

# KP Media

KYIV POST KYIV BUSINESS DIRECTORY bigmir.net АФІША Корреспондент Pink ІНТЕРНЕТ МЕДІА 15 МІЛІУТ Плати ВОНА НОВИНАР

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## **KP Media Announce 4Q Results; Strong Growth in Revenue and EBITDA.**

KP Media announced its 4q results showing strong growth in Revenue and EBITDA. Top-line revenue increased to \$6.3 mln., a 49% increase over 4q/06. EBITDA totals for 4q/07 was \$344 ths., an increase of 145% from 4q/06.

Developed Projects of KP Media, those over 3 years on the market, showed strong growth of 40%. This growth was faster than the total advertising market in Ukraine, which increased 32%. The Developed Projects has EBITDA margins of 33% and EBITDA of \$1.8 mln. Most notably, Internet revenues of KP Media increased by over 105% in 9m to date of KP financial calendar.

KP Media had continued investments into new projects in 4q totaling nearly \$1.5 mln. As outlined, KP Media expects to continue to make significant investments into New Projects launched after the completion of the IPO.

In the first 9m of the financial year, KP Media showed 56% revenue growth, including 43% for Developed Projects. EBITDA losses were (\$-737ths.) due to investments into New Projects. This total was significantly less than the budgeted EBITDA loss of (\$1.5mln.).

KP Media is a leader in the Ukrainian media market, active in both print and internet. Its leading brands include bigmir.net, Korrespondent, Afisha and Kyiv Post. KP Media is traded on the PFTS, stock symbol KPME.

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## KP Media Total

4Q'07 vs 4Q'06

(\$)	Q4'07 TOTAL	Q4'06 TOTAL	Variance	Var, %
<b>Total Net Revenue</b>	<b>6 313 515</b>	<b>4 223 900</b>	<b>2 089 615</b>	<b>49%</b>
Cost of Revenue	- 3 964	- 2 508	- 1 456	
less Intercompany Eliminations	940 29 420	494 33 789	446 4 369	-58% -13%
<b>Gross Margin</b>	<b>2 377 996</b>	<b>1 749 195</b>	<b>628 801</b>	<b>36%</b>
Gross Margin %	38%	41%		
<b>Other Income</b>	<b>33 124</b>		124 33	100%
Operating Expenses	- 2 279	- 1 773	- 506	
less Intercompany Eliminations	918 36 937	240 49 481	678 12 544	-29% -25%
<b>Operating Margin</b>	<b>168 139</b>	<b>436</b>	<b>142 703</b>	<b>561%</b>
Operating Margin %	3%	1%		
Non Operating Income/(Exp.)	- 21	528 112	- 037 134	-119%
<b>Net Income Before Tax</b>	<b>146 629</b>	<b>137 964</b>	<b>8 665</b>	<b>6%</b>
Income Tax	- 36	- 8	- 762 27	-313%
<b>Net Income</b>	<b>110 006</b>	<b>129 103</b>	<b>- 19 097</b>	<b>-15%</b>
Net Income %	2%	3%		
Operating Margin	139 168	436 25	703 142	561%
Depreciation	431 176	050 115	381 61	-53%
<b>EBITDA</b>	<b>344 570</b>	<b>140 486</b>	<b>204 084</b>	<b>145%</b>
EBITDA %	5%	3%		

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## KP Media Total 9M'07F vs 9M'06F

(\$)	Apr-Dec '07 TOTAL	Apr-Dec '06 TOTAL	Variance	Var, %
<b>Total Net Revenue</b>	<b>16 020 926</b>	<b>10 292 885</b>	<b>5 728 041</b>	<b>56%</b>
Cost of Revenue	- 10 514 922	- 6 389 786	- 4 125 136	-65%
less Intercompany Eliminations	84 637	101 028	- 16 391	-16%
<b>Gross Margin</b>	<b>5 590 641</b>	<b>4 004 127</b>	<b>1 586 514</b>	<b>40%</b>
Gross Margin %	35%	39%		
<b>Other Income</b>	<b>40 039</b>		40 039	100%
Operating Expenses	- 6 974 661	- 5 245 550	- 1 729 111	-33%
less Intercompany Eliminations	112 607	107 268	5 339	5%
<b>Operating Margin</b>	<b>- 1 231 374</b>	<b>- 1 134 155</b>	<b>- 97 219</b>	<b>-9%</b>
Operating Margin %	-8%	-11%		
Non Operating Income/(Exp.)	28 725	175 237	- 146 512	-84%
<b>Net Income Before Tax</b>	<b>- 1 202 649</b>	<b>- 958 918</b>	<b>- 243 731</b>	<b>-25%</b>
Income Tax	- 105 951	- 14 386	- 91 565	-636%
<b>Net Income</b>	<b>- 1 308 600</b>	<b>- 973 304</b>	<b>- 335 296</b>	<b>-34%</b>
Net Income %	-8%	-9%		
Operating Margin	- 1 231 374	- 1 134 155	- 97 219	-9%
Depreciation	493 771	271 264	- 222 507	-82%
<b>EBITDA</b>	<b>- 737 603</b>	<b>- 862 891</b>	<b>125 288</b>	<b>15%</b>
EBITDA %	-5%	-8%		

