

AGORA_{SA}

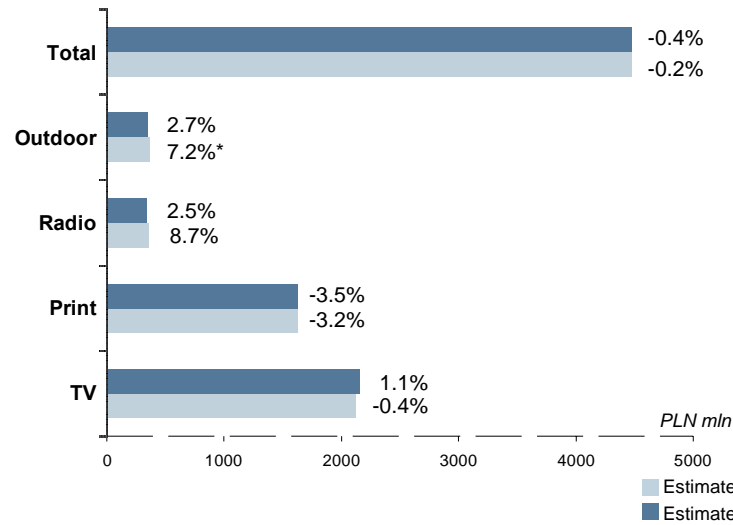
Investor presentation

February 2004

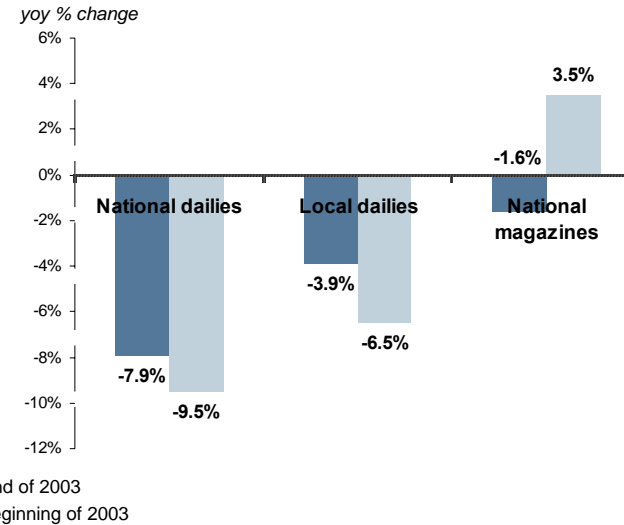
Advertising market in 2003

2003 ad market

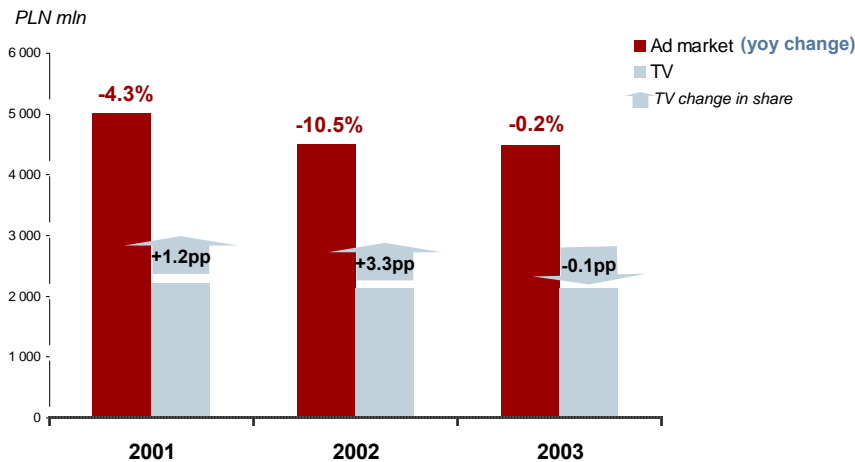
Advertising spending



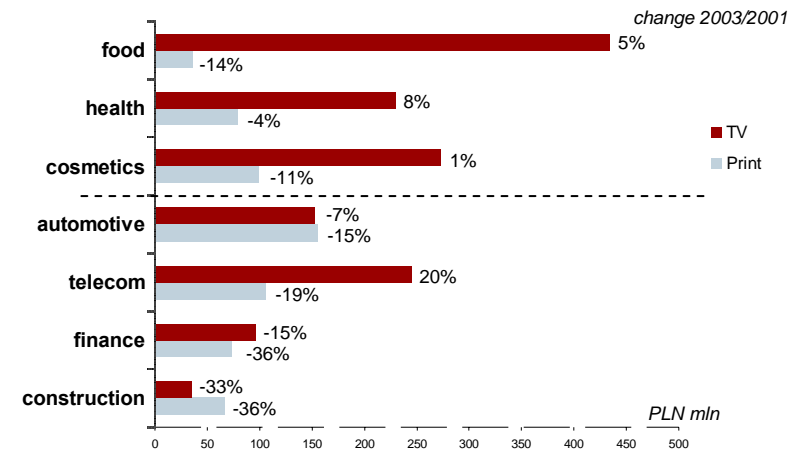
Spending for print



TV share in the market



TV grows share in major and print categories



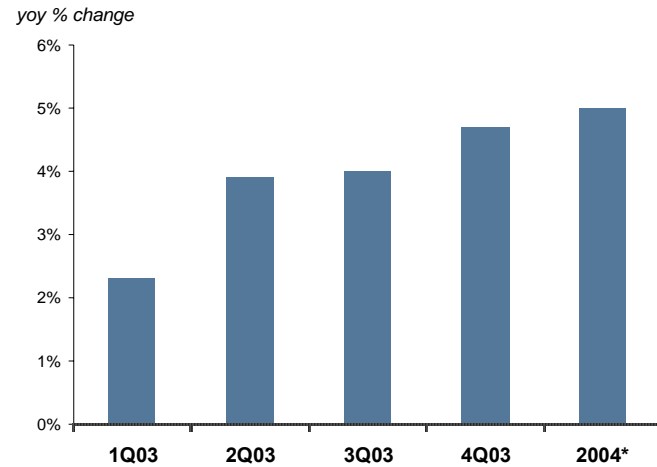
* Cross-promotion of Agora's different media on AMS panels was one of the main causes of high growth of the outdoor market.

