



## TVN REPORTS Q2 AND H1 2009 RESULTS:

**Warsaw – August 13, 2009** – TVN Group, Poland’s leading media group, today announced its financial results for the half-year and second quarter of 2009. TVN channel maintained its leading position in its key target group. Good cost control and strong growth in non-advertising revenues limited the impact of a cyclical decline in the advertising market.

### HALF-YEAR 2009

Consolidated net revenues increased 6.7% yoy to PLN 1,015 million  
Consolidated EBITDA increased 4.9% yoy to PLN 392 million, with margin at 38.6%

### SECOND QUARTER 2009

Consolidated net revenues increased 5.5% yoy to PLN 580 million  
Consolidated EBITDA decreased 22.9% yoy to PLN 190 million, with margin at 32.8%

Our TVN channel has maintained its leadership in its key target group and is the most watched television channel in Poland in peak time in the basic commercial target group, despite increasing market fragmentation, driven mainly by the rapid development of DTH platforms. The resilience of our TVN channel confirms our ability to successfully attract the most valuable audience through attractive programming.

Our TVN 24 channel increased its audience share not only in its key target group in all categories, but also on all day nationwide basis. TVN 24 grew revenues by 12 % yoy and recorded an impressive EBITDA margin of 53% in the first half of 2009. Our other thematic channels in the first half of 2009 grew revenues by 18% yoy and reported an average EBITDA margin of 29% in spite of our investment in start up channel TVN Warszawa.

Effective cost cutting measures resulted in a 8.6% yoy drop in cost of revenue in the second quarter of 2009.

Our ‘n’ DTH platform, including “Telewizja na kartę” (TNK), had reached a total active subscriber number of 683 thousand as of the end of the second quarter of 2009, in line with our plan. The ‘n’ DTH platform revenue increased by 98.3% yoy in the first half of 2009 driven by an increase in subscription fee revenue.

Piotr Walter, President of the Board and Chief Executive Officer of TVN S.A. said: *“Our strongly diversified revenues and our ability to control costs have allowed us to maintain profitability in spite of difficult market conditions. The pay tv market and “n” in particular, continue to grow strongly.”*

### **Half-year 2009 highlights:**

- Our share in the net television advertising market increased to 35.6%, from 34.6% in the corresponding period of 2008.
- Our TVN channel maintained leadership in its key target group both in peak time and on an all day basis, reaching 25% and 21.3% audience share consecutively and was the most widely watched television channel in Poland. TVN also was the leader in the basic commercial target group in peak time, reaching 19.7% audience share.
- TVN 24 increased its audience share in its key target group in all categories. All day audience share increased to 4.8%, from 4.6%, prime time audience share increased to 3.9%, from 3.3%, and peak time audience share to 3.8%, from 3.3%, in the corresponding period of 2008. TVN 24 also increased its all day nationwide audience share to 2.7% from 2.6%.
- Our internet portal, Onet.pl, reached 12.2 million average monthly number of real users on May 2009 keeping leader position among Polish portals. Average monthly time spent in our portal in May 2009 was 64.5 million hours, while following portals reached 44.6 million (Wirtualna Polska), 30.5 million (Interia.pl) and 29.9 million (o2.pl) hours.
- The 'n' DTH platform increased its postpaid subscriber base by over 61,000 in the six months ended June 30, 2009. As of June 30, 2009, the 'n' DTH platform had signed up over 557,000 postpaid subscribers of which over 554,000 had been activated.
- TNK increased its prepaid subscriber base by over 142,000 in the six months ended June 30, 2009. As of June 30, 2009, TNK had over 129,000 active prepaid subscribers and a subscriber base of over 233,000. The 'n' DTH platform including TNK, had reached a total active subscriber number of 683,000 as of June 30, 2009.
- Our net revenue increased by 6.7% to PLN 1,015 million from PLN 951 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our revenue decreased by 5.6% to PLN 898 million.
- Our 'n' DTH platform increased its revenue by 98.3%, to PLN 214 million.
- Our operating profit decreased by 6.7% to PLN 313 million. Our operating margin was 30.8%. Excluding the effects of consolidation of ITI Neovision and gain arising on the acquisition of control in ITI Neovision, our operating profit decreased by 14.9% to PLN 286 million, and our operating margin was 31.8%.
- Our EBITDA increased by 4.9% to PLN 392 million from PLN 374 million in the corresponding period of 2008. Our EBITDA margin was 38.6%, as compared to 39.3% in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision and gains arising on the acquisition of control in ITI Neovision our EBITDA decreased by 11.1% to PLN 332 million and our EBITDA margin was 37.0%.
- EBITDA of our thematic television channels amounted to PLN 85 million, which constituted 30.1% of our EBITDA excluding gain on consolidation of associates, compared with 6.1% in the corresponding period of 2008.
- We recorded a profit attributable to the owners of TVN S.A., of PLN 120 million, compared to a profit attributable to the owners of TVN S.A. of PLN 271 million in the corresponding period of 2008.
- Our Net debt to EBITDA ratio as of June 30, 2009 was 2.7 including loans from related party. Excluding the loans from related party, our Net debt to EBITDA ratio as of June 30, 2009 was 2.0. We held PLN 127 million of cash and cash equivalents, including cash at bank, cash in hand and bank deposits as of June 30, 2009.
- On March 11, 2009, we took control over Neovision Holding, the sole shareholder of ITI Neovision, which owns and operates the 'n' DTH platform including a new pre-paid digital television service, "Telewizja na kartę". This transaction increased our direct ownership interest in Neovision Holding to 51%.

### **Second quarter 2009 highlights:**

- Our share in the net television advertising market increased to 35.9%, from 35.3% in the corresponding period of 2008.
- Our TVN channel maintained leadership in its key target group both in peak time and on an all day basis, reaching 24.6% and 20.5% audience share consecutively and was the most widely watched television channel in Poland. TVN also was the leader in the basic commercial target group in peak time, reaching 19.6% audience share.
- TVN 24 increased its audience share in its key target group in all categories. All day audience share increased to 4.9%, from 4.5%, prime time audience share increased to 4.0%, from 3.1%, and peak time audience share to 3.8%, from 3.1%, in the corresponding period of 2008. TVN 24 also increased its all day nationwide audience share to 2.7%, from 2.5%.
- Our internet portal, Onet.pl, reached 12.2 million average monthly number of real users on May 2009 keeping leader position among Polish portals. Average monthly time spent in our portal in May was 64.5 million hours while following portals reached 44.6 million (Wirtualna Polska), 30.5 million (Interia.pl) and 29.9 million (o2.pl) hours.
- Our DTH platform 'n' increased its post paid subscriber base by over 10,000 in the three months ended June 30, 2009. As of June 30, 2009, the 'n' DTH platform had signed up over 557,000 post paid subscribers, of which over 554,000 had been activated. In June 2009, the 'n' DTH platform recorded a monthly average revenue per subscriber (ARPU) of PLN 59, compared to PLN 49 in June 2008.
- "Telewizja na kartę" ("TNK") increased its prepaid subscriber base by almost 54,000 in the three months ended June 30, 2009. As of June 30, 2009, TNK had over 129,000 active prepaid subscribers and a subscriber base of over 233,000. The 'n' DTH platform including TNK, had reached a total active subscriber number of 683,000 as of June 30, 2009.
- Our net revenue increased by 5.5% to PLN 580 million from PLN 550 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our revenue decreased by 12.7% to PLN 480 million.
- Our 'n' DTH platform increased its revenue by 104.2% to PLN 109 million, from PLN 53 million in the corresponding period of 2008.
- Our operating profit decreased by 39.1% to PLN 139 million. Our operating margin was 23.9%. Excluding the effects of consolidation of ITI Neovision, our operating profit decreased by 15.6% to PLN 192 million and our operating margin was 40.0%.
- Our EBITDA decreased by 22.9% to PLN 190 million from PLN 247 million in the corresponding period of 2008. Our EBITDA margin was 32.8%, as compared to 44.9% in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our EBITDA decreased by 12.7% to PLN 216 million, and our EBITDA margin was 44.9%.
- EBITDA of our thematic television channels amounted to PLN 56 mln, which constituted 28.9% of our EBITDA compared with 9.6% in the corresponding period of 2008.
- We recorded a profit attributable to the owners of TVN S.A., of PLN 149 million, compared to a profit attributable to the owners of TVN S.A. of PLN 208 million, in the corresponding period of 2008.
- Our Net debt to EBITDA ratio as of June 30, 2009 was 2.7 including loans from related party. Excluding the loans from related party, our Net debt to EBITDA ratio as of June 30, 2009 was 2.0. We held PLN 127 million of cash and cash equivalents, including cash at bank, cash in hand and bank deposits as of June 30, 2009.
- On May 22, 2009, we won the license rights to broadcast through our pay television, Internet and mobile UEFA Champions League matches in Poland during the next three seasons.
- On July 15, 2009 we closed down our TVN Lingua channel as it failed to gain sufficient reach.

