CYFROWY POLSAT S.A.
CAPITAL GROUP

Report for Q1
ended 31 March 2008

Warsaw, 14 May 2008

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1 Introduction

Cyfrowy Polsat S.A ("Cyfrowy Polsat", "Company", "Parent Entity", "Parent Company")- the Parent Entity of the Cyfrowy Polsat S.A. Capital Group ("Group", "Capital Group") was established in 1996 under the commercial name of Market S.A. On 21 June 2001, Company changed its name to Polsat Cyfrowy S.p. z o.o.., and in March 2004 the name was changed again to Cyfrowy Polsat S.A. In 2003, the Company received a license from the National Council for Radio Broadcasting and Television ("KRRiT") for wireless broadcasting of satellite radio and TV programs.

Cyfrowy Polsat S.A. is the largest provider of pay DTH satellite television broadcasting services in Poland with number of 2,187,230 subscribers as of 31-st of March 2008. As a core business, Cyfrowy Polsat provides individual clients with access to television and radio channels grouped into different paid programming packages and transmitted via satellite.

The Company provides its Customers with up to 65 Polish-language TV channels and enables access to approximately 500 "free-to-air" ("FTA") TV and radio channels available via satellite platform.

The Company is registered at the National Court Register kept by the District Court, 13th Business Division of the National Court Register, under file number KRS 0000010078 with its seat i in Warsaw at ul. Łubinowa 4a. The Company was assigned statistical number REGON 670925160.

The duration of the Parent Entity and of the entities comprising the Capital Group is unspecified.

2 Summary of the Company activities in the reporting period

The table below presents selected consolidated financial data for the first quarter ended 31 March 2008. The information included in the table should be read together with the information included in the condensed interim consolidated financial statements of the Company for the period of the three months ended 31 March 2008 and the information included in item 8 of this quarterly report. All amounts stated in Euros and Polish Zloty are expressed in thousands, except for data concerning the number of shares, unless indicated otherwise.

The selected financial data from the condensed consolidated profit and loss account and the condensed consolidated cash flow statement for the three months ended 31 March 2008 and 31 March 2007 were converted at the rate of PLN 3.5574 for EUR 1, representing the arithmetic average of average rates set by the National Bank of Poland (NBP) on the last day of each month of the financial period, i.e. from 1 January to 31 March 2008. The selected financial data from the consolidated balance sheet as of 31 March 2008 and 31 March 2007 were converted at the rate of PLN 3.5258 for EUR 1 (the average NBP rate on 31 March 2008). Such a conversion did not aim at suggesting that the amounts in PLN actually reflect the amounts stated in Euro or that such amounts could be converted into Euro according to the aforementioned rate or any other rate.

Selected financial data converted into Euro

	3 months ended			
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Consolidated Income Statements (in thousands)	(PLN)	(PLN)	(EUR)	(EUR)
Revenues from operating activities	248 750	181 575	69 925	51 041
Profit from operating activities	83 507	43 827	23 474	12 320
Gross profit for the period	79 535	41 427	22 358	11 645
Net profit for the period	64 008	32 076	17 993	9 017
Net profit attributable to Cyfrowy Polsat S.A. shareholders	64 008	32 074	17 993	9 016
	(items)			
Weighted average number of issued common shares	268 325 000	262 500 000	268 325 000	262 500 000
	(PLN)	(PLN)	(EUR)	(EUR)
Profit (loss) per ordinary share	0.24	0.12	0.07	0.03

	3 months ended			
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Consolidated Cash Flow Statements	(PLN in thousands)	(PLN in thousands)	(EUR in thousands)	(EUR in thousands)
Cash flow from operating activities	(12 924)	52 614	(3 633)	14 790
Cash flow from investing activities	(15 237)	(9 264)	(4 283)	(2 604)
Cash flow form financing activities	(6 061)	(2 488)	(1 704)	(699)
Total net cash flow	(34 222)	40 862	(9 620)	11 486

	3 months ended			
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Consolidated Balance Sheet (in thousands)	(PLN)	(PLN)	(EUR)	(EUR)
Total assets	602 100	394 004	170 770	111 749
Liabilities and provisions for liabilities	476 952	424 546	135 275	120 411
Non-current liabilities	120 979	37 406	34 312	10 609
Current liabilities	355 973	387 140	100 962	109 802
Equity	125 148	(30 542)	35 495	(8 662)
Issued capital	10 733	10 500	3 044	2 978
Equity attributable to equity holders of the Parent	125 148	(30 614)	35 495	(8 683)
	(items)			
Number of shares (units)	268 325 000	262 500 000	268 325 000	262 500 000
	(PLN)	(PLN)	(EUR)	(EUR)
Net book value per share	0.47	(0.12)	0.13	(0.03)

	3 months ended			
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Other consolidated financial data (in thousands)	(PLN)	(PLN)	(EUR)	(EUR)
EBITDA	88 645	48 387	24 918	13 602
	(percentages)	(percentages)	(percentages)	(percentages)
EBITDA margin	35.6%	26.6%	35.6%	26.6%
Operating margin	33.6%	24.1%	33.6%	24.1%
Net profit margin	25.7%	17.7%	25.7%	17.7%

The EBITDA result is calculated as operating profit plus depreciation. EBITDA is not a measure of operating profit, operating efficiency or liquidity. On the other hand, EBITDA is a measure used in activity management, because this measure is frequently used by investors and enables them to compare the efficiency without taking into account depreciation, the value of which may differ significantly depending on the accepted accounting methods as well as other non-operating factors. Accordingly, we have decided to include the EBITDA result in this report for the purpose of more thorough and extensive analysis of operating results in comparison with other companies.

(in thousands of PLN)

3. Cyfrowy Polsat S.A. Capital Group

Cyfrowy Polsat S.A.Capital Group structure consists of the Parent Company and three subsidiaries. The table below defines the percentage of subsidiary shares held by the Parent Company and the accepted consolidation method:

Subsidiary	Line of business	Shares as at			Consolidation method
		31 March 2008	31 December 2007	31 March 2007	
Cyfrowy Polsat Technology Sp. z o.o. ul. Łubinowa 4a, Warsaw*	Production of set-top-boxes	100%	100%	100%	Full
EMarket Sp. z o.o. ul. Ostrobramska 77, Warsaw	Sale of electronic equipment	Not applicable **	Not applicable **	75%	Full
Praga Business Park Sp. z o.o. ul. Łubinowa 4a, Warsaw	Rental of real estate	100%	100%	100%	Full

* - On 30 May 2006, the name of the company was changed from Onyx Investments Sp. z o.o. to Cyfrowy Polsat Mobile Sp. z o.o. On 2 March 2007, the name of the company was changed from Cyfrowy Polsat Mobile Sp. z o.o. to Cyfrowy Polsat Technology Sp. z o.o.
** - Financial data of the company was consolidated until the day control over the entity ceased, i.e 31 August 2007.

4 Changes in the organizational structure of the Capital Group

There were no changes in the structure of the Capital Group in the quarter ended 31 March 2008.

5 The Management Board's stance with respect to the possibility of realizing previously published results forecasts for the year

The Group does not publish financial result forecasts.