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## KP Media Developed Projects

4Q'07 vs 4Q'06

(\$)	Q4 '07 Developed Projects *	Q4 '06 Developed Projects *	Variance	Var, %
<b>Total Net Revenue</b>	<b>5 530 168</b>	<b>3 961 961</b>	<b>1 568 207</b>	<b>40%</b>
Cost of Revenue	- 2 503 036	- 2 019 019	- 484 017	-24%
less Intercompany Eliminations	11 983	33 789	- 21 806	-65%
<b>Gross Margin</b>	<b>3 039 115</b>	<b>1 976 731</b>	<b>1 062 384</b>	<b>54%</b>
Gross Margin %	55%	50%		
<b>Other Income</b>	<b>33 124</b>		33 124	100%
Operating Expenses	- 1 415 607	- 1 631 336	215 729	13%
less Intercompany Eliminations	36 937	49 481	- 12 544	-25%
<b>Operating Margin</b>	<b>1 693 568</b>	<b>394 876</b>	<b>1 298 692</b>	<b>329%</b>
Operating Margin %	31%	10%		
Non Operating Income/(Exp.)	- 21 509	112 528	- 134 037	-119%
<b>Net Income Before Tax</b>	<b>1 672 059</b>	<b>507 404</b>	<b>1 164 655</b>	<b>230%</b>
Income Tax	- 36 623	- 861	- 27 762	-313%
<b>Net Income</b>	<b>1 635 436</b>	<b>498 543</b>	<b>1 136 893</b>	<b>228%</b>
Net Income %	30%	13%		
Operating Margin	1 693 568	394 876	1 298 692	329%
Depreciation	122 683	111 939	- 10 744	-10%
<b>EBITDA</b>	<b>1 816 251</b>	<b>506 815</b>	<b>1 309 436</b>	<b>258%</b>
EBITDA %	33%	13%		

\* Projects which exist more than 3 years

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## KP Media Developed Projects

9M'07F vs 9M'06F

(\$)	Apr-Dec '07 Developed Projects *	Apr-Dec '06 Developed Projects *	Variance	Var, %
<b>Total Net Revenue</b>	<b>14 237 672</b>	<b>9 943 175</b>	<b>4 294 497</b>	<b>43%</b>
Cost of Revenue	- 6 995 294	- 5 429 072	- 1 566 222	-29%
<i>less Intercompany Eliminations</i>	84 637	101 028	- 16 391	-16%
<b>Gross Margin</b>	<b>7 327 015</b>	<b>4 615 131</b>	<b>2 711 884</b>	<b>59%</b>
<i>Gross Margin %</i>	51%	46%		
<b>Other Income</b>	<b>40 039</b>		40 039	100%
Operating Expenses	- 4 314 730	- 4 861 065	546 335	11%
<i>less Intercompany Eliminations</i>	81 887	107 268	- 25 381	-24%
<b>Operating Margin</b>	<b>3 134 211</b>	<b>- 138 666</b>	<b>3 272 877</b>	<b>2360%</b>
<i>Operating Margin %</i>	22%	-1%		
Non Operating Income/(Exp.)	28 725	175 237	- 146 512	-84%
<b>Net Income Before Tax</b>	<b>3 162 936</b>	<b>36 571</b>	<b>3 126 365</b>	<b>8549%</b>
Income Tax	- 105 951	- 14 386	- 91 565	-636%
<b>Net Income</b>	<b>3 056 985</b>	<b>22 185</b>	<b>3 034 800</b>	<b>13680%</b>
<i>Net Income %</i>	21%	0%		
Operating Margin	3 134 211	- 138 666	3 272 877	2360%
Depreciation	353 620	264 950	- 88 670	-33%
<b>EBITDA</b>	<b>3 487 831</b>	<b>126 284</b>	<b>3 361 547</b>	<b>2662%</b>
<i>EBITDA %</i>	24%	1%		

\* Projects which exist more than 3 years