

Cyfrowy Polsat Newsletter

25 April – 1 May 2011

The press about Cyfrowy Polsat

Date

The press about DTH/MVNO/Internet market in Poland

Parkiet: Cyfrowy Polsat – TV Polsat acquired for PLN 3.75bn
Cyfrowy Polsat paid PLN 3.75bn for 2.37 million shares of TV Polsat.

26.04

Puls Biznesu: Cyfrowy Polsat will not pay dividend

Management Board of Cyfrowy Polsat will recommend Supervisory Board to allocate the entire profit of the company for the last year amounting to PLN 884 mln to reserve capital. It justifies its decision by the need of future service of the debt incurred by the Company to purchase 100% shares of Telewizja Polsat S.A.

Warsaw business journal: Poland's private television broadcasters outshine TVP

Polsat has emerged as the most effective broadcaster in the market. The company's per-worker net profit clocked in at PLN 234,600 last year, while TVN recorded PLN 186,700 per employee, daily Rzeczpospolita reported.

Dziennik Gazeta Prawna: Operators develop technologies that increase speed of data transfer

The launch of 4G network, which operates based on LTE technology, is supposed to be an important stage in the development of mobile Internet in Poland. However, the start of the service is delayed due to the delays in getting the radio frequencies needed to support LTE from the army. Cyfrowy Polsat bet on LTE based on an unusual frequency of 1800 MHz, thanks to that offering of 4G mobile Internet service could even start in the first half of 2011.

29.04

Parkiet: PTC will have a chance for public offering

The third-largest mobile telephony network in the country will be transformed into joint stock company and will absorb three companies that now hold its shares.

The press about Cyfrowy Polsat	Date	The press about DTH/MVNO/Internet market in Poland
<p>Rzeczpospolita: Strategic agreement of Polsat and TVN groups Two competing groups will exchange channels: increase the offer and reach more viewers.</p>	30.04	
	01.05	<p>TV Sat Magazyn: Signal theft and vandalism in cable networks End of impunity for pirates distributing digital television signals and ordinary vandals damaging the cable networks' boxes. Broadcasters have had enough and took matters into their own hands.</p> <p>Forbes: Infrastructure – introduce With the acquisition of Emitel by a private equity fund, the process of consolidation of the broadcasting infrastructure service in Poland has begun. When it is completed, all transmitter masts of television, radio and mobile telephony operators will be owned by one company.</p>

Latest events

Current report no 22 28 April 2011

Information concerning a change of the number of votes held by Polaris Finance B.V. in the total number of votes at the General Meeting of Cyfrowy Polsat S.A., notification on Karswell Limited exceeding 10% of the total number of votes at the General Meeting of Cyfrowy Polsat S.A. and a change of the number of votes held by Mr. Zygmunt Solorz-Żak in the total number of votes at the General Meeting of Cyfrowy Polsat S.A.

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby announces that on April 28, 2011 it was informed (i) of a change of the number of votes held by Polaris Finance B.V. (the "Polaris") in the total number of votes in the Company, (ii) that Karswell Limited ("Karswell") exceeded 10% of the total number of votes at the General Meeting of the Company and (iii) of a change of votes held by Mr. Zygmunt Solorz-Żak in the total number of votes in the Company.

The above change with respect to the number of votes in the Company results from the fact that the entitled persons, including Karswell and Sensor Overseas Limited ("Sensor"), have taken up 80,027,836 (eighty million twenty seven thousand eight hundred thirty six) Series H ordinary bearer shares of the Company of the nominal value of PLN 0.04 (four grosz) each share (the "Shares"), issued by the Company pursuant to a resolution No. 6 (the "Resolution No. 6") and a resolution No. 7 of the Extraordinary General Meeting of the Company of December 17, 2010 (the "General Meeting") on the conditional increase of the share capital of the Company by way of the issuance of up to 80,027,836 (eighty million twenty seven thousand eight hundred thirty six) Series H ordinary bearer shares of the nominal value of PLN 0.04 (four grosz) each share (the "Shares") with the preemptive right concerning the shares excluded with respect to the current shareholders of the Company, of which adoption the Company announced in its current report No. 36/2010 of December 17, 2010. Karswell took up 53,887,972 (fifty three million eight hundred eighty seven thousand nine hundred seventy two) Shares (the "Karswell Shares"), while Sensor took up 9,509,648 (nine million five hundred nine thousand six hundred and forty eight) Shares (the "Sensor Shares").

