



KIT digital, Inc.
168 Fifth Avenue, Suite 301
New York, NY 10010, U.S.A.

**Offering to institutional investors of up to 5,900,000 newly issued
and 10,844,853 existing shares with par value USD 0.0001 each**

KIT digital, Inc., a company incorporated under the laws of state Delaware, the United States of America, with its registered seat at 168 Fifth Avenue, Suite 301, New York, NY 10010, United States of America, Registration No. 11-3447894 (the "**Issuer**") prepared this announcement ("**Announcement**") in connection with the offering to institutional investors in the Czech Republic and private placement to institutional investors in certain jurisdictions outside the Czech Republic, in each case outside the United States in reliance on Regulation S under the Securities Act, of (i) up to 2,400,000 newly issued shares of Common Stock of the Issuer (the "**Offer Shares**"), (ii) up to 3,500,000 newly issued shares of Common Stock of the Issuer ("**U.S. Offer Shares**") and (iii) 10,844,853 existing shares of Common Stock of the Issuer currently listed on NASDAQ Global Market ("**Existing Nasdaq Shares**"; collectively the U.S. Offer Shares and Existing Nasdaq Shares as "**Nasdaq Shares**"), all of the abovementioned shares with par value USD 0.0001 each (the "**Offering**").

This Announcement relates to the prospectus dated 20 January 2010 (the "**Prospectus**") prepared by the Issuer in connection with the Offering of the Offer Shares and Nasdaq Shares and the application for admission of these shares Prague Stock Exchange (in Czech *Burza cenných papírů Praha, a.s.*; hereinafter the "**PSE**") which prospectus was approved by the Czech National Bank (in Czech *Česká národní banka*) on 20 January 2010 as a prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and the Council on prospectus ("**Prospectus Directive**") as implemented by Czech Act No. 256/2004 Coll. on Undertakings on the Capital Market.

The Issuer, upon recommendation from the Lead Managers, decided to cancel the Offering with respect to the Offer Shares under the Section 6.2 of the Prospectus.

The final amount of the U.S. Offer Shares sold in the Offering is 2,980,000 for subscription price at USD 10.50 each.

After the completion of the Offering of the U.S. Offer Shares which is expected to occur at NASDAQ Global Market on or about 26 January 2010 up to 13,824,853 shares of Common Stock will be issued and outstanding.

The official trading in Existing Nasdaq Shares on the Main Market of the PSE is expected to commence on 25 January 2010 and the official trading in U.S. Offer Shares on the Main Market of the PSE is expected to commence on 27 January 2010.

This Announcement is made in connection with the Prospectus and should be read in conjunction therewith. Should occur any inconsistency between any statement in this Announcement and any statement in the Prospectus, the statements in this Announcement will prevail. Capitalized terms not defined in this Announcement have the meaning assigned in the Prospectus.

Please see Chapter B of the Prospectus (*Risk Factors*) to discuss certain considerations which should be taken into account when deciding on the purchase of the Offer Shares.

Lead Managers in Europe

Patria Finance, a.s.

Panmure Gordon & Co.

Dated 22 January 2010