

# КР Media

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## КР Media

From “A” to “IPO”

This announcement appears as a matter of record only

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July 2006

## Initial Public Offering - US\$ 11 million 10% Convertible Bond - US\$ 4 million

*Financial adviser*

**Dragon  Capital**

*Kyiv, Ukraine*

Dragon Capital  
36 D Saksahanskogo,  
01033, Kyiv, Ukraine  
tel. 38 044 490 71 20  
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*Financial adviser*



**ABD Capital Ukraine**

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## Walk through our IPO process

- Who is КР?
- Why IPO?
- Results of IPO?

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## Who is КР Media?



1995 Kyiv Post



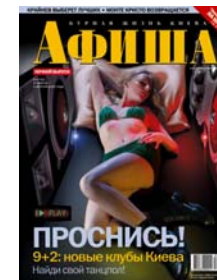
1996 KBD



1999 Korr.net



2000 Bigmir.net



2001 Afisha Kyiv



2002 Korrespondent



2004 Interier Magazin



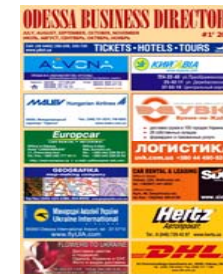
2004 Pink



2005 Idei Vashego  
Doma



2005 Afisha Donetsk



2005 OBD



2006 15 minut

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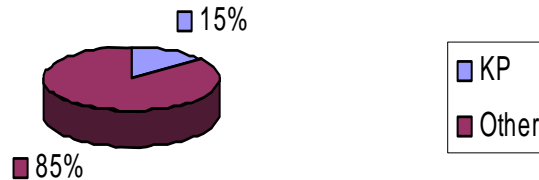
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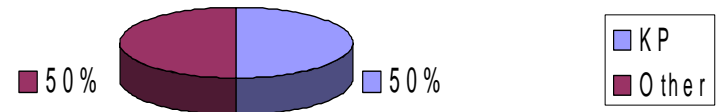
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## Market share

15% Market Share in magazines



50% Market Share in Internet



- KP wants to enter newspaper market in 2006

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Biggest problem was always lack of capital.

- Launched in 1995 with USD 8,000
- No assets: computers, tables and people.
- Creative accounting: lack of transparency.
- Result: Limited possibilities for outside financing
- All growth financed from profits.

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## Why IPO?

- Media market changing rapidly, becoming more competitive, beginning to consolidate
- Each new project becoming bigger, more expensive: launch 15 Minutes, daily newspaper in 2006.
- Consider possible acquisitions.
- Need for outside financing.

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## Requirements for outside financing

- No assets for collateral: limit options with banks.
- Retain control.
- Get maximum valuation.

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## IPO process

- 12/05: begin work with Dragon.
- 1/06: begin restructuring of corporate entities.
- 3/06: Road show to Switzerland, raise USD 4 million in convertible bonds: allow for launch of 15 Minutes.
- 6/06: complete restructuring, meetings with investors.
- 27/07/06: completion of IPO.

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## Results of IPO

- Raise large amount of capital.
- No reps and warranties or special veto power for external investors.
- Develop public price for company: make returning to market easier.
- Develop option plan for employees.

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## 3 Ts for IPO success

- Time
- Two
- Top

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## Time

- Expect it will take between six months and one year.
- КР Media: 8 months from start to finish

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## Two jobs

- Top management need to do 2 jobs during process.
- IPO process is a full-time job, but you still need to run your company.

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## Top-notch Advisers

- Ensure you have the best advisers next to you for entire process.

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*Thank you.*

*Presented by Jed Sunden*