- On August 13, 2009 we announced our new organization and the creation of our group management board and appointed Markus Tellenbach as TVN Group President and CEO.



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We would like to invite you to participate in a press conference concerning TVN Q2 & H1 2009 results

Thursday, August 13, 2009  
11.00 a.m. CET - webcast  
01.00 p.m. CET – press conference

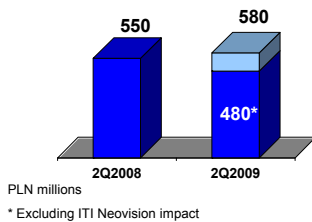
Webcast: <http://www.onet.tv/5354539,relacja.html>

Audio back-up: <http://biznes.onet.pl/tvninvestor>

To ask question: [investor-relations@tvn.pl](mailto:investor-relations@tvn.pl)

The presentation will be available today, together with this press release on our corporate website, which may be found at [www.investor.tvn.pl](http://www.investor.tvn.pl).

## Financial highlights for the second quarter and half-year of 2009



**Revenue:** In 2Q2009 our net revenue grew 5.5% when compared to 2Q2008.

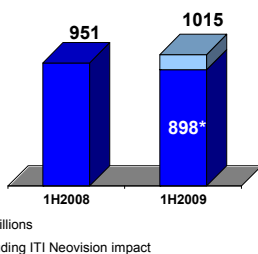
### Revenue

In the second quarter of 2009 our revenue increased 5.5% to PLN 580 million from PLN 550 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our net revenue decreased 12.7% to PLN 480 million. This decrease resulted primarily from a decrease in our advertising revenue of PLN 76 million and a decrease in sponsoring revenue of PLN 7 million, partly offset by an increase in subscription fees of PLN 15 million.

Our advertising revenue decreased 17.4% to PLN 360 million from PLN 436 million in the corresponding period of 2008. This decrease was primarily due to a decrease of 20.8% in the net advertising revenue of our TVN channel, which recorded an effective decrease of 24.4% in the price of GRPs sold, which was partially offset by a 4.5% increase in the volume of inventory sold.

Sponsoring revenue decreased 15.9% to PLN 37 million from PLN 44 million in the corresponding period of 2008, mainly due to a decrease in the number of episodes of sponsored shows which resulted from our decision to reduce investment in our TVN channel schedule in June 2009 as well as from price decreases.

Subscription fees from satellite and cable operators increased 51.3% to PLN 45 million from PLN 30 million in the corresponding period of 2008. The increase was mainly due to a higher PLN/EUR exchange rate in the second quarter of 2009 compared with the corresponding period in 2008. Subscriber fees are primarily denominated in Euro. The increase was also partly due to an increase in the number of subscribers for our pay channels, which on average increased by approximately 1.1 million subscribers.



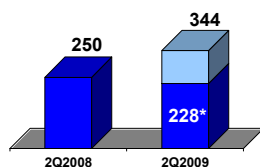
**Revenue:** In 1H2009 our net revenue grew 6.7% when compared to 1H2008.

In the first half of 2009 our net revenue increased 6.7%, to PLN 1,015 million from PLN 951 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our net revenue decreased by 5.6% to PLN 898 million. This decrease resulted primarily from a decrease in advertising revenue of PLN 91 million, partly offset by an increase in subscription fees of PLN 34 million.

Our advertising revenue decreased 12.3% to PLN 650 million from PLN 741 million in the corresponding period of 2008. This decrease was primarily due to a decrease of 14.5% in the net advertising revenue of our TVN channel, which recorded an effective decrease of 20.3% in the price of GRPs sold, which was partially offset by a 7.0% increase in the volume of inventory sold.

Subscription fees from satellite and cable operators increased 55.8%, to PLN 94 million from PLN 60 million in the corresponding period of 2008. The increase in subscription revenue was mostly due to the significantly higher PLN/EUR exchange rate during the first half of 2009 compared with the first half of 2008. Subscriber fees are primarily denominated in Euro. The increase was also partly due to an increase in the number of subscribers for our pay channels, which on average increased by approximately 1.1 million subscribers.

## Cost of revenue



PLN millions

\* Excluding ITI Neovision impact

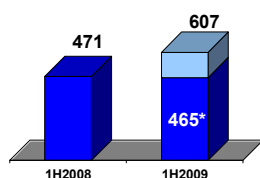
**Cost of revenue:** In 2Q2009 cost of revenue increased 37.7% when compared to 2Q2008.

In the second quarter of 2009 our cost of revenue increased 37.7% to PLN 344 million from PLN 250 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our cost of revenue decreased 8.6% to PLN 228 million.

This decrease was primarily due to a decrease of 11.0% in the amortization of locally produced content to PLN 118 million from PLN 133 million in the corresponding period of 2008. This decrease mainly reflects our decision to reduce investment in our TVN channel schedule in June due to the slow down of the advertising market as well as our decision to withdraw from production of Discovery Historia channel. Despite this reduction in investment, TVN channel continued to lead the market in the second quarter of 2009 in its key target group.

Our programming staff expenses decreased 43.0% to PLN 10 million from PLN 18 million in the corresponding period of 2008. The decrease in programming staff expenses is primarily due to a lower stock option plan expense.

These decreases were partly offset by an increase in television production and broadcasting equipment depreciation of PLN 4 million.



PLN millions

\* Excluding ITI Neovision impact

**Cost of revenue:** In 1H2009 cost of revenue increased 28.9% when compared to 1H2008.

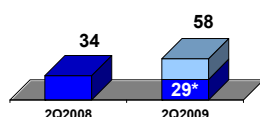
In the first half of 2009 our cost of revenue increased by 28.9% to PLN 607 million from PLN 471 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our cost of revenue decreased 1.4% to PLN 465 million.

That was primarily due to a decrease of 5.0% in the amortization of locally produced content to PLN 231 million from PLN 244 million in the corresponding period of 2008. This decrease reflects our decision to reduce investment in our TVN channel schedule in June due to the slow down of the advertising market as well as our decision to withdraw from the production of Discovery Historia channel. Despite this reduction in investment, TVN channel continued to lead the market in the first half of 2009 in its key target group, both in peak time and on an all day basis.

Our programming staff expenses decreased 9.0% to PLN 31 million, from PLN 34 million in the corresponding period of 2008. The decrease was primarily related to a lower stock option plan expense.

These decreases were partly offset by an increase in television production and broadcasting equipment depreciation of PLN 7 million.

## Selling expenses



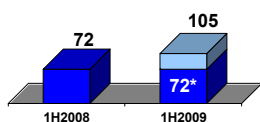
PLN millions

\* Excluding ITI Neovision impact

**Selling expenses:** In 2Q2009 selling expenses decreased 70.2% when compared to 2Q2008.

In the second quarter of 2009 our selling expenses increased 70.2%, to PLN 58 million from PLN 34 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our selling expenses decreased 14.4% to PLN 29 million. This decrease resulted primarily from a decrease in marketing expenses of PLN 5 million. This decrease resulted from lower cost of promotion of our spring schedule as well as from the fact that we re-launched our TVN 7 channel in the second quarter of 2008 which increased the cost base in that period.

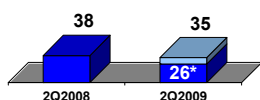
Our half year 2009 selling expenses increased 45.3% to PLN 105 million from PLN 72 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our selling expenses decreased 0.5% to PLN 72 million.



PLN millions

\* Excluding ITI Neovision impact

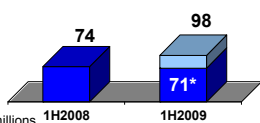
**Selling expenses:** 1H2009 selling expenses increased by 45.3% when compared to 1H2008.



PLN millions

\* Excluding ITI Neovision impact

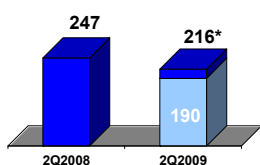
**General and administration expenses:** In 2Q2009 general and administration expenses increased 7.4% over the corresponding period of 2008.



PLN millions

\* Excluding ITI Neovision impact

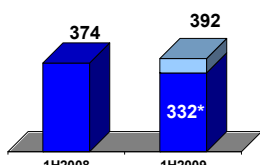
**General and administration expenses:** 1H2009 general and administration expenses increased 29.7% over the corresponding period of 2008.



