

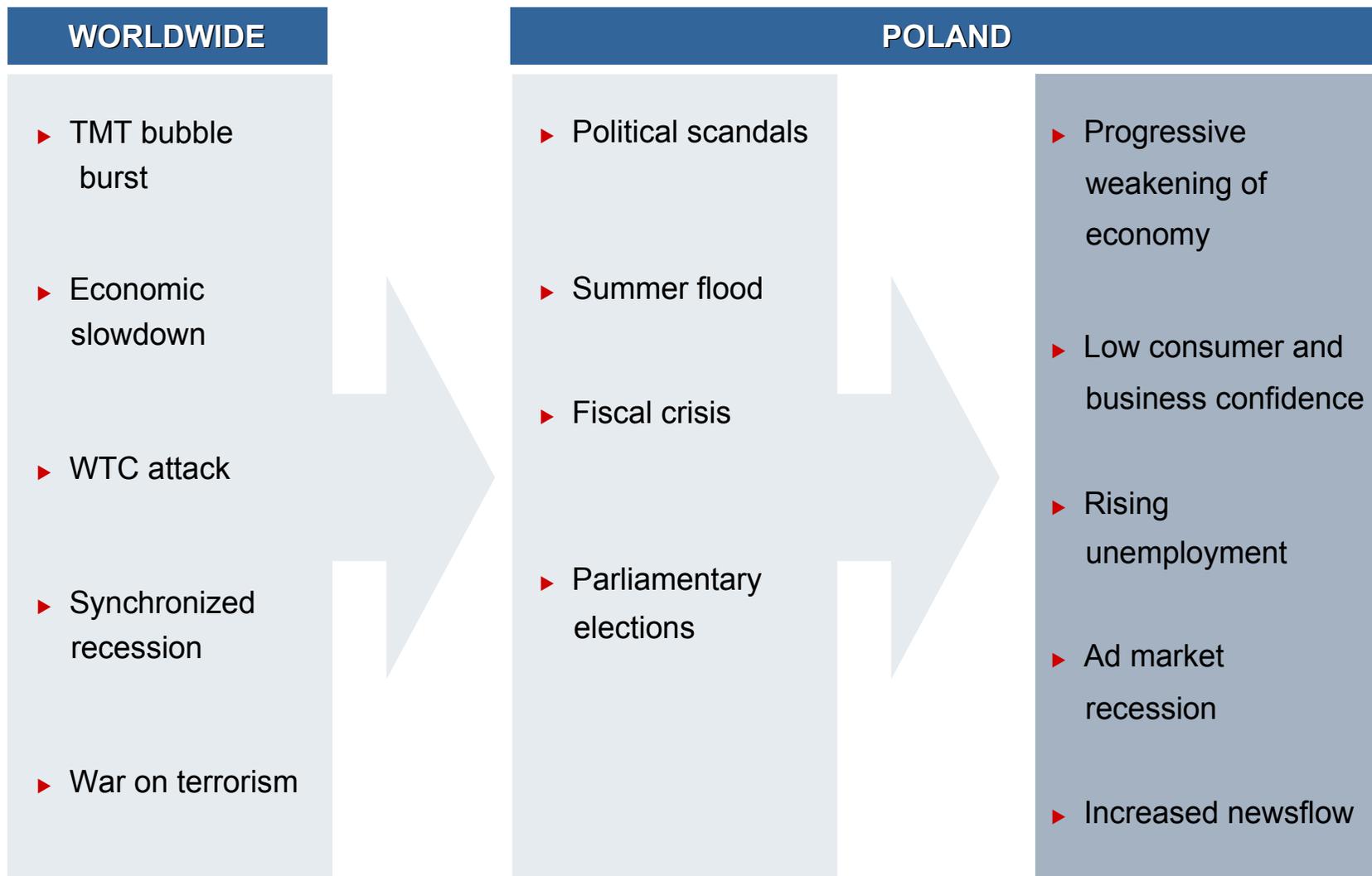
# Agora SA

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WSE/CSFB Conference  
February 19, 2002

