

Investor presentation

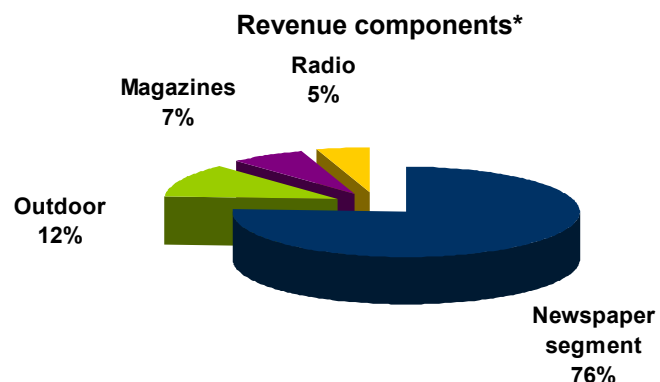
February/March 2006

<i>PLN mln</i>	2005	2004	% change
Revenue	1 202.1	1 001.1	20.1%
EBITDA	245.8	204.9	20.0%
Operating EBITDA*	252.9	204.9	23.4%
Net profit	126.7	67.3	88.3%
Free cash flow	186.3	161.8	15.0%
Cash and cash equivalents**	262.9	228.8	14.9%
ROE	11.2%	5.9%	5.3pp

Dividend and
buyback
of PLN 148 mln

* Excludes IFRS2, includes Nowy Dzień

** Includes short-term monetary assets



<i>PLN mln</i>	EBIT	EBIT as % of total
Newspaper segment	162.2	108%
Outdoor	10.1	7%
Magazines	5.1	3%
Radio	-8.5	-6%
Headquarters & non allocated	-14.7	-10%

* Does not include inter-segment transactions

Source: consolidated financial statements according to IFRS, 2005

Accomplishments

- ✓ *Gazeta's* circulation grows 3% yoy; advertising share almost intact
- ✓ *Metro* reaches 28% readers in large cities, #2 after *Gazeta*
- ✓ Books add PLN 181 mln in revenues and PLN 22 mln in profits
- ✓ AMS posts PLN 9 mln net profit and grows scale

Concerns

- ✓ *Gazeta's* copy sales decline 5% in 4Q05
- ✓ Newspaper ad spend growth slows down in 4Q05 (+4.5%)
- ✓ Copy sales of *Nowy Dzień* below expectations
- ✓ Price war in the magazine market