Source: Agora, estimated data (current prices) corrected for average discount rate. The rate card data are obtained from AGB Polska, CR Media monitoring, Agora Monitoring and AMS on the basis of Media Watch monitoring. The estimates refer to four media: TV, print, radio and outdoor. In case of print they do not include classifieds, inserts and obituaries.

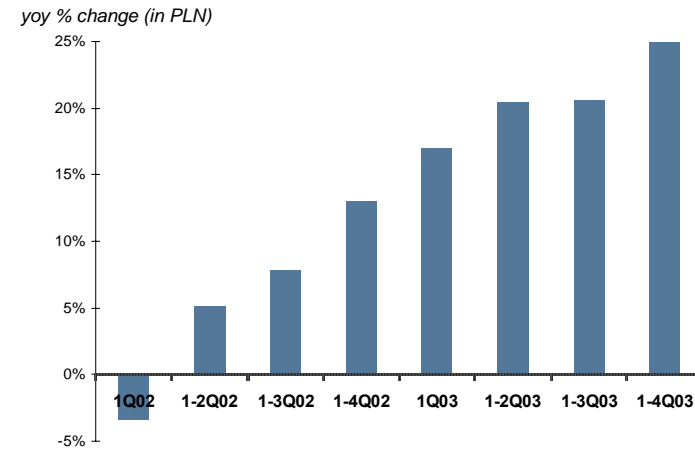
GDP growth is driven by export

Economy

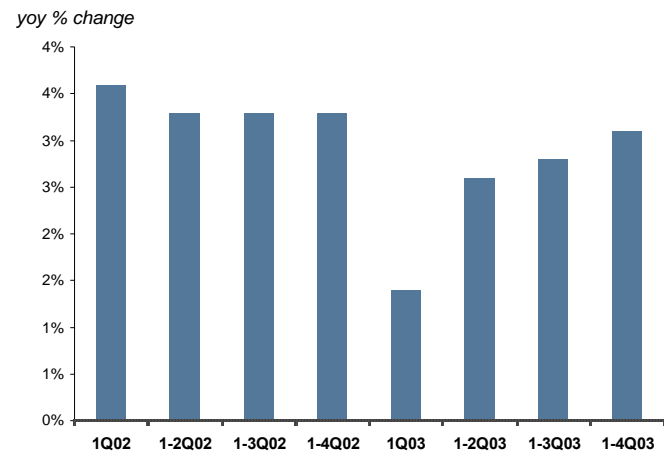
GDP growth



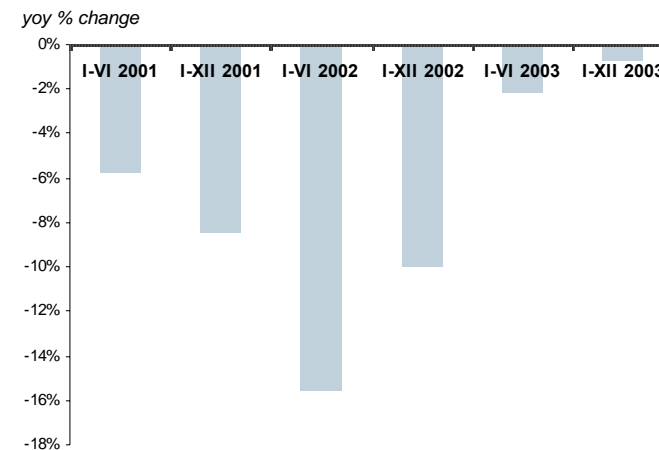
Exports



Growth in consumer spending



Company investments

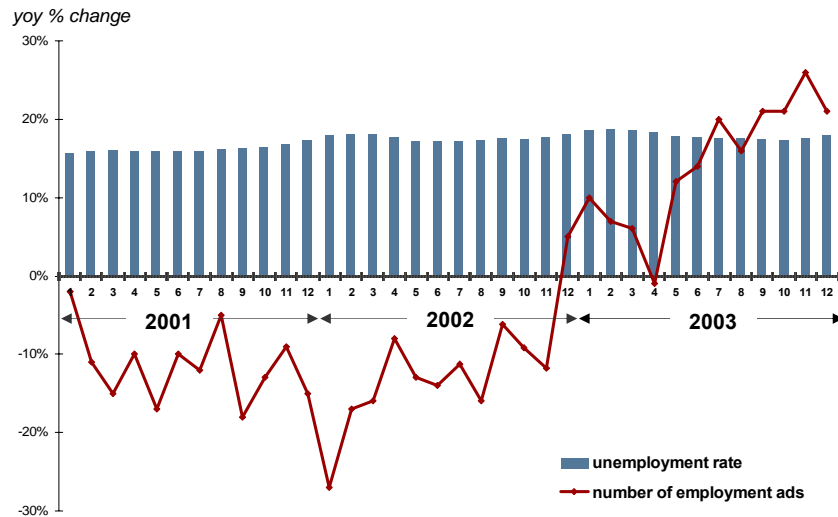


Source: GUS; company investments: companies of over 50 employees.
* forecast

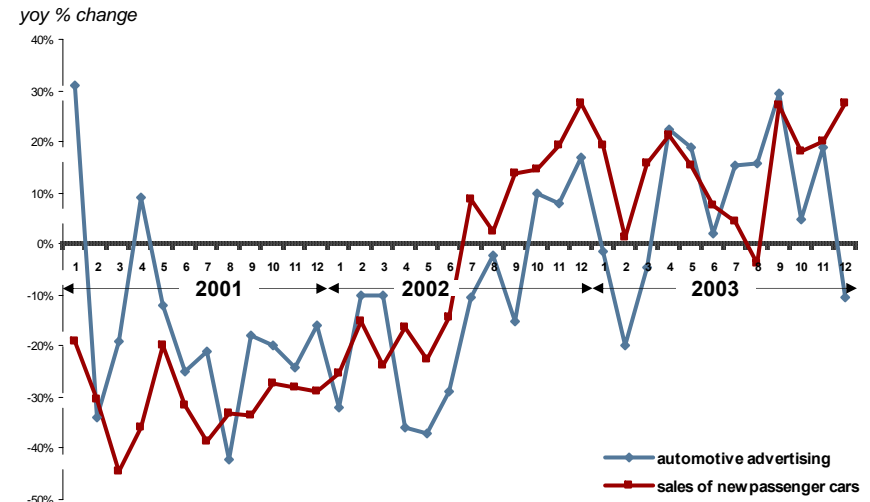
Leading economic indicators in advertising – mixed picture

