

Financial and market performance 2Q2015



AGORA_{SA}

press // movies & books // outdoor // internet // radio // print

- ✓ Advertising market
- ✓ Financial results of the Agora Group
- ✓ Segments results and development initiatives
- ✓ Summary

3.

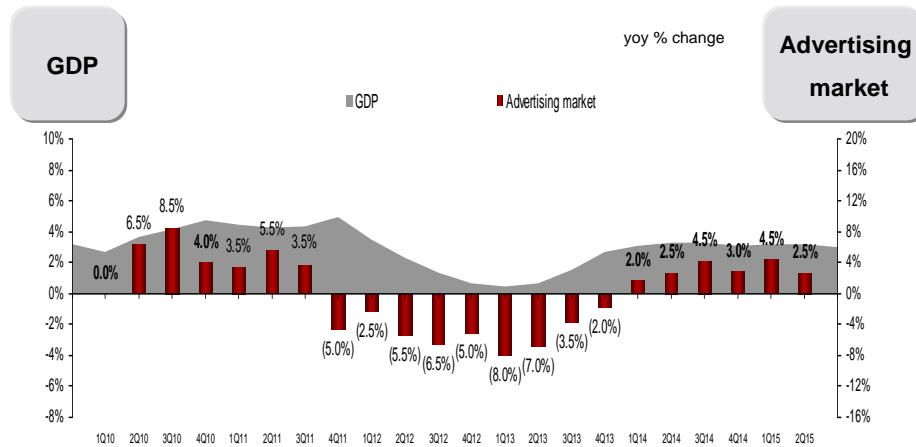
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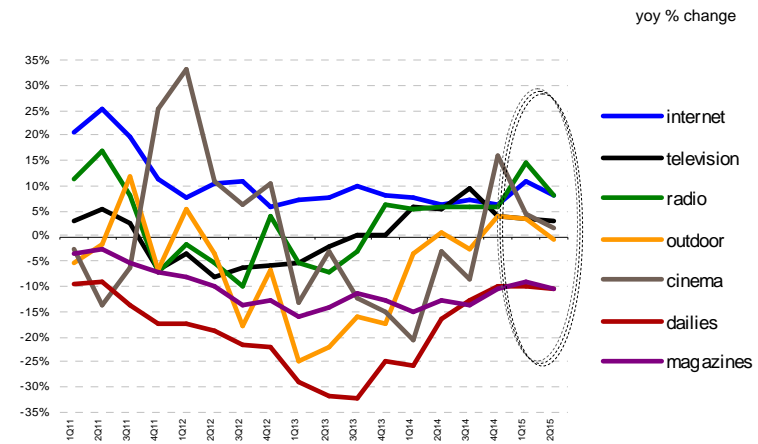
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Advertising market condition in 2Q2015

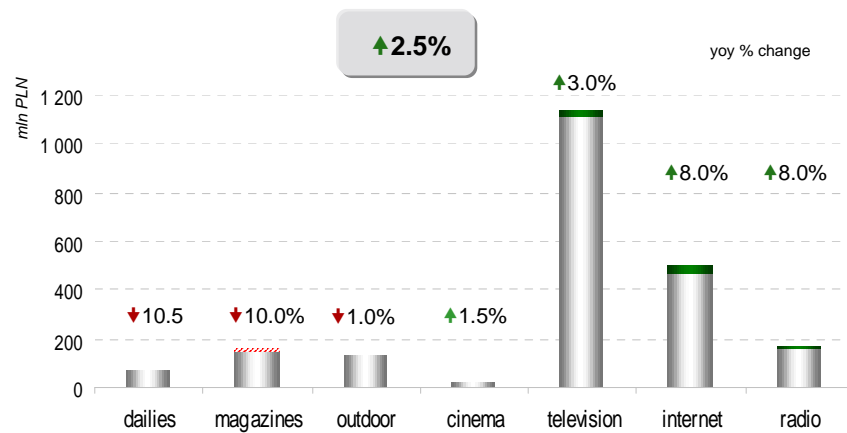
Consecutive quarter of advertising market revival