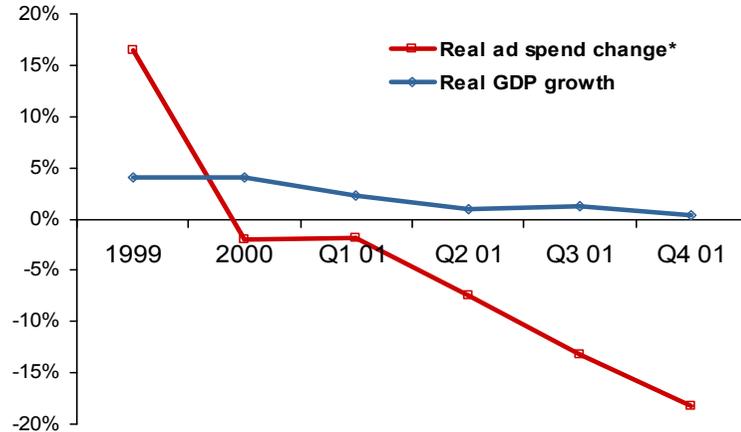
# It was quite a year

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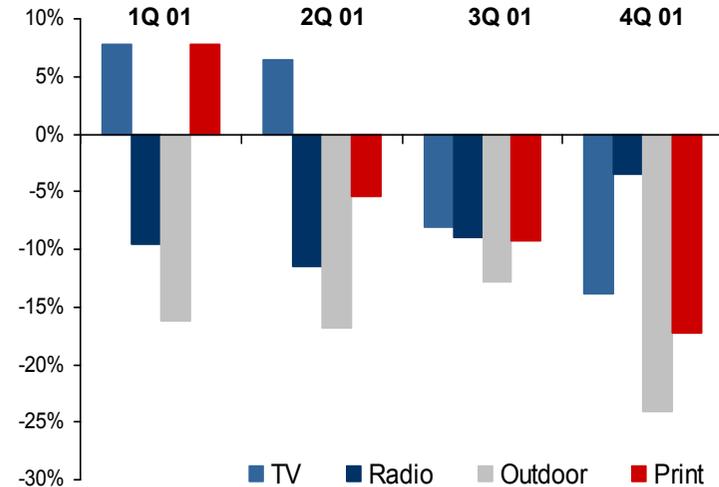


# Ad market performance\*

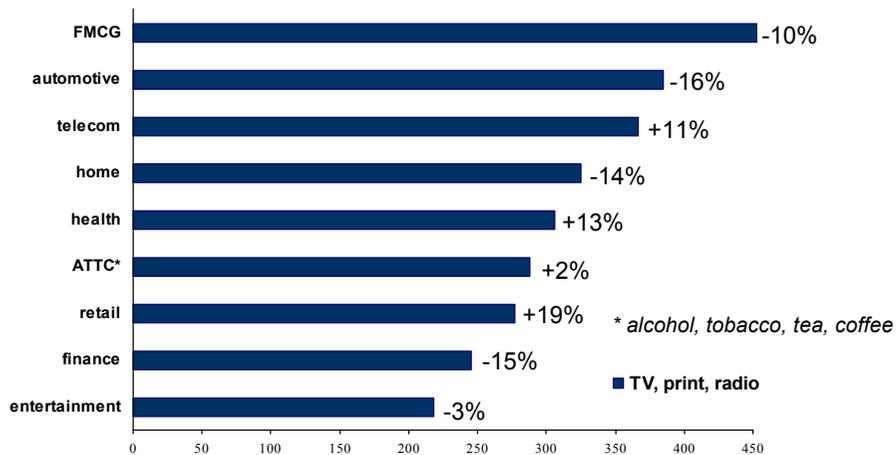
## Ad spend versus GDP (1999 – 2001)