(in thousands of PLN)

6 Shareholders holding at least 5% of the total number of votes at the Shareholder Meeting of the Company Cyfrowy Polsat S.A. as at the date of submitting the consolidated quarterly report for Q1 2008

The table below presents the shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the Shareholder Meeting of the Company as at 31 March 2008. The information included in the table is based on the data included in the Company's Prospectus, which reflects information received from the shareholders pursuant to art. 69 § 1 item 2 of the Act on Public Offering, Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies of 29 July 2005.

Shareholders as at 31 March 2008	Number of shares held (items)	Number of votes at the Shareholder Meeting	Percentage of the total number of votes at a Shareholder Meeting	Percentage share of share capital
Polaris Finance B.V.	250 025 000	425 050 000	93.25%	93.18%
Other	18 300 000	30 775 000	6.75%	6.82%
Total	268 325 000	455 825 000	100.00%	100.00%

Zygmunt Solorz-Żak directly holds 10,603,750 shares (3.95% of share in the Company's share capital) and 212,521,250 through the company Polaris Finance B.V. Zygmunt Solorz-Żak holds directly and indirectly 223,125,000 shares, which represents 83.15% of the Company's share capital.

Heronim Ruta directly holds 1,871,250 shares (0.70% of share in the Company's share capital) and 37,503,750 through the company Polaris Finance B.V. Hieronim Ruta holds directly and indirectly 39,375,000 shares, which represents 14.67% of the Company's share capital.

The table below presents the shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the Shareholder Meeting of the Company as at the date of submitting the consolidated quarterly report for Q1 2008. The information included in the table is based on the data included in the Company's Prospectus and information resulting from the public offering closure documents, which reflects information received from the shareholders pursuant to art. 69 § 1 item 2 of the Act on Public Offering, Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies of 29 July 2005.

Shareholders as at the date of submitting the consolidated quarterly report for Q1 2008	Number of shares held (items)	Number of votes at the Shareholder Meeting	Percentage of the total number of votes at a Shareholder Meeting	Percentage share of share capital
Polaris Finance B.V.	175 025 000	350 050 000	76.79%	65.23%
Other	93 300 000	105 775 000	23.21%	34.77%
Total	268 325 000	455 825 000	100.00%	100.00%

Zygmunt Solorz-Żak directly holds 10,603,750 shares (3.95% of share in the Company's share capital) and 148,771,250 through the company Polaris Finance B.V. Zygmunt Solorz-Żak holds directly and indirectly 159,375,000 shares, which represents 59.40% of the Company's share capital.

Heronim Ruta directly holds 1,871,250 shares (0.70% of share in the Company's share capital) and 26,253,750 through the company Polaris Finance B.V. Heronim Ruta holds directly and indirectly 28,125,000 shares, which represents 10.48% of the Company's share capital.

7 Shares of Cyfrowy Polsat S.A. held by persons managing and supervising the Company

7.1 Management Board of the Company Cyfrowy Polsat S.A.

The table below presents the number of shares (not in thousands) of the Company Cyfrowy Polsat S.A. held directly or indirectly by the Management Board members as at the date of publishing the report, i.e. 14 May 2008, with changes from the date of publishing the Company's Prospectus i.e. from 8 April 2008. The Information in the table below is based on information received from the Management Board members pursuant to art. 160 § 1 of the Act of 29 July 2005 on Trading in Financial Instruments.

Management Board Member	As at 8 April 2008	Increases	Decreases	As at 14 May 2008
Dominik Libicki	500 000	-	-	500 000
Maciej Gruber	46 250	-	-	46 250
Andrzej Matuszyński	32 500	-	-	32 500
Dariusz Działkowski	46 250	-	-	46 250

7.2 Supervisory Board of the Company Cyfrowy Polsat S.A.

The table below presents the number of shares (not in thousands) of the Company Cyfrowy Polsat S.A. held directly or indirectly by the Supervisory Board members as at the date of publishing the report, i.e. as at 14 May 2008, with changes from the date of publishing the Company's Prospectus i.e. from 8 April 2008. The information included in the table is based on information received from the Management Board members pursuant to art. 160 § 1 of the Act of 29 July 2005 on Trading in Financial Instruments.

Supervisory Board member	As at 31 March 2008	Increases	Decreases	As at 14 May 2008
Heronim Ruta*	39 375 000	-	11 250 000	28 125 000
Mariola Gaca	-	-	-	-
Anna Kwaśnik	-	-	-	-
Zdzisław Gaca	-	-	-	-
Andrzej Papis	-	-	-	-

*As at 14 May 2008 Heronim Ruta holds indirectly through Polaris Finance BV 26,253,750 shares of Cyfrowy Polsat S.A.

(in thousands of PLN)

8 Review of operational and financial standing

The following discussion and analysis of the Company's operating and financial review and prospects is prepared on the basis of interim abbreviated consolidated financial statements for the three months ended 31 March 2008 prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

The period of three months ended 31 March 2008 in comparison with the period of three months ended 31 March 2007

	3 months ended	
	31 March 2008	31 March 2007
Average number of Family Package Subscribers1)	1 878 002	1 254 463
Average number of Mini Package Subscribers	257 607	132 777
Average number of Subscribers	2 135 609	1 387 240
Number of Family Package Subscribers at the end of the period	1 914 310	1 325 108
Number of Mini Package Subscribers at the end of the period	272 920	144 408
Number of Subscribers at end of the period	2 187 230	1 469 516
Churn rate of Family Package Subscribers	2.0%	1.0%
Churn rate of Mini Package Subscribers	0.0%	0.0%
Churn rate of Subscribers 2)	1.8%	0.9%
Average Revenue per User (ARPU)3) per month of Family Package (PLN)	37.3	37.2
Average Revenue per User (ARPU) per month of Mini Package (PLN)	8.5	7.7
Average Revenue per User (ARPU) per month (PLN)	33.8	34.4
Subscriber Acquisition Cost (SAC)4) (PLN)	96.9	97.9

(1) Calculated as the sum of the average number of subscribers in each month divided by the number of months in the period. Average number of subscribers per month is calculated according to the following formula: (subscribers at the end of the month + subscribers at the beginning of the month)/2.
(2) The percentage of terminated agreements calculated as the ratio of the number of terminated agreements in a given period to the average number of agreements in the period. The churn rates calculated for periods shorter than one year only relate to those given periods and are not annualized.
(3) Revenues from subscription fees for the period divided by the average number of subscribers in such period and the number of months in the period.
(4) Calculated as the average amount of commissions paid to distributors and to the customer call center per one new subscriber acquired.

As at 31 March 2008, the Group had a total of 2,187,230 subscribers, of which 1,914,310 were Family Package Subscribers and 272,920 were Mini Package Subscribers. In the period between 31 March 2008 and 31 March 2007, the total number of Subscribers increased by 717,714, i.e. by 49%, the number of Family Package Subscribers increased by 589,202, i.e. 44%, and the number of Mini Package Subscribers increased by 128,512, i.e. 89%. This growth contributed directly to the growth of net operating income.

Revenues from operating activities.

Revenues from operating activities increased by PLN 67.2 million, i.e. 37.0% from PLN 181.6 million in the period of three months ended 31 March 2007 to PLN 248.7 million in the period of three months ended 31 March 2008. This growth was mostly attributed to growth of subscription income.

Suscription fees revenue. The subscription fees revenue increased by PLN 73.5 million, i.e. 51.3% from PLN 143.2 million in the quarter ended 31 March 2007 to PLN 216.6 million in the quarter ended 31 March 2008. The growth of income from subscriptions was attributed mostly to increase of average number of subscribers from 1.4 million during the first quarter of 2007 to 2.1 million during the first quarter of 2008.