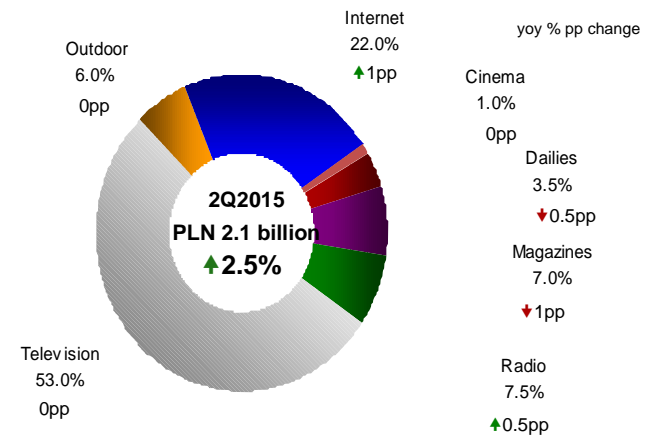
Dynamics of the advertising market segments



Growth in ad spend in 2Q2015



Advertising market structure – 2Q2015



Improvement in the Group's operating results

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Growth of revenues and improvement of the Group's operating results

PLN million	2Q2015	2Q2014	% change yoy	1H2015	1H2014	% change yoy
Total sales¹	292.8	270.8	8.1%	575.6	524.8	9.7%
Advertising revenue	151.5	146.3	3.6%	267.0	257.3	3.8%
Copy sales	35.9	32.5	10.5%	73.5	65.6	12.0%
Ticket sales	26.1	24.6	6.1%	77.0	66.1	16.5%
Printing services	37.7	41.1	(8.3%)	76.8	81.8	(6.1%)
Other	41.6	26.3	58.2%	81.3	54.0	50.6%
Operating cost net, including:	(289.2)	(270.8)	6.8%	(569.5)	(534.4)	6.6%
Raw materials, energy and consumables	(54.0)	(58.6)	(7.8%)	(109.6)	(118.2)	(7.3%)
D&A	(30.1)	(24.1)	24.9%	(53.5)	(47.9)	11.7%
External services	(94.9)	(84.3)	12.6%	(190.2)	(169.9)	11.9%
Staff cost	(79.8)	(76.7)	4.0%	(156.3)	(149.6)	4.5%
Promotion and marketing	(20.6)	(18.0)	14.4%	(39.5)	(31.2)	26.6%
Operating result - EBIT	3.6	0,0	-	6.1	(9.6)	-
EBIT margin	1.2%	-	1.2pp	1.1%	(1.8%)	2.9pp
EBITDA	33.7	24.1	39.8%	59.6	38.3	55.6%
EBITDA margin	11.5%	8.9%	2.6pp	10.4%	7.3%	3.1pp
Profit/(loss) for the period	3.5	(1.5)	-	4.8	(10.5)	-

↑ growth of advertising revenue mainly due to faster than market growth of advertising revenue in Internet and Radio segments,

↑ growth of copy sales revenue in Agora's Publishing House and in Press segment,

↑ positive impact of revenues from the co-production and distribution of *The Witcher 3: Wild Hunt*,

↓ lower yoy revenues from the printing services for external clients due to lower volume of orders.

↓ the decrease in raw materials, energy and consumables as a result of lower volume of coldset production,

↑ growth of D&A and external services cost results from depreciation of co-production contribution in *Witcher 3: Wild Hunt* and payment for the game's producer. The growth of external cost was related also to high brokerage services cost and Group's activities in the movie industry,

↑ growth of staff cost is related to development activities,

↑ growth of advertising and promotion results from more intense promotional activities in Press and Internet segments.

Source: consolidated financial statements according to IFRS, 1H2015;

¹ particular sales positions, apart from ticket sales and printing services, include sales of Publishing House and film activities (co-production and distribution) in the Movies and Books segment.

