

**Investor presentation**  
**Financial and market performance**  
**2Q2013**



**AGORA**<sub>SA</sub>

**press // cinema // outdoor // internet // radio**

# Significant events in 202013

AGORA<sub>SA</sub>

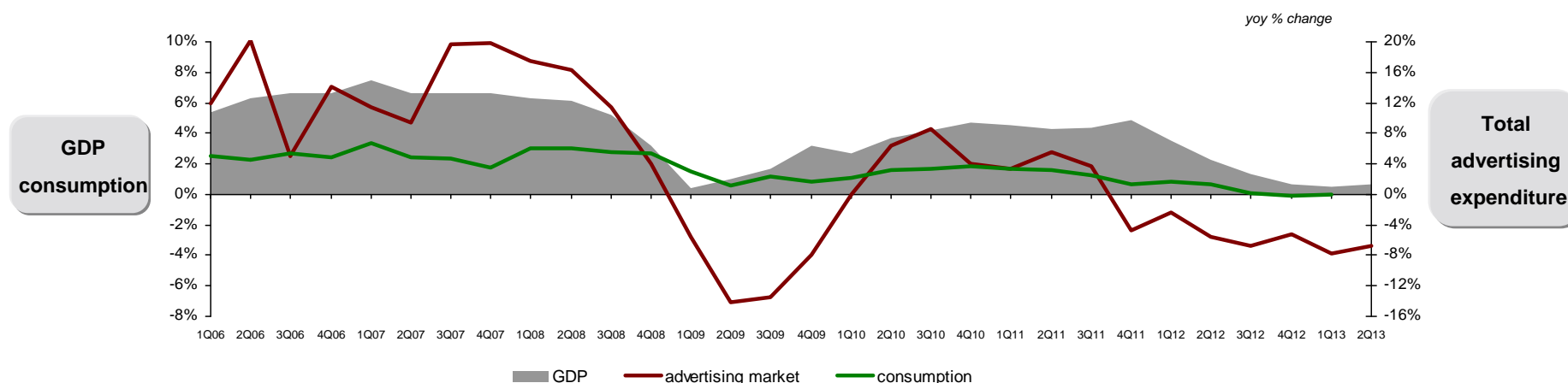
- ✓ Stagnation in Polish economy
- ✓ Improvement of the operating result as a result of restructuring measures
- ✓ Growing revenues from the sales of printing services to external clients
- ✓ Changes in „Gazeta Wyborcza” and copy price increase
- ✓ Content digitalization and development of mobile applications



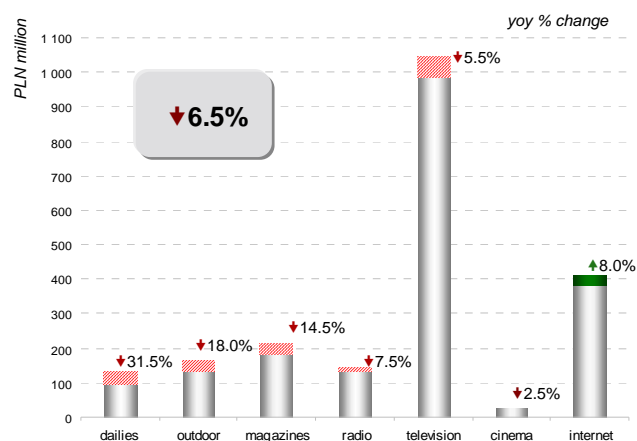
# Weak economy does not support growth in ad market

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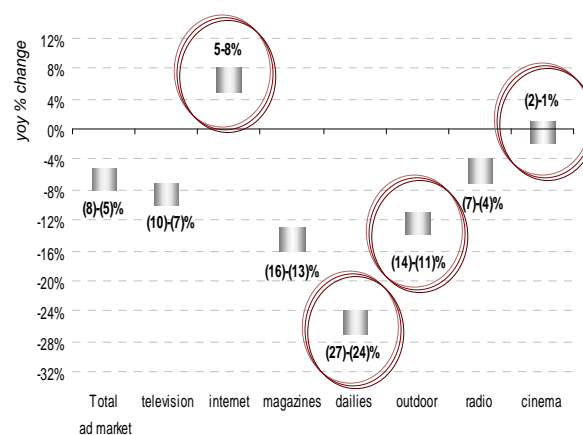
## Consecutive quarter of decreasing advertising expenditure