As the Company announced in its current report No. 18/2011 of April 21, 2011, the Shares have been taken up due to the execution, of the entitled persons including Karswell and Sensor, of the right to subscribe for the Shares arising from 80,027,836 (eighty million twenty seven thousand eight hundred thirty six) of the subscription warrants issued pursuant to the Resolutions Nos. 8 and 9 of the said General Meeting on the issue of 80,027,836 (eighty million twenty seven thousand eight hundred thirty six) of Series H subscription warrants authorizing their holders to take up the Shares, issued by the Company, under the Resolution No. 6 and exclude the preemptive right of the Shares in question (the "Subscription Warrants") of which adoption the Company announced in its current report No. 36/2010 of December 17, 2010. On April 1, 2011 the Company issued the Subscription Warrants for the benefit of individual shareholders, including Karswell and Sensor (the "Shareholders of TV Polsat") of Telewizja Polsat S.A ("TV Polsat"), as the Company announced in its current report No. 12/2011 of April 1, 2011, in order to secure the performance by the Company of the provisions of the agreements on the acquisition, from the Shareholders of TV Polsat, the shares in TV Polsat held by them and to secure the payment by the Company, for the benefit of the Shareholders of TV Polsat, of a part of the price due to them for the shares in TV Polsat being the subject of sale.

The change in the current equity interest of Polaris, Mr. Zygmunt Solorz-Żak and of Karswell's exceeding 10% in the total number of votes in the Company took place on April 20, 2011.

Latest events

I. Change in equity interest of Polaris

Prior to the transaction, Polaris held directly 175,025,000 (one hundred seventy five million twenty five thousand) shares of the Company which constituted 65.23 % of the share capital of the Company, representing 341,967,501 (three hundred forty one million nine hundred sixty seven thousand five hundred one) votes at the General Meeting of the Company, i.e. 76.38% of the total number of votes in the Company. This block of shares comprised:

- a) 166,942,501 registered preferred shares representing 62.22% of the share capital, carrying 333,885,002 votes at the General Meeting of the Company, representing 74.57% of the total number of votes at the General Meeting of the Company; and
- b) 8,082,499 dematerialized shares representing 3.01% of the share capital, carrying 8,082,499 votes at the General Meeting of the Company, representing 1.81% of the total number of votes at the General Meeting of the Company.

Currently, Polaris holds 175,025,000 (one hundred seventy five million twenty five thousand) shares of the Company which constitute 50.24 % of the share capital of the Company, representing 341,967,501 (three hundred forty one million nine hundred sixty seven thousand five hundred one) votes at the General Meeting of the Company, i.e. 64.79 % of the total number of votes in the Company. This block of shares comprises:

- a) 166,942,501 registered preferred shares representing 47.92% of the share capital, carrying 333,885,002 votes at the General Meeting of the Company, representing 63.26% of the total number of votes at the General Meeting of the Company; and
- b) 8,082,499 dematerialized shares representing 2.32% of the share capital, carrying 8,082,499 votes at the General Meeting of the Company, representing 1.53% of the total number of votes at the General Meeting of the Company.

There are no subsidiaries of Polaris which hold shares in the Company, and Polaris is not a party to any agreements on the transfer of any rights to execute voting rights from the Company's shares.

Mr. Zygmunt Solorz-Żak holds 85% share in the share capital of Polaris.

II. Change in equity interest of Karswell

Prior to the transaction, Karswell did not hold, directly or indirectly, any shares of the Company.

Currently, Karswell holds directly 53,887,972 (fifty three million eight hundred eighty seven thousand nine hundred seventy two) shares of the Company, which constitute 15.47% of the share capital of the Company, representing 53,887,972 (fifty three million eight hundred eighty seven thousand nine hundred seventy two) votes at the General Meeting of the Company, i.e. 10.21% of the total number of votes in the Company.

There are no subsidiaries of Karswell which hold shares in the Company, and Karswell is not a party to any agreements on the transfer of any rights to execute voting rights from the Company's shares.

Within a period of 12 months following the notification, Karswell does not intend to increase its share of the number of votes at the General Meeting of the Company.

Mr. Zygmunt Solorz-Żak holds 100% share in the share capital of Karswell.

Latest events

III. Change in equity interest of Mr. Zygmunt Solorz-Żak

Prior the transaction, Mr. Zygmunt Solorz-Żak held (directly and indirectly through Polaris) 185,628,750 (one hundred eighty five million six hundred twenty eight thousand and seven hundred fifty) shares of the Company which jointly constituted 69.23% of the share capital of the Company, jointly representing 363,175,001 (tree hundred sixty three million one hundred seventy five thousand and one) votes at the General Meeting of the Company, i.e. 81.08% of the total number of votes in the Company.

Currently, Mr. Zygmunt Solorz-Żak holds (directly and indirectly through Karswell and Polaris) 239,516,722 (two hundred thirty nine million five hundred sixteen thousand and seven hundred twenty two) shares of the Company jointly representing 68.75% of the share capital of the Company, jointly representing 417,062,973 (four hundred seventeen million sixty two thousand nine hundred seventy three) votes at the General Meeting of the Company, i.e. 79.02% of the total number of votes in the Company.

IV. Change in equity interest of Sensor

Prior the transaction, Sensor did not hold, directly or indirectly, any shares of the Company.

