




# Agora SA

Acquisition of Centrum Filmowe Helios S.A.

March 30, 2010

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## AGREEMENT

Company	Centrum Filmowe Helios S.A. ("Helios")
Sellers	<ul style="list-style-type: none"><li>▶ Nova Polonia Private Equity Fund, LLC (American fund)</li><li>▶ Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Dutch fund)</li></ul> <i>Krokus PE provides advisory services to the Sellers.</i>
Share	84% 
Price	EUR 25,000,610 – 26,063,710
Signing date (conditional agreement <sup>1</sup> )	March 30, 2010

<sup>1</sup> closing of the transaction after fulfillment of the conditions stated in the initial sales agreement provided they are fulfilled within 7 months from the date of signing of initial agreement

## VALUE IMPLIED BY THE INITIAL SALES AGREEMENT

- ▶ Implied value of 100% of the equity of Helios falls within the range from EUR 29.8 to EUR 31 million, which at PLN/EUR 3.9 exchange rate falls within the range from PLN 116 million to 121 million;
- ▶ On the assumption that net debt amounts to PLN 100 million, as of the end of February 2010, the firm value of Helios amounts to ca. PLN 221 million;
- ▶ Transaction multiples on the basis of the initial financial statements of the Helios Group for 2009<sup>2</sup>:
  - FV/ EBITDA 6.6
  - FV/ EBIT 11.5
  - P/ E 11.3 – 11.7

<sup>2</sup> the consolidated financial statements of the Helios Group for 2009 have not yet been audited

# Transaction fundamentals

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# **Basic information about the company**

[Plock]

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# Transaction fundamentals



**1993**

- The beginning of operations with two traditional cinemas in Lodz

**1998**

- New shareholder – Regionalne Fundusze Inwestycyjne Sp. z o.o.

**2000**

- VC/PE Funds, Nova Polonia and FMO, become the company's shareholders

**2007**

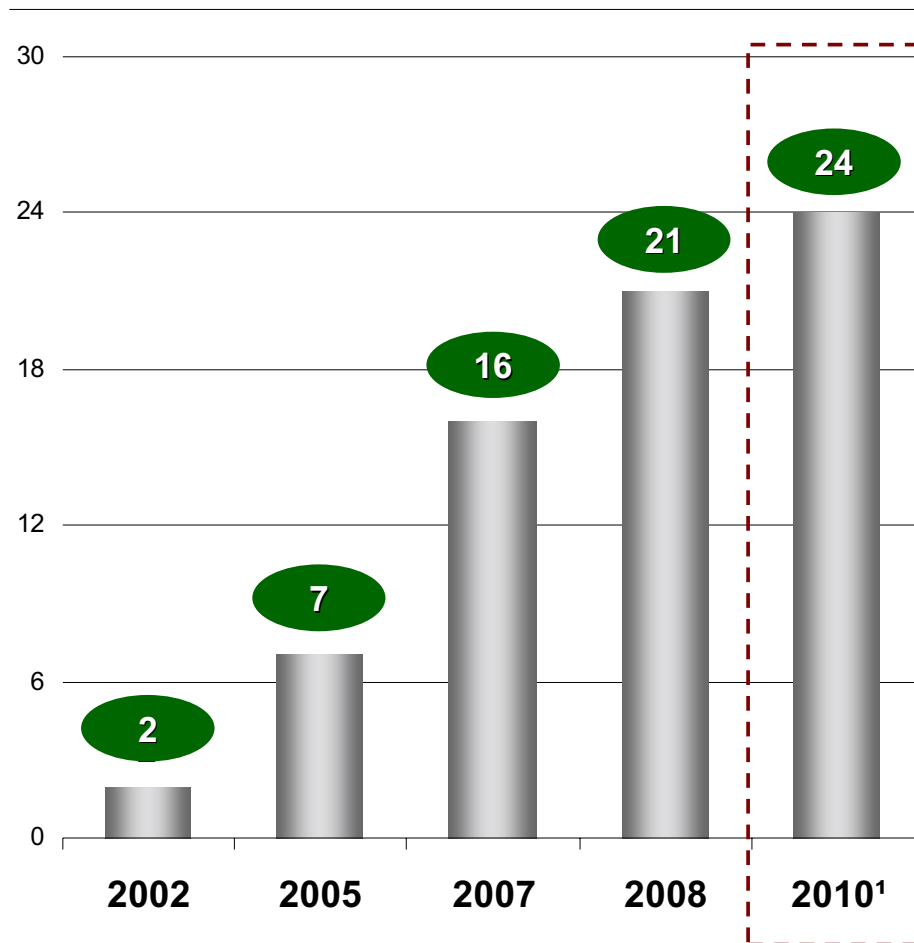
- Acquisition of 100% stake in Kinoplex Sp. z o.o. operating five multiplexes