Economy

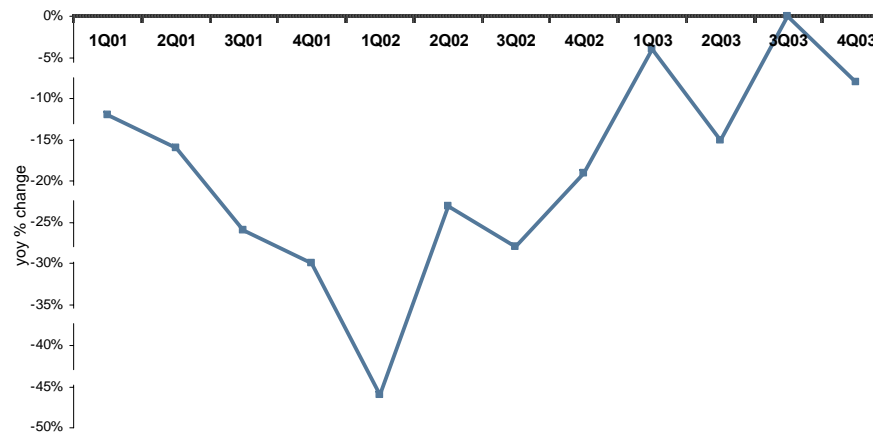
Employment



Automotive

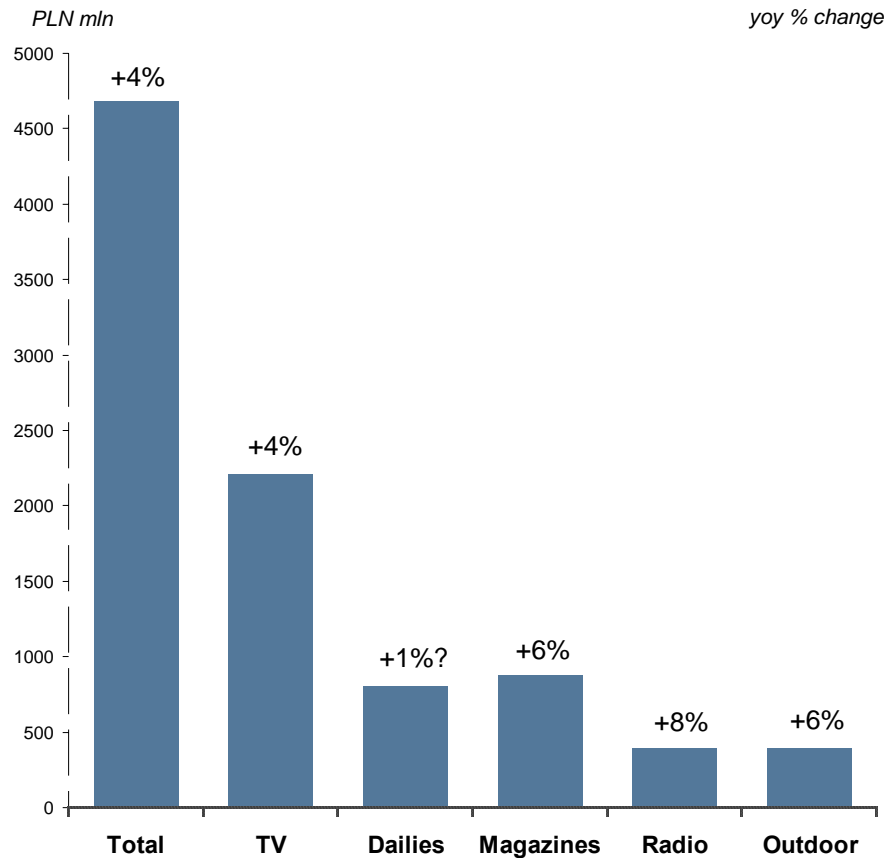


Home & Construction



Source: Agora, estimated figures corrected for average discount rate; unemployment: GUS; sales of new passenger cars: Samar.

Ad market in 2004



Risk factors

- ▶ GDP growth driven by exports
- ▶ Budget deficit
- ▶ Unclear market signals
- ▶ Pricing strategy of TVP

Source: Agora, estimated data (current prices) corrected for average discount rate. The rate card data are obtained from AGB Polska, CR Media monitoring, Agora Monitoring and AMS on the basis of Media Watch monitoring. The estimates refer to four media: TV, print, radio and outdoor. In case of print they do not include classifieds, inserts and obituaries.