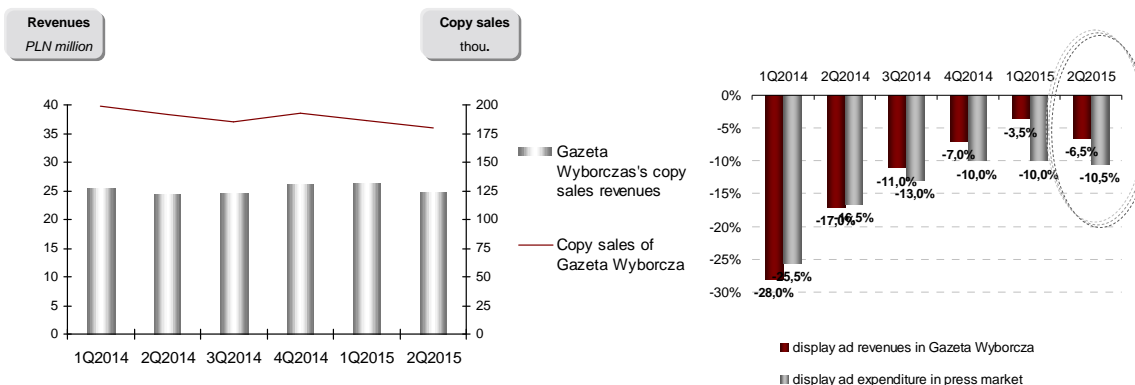
Gradual stabilization of Press revenues

Growth of revenues from copy sales

PRESS						
in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, incl.:	80.4	80.5	(0.1%)	148.7	149.7	(0.7%)
Copy sales, incl.:	32.6	30.8	5.8%	65.6	62.2	5.5%
Gazeta Wyborcza	25.0	24.4	2.5%	51.4	50.0	2.8%
Magazines	4.6	4.6	-	8.6	8.8	(2.3%)
Advertising, incl.:	46.7	48.6	(3.9%)	81.2	85.6	(5.1%)
Gazeta Wyborcza	29.8	30.5	(2.3%)	52.1	55.3	(5.8%)
Magazines	6.4	6.8	(5.9%)	10.9	11.3	(3.5%)
Metro	5.0	5.9	(15.3%)	9.1	10.6	(14.2%)
Operating cost net	(73.7)	(71.5)	3.1%	(141.2)	(134.5)	5.0%
EBIT¹	6.7	9.0	(25.6%)	7.5	15.2	(50.7%)
EBIT margin	8.3%	11.2%	(2.9pp)	5.0%	10.2%	(5.2pp)
EBITDA	9.3	11.7	(20.5%)	12.5	20.1	(37.8%)
EBITDA margin	11.6%	14.5%	(2.9pp)	8.4%	13.4%	(5.0pp)

- ↑ growth of revenues from copy sales allows to maintain revenues of the segment almost flat yoy,
- ↑ growth of revenues from copy sales due to higher number of *Gazeta Wyborcza*'s editions in dual priced offer, copy price increase in October 2014 and revenues from digital distribution,
- ↓ lower than market decline of ad revenues in *Gazeta Wyborcza* and the whole Press segment,
- ↑ growth of the operating cost due to higher number of dual priced offers with *Gazeta Wyborcza* and higher staff cost.

Gradual inhibition of the influence of market trends



Development initiatives



Source: consolidated financial statements according to IFRS, 1H2015; the data on the number of copies sold (total paid circulation) of daily newspapers is derived from the National Circulation Audit Office (ZKDP).
¹ excluding allocations of general overhead cost of Agora S.A.