The table below presents a breakdown of subscription income.

(PLN in thousands)	3 months ended	
	31 March 2008	31 March 2007
Income from subscription fees of the Family Package*	210 090	140 089
Income from subscription fees of the Mini Package	6 551	3 081
Total income from subscription fees	216 641	143 170

* - Subscription income due - all packages except the Mini Package

Rental of satellite TV receiving equipment. The Company recorded a decrease in income from leasing of set-top boxes from PLN 1.9 million in Q1 2007 to PLN 0.9 million in Q1 2008. This change is attributable to the change of the Company's policy concerning the distribution of set-top boxes to subscribers. The Company offers its subscribers to purchase the set-top boxes at attractive retail prices instead of leasing them. As a result of actions taken to encourage the subscribers leasing the set-top boxes to purchase them, the number of subscribers paying additional monthly fees for leasing of the set-top boxes decreased, and therefore the leasing income generated by them decreased.

Sale of satellite TV receiving equipment. Income from sales of the set-top boxes decreased from PLN 30.0 million in Q1 2007 to PLN 20.6 million in Q1 2008, i.e. by 31.4%. This resulted primarily from acquiring a fewer number of new subscribers in Q1 2008 (118.9 thousand) in comparison with 1Q 2007 (195.9 thousand) and a reduction in the average retail sale prices of the set-top boxes.

Costs of operating activities

In the reporting period, costs of operating activities increased by PLN 27.5 million, i.e. by 20.0%, in comparison with 2007. That growth was mostly attributable to an increase in programming costs by PLN 16.4 million, an increase in distribution and marketing costs by PLN 18.3 million and an increase in signal transmission costs by PLN 4.6 million.

Despite the growth of operating costs in absolute terms which was directly connected to the rapid expansion of subscriber base, cost reduction mesures have contributed to a decrease in operating costs as a percentage of total revenues from operating activities, from 75.9% for the three months ended 31 March 2007 to 66.4% for the three months ended 31 March 2008.

Depreciation and Amortization. Depreciation and Amortization expenses increased in Q1 2008 by 0.6 million, i.e. 12.7% from PLN 4.6 million in Q1 2007 to PLN 5.1 million in Q1 2008.

Programming Costs. Programming costs increased by PLN 16.4 million, i.e. 47.8% from PLN 34.3 million in the three months ended 31 March 2007 to PLN 50.7 million in the three months ended 31 March 2008. This increase was mostly attributable to the increase in the average number of subscribers in the compared periods and offering new programs.The majority of our agreements with licensors provide that license fees are calculated as the product of the agreed rate per subscriber and the number of subscribers reported to a given broadcaster who paid for the package containing the broadcaster's channel.

Signal Transmission Services Costs. Signal transmission services costs consist of (i) payments for the lease of satellite transponder capacity, (ii) payments for the use of the Nagravision conditional access system and (iii) other signal transmission costs. Signal transmission services costs increased by PLN 4.6 million, i.e. by 43.4% from PLN 10.5 million in the three months ended 31 March 2007 to PLN 15 million in the three months ended 31 March 2008. The main reasons for the increase were (i) the commencement of a lease of the third transponder in October 2007 and (ii) an increase in the number of active smart cards subject to a fee for providing conditional access system services. The costs of providing the conditional access system services are calculated as the product of a monthly unit rate per active access card and the number of active cards.

Distribution and marketing costs. Distribution and marketing costs increased by PLN 18.3 million, i.e. 92.7% from PLN 19.8 million in the three months ended 31 March 2007 to PLN 38.1 million in the three months ended 31 March 2008. The change was mainly due to an increase in the commissions paid to distributors by PLN 10.4 million (i.e. by 71,9%) related to the recognition inQ1 2008 of commission on sales realized in the previous periods. The increase in the commissions paid to distributors represented 56,8% of the increase in distribution and marketing costs in the period ended 31 March 2008 in comparison with the period ended 31 March 2007. The increase in mailing and marketing costs by PLN 3.5 million and PLN 3.2 million, respectively, in comparison with the three months ended 31 March 2007, also contributed to the increase in this cost item. The relevant part of the mailing costs increase is the STB to smart cards replacement that started in February 2008.

Salaries and employee-related expenses. The costs of salaries and employee-related benefits increased by PLN 4.6 million, i.e. by 81% from PLN 5.7 million in the three months ended 31 March 2007 to PLN 10.4 million in the three months ended 31 March 2008. This increase mainly resulted from increase in the number of employees hire under employment contracts by 156 persons, from 209 persons as at 31 March 2007 to 365 persons as at 31 March 2008 and an increase in the average remuneration in the compared periods.

Cost of digital satellite TV receiving equipment sold. Cost of digital satellite TV receiving equipment sold decreased by PLN 25.3 million, i.e. by 44.2% from PLN 57.2 million in the three months ended 31 March 2007 to PLN 31.9 million in the three months ended 31 March 2008. This decrease primarily resulted from a decrease in the number of new subscribers who purchased the set-top boxes from the Company in Q1 2008 in comparison with Q1 2007, and a decrease in the unit cost of purchasing the set-top boxes from external suppliers.

Other operating costs. Other operating costs increased by PLN 8.3 million, i.e. by 146% from PLN 5.7 million in the three months ended 31 March 2007 to PLN 14 million in the three months ended 31 March 2008. The increase in other operating expenses resulted from the increased energy and materials costs PLN 1.2 million, doubtful debt provision by PLN 1.2 million and fees to Polish Film Institute by PLN 1.4 million.

Profit from operating activities. The Company recorded an increase in profit from operating activities, which in Q1 2008 amounted to PLN 83.5 million in comparison with PLN 43.8 million of operating profit in Q1 2007 (increase by 90.5%). The increase in the operating profit resulted from a considerable improvement in operating efficiency. The company's income was growing faster than its operating costs, which had a direct impact on improvement of operating profitability.

EBITDA. The Company considerably improved its EBITDA result, which in Q1 2008 amounted to PLN 88.6 million in comparison with PLN 48.4 million recorded in Q1 2007. This meant an increase by PLN 40.3 million in the presented period, i.e. by 83.2%.

Financial costs. Financial costs increased in Q1 by PLN 3.1 million in comparison with Q1 2007, i.e. by 66.7% from PLN 4.7 million to PLN 7.8 million. This increase prinicipaly resulted from the recognition of costs of the initial public offering of Shares amounting to PLN 4.4 million in Q1 2008.

Financial revenues increased by PLN 1.5 million i.e. by 67.9% from PLN 2.3 million in Q1 2007 to PLN 3.8 million in Q1 2008. This increase was attributable mostly to an increase in interest income and an increase in positive FX differences.

Capital Expenditures. Capital expenditures increased by PLN 6 million i.e. by 64.5% from PLN 9.3 million in Q1 2007 to PLN 15.2 million in 1Q 2008. In Q1 2008, the Group incurred capital expenditures in the amount of PLN 7.7 million (51% of total capital expenditures) for fixed assets and intangibles for the provision of MVNO services – this was the main reason for the increase in capital expenditures in Q1 2008.

Employment. The average employment in Q1 2008 was 365 persons and average employment in Q1 2007 was 209 persons. The increase in employment was mostly attributable to the work on the MVNO telecommunication project, the establishment of the team to carry out this project and the preparations to manufacture own STBs.

