

Current Report No. 12/2013

Issuer Name: **Kino Polska TV S.A.**

Date of the report: March 13, 2013

Subject: **Conclusion of a material agreement by a subsidiary of the Issuer**

Legal basis: Article 56 sec.1 point 1 of the Act on Public Offering - confidential information

Contents of the report:

The Management Board of Kino Polska TV S.A. announces that it has today received information from the company KPTV Media Sp. z o.o. ("KPTV Media") - a 100% subsidiary of the Issuer about signing on March 13, 2013 of an agreement with Filmbox International Ltd. (formerly SPI TV Ltd.).

The object of this agreement is to define the principles of cooperation in the range of production of television programs from the FilmBox family ("Programs", "Channels") by KPTV Media on behalf of Filmbox International Ltd. The preparation of the Channels will take place according to strict instructions provided by Filmbox International Ltd. and under its control.

Under the agreement, KPTV Media is committed to perform the following services:

- preparation of Channels' artwork
- production of trailers,
- technical adaptation of content supplied by Filmbox International Ltd. to the relevant broadcast specifications,
- playout and monitoring services of Channels,
- preparation of reports regarding the broadcast of Programs on request of Filmbox International Ltd.,
- other technical services.

Under the agreement, Filmbox International Ltd. is responsible for the lawful acquisition of all licenses for the materials used in the Programs, as well as for a legal broadcast of these Channels.

KPTV Media, on the basis of this agreement, transfers all copyrights to the artwork, trailers and other materials prepared by KPTV Media to FilmBox International Ltd.

With regard to services rendered, KPTV Media will receive a monthly salary in the amount of costs incurred in connection with the preparation of the Programs increased by a fixed margin.

The agreement was concluded for a fixed term of 5 years. Unless terminated by either party 6 months before it expires, it is automatically extended for a further period of 5 years. KPTV Media may terminate the contract upon 90 days' notice at any time.

This agreement does not include concerns regarding the condition or term. It also does not include penalty clauses that can exceed the equivalent of at least 10% of the agreement's value or the amount expressed in PLN of the equivalent of EUR 200 000.

The agreement is considered to be material, because the total estimated value of the agreement during the effective period may exceed 10% of the equity of Kino Polska TV S.A.

The conclusion of this agreement is related to the structural optimization of the operations of Kino Polska TV S.A. and of its Capital Group.

The Issuer declares that the production agreement for the preparation of channels from the FilmBox family concluded on September 1, 2010 (term of agreement January 1, 2011) between Kino Polska TV S.A. and SPI TV Ltd. (the new name: Filmbox International Ltd.) still remains in force. On the basis of this contract Kino Polska TV S.A. will render services of preparation of programs for Filmbox International Ltd. complementing activities of KPTV Media in this area.

Legal basis: § 5 section 1 item 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 as amended).

Signed by:

Piotr Reisch, President of the Management Board

Boguslaw Kisielewski, Member of the Management Board