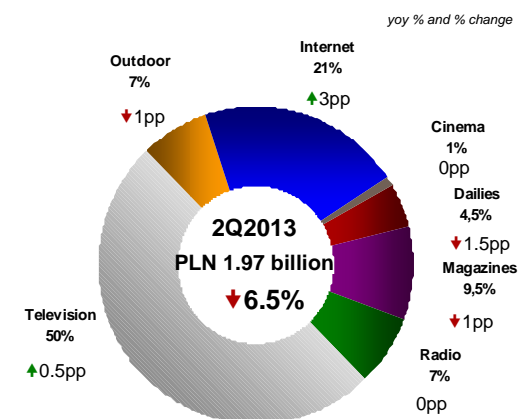
## Drop in advertising market expenditure 2Q2013



## Revision of advertising market estimates



## Advertising market structure



Source: ad spend estimates by: Agora (press based on Kantar Media and Agora's monitoring, radio based on Kantar Media), IGRZ (outdoor) Starlink (TV, cinema, Internet – comprise revenues from e-mail marketing, display, search engine marketing and since 1Q2012 revenues from video advertising). The presented data is comparable.,macro 1Q06-1Q13: Central Statistical Office. GDP for 2Q2013 – the average from forecasts of the largest Polish banks.

# Improvement of the Group's operating result in 2Q2013



## Financial results

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
<b>Total sales</b>	<b>271.9</b>	<b>283.1</b>	<b>(4.0%)</b>	<b>533.7</b>	<b>564.4</b>	<b>(5.4%)</b>
Advertising revenue	148.3	175.7	(15.6%)	275.4	325.1	(15.3%)
Copy sales	33.4	38.3	(12.8%)	69.0	81.0	(14.8%)
Ticket sales	26.5	21.5	23.3%	61.7	59.1	4.4%
Other	63.7	47.6	33.8%	127.6	99.2	28.6%
<b>Operating cost net, including:</b>	<b>(267.6)</b>	<b>(280.8)</b>	<b>(4.7%)</b>	<b>(529.7)</b>	<b>(564.3)</b>	<b>(6.1%)</b>
Raw materials, energy and consumables	(61.2)	(59.4)	3.0%	(116.0)	(124.3)	(6.7%)
D&A	(23.9)	(23.6)	1.3%	(49.2)	(46.7)	5.4%
External services	(83.5)	(85.7)	(2.6%)	(167.7)	(174.1)	(3.7%)
Staff cost	(70.7)	(79.9)	(11.5%)	(142.6)	(159.2)	(10.4%)
Non-cash expense relating to share-based payments	(0.7)	(0.9)	(22.2%)	(1.4)	(1.8)	(22.2%)
Promotion and marketing	(17.9)	(22.9)	(21.8%)	(30.5)	(42.5)	(28.2%)
<b>Operating result - EBIT</b>	<b>4.3</b>	<b>2.3</b>	<b>87.0%</b>	<b>4.0</b>	<b>0.1</b>	<b>3,900.0%</b>
EBIT margin	1.6%	0.8%	0.8pp	0.7%	0.0%	0.7pp
<b>Operating EBITDA<sup>1</sup></b>	<b>28.9</b>	<b>26.8</b>	<b>7.8%</b>	<b>54.6</b>	<b>48.6</b>	<b>12.3%</b>
Operating EBITDA margin	10.6%	9.5%	1.1pp	10.2%	8.6%	1.6pp
<b>Net profit/(loss)</b>	<b>0.6</b>	<b>0.7</b>	<b>(14.3%)</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>(166.7%)</b>

