Agora SA

WSE/CSFB Conference
February 19, 2002
It was quite a year

**WORLDWIDE**
- TMT bubble burst
- Economic slowdown
- WTC attack
- Synchronized recession
- War on terrorism

**POLAND**
- Political scandals
- Summer flood
- Fiscal crisis
- Parliamentary elections

- Progressive weakening of economy
- Low consumer and business confidence
- Rising unemployment
- Ad market recession
- Increased newsflow
Ad market performance*

Ad spend versus GDP (1999 – 2001)

Top 10 ad categories in 3 media - 2001

- FMCG: -10%
- automotive: -16%
- telecom: +11%
- home: -14%
- health: +13%
- AT&T*: +2%
- retail: +19% * alcohol, tobacco, tea, coffee
- finance: -15%
- entertainment: -3%

*Source: Agora, estimated figures - corrected for average discount rate, adjusted for inflation

Ad market performance by media - 2001

Employment ads in focus

TV, print, radio

*1Q 01 2Q 01 3Q 01 4Q 01*
Agora’s businesses - Gazeta Wyborcza

Gazeta’s outstanding profitability

SAVE ON FIXED COSTS
- employment: redundancies allow for 5% reduction in staff
- salaries freeze
- sell production capacity

INCREASE REVENUES PER AD PAGE

CUT VARIABLE COSTS
- product restructuring:
  - save on production volume - reduce newsprint costs
  - all operating costs tightening

STRONG MARKET POSITION
- 32% EBITDA Margin
- market share maintained

GROW COPY SALES

AGORA SA
## Agora’s businesses - Gazeta Wyborcza cont’d

### Key business drivers

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily paid circulation</td>
<td>462,864</td>
<td>0.3%</td>
</tr>
<tr>
<td>Average copy price (PLN)</td>
<td>1.99</td>
<td>21.1%</td>
</tr>
<tr>
<td>Revenue from copy sales (PLN m)</td>
<td>172.4</td>
<td>12.2%</td>
</tr>
<tr>
<td>Number of ad pages</td>
<td>95,467</td>
<td>-19.8%</td>
</tr>
<tr>
<td>Average revenue per ad page (PLN)</td>
<td>5,848</td>
<td>13.2%</td>
</tr>
<tr>
<td>Total ad revenue (PLN m)</td>
<td>558.3</td>
<td>-9.3%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>32.1%</td>
<td>-3.1pp.</td>
</tr>
</tbody>
</table>

### Daily newspaper ad categories*

* alcohol, tobacco, tea, coffee

### Daily newspaper advertising share*

- **Gazeta** 47.4%
- **Other dailies** 52.8%

* Source: Agora, estimated figures, corrected for average discount rate, adjusted for inflation
Agora’s businesses - radio

Agora vs radio ad market*

Radio ad market in 2001*

Local radio stations’ group

Perfromance by station

* Agora, estimated figures - corrected for average discount rate, adjusted for inflation
**The local radio group expanded to 20 stations in 2001
Agora’s businesses – other ventures

**Internet portal**

<table>
<thead>
<tr>
<th>PLN mln</th>
<th>2001</th>
<th>%change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3.8</td>
<td>7.2%</td>
</tr>
<tr>
<td>-- ad revenue</td>
<td>3.0</td>
<td>3.2%</td>
</tr>
<tr>
<td>Operating cost</td>
<td>29.1</td>
<td>162%</td>
</tr>
<tr>
<td>-- D&amp;A</td>
<td>10.6</td>
<td>678%</td>
</tr>
<tr>
<td>Capex</td>
<td>17.9</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Page views -Q4 vs Q3 (m)</td>
<td>126.7</td>
<td>19.3%</td>
</tr>
<tr>
<td>Visits -Q4 vs Q3 (m)</td>
<td>10.6</td>
<td>49.8%</td>
</tr>
</tbody>
</table>

**City Magazine**

<table>
<thead>
<tr>
<th>PLN mln</th>
<th>2001</th>
<th>%change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad revenue</td>
<td>4.5</td>
<td>+79%</td>
</tr>
<tr>
<td>Net loss</td>
<td>1.0</td>
<td>--</td>
</tr>
</tbody>
</table>

- acquired in April 2001
- rolled out to 7 major cities, total circulation 159,000 copies

**Metro**

<table>
<thead>
<tr>
<th>PLN mln</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>0.3</td>
</tr>
<tr>
<td>Operating cost</td>
<td>0.4</td>
</tr>
</tbody>
</table>

- kicked off in Warsaw in Oct. 2001
- starts in Wroclaw in Dec. 2001
- distributed twice a week
- total circulation of around 100,000 copies