PLN millions

\* Excluding ITI Neovision impact

**EBITDA:** In 2Q2009 EBITDA decreased 22.9% yoy to PLN 190 million and EBITDA margin in 2Q2009 was 32.8%.



PLN millions

\* Excluding ITI Neovision impact

**EBITDA:** 1H2009 EBITDA increased 4.9% yoy to PLN 392 million and EBITDA margin in 1H2009 was 39.3%.

## General and administration expenses

In the second quarter of 2009 our general and administration expenses decreased 7.4%, to PLN 35 million compared with PLN 38 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our general and administration expenses decreased 31.9%, to PLN 26 million. This decrease results primarily from a decrease in staff expenses of PLN 10 million, resulting mainly from lower stock option plan expense and partly from a reduction in annual bonuses.

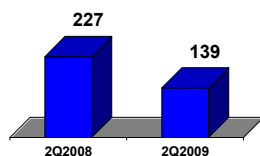
In the first half of 2009 our general and administration expenses increased 29.7% to PLN 96 million compared with PLN 74 million in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision and the impact of transaction expenses related to the business combination with ITI Neovision, our general and administration expenses decreased 4.1% to PLN 71 million.

## EBITDA

In the second quarter of 2009 our EBITDA decreased by 22.9% to PLN 190 million, from PLN 247 million in the corresponding period of 2008. Our EBITDA margin was 32.8%, as compared to 44.9% in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision, our EBITDA decreased 12.7% to PLN 216 million, and our EBITDA margin was 44.9%.

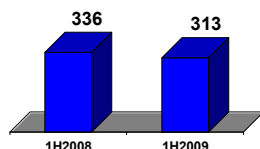
In the first half of 2009 our EBITDA increased by 4.9% to PLN 392 million from PLN 374 million in the corresponding period of 2008. Our EBITDA margin was 38.6%, as compared to 39.3% in the corresponding period of 2008. Excluding the effects of consolidation of ITI Neovision and gains arising on the acquisition of control in ITI Neovision our EBITDA decreased by 11.1% to PLN 332 million and our EBITDA margin was 37.0%.

## Operating profit



PLN millions  
\* Excluding ITI Neovision impact

**Operating Profit:** In 2Q2009 operating profit decreased 39.1% yoy to PLN 139 million.



PLN millions  
\* Excluding ITI Neovision impact

**Operating Profit:** 1H2009 operating profit decreased 6.7% yoy to PLN 313 million.

In the second quarter of 2009 our operating profit decreased 39.1% to PLN 139 million from PLN 227 million in the corresponding period of 2008. The decrease is primarily due to the decrease in advertising revenue and consolidation of the operating losses of ITI Neovision.

Our operating margin in the three months ended June 30, 2009 decreased to 23.9%, from 41.4% in the corresponding period of 2008. Our operating margin excluding the effects of consolidation of ITI Neovision was 40.0%.

In the first half of 2009 our operating profit decreased by 6.7% to PLN 313 million from PLN 336 million in the corresponding period of 2008. The decrease results mainly from a decrease in our advertising revenue and consolidation of the operating losses of ITI Neovision. This was partly offset by the recognition of PLN 111 million of gain on consolidation of associate.

Our operating margin including impact of ITI Neovision decreased to 30.8%, from 35.3% in the corresponding period of 2008. Our operating margin excluding the effects of consolidation of ITI Neovision decreased to 31.8%.

## Investment income, net

In the second quarter of 2009 we recorded investment income, net of PLN 31 million compared to investment income, net of PLN 7 million in the corresponding period of 2008.

This increase was mainly due to foreign exchange gains of PLN 37 million partly on contingent consideration that represents the fair value of a correction payment that may be payable to ITI Media Group in 2011 and partly on programming related payables that result from the PLN/EUR exchange rate appreciation between March 31, 2009 and June 30, 2009, whereas in the corresponding period of 2008 we recognized other foreign exchange gains of PLN 4 million. This increase was partly offset by revaluation losses on our U.S. Dollar currency options of PLN 9 million, reflecting the appreciation of PLN against U.S. Dollar during the three months ended June 30, 2009.

In the first half of 2009 we recorded investment income, net of PLN 37 million compared to investment income, net of PLN 13 million in the corresponding period of 2008.

This increase was primarily due to the recognition of foreign exchange gains of PLN 41 million compared with PLN 8 million in 2008. We recognized foreign exchange gains of PLN 20 million on loans receivable from ITI Neovision in the period between January 1, 2009 and March 11, 2009. We also recognized foreign exchange gains on contingent consideration that represents the fair value of a correction payment that may be payable to ITI Media Group in 2011 and partly on programming related payables. This increase in investment income, net was also partly due to revaluation gains on our U.S. Dollar currency options of PLN 9 million, reflecting the depreciation of PLN against U.S. Dollar during the six months ended June 30, 2009, accrued interest income on loan to associate of PLN 4 million, and investment income from Polish treasury bills of PLN 5 million. These increases were offset by a fair value loss on loan to associate of PLN 26 million which we recognized on consolidation.

## Finance income/expense, net

In the second quarter of 2009 we recorded finance income net of PLN 1 million compared to finance income net of PLN 21 million in the corresponding period of 2008.

We recognized foreign exchange gains on our Senior Notes of PLN 51 million compared to foreign exchange gains of PLN 39 million in the corresponding period of 2008, due to a significant appreciation of the PLN/EUR exchange rate as of June 30, 2009 compared with March 31, 2009. We recognized foreign exchange gains of PLN 14 million on loans granted to ITI Neovision by its non-controlling shareholder.

Our interest expense increased by PLN 28 million to PLN 50 million from PLN 23 million in the corresponding period of 2008. This increase was partly due to interest expense of PLN 11 million on our PLN Bonds which we issued in June 2008, and partly due to PLN 11 million of interest payable from ITI Neovision to its non-controlling shareholder. We also recorded an increase in bank and other charges to PLN 5 million from PLN 284 thousand in the corresponding period of 2008, partly because we paid an annual arrangement fee related to our loan facility and partly because of penalty interest on overdue payables that ITI Neovision paid to one of its suppliers.

We recorded a loss of PLN 7 million on valuation of the contingent consideration related to the correction payment that may be payable to ITI Media Group in 2011.

The change in the fair value of options embedded in our Senior Notes in the three month period ended June 30, 2009 was nil, whereas in the corresponding period of 2008 we recorded a gain of PLN 34 million. During the three months ended June 30, 2009 the trading price of our Senior Notes increased from 78.0 as of March 31, 2009, to 78.50 as of June 30, 2009.

In the first half of 2009 we recorded finance expense net of PLN 183 million compared to finance expense net of PLN 12 million in the corresponding period of 2008.

We recognized foreign exchange losses on our Senior Notes of PLN 64 million, compared to foreign exchange gains of PLN 53 million in the corresponding period of 2008, due to a significant depreciation of the PLN/EUR exchange rate as of June 30, 2009 compared with December 31, 2008. We recognized a net loss of PLN 25 million on fair value hedges during the six months ended June 30, 2009, compared to a net loss of PLN 37 million in 2008. This decrease represented the revaluation of our PLN/EUR options during the period of January 1 to January 15, 2009 when we settled the options. We also recognized foreign exchange gains of PLN 14 million on loans granted to ITI Neovision by its non-controlling shareholder, mainly due to the appreciation of PLN/EUR exchange rate between March 11, 2009 and June 30, 2009.

Our interest expense increased to PLN 93 million from PLN 44 million in the corresponding period of 2008. This increase was primarily due to interest expense of PLN 23 million on our PLN Bonds which we issued in June 2008, and partly due to PLN 14 million of interest payable from ITI Neovision to its non-controlling shareholder, as well as PLN 4 million of interest expense on our Loan Facility and higher by PLN 8 million interest expense on our Senior Notes resulting from higher level of PLN/EUR exchange rate than in the first half of 2008. We also recorded an increase in bank and other charges to PLN 5 million from PLN 563 thousand, partly because we paid an annual arrangement fee related to our loan facility and partly because of penalty interest on overdue payables that ITI Neovision paid to one of its suppliers.

We recorded a loss of PLN 7 million on valuation of the contingent consideration related to the correction payment that may be payable to ITI Media

Group in 2011.

The change in the fair value of options embedded in our Senior Notes in the three month period ended June 30, 2009 was nil, whereas in the corresponding period of 2008, we recorded a gain of PLN 21 million. During the six months ended June 30, 2009 the trading price of our Senior Notes decreased from 84.00 as at December 31, 2008 to 78.50 as at June 30, 2009. As these values are below the option's strike price, we did not recognize any change in the carrying value of the related asset which amounted to PLN 0 as of December 31, 2008 and June 30, 2009.

## Share of loss of associate

In the first half year of 2009 our share of loss of associate amounted to PLN 39 million. This amount represented primarily our share in the net loss of 'n' DTH platform for the period between January 1 and March 11, 2009, which amounted to PLN 40 million and was mainly due to unrealized foreign exchange losses on revaluation of Euro denominated shareholders' loans.