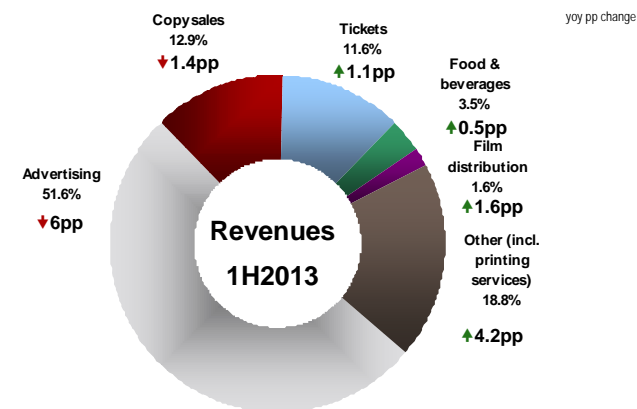
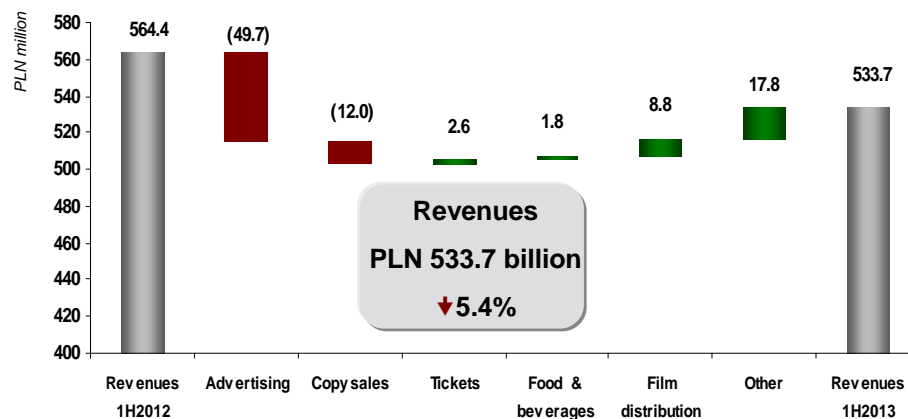
- ✓ Advertising revenue under pressure of decreasing ad budgets,
- ✓ Expansion of Helios network results in higher no. of tickets sold and higher revenues,
- ✓ Growth of revenues from printing services for external clients by 40.8% yoy,
- ✓ Further reduction in the operating cost,
- ✓ Improvement of the operating result on EBIT and operating EBITDA level.

Source: consolidated financial statements according to IFRS, 2Q2013;  
<sup>1</sup> excluding non-cash cost of share-based payments.

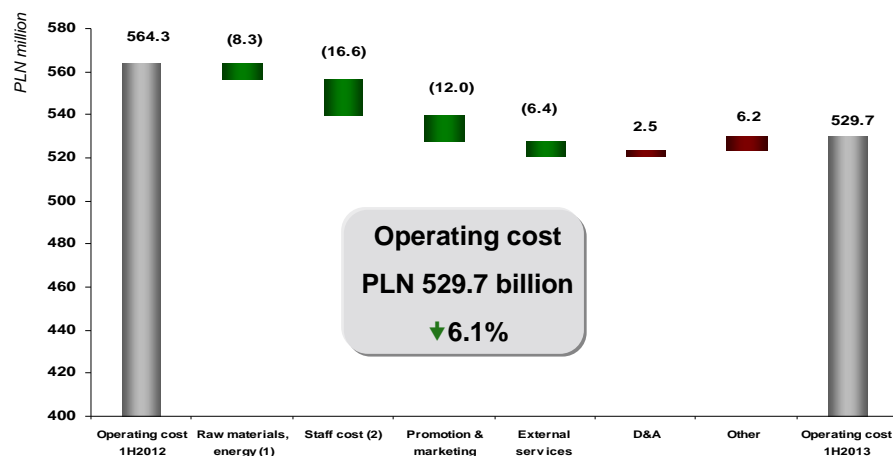


# Growing importance of non-advertising revenue (1H2013)

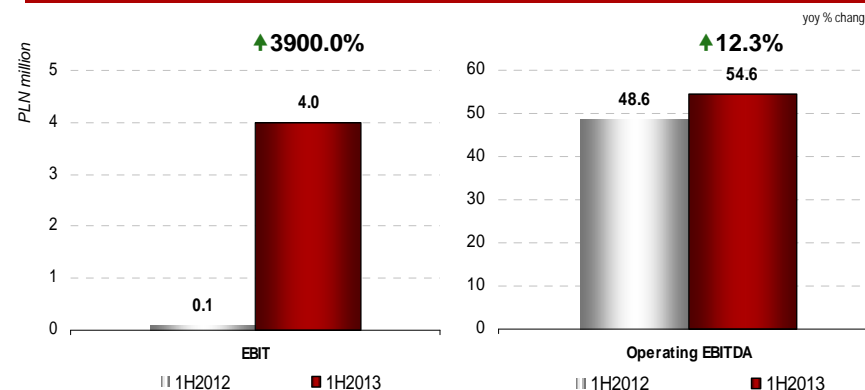
## Impact of printing, cinema and film distribution operations



## Further drop of the Group's operating cost



## Improvement of the Group's operating results



✓ Result of restructuring measures implemented in 2012 (staff reduction by 380 FTEs yoy).