Revenue

Circulation → **PLN 189 mln**

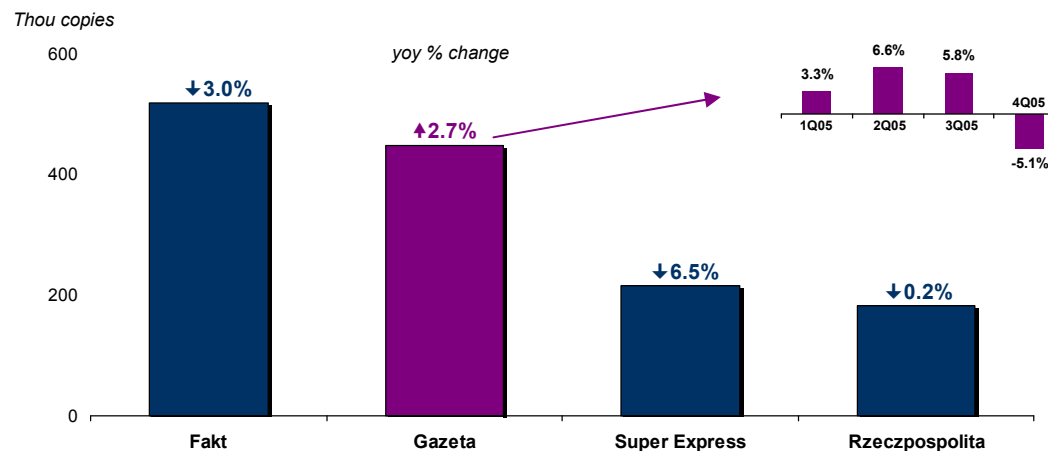
1.1%

Advertising → **PLN 465 mln**

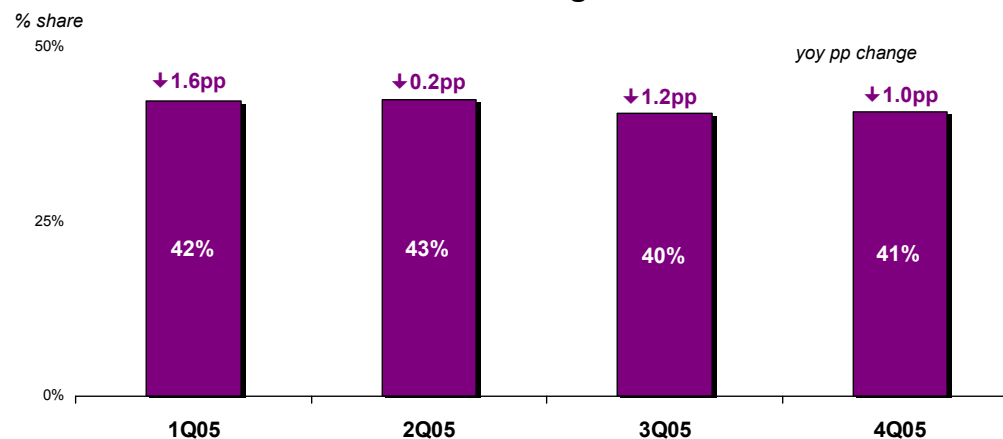
5.5%



Circulation



Advertising share



Revenue

→ PLN 181 mln

↑ 209%

Operating profit

→ PLN 22 mln

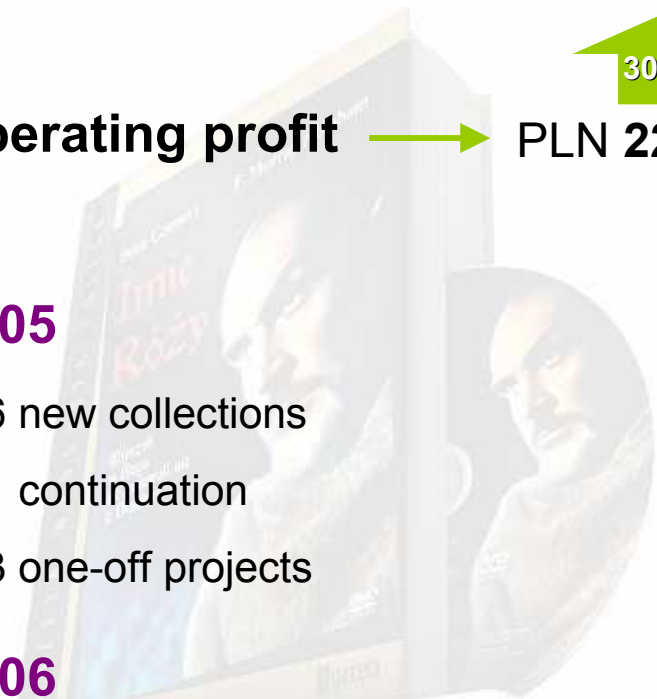
↑ 302%

2005

- ✓ 6 new collections
- ✓ 1 continuation
- ✓ 3 one-off projects

2006

- ✓ Collection of books with DVDs in February
- ✓ More to follow ...



20th century classics

6 mln books



2004

10 mln books



Anthology on
classical music
composers with CDs

Fairy tales

Polish music band
anthology

Travel guides

19th century classics

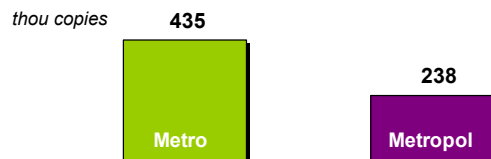
Encyclopedia



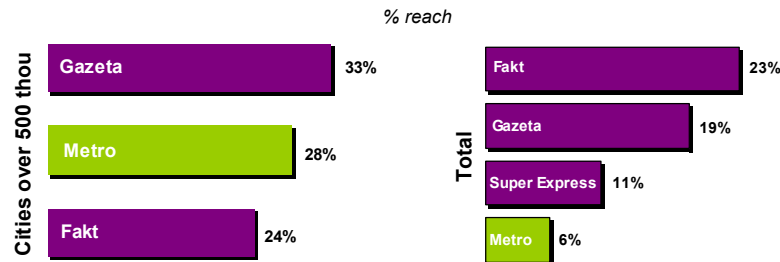
2005 mln copies sold



- ✓ Largest free daily



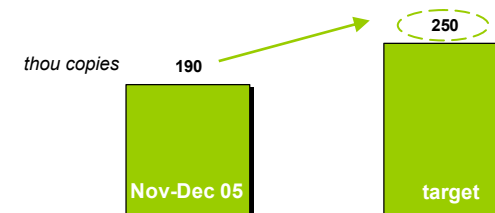
- ✓ #2 in reach in large cities, #4 overall



