

Report no 4/2014

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

Issued on: February 18, 2014

Subject: **Conclusion of a material agreement**

Legal basis: Art. 56 sec.1 point 2 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", the "Company") announces that on February 18, 2014 a distribution agreement was concluded between the Company and Filmbox International Ltd. (the „Agreement”).

Under the Agreement, Filmbox International Ltd. (a subsidiary of the Company) grants to the Issuer a license (exclusive on the Polish territory and non-exclusive in other countries in the global territory) including the rights to rebroadcast the movie channels of the FilmBox brand (to which Filmbox International Ltd. holds concessions), along with the possibility to sublicense to cable and satellite operators operating in other techniques of transmission and rebroadcast (the "Operators”).

In accordance with the provisions of the Agreement, in exchange for the acquired rights the Company shall pay to Filmbox International Ltd. monthly license fees based on the revenues generated by the Issuer from the Operators decreased by a fixed on market conditions margin and the cost of sales agents .

The Agreement was concluded for a period of five years and after this time shall be extended for another 5-year period, unless one of the parties provides the other party a termination of this Agreement at least 6 months before its expiry date. In addition, each party shall have the possibility to terminate the Agreement upon a 90 - day notice period.

The aforementioned Agreement shall not contain provisions regarding the condition, term or contractual penalties whose maximum height may exceed 10% of its value or the equivalent of Euro 200 000.

The criterion for considering this Agreement as material is the fact that its total value in the period of next five years may exceed the amount of 10% of the equity of the Issuer.

This Agreement shall replace, in the aforementioned scope, the distribution agreement as of September 30, 2011 concluded between the Company and Cinephil France S.A.S. (the Issuer informed about the conclusion of this agreement in a current report no 37/2011) to which on February 18, 2014 an annex was signed, limiting its provisions only to the distribution by Kino Polska TV S.A. of thematic channels such as: FASHIONBOX, FIGHTBOX, DOCUBOX, FASTNFUNBOX, 360TUNEBOX, Eroxx, EROXXX and the application FILMBOX LIVE.

These activities are related to the acquisition by the Issuer of a 100% stake in Filmbox International Ltd. (the Company informed about the fact in a current report No. 58/2013) and are aimed at reducing the intermediation of entities outside the Capital Group of Kino Polska TV S.A. in activities related to distribution of television channels belonging to Filmbox International Ltd., and thus shall not have negative financial results on entities included in the Issuer's Capital Group.

Legal basis:

§5 sec. 1 point 3 and §9 of the Regulation of the 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