✓ Limited volume of production

Source: consolidated financial statements according to IFRS, 2Q2013;

<sup>1</sup> raw materials, energy and consumables;

<sup>2</sup> excluding non-cash cost of share-based payments.

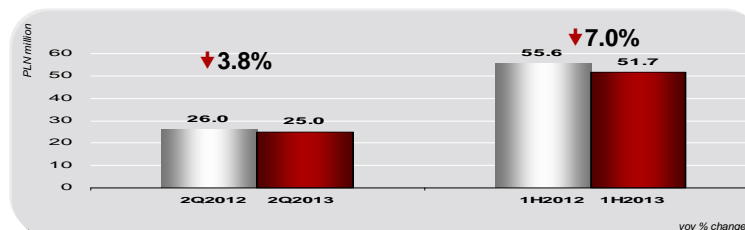
# Development initiatives in Newspapers' segment

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## Segment's results under pressure of dailies ad expenditure

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
Revenues, incl.:	127.3	137.6	(7.5%)	247.9	272.0	(8.9%)
copsales	26.5	27.0	(1.9%)	54.3	57.9	(6.2%)
advertising	48.6	69.5	(30.1%)	93.1	130.0	(28.4%)
special projects	8.0	8.1	(1.2%)	20.0	16.3	22.7%
other revenues	44.2	33.0	33.9%	80.5	67.8	18.7%
Operating cost net <sup>1</sup>	(111.2)	(116.2)	(4.3%)	(215.2)	(233.4)	(7.8%)
EBIT <sup>1</sup>	16.1	21.4	(24.8%)	32.7	38.6	(15.3%)
EBIT margin	12.6%	15.6%	(3.0pp)	13.2%	14.2%	(1.0pp)
Operating EBITDA <sup>2</sup>	22.9	29.3	(21.8%)	47.3	53.7	(11.9%)
Operating EBITDA margin	18.0%	21.3%	(3.3pp)	19.1%	19.7%	(0.6pp)

