

## PRESS RELEASE

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## TVP INVESTIGATION

**Warsaw, 26th February 2008 – TVN SA requested today that the European Commission investigate whether the public aid granted to the Polish broadcaster TVP SA, in the form of license fees and other advantages, is in compliance with the European law.**

TVN strongly believes the Polish legal framework regarding public aid to the broadcasting sector and the related practices adopted in Poland are contrary to European Union law, due to the following reasons:

1. The European Commission has not been notified of the introduction of new rules governing public aid granted to the television sector, in spite of the fact that the rules based on which TVP benefits from TV license fees were substantially changed after December 10, 1994, when the Association Agreement came into force. The European Commission was thereby deprived of its right to analyze the influence of those changes on competition in the Polish and European television markets.
2. The definition of "public service tasks" in the Polish Broadcasting Act is imprecise, making it impossible to assess the degree of fulfillment of those tasks by TVP. This lack of precision allows TVP to classify as public service, remit, and finance out of the license fees funds, activities which are of a purely commercial nature.
3. The fulfillment by TVP of its public service tasks is not properly monitored. The TVP Programming Councils mandated to conduct the monitoring have only an advisory role and their resolutions have no binding force. On the other hand, the annual reports of the National Broadcasting Council only enumerate statistics, reflecting the number of hours of emission of a specific genre of programs. Thus, the National Broadcasting Council annual reports do not result in recommendations concerning the proper fulfillment of TVP's public service tasks as determined by Polish and European law.
4. Accounting standards used at TVP lead to a disproportionate ratio of financing from licence fees funds in relation to the scope of effective fulfilment of its public service remit. Firstly, they allow TVP to unlawfully carry-forward overcompensation to the next accounting period, although this overcompensation should have been returned to the State. According to expert's estimation, between 2000 and 2006 TVP was granted 600 mln zlotys, that should be treated as unlawful public aid. Secondly, those defective accounting standards might lead to TVP covering losses resulting from commercial activities with funds from TV licence fees.

5. TVP's free-of-charge, full access to the State Programme Archive, and the discrimination policy towards private broadcasters applying for access to it, must also be considered as unlawful public aid.

**As a result of the above, which is against the public interest, competition on the television market has seriously been distorted, thereby resulting in an unjustified weakening of private broadcasters' market position.**

In particular, TVN points out infringements of the following laws, namely:

1. the EC Treaty, determining general conditions under which the Member States are allowed to grant public aid,
2. the Amsterdam Protocol to the EC Treaty, determining public broadcaster's tasks,
3. the Communication from the Commission on the application of State aid rules to public service broadcasting, and
4. the EU Directive concerning the transparency of financial relations between Member States and enterprises.

**TVN expects that, the European Commission will undertake appropriate actions in order to restore the rules of decent and fair competition on the Polish television market.**

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TVN Group is the leading media group in Poland. TVN Group owns and operates fourteen television channels.



TVN, our principal free-to-air channel, is recognized in the Polish market as a leading television broadcaster of high quality entertainment and comprehensive independent news and current affairs programs. TVN reaches 87% of households in Poland.



TVN Siedem is an entertainment channel that complements TVN's offer by broadcasting feature films, television series and game shows. The channel reaches 47% of households in Poland.



TVN24 channel is the only 24-hour news and current affairs television channel in Poland, reaching 43% of households in Poland.



TVN CNBC Biznes is our business news channel launched in cooperation with CNBC Europe.



TVN Meteo is Poland's first dedicated weather channel reaching 42% of households in Poland.



TVN Turbo is Poland's first dedicated automotive channel aimed at men. The channel reaches 40% of households in Poland.



TVN Style is a thematic channel focused on life styles, health and beauty aimed at women. The channel reaches 40% of households in Poland.



Discovery Historia is our historical channel launched in cooperation with Discovery Networks, available on the n platform.



TVN Lingua is our educational, language teaching channel. It is available on the n platform.



TVN Med is our educational channel aimed at medical professionals. It is broadcasted via the n platform.



TVN Gra is an interactive game show channel.



Telezakupy Mango is the only, all day, teleshopping channel in Poland.




ITVN is a television channel that targets viewers of Polish origin living abroad. It is available in Europe, Northern America and Australia.



NTL is a local television channel addressed to residents of Radomsko and surroundings.



 TVN Group also owns Onet.pl, which is the largest and the most popular internet portal in Poland.

Onet.pl is pioneer among Polish internet portals in income diversification. Apart from marketing income (advertisement, e-commerce, search advertisement), Onet.pl generates income out of services (pay content services, mail and hosting services, auction and dating services, telecommunications services). Since 2000 Onet.pl has been the uncontested leader in the Polish internet advertising market.


Onet.pl is Poland's leading internet portal measured by number real users and page views, as well as total time spent on the portal.


**According to the latest available data, for November 2007, Polish internet users viewed 3.7 bln pages on Onet.pl. In total, Onet.pl had 9.5 mln real users and each of them spent on the portal almost 7 hours on average. Onet.pl has 1.6 mln real users more than Wirtualna Polska, 2.7 mln real users more than Interia.pl, 3.0 mln real users more than o2.pl and 3.4 mln real users more than Gazeta.pl.**


**(Source: Megapanel/PBI for November 2007)**


Onet.pl is the internet leader in Poland in core content: news, life-style, sport, business, finance, law, media, communities, culture and entertainment.

Onet's services are also leaders in their categories:


 OnetBlog – the biggest blog service in Polish internet.

 Sympatia.pl – the most popular dating service in Poland.


 Onet.tv – an innovative multimedia platform.


 OnetLajt – a special version of the portal aimed at mobile phones and mobile devices users.

Onet is also strategic partner of Skype Communications.

 OnetSkype is a Polish version of the world's most popular internet communicator.

In 2007 Onet launched Zumi.pl.

 Zumi is a new tool, not existing before on the Polish market, bringing together the features of map services, online directory and yellow pages.

 TVN Group also owns tvn24.pl, the first news portal in Poland, which combines text, voice and video. The web site contains extensive video content related to the most important events in Poland and all over the world. The portal features paid access to the on-line broadcast of the TVN24 channel as well as information and materials that haven't been broadcast on television.

TVN S.A.'s shares have been traded on the Warsaw Stock Exchange since December 7, 2004 and are included in the Warsaw Stock Exchange indices, including the WIG 20, TechWig and Wig Media.



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