

Current report number 28/2012

From: **Kino Polska TV SA**

Issued on: June 13, 2012

Subject: **Conclusion of material agreement to lease office space.**

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

Content of the report:

The Management Board of Kino Polska TV SA ("the Company", "Tenant") informs, that today, i.e. on June 13th, 2012 was concluded of the lease agreement ("Lease Agreement") with PK 13 Sp. z o.o. S.K.A. ("PK 13", "Lessor") with headquarters in Warsaw.

This agreement is a lease by the Company of a property located in Warsaw at Puławska 435A of the total area of 2 327.60 m², which is intended to conduct current operations.

For the inception of the lease, the parties agreed January 1st, 2013 provided that the issue of premises in order to arrange them will be no later than July 1st, 2012.

The total estimated value of benefits under this agreement, for the entire period of its duration, is approximately of PLN 9.5 million net. The Management Board of Kino Polska TV SA notes that the fee for 1 m² of the newly leased space does not differ significantly from the previously applicable rate of rent and considering the above, this Lease Agreement will not affect significantly the amount of the Company's current costs.

The legal security for payment of rent due PK 13, service charges and other fees and penalties will be a bank guarantee or deposit of the corresponding three-month equivalent rent, service charges and an estimate of charges for utilities, plus VAT. On the day of signing the Lease Agreement, its estimated value is PLN 530 000. The amount of security once a year may be updated due to the indexation of the rent.

The agreement was concluded for a fixed term until December 31st, 2018 with a possibility of extension thereafter. In addition, the Management Board gives notice that they have today signed an agreement with the Tenant, under which the Company receives from PK 13 PLN 1 033 454.40 net by way of bonus money in connection with the Lease Agreement (the "Bonus"). The bonus is an incentive of the Lessor towards the Tenant aiming to sign the Lease Agreement. The condition for the payment of the bonus is the conclusion of the Lease Agreement by the Parties.

In the Lease Agreement has not been included concerns about the condition.

The Lease Agreement envisages the possibility of imposition of the Company contractual penalty in the following cases:

1) The Tenant finishes work on the adaptation of the property for the purposes of the Company at a later date than that specified in the schedule - then the Lessor shall be entitled, after a written determination and in consultation with the Tenant to an additional at least 30 – day- period to terminate Lease Agreement the tenancy within a 6 - months -notice period, moreover the Lessor shall have the right to charge a contractual penalty of PLN 500 for each day of delay.

2) The Tenant fails to submit the Lessor within a reasonable time an established security in the form of a fixed security deposit or bank guarantee - then the Lessor shall have the right to terminate the tenancy with immediate effect, after notice to Tenant and establishing an extra 30-day period, moreover the Lessor may also charge the Tenant contractual penalties of PLN 2 000 for each day of delay in delivery or supplementation of security.

3) In the event of any delay in returning the rented property, the Company will be obliged to pay PK 13 the penalty of 10% of the monthly rent for each day of delay.

The payment of any penalty specified in the Lease Agreement does not preclude an investigation by the Tenant of the Company's compensation for non-performance or improper performance of the Company's obligations set out in the lease, in excess of the amount of liquidated damages paid or the amount of rent.

Lease Agreement is considered to be deemed material since their estimated value in the period of validity may exceed 10% of the Company's equity.

Legal basis: § 5. 1 point. 3 and § 9 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

Boguslaw Kisielewski, Member of the Management Board