**March 2010**

- Initial agreement to buy 84% of the company's shares by Agora

# Company milestones

Number of multiplexes in Helios – Kinoplex network

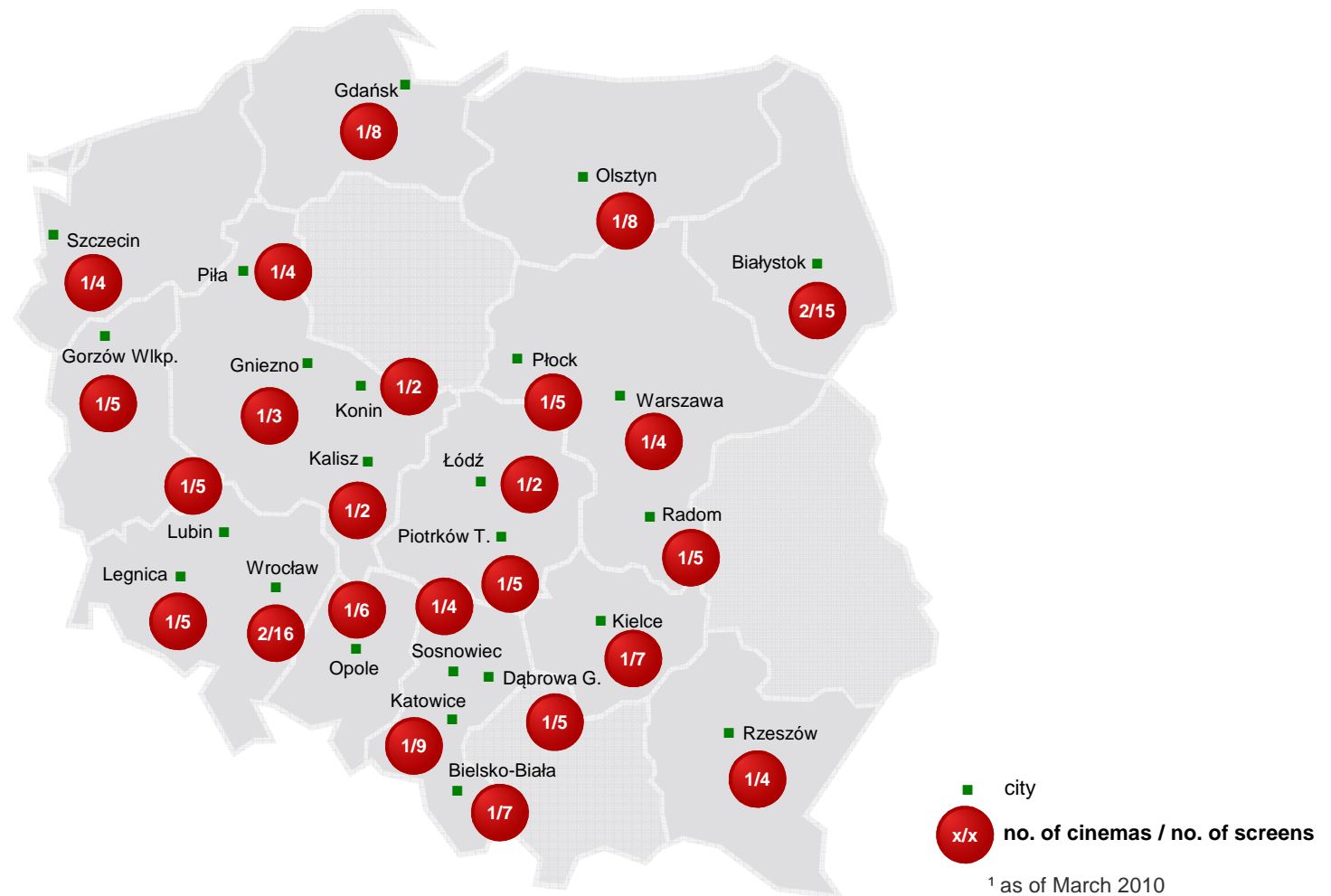


<sup>1</sup> as of March 2010

#	city	cinemas	screens	seats
<b>MULTIPLEKSY<sup>1</sup></b>				
1	Białystok	2	15	2 949
2	Bielsko-Biała	1	7	1 587
3	Dąbrowa Górnicza	1	5	836
4	Gdańsk	1	8	1 754
5	Gniezno	1	3	340
6	Gorzów Wlkp.	1	5	1 028
7	Katowice	1	9	2 158
8	Kielce	1	7	1 620
9	Konin	1	2	588
10	Legnica	1	5	1 086
11	Lubin	1	5	1 123
12	Olsztyn	1	8	1 897
13	Opole	1	6	1 245
14	Piła	1	4	583
15	Piotrków Trybunalski	1	5	1 054
16	Płock	1	5	1 003
17	Radom	1	5	1 362
18	Rzeszów	1	4	1 200
19	Sosnowiec	1	4	1 217
20	Szczecin	1	4	1 222
21	Warszawa	1	4	574
22	Wrocław	2	16	3 565
<b>TOTAL</b>		<b>24</b>	<b>136</b>	<b>29 991</b>
<b>TRADITIONAL CINEMAS<sup>1</sup></b>				
23	Kalisz	1	2	400
24	Łódź	1	2	784
<b>TOTAL</b>		<b>2</b>	<b>4</b>	<b>1 184</b>

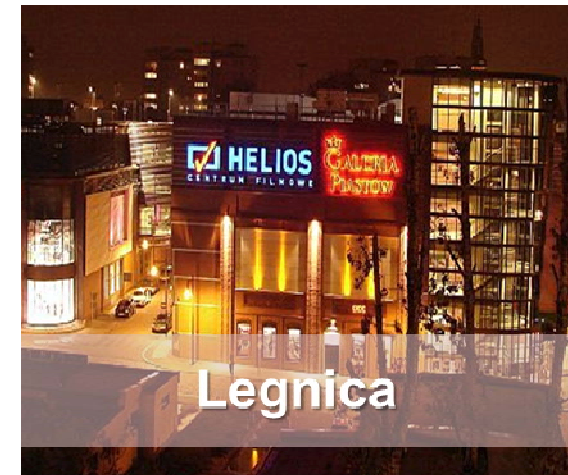
# Network development

## Cinema network of Helios<sup>1</sup>



# Locations





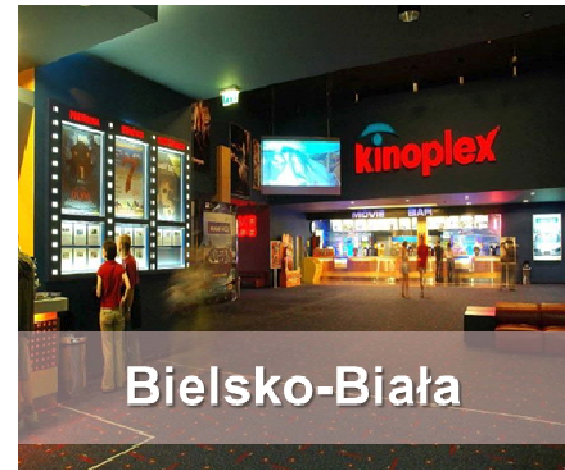
## Locations, cont.



Wrocław



Płock



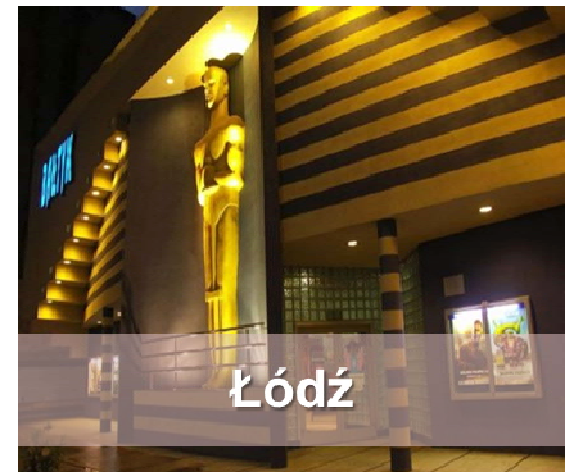
Bielsko-Biała



Białystok



Dąbrowa Górnicza



Łódź

## Locations, cont.



Digital projector in the cinema operated by Helios in Katowice  
(in the background traditional projector)

- Modern audio – video systems;
- 20 digital projectors with the possibility of screening 3D films;
- 3D technology Triple Flash in Dolby 3D Digital system.