- ✓ Advertising share 6% in Warsaw, 2% nationally



- ✓ Launched Nov 14, 2005
 - cover price PLN 1; Thursdays PLN 1.5



- ✓ First months sales below expectations
- ✓ Situation closely monitored
- ✓ If continued, significant negative profit impact in 2006

OBJECTIVE: keep #1 position in the job marketplace

APPROACH:

- combined paper/internet offer for job advertisers
- enhanced job seeker solution in print and on-line
 - quality content + well categorized mass of ads
 - broad on-line functionality supported by an international ASP

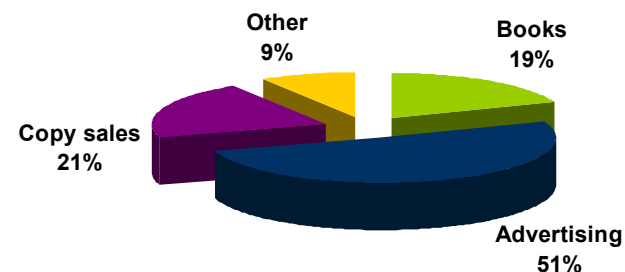
STATUS:

- change of layout, logo and classification of job ads in print, all regions ✓
- new service on line in soft launch ✓
- positive initial reaction of advertisers ✓