Growth of revenues in Movies and Books segment

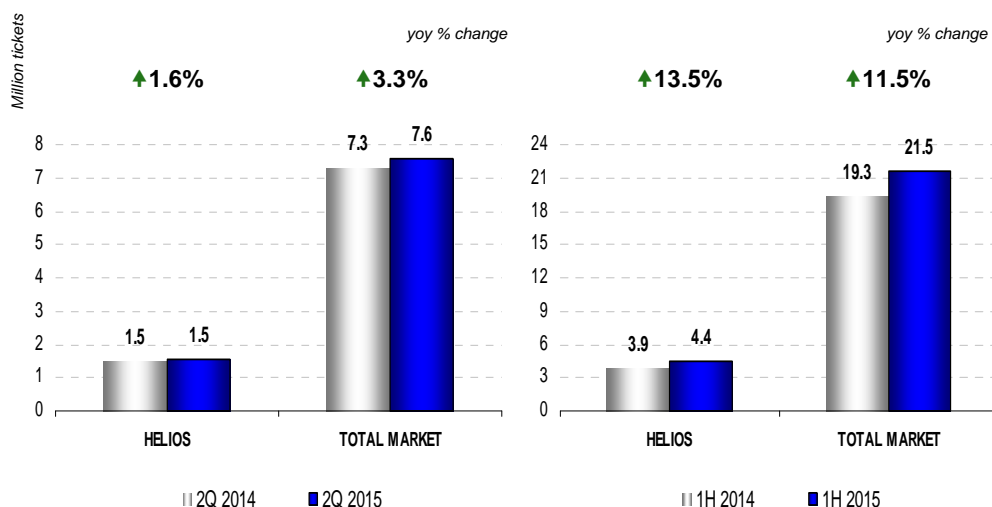
Growth of revenues due to coproduction and distribution of the game *Witcher 3: Wild Hunt*

Movies and Books						
in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, including :	71.1	54.3	30.9%	167.5	125.2	33.8%
Tickets sales	26.0	24.6	5.7%	77.0	66.1	16.5%
Concession sales	10.4	9.3	11.8%	27.8	22.5	23.6%
Advertising revenue ¹	6.1	6.8	(10.3%)	12.3	11.9	3.4%
Revenues from film activities ¹	1.8	3.1	(41.9%)	10.2	3.2	218.8%
Revenues from Publishing House	24.2	6.8	255.9%	34.0	13.3	155.6%
Total cost, including:	(75.2)	(56.7)	32.6%	(156.7)	(122.5)	27.9%
EBIT²	(4.1)	(2.4)	(70.8%)	10.8	2.7	300.0%
EBIT margin	(5.8%)	(4.4%)	(1.4pp)	6.4%	2.2%	4.2pp
EBITDA	9.7	4.1	136.6%	32.0	15.4	107.8%
EBITDA margin	13.6%	7.6%	6.0pp	19.1%	12.3%	6.8pp

- ▲ PLN 14.9 million revenues from coproduction and distribution of the game *The Witcher 3: Wild Hunt*,
- ▲ higher revenues from the admissions,
- ▲ higher revenues from the concession sales.

- ▲ growth of the operating cost due to depreciation of coproduction contribution and payments for the producer of the game *The Witcher 3: Wild Hunt*,
- ▲ higher external services related to the activities in the movie industry.

Polish cinema admissions³



Development initiatives

Opening of a new cinema
Jelenia Gora (5 screens)
April 29, 2015

Plans for 2H 2015
Lodz, Wroclaw,
Bialystok



Film activities

1H 2015
Disco Polo
(distribution and co-production)
Ziarno prawdy
(distribution and co-production)
Ze wszystkich sił
(distribution)
Polskie gówno
(distribution)

Plans for 2H 2015
Karbala
(distribution and co-production)
Krol życia
(distribution and production)
Obce niebo
(distribution and co-production)
Opowieść o miłości i mroku
(distribution)