# Technology



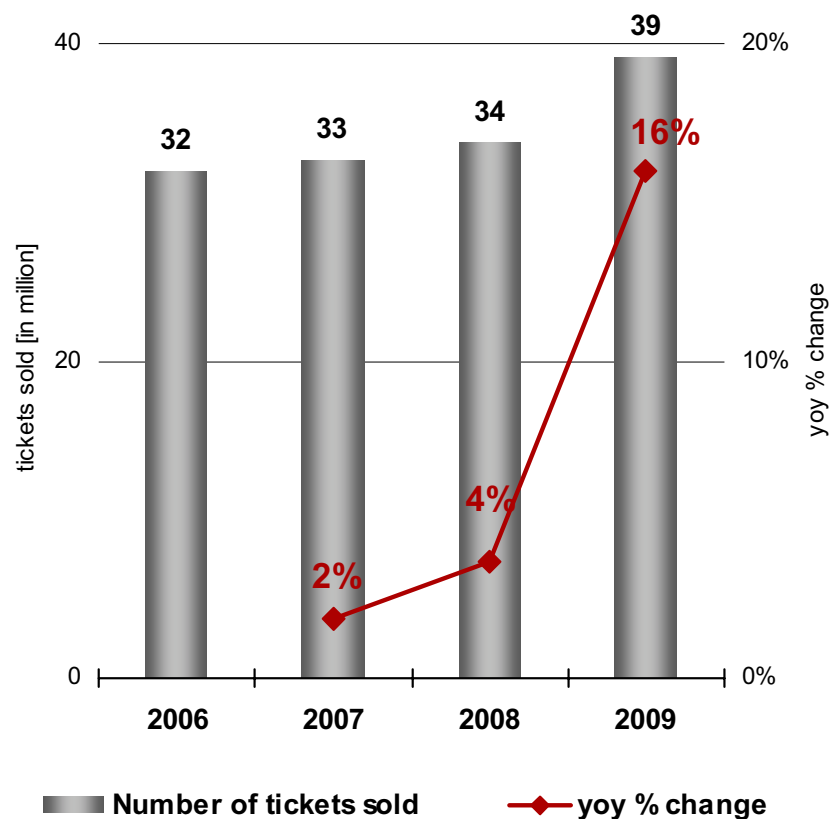


# Cinema market in Poland



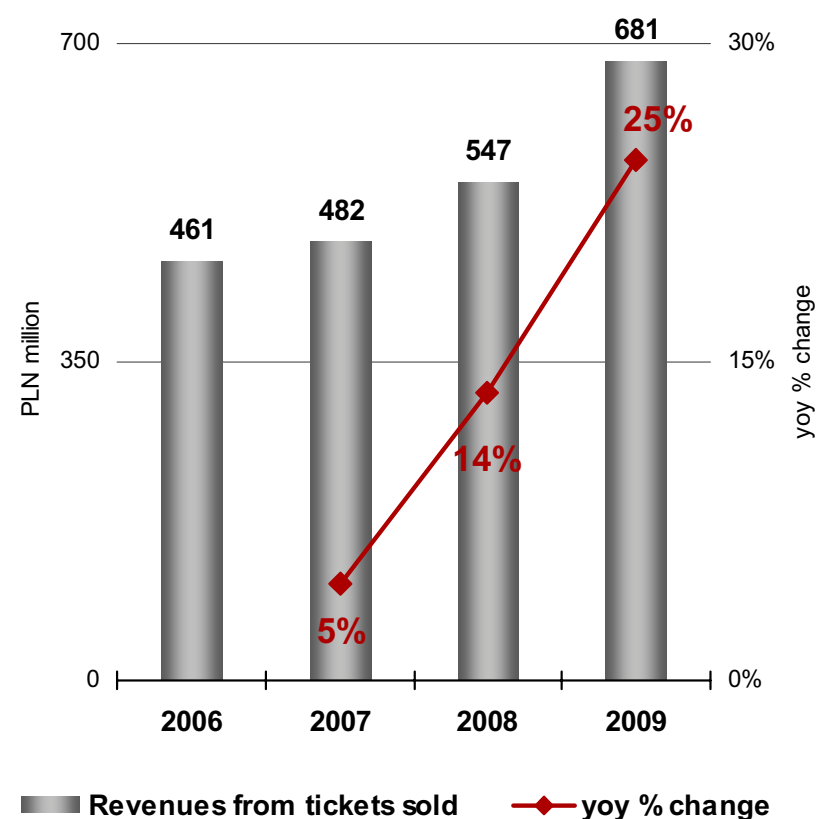
[Białystok]

**The number of cinema tickets sold in Poland  
2006 – 2009**



Source: Helios on the basis of Boxoffice.pl data

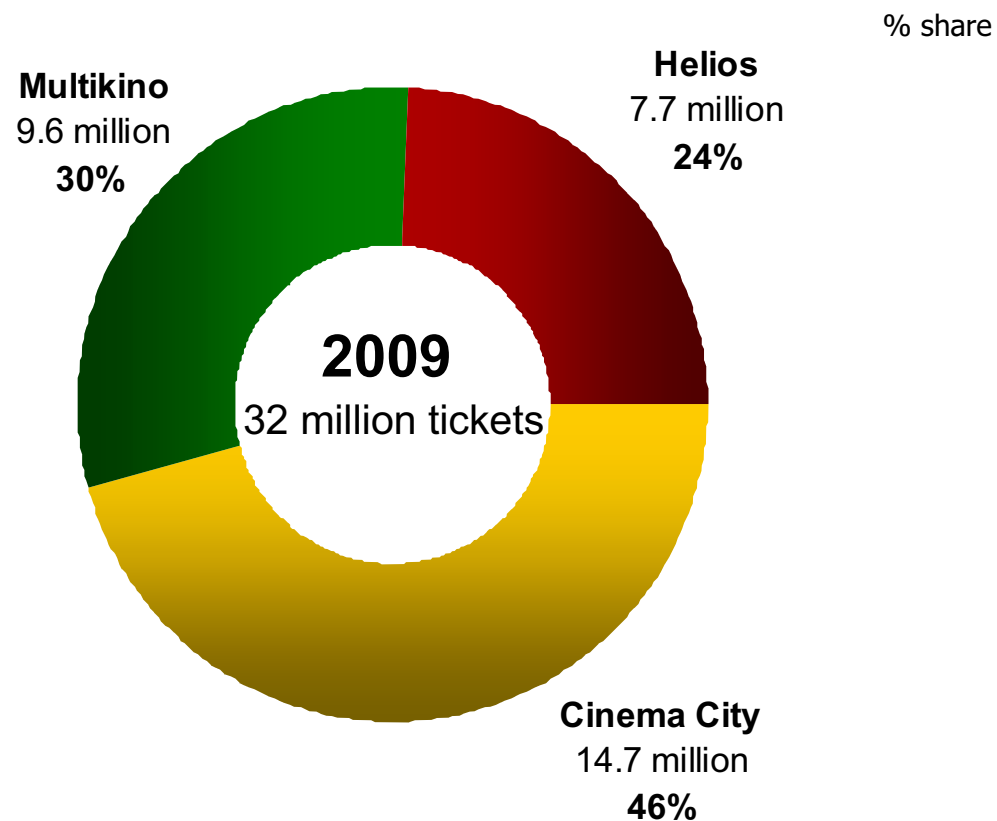
**Revenues from ticket sales in Poland  
2006 – 2009**



Source: Helios on the basis of Boxoffice.pl data

# Ticket sales

## Structure of ticket sales in Polish multiplexes in 2009



Source: Helios on the basis of Boxoffice.pl data

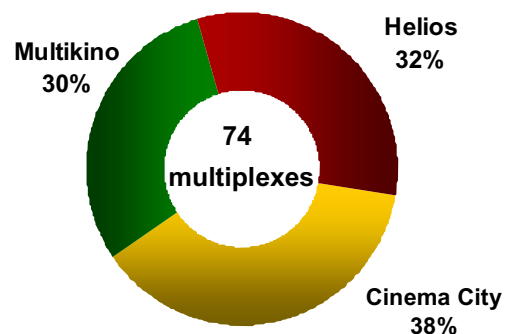
## Ticket sales, cont.