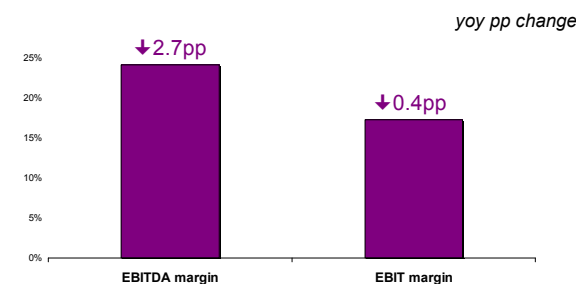
Revenue → PLN 940 mln

23%



EBITDA → PLN 227 mln

10.5%



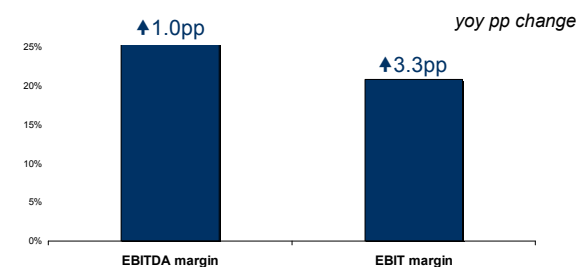
EBIT → PLN 162 mln

20%

ex Nowy Dzień and IFRS2

EBITDA → PLN 260 mln

27%



EBIT → PLN 195 mln

45%

Revenue → PLN 143 mln ↑ 26%

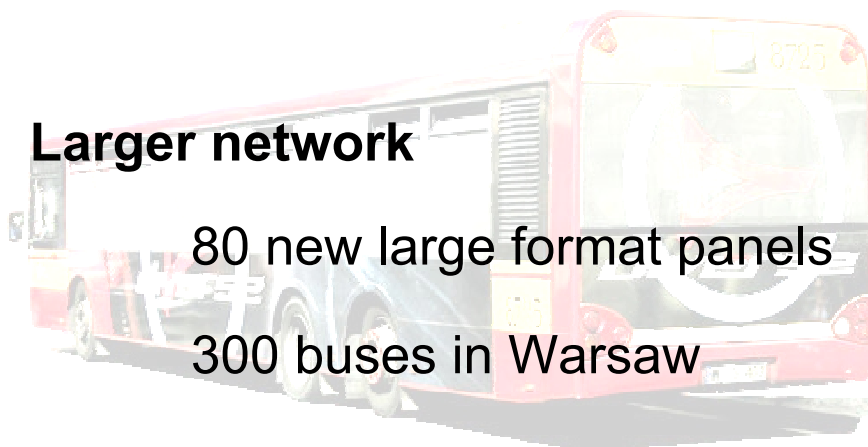
EBITDA → PLN 27 mln ↑ 375%

Net profit → PLN 9 mln ↑ PLN 24mln

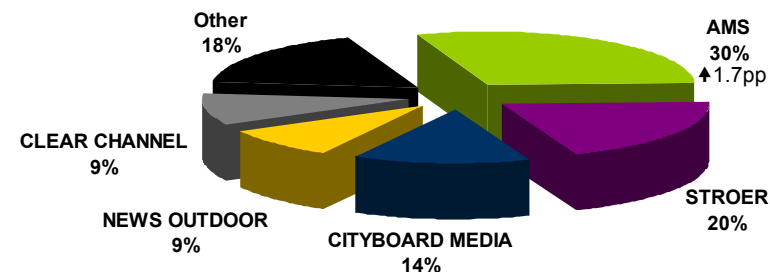
Larger network

80 new large format panels

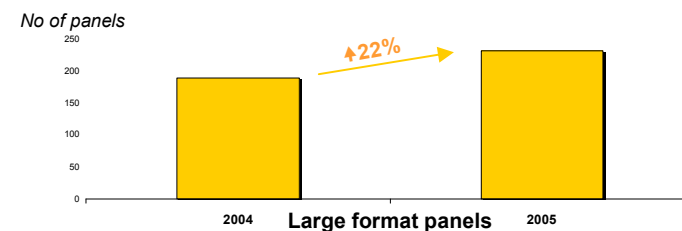
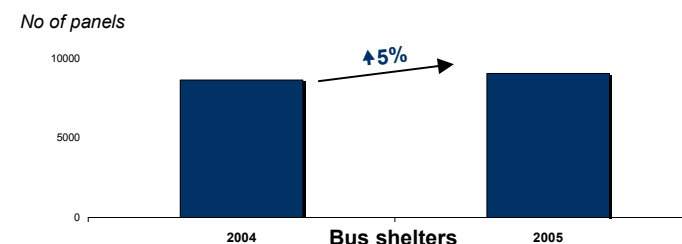
300 buses in Warsaw



