brands	840,000	15.8	300	0.0
Other intangible assets	54,194	1.0	22,944	2.3
Non-current programming assets	131,141	2.5	-	-
Investment property	8,440	0.2	-	-
Other non-current assets	51,647	1.0	37,544	3.7
Deferred tax assets	55,726	1.0	4,158	0.4
Total non-current assets	4,225,320	79.3	545,224	53.7
Current assets				
Current programming assets	137,429	2.6	-	-
Inventories	178,127	3.3	173,154	17.1
Bonds	14,854	0.3	-	-
Trade and other receivables	297,162	5.6	184,298	18.2
Income tax receivable	10,086	0.2	7,542	0.7
Other current assets	184,656	3.5	77,362	7.6
Cash and cash equivalents	277,534	5.2	27,615	2.7
Total current assets	1,099,848	20.7	469,971	46
TOTAL ASSETS	5,325,168	100.0	1,015,195	100.0
EQUITY AND LIABILITIES				
	31.12.2011		31.12.2010	
	PLN '000	% of total	PLN '000	% of total
Equity				
Share capital	13,934	0.3	10,733	1.1
Reserve capital	432,265	8.1	156,534	15.4
Other reserves	1,305,277	24.5	10,174	1.0
Hedge valuation reserve	4,758	0.1	-	-
Currency translation adjustment	4,853	0.1	-	-
Retained earnings	134,956	2.5	250,497	24.7
Total equity	1,896,043	35.6	427,938	42.2
Liabilities				
Loans and borrowings	958,407	18.0	-	-
Senior Notes payable	1,417,525	26.6	-	-
Finance lease liabilities	934	0.0	1,095	0.1
Deferred tax liabilities	87,122	1.6	65,338	6.5
Other non-current liabilities and provisions	12,497	0.2	2,384	0.1
Total non-current liabilities	2,476,485	46.5	68,817	6.8
Loans and borrowings	246,778	4.6	18,041	1.8
Senior Notes payable	105,052	2.0	-	-
Finance lease liabilities	252	0.0	491	0.0
Trade and other payables	374,955	7.0	317,953	31.3
Income tax liability	29,226	0.5	-	-
Deposits for equipment	12,744	0.2	15,523	1.5
Deferred income	183,633	3.4	166,432	16.4
Total current liabilities	952,640	17.8	518,440	51.0
Total liabilities	3,429,125	64.4	587,257	57.8
TOTAL EQUITY AND LIABILITIES	5,325,168	100.0	1,015,195	100.0

2.1.2 Consolidated income statement

	1.01.2011 - 31.12.2011 PLN '000	% of total sales	1.01.2010 - 31.12.2010 PLN '000	% of total sales
Revenue	2,365,925	100.0	1,482,463	100.0
Cost of services, products, goods and materials sold	(1,330,952)	56.3	(788,496)	53.2
Selling expenses	(243,493)	10.3	(232,973)	15.7
General and administrative expenses	(159,891)	6.8	(100,783)	6.8
Other operating income	14,332	0.6	13,970	0.9
Other operating costs	(85,621)	3.6	(48,427)	3.3
Profit from operating activities	560,300	23.7	325,754	22.0
Financial income	10,765	0.5	1,288	0.1
Financial costs	(381,163)	16.1	(5,760)	0.4
Share in net income of investments accounted for under the equity method	2,164	0.1	-	-
Gross profit for the period	192,066	8.1	321,282	21.7
Income tax	(31,876)	1.3	(62,812)	4.2
Net profit for the year	160,190	6.8	258,470	17.4
Net profit attributable to:				
Equity holders of the Parent	160,190	6.8	258,447	17.4
Non-controlling interests	-	-	23	-
Net profit for the year	160,190	6.8	258,470	17.4
Basic and diluted earnings per share (PLN)	0.49		0.96	

2.2 Selected financial ratios

	2011	2010	2009
1. Return on sales			
$\frac{\text{net profit} \times 100\%}{\text{Revenue}}$	6.8%	17.1%	18.2%
2. Return on equity			
$\frac{\text{net profit} \times 100\%}{\text{equity} - \text{net profit}}$	9.2%	146.0%	284.7%
3. Debtors turnover			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{net revenues}}$	46 days	52 days	45 days
4. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	64.4%	57.8%	58.4%
5. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	1.2	0.9	1.0

- Sales revenues are comprised of the revenues from sale of services, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, excluding allowances for receivables.

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

Entities included in the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Cyfrowy Polsat S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 r., No 169, item 1327).

3.3 Method of consolidation

The method of consolidation is described in note 6f of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 6k of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Cyfrowy Polsat S.A. and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

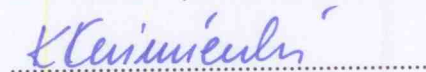
3.8 Report of the Management Board of the Parent Company on the Group's activities

The Report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259 with amendments) and the information is consistent with the consolidated financial statements.

3.9 Information on the opinion of the independent auditor

Based on our audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2011, we have issued an unqualified opinion.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw



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