## Comparison of cinema infrastructure (multiplexes) in Poland

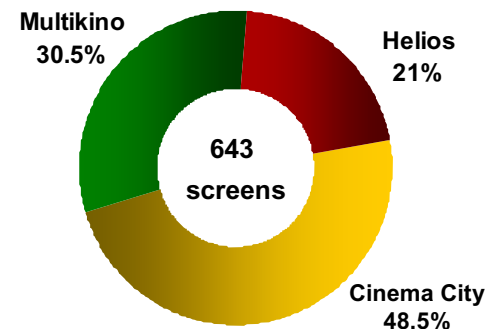
	Number of multiplexes	Number of screens	Number of seats
Cinema City	28	311	64 397
Multikino	22	196	43 784
Helios	24 + 2 traditional	136 + 4 traditional	29 991 + 1 184 traditional

Share in the number of multiplexes



Source: Helios on the basis of Boxoffice.pl data; as of December 31, 2009

Share in the number of screens in multiplexes



Source: Helios on the basis of Boxoffice.pl data; as of December 31, 2009

# Cinema infrastructure in Poland

## Cinema occupancy rates for main competitors in Poland in 2009

	Number of viewers per seat (average per month)	Number of viewers per screen (average per month)	Cinema occupancy rate <sup>1</sup>
Cinema City	20	4 182	13.5%
Multikino	19	4 185	12.5%
<b>Helios</b>	23	5 017	15.1%
<b><i>Position of Helios</i></b>	<b># 1</b>	<b># 1</b>	<b># 1</b>

<sup>1</sup> = number of tickets sold / (number of seats \* average number of days (in a month) [assumption - 30 days] \* maximum number of screenings in one room [assumption – 5 screenings per room])

Source: Helios on the basis of Boxoffice.pl data, 2009

# Efficiency

### **Affluence growth**

Affluence growth encourages consumers to spend more money on entertainment

### **Modern lifestyle**

Cinema is not merely a place to watch new film premiers, but also a place to socialize and network

### **Popular Polish film productions**

Growing number of popular Polish productions contributes to the revenues growth of the cinema industry

### **Digital technology**

3D digital revolution attracts additional audience to cinemas and contributes to the growth of an average ticket price

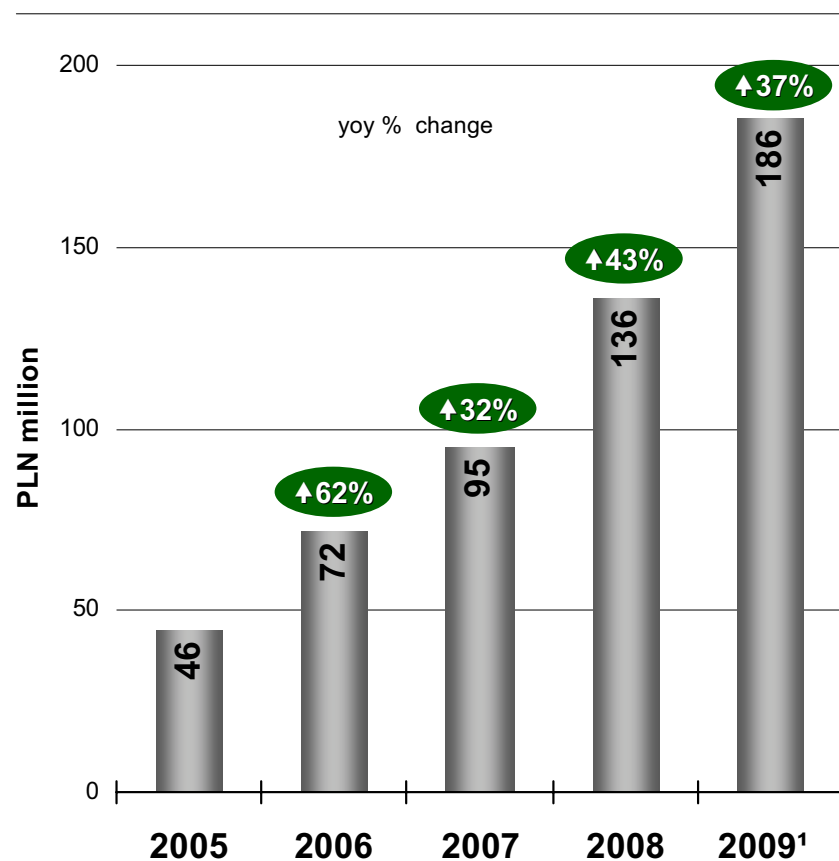
# **Trends and perspectives**



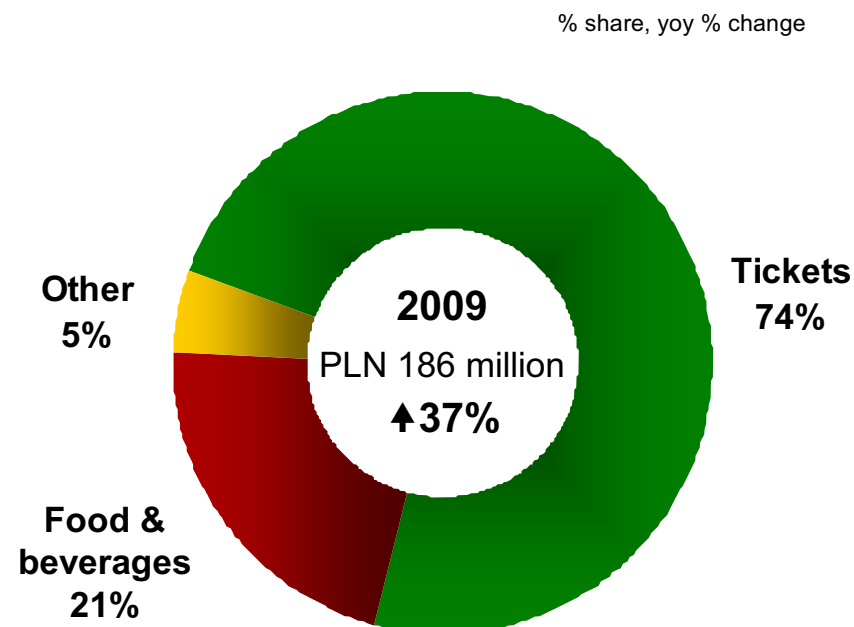
# Financial and operating results

[Białystok]