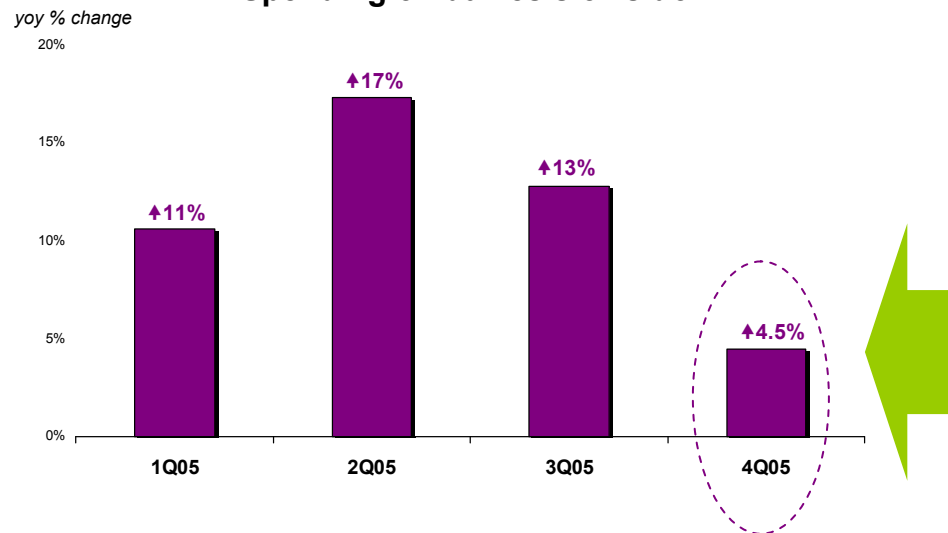
Share increases



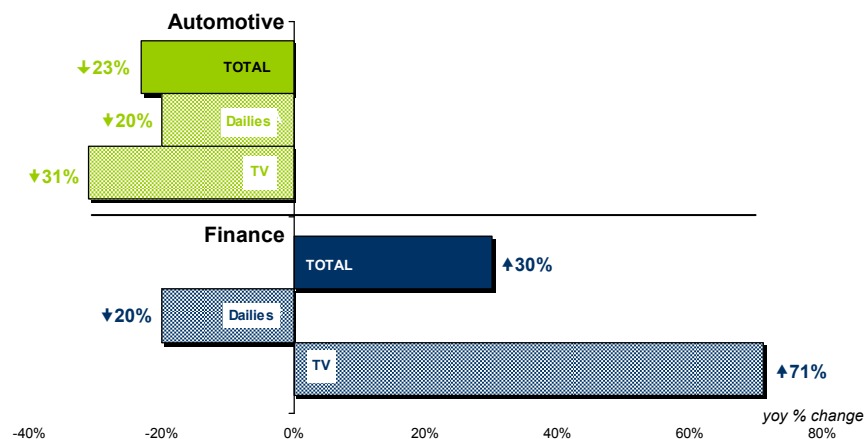
Network expands



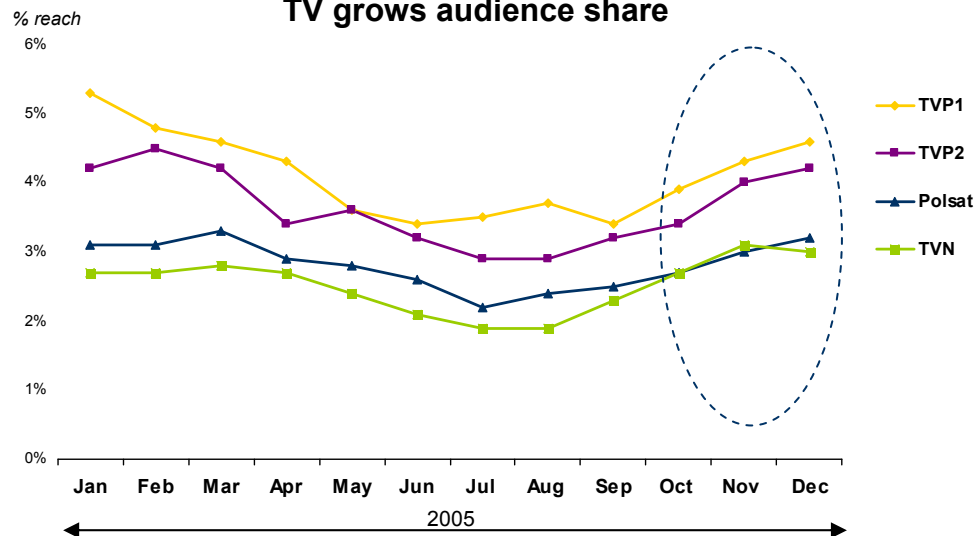
Spending on dailies slows down



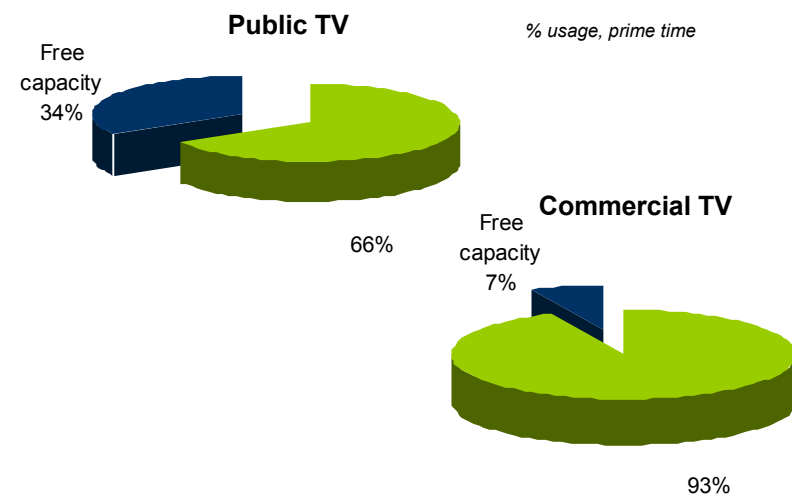
The biggest newspaper categories decline