New competition in the newspaper market

Newspaper market

	Gazeta Wyborcza	Rzeczpospolita	Super Express	Fakt	Życie
					
Copy sales before*	409 236	186 652	271 524		
Cover price	PLN 2.00 – 2.80	PLN 2.50	PLN 1.30 – 2.10	PLN 1.00	PLN 1.50 – 2.50
Circulation <i>(December 2003)</i>	559 582	244 620	438 392	771 757	n/a
Copy sales after <i>(December 2003)</i>	432 899	188 286	267 191	536 369	n/a
Weekly readership reach <i>(December 2003)</i>	20.0%	4.2%	13.7%	13.7%	n/a
Advertising rates <i>(according to 2004 rate cards)**</i>	84 900	59 920	64 800	50 000	35 000
Share in the daily ad market <i>(January – December 2003, rate card data)</i>	42%	8%	6%	6% (2004 target)	n/a

* Copy sales in the first three quarters of 2003 – before the entry of Fakt (October 22, 2003).

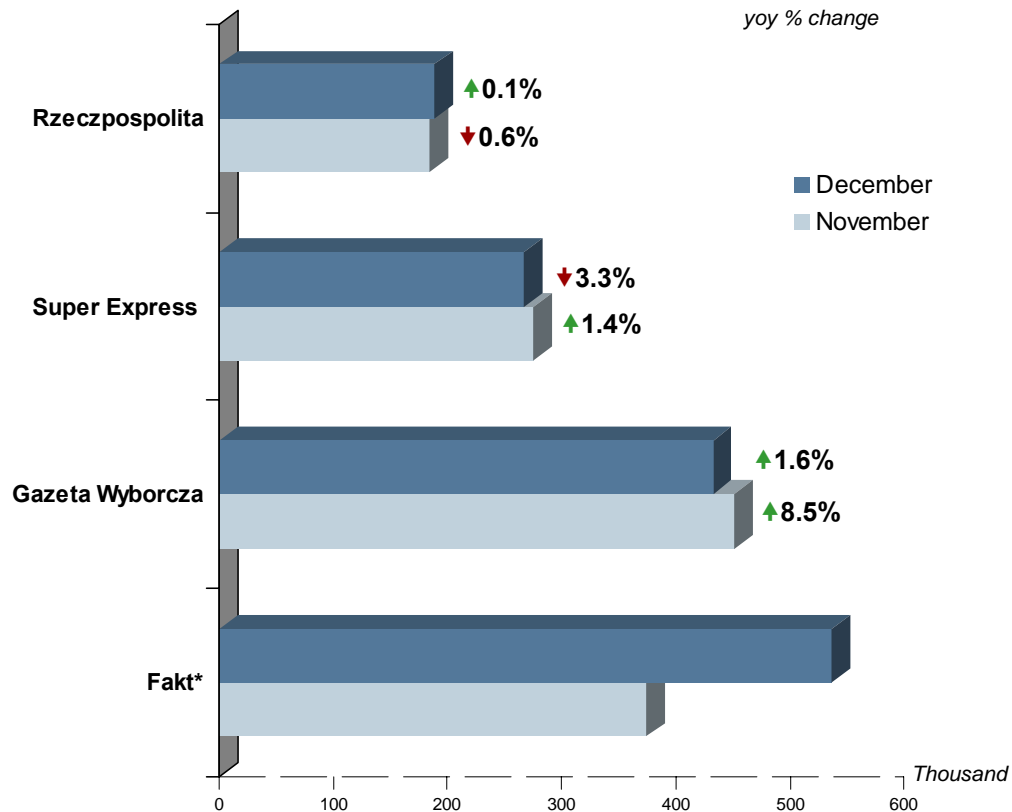
** Editorial full color page in a daily issue.

Source: Circulation Audit Office, readership: Polish Readership Research (PBC), population 15+, weekly reach; advertising: Agora Monitoring.

New competition in the newspaper market – circulation

Newspaper market

Copy sales of dailies



Source: Circulation Audit Office.

* Launched on October 22, 2003.

Readership profile

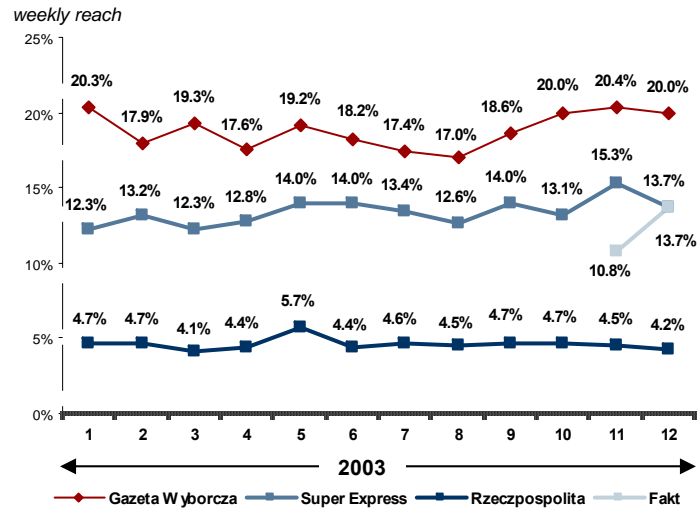
	Gazeta	Fakt	Super Express
Education:			
- university	37%	19%	13%
Employment:			
- senior management, professionals, business owners	27%	14%	13%
Inhabitants of:			
- cities above 100 thou.	51%	44%	35%
Income:			
- above PLN 1400	21%	13%	10%

Source: PBC General, weekly readership, N= 6010, November-December 2003.

