

Assessment of the Supervisory Board on the standing of TVN S.A. in 2009

Pursuant to the Best Practices Principles applied by members of the Supervisory Board set forth in Section 1.1 of the Code of Best Practice for WSE Listed Companies, the TVN S.A. Supervisory Board performed a concise assessment of Company's situation, evaluation of the internal control system and the risk management system. Results of this assessment are as follows:

I. Assessment of the Company's situation in 2009

The Supervisory Board concludes that albeit the difficult economic situation globally and in Poland, in 2009 the Company attained excellent operating results in a difficult macroeconomic environment, and confirmed its ability to limit the level of operating costs in a manner ensuring maintaining of high operating profitability.

In 2009 the Company continued its efforts to build an integrated multimedia group being a leader in each of the three operating segments in which the capital group managed by the Company is operating, i.e. in TV broadcasting and production, online and digital paid satellite TV segments. Implementing its strategy of building an integrated multimedia group, the Company in March 2009 acquired a control stake in the "n" digital platform, and in December 2009 executed an agreement the performance of which shall make the Company the sole owner of the "n" digital platform.

In effort to optimally adapt management structure to the adopted multimedia integration strategy, the Company in 2009 altered organizational structure of the Management Board, clearly defining authorities in managing individual segments and the entire capital group. The following have been established within the TVN Group: TVN TV and thematic channels management division, On-line division and Paid TV division.

Although the advertising market recorded a double digit decrease in Poland in 2009, TVN Group reported just a 5% decrease in overall revenues from the TV broadcasting and production and the online segments as compared with 2008. This limited decrease in total revenues from these segments was possible owing to the revenues diversification strategy persistently being implemented by the Company. Taking into consideration paid satellite TV revenues, overall revenues of TVN Group increased by 12% as compared with 2008.

Savings activities undertaken by the Company allowed it to report an outstanding EBITDA margin level of 48% (38% in 2008) on stand-alone basis, and consolidated TVN Group EBITDA was 37% (38% in 2008).

Issue of EUR 405 Mln Senior Notes by the Company in November 2009 proved to be a success, allowing the Company to fully repay its obligations under the existing euro-bonds and credit facility, as well as extending considerably the maturities of its primary debt, being an important contributor under the prevailing market conditions. Debt restructuring also led to simplifying of its structure. After closing the transaction of purchasing outstanding shares in the "n" platform, TV Group indebtedness will be in the form of bonds, only.

Notwithstanding the savings programs implemented, TVN also increased its share in the Polish TV advertising market. This was possible in result of focusing TV program offering on commercially most important seasons, during peak view times.

In 2009 TVN continued efforts to strengthen its brand, winning a number of awards granted to Company's programs, e.g. the "Telekamera" awards for 8 productions. In 2009 „Fakty” became the best watched news program in Poland with a 32% audience share.

The Supervisory Board upholds its opinion that the growing TV market fragmentation, increasing Internet penetration and mounting changes in media consumption patterns will cause long-term growth of the Company to take place primarily in result of thematic channels, internet offering and the "n" digital platform growth.

The Supervisory Board positively assesses investment projects undertaken by TVN, both the organic ones such as Plejada.pl or TVN Warszawa, as well as those resulting from take-overs, such as the "n" digital platform. New projects are aligned with Company's long-term strategy and are complementary with the assets already held.

II. Evaluation of the control system and system for managing risks relevant to the Company

The Company has implemented and continues to develop its internal control system which encompasses the process of preparing financial statements as well as other business areas, where control mechanisms used for monitoring and mitigating risks relevant to the Company are required.

The Management Board is responsible for effectiveness of the internal control system.

Organizational structure of the Company defines reporting, subordination paths and authority levels. Organizational structure has been modified to adapt it to business of the Company and adopted strategy.

Authorization procedures for incurring liabilities by the Company exist, covering capital expenditures, investment limits and liquidity management.

In 2009 the Company continued works on developing the existing and creating new IT systems to support business processes, reporting of operational and financial data, and the analysis thereof.

The Company possesses an internal audit function. Risk analysis performed together with the Management Board allows the internal audit function to prepare an annual plan of internal audits, subsequently approved by the Audit Committee.

Internal audits in 2009 covered the following business areas of the Company: principles of cooperation with external producers, review of selected aspects relating to the financial and accounting system, acceptance of tasks from fellow employees. As follow-up, the internal audit function presented the Management Board its recommendations for changes and improvements relating to certain control mechanisms. The Management Board is responsible for effective and timely implementation of such recommendations.

In opinion of the Supervisory Board, the Management Board should continue to regularly monitor risks arising in the dynamically changing external environment to retain its ability to rapidly introduce changes, should any threats to the business or financial condition of the Company arise. The Management Board should also continue its activities related with development of IT systems.

This document has been approved by the Supervisory Board of TVN S.A. Resolution No. 6/02/10 of 17 February 2010 and has been prepared for submission to the Annual General Meeting of Shareholders.