## Limited drop of Gazeta Wyborcza copy sales revenues



## NON-ADVERTISING REVENUE SOURCES (1H2013)

↑ 22.7%

↑ 23.2%

SPECIAL PROJECTS

PRINTING SERVICES

## Gazeta Wyborcza develops online and offline

### MONDAY



PLN 2.50

### TUESDAY



### WEDNESDAY



- ✓ copy price increase
- ✓ launch of new Wyborcza.pl
- ✓ more content



### FRIDAY



PLN 2.90

### THURSDAY



### SATURDAY



# Network expansion results in revenue growth

## Growth of all revenue sources

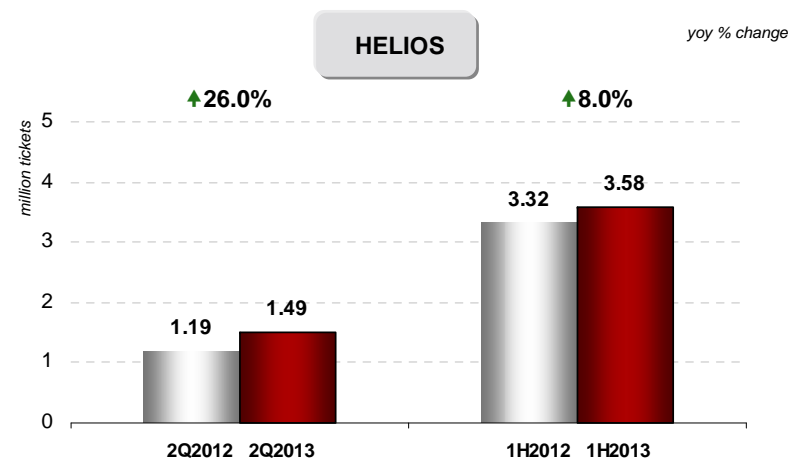
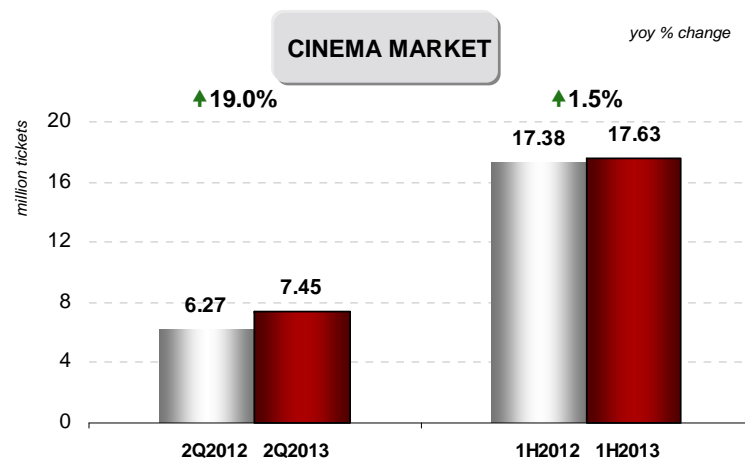
PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
<b>Total sales, including:</b>	<b>44.3</b>	<b>34.3</b>	<b>29.2%</b>	<b>105.5</b>	<b>88.1</b>	<b>19.8%</b>
Tickets sales	26.5	21.4	23.8%	61.7	59.1	4.4%
Sales from food & beverages	8.3	6.3	31.7%	18.6	16.8	10.7%
Advertising revenues	5.7	4.7	21.3%	11.3	9.2	22.8%
Other sales	3.8	1.9	100.0%	13.9	3.0	363.3%
<b>Operating cost net</b>	<b>(49.3)</b>	<b>(40.7)</b>	<b>21.1%</b>	<b>(107.6)</b>	<b>(90.5)</b>	<b>18.9%</b>
<b>EBIT</b>	<b>(5.0)</b>	<b>(6.4)</b>	<b>21.9%</b>	<b>(2.1)</b>	<b>(2.4)</b>	<b>12.5%</b>
EBIT margin	(11.3%)	(18.7%)	7.4pp	(2.0%)	(2.7%)	0.7pp
<b>Operating EBITDA<sup>1</sup></b>	<b>1.1</b>	<b>(1.7)</b>	-	<b>10.2</b>	<b>6.9</b>	<b>47.8%</b>
Operating EBITDA margin	2.5%	(5.0%)	7.5pp	9.7%	7.8%	1.9pp



**Helios network:**  
**30 multi-screen cinemas**  
**27 cities, 164 screens**  
**+ traditional cinema in Lodz (2 screens)**

**Next openings in 2H2013:**  
**Gdynia (6 screens)**  
**Nowy Sacz (5 screens)**

## New cinemas contribute to higher than market growth in no. of tickets sold<sup>2</sup>



Source: consolidated financial statements according to IFRS, 2Q2013;

<sup>1</sup> As far as the Helios group is concerned EBITDA and operating EBITDA ratios are equal as in the period referred to in the table there was not any non-cash cost of share-based payments incurred

<sup>2</sup> boxoffice.pl, total tickets sales in Poland.

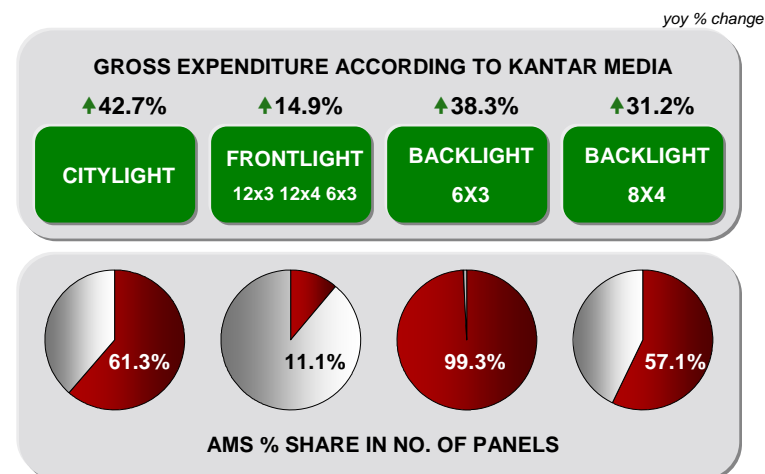
# AMS strengthens position in outdoor advertising market

