

CYFROWY POLSAT S.A.

Current report No. **24/2012**

Report date: **October 19, 2012**

Subject: **Decision on merger of Cyfrowy Polsat S.A. with Cyfrowy Polsat Technology Sp. z o.o.**

The Management Board of Cyfrowy Polsat S.A. ("Company", "Cyfrowy Polsat" or "Taking-over Company") announces that on October 19, 2012 it resolved to merge the Company with Cyfrowy Polsat Technology Sp. z o.o. seated in Warsaw, address: 4a Łubinowa Street, 03-878 Warsaw, Poland, registered in entrepreneurs register 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 ("CPT" or "Acquired company"), in which Cyfrowy Polsat S.A. holds 100% of share capital, and approved the merger plan.

Cyfrowy Polsat S.A. is the largest provider of pay DTH satellite television in Poland and the fourth largest DTH platform in Europe, in terms of the number of subscribers. Its core business is to provide individual customers with pay digital television services as well as broadband services and mobile telephony services.

Cyfrowy Polsat Technology Sp. z o.o. seated in Warsaw, specializes in design and production of set-top-boxes for reception of digital television, it is also involved in commercial activity consisting of wholesale of set-top-boxes and accessories. Cyfrowy Polsat is the key customer of the equipment manufactured by CPT.

The planned merger of the two companies will be effected, in accordance with article 492 §1 item 1 of the Polish Commercial Companies Code ("PCCC") (mergers through acquisition), by transferring all the assets of the Acquired Company to the Taking-over Company. As a result of the merger, the Acquired Company will be terminated without liquidation.

At the date of this report, share capital of the Acquired Company amounts to PLN 500,000 and is divided into 1,000 shares. Cyfrowy Polsat is the sole shareholder of the Acquired Company.

Given that the Taking-over Company holds all the shares of the Acquired Company:

- (i) pursuant to article 515 §1 of the PCCC, the Merger shall be carried out without increasing the share capital of the Taking-over Company;
- (ii) pursuant to article 516 §5 and in conjunction with article 516 §6 of the PCCC, the Merger Plan shall not be audited by any expert appointed by the court of registration;
- (iii) pursuant to article 516 §5 and in conjunction with article 516 §6 of the PCCC, the Reports of Management Boards of Taking-over Company and Acquired Company shall not be issued.

The Merger Plan, prepared in accordance with article 499 §1 of the PCCC is attached to this current report, together with the documents mentioned in the article 499 §2 of the PCCC. Pursuant to article 499 § 4 of the PCCC, 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.

The planned merger is meant to optimize costs and simplify the organizational structure of the Capital Group of Cyfrowy Polsat S.A. which is required to realize its medium and long term strategy.

[Merger Plan– attachment]

Legal basis: § 5 Section 1 item 13 of the Ordinance of the Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

Signed by:

/s/ Dominik Libicki

Dominik Libicki, President of the Management Board