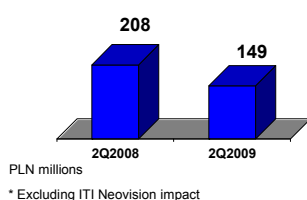
## Income tax charge

In the second quarter of 2009 we recorded a total income tax charge of PLN 30 million compared to an income tax charge of PLN 47 million in the corresponding period of 2008. This decrease resulted primarily from lower profit before income tax.

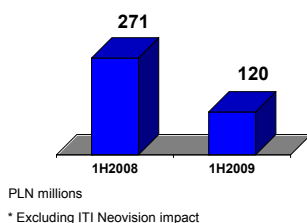
In the first half of 2009 we recorded a total income tax charge of PLN 37 million compared to an income tax charge of PLN 65 million in the corresponding period of 2008. This decrease resulted primarily from lower profit before income tax.

## Profit attributable to the owners of TVN S.A.

In the second quarter of 2009 our profit attributable to the owners of TVN S.A. was PLN 149 million compared to a net profit of PLN 208 million in the corresponding period of 2008.

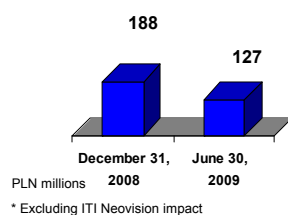


**Profit attributable to the owners of TVN S.A.:** In 2Q2009 profit attributable to the owners decreased 27.9% yoy to PLN 149 million.



**Profit attributable to the owners of TVN S.A.:** 1H2009 profit attributable to the owners decreased 55.7% yoy to PLN 120 million.

In the first half of 2009 we recorded net profit attributable to the owners of TVN of PLN 120 million compared to a net profit of PLN 271 million in the corresponding period of 2008.



**Cash and cash equivalents including bank deposits.** Cash and cash equivalents including bank deposits amounted to PLN 127 million as of June 30, 2009.

## Liquidity

Cash and cash equivalents, excluding restricted cash, that we held as of June 30, 2009 amounted to PLN 127 million. We hold cash and cash equivalents on bank deposit in Poland in Złoty, Euro and U.S. Dollars.

Our net debt as of June 30, 2009 was PLN 2,002 million. Our consolidated net debt to EBITDA ratio was 2.7. Excluding the effect of loans from related party, our consolidated net debt to EBITDA ratio was 2.0.

## Review by business segment

Annex 5 to this press release analyses business segment data.

### Television broadcasting and production

| PLN mln  | 2009    |        |          |  | 2008    |        |          |  |
|--|---------|--------|----------|--|---------|--------|----------|--|
|  | Revenue | EBITDA | EBITDA % | EBITDA % excluding stock option plan expense | Revenue | EBITDA | EBITDA % | EBITDA % excluding stock option plan expense |
| TVN channel  | 565     | 245    | 43.4%    | 44.7%  | 641     | 315    | 49.1%    | 51.1%  |
| TVN 24   | 101     | 54     | 53.4%    | 54.7%  | 90      | 36     | 40.1%    | 42.4%  |
| Other television channels                          | 106     | 31     | 29.0%    | 21.9%  | 90      | 5      | 5.7%     | 6.3%   |
| Total  | 772     | 330    | 42.7%    | 42.9%  | 822     | 356    | 43.3%    | 45.3%  |
| Consolidation adjustment (inter and intra segment) | -       | (2)    | -        | -  | (1)     | (1)    | -        | -  |
| Total segment                                      | 772     | 328    | 42.4%    | 43.6%  | 821     | 355    | 43.3%    | 44.8%  |

Television broadcasting and production revenue in the six months ended June 30, 2009 decreased 5.9%, to PLN 772 million, compared to PLN 822 million in the corresponding period of 2008.

Our TVN channel revenue decreased 11.8% in the six months ended June 30, 2009. This decrease was primarily due to a decrease of 14.5% in the net advertising revenue of our TVN channel, which recorded an effective decrease of 20.3% in the price of GRPs sold, which was partially offset by a 7.0% increase in the volume of inventory sold. This decrease was partly offset by an increase in TVN's call TV revenue of 38.8% as we aired more call TV shows. Our TVN channel's all day basic commercial target group audience share decreased to 16.9% for the six months ended June 30, 2009 from 17.7% in 2008.

TVN 24 increased its revenue by 11.6%, mainly due to an increase in subscription fees from satellite and cable operators, which increased 61.8% to PLN 59 million, mostly due to a depreciation of PLN/EUR exchange rate in the six months ended June 30, 2009 compared with the corresponding period of 2008, as subscriber fees are primarily denominated in Euro, and partly due to an increase in the number of subscribers of 1.1 million. This was partly offset by a decrease of 22.0% in advertising revenue and partly by a 24.9% decrease in sponsoring revenue.

Our other channels' revenue increased 17.5% in the six months ended June 30, 2009. This increase was mainly attributable to an increase of 41.0% in subscription fees from satellite and cable operators.

TVN channel's EBITDA decreased 22.1%, to PLN 245 million in the six months ended June 30, 2009, from PLN 315 million in the corresponding period and EBITDA margin decreased to 43.4% from 49.1% in the corresponding period of 2008. TVN 24 channel EBITDA increased by 48.9% to PLN 54 million

in the six months ended June 30, 2009, from PLN 36 million, in the corresponding period of 2008, and EBITDA margin was 53.4%.

EBITDA for our other channels increased by PLN 27 million to PLN 31 million. Excluding the start up losses of TVN Warszawa channel which we launched in December 2008, other television channels increased EBITDA by PLN 36 million to PLN 42 million with an EBITDA margin of 40.6%.

## Online

| PLN mln  | Six months ended June 30. |           |              |   |           |           |              |   |
|--|---------------------------|-----------|--------------|---|-----------|-----------|--------------|---|
|  | 2009                      |           |              |   | 2008      |           |              |   |
|  | Revenue                   | EBITDA    | EBITDA %     | Cash EBITDA % excluding stock option plan expense | Revenue   | EBITDA    | EBITDA %     | Cash EBITDA % excluding stock option plan expense |
| Onet.pl  | 83                        | 20        | 23.5%        | 30.3%   | 86        | 28        | 32.2%        | 42.8%   |
| Other  | 16                        | (2)       | -            | -   | 11        | (2)       | -            | -   |
| <b>Total</b>                                       | <b>99</b>                 | <b>17</b> | <b>17.1%</b> | <b>25.0%</b>                                      | <b>97</b> | <b>25</b> | <b>26.2%</b> | <b>35.4%</b>                                      |
| Consolidation adjustment (inter and intra segment) | (2)                       | -         | -            | -   | (2)       | -         | -            | -   |
| <b>Total segment</b>                               | <b>97</b>                 | <b>17</b> | <b>17.5%</b> | <b>25.5%</b>                                      | <b>95</b> | <b>25</b> | <b>26.7%</b> | <b>36.2%</b>                                      |
| Total segment - cash                               | 83                        | 21        |              | 25.5%   | 85        | 31        |              | 36.2%   |

Online revenue increased 2.0%, to PLN 97 million from 95 million in the corresponding period of 2008. Online cash revenue (revenue excluding barter revenue) decreased by 1.7%, to PLN 83 million primarily due to lower cash advertising revenue in Onet.pl by 10.2%, partly offset by higher cash advertising revenue in Zumi.pl by 75.4%. The decrease in Onet.pl revenue is partly due to higher revenue base in 2008. The revenue base in 2008 was increased by significant discontinued contracts with telecom operators. Excluding the impact of the above mentioned contracts, Onet.pl revenue remained at prior year's level. Revenue of our Internet vortals, presented in the table above as 'Other', increased by 54.0%, to PLN 16 million from PLN 11 million in the corresponding period of 2008, and represented revenue of our products such as Zumi.pl, TVN24.pl and Plejada.pl.

Operating results of each Internet entity in Poland have been presented on an adjusted basis since May 2009 as the methodology underlying Megapanel PBI/Gemius has been improved. The improvement to the methodology resulted in a number of real users higher by approximately 15%.

According to modified data, in May 2009 Onet.pl recorded an average monthly number of real users of 12.2 million, average monthly time spent of 64.5 million hours and average monthly page views of 3,813.2 million. According to previously used methodology, in May 2008 Onet.pl recorded an average monthly number of real users in May 2009 of 9.7 million, average monthly time spent of 61.1 million hours and average monthly page views of 3,702.5 million.