Improvement of operating results in Internet segment

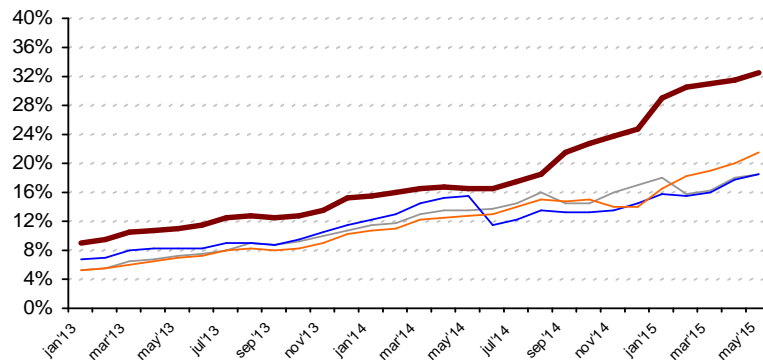
Growth of revenues and improvement of the operating result

INTERNET

in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, incl.	39.9	34.0	17.4%	71.7	60.7	18.1%
display ad sales	33.4	27.2	22.8%	58.8	47.4	24.1%
ad sales in verticals	3.4	3.8	(10.5%)	6.7	7.3	(8.2%)
Operating cost net	(32.2)	(27.6)	16.7%	(61.0)	(50.3)	21.3%
EBIT¹	7.7	6.4	20.3%	10.7	10.4	2.9%
EBIT margin	19.3%	18.8%	0.5pp	14.9%	17.1%	(2.2pp)
EBITDA	9.1	7.7	18.2%	13.4	12.9	3.9%
EBITDA margin	22.8%	22.6%	0.2pp	18.7%	21.3%	(2.6pp)

- ▲ higher than market growth of segment's ad revenues,
- ▲ growth of external services due to higher cost of brokerage services,
- ▲ growth of staff cost due to development projects,
- ▲ higher yoy intensity of segment's promotional activity.

Systematic growth in share of mobile page views²



The largest share of mobile pageviews on websites from Gazeta.pl group vs total no. of pageviews compared with market peers

— Onet - RASP Group — Wirtualna Polska Group
 — Gazeta.pl Group — Interia.pl Group

Development initiatives



Strengthening Agora's position in fast growing video segment by launching Epic Makers – production studio specializing in online video formats with the partner network operating on YouTube.



Gazeta.pl shall launch Polish version of **Business Insider** – one of the fastest growing in the world websites with technological and business content.

Growth of revenues and operating results in Radio segment

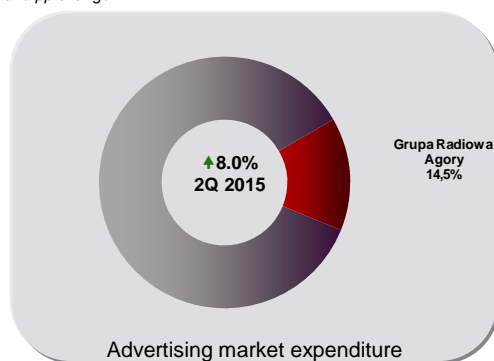
Growth of revenues

RADIO						
in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, incl.:	27.2	23.2	17.2%	48.7	41.3	17.9%
advertising ¹	24.7	22.3	10.8%	44.6	39.5	12.9%
Operatig cost net	(23.0)	(19.9)	15.6%	(44.3)	(38.2)	16.0%
EBIT	4.2	3.3	27.3%	4.4	3.1	41.9%
EBIT margin	15.4%	14.2%	1.2pp	9.0%	7.5%	1.5pp
EBITDA	4.9	3.9	25.6%	5.8	4.4	31.8%
EBITDA margin	18.0%	16.8%	1.2pp	11.9%	10.7%	1.2pp

- ↑ higher than market growth of advertising revenue,
- ↑ higher external services cost due to growth in the cost of brokerage services,
- ↑ growth of staff cost due to development projects.

Market position of Agora's radio stations in 2Q 2015

yoy % and pp change



	Audience share ²	
TOK FM	1.5%	+0.3pp yoy
Music radio stations (Rock Radio and Złote Przeboje)	3.9%	-0.5pp yoy

New radio brand - Radio Pogoda in the Group's portfolio

24 local radio stations

7 local radio stations

17 urban areas



4 local radio stations:
- Warszawa,
- Krakow,
- Poznan,
- Opole.

