

**PLAN OF MERGER
BY ACQUISITION**

CYFROWY POLSAT SPÓŁKA AKCYJNA

AND

CYFROWY POLSAT TECHNOLOGY SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

This plan of merger by acquisition (the "**MERGER PLAN**") was agreed on 19 October 2012 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 in 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. **CYFROWY POLSAT TECHNOLOGY SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ** (limited liability 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 in Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000254220, VAT No.: 527-25-040473, statistical number REGON: 140501529 (the "**ACQUIRED COMPANY**" or "**CYFROWY POLSAT TECHNOLOGY**")

Cyfrowy Polsat and Cyfrowy Polsat Technology 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 in 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: Cyfrowy Polsat Technology Spółka z ograniczoną odpowiedzialnością

Form: limited liability company

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 in Warsaw, XIII Commercial Department of the National Court Register

Registration number: KRS 0000254220

Share capital: PLN 500,000.00

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 1000 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 Cyfrowy Polsat Technology as described in Article 3 of this Merger Plan.
" PARTICIPATING COMPANIES "	mean Cyfrowy Polsat and Cyfrowy Polsat Technology.
" 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 in Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000010078.
" ACQUIRED COMPANY " or " CYFROWY POLSAT TECHNOLOGY "	means Cyfrowy Polsat Technology Sp. z o.o. (limited liability 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 in Warsaw, XIII Commercial Department of the National Court Register, under the number KRS 0000254220.

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 Cyfrowy Polsat Technology 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 Cyfrowy Polsat Technology 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 30 September 2012.

4. Statement containing information on the value of assets, equity and liabilities of the Acquired Company as at 30 September 2012.
- 5.3. All appendices to the Merger Plan constitute an integral part thereof.
- 5.4. Pursuant to Article 499 § 4 of CCC, 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.
- 5.5. 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.
- 5.6. This Merger Plan has been drawn up in six counterparts, three for each of the Participating Companies.

Signed in Warsaw, on 19 October 2012.

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 Cyfrowy Polsat Technology Sp. z o.o.:

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

Appendix No. 1 to the Merger Plan of the companies of Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o.

**Resolution No. [●]
dated [●] 2012
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 Cyfrowy Polsat Technology 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 Cyfrowy Polsat Technology 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 19 October 2012 and subsequently announced on [●] 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 Cyfrowy Polsat Technology Sp. z o.o.

**Resolution No. [●]
dated [●] 2012
of the Extraordinary Meeting of Shareholders
of the company Cyfrowy Polsat Technology Sp. z o.o.
seated in Warsaw
on the merger of Cyfrowy Polsat Technology 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 Cyfrowy Polsat Technology 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 19 October 2012 and subsequently announced on [●] 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.

Attachment 3 to the Merger Plan of Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o.

DETERMINING

of the net assets of Cyfrowy Polsat Technology Sp. z o.o. as at 30 September 2012

Acting on the basis of art. 499 § 2 point 3 of the Code of Commercial Partnerships and Companies, the Board of Cyfrowy Polsat Technology Sp. z o.o. with seat in Warsaw, hereby declares that the herewith determining of Company's net assets was prepared as at 30 September 2012 in order to merge the Acquired Company with Cyfrowy Polsat S.A. with seat in Warsaw.

30 September 2012
(in PLN thousands)

Intangible assets	2 849
Tangible fixed assets	9 377
Long-term receivables	0
Deferred tax assets	7 359
Long-term prepayments	0
Inventory	39 260
Short-term receivables	9 370
Short-term investments	6 691
Short-term prepayments	132
TOTAL ASSETS	75 038
Provisions for liabilities	35 149
Long-term liabilities	3 446
Short-term liabilities	30 099
Accruals	1 318
TOTAL LIABILITIES	70 012
NET ASSETS	5 026

Dominik Libicki
Chairman of the Board
Cyfrowy Polsat Technology Sp. z o.o.

Aneta Jaskólska
Board Member
Cyfrowy Polsat Technology Sp. z o.o.

Tomasz Szelaż
Board Member
Cyfrowy Polsat Technology Sp. z o.o.