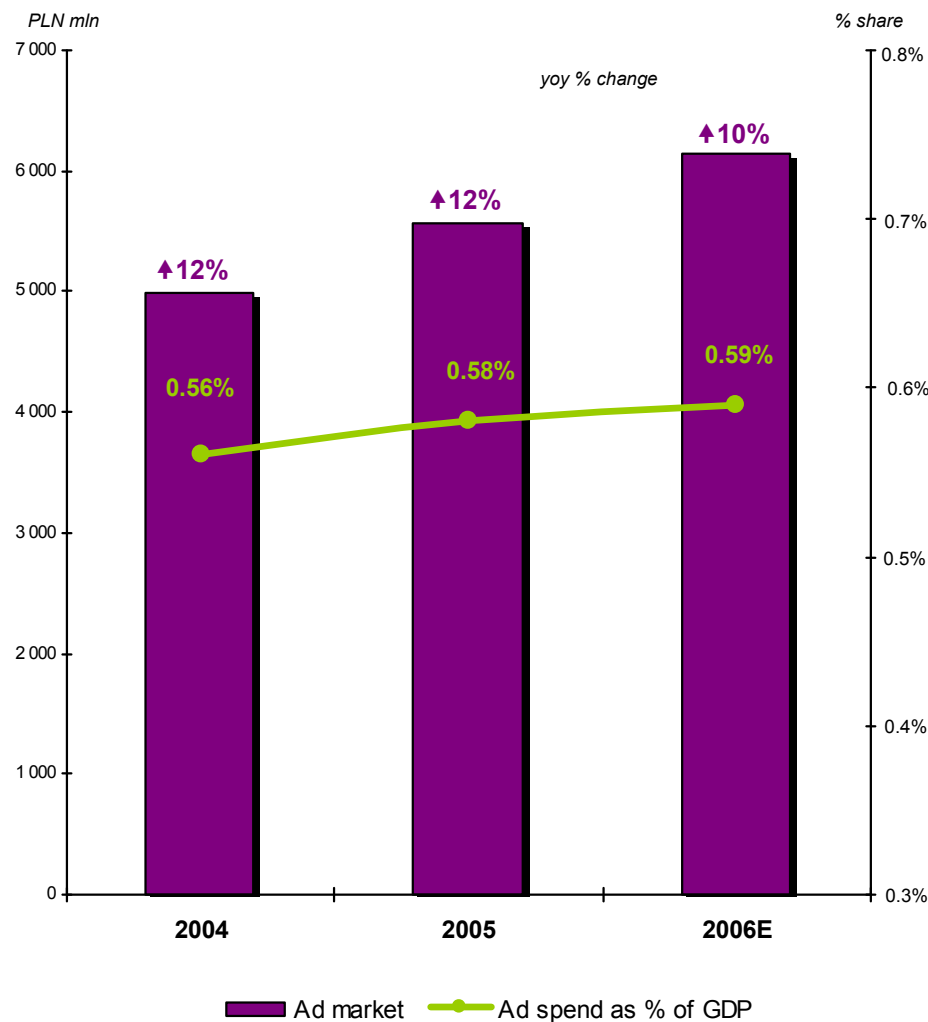
TV grows audience share



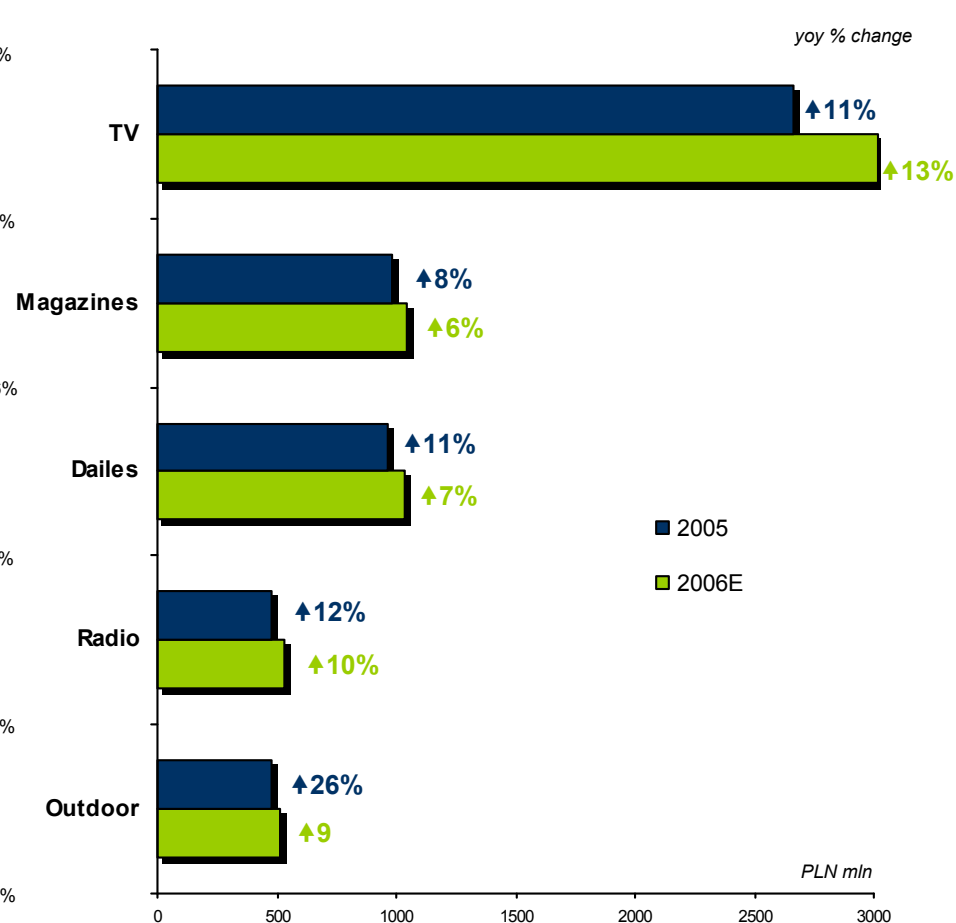
TV inventories sold out



Double digit growth likely to continue



TV will outperform other media



TRADITIONAL PLAYERS

NEW ENTRANTS

RECENT AND UPCOMING CHANGES

QUALITY NEWSPAPERS

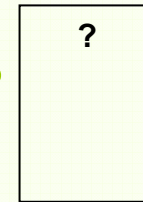
Gazeta Wyborcza



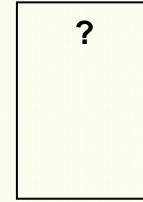
Rzeczpospolita



Springer's clone of *Die Welt*



Sołowow's quality daily



✓ *Rzeczpospolita* for sale?

MID-MARKET NEWSPAPERS

Regional players:

Polskapresse
(8 titles)



Orkla
(12 titles)



Free newspapers:

Metro



Metropol



Echo Miasta



Nowy Dzień



✓ Orkla to sell local portfolio?

TABLOIDS

Super Express



Fakt



✓ *Super Express* for sale?



Rzeczpospolita goes compact?

New quality entrant 1?

#1 OPINION-MAKING NEWSPAPER IN POLAND

- 19% readership – 5.6 mln readers (38% high education)
- High circulation
- Powerful tradition of first independent newspaper in Poland
- Commitment to the Polish market
- 540 top level, dedicated journalists

➔ POWERFUL BRAND

STRONG BUSINESS MODEL, HARD TO REPLICATE

- 19 local branches (journalists and sales reps)
- Ad market penetration – 460 sales reps
- Attractive local and thematic supplements
