

Current report number 9/2013

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

Issued on: February 1, 2013

Subject: **Transfer an organized part of business of the Company to a subsidiary as a contribution to cover the newly issued shares of the subsidiary**

Legal basis: Article 56. 1 point 2 of the Act on Public Offering - current and periodic information

Content of the report:

The Management Board of Kino Polska TV S.A. (the "Issuer", "Kino Polska ") announces that today it held an Extraordinary General Shareholders Meeting of KPTV Program Sp. z o.o. SKA (the "EGSM") - a subsidiary of the Issuer whose sole shareholder is Kino Polska. The above EGSM took such resolution to increase the share capital of KPTV Program Sp. z o.o. SKA ("KPTV Program") through the issuance of new ordinary registered shares of series B through private subscription including the deprivation of issue rights of new shares to entitled to such shares current shareholder - Kino Polska TV S.A., with the offering to the Issuer of new shares of series B in exchange for a contribution in kind (contribution).

Under the above resolution, the share capital of KPTV Program Sp. z o.o. SKA from PLN 50,000.00 (fifty thousand) has been increased to the amount of PLN 4,830,500.00 (four million eight hundred and thirty thousand five hundred ), i.e. of PLN 4,780,500.00 (four million seven hundred and eighty thousand five hundred ), through the issue of 4,780,500 (four million seven hundred and eighty thousand five hundred) ordinary registered shares of series B, the numbers from B0000001 to B4780500 ("New Shares"), with a nominal value of PLN 1.00 per share; all 4,780,500 shares of ordinary registered shares series B will be issued for non-cash contribution (contribution). The new shares of series B numbers from B0000001 to B4780500 were offered in a private subscription to a single shareholder KPTV Program Sp. z o.o. SKA, i.e. Kino Polska TV S.A.. The issue price of series B shares was set at PLN 10.00 (ten zlotys) per share, representing the issue price of PLN 47,805,000.00 (forty seven million eight hundred and five thousand zlotys) for all the shares of series B. The shares of series B will participate in the dividend from February 1, 2013.

By virtue of this resolution, on February 1, 2013, the Issuer entered into an agreement with KPTV Program for the take- up of new shares of series B in exchange for a contribution in kind in the form of transfer to KPTV an organized and separate part (within the meaning of art. 55 (1) of the Civil Code and art. 4a point 4 of the act on income tax of legal persons as of February 15, 1992) of the enterprise Kino Polska TV S.A., which consists of tangible and intangible assets used to perform the tasks of production, television broadcast of channel Kino Polska , Kino Polska Muzyka and Kino Polska International and the sale of advertising time creating an independent branch of the company under the named "Kino Polska TV" S.A. – Branch in Warsaw (" Branch ").

The fair value of the contribution in kind in the form of a separate and organized part of the company Kino Polska TV S.A. as of November 30, 2012 was estimated at PLN 47,805,000.00. The correctness of the calculation of this value was audited by an independent auditor Artur Rymarczyk of System Rewident Sp. z o.o. entered in the list of entities authorized to audit financial statements conducted by the National Chamber of Statutory Auditors under number 1253. The auditor's opinion in this regard was issued on January 28, 2013.

If until August 1, 2013 there is no registration in the commercial register of KPTV Program's capital increase through the issue of the New Shares, KPTV Program will be obliged to enter into agreement with Kino Polska on the return transfer of the Branch to Kino Polska.

KPTV program intends to continue the current way of using the in-kind contribution, i.e. production, television broadcast of Kino Polska channel, Kino Polska Muzyka and Kino Polska International as well as selling advertising time.

The evidential value of the contribution in-kind components in the books of the Issuer, defined as the value of assets contributed in kind before depreciation and amortization, amounts to PLN 6,388,189.92 as of February 1, 2013.

Members of the Management Board of Kino Polska TV S.A. are also members of the Management Board of KPTV Program Sp. z o.o. the sole general partner of KPTV Program Sp. z o.o. SKA.

The contribution in kind has been recognized as a significant asset, and the agreement to acquire the newly issued shares of series B as a significant agreement because the value of contribution exceeds 10% of the equity of the Issuer.

Legal basis:

§ 5 sec. 1 point 1 and 3 of the Regulation of Minister of Finance 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).

Signed by:

Piotr Reisch, President of the Management Board

Bogusław Kisielewski, Member of the Management Board