Segment EBITDA decreased by PLN 8 million to PLN 17 million. EBITDA margin decreased to 17.5% from 26.7% in the corresponding period of 2008. Online cash EBITDA (EBITDA excluding barter and stock option plan expenses) was PLN 21 million, compared to PLN 31 million in the corresponding period of 2008. Segment cash EBITDA margin was 25.5%, compared to 36.2% in the corresponding period of 2008. Onet.pl EBITDA decreased by 29.7%. The decrease in Onet.pl EBITDA results mainly from a higher advertising revenue base in 2008, which resulted from significant discontinued contracts with telecom operators. Excluding the impact of these contracts, Onet.pl EBITDA decreased 11.4%. Onet.pl EBITDA also decreased partly due to the costs of new e-commerce projects and services on Onet.pl portal. EBITDA of our Internet vortals presented in the table above as 'Other' decreased to a loss of PLN 2 million, primarily due to the losses of the Plejada.pl and TVN24.pl vortals. Excluding the start-up losses of Plejada.pl, which we launched in March 2008, vortals classified

as 'Other' in the table recorded an increase in EBITDA.

## Digital Satellite Pay Television

The table below sets forth summarized financial results of our digital satellite pay television segment for the six months ended June 30, 2009 and 2008. For the convenience of the reader, we present the segment's results for the entire six month period ended June 30, 2009 and 2008. We, however, consolidated the digital satellite pay television segment results only for the period between March 11, 2009 and June 30, 2009. In the period between January 1, 2009 and March 11, 2009, we consolidated ITI Neovision based on the equity method.

| PLN mln  | Six months ended June 30, |        |          |         |        |          |
|--|---------------------------|--------|----------|---------|--------|----------|
|  | 2009                      |        |          | 2008    |        |          |
|  | Revenue                   | EBITDA | EBITDA % | Revenue | EBITDA | EBITDA % |
| 'n' post paid subscribers                        | 203                       | (53)   | -        | 108     | (66)   | -        |
| 'n' pre-paid subscribers<br>(Telewizja na kartę) | 11                        | (3)    | -        | -       | -      | -        |
| Total segment                                    | 214                       | (56)   | -        | 108     | (66)   | -        |

The 'n' DTH platform revenue increased by 98.3% to PLN 214 million from PLN 108 million in the corresponding period of 2008. This increase results mainly from an increase in subscription fee revenue, which increased by 118.7% to PLN 191 million from PLN 88 million in the corresponding period of 2008.

This increase is primarily due to a higher average number of subscribers and higher ARPU. The 'n' DTH platform post paid subscribers increased by 230,356 to an average of 540,982 in the six month period ended June 30, 2009 from an average of 310,627 subscribers in the corresponding period in 2008. The 'n' DTH platform ARPU increased by PLN 11 to PLN 56.7 in the six months ended June 30, 2009 from PLN 45.8 in the corresponding period of 2008. The 'n' DTH platform recorded 108,990 gross post paid subscriber additions in the six months ended June 30, 2009, compared to 69,283 in the six months ended June 30, 2008.

TNK recorded revenue of PLN 11 million in the six months ended June 30, 2009. This revenue comprises revenue from subscription fees and PLN 3,962 of revenue from sale of set-top boxes. TNK increased its prepaid subscribers base by over 142,000 in the six months ended June 30, 2009. As of June 30, 2009, TNK recorded ARPU of PLN 8.62.

The platform recorded a loss at the EBITDA level of PLN 56 million in the six months ended June 30, 2009 compared to PLN 66 million in the corresponding period of 2008. This period's EBITDA was adversely affected by the depreciation of PLN/EUR and PLN/USD exchange rates adversely, as the majority of the platform's costs, including programming and broadcasting expenses, are denominated in Euro and Dollar.

## Operating review

Annex 6 to this press release analyses the operational performance of our channels and portal.

### TVN

In the first half of 2009 our TVN channel maintained its leadership in the all day key and peak time basic commercial target groups, being the most widely watched television channel in Poland. All day key target audience share was 21.3% and peak time audience share was 19.7%.

Although we started our rerun season in June 2009, TVN channel continued to lead the market in its key target group in the second quarter of 2009, almost doubling the

results reached by its main competitors, both in peak time and on an all day basis.

We continue to maintain our reputation for high quality programming and productions. In the second quarter of 2009 our main news bulletin *Fakty* attracted up to 4 mln viewers, with an average quarterly market share of 31.8%, outpacing its main competitors.

### **Other channels**

In the first half of 2009 TVN 24 channel increased its audience share in its key target group in all categories. All day audience share increased to 4.8%, from 4.6%, prime time audience share increased to 3.9%, from 3.3%, and peak time audience share to 3.8%, from 3.3%, in the corresponding period of 2008. TVN 24 also increased its all day nationwide audience share to 2.7% from 2.6%.

On June 24 our TVN Meteo channel recorded its best ever audience share - 0.33% and 17,000 viewers per minute.

### **Onet.pl**

In May 2009 Onet.pl recorded an average monthly number of real users of 12.2 million, average monthly time spent of 64.5 million hours and average monthly page views of 3,813.2 million. According to previously used methodology, in May 2008 Onet.pl recorded an average monthly number of real users in May 2009 of 9.7 million, average monthly time spent of 61.1 million hours and average monthly page views of 3,702.5 million.

## **Recent Developments**

### **Purchase of media rights transmission of Champions League for seasons 2009/2010, 2010/2011, 2011/2012**

On May 22, 2009 ITI Neovision entered into a media rights agreement with (UEFA) and obtained license rights to broadcast in Poland Champions League matches during the 2009/2010, 2010/2011 and 2011/2012 seasons.

### **Withdrawal from Discovery Historia channel**

On May 29, 2009 we sold our share in the Discovery Historia network to Discovery Networks Central Europe which assumed complete ownership of this channel.

### **TVN Lingua channel closed down**

On July 15, 2009 we ceased to broadcast the TVN Lingua channel due to its failure to achieve profitability targets.

### **Redemption of TVN's own shares**

On May 15, 2009 the General Meeting of TVN approved the redemption of 9 157 107 TVN's own shares bought within the scope of Share Buy-Back Program. The shares were redeemed by the Court on July 3, 2009 .

## **Dividend**

We paid a dividend of PLN 194 million (or PLN 0.57 per share) on June 18, 2009.

## **Presentation of data**

Numbers have been rounded in this press release to PLN millions (unless otherwise stated). Percentages have been calculated on PLN thousands. All the percentages in this press release should be identical with those presented in other reports published by the Group.

## **Forward Looking Statements**

*This Press Release includes forward-looking statements relating to our future performance, anticipated developments in the television broadcasting and production industry. Further forward-looking statements in particular include, but are not limited to, our estimates regarding our overall operational and specific entity operational development and our ability to successfully launch and introduce new television channels. We may make forward-looking statements in future filings with governmental and regulatory authorities, and in written material, press releases and oral statements issued by us or on our behalf. Forward-looking statements include statements regarding our intent, belief or current expectations or those of our officers (including statements preceded by, following or that include forward-looking terminology such as "may", "will", "should", "believes", "expects",*

*“anticipates”, “estimates”, “continues”, or similar expressions or comparable terminology) with respect to various matters.*

*It is important to note that our actual results in the future could differ materially from those anticipated in these forward-looking statements depending on various important factors. Some of these factors include: the effects of, and changes in, government policy and regulatory requirements; the ability to receive governmental approvals necessary in order to complete the transactions; the effects of, and changes in, regulation and government policy; the effects of changes in the general economic environment; the effects of changes in advertising spending growth; the effects of changes in entertainment spending growth; the timely development and acceptance of our new channels; the effects of technological changes in broadcasting; developments in the capital markets; may affect our performance of the obligations described in this release; and our success at managing the risks that arise from these factors.*

*This Press Release is a summary of our second quarter and half year 2009 report and should be read in conjunction with these reports. Numbers have been rounded in this press release.*

*All forward-looking statements in this press release are based on information available to us on the date hereof. We do not undertake to update any forward-looking statements that may be made by us or on our behalf, in this press release or otherwise.*