## Ad market performance by media - 2001

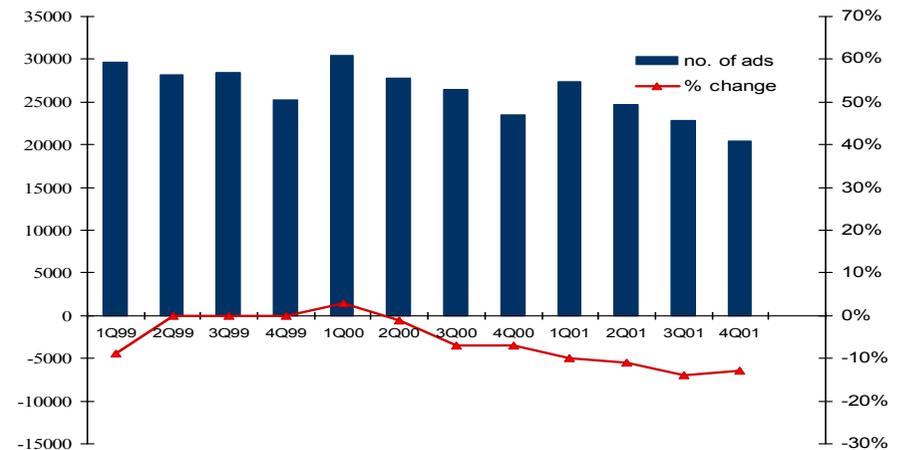


## Top 10 ad categories in 3 media - 2001



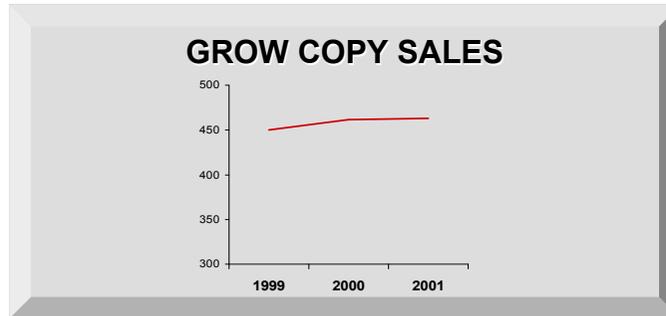
\*Source: Agora, estimated figures - corrected for average discount rate, adjusted for inflation

## Employment ads in focus



# Agora's businesses - Gazeta Wyborcza

Gazeta's outstanding profitability



**SAVE ON FIXED COSTS**

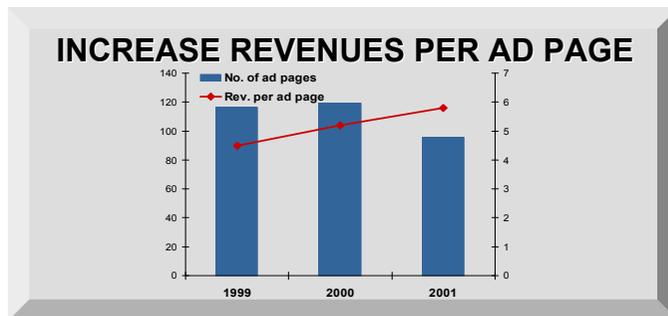
- ▶ employment: redundancies allow for 5% reduction in staff
- ▶ salaries freeze
- ▶ sell production capacity



**• 32% EBITDA Margin**  
**• market share maintained**

**STRONG MARKET POSITION**

- ▶ consistent pricing approach
- ▶ stable discount policy
- ▶ continuous enhancement of ad products



**CUT VARIABLE COSTS**

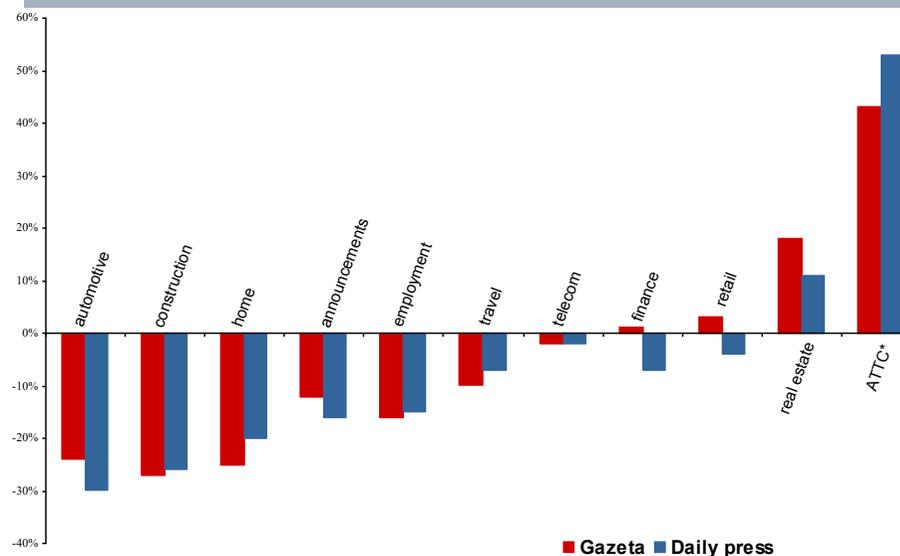
- ▶ product restructuring:
  - save on production volume - reduce newsprint costs
- ▶ all operating costs tightening