## Sales revenues 2005-2009



## Structure of revenues in 2009

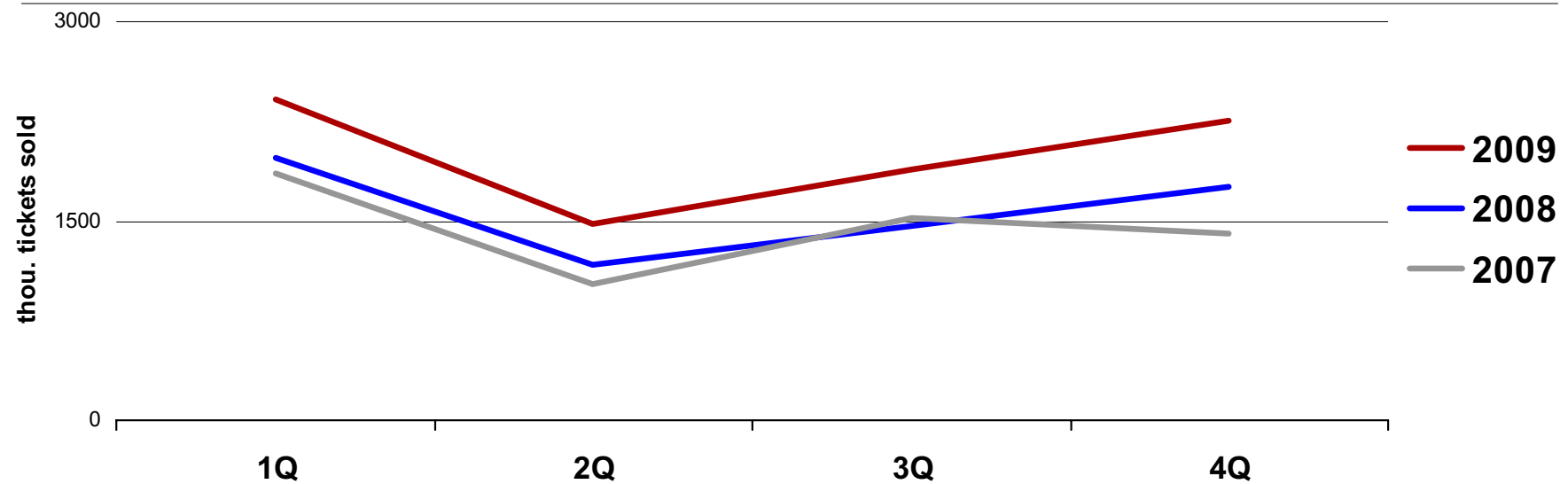


Source: Helios, consolidated financial results according to IFRS

<sup>1</sup> the consolidated financial statements of the Helios Group for 2009 have not yet been audited

# Revenues

## The number of cinema tickets sold by the Helios Group



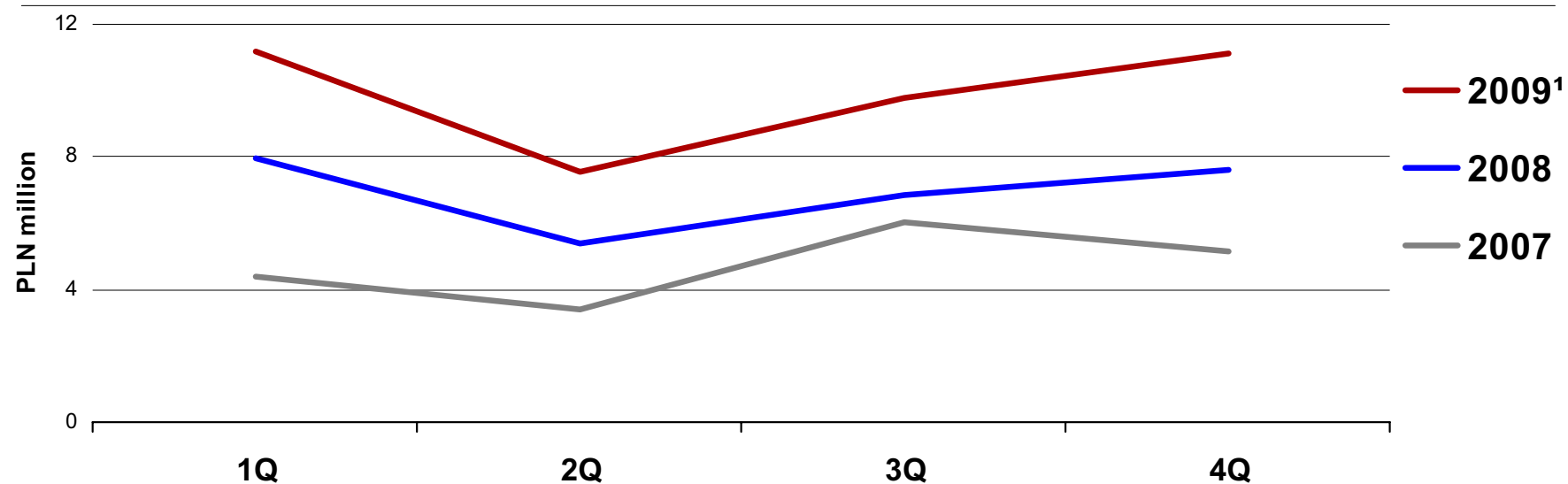
Source: Helios on the basis of Boxoffice.pl data



# Ticket sales



## Revenues of the Helios Group from sales of food & beverages



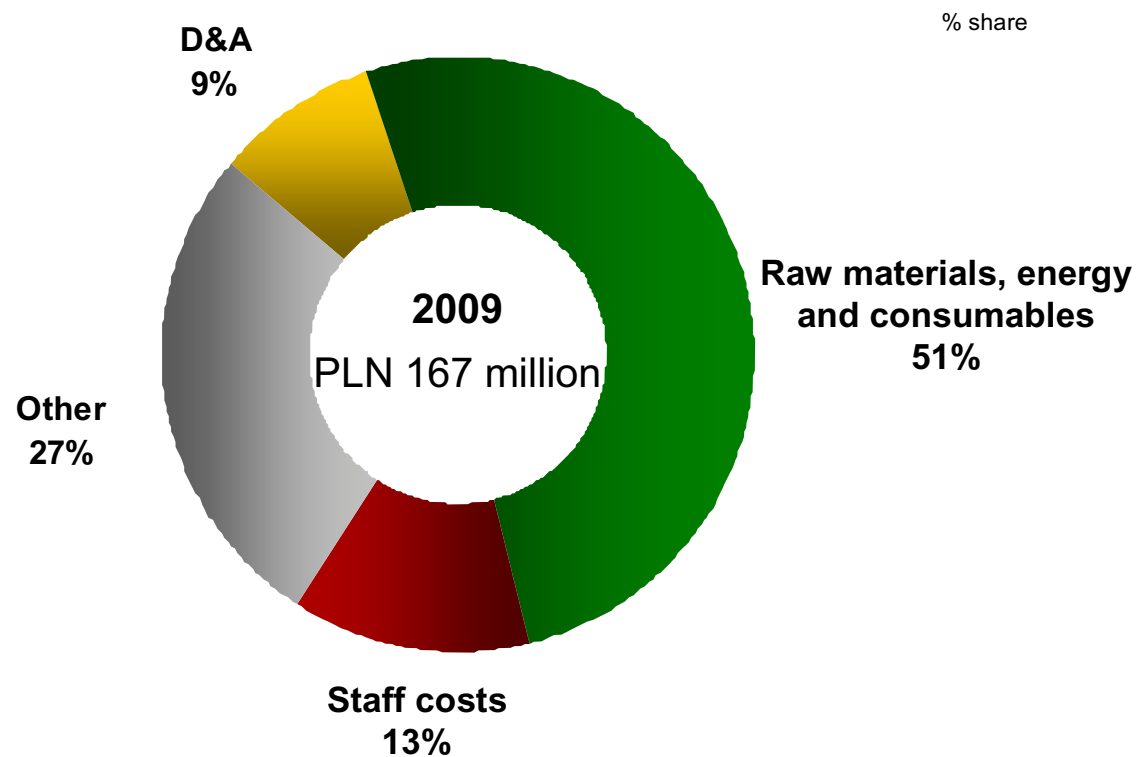
Source: Helios, consolidated results according to IFRS