Source: financials: consolidated financial statements according to IFRS, 1H2015; local radio stations (incl. TOK FM), ad market: Agora's estimates based on Kantar Media,

¹ excludes cross-promotion of Agora Group's other media in GRA's radio stations if such promotion was executed without prior reservation;

² according to audience share, Radio Track, MillwardBrown SMG/KRC, cities of broadcasting; Apr-Jun 2014 N=21 057; 2015: N= 21 048;

Improvement of operating results in Outdoor and Print segments

Reduction of operating cost and improvement of operating results in OUTDOOR segment

OUTDOOR						
in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, incl.:	42.3	42.5	(0.5%)	74.1	73.7	0.5%
advertising ¹	41.5	41.9	(1.0%)	72.7	72.3	0.6%
Operating cost net	(33.4)	(37.0)	(9.7%)	(64.7)	(71.7)	(9.8%)
EBIT	8.9	5.5	61.8%	9.4	2.0	370.0%
EBIT margin	21.0%	12.9%	8.1pp	12.7%	2.7%	10.0pp
EBITDA	12.0	9.7	23.7%	15.4	10.3	49.5%
EBITDA margin	28.4%	22.8%	5.6pp	20.8%	14.0%	6.8pp

- ♦ revenue dynamics in line with market,
- ♦ reduction of operating cost, i.a., thanks to:
 - lower rental fees for panels,
 - lower cost of campaign execution,
 - lower staff cost.

Reduction of operating cost and improvement of operating results in PRINT segment

PRINT						
in PLN million	2Q 2015	2Q 2014	% change yoy	1H 2015	1H 2014	% change yoy
Total sales, incl.:	40.1	43.0	(6.7%)	81.1	85.6	(5.3%)
printing services ²	37.7	41.1	(8.3%)	76.8	81.8	(6.1%)
Operating cost net	(39.9)	(43.4)	(8.1%)	(79.5)	(86.8)	(8.4%)
EBIT³	0.2	(0.4)	-	1.6	(1.2)	-
EBIT margin	0.5%	(0.9%)	1.4pp	2.0%	(1.4%)	3.4pp
EBITDA	4.1	3.5	17.1%	9.7	7.1	36.6%
EBITDA margin	10.2%	8.1%	2.1pp	12.0%	8.3%	3.7pp

- ♦ decline in revenues related to lower volume of orders- mainly for printing services in coldset technology,
- ♦ reduction in operating cost due to lower volume of orders for printing services in coldset technology.

Source: financials: consolidated financial statements according to IFRS, 1H2015; Print segment results includes the pro-forma financials of Agora's Print division and Agora Poligrafia Sp. z o.o.

¹ excluding cross-promotion of Agora Group's other media on AMS panels if such promotion was executed without prior reservation;

² total sales includes revenues from services rendered for external customers;

³ excludes allocations of all Company's overheads.

FINANCIAL RESULTS OF THE AGORA GROUP IN 2Q2015

- ✓ revenues of the Agora Group on the growth trajectory,
- ✓ explicit improvement of the Group's operating results,
- ✓ systematic growth of profitability in most of the Group's businesses,
- ✓ higher than market growth of ad revenues in Internet and Radio segments,
- ✓ stabilization of revenues from the Group's press operations.

PROSPECTS FOR 2H 2015

- ✓ advertising market condition in accordance with the estimates for 2015,
- ✓ further expansion of Helios cinema network,
- ✓ continuation of bus shelters construction in Warsaw (till now there ca 500 bus shelters),
- ✓ increase in the scale of film activities,
- ✓ continuation of digital initiatives in the Group,
- ✓ implementation of projects aiming at further stabilization of revenues in Press segment,
- ✓ launching new radio stations,
- ✓ participation in concession proceeding for the TC broadcaster on MUX-8.

Thank you for your attention

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