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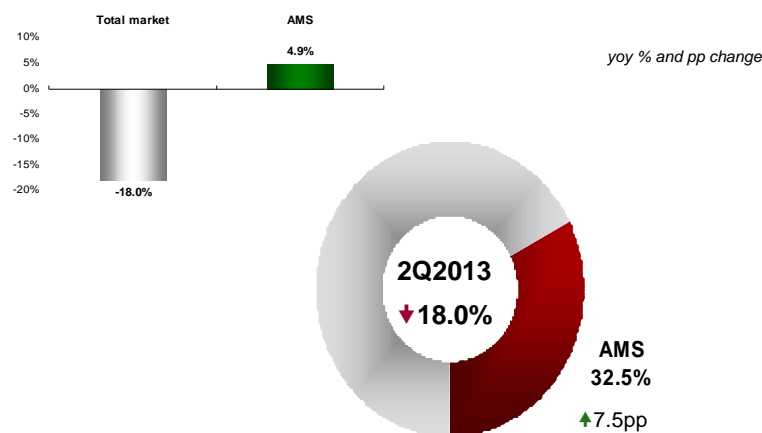
## Growth in ad revenues despite shrinking market

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
Revenues, incl.:	41.7	40.0	4.3%	76.3	76.6	(0.4%)
advertising <sup>1</sup>	41.0	39.1	4.9%	74.3	75.1	(1.1%)
Operating cost net	(38.2)	(38.5)	(0.8%)	(75.9)	(76.8)	(1.2%)
EBIT	3.5	1.5	133.3%	0.4	(0.2)	-
EBIT margin	8.4%	3.8%	4.6pp	0.5%	(0.3%)	0.8pp
Operating EBITDA <sup>2</sup>	7.6	6.0	26.7%	9.0	9.1	(1.1%)
Operating EBITDA margin	18.2%	15.0%	3.2pp	11.8%	11.9%	(0.1pp)

## Favourable portfolio of panels<sup>3</sup> in 2Q2013



## Growing share in outdoor advertising expenditure<sup>4</sup>



## Development of AMS offer – non-standard campaigns



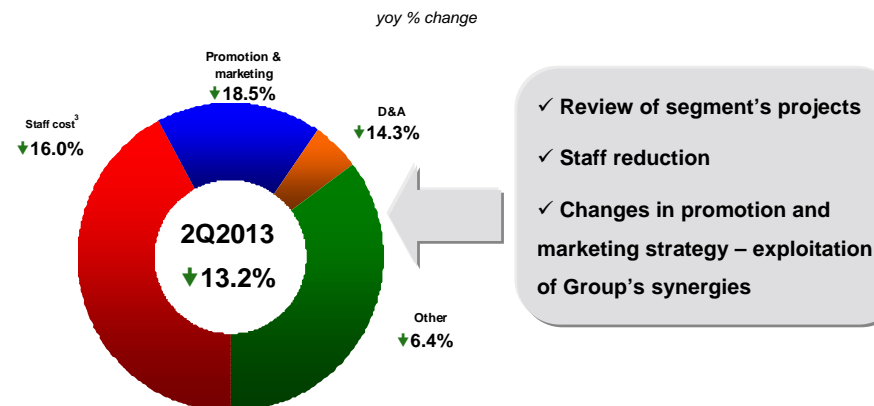
Source: financials: consolidated financial statements according to IFRS, 2Q2013; ad expenditure in outdoor: IGRZ;  
<sup>1</sup> excluding cross-promotion of Agora's other media on AMS panels if such promotion was executed without prior reservation;  
<sup>2</sup> excluding non-cash cost of share-based payments;  
<sup>3</sup> gross expenditure on campaigns executed in 2Q 13 according to Kantar Media;  
<sup>4</sup> IGRZ: ad expenditure in outdoor.



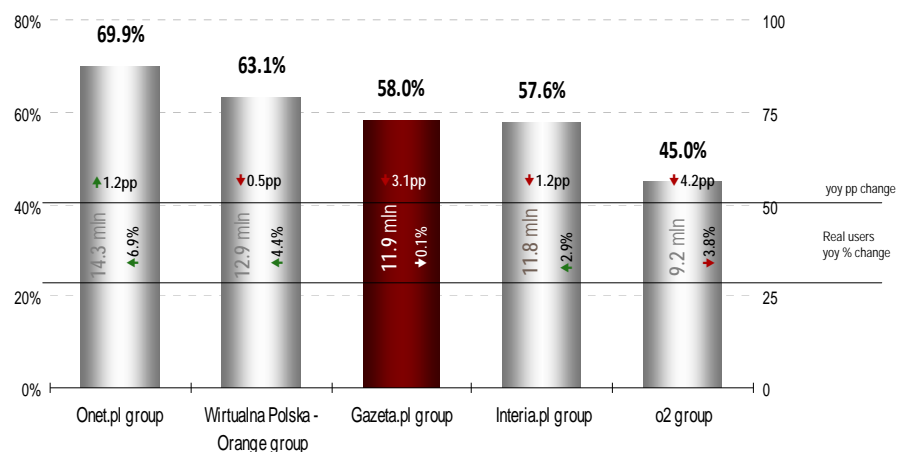
# Improvement of operating result in Internet segment