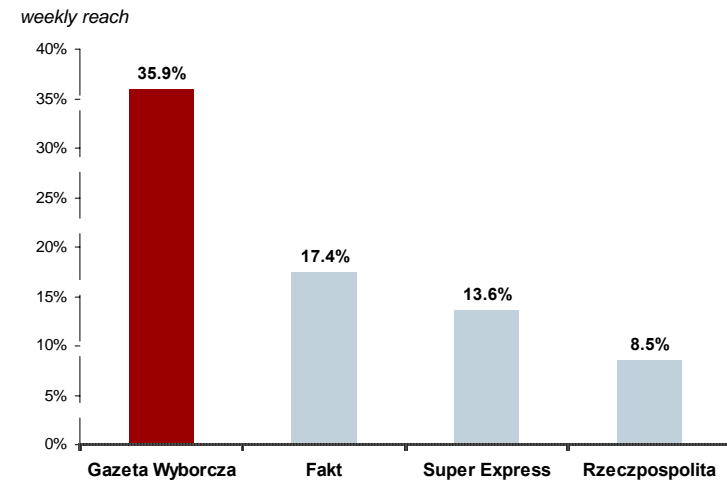
New competition in the newspaper market – readership

Newspaper market

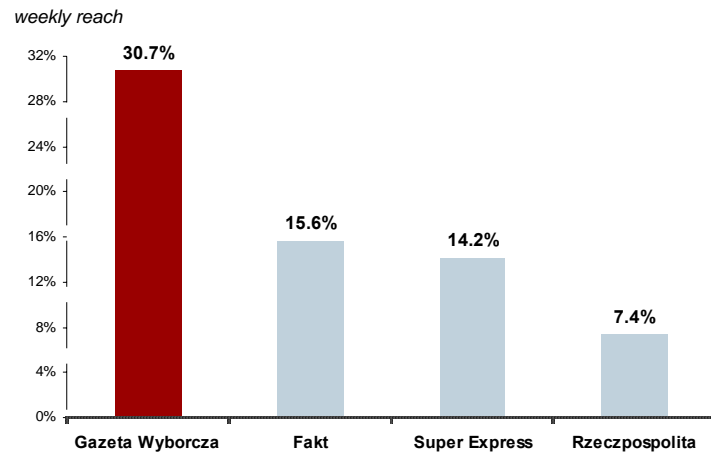
Weekly readership



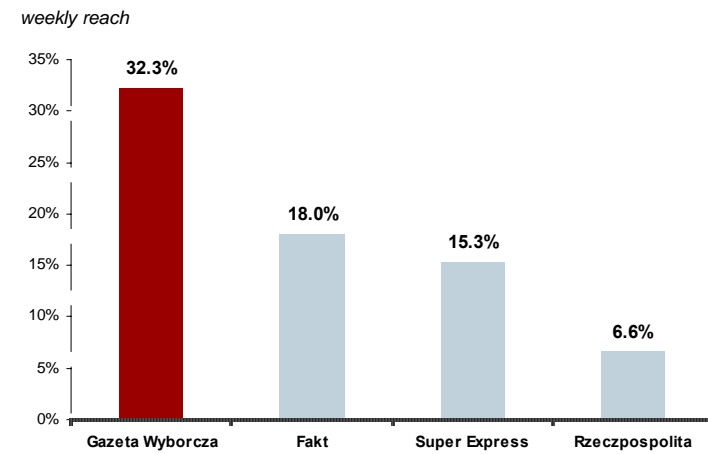
Income above PLN 1000



High and secondary education



Cities above 100 thousand inhabitants



Source: PBC General, weekly readership, population 15+, December 2003.

Gazeta's performance and goals

Gazeta

Financials*

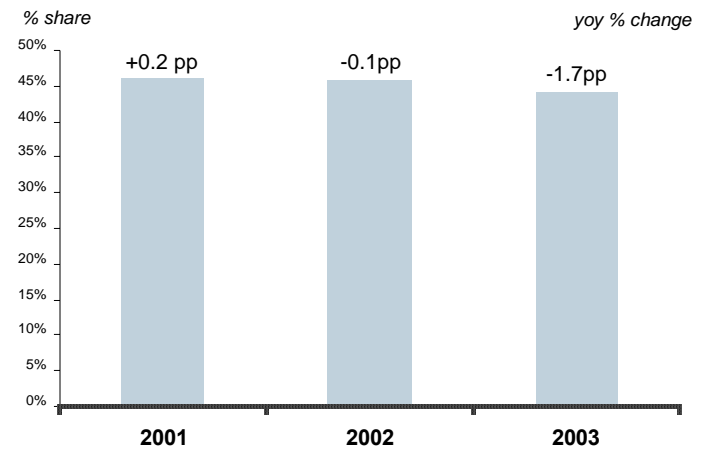
PLN mln	2002	2003	yoy % change
Revenue	675.1	649.2	-3.8%
- advertising	468.4	423.4	-9.6%
- copy sales	176.2	179.6	1.9%
- other revenue	30.5	46.2	52.0%
Operating cost	549.2	572.6	4.3%
- cost of materials including newsprint purchased by Agora	167.3	153.9	-8.0%
- staff cost	172.3	171.5	-0.5%
- outsourced printing	18.0	37.6	108.8%
- marketing cost**	31.3	60.5	93.6%
EBITDA	203.3	150.2	-26.1%
EBITDA margin	30.1%	23.1%	-7.0pp
Copy sales (no of issues)	420 628	417 385	-0.8%

* The data refer to Gazeta Wyborcza and free newspapers.

** The amounts do not include the cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation on space which was not sold to external clients.

Source: copy sales: Circulation Audit Office.

Gazeta's share in paid newspaper market



Source: Agora, estimated data corrected for average discount rate. The data do not include classifieds, inserts and obituaries. The figures referred herein have been corrected by the company. The correction concerns the year 2003 and the previous years.

