

Current report number 59/2013

From: **Kino Polska TV S.A.**

Issued on: November 29, 2013

Subject: **Purchase of significant assets by a subsidiary**

Legal basis: Article 56, sec.1, point2 of the Act on Public Offering - current and periodic information

Contents of the report:

The Management Board of Kino Polska TV S.A. (the "Issuer") announces that on November 28, 2013 it obtained information on the conclusion by the Issuer's subsidiary – Kino Polska Program Sp. z o.o. SKA ("Licensee") of an agreement on the purchase of rights to films under license from the company Cinephil France S.A.S ("Licensor").

The agreement was concluded on November 28, 2013.

The agreement regulates the granting of rights by the Licensor to the Licensee in the scope of use of the specified in the agreement film titles ("Titles") in the area of pay TV and VOD. These rights will enable the Licensee the use of the Titles in the programming schedule of all channels within the Capital Group of Kino Polska TV S.A. (the "Group"), which includes the Licensee, on the territory specified in the agreement and the duration of each license, which was determined in detail for each of the films.

Under the agreement, the Licensee has the right to sublicense only to entities within the Capital Group of Kino Polska TV S.A. within all of its channels.

The total amount for all the Titles, agreed to be paid by the Licensee to the Licensor, is USD 7,900,073.80 (seven million nine hundred thousand seventy three and 80/100 dollars), of which:

- the amount of USD 2,900,073.80 is own funds of the Licensee,
- the amount of USD 5,000,000 is measures which will be obtained from the assigned investment loan which the Licensee is currently applying for.

The book value of the acquired by Kino Polska Program Sp. z o.o. SKA film rights will be determined in the accounting records of this entity in the amount of USD 7,900,073.80 converted into PLN at the average exchange rate announced by the National Bank of Poland on the day preceding the date of signing of this agreement.

Under this agreement, the Licensor shall provide to the Licensee films, for which he purchased the rights, on relevant media carriers within 5 days from the date of signing of the agreement.

The Issuer owns 100% of the share capital and votes at the general shareholders meeting of the Licensee. In addition, persons within the Management Board of the Issuer are also members of the management board of the sole general partner of the Licensee, i.e. the company Kino Polska Program Sp. z o.o.

The conclusion of this transaction will allow for a significant independence of the Group from third parties as to acquiring content for its channels, which is of particular importance in the context of the takeover by the Issuer of the film channels of the FilmBox brand.

The criterion for recognizing of the acquired by Kino Polska Program Sp. z o.o. SKA film licenses as significant is the fact that their total value exceeds 10% of the equity of the Issuer.

Legal basis:

§5 sec.1 point 1 and §7 of the Regulation of Minister of Finance as of February 19, 2009 regarding current and periodic information, provided by issuers of securities and the conditions for acknowledging as equivalent information required by provisions of the laws of a country that is not a Member State of the EU (Journal of Laws of 2009, no. 33 item 259 later amended).

Signed by:

Piotr Reisch, President of the Management Board

Bogusław Kisielewski, Member of the Management Board