## Cost savings improve operating results

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
<b>Revenues, incl.:</b>	<b>29.8</b>	<b>32.0</b>	<b>(6.9%)</b>	<b>54.9</b>	<b>57.8</b>	<b>(5.0%)</b>
display ad sales	24.2	25.4	(4.7%)	43.9	44.9	(2.2%)
ad sales in verticals	4.1	4.6	(10.9%)	8.1	9.4	(13.8%)
<b>Operating cost net<sup>1</sup></b>	<b>(24.9)</b>	<b>(28.7)</b>	<b>(13.2%)</b>	<b>(48.1)</b>	<b>(53.4)</b>	<b>(9.9%)</b>
<b>EBIT<sup>1</sup></b>	<b>4.9</b>	<b>3.3</b>	<b>48.5%</b>	<b>6.8</b>	<b>4.4</b>	<b>54.5%</b>
EBIT margin	16.4%	10.3%	6.1pp	12.4%	7.6%	4.8pp
<b>Operating EBITDA<sup>2</sup></b>	<b>6.1</b>	<b>4.7</b>	<b>29.8%</b>	<b>9.3</b>	<b>7.3</b>	<b>27.4%</b>
Operating EBITDA margin	20.5%	14.7%	5.8pp	16.9%	12.6%	4.3pp



## Gazeta.pl group position among portals (May'13)<sup>4</sup>



## Development of mobile applications

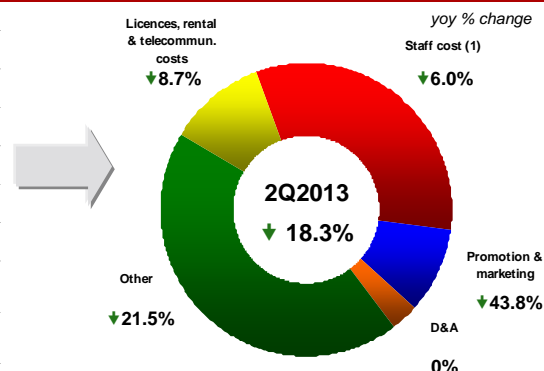
New Gazeta.pl LIVE application  
Over 50 000 downloads during 30 days



# Improvement of operating result in Radio segment

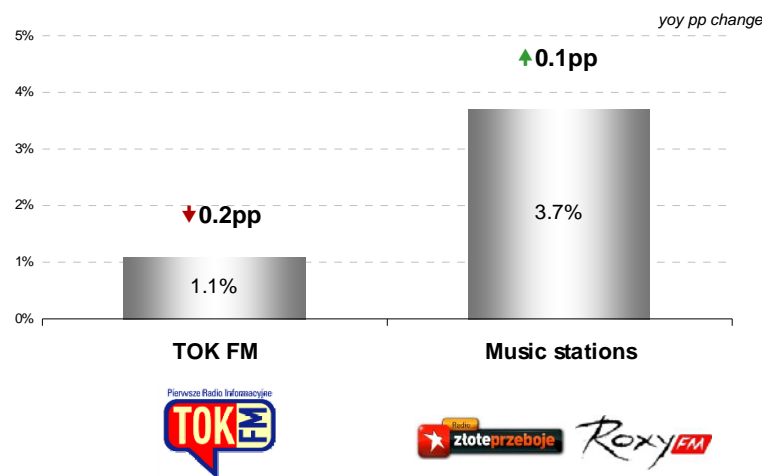
## Cost savings improve operating result

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
Revenues, incl.:	22.7	26.1	(13.0%)	40.8	45.3	(9.9%)
advertising	22.1	25.5	(13.3%)	39.8	44.3	(10.2%)
Operating cost net	(19.2)	(23.5)	(18.3%)	(37.4)	(44.7)	(16.3%)
EBIT	3.5	2.6	34.6%	3.4	0.6	466.7%
EBIT margin	15.4%	10.0%	5.4pp	8.3%	1.3%	7.0pp
Operating EBITDA <sup>1</sup>	4.2	3.2	31.3%	4.7	2.0	135.0%
Operating EBITDA margin	18.5%	12.3%	6.2pp	11.5%	4.4%	7.1pp



- ✓ Lower revenues from brokerage services,
- ✓ Reduction of the operating cost.

