

ITI Group and TVN Group complete strategic partnership with Canal+ Group and the combination of the Polish pay-TV businesses

Luxembourg, 30 November 2012 – Further to its announcement of 19 December 2011, International Trading and Investments Holdings S.A. Luxembourg (“ITI”), Poland’s leading media and entertainment group, today announces the completion of the strategic partnership between the ITI, GROUPE CANAL+ (“CANAL+”) and TVN S.A. (“TVN”) in the Polish free-to-air and pay-TV markets.

N-Vision transaction

ITI Media Group Limited (“IMG”), a wholly-owned subsidiary of ITI, has sold to CANAL+ 40% of its wholly-owned subsidiary N-Vision B.V. (“N-Vision”). N-Vision, indirectly through Polish Television Holding B.V. (“PTH”), holds approximately 52.45% of the issued share capital of TVN. The cash purchase price was approximately EUR 277m.

IMG and CANAL+ have entered into a shareholders’ agreement in respect of their shared corporate governance over N-Vision, PTH and TVN. This agreement provides for certain liquidity rights, including:

- IMG has a put option to sell to CANAL+ an additional 9% of N-Vision. The option is exercisable during the 90 day period beginning on 18 December 2013 for a cash price of approximately EUR 62m.
- CANAL+ has a call option to acquire IMG’s remaining stake in N-Vision (the “CANAL+ N-Vision Call Option”). The option is exercisable at any time during the three month periods beginning 29 February 2016 and 28 February 2017.
- IMG has a call option to acquire CANAL+’s shares in N-Vision if the CANAL+ N-Vision Call Option has not been exercised (the “IMG N-Vision Call Option”). The option is exercisable during certain periods in 2016, 2017 and 2018.
- Payment under each of the call options must be in cash at the then prevailing market value.
- IMG and CANAL+ each has the right, following the above call option periods, to sell its interest in N-Vision to a third party purchaser and each has the right to require the other to sell its shares in N-Vision on the same terms.

Pay-TV Combination

At the same time, TVN and CANAL+ have combined their Polish pay-TV businesses, ‘n’ and Cyfra+ (“nc+”). CANAL+ and TVN respectively hold 51% and 32% of nc+. LGI Ventures B.V. (“LGI”), a minority shareholder in the Cyfra+ business, will retain the remaining 17% of nc+.

Agreements between CANAL+, TVN and LGI regulate the corporate governance and other matters affecting nc+. These agreements provide for certain liquidity rights, including:

- CANAL+ has a call option to acquire TVN’s 32% of nc+ at market value, which is exercisable during the three month periods beginning 30 November 2015 and 30 November 2016.
- TVN and CANAL+ each has the right following the call option periods to sell its interest in nc+ (with CANAL+ having the right to require TVN to sell its shares in nc+ on the same terms) and if not exercised, TVN has the right to require nc+ to undertake an initial public offering.