Dariusz Działkowski
Board Member
Cyfrowy Polsat Technology Sp. z o.o.

Attachment 4 to the Merger Plan of Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o.

STATEMENT

of Cyfrowy Polsat Technology Sp. z o.o. financial position

Acting on the basis of art. 499 § 2 point 3 of the Code of Commercial Partnerships and Companies, the Board of Cyfrowy Polsat Technology Sp. z o.o. with seat in Warsaw (the „Acquired Company”), hereby declares that presented statement of the Acquired Company’s financial position is consistent with the balance sheet presented below, prepared as at 30 September 2012.

	30 September 2012 (in PLN thousands)	31 December 2011 (in PLN thousands)
A FIXED ASSETS	19 585	18 250
I Intangible assets	2 849	2 900
1 Accomplished R&D expenses	2 309	2 003
2 Other intangible assets	540	897
II Tangible fixed assets	9 377	7 983
1 Tangible fixed assets in use	9 200	7 206
a land (including right to perpetual usufruct)	0	0
b buildings, premises, civil and water engineering structures	313	82
c technical equipment and machines	8 007	6 192
d vehicles	153	180
e other tangible fixed assets	727	752
2 Tangible fixed assets under construction	177	777
III Long-term receivables	0	0
IV Deferred tax assets	7 359	7 367
V Long-term prepayments	0	0
B CURRENT ASSETS	55 453	48 458
I Inventory	39 260	23 523
II Short-term receivables	9 370	23 569
1 Receivables from related parties	3 285	20 061
a trade receivables, maturing:	3 256	20 032
- up to 12 months	3 256	20 032
b others	29	29
2 Receivables from other entities	6 085	3 508
a trade receivables, maturing:	5 641	2 935
- up to 12 months	5 641	2 935
b receivables from tax, subsidy, customs, social security and other benefits	321	467
c other	123	106
III Short-term investments	6 691	1 207
1 Short-term financial assets	6 691	1 207
a cash and other monetary assets	6 691	1 207
- cash in hand and at bank	6 691	1 207
IV Short-term prepayments	132	159
TOTAL ASSETS	75 038	66 708

	30 September 2012 (in PLN thousands)	31 December 2011 (in PLN thousands)
A EQUITY	5 026	3 113
I Share capital	500	500
II Called up share capital	0	0
III Own shares	0	0
IV Share premium	2 613	3 441
V Revaluation reserve	0	0
VI Other reserve capitals	0	0
VII Previous years' loss	0	0
VIII Net profit / (loss)	1 913	(828)
IX Write-off on net profit during the financial year	0	0
B LIABILITIES AND PROVISIONS FOR LIABILITIES	70 012	63 595
I Provisions for liabilities	35 149	34 917
1 Provision for deferred income tax	0	0
2 Provision for retirement and similar benefits	22	17
3 Other provisions	35 127	34 900
II Long-term liabilities	3 446	2 588
1 To related parties	3 446	2 588
a other	3 446	2 588
2 To other entities	0	0
a other	0	0
III Short-term liabilities	30 099	23 919
1 To related parties	3 439	1 806
a credits and loans	0	0
b trade liabilities, maturing:	1 543	449
- up to 12 months	1 543	449
c other	1 896	1 357
2 To other entities	26 660	22 113
a credits and loans	0	0
b trade liabilities, maturing:	23 096	19 322
- up to 12 months	23 096	19 322
- above 12 months	0	0
c financial liabilities	0	0
d tax, customs, insurance and other liabilities	2 767	2 056
e payroll liabilities	1	0
f other	796	735
IV Accruals	1 318	2 171
TOTAL LIABILITIES	75 038	66 708

Dominik Libicki
Chairman of the Board
Cyfrowy Polsat Technology Sp. z o.o.

Aneta Jaskólska
Board Member
Cyfrowy Polsat Technology Sp. z o.o.

Tomasz Szelaĝ
Board Member
Cyfrowy Polsat Technology Sp. z o.o.

Dariusz Działkowski
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