9 Management Board and Supervisory Board

As at the publication date of the consolidated report for Q1 ended 31 March 2008, the Company's Management Board consisted of the following persons:

1. Dominik Libicki – CEO
2. Maciej Gruber
3. Andrzej Matuszyński
4. Dariusz Działkowski.

There were no changes in the composition of the Management Board of Cyfrowy Polsat S.A. since the publication date of the Company's Prospectus.

As at the publication date of the consolidated report for 1Q ended 31 March 2008, the Company's Supervisory Board consisted of the following persons:

1. Heronim Ruta – Supervisory Board Chairman
2. Mariola Gaca
3. Anna Kwaśnik
4. Zdzisław Gaca
5. Andrzej Papis

There were no changes in the composition of the Supervisory Board of Cyfrowy Polsat S.A. since the publication date of the Company's Prospectus.

CYFROWY POLSAT S.A.
CAPITAL GROUP

Condensed interim consolidated financial statements

for the period of 3 months

ended 31 March 2008

Condensed interim consolidated income statement

Condensed interim consolidated balance sheet

Condensed interim consolidated statement of changes in equity

Condensed interim consolidated cash flow statement

Notes to the condensed interim consolidated financial statements

(all amounts in PLN thousand)

1 Condensed interim consolidated income statement

	3 months ended	
	31 March 2008 unaudited	31 March 2007 unaudited
Subscription fees	216 641	143 170
Rental of satellite TV receiving equipment	862	1 920
Sale of satellite TV receiving equipment	20 587	30 032
Transmission services	4 356	3 257
Other operating revenue	6 304	3 196
Total revenues from operating activities	248 750	181 575
Depreciation and amortisation	5 138	4 560
Programming costs	50 656	34 274
Transmission costs	15 045	10 488
Distribution and marketing costs	38 138	19 795
Salaries and employee-related expenses	10 351	5 718
Cost of digital satellite TV receiving equipment sold	31 913	57 221
Other operating costs	14 002	5 692
Total costs of operating activities	165 243	137 748
Profit from operating activities	83 507	43 827
Financial income	3 821	2 276
Financial expenses	(7 793)	(4 676)
Gross profit	79 535	41 427
Income tax	15 527	9 359
Net profit from continuing operations	64 008	32 068
Net profit/ (loss) from discontinued operations	-	8
Net profit	64 008	32 076
Net profit attributable to:		
Equity holders of the parent	64 008	32 074
Minority interests	-	2
	64 008	32 076
Basic and diluted earnings per share (in PLN)	0,24	0,12

(all amounts in PLN thousand)

2 Condensed interim consolidated balance sheet – assets

	31 March 2008 unaudited	31 December 2007	31 March 2007 unaudited
Digital satellite TV receiving equipment	548	549	5 090
Other tangible assets	100 187	97 326	49 608
Intangible assets	10 771	11 465	4 153
Investment property	18 931	18 932	28 274
Other long-term assets	27 331	30 956	10 709
Deferred tax assets	1 364	4 134	-
Total non-current assets	159 132	163 362	97 834
Inventories	153 647	130 009	61 146
Trade and other receivables	109 010	79 133	35 571
Income tax receivable	-	3 002	-
Other current assets	63 588	68 971	47 648
Cash and cash equivalents	116 723	150 726	150 430
Assets held for sale	-	-	1 375
Total current assets	442 968	431 841	296 170
Total assets	602 100	595 203	394 004

(all amounts in PLN thousand)

3 Condensed interim consolidated balance sheet – liabilities and equity

	31 March 2008 unaudited	31 December 2007	31 March 2007 unaudited
Issued capital	10 733	10 733	10 500
Supplementary capital	3 500	3 500	-
Other reserves	10 174	10 174	-
Retained earnings/ (accumulated losses)	100 741	36 733	(41 114)
Equity attributable to equity holders of the parent	125 148	61 140	(30 614)
Minority interest	-	-	72
Total equity	125 148	61 140	(30 542)
Long-term loans	117 816	132 226	28 957
Long-term finance lease liabilities	1 340	1 412	1 691
Deferred tax liabilities	797	671	6 200
Other long-term liabilities and provisions	1 026	605	558
Total non-current liabilities	120 979	134 914	37 406
Current loans	104 943	88 731	209 673
Current finance lease liabilities	201	204	221
Income tax liabilities	3 221	-	-
Trade and other payables	134 052	208 714	84 296
Deposits for digital satellite TV receiving equipment	19 727	20 032	20 839
Deferred income	93 829	81 468	71 025
Liabilities related to non-current assets held for sale	-	-	1 086
Total current liabilities	355 973	399 149	387 140
Total liabilities	476 952	534 063	424 546
Total equity and liabilities	602 100	595 203	394 004

(all amounts in PLN thousand)

4 Condensed interim consolidated statement of changes in equity as at 31 March 2008

	Issued capital	Supplementary capital	Other reserves	Retained earnings	Equity attributable to equity holders of the parent	Minority interest	Total equity
As at 1 January 2008	10 733	3 500	10 174	36 733	61 140	-	61 140
Net profit for the period				64 008	64 008	-	64 008
As at 31 March 2008	10 733	3 500	10 174	100 741	125 148	-	125 148

5 Condensed interim consolidated statement of changes in equity as at 31 March 2007

	Issued capital	Supplementary capital	Other reserves	Accumulated losses	Equity attributable to equity holders of the parent	Minority interest	Total equity
As at 1 January 2007	10 500			(73 188)	(62 688)	70	(62 618)
Net profit for the period				32 074	32 074	2	32 076
As at 31 March 2007	10 500	-	-	(41 114)	(30 614)	72	(30 542)

in thousands of PLN

6 Condensed interim consolidated cash flow statement

	3 months ended	
	31 March 2008 unaudited	31 March 2007 unaudited
Net profit	64 008	32 076
Adjustments:	(71 630)	19 384
Depreciation and amortisation	5 138	4 560
Interest expense/(income)	1 947	2 180
(Increase)/decrease in inventories	(23 638)	(3 137)
(Increase)/decrease in receivables and other assets	(20 869)	20
(Increase)/ decrease in liabilities, provisions, accruals and deferred income	(57 366)	4 659
Foreign exchange losses/(gains)	(176)	618
Income tax	15 527	9 359
Net decrease/(increase) in set-top boxes under operating lease	(248)	1 210
Other adjustments	5 055	(85)
Net cash flow from operating activities	(7 622)	51 460
Interest received on operating activity	1 358	1 154
Income tax paid	(6 660)	-
Cash flow from operating activities	(12 924)	52 614
Purchases of intangible assets	(803)	(855)
Purchases of tangible assets	(14 434)	(8 409)
Cash flow from investing activities	(15 237)	(9 264)
Repayment of loans	(452)	(1 138)
Finance lease - principal repayments	(59)	(59)
Interest on loans and finance leases	(418)	(1 291)
Other financial inflows/(outflows) , net	(5 132)	-
Cash flow from financing activities	(6 061)	(2 488)
Increase/(decrease) in cash and cash equivalents	(34 222)	40 862
Cash and cash equivalents at the beginning of the period	150 726	109 833
Effect of exchange rate fluctuations	219	(265)
Cash and cash equivalents at the end of the period	116 723	150 430

7 Notes to the abbreviated interim consolidated financial statements for the period of 3 months ended 31 March 2008

7.1 Basis for preparation of the interim the consolidated financial statements

Statement of compliance

The condensed interim financial statements for the three months ended 31 March 2008 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The Group applied the same accounting policies in the preparation of the financial data for the period ended 31 March 2008 and 31 March 2007 as presented in consolidated financial statements for the years ended 31 December 2007 and 31 December 2006, as published in the Company's issue prospectus, except for the new accounting principles described below and interpretations prevailing for the reporting periods beginning as of 1 January 2008.