# Agora's businesses - Gazeta Wyborcza cont'd

## Key business drivers

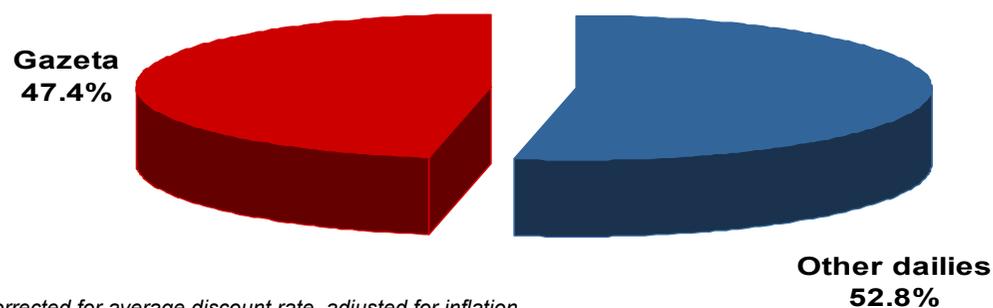
	2001	% change
Average daily paid circulation	462,864	0.3%
Average copy price (PLN)	1.99	21.1%
Revenue from copy sales (PLN m)	172.4	12.2%
Number of ad pages	95,467	-19.8%
Average revenue per ad page (PLN)	5,848	13.2%
Total ad revenue (PLN m)	558.3	-9.3%
<b>EBITDA margin</b>	<b>32.1%</b>	<b>-3.1pp.</b>

## Daily newspaper ad categories\*



\* alcohol, tobacco, tea, coffee

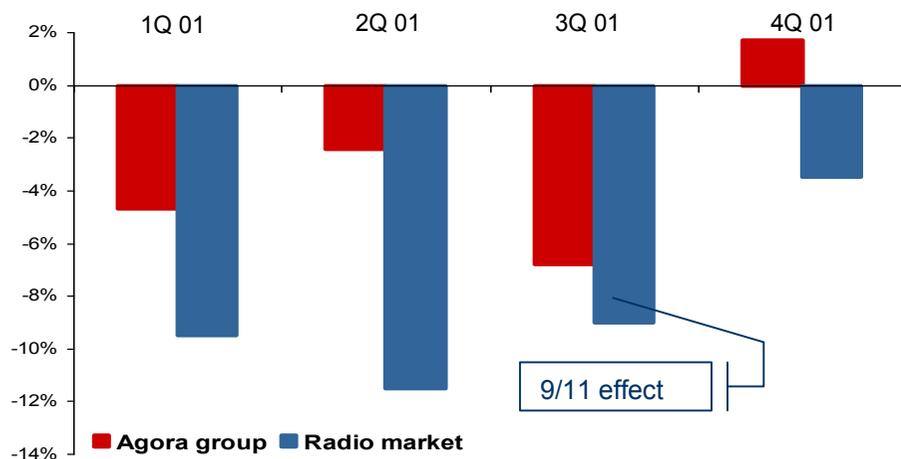
## Daily newspaper advertising share\*



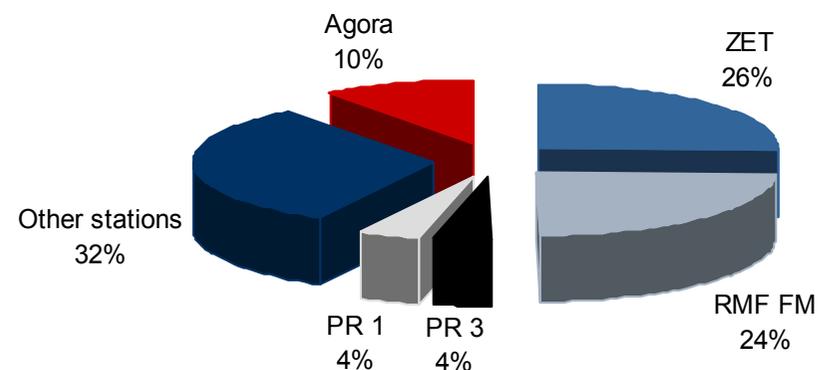
\* Source: Agora, estimated figures, corrected for average discount rate, adjusted for inflation

# Agora's businesses - radio

## Agora vs radio ad market\*\*



## Radio ad market in 2001\*



## Local radio stations' group

PLN mln	2001	% change
Total sales	37.8	-0.8%
▶ advertising	34.8	-2.5%
EBITDA	3.5	-0.1%
EBITDA margin	9.3%	0.1 pp
**No. of stations	19	-