## Agora music radio stations grow audience share<sup>2</sup>



## Development of mobile applications

Applications of Radio Złote Przeboje & Radio Roxy for devices with Android system



New application of Tuba FM for iPhone

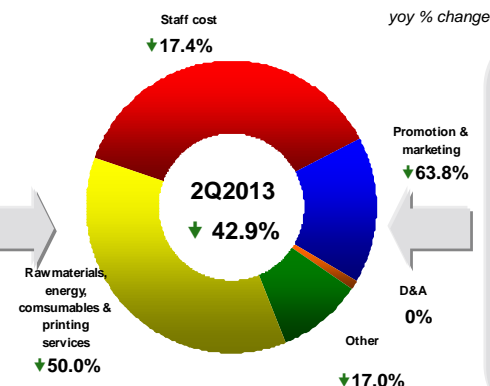


Source: financials: consolidated financial statements according to IFRS 2Q2013; local radio stations (incl. TOK FM), ad market: Agora's estimates based on Kantar Media, Agora's share incl. TOK FM, excl. brokerage, incl. cross-promotion of Agora's other media in GRA's radio stations if such promotion was executed without prior reservation;  
<sup>1</sup> excluding non-cash cost of share-based payments;  
<sup>2</sup> according to audience share, Radio Track, MillwardBrown SMG/KRC, cities of broadcasting, 15+, Apr-Jun'2013 N=21 035.

# Optimization of the Magazine segment operations

## Improvement of operating result despite the drop in revenues

PLN million	2Q2013	2Q2012	yoy % change	1H2013	1H2012	yoy % change
Revenues, incl.:	11.6	18.6	(37.6%)	23.6	34.6	(31.8%)
copsales	4.3	7.1	(39.4%)	9.8	13.9	(29.5%)
advertising	7.3	11.5	(36.5%)	13.8	20.5	(32.7%)
Operating cost net <sup>1</sup>	(10.4)	(18.2)	(42.9%)	(20.5)	(32.8)	(37.5%)
EBIT <sup>1</sup>	1.2	0.4	200.0%	3.1	1.8	72.2%
EBIT margin	10.3%	2.2%	8.1pp	13.1%	5.2%	7.9pp
Operating EBITDA <sup>2</sup>	1.4	0.6	133.3%	3.3	2.0	65.0%
Operating EBITDA margin	12.1%	3.2%	8.9pp	14.0%	5.8%	8.2pp



- Operating cost reduction:**
- ✓ Staff reduction
  - ✓ Lower volumes of printed titles
  - ✓ Lower no. of special editions
  - ✓ Reduction in no. of gadgets
  - ✓ Reduction in no. of ad campaigns

## Development of segment's digital offer

Avanti on iPad



## GrandFront 2012 awards for Agora's magazines

### CATEGORY – WOMEN MAGAZINES

1. WINNER

2. RUNNER-UP

DISTINCTION



Source: financials: consolidated financial statements according to IFRS, 2Q2013;

<sup>1</sup> excluding allocations of general overhead cost of Agora S.A.;

<sup>2</sup> excluding non-cash cost of share-based payments and allocations of general overhead cost of Agora S.A.;

## OPERATING RESULT IMPROVEMENT

- ✓ Operating cost reduction
- ✓ Growth of other sales
- ✓ Positive impact of *Gazeta Wyborcza* copy price increase on copy sales revenues
- ✓ Growth of outdoor ad revenues despite negative market trends

## DEVELOPMENT INITIATIVES

- ✓ Changes in the paper edition of *Gazeta Wyborcza* and copy price increase since July, 2013
- ✓ Launch of new *Wyborcza.pl* site
- ✓ Increased technical reach of selected radio stations
- ✓ Content digitalization and development of mobile applications

## 2H 2013 OUTLOOK

- ✓ Revision of advertising market estimates in selected ad market segments for 2013
- ✓ Multi-screen cinema openings
- ✓ Film distribution
- ✓ Further stages of content digitalization and monetization

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