2003

- ▶ Copy sales maintained (marketing cost)
 - ▶ Readership increase
 - ▶ Share loss (up in local market)
- ▶ New competition in the newspaper market

2004 objectives

- ▶ Maintain readership
- ▶ Protect market position
- ▶ Editorial changes in Gazeta
 - ▶ Metro

Market scenario

- ▶ *Fakt* continues current strategy (high circulation, low cover price), some broadening of the newspaper advertising market
- ▶ Local dailies decline paid circulation, lose some network ad revenue to *Fakt*
- ▶ Increased competition in the Warsaw market
- ▶ By e/o 2004 changes in the newspaper market



Circulation

Marketing cost	Revenue from circulation
very high	flat
medium	↓ 5%

Advertising

Newspaper market	<i>Gazeta</i>
↑	flat
flat	↓ 6%
↓	↓ 9%

New businesses reach targets – magazines

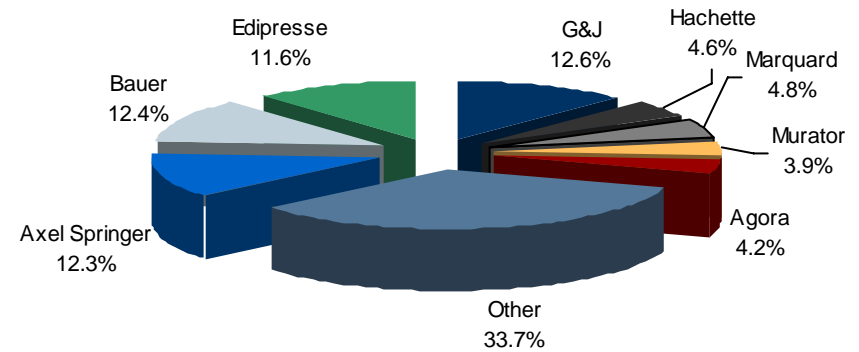
Magazines

Financials

PLN mln	2003	V-XII 03	V-XII 02	%change V-XII 03/V-XII 02
Revenue	78.4	50.3	41.6	20.9%
- advertising	31.5	19.7	17.0	15.9%
- copy sales	46.8	30.6	24.6	24.4%
Operating profit* (before marketing)	12.0	8.7	-0.5	-
Marketing	21.7	15.7	4.5	249.0%
EBIT	-9.7	-7.6	-4.9	-
EBITDA	-3.0	-2.6	-0.6	-
Average printed circulation (total circulation of all titles)	1.9	1.9	1.5	27.0%

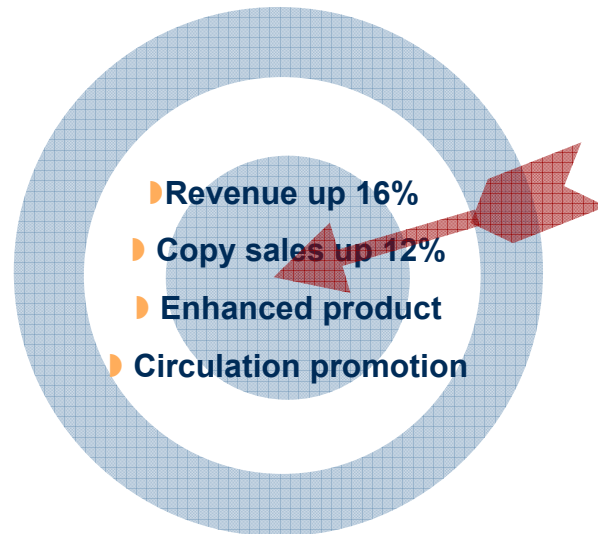
* The amounts do not include the cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation on space which was not sold to external clients.

Magazine advertising market



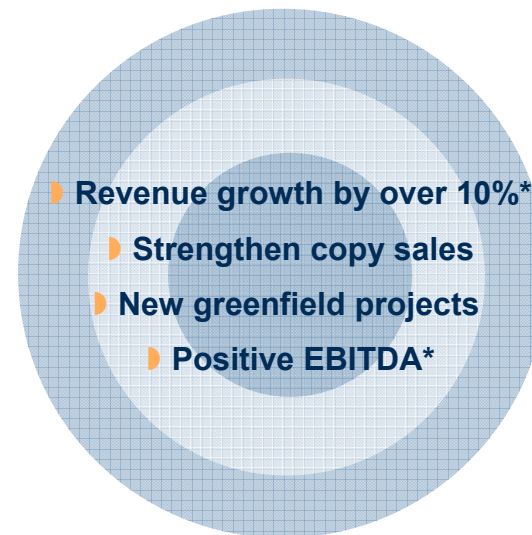
Source: based on Agora Monitoring, 2003.

2003



* Exclusive of new projects.

2004 objectives



New businesses reach targets – AMS

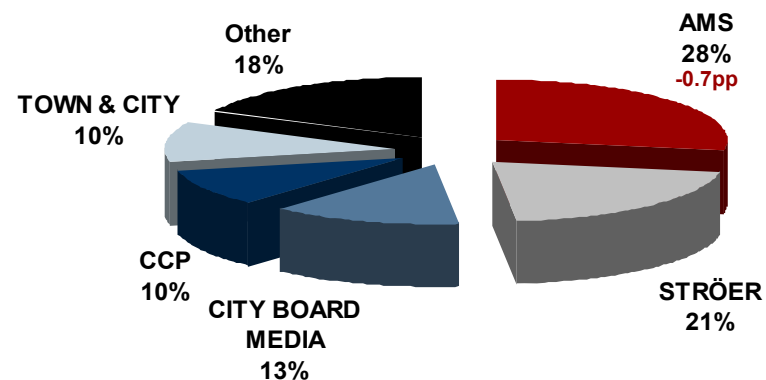
AMS

Financials

PLN mln	2002	2003	yoy % change
Revenue*	102.8	102.6	-0.2%
Operating cost*	138.1	116.2	-15.9%
- staff cost	19.7	14.6	-25.9%
- rental cost	50.0	46.7	-6.6%
EBIT	-35.3	-13.6	-
EBITDA	-17.2	4.0	-
Net profit	-48.1	-16.0	-