Published International Financial Reporting Standards (IFRS) and Interpretations (IFRIC) whose application is non-mandatory

The International Financial Reporting Standards as adopted by the European Union ("EU IFRS"), include all International Accounting Standards, International Financial Reporting Standards and Interpretations, exluding standards and interpretaions which have not yet been adopted by the European Uniion or which have already been adopted by the EU, but are not effective yet.

The Group did not early adopt the standards and interpretations which have already been published and adopted by the European Union and which should be applied for annual periods beginning after 1 January 2008 (presented below). As of the balance sheet date, the Group is in the process of completing its assessment of the impact of the new standards and interpretations which will become effective after the balance sheet date on the consolidated financial statement of the Group for the period when they will be applied for the first time.

New standards and interpretations, adopted by the EU, which should be applied for annual periods beginning after 1 January 2008

- IFRIC 11 "Group and Treasury Share Transactions" effective to annual periods beginning after 1 March 2008;

- IFRS 8 "Operating segments" effective to annual periods beginning on or after 1 January 2009.

New Standards and Interpretations to be approved by EU

- IFRIC 12 "Service Concession Arrangements";

- IFRIC 13 "Customer Loyalty programs";

- IFRIC 14 IAS 19 "The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction";

- Revised IAS 23 "Borrowing Costs";

- Revised IAS 1 "Presentation of Financial Statements";

- Revised IFRS 3 "Business Combinations";

- RevisedIFRS 2 "Share-based Payment";
- Revised to IAS 32 "Financial Instruments: Presentation" and Revised IAS 1 "Presentation of Financial Statements" related to the puttable financial instruments and obligations araising on liquidation.

in thousands of PLN

Approval of the condensed interim consolidated financial statements for publication

These condensed interim financial statements have been approved for publication by the Management Board on 14 May 2008.

7.2 Seasonality of sales of receiving equipment

In the Company, seasonality concerns only revenues from sales of receiving sets. Set-top-boxes sales seasonality results from increased activity of new subscribers in the fourth quarter of the year (before Christmas) and before important sport events which cannot be watched on terrestrial television channels. Revenues from subscription fees are not directly subject to seasonality trends.

7.3 Selected items concerning assets, liabilities, capital, net profit and cash flow statement, including non-typical ones in view of their nature, size or scope

7.3.1 Non-typical events during the reporting period

During the reporting period the Company began replacing smart cards for set-top boxes. The agreement, signed between Cyfrowy Polsat and Nagravision on 2 November 2004, specifies when cards are to be replaced (free of charge or for an additional fee) in the event of the occurrence of certain events, such as a breach of the security of the conditional access system. As at 31 March 2008 Cyfrowy Polsat recognized costs and revenues relating to replacement in amount of PLN 3 497 thousand.

Due to preparation of Initial Public Offering of Cyfrowy Polsat shares during the reporting period the financial costs include among others, PLN 4.4 million of IPO related costs.

7.3.2 Equity

Issued capital

As at 31 March 2008, the Company's share capital was as follows:

Share series	Type	Number of shares	Nominal value of share (PLN)	Number of votes	% of voting rights
A	preference shares (2 voting rights per share)	2 500 000	0,04	5 000 000	1,1%
B	preference shares (2 voting rights per share)	2 500 000	0,04	5 000 000	1,1%
C	preference shares (2 voting rights per share)	7 500 000	0,04	15 000 000	3,3%
D	preference shares (2 voting rights per share)	175 000 000	0,04	350 000 000	76,7%
E	ordinary bearer shares	75 000 000	0,04	75 000 000	16,5%
F	ordinary bearer shares	5 825 000	0,04	5 825 000	1,3%
Total		268 325 000			100,0%

Supplementary capital

The General Shareholders Meeting of Cyfrowy Polsat S.A. held on 5 September 2007 adopted a resolution to transfer PLN 3 500 000 from the 2006 net profit to reserve capital.

Dividends paid and proposed for disbursement

During the reporting period no dividend was declared or paid to the shareholders of Cyfrowy Polsat S.A.

The Company intends to ensure that the shareholders participate in the profit by being paid the dividend. The Management Board may nevertheless decide that using the generated funds in some other way, e.g. to finance acquisitions and investments, may bring the Company and the shareholders more benefits than debt financing.

Pursuant to the loan agreement with Bank Pekao SA concluded on 9 October 2007, the Company is forbidden to pay out the dividend before the Bid.

7.3.3 Loans and borrowings

As at 31 March 2008, the Company is a party to two Loan agreements.

Agreement with Bank Pekao S.A. concluded on 9 October 2007, for a total loan amount of up to PLN 200 million, subject to variable interest based on WIBOR + 0.55% p.a. According to the schedule, the Company is required to pre-pay at least PLN 50 million of the loan by the erlier of: 30 days after the offering date (defined as issue or sale of shares on the Warsaw Stock Exchange ("WSE"), provided that shares of the issue have been accepted for public trading on WSE), or on 30 June 2008, whichever date falls earlier. The remaining amount is payable in equal installments at the end of each quarter. Final repayment should take place no later than on the date of the third anniversary of the execution of the agreement, that is by 9 October 2010.

Should there be no public offering of Company shares and no prepayment of at least PLN 50 million by 30 June 2008, the WIBOR mark-up will be increased to 0.7% p.a. and will apply until final maturity.

The said Loan agreement entails the following constraints on the Company:

a. ban on purchase of shares in other enterprises or on setting up companies without consent of the Bank,
b. ban on entering into transactions on terms worse than market terms,
c. ban on extending loans without consent of the Bank,
d. ban on accepting guarantee-related obligations without consent of the Bank,
e. ban on dividend payments prior to the offering,
f. ban on retirement of Company shares and repurchase for retirement, without consent of the Bank.

As at 31 March 2008, the outstanding amount was PLN 196,439.5 thousand..