**Annex 1 Consolidated Income Statement – extract from financial statements  
(in thousands of PLN)**

|  | Six months<br>ended<br>June 30, 2009 | Six months<br>ended<br>June 30, 2008 | Three months<br>ended<br>June 30, 2009 | Three months<br>ended<br>June 30, 2008 |
|--|--------------------------------------|--------------------------------------|--|--|
| Revenue  | 1,015,131                            | 951,191                              | 580,009                                | 549,630                                |
| Cost of revenue  | (607,485)                            | (471,325)                            | (344,058)                              | (249,931)                              |
| Selling expenses   | (104,520)                            | (71,929)                             | (57,968)                               | (34,057)                               |
| General and<br>administration expenses   | (96,059)                             | (74,034)                             | (35,000)                               | (37,803)                               |
| Other operating (expense)/ income,<br>net  | (4,771)                              | 1,734                                | (4,403)                                | (403)                                  |
| Gain on consolidation of associate   | 110,690                              | -                                    | -                                      | -                                      |
| <b>Operating profit</b>  | <b>312,986</b>                       | <b>335,637</b>                       | <b>138,580</b>                         | <b>227,436</b>                         |
| Investment income, net   | 37,320                               | 12,974                               | 31,478                                 | 6,836                                  |
| Finance (expense)/income, net  | (183,046)                            | (11,922)                             | 1,071                                  | 21,038                                 |
| Share of (loss)/ profit of associate   | (39,218)                             | (555)                                | 228                                    | (555)                                  |
| <b>Profit before income tax</b>  | <b>128,042</b>                       | <b>336,134</b>                       | <b>171,357</b>                         | <b>254,755</b>                         |
| Income tax charge  | (36,615)                             | (65,100)                             | (29,604)                               | (47,161)                               |
| <b>Profit for the period</b>   | <b>91,427</b>                        | <b>271,034</b>                       | <b>141,753</b>                         | <b>207,594</b>                         |
| <b>Profit attributable to:</b>   |                                      |                                      |  |  |
| Owners of the parent   | 119,922                              | 271,034                              | 148,993                                | 207,594                                |
| Non-controlling interest   | (28,495)                             | -                                    | (7,240)                                | -                                      |
|  | <b>91,427</b>                        | <b>271,034</b>                       | <b>141,753</b>                         | <b>207,594</b>                         |
| <b>Earnings per share for profit<br/>attributable to the owners of TVN<br/>S.A. (not in thousands)</b> |                                      |                                      |  |  |
| - basic  | 0.35                                 | 0.78                                 | 0.44                                   | 0.60                                   |
| - diluted  | 0.35                                 | 0.77                                 | 0.44                                   | 0.59                                   |
| Supplementary disclosure of impact<br>of embedded option valuation                                     |                                      |                                      |  |  |
| Profit attributable to the owners of<br>TVN S.A.   | 119,922                              | 271,034                              | 148,993                                | 207,594                                |
| Impact on profit, net of tax of fair<br>value gain on embedded option                                  | -                                    | (17,084)                             | -                                      | (27,791)                               |
| <b>Adjusted profit attributable to the<br/>owners of TVN S.A.</b>                                      | <b>119,922</b>                       | <b>253,950</b>                       | <b>148,993</b>                         | <b>179,803</b>                         |

The Group presents adjusted profit to reflect the impact of non-cash fair value losses/gains arising on prepayment options embedded in its Senior Notes. The accounting for prepayment options is technical, judgmental and driven by accounting interpretations. The Group believes that presentation of net profit adjusted for this item enables a reader to better understand the Group's operating and financial performance.

**Annex 2 Consolidated Balance Sheet – extract from financial statements  
(in thousands of PLN)**

|                                     | As at<br>June 30, 2009 | As at<br>December 31, 2008 |
|-------------------------------------|------------------------|----------------------------|
| <b>ASSETS</b>                       |                        |                            |
| <b>Non-current assets</b>           |                        |                            |
| Property, plant and equipment       | 679,638                | 347,400                    |
| Goodwill                            | 1,715,568              | 952,657                    |
| Brand                               | 779,209                | 693,688                    |
| Other intangible assets             | 72,767                 | 56,796                     |
| Non-current programming rights      | 179,552                | 154,741                    |
| Investments in associates           | 1,254                  | 120,076                    |
| Loan to associate                   | -                      | 179,138                    |
| Available-for-sale financial assets | 7,588                  | 7,588                      |
| Deferred tax asset                  | 34,346                 | 34,515                     |
| Other non current assets            | 5,380                  | 5,181                      |
|                                     | <b>3,475,282</b>       | <b>2,551,780</b>           |
| <b>Current assets</b>               |                        |                            |
| Current programming rights          | 240,829                | 192,676                    |
| Trade receivables                   | 323,989                | 305,834                    |
| Available-for-sale financial assets | -                      | 315,616                    |
| Derivative financial assets         | 11,337                 | 149,865                    |
| Prepayments and other assets        | 105,068                | 51,286                     |
| Corporate income tax receivable     | -                      | 1,250                      |
| Cash and cash equivalents           | 127,448                | 184,867                    |
|                                     | <b>808,671</b>         | <b>1,201,394</b>           |
| <b>TOTAL ASSETS</b>                 | <b>4,283,953</b>       | <b>3,753,174</b>           |
| <b>EQUITY</b>                       |                        |                            |
| <b>Shareholders' equity</b>         |                        |                            |
| Share capital                       | 69,904                 | 69,903                     |
| Share premium                       | 605,776                | 605,805                    |
| Treasury shares                     | (100,000)              | (37,428)                   |
| 8% obligatory reserve               | 23,301                 | 23,152                     |
| Other reserves                      | 120,585                | 109,048                    |
| Accumulated profit                  | 802,222                | 876,474                    |
|                                     | <b>1,521,788</b>       | <b>1,646,954</b>           |
| Non-controlling interest            | (338,532)              | -                          |
|                                     | <b>1,183,256</b>       | <b>1,646,954</b>           |
| <b>LIABILITIES</b>                  |                        |                            |
| <b>Non-current liabilities</b>      |                        |                            |
| <b>9.5% Senior Notes due 2013</b>   | 922,622                | 855,432                    |
| <b>PLN Bonds due 2013</b>           | 498,931                | 498,593                    |
| <b>Loans from related party</b>     | 498,314                | -                          |
| Loan facility                       | 109,917                | 109,875                    |
| Deferred tax liability              | 163,526                | 165,679                    |
| Non-current trade payables          | 50,219                 | 6,951                      |
| Contingent consideration            | 236,750                | -                          |
| Other non-current liabilities       | 2,954                  | 1,342                      |
|                                     | <b>2,483,233</b>       | <b>1,637,872</b>           |
| <b>Current liabilities</b>          |                        |                            |
| Current trade payables              | 291,500                | 141,905                    |
| Corporate income tax payable        | 20,534                 | 40,559                     |
| Accrued interest on borrowings      | 6,748                  | 7,658                      |
| Overdraft facility                  | -                      | 48,733                     |
| Other liabilities and accruals      | 298,682                | 229,493                    |
|                                     | <b>617,464</b>         | <b>468,348</b>             |
| <b>Total liabilities</b>            | <b>3,100,697</b>       | <b>2,106,220</b>           |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>4,283,953</b>       | <b>3,753,174</b>           |

**Annex 3 Consolidated Statement of Changes in Shareholders' Equity - extract from financial statements  
(in thousands of PLN)**

|  | Number of shares<br>(not in thousands) | Share capital | Share premium  | 8% obligatory reserve | Employee share option plan reserve | Accumulated profit | Total            | Non-controlling interests | Total equity     |
|--|--|---------------|----------------|-----------------------|------------------------------------|--------------------|------------------|---------------------------|------------------|
| <b>Balance at January 1, 2008</b>                                | <b>347,272,975</b>                     | <b>69,455</b> | <b>566,327</b> | <b>22,901</b>         | <b>86,833</b>                      | <b>684,245</b>     | <b>1,429,761</b> | -                         | <b>1,429,761</b> |
| Total comprehensive income for the period                        | -                                      | -             | -              | -                     | -                                  | 271,034            | 271,034          | -                         | 271,034          |
| Issue of shares  | 2,110,849                              | 422           | 37,253         | -                     | (17,268)                           | -                  | 20,407           | -                         | 20,407           |
| Share issue cost   | -                                      | -             | (80)           | -                     | -                                  | -                  | (80)             | -                         | (80)             |
| Dividend declared and paid                                       | -                                      | -             | -              | -                     | -                                  | (171,180)          | (171,180)        | -                         | (171,180)        |
| Dividend cost  | -                                      | -             | -              | -                     | -                                  | (16)               | (16)             | -                         | (16)             |
| Share option plan charge for the period (1)                      | -                                      | -             | -              | -                     | 21,142                             | -                  | 21,142           | -                         | 21,142           |
| Appropriation of 2007 profit – transfer to 8% obligatory reserve | -                                      | -             | -              | 251                   | -                                  | (251)              | -                | -                         | -                |
| <b>Balance at June 30, 2008</b>                                  | <b>349,383,824</b>                     | <b>69,877</b> | <b>603,500</b> | <b>23,152</b>         | <b>90,707</b>                      | <b>783,832</b>     | <b>1,571,068</b> | -                         | <b>1,571,068</b> |