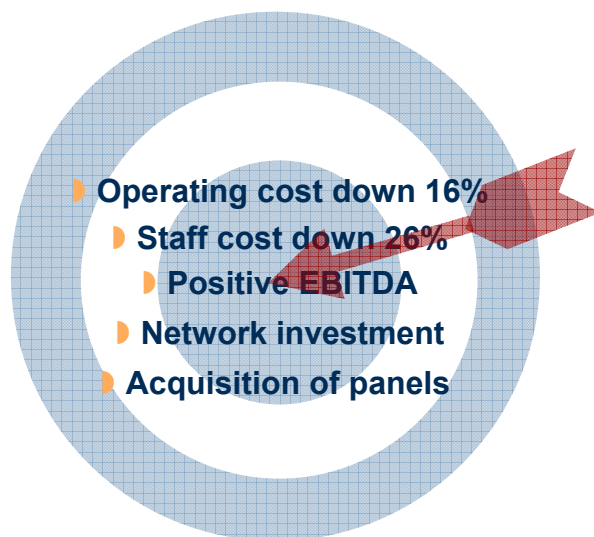
* The amounts do not include the revenue and costs of cross-promotion of Agora's other media on AMS panels if such promotion was executed without prior reservation on space which was not sold to external clients.

Outdoor ad market



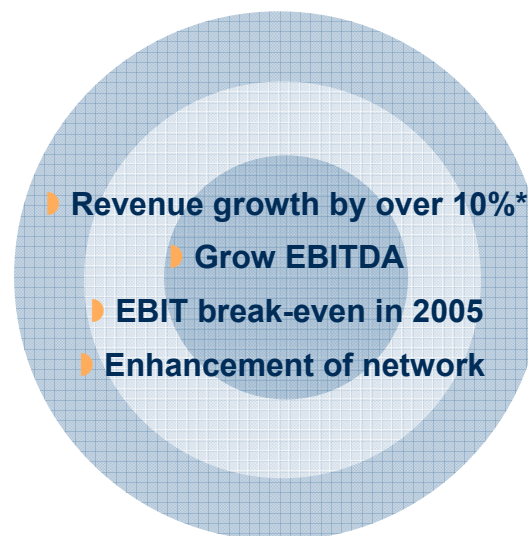
Source: AMS based on Media Watch 2003 (12 biggest agglomerations).

2003



* Revenue from external clients.

2004 objectives



New businesses – radios below plan

Radio

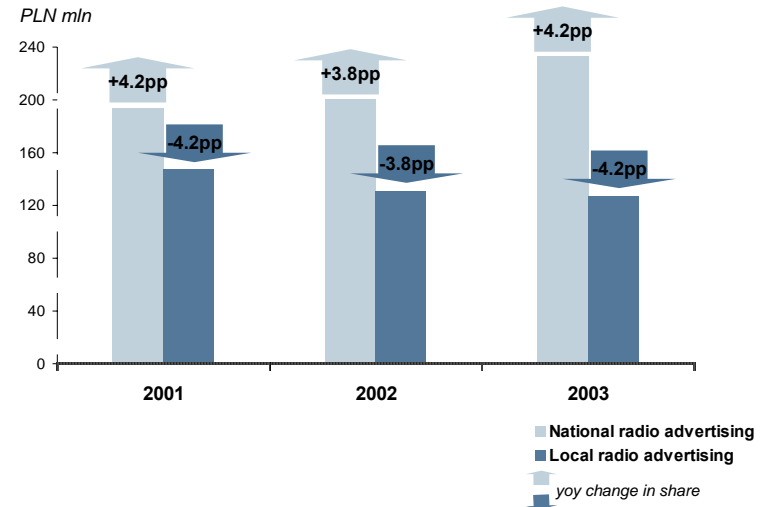
Financials

PLN mln	2002	2003	yoy % change
Revenue	43.4	40.9	-5.9%
Operating cost*	50.4	50.5	0.0%
EBITDA	-4.0	-7.2	-
Market share			
- radio advertising	12.1%	10.5%	-1.6pp
- local radio advertising	30.6%	29.7%	-0.9pp
- audience	15.3%	13.2%	-2.1pp

* The amounts do not include the cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation on space which was not sold to external clients.

Source: advertising: Agora, estimated data corrected for average discount rate based on CR Media monitoring; audience: SMG/KRC, Radio Track, target group: 20-50 of age (cities of broadcasting).