- Strong position in key ad categories
- Unmatched advertising share

➔ LARGE AND PROFITABLE BUSINESS

Rzeczpospolita changes ownership?

New quality entrant 2?

FOCUS: LONG-TERM MARKET POSITION OF GAZETA

- ✓ Ready to subordinate short-term financial goals
- ✓ *Gazeta's* fighting needs have the first priority in resource allocation
- ✓ Financial plans must remain flexible
- ✓ Quick decisions required as competitive challenges arise



Little visibility on actual spending

- ✓ Marketing and promotion cost will grow – scale uncertain
- ✓ Production cost uncertain – 15% growth estimate
incl. higher newsprint price may change
- ✓ Staff cost
 - cash expenditure may go up, enforced by competition
 - non-cash charge (IFRS2) to add ca PLN 40 million
- ✓ Depreciation charge down PLN 14 million due to extended schedules
- ✓ Capex of PLN 46 million
- ✓ Books deepen seasonality of quarters

AMS

- ✓ Revenue growth and network expansion
- ✓ Positive contribution to the bottom line

Magazines

- ✓ Withstand price war
- ✓ Insignificant bottom line impact, unless...
- ✓ Growth through new title launches

Radio

- ✓ Two-brand strategy
- ✓ Continue capital structure/portfolio clean up
- ✓ Insignificant bottom line impact