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## Sales of food & beverages

## Structure of operating costs in 2009



Source Helios, consolidated financial results according to IFRS; the consolidated financial statements of the Helios Group for 2009 have not yet been audited

# Operating costs

## The financial results of the Helios Group 2007-2009

<i>PLN million</i>	<b>2007</b>	<b>2008</b>	<i>% change 2008 vs 2007</i>	<b>2009<sup>1</sup></b>	<i>% change 2009 vs 2008</i>
<b>Revenues</b>	94.7	135.8	43.4%	185.7	36.7%
<b>EBIT</b>	12.9	16.3	26.4%	19.2	17.8%
<b>EBITDA</b>	20.0	27.7	38.5%	33.6	21.3%
<b>Net profit</b>	7.0	7.3	4.3%	10.3	41.1%

Source: Helios, consolidated results according to IFRS

<sup>1</sup> the consolidated financial statements of the Helios Group for 2009 have not yet been audited

# Financial results

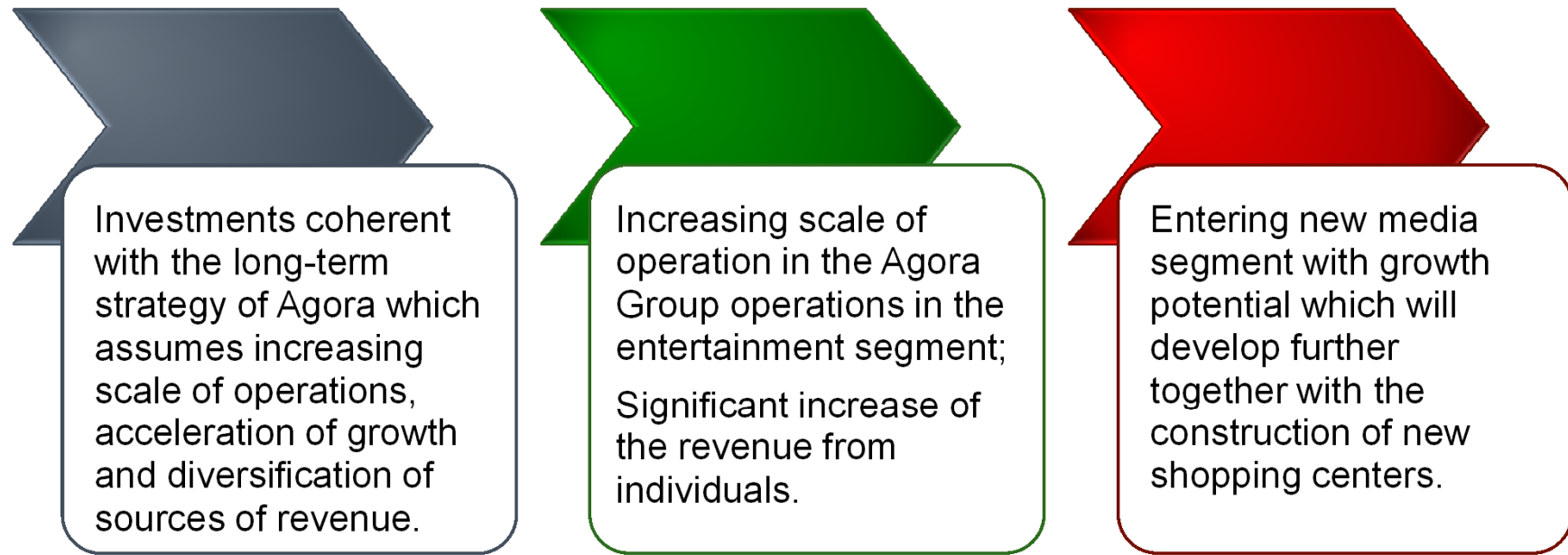


The image shows the interior of a large, empty movie theater. Rows of dark, upholstered seats are arranged in a tiered fashion, facing a large projection screen at the front. The screen displays the Columbia Pictures logo, which includes the text "COLUMBIA PICTURES" and "A Columbia Pictures Release" above a small illustration of a woman. The theater's walls are covered in red curtains, and the ceiling is dark with recessed lighting. A semi-transparent blue banner is overlaid across the middle of the image, containing the text "Transaction objectives".