**TOK FM**

<table>
<thead>
<tr>
<th>PLN mln</th>
<th>2001</th>
<th>%change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2.3</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Operating cost (before D&amp;A)</td>
<td>6.9</td>
<td>67.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>-4.7</td>
<td>--</td>
</tr>
</tbody>
</table>
Agora’s businesses – latest acquisition

Mass press market*

- Local dailies 37%
- National dailies 27%
- Magazines 36%

Magazines ad spend growth*

- 1999: +18.6%
- 2000: +10.2%
- 2001: -0.2%

Agora’s latest acquisition

Agora in the national ad magazine market*

- Edipresse 14%
- G&J 11%
- Hachette 5%
- Marquard 3%
- Murator 4%
- Bauer 13%
- Axel Springer 10%
- Others 36%

Purchased 12 titles:
total readership of 5.2 mln
or 21.9% share in the magazine segment.

* Source: Agora, estimated figures - corrected for average discount rate, adjusted for inflation
Acquisition strategy

Opportunities in Poland

Print 41%
Radio 7%
Outdoor 6%
TV 47%
Scholastic publishing

ADVANTAGES
- Financial standing and liquidity
- Attractive partner
- Market expertise

CHALLENGES
- Tough competition for a limited pool of assets
- Regulatory instability (broadcasting)
- New segments require new competencies/hires
Acquisition strategy

Opportunities in the CEE region*

Czech Republic
- GDP ($bln) 55.3
- Ad spend per capita ($) 74
- Ad market:
  - Radio 3.4%
  - Press 38.1%

Hungary
- GDP ($bln) 64.0
- Ad spend per capita ($) 91
- Ad market:
  - Radio 4.9%
  - Press 27.6%

Slovakia**
- GDP ($bln) 19.3
- Ad spend per capita ($) 21.2
- Ad market:
  - Radio 7.2%
  - Press 10.6%

Romania
- GDP ($bln) 37.6
- Ad spend per capita ($) 7.73
- Ad market:
  - Radio 4.9%
  - Press 11.0%

Advantages
- Expands target pool
- Stronger growth
- Less developed media markets

Challenges
- Market risk - political & regulatory
- Competition from Western media
- Management challenge

* Source: ABN Amro, 2000
* Source: Zenith Media, 2001
## Agora’s financials

<table>
<thead>
<tr>
<th></th>
<th>PLN mln</th>
<th>2001</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>777.1</td>
<td></td>
<td>-4.2%</td>
</tr>
<tr>
<td>Advertising</td>
<td>585.6</td>
<td></td>
<td>-8.8%</td>
</tr>
<tr>
<td>Copy sales</td>
<td>174.2</td>
<td></td>
<td>12.0%</td>
</tr>
<tr>
<td>Operating costs (ex D&amp;A)</td>
<td>549.5</td>
<td></td>
<td>2.3%</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>90.1</td>
<td></td>
<td>69.9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>138.4</td>
<td></td>
<td>-38.0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>228.5</td>
<td></td>
<td>-17.2%</td>
</tr>
<tr>
<td>EDITDA margin</td>
<td>29.4%</td>
<td></td>
<td>-4.7pp%</td>
</tr>
<tr>
<td>Net profit</td>
<td>177.9</td>
<td></td>
<td>4.6%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>189.0</td>
<td></td>
<td>0.1%</td>
</tr>
</tbody>
</table>

* According to IAS*
# Agora’s financials

## One-off events and their impact on Agora’s pre-tax earning

<table>
<thead>
<tr>
<th>Event</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of TKP shares</td>
<td>104</td>
</tr>
<tr>
<td><strong>Non-recurring charges including:</strong></td>
<td></td>
</tr>
<tr>
<td>- provisions for decommissioning of the old editorial; office building</td>
<td>20.3</td>
</tr>
<tr>
<td>- provision for diminution in value of the old disassembled printing press</td>
<td>12.5</td>
</tr>
<tr>
<td>- provision for lay-offs costs</td>
<td>5.9</td>
</tr>
<tr>
<td><strong>Provisions for financial investments</strong></td>
<td>17.7</td>
</tr>
<tr>
<td><strong>Total cost of Euro purchase contracts at the fixed exchange rate including contract termination costs</strong></td>
<td>26.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>104</td>
</tr>
</tbody>
</table>

*According to IAS*
Looking forward

Economy
- No signals of consumer & business confidence revival
- Continued recession in the ad market

Concerns
- Unstable regulatory environment
- Capital market developments

Agora’s objectives
- Strong focus on core business position & margins
- Managing and continuing expansion in recession
- Active stand on key issues