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

\*\*The local radio group expanded to 20 stations in 2001

## Performance by station

	Sales	EBITDA	EBITDA margin	Local rating	
Pogoda / Warszawa	11.8	4.7	40.3%	1/9	old stations
Karolina / Katowice	8.0	3.8	47%	1/14	
Na Fali / Szczecin	0.4	-0.9	-	N/A	new stations
Barys / Katowice	0.4	-1.1	-	7/14	
Twoje Radio/Jelenia Góra	0.4	-0.4	-	N/A	

# Agora's businesses – other ventures

## Internet portal

PLN mln	2001	%change
Sales	3.8	7.2%
-- ad revenue	3.0	3.2%
Operating cost	29.1	162%
-- D&A	10.6	678%
Capex	17.9	-22.5%
Page views -Q4 vs Q3 (m)	126.7	19.3%
Visits -Q4 vs Q3 (m)	10.6	49.8%



## City Magazine

PLN mln	2001	%change
Ad revenue	4.5	+79%
Net loss	1.0	--

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



## Metro

PLN mln	2001
Sales	0.3
Operating cost	0.4

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

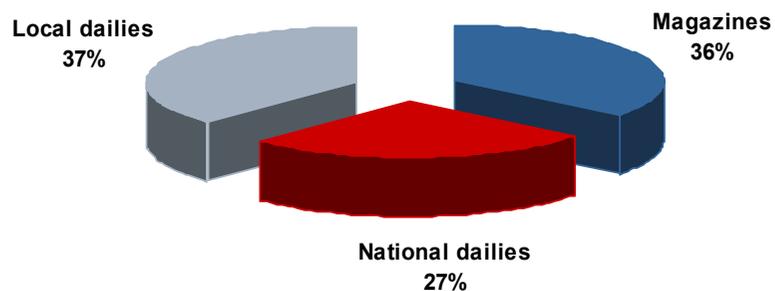


## TOK FM

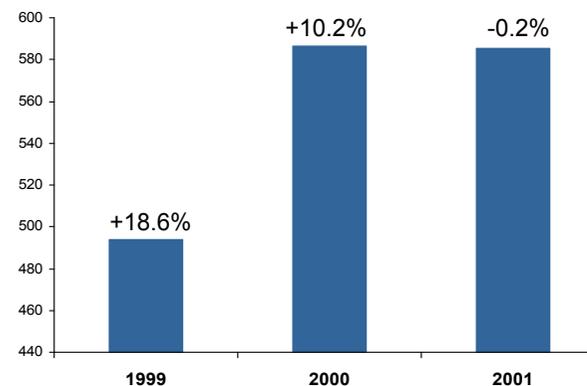
PLN mln	2001	%change
Sales	2.3	-6.6%
Operating cost (before D&A)	6.9	67.0%
EBITDA	-4.7	--

# Agora's businesses – latest acquisition

## Mass press market \*



## Magazines ad spend growth\*



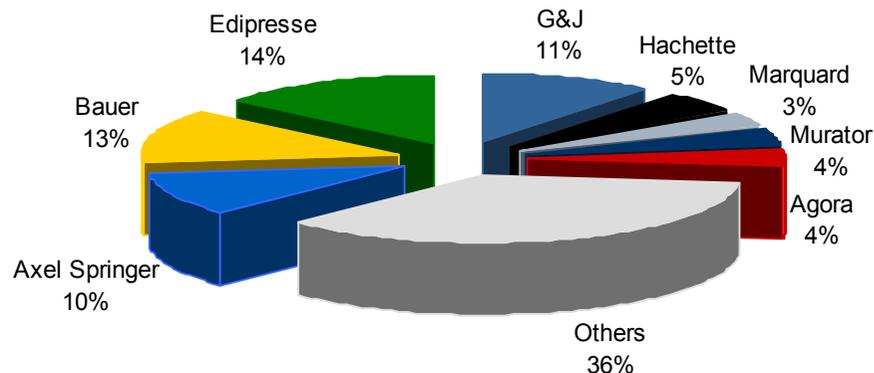
## Agora's latest acquisition



### Purchased 12 titles:

total readership of 5.2 mln  
or 21,9% share in the magazine segment.