On 18 September 2006, Praga Business Park Sp. z o.o. entered into a loan agreement with Raiffeisen Bank Polska S.A. for EUR 8 260 thousand carrying variable interest charges based on 1M EURIBOR plus 1.6% p.a.. The loan is repayable in 41 quarterly installments, with the last installment payable on 31 December 2016. As at 31 March 2008, the outstanding amount was PLN 26.5 million , equivalent to EUR 7,518,000.

in thousands of PLN

7.3.4 Transactions with related entities

During the period covered by the report, the Company has entered into significant transactions with related entities, specified in the following table:

Receivables	31.03.2008 unaudited	31.12.2007	31.03.2007 unaudited
Polsat Media Sp. z o.o.	-	1	-
Invest Bank S.A.	1	1	1
Inwestycje Polskie Sp. z o.o.	1	1	1
Media Biznes	39	-	37
Polska Telefonia Cyfrowa Sp. z o.o.	-	-	-
Polskie Media S.A.	-	-	5
Superstacja Sp.z o.o.	10	10	-
Energia Nova S.A.	-	-	-
Telewizja Polsat S.A.	166	77	245
Total	217	90	289

Liabilities	31.03.2008 unaudited	31.12.2007	31.03.2007 unaudited
EMarket Sp. z o.o.	120	41	n/a
Polska Telefonia Cyfrowa Sp. z o.o.	36	28	-
Polskie Media S.A.	-	-	5
Teleaudio Sp. z o.o.	-	522	-
Elektrim S.A.	-	13	115
Alpatran	31	107	31
Media Biznes Sp. z o.o	-	-	12
Telewizja Polsat S.A.	1 226	2 854	5 198
Total	1 413	3 565	5 361

Revenues from operating activities	31.03.2008 unaudited	31.03.2007 unaudited
Inwestycje Polskie Sp. z o.o.	-	10
Polskie Media S.A.	15	-
Superstacja Sp. z o.o.	7	-
Telewizja Polsat S.A.	34	21
Media Biznes Sp. z o.o.	48	30
Total	104	61

in thousands of PLN

Cost of operating activities	31.03.2008 unaudited	31.03.2007 unaudited
Polska Telefonia Cyfrowa Sp. z o.o.	55	30
Teleaudio Sp. z o.o.	868	98
Emarket Sp. z o.o.	68	n/a
Elektrim S.A.	373	181
Alpatran	75	75
Telewizja Polsat S.A.	4 072	2 570
Media Biznes Sp. z o.o.	-	10
Total	5 511	2 964

7.3.5 Off-balance sheet liabilities

On 8 November 2007, the Company and Telekomunikacja Polska S.A. ("TP") entered into an agreement concerning interconnection of the Cyfrowy Polsat S.A. public telecommunication network and the Telekomunikacja Polska S.A. fixed public telephone network for the purpose of providing telecommunication services, and defining the technical conditions for setting up and maintaining interconnection of networks, and also defining details of mutual payment terms. In order to secure possible claims, Cyfrowy Polsat S.A. on 7 December 2007 made a statement on submitting to enforcement of the amounts due and payable to Telekomunikacja Polska S.A. up to the PLN 201 thousand.

Contractual liabilities for purchase of fixed asset components

On 31 May 2007, the Company entered into an agreement with Accenture Sp. z o.o. on the implementation and launch of a MVNO billing system. As at 31 March 2008, the value of uninvoiced deliveries and services amounted to PLN 848.9 thousand and unperformed deliveries and services denominated in PLN and EUR amounting to PLN 186 thousand and EUR 188 thousand respectively. Additionally, the value of deliveries and services for future invoicing, connected with an additional order above original contract specifications, amounted to PLN 200 thousand as at 31 March 2008.

Cyfrowy Polsat S.A. entered into agreement with Nokia Siemens Networks Sp. z o.o. for the delivery of hardware and software to support the provision of MVNO services. As at 31 March 2008, the value of unperformed deliveries and services. Under this contract amounted to EUR 455.2 thousand, equivalent to PLN 1 605 thousand (in Q1 2008 supplies and services for EUR 11.8 thousand were delivered).

On 18 September 2007 Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Polska Sp. z o.o. for the sale, supply, installation and launch of a powering system. As at 31 March 2008, the value of unperformed deliveries and services under this contract amounted to EUR 136.1 thousand, equivalent to PLN 479.9 thousand.

On 28 September 2007 Cyfrowy Polsat S.A. entered into an agreement with Alcatel Lucent Polska S.A for the delivery and installation of voice mail. As at 31 March 2008, the value of unperformed deliveries and services under this contract amounted to EUR 35.6 thousand, equivalent to PLN 125.5 thousand (in Q1 supplies and services were delivered for EUR 402.1 thousand).

On 26 November 2007, Praga Business Park Sp. z o.o. entered into an agreement with Zemart Prime Sp. z o.o. concerning construction work in the buildings owned by the Company. As at 31 March 2008, the maximum value of univoiced services amounted to PLN 1 495.7 thousand (in Q1 supplies and services were delivered for PLN 233.1 thousand).

On 4 June 2007 Praga Business Park Sp. z o.o. entered into an agreement with Sanpro Sp. z o.o. concerning the property at the corner of Łubinowa and Zabraniecka streets. Under this contract, Sanpro Sp. z o.o. has to sell to Praga Business Park Sp. z o.o. the said property, after finalizing its acquisition from the Warszawa Targówek Township. The Parties agreed that the sales price

will be equal to the purchase price of the property from Warszawa Targówek Township, increased by the amount of VAT plus PLN 100 thousand. In the event that the price of purchasing the property from Warszawa Targówek Township proves unacceptable to Praga Business Park, this company will be entitled to resign from the contract. The agreement provides for contractual damages in an amount of PLN 1,050 thousand plus the value of investments Praga Business Park has made in all real estate purchased
from Sanpro until the date of the execution of this agreement.

Contractual obligations related to contracted services

On 31 May 2007, Cyfrowy Polsat S.A. entered into an agreement with Accenture Sp. z o.o. for maintenance of the billing system. The contract has been concluded for a 3 year term. The annual cost of the service will amount to EUR 245 thousand.

Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Polska Sp. z o.o. for maintenance of the MVNO system plus BOT (Build Operate Transfer) service. The contract is for a term of 13 months. As at 31 March 2008, the value of future deliveries and services under this contract amounts to EUR 1 549 thousand.

Cyfrowy Polsat S.A. entered into an agreement with Nokia Siemens Networks Sp. z o.o. for maintenance of the MVNO system. The contract is for a term of 5 years. The annual cost of the service amounts to EUR 98.1 thousand.

On 28 September 2007, Cyfrowy Polsat S.A. entered into a service agreement with Alcatel Lucent Polska S.A. The contract is for a term of 3 years. The annual cost of the service amounts to EUR 59.2 thousand.

7.4 Subsequent events after the balance sheet date

On 13 May 2008, Cyfrowy Polsat S.A. and Nagravision S.A. signed Annex 3 to the agreement dated 2 November 2004. Under terms of this Annex, Cyfrowy Polsat S.A. will receive contractual remedy for the improper functioning of the access cards in Samsung set-top-boxes of EUR 1 896.7 thousand and for costs of access cards of EUR 4 823.3 thousand resulting from the security breach in the conditional access system.

The Company closed the Offering on 30 April 2008 on which date E Series shares were allocated. 6 500 000 shares were allocated in the tranche for individual investors and 60 581 250 shares in the tranche for institutional investors, of which 30 724 481 shares in international offer.

Pursuant to Resolution 322/2008 adopted on 30 April 2008 by Management Board of the Warsaw Stock Exchange (WSE) 75 000 000 E Series shares of PLN 0.04 par value each and 5 825 000 F Series shares of PLN 0.04 par value each, were admitted to trading on the main market.

Pursuant to Resolution 326/2008 adopted on 30 April 2008 by WSE Management Board, the WSE Management Board decided to commence the trading on the main market as at 6 May 2008 of respectively 75 000 000 and 5 825 000 ordinary series E and F baerer shares of PLN 0.04 per value each in the continious trading system under the name CYFRPLSAT and designation CPS.