|  | Number of shares (not in thousands) | Share capital | Share premium  | Treasury shares  | 8% obligatory reserve | Other reserves (*) | Accumulated profit | Total            | Non-controlling interests | Total equity     |
|--|-------------------------------------|---------------|----------------|------------------|-----------------------|--------------------|--------------------|------------------|---------------------------|------------------|
| <b>Balance at January 1, 2009</b>                                | <b>349,515,414</b>                  | <b>69,903</b> | <b>605,805</b> | <b>(37,428)</b>  | <b>23,152</b>         | <b>109,048</b>     | <b>876,474</b>     | <b>1,646,954</b> | <b>-</b>                  | <b>1,646,954</b> |
| Total comprehensive income for the period                        | -                                   | -             | -              | -                | -                     | (541)              | 119,922            | 119,381          | (28,495)                  | 90,886           |
| Issue of shares (2)  | 2,500                               | 1             | 42             | -                | -                     | (18)               | -                  | 25               | -                         | 25               |
| Purchase of treasury shares (3)                                  | -                                   | -             | -              | (62,572)         | -                     | -                  | -                  | (62,572)         | -                         | (62,572)         |
| Dividend declared (4)  | -                                   | -             | -              | -                | -                     | -                  | (194,005)          | (194,005)        | -                         | (194,005)        |
| Dividend cost  | -                                   | -             | -              | -                | -                     | -                  | (20)               | (20)             | -                         | (20)             |
| Cost of share option plan  | -                                   | -             | (71)           | -                | -                     | -                  | -                  | (71)             | -                         | (71)             |
| Share option plan charge for the period (1)                      | -                                   | -             | -              | -                | -                     | 12,096             | -                  | 12,096           | -                         | 12,096           |
| Acquisition of subsidiary  | -                                   | -             | -              | -                | -                     | -                  | -                  | -                | (310,037)                 | (310,037)        |
| Appropriation of 2008 profit - transfer to 8% obligatory reserve | -                                   | -             | -              | -                | 149                   | -                  | (149)              | -                | -                         | -                |
| <b>Balance at June 30, 2009</b>                                  | <b>349,517,914</b>                  | <b>69,904</b> | <b>605,776</b> | <b>(100,000)</b> | <b>23,301</b>         | <b>120,585</b>     | <b>802,222</b>     | <b>1,521,788</b> | <b>(339,532)</b>          | <b>1,183,256</b> |

- (1) On December 27, 2005 TVN S.A. introduced the TVN Incentive Scheme I based on C series of shares. On June 8, 2006 the Annual Shareholders' Meeting approved a conditional share capital increase of up to 1,974 required for execution of the TVN Incentive Scheme I.  
On July 31, 2006, as part of the acquisition of Grupa Onet.pl, TVN S.A. introduced the TVN Incentive Scheme II based on E series of shares. On September 26, 2006 the Extraordinary Shareholders' Meeting approved a conditional share capital increase of up to 1,756 required for execution of the TVN Incentive Scheme II.
- (2) During six months ended June 30, 2009 2,500 (not in thousands) of C1 and C2 series shares were issued and fully paid as a result of the exercise of share options granted under the TVN incentive schemes.
- (3) During the six months ended June 30, 2009, 6,200,937 (not in thousands) shares were purchased by the Company for redemption. These shares are included in the total number of shares in issue as of June 30, 2009. The redemption of 9,157,107 treasury shares was registered by the Court on July 3, 2009.
- (4) The dividend declared and paid in 2009 amounted to 0.57 per share (not in thousands).

Included in accumulated profit as of June 30, 2009 is an amount of 471,750 designated for a share buyback and an amount of 334,598 being the accumulated profit of TVN S.A. on a stand-alone basis which is distributable. With the registration of the redemption of the treasury shares on July 3, 2009 the balance of accumulated profit designated for a share buyback is 371,750. The Senior Notes impose certain restrictions on payment of dividends.

**\* Other reserves**

|                                       | <b>Employee share<br/>option plan<br/>reserve</b> | <b>Fair value<br/>reserve</b> | <b>Total</b>   |
|---------------------------------------|---|-------------------------------|----------------|
| <b>Balance at January 1, 2009</b>     | <b>108,507</b>                                    | <b>541</b>                    | <b>109,048</b> |
| Issue of shares                       | (18)  | -                             | (18)           |
| Charge for the period                 | 12,096  | (668)                         | 11,428         |
| Deferred tax on charge for the period | -   | 127                           | 127            |
| <b>Balance at June 30, 2009</b>       | <b>120,585</b>                                    | <b>-</b>                      | <b>120,585</b> |

**Annex 4 Consolidated Cash Flow Statement – extract from financial statements  
(in thousands of PLN)**

|  | Six months ended<br>June 30, 2009 | Six months ended<br>June 30, 2008 |
|--|-----------------------------------|-----------------------------------|
| <b>Operating activities</b>                                |                                   |                                   |
| Cash generated from operations                             | 281,623                           | 399,055                           |
| Tax paid   | (72,730)                          | (71,798)                          |
| <b>Net cash generated by operating activities</b>          | <b>208,893</b>                    | <b>327,257</b>                    |
| <b>Investing activities</b>                                |                                   |                                   |
| Acquisition of subsidiary, net of cash acquired            | (101,326)                         | -                                 |
| Acquisition of associate                                   | -                                 | (320,923)                         |
| Loans granted to associate                                 | (75,344)                          | -                                 |
| Payments to acquire property, plant and equipment          | (156,639)                         | (51,930)                          |
| Proceeds from sale of property, plant and equipment        | 156                               | 371                               |
| Payments to acquire intangible assets                      | (14,991)                          | (8,536)                           |
| Bank deposit with maturity over 3 months                   | -                                 | (48,360)                          |
| Purchase of available for sale financial assets            | (27,025)                          | -                                 |
| Sale of available-for-sale financial assets                | 347,270                           | -                                 |
| Settlement of foreign exchange options                     | 9,864                             | -                                 |
| Interest received  | 4,686                             | 5,092                             |
| <b>Net cash used in investing activities</b>               | <b>(13,349)</b>                   | <b>(424,286)</b>                  |
| <b>Financing activities</b>                                |                                   |                                   |
| Issue of shares  | 25                                | 20,327                            |
| Cost of share issue  | (71)                              | -                                 |
| Dividend paid  | (185,120)                         | (161,518)*                        |
| Dividend cost  | (20)                              | -                                 |
| Share buyback, including related expenses                  | (62,572)                          | -                                 |
| Proceeds from related party borrowings                     | 22,154                            | -                                 |
| Issue of PLN Bonds due 2013                                | -                                 | 498,690                           |
| Repurchase of Senior Notes due 2013                        | -                                 | (36,587)                          |
| Early settlement of options                                | 101,014                           | -                                 |
| Increase in restricted cash                                | -                                 | (1,324)                           |
| Overdraft facility   | (48,733)                          | -                                 |
| Interest paid  | (75,745)                          | (38,918)                          |
| <b>Net cash used in/ generated by financing activities</b> | <b>(249,068)</b>                  | <b>280,670</b>                    |
| <b>Decrease/increase in cash and cash equivalents</b>      | <b>(53,524)</b>                   | <b>183,641</b>                    |
| Cash and cash equivalents at the start of the period       | 184,867                           | 110,372                           |
| Effects of exchange rate changes                           | (3,895)                           | 257                               |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>127,448</b>                    | <b>294,270</b>                    |

\* Dividend paid differs from the dividend declared due to tax payable by shareholders on dividend income, which was withheld by the Group and settled after the balance sheet date.