## Agora in the national ad magazine market\*

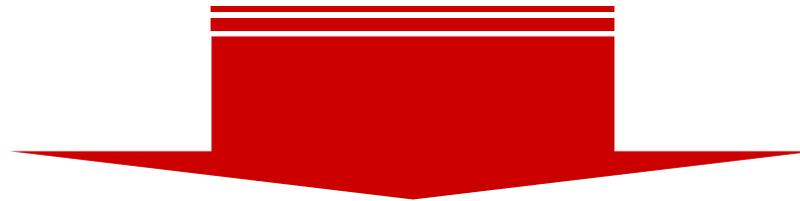
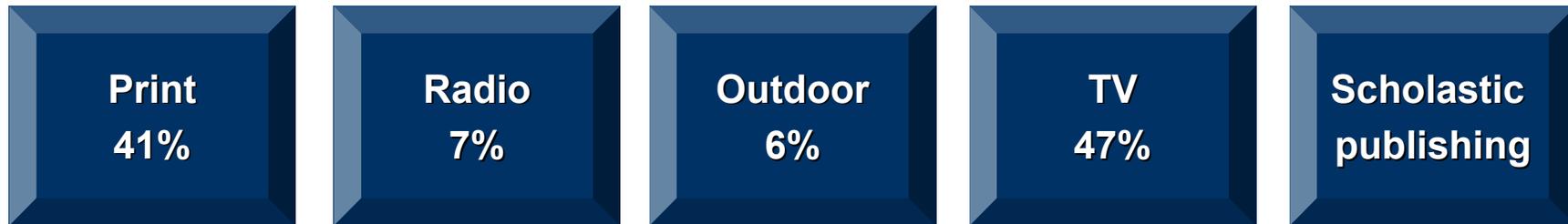


\* Source: Agora, estimated figures - corrected for average discount rate, adjusted for inflation

# Acquisition strategy

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Opportunities in Poland



## ADAVANTAGES

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

## CHALLENGES

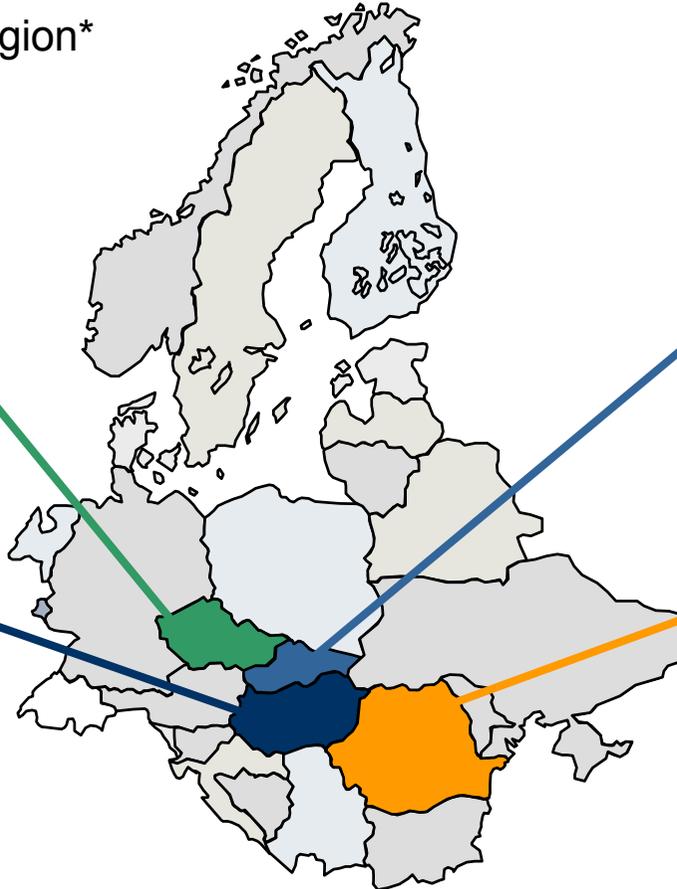
- ▶ Tough competition for a limited pool of assets
- ▶ Regulatory instability (broadcasting)
- ▶ New segments require new competencies/hires

# 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%

\*\*Source: ABN Amro, 2000

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: Zenith Media, 2001

# Agora's financials

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

\* According to IAS

# Agora's financials

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

	+	—
▶ Sale of TKP shares	104	
▶ Non-recurring charges including:		20.3
— provisions for decommissioning of the old editorial; office building		12.5
— provision for diminution in value of the old disassembled printing press		5.9
— provision for lay-offs costs		1.9
▶ Provisions for financial investments		17.7
▶ Total cost of Euro purchase contracts at the fixed exchange rate including contract termination costs		26.1
▶ Total	104	64.1

\* According to IAS

# Looking forward

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