# Transaction objectives

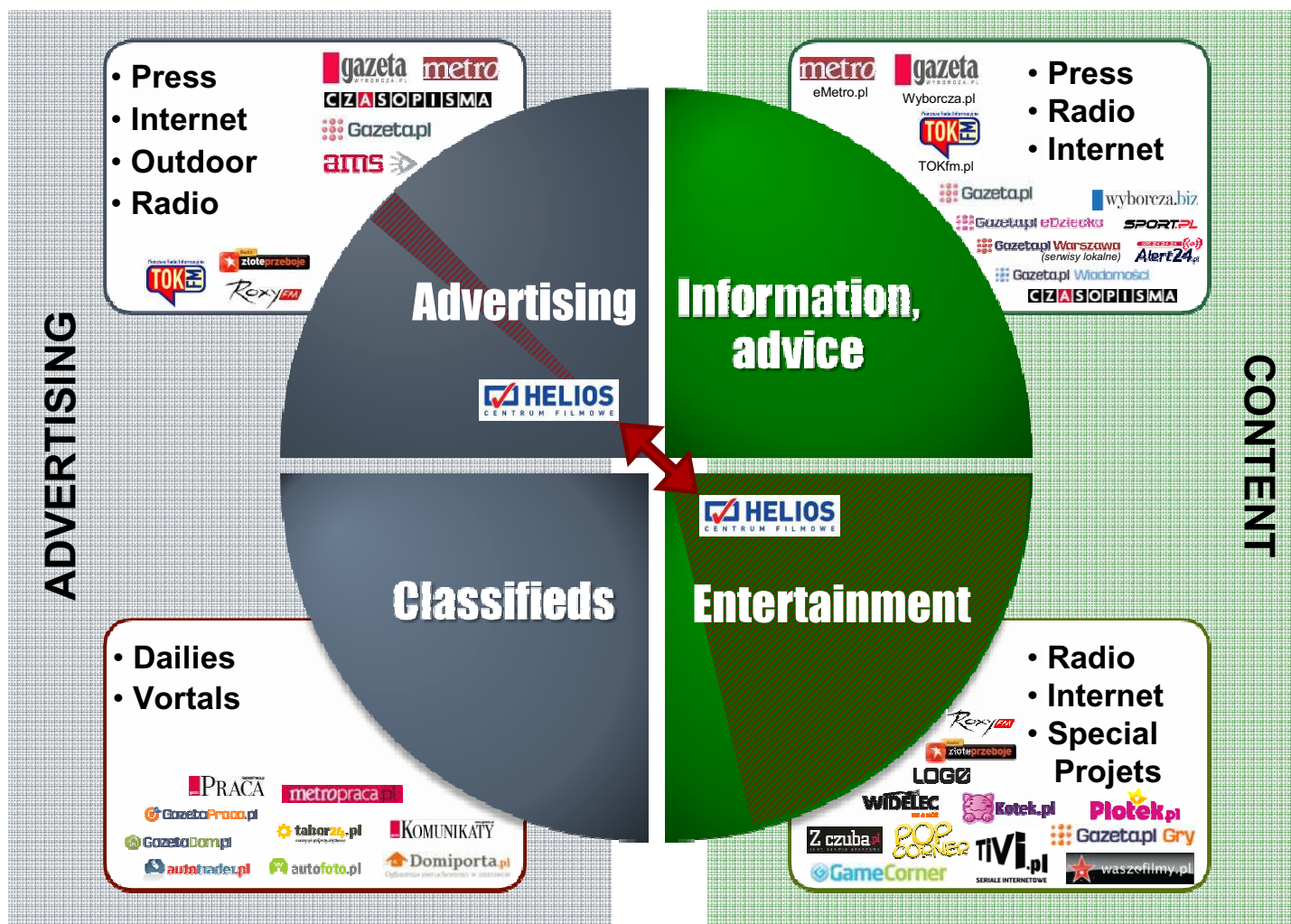
[Katowice]





- Growing revenues from ticket sales and advertising;
- Strengthening Agora Group position in local markets;
- Diversification of the client base;
- New possibilities of development and expansion.

## Transaction objectives



# Enriching media portfolio

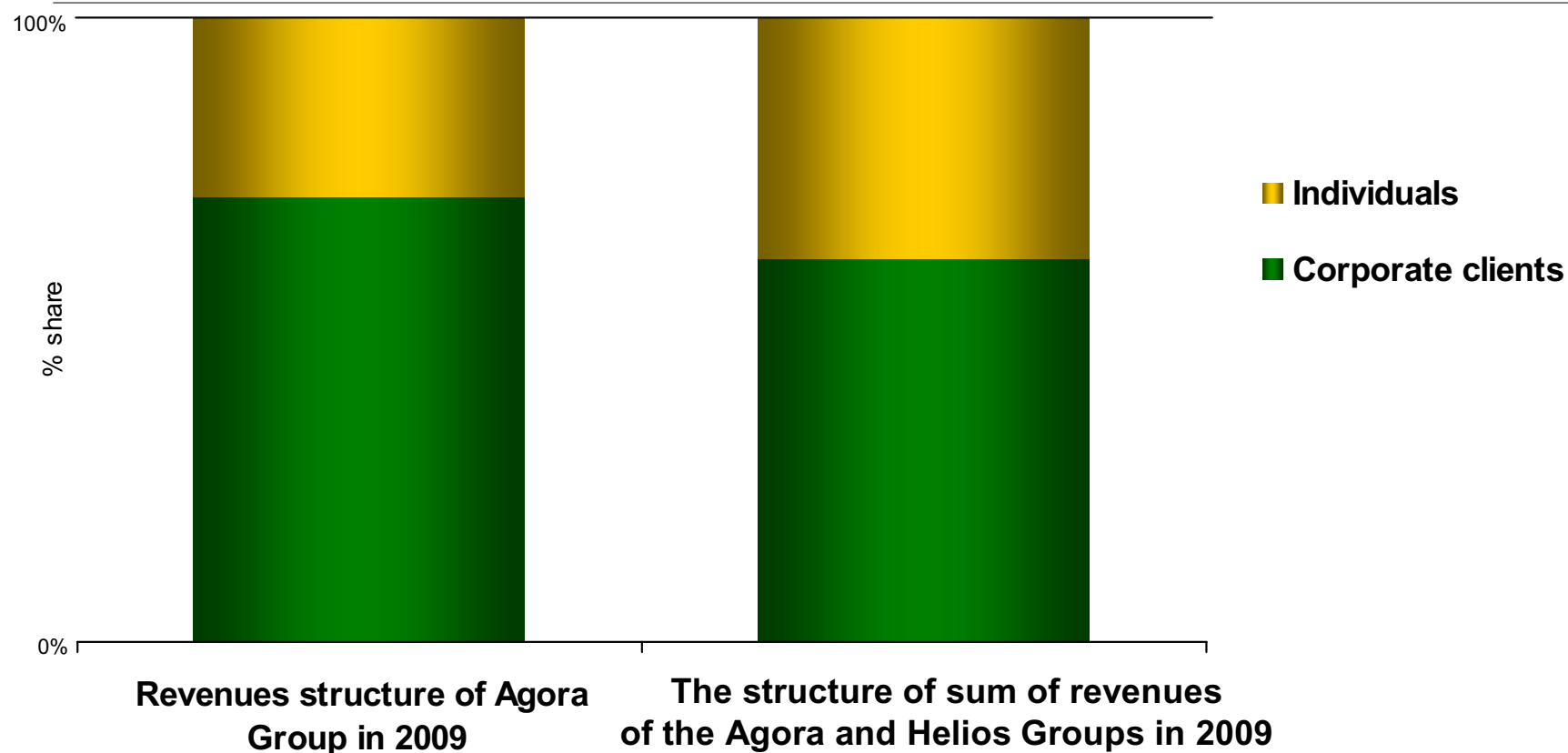




- local Internet sites
- local editions of *Gazeta*
- outdoor panels
- local radio stations