Currently, Sensor holds directly 9,509,648 (nine million five hundred nine thousand six hundred and forty eight) shares of the Company representing 2.73% of the share capital of the Company, representing 9,509,648 nine million five hundred nine thousand six hundred and forty eight) votes at the General Meeting of the Company, i.e. 1.80% of the total number of votes in the Company.

Mr. Heronim Ruta holds 100% share in the share capital of Sensor.

Mr. Zygmunt Solorz-Żak and Mr. Heronim Ruta are members of the Company's Supervisory Board.

Current report no 23 29 April 2011

Information on conclusion of significant agreements with TVN S.A. Group

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on April 29, 2011 the Company and its subsidiary Telewizja Polsat S.A. have signed the agreements with TVN S.A. and its subsidiaries ITI Neovision Sp. z o.o. and Mango Media Sp. z o.o. ("TVN"), concerning distribution of television channels.

According to the agreements, the Company will continue to distribute the television channels broadcasted by TVN, including TVN, TVN 7, TVN24, TVN Style, TVN Turbo, TVN Meteo, as well as it will start offering TVN CNBC and TVN in versions HD and HD+1 and Telezakupy Mango.

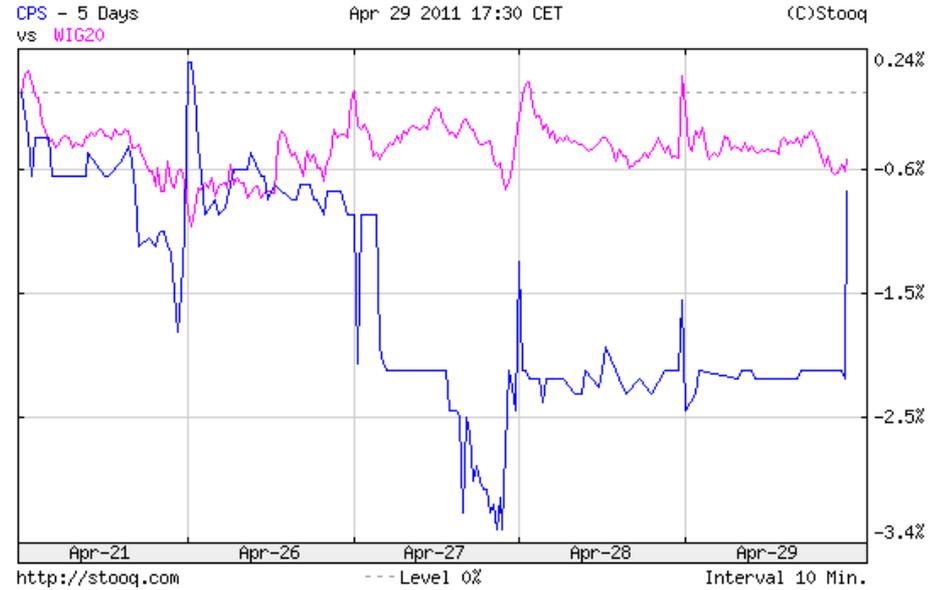
Additionally, under the agreements, ITI Neovision Sp. z o.o. will initiate distribution through "n" platform of the following channels: Polsat, Polsat HD, Polsat News, Polsat Cafe, Polsat Play, TV Biznes, Polsat JimJam, and later also Polsat Sport News.

The agreements were concluded for a specified period and are valid between May 1, 2011 to April 30, 2015. Other conditions of the agreements do not deviate from the market standards applicable to such agreements.

Given the above assumptions, the Company estimated that the total value of the agreements, in the period of their duration, may exceed 10% of the revenues for the last four financial quarters, meeting the criteria of a significant agreement.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Volume (PLN ths.)
26-04-2011	16.40	16.18	16.23	0.31%	444
27-04-2011	16.30	15.79	15.87	-2.04%	8 109
28-04-2011	16.25	15.95	16.00	0.31%	479
29-04-2011	16.09	15.95	16.00	-0.56%	412



Investors' calendar

4 May 2011	Extraordinary General Meeting of Cyfrowy Polsat S.A.
16 May 2011	<p>Publication of results for 1st quarter 2011</p> <p>Publication of the results for 1Q 2011 schedule:</p> <p>7:00 am 1Q 2011 report will be filed</p> <p>8:00 am 1Q 2011 report, press release and results presentation will be available on our website, www.cyfrowypolsat.pl</p> <p>10:00 am Meeting with analysts and presentation of 1Q 2011 results</p> <p>12:00 pm Meeting with journalists</p> <p>16:00 pm (CET) Conference call with financial community</p> <p>Details of conference call:</p> <p>Date 16 May 2011</p> <p>Time 16:00 pm (CET)</p> <p>Phone number + 44 (0) 20 7162 0025 (UK)</p> <p> 00 800 1212 097 (Poland)</p> <p>ID 893342</p>
19 May 2011	Annual General Meeting of Cyfrowy Polsat S.A.