**Annex 5 Segment reporting – extract from financial statements (in thousands of PLN)**

|  | Television<br>Broadcasting &<br>Production |   | Online                                  |   | Digital satellite pay<br>television **  |   | All other                               |   | Other reconciling<br>items***           |   | Total                                   |   |
|--|--|---|---|---|---|---|---|---|---|---|---|---|
|  | Six months<br>ended<br>June 30,<br>2009    | Six months<br>ended<br>June 30,<br>2008 | Six months<br>ended<br>June 30,<br>2009 | Six months<br>ended<br>June 30,<br>2008 | Six months<br>ended<br>June 30,<br>2009 | Six months<br>ended<br>June 30,<br>2008 | Six months<br>ended<br>June 30,<br>2009 | Six months<br>ended<br>June 30,<br>2008 | Six months<br>ended<br>June 30,<br>2009 | Six months<br>ended<br>June 30,<br>2008 | Six months<br>ended<br>June 30,<br>2009 | Six months<br>ended<br>June 30,<br>2008 |
| Revenue from external customers                    | 748,410                                    | 818,243                                 | 88,844                                  | 91,081                                  | 130,897                                 | -                                       | 37,109                                  | 41,867                                  | -                                       | -                                       | 1,005,260                               | 951,191                                 |
| Inter-segment revenue                              | 23,575                                     | 2,298                                   | 8,110                                   | 3,933                                   | 409                                     | -                                       | 18,533                                  | 5,560                                   | (40,756)                                | (11,791)                                | 9,871                                   | -                                       |
| <b>Total revenue</b>                               | <b>771,985</b>                             | <b>820,541</b>                          | <b>96,954</b>                           | <b>95,014</b>                           | <b>131,306</b>                          | <b>-</b>                                | <b>55,642</b>                           | <b>47,427</b>                           | <b>(40,756)</b>                         | <b>(11,791)</b>                         | <b>1,015,131</b>                        | <b>951,191</b>                          |
| Segment result                                     | 295,586                                    | 326,988                                 | 4,345                                   | 15,585                                  | (65,107)                                | -                                       | 5,857                                   | 10,221                                  | 72,305                                  | (17,157)                                | 312,986                                 | 335,637                                 |
| Segment result excluding stock option              | 304,472                                    | 339,847                                 | 5,849                                   | 20,368                                  | (65,107)                                | -                                       | 6,144                                   | 10,698                                  | 73,724                                  | (14,104)                                | 325,082                                 | 356,779                                 |
| <b>EBITDA*</b>                                     | <b>327,548</b>                             | <b>355,064</b>                          | <b>16,993</b>                           | <b>25,395</b>                           | <b>(32,802)</b>                         | <b>-</b>                                | <b>7,912</b>                            | <b>12,297</b>                           | <b>72,305</b>                           | <b>(19,042)</b>                         | <b>391,956</b>                          | <b>373,714</b>                          |
| EBITDA* excluding stock option plan expense        | 336,434                                    | 367,923                                 | 18,497                                  | 30,178                                  | (32,802)                                | -                                       | 8,199                                   | 12,744                                  | 73,724                                  | (15,989)                                | 404,052                                 | 394,856                                 |
| <b>EBITDA* margin</b>                              | <b>42.4%</b>                               | <b>43.3%</b>                            | <b>17.5%</b>                            | <b>26.7%</b>                            | <b>25.0%</b>                            | <b>-</b>                                | <b>14.2%</b>                            | <b>25.9%</b>                            | <b>-</b>                                | <b>-</b>                                | <b>38.6%</b>                            | <b>39.3%</b>                            |
| EBITDA* margin excluding stock option plan expense | 43.6%                                      | 44.8%                                   | 19.1%                                   | 31.8%                                   | 25.0%                                   | -                                       | 14.7%                                   | 26.9%                                   | -                                       | -                                       | 39.8%                                   | 41.5%                                   |

\* We define EBITDA as net profit/(loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, finance expenses or investment income, net (including interest income and expense and foreign exchange gains and losses), income taxes and share of net results of associates. The reconciling item between EBITDA and reported operating profit is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment. We believe EBITDA serves as a useful supplementary financial indicator in measuring the liquidity of media companies. EBITDA is not an IFRS measure and should not be considered as an alternative to IFRS measures of net profit/(loss), as an indicator of operating performance, as a measure of cash flow from operations under IFRS, or as an indicator of liquidity. You should note that EBITDA is not a uniform or standardized measure and the calculation of EBITDA, accordingly, may vary significantly from company to company, and by itself our presentation and calculation of EBITDA may not be comparable to that of other companies.

\*\*Since March 11, 2009.

\*\*\*Other reconciling items expenses include head-office expenses that arise at the Group level and are not directly allocated to segment expenses and elimination of intersegment expenses. Such expenses include cost of functions such as: financial reporting and budgeting, internal audit, investor relations, legal, administration, IT and central management. Allocation is based on estimated time investment of each function individually in non-segment activities.

## Annex 6 Operational statistics for IIQ09 vs. IIQ08

### Nationwide audience share

| %                          | All day      |              | Peak Time    |              |
|----------------------------|--------------|--------------|--------------|--------------|
|                            | IIQ2008      | IIQ2009      | IIQ2008      | IIQ2009      |
| <b>TVN Group including</b> | <b>22.3%</b> | <b>20.7%</b> | <b>24.7%</b> | <b>23.1%</b> |
| TVN                        | 17.2%        | 15.4%        | 20.7%        | 18.8%        |
| TVN 7                      | 1.6%         | 1.6%         | 1.5%         | 1.4%         |
| TVN 24                     | 2.5%         | 2.7%         | 1.6%         | 1.9%         |
| TVN Meteo                  | 0.1%         | 0.1%         | 0.1%         | 0.1%         |
| TVN Style                  | 0.4%         | 0.4%         | 0.3%         | 0.4%         |
| TVN Turbo                  | 0.4%         | 0.4%         | 0.3%         | 0.3%         |
| TVP1                       | 22.2%        | 21.1%        | 22.1%        | 21.7%        |
| TVP2                       | 16.9%        | 16.1%        | 16.9%        | 18.2%        |
| Polsat                     | 16.4%        | 14.8%        | 19.6%        | 15.8%        |
| TV 4                       | 1.7%         | 2.1%         | 1.6%         | 2.2%         |
| TVP Info                   | 4.1%         | 4.3%         | 3.2%         | 3.4%         |

Source: AGB Nielsen Media Research

### Basic commercial target group (16-49) audience share

| %          | All day      |              | Peak Time    |              |
|------------|--------------|--------------|--------------|--------------|
|            | IIQ2008      | IIQ2009      | IIQ2008      | IIQ2009      |
| <b>TVN</b> | <b>17.9%</b> | <b>16.5%</b> | <b>20.9%</b> | <b>19.6%</b> |
| TVP1       | 18.8%        | 17.5%        | 19.4%        | 18.8%        |
| TVP2       | 15.6%        | 15.0%        | 15.3%        | 17.0%        |
| Polsat     | 19.4%        | 17.3%        | 22.5%        | 18.2%        |

Source: AGB Nielsen Media Research

### Key target group audience share

| %          | All day      |              | Peak Time    |              |
|------------|--------------|--------------|--------------|--------------|
|            | IIQ2008      | IIQ2009      | IIQ2008      | IIQ2009      |
| <b>TVN</b> | <b>22.6%</b> | <b>20.5%</b> | <b>26.3%</b> | <b>24.6%</b> |
| TVP1       | 14.1%        | 12.6%        | 14.9%        | 13.8%        |
| TVP2       | 12.8%        | 11.4%        | 12.5%        | 13.1%        |
| Polsat     | 16.3%        | 14.9%        | 19.8%        | 16.3%        |
| TVN 7      | 3.1%         | 2.2%         | 3.4%         | 1.8%         |
| TVN 24     | 4.5%         | 4.9%         | 3.1%         | 3.8%         |
| TVN Meteo  | 0.1%         | 0.1%         |              |              |
| TVN Style  | 1.0%         | 0.9%         |              |              |
| TVN Turbo  | 1.4%         | 1.4%         |              |              |

Source: AGB Nielsen Media Research

### Key target group definition

|           |   |
|-----------|---|
| TVN       | 16-49, cities 100,000 +                     |
| TVN 7     | 16-34, cities 100,000 +                     |
| TVN 24    | 25+, above average income, cities 100,000 + |
| TVN Meteo | Cities                                      |
| TVN Style | Women, 18-54, cities                        |
| TVN Turbo | Men, 16-39, cities                          |
| TVP 1*    | 16-49, cities 100,000 +                     |
| TVP 2*    | 16-49, cities 100,000 +                     |
| Polsat*   | 16-49, cities 100,000 +                     |

\* Determined for comparison purposes only.

## Subscriber base

|                 | As at June 30, 2009 | As at June 30, 2008 |
|-----------------|---------------------|---------------------|
| TVN 24          | 7.2 million         | 6.0 million         |
| TVN Style       | 7.1 million         | 5.9 million         |
| TVN Turbo       | 7.1 million         | 5.9 million         |
| ITVN            | 71 thousand         | 67 thousand         |
| TVN Meteo       | 7.0 million         | 5.9 million         |
| TVN CNBC Biznes | 4.1 million         | 3.1 million         |

## Onet.pl's operational metrics

| average per month                    | May 2009 | May 2008 |
|--------------------------------------|----------|----------|
| Number of real users (in millions)   | 12.2     | 9.7      |
| Total page views (in billions)       | 3,813    | 3,702    |
| Total time spent (in millions hours) | 64.5     | 61.1     |

Source: Onet based on Megapanel PBI/Gemius data

## "n" DTH platform operational results

|   | IIQ 2009 | IIQ 2008 |
|---|----------|----------|
| Number of signed postpaid agreements (in ths) | 557      | 325      |
| Quarterly postpaid ARPU (in PLN)              | 58       | 48       |
| Active prepaid subscribers of TNK (in ths)    | 129      | -        |
| Quarterly prepaid ARPU (in PLN)               | 9        | -        |

Source: "n" DTH platform data