Pursuant to the negotiations with ZAIKS in relation to terms of cooperation, an agreement has been reached on 7 April 2008 regarding royalities payment to ZAIKS. Royalities are paid for re-broadcasting on the digital platform in the period from 1 June 2006 to 31 December 2007. The royalties payment of PLN 4.5 million covers total ZAIKS claim relating to royalities paid for rebroadcasting of productions on the digital platform during that period.

Based on the rates proposed by ZAIKS – a license agreement has been concluded in which cooperation terms were deifined.

On 16 April 2008, President of the Office for Electronic Communications ("UKE") issued a decision replacing the agreements on interconnection of Cyfrowy Polsat S.A. and PTK Centertel Sp. z o.o. as well as Cyfrowy Polsat S.A. and Polkomtel S.A.

telecommunication networks. Reviewing the Cyfrowy Polsat requests of 16 January 2008 for a decision regarding telecommunication access, UKE President has focused on the issue of justification for automatic application of the clause on automatic adjustment in the future of rates for call termination (MTR - Mobile Termination Rates), which has been requested by Polkomtel and PTK Centertel. Decisive for resolving the dispute was the statutory and actual state of affairs as at the date of making the decision. At the time of issuing both decisions, the rate for call termination in Polkomtel and PTK Centertel networks should be PLN 0.40/minute. The same amount of MTR was ruled by UKE President for calls terminated in the Cyfrowy Polsat network.

In terms of determining the Mobile Termination Rates, those to which the decisions have been addressed do not have identical obligations. Polkomtel and PTK Centertel are required to set these rates in relation to costs incurred, while Cyfrowy Polsat can set the rates based on the freedom of contracts principle. In view of this, it was not possible to have decisions by UKE Chairman stipulate an automatic change of rates charged by Cyfrowy Polsat for terminating calls in its own network in the light of pending changes of MTR charged by Polkomtel and PTK Centertel.

On 1 April 2008 the Company concluded an agreement with Polaris Finance B.V. regulating the method of settlement costs related to IPO. Based on agreement Polaris Finance B.V. is obliged to partly cover the above mentioned costs.

On 24 April 2008 Cyfrowy Polsat S.A. and Polaris Finance B.V. signed underwritting agreement with UBS Limited, Bank Austria Creditanstalt A.G., Dom Maklerski Penetrator S.A. and UniCredit CAIB Poland S.A. According to this agreement underwritters are obliged to acquire new institutional shareholders within IPO of 67,081,250 E series shares.

CYFROWY POLSAT S.A.

Condensed interim financial statements

for the period of the three months ended 31 March 2008

Condensed interim income statement

Condensed interim balance sheet

Condensed interim statement of changes in equity

Condensed interim cash flow statement

in thousands of PLN

Condensed interim profit and loss account

	3 months ended	
	31 March 2008 unaudited	31 March 2007 unaudited
Subscription fees	216 641	143 170
Rental of satellite TV receiving equipment	862	1 920
Sale of satellite TV receiving equipment	20 587	30 032
Transmission services	4 356	3 257
Other operating revenue	4 941	2 336
Total revenues from operating activities	247 387	180 715
Depreciation and amortisation	4 351	4 194
Programming costs	50 656	34 274
Transmission costs	15 045	10 488
Distribution and marketing costs	38 138	19 795
Salaries and employee-related expenses	9 461	5 625
Cost of satellite TV receiving equipment sold	31 913	57 221
Other operating costs	13 327	6 100
Total costs of operating activities	162 891	137 697
Profit from operating activities	84 496	43 018
Finance income	3 747	2 608
Finance expenses	(7 300)	(3 903)
Gross profit	80 943	41 723
Income tax	15 485	9 118
Net profit	65 458	32 605
Basic and diluted earnings per share (in PLN)	0,24	0,12

in thousands of PLN

Condensed interim balance sheet – assets

	31 March 2008 unaudited	31 December 2007 unaudited	31 March 2007 unaudited
Digital satellite TV receiving equipment	548	549	5 090
Other tangible assets	62 614	59 893	30 908
Intangible assets	9 623	10 365	4 153
Long-term loans to affiliates	23 460	23 026	21 824
Long-term receivables from affiliates	6 768	6 994	264
Other long-term assets	27 331	30 956	10 842
Deferred tax assets	841	4 132	-
Total non-current assets	131 185	135 915	73 081
Inventories	148 204	126 639	61 146
Current loans to affiliates	13 788	7 065	-
Income tax receivable	-	3 002	-
Trade and other receivables	108 964	78 671	35 185
Other current assets	62 998	68 907	47 386
Cash and cash equivalents	111 250	141 651	144 210
Total current assets	445 204	425 935	287 927
Total assets	576 389	561 850	361 008

in thousands of PLN

Condensed interim balance sheet – liabilities and equity

	31 March 2008 unaudited	31 December 2007 unaudited	31 March 2007 unaudited
Issued capital	10 733	10 733	10 500
Supplementary capital	3 500	3 500	-
Other reserves	10 174	10 174	-
Retained earnings/ (accumulated losses)	103 596	38 138	(41 363)
Total equity	128 003	62 545	(30 863)
Deferred tax liabilities	-	-	5 937
Long-term loans	93 051	106 655	-
Long-term finance lease liabilities	1 340	1 412	1 691
Other long-term liabilities and provisions	1 026	531	558
Total non-current liabilities	95 417	108 598	8 186
Current loans	103 388	87 150	207 986
Current finance lease liabilities	201	204	221
Income tax liabilities	3 221	-	-
Trade and other payables	132 603	201 853	83 614
Deposits for digital satellite TV receiving equipment	19 727	20 032	20 839
Deferred income	93 829	81 468	71 025
Total current liabilities	352 969	390 707	383 685
Total liabilities	448 386	499 305	391 871
Total equity and liabilities	576 389	561 850	361 008

in thousands of PLN

Condensed interim statement of changes in equity

	Issued capital	Supplementary capital	Other reserves	Retained earnings	Total equity
As at 1 January 2008	10 733	3 500	10 174	38 138	62 545
Net profit for the period				65 458	65 458
As at 31 March 2008	10 733	3 500	10 174	103 596	128 003

Condensed interim statement of changes in equity

	Issued capital	Supplementary capital	Other reserves	Accumulated losses	Total equity
As at 1 January 2007	10 500			(73 968)	(63 468)
Net profit for the period				32 605	32 605
As at 31 March 2007	10 500	-	-	(41 363)	(30 863)

in thousands of PLN

Condensed interim cash flow statement

	3 months ended	
	31 March 2008 unaudited	31 March 2007 unaudited
Net profit	65 458	32 605
Adjustments:	(66 329)	7 265
Depreciation and amortisation	4 351	4 194
Interest expense/(income)	871	1 322
(Increase)/decrease in inventories	(21 565)	(3 137)
(Increase)/decrease in receivables and other assets	(20 533)	(9 540)
(Increase)/ decrease in liabilities, provisions, accruals and deferred income	(50 100)	3 883
Foreign exchange losses/ (gains)	203	294
Income tax	15 485	9 118
Net decrease/(increase) in set-top boxes under operating lease	(248)	1 210
Other adjustments	5 207	(79)
Net casf flow from operating activities	(871)	39 870
Income tax paid	(6 660)	-
Interest received on operating activity	1 358	1 154
Cash flow from operating activities	(6 173)	41 024
Purchases of intangible assets	(602)	(855)
Purchases of tangible assets	(12 154)	(7 979)
Other financial expenditures	(6 500)	-
Proceeds from sale of financial assets	-	6 000
Cash flow from investing activities	(19 256)	(2 834)
Finance lease - principal repayments	(59)	(59)
Interest on loans and finance leases	-	(864)
Other financial inflows/(outflows) , net	(5 132)	-
Cash flow from financing activities	(5 191)	(923)
Increase/(decrease) in cash and cash equivalents	(30 620)	37 267
Cash and cash equivalents at the beginning of the period	141 651	107 208
Effect of exchange rate fluctuations	219	(265)
Cash and cash equivalents at the end of the period	111 250	144 210

in thousands of PLN

Notes to the condensed interim statements for the period of 3 months ended 31 March 2008