# Leveraging Agora's media power

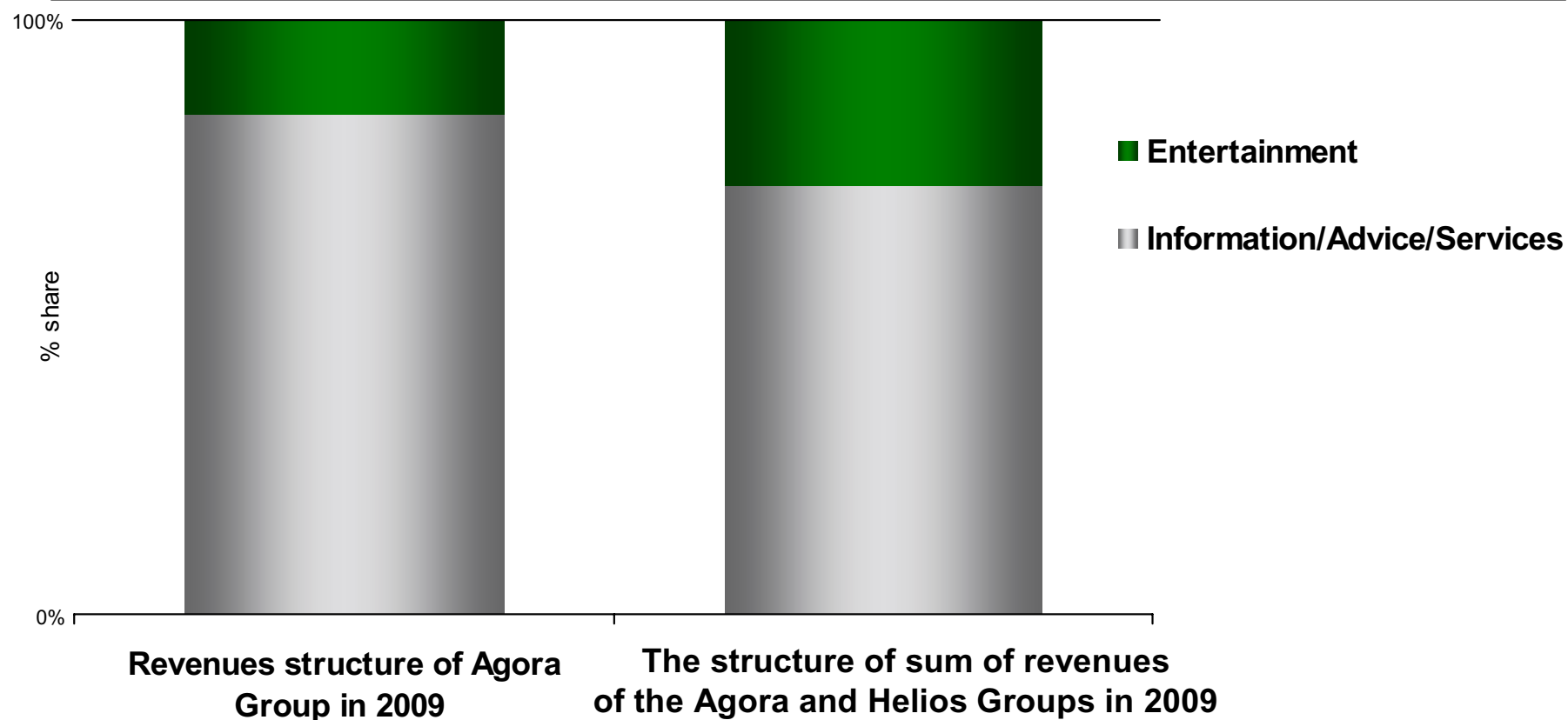
## Structure of clients of Agora Group and Helios Group in 2009



source: Agora's estimations presented purely for presentation of structural changes

# Structure of clients

## Revenues structure of Agora Group and Helios Group in 2009



source: Agora's estimations presented purely for presentation of structural changes

# Revenues structure

# Appendix

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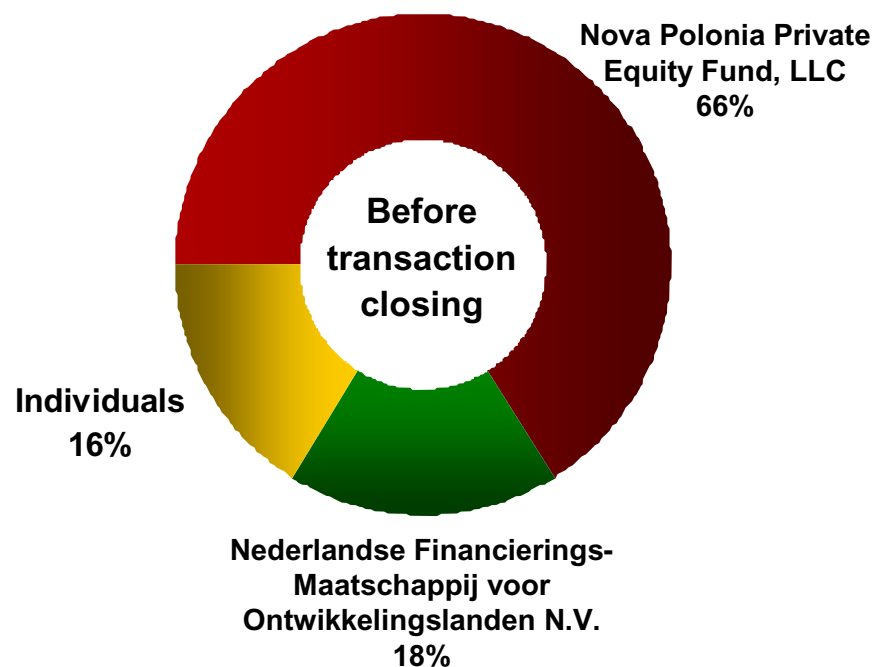
**CF Helios S.A.**

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graph TD; A[CF Helios S.A.] --- B["Kinoplex Sp. z o.o.  
100%"]
```

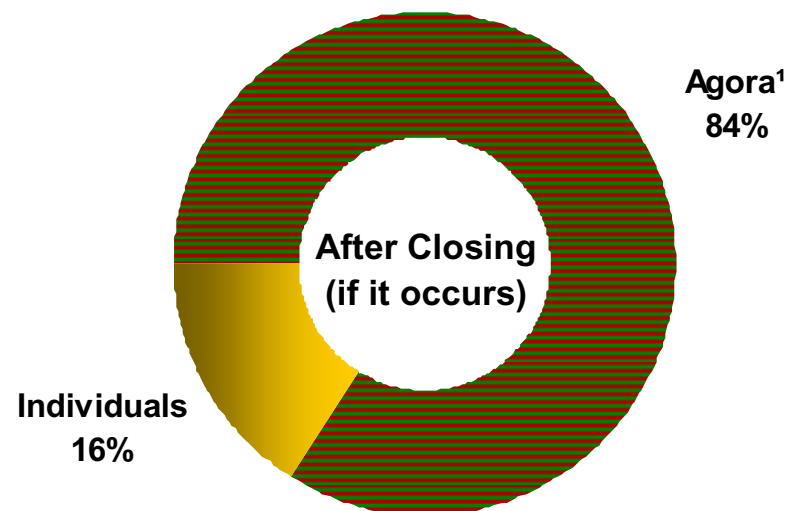
**Kinoplex Sp. z o.o**  
**100%**

**Capital Group**

## Shareholding structure before Closing of the transaction



## Shareholding structure after Closing of the transaction (if it occurs)



<sup>1</sup> if no individual uses her/his pre-emptive right of purchase or tag-along right

# Shareholding structure



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