Basis for preparation the interim financial statements

Statement of compliance

These condensed interim financial statements for the period of three months ended 31 March 2008 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These financial statement are the first financial statements published by the Company prepared in accordance with IFRS-EU. The Company has applied consistent accounting principles when preparing the financial data for the period of the three months ended 31 March 2008 compared to the principles applied when drawing up the condensed consolidated financial statements for the period of the 3 months ended 31 December 2008 as well as the consolidated financial statements for the year ended 31 December 2007, as published in the Company's issue prospectus.

All the information presented in the "Notes to the condensed interim consolidated financial statements for the period of 3 months ended 31 March 2008" contained in this report also apply to the financial statements. Significant items of the financial statements and the transactions excluded in the preparation of the condensed consolidated financial statements are described below.

Loans to related entities

Long-term loans

Borrower	Nominal amount of the loan	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Praga Business Park Sp. z o.o.	20 690	23 460	23 026	21 824
Total	20 690	23 460	23 026	21 824

The loan granted to Praga Business Park Sp. z o.o. is a subordinated loan and will be repaid after a prior repayment of the loan from Raiffeisen Bank Polska S.A. The final maturity of the loan was set at 31 December 2016.

Short-term loans

Borrower	Nominal amount of the loan	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Cyfrowy Polsat Technology Sp. z o.o.	1 500	1 560	1 530	-
Cyfrowy Polsat Technology Sp. z o.o.	1 500	1 560	1 529	-
Cyfrowy Polsat Technology Sp. z o.o.	4 000	4 087	4 006	-
Cyfrowy Polsat Technology Sp. z o.o.	6 500	6 581	-	-
Total	13 500	13 788	7 065	-

in thousands of PLN

On 22 May 2007, Cyfrowy Polsat S.A. concluded a loan agreement with Cyfrowy Polsat Technology Sp. z o.o. , by the power of which a loan of PLN 1,500 thousand was granted to Cyfrowy Polsat Technology Sp. z o.o. to finance the company's ongoing business activity. Then, on 27 August 2007, another loan of PLN 1,500 thousand was granted. On 21 December 2007, Cyfrowy Polsat S.A. granted a loan of PLN 4,000 thousand to Cyfrowy Polsat Technology Sp. z o.o. to finance the company's ongoing business activity. Then, on 5 February 2008, Cyfrowy Polsat Technology Sp. z o.o. took out a loan of PLN 6,500 thousand to finance the company's ongoing business activity. In reference to all of the loan agreements to Cyfrowy Polsat Technology Sp. z o.o. as described above, the parties agreed on an interest rate based on the WIBOR 6M rate, calculated on the last day preceding the interest due date, plus a mark-up of 2%. The final maturity of the loans, including interest, was set at 31 December 2008. The loans are secured by the borrower's blank promissory note with a bill of exchange declaration.

Long-term receivables from related entities

	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Long-term operational leasing receivables	6 504	6 730	-
Security deposits	264	264	264
Total	6 768	6 994	264

On 1 December 2007, a lease agreement for an electronic equipment production line was signed between Cyfrowy Polsat S.A. and Cyfrowy Polsat Technology Sp. z o.o. According to IFRS requirements, this agreement was classified in the Company's books as financial leasing. The overall value of the leased item on the date of the agreement was PLN 7,664.1 thousand. The agreement was concluded for 7 years. As at the date of these condensed non-consolidated financial statements, the aggregated amount of leasing receivables from Cyfrowy Polsat Technology Sp. z o.o. are PLN 7,858 thousand, of which PLN 6,504 thousand was a long-term part. Leasing interest of PLN 145 thousand was presented as financial revenue.

in thousands of PLN

Transactions with related companies

Receivables

	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Praga Business Park Sp. z o.o.	264	264	255
Cyfrowy Polsat Technology Sp. z o.o.	625	189	26
Cyfrowy Polsat Technology Sp. z o.o. (leasing)	7 858	7 713	-
Polsat Media Sp. z o.o.	-	1	-
Invest Bank S.A.	1	1	1
Inwestycje Polskie Sp. z o.o.	1	1	1
Media Biznes	39	-	37
Polskie Media S.A.	-	-	5
Superstacja Sp.z o.o.	10	10	-
Telewizja Polsat S.A.	166	77	245
Total	8 964	8 256	716

Liabilities

	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Praga Business Park Sp. z o.o.	649	189	35
Cyfrowy Polsat Technology Sp. z o.o.	2 693	2	-
EMarket Sp. z o.o.	120	41	51
Polska Telefonia Cyfrowa Sp. z o.o.	36	28	-
Polskie Media S.A.	-	-	5
Teleaudio Sp. z o.o.	-	522	-
Elektrim S.A.	-	13	115
Alpatran	31	107	31
Media Biznes Sp. z o.o	-	-	12
Telewizja Polsat S.A.	1 226	2 854	5 198
Total	4 755	3 756	5 447

in thousands of PLN

Loans received

	31.03.2008 unaudited	31.12.2007 unaudited	31.03.2007 unaudited
Polaris Finance B.V.	-	-	58 802
Total	-	-	58 802

Operating revenues

	31.03.2008 unaudited	31.03.2007 unaudited
Cyfrowy Polsat Technology Sp. z o.o.	2	1
Inwestycje Polskie Sp. z o.o.	-	10
Polskie Media S.A.	15	-
Superstacja Sp. z o.o.	7	-
Telewizja Polsat S.A.	34	21
Media Biznes Sp. z o.o.	48	30
Total	106	62

Operating expenses

	31.03.2008 unaudited	31.03.2007 unaudited
Praga Business Park Sp. z o.o.	863	571
Polska Telefonia Cyfrowa Sp. z o.o.	55	30
Teleaudio Sp. z o.o.	868	98
Emarket Sp. z o.o.	68	38
Elektrim S.A.	373	181
Alpatran	75	75
Telewizja Polsat S.A.	4 072	2 570
Media Biznes Sp. z o.o.	-	10
Total	6 374	3 573

In the period of the 3 months ended 31March 2008, the Company purchased inventories from Cyfrowy Polsat Technology Sp. z o.o. (decoders and decoder accessories) with the aggregated value of PLN 4,987.4 thousand.

Financial revenues

in thousands of PLN

	31.03.2008 unaudited	31.03.2007 unaudited
Subsidiaries		
Praga Business Park Sp. z o.o.	434	431
Cyfrowy Polsat Technology Sp. z o.o.	369	-
Total:	803	431

Financial expenses

	31.03.2008 unaudited	31.03.2007 unaudited
Subsidiaries		
Polaris Finance B.V.	-	966
Satkabel Sp. z o.o.	-	18
Total:	-	984