Radio ad market



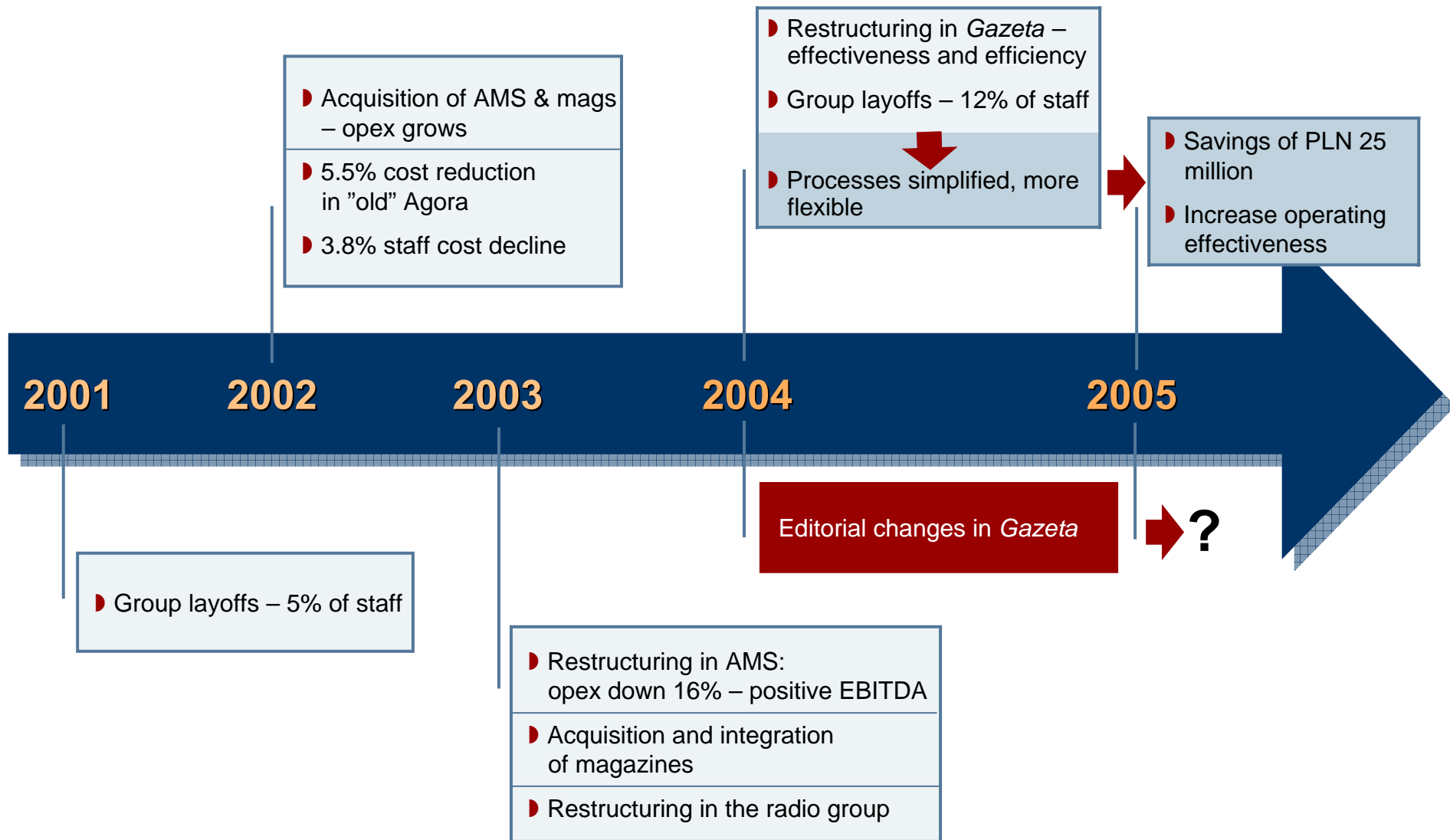
2003 r.

- ▶ Revenue below plan
- ▶ Political decisions of regulator
- ▶ Financial target not reached
- ▶ Reorganization in 2003

2004 objectives

- ▶ 13% share in radio advertising
- ▶ 16% audience share
- ▶ EBITDA break even*
- ▶ Legal action?

* Exclusive of TOK FM and new stations (currently BLUE FM Kraków).



Actions

- ▶ Centralization of accounting; controlling function distributed to businesses
- ▶ Centralization of compliance and payroll functions
- ▶ Fewer management levels
- ▶ Devolution of decision; changes in incentive plan, management training
- ▶ Leverage multimedia synergies

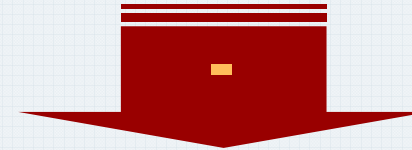
Goals

- ▶ More efficient
- ▶ Reduction of cost and headcount
- ▶ Built to consolidate advertising share
- ▶ Trimmer and more competitive team

Cost <i>(PLN mln)</i>		Revenue <i>(PLN mln)</i>
73.9	OPERATING LEVEL	73.1
-	Revenue of new businesses	94.4
-	Revenue of "old" Agora	-26.2
-	Nonrecurring AMS revenue	4.9
17.2	Newsprint cost	-
36.0	Cost of marketing and new publishing projects	-
11.1	Goodwill:	-
5.9	AMS	-
3.4	Magazines	-
1.8	Radio stations	-
5.9	AMS write offs of panel assets	-
3.7	Other	-
15.3	FINANCIAL LEVEL	11.6
11.2	Change in net financial cost	-
	Change in deferred tax provision	11.6
0.9	Provision for radio assets	-
3.2	Embedded instruments	-
89.2	TOTAL	84.7

2004 PLAN

- ▶ Moderate growth of ad market
- ▶ Multimedia synergies
- ▶ New businesses contribute revenue and EBITDA
- ▶ Optimization of employment and other operating cost
- ▶ Editorial changes in *Gazeta Wyborcza*



- ▶ Stagnant newspaper market and pricing policy of TVP
- ▶ Cost of competitive actions
- ▶ Euro/zloty exchange rate
- ▶ New rules on VAT on printing services, display ads and classifieds
- ▶ Goodwill write-offs on new businesses
- ▶ Net loss in new businesses

TOP 2004 priorities:

- ▶ Consolidation of *Gazeta's* market position
- ▶ Profitability of new businesses
- ▶ Growth in Polish media market



FINANCING

- ▶ PLN 500 million credit line extended by a year; PLN 360 million available
- ▶ 2003 operating cashflow PLN 134 million; net debt PLN 50 million
- ▶ 2004 capex of PLN 32 million

<i>PLN mln</i>	2002	2003	<i>yoy % change</i>
Revenue	785.3	853.5	8.7%
Operating cost	716.2	849.0	18.5%
EBIT	71.0	17.3	-75.6%
EBITDA	187.6	139.1	-25.9%
EBITDA margin	23.9%	16.3%	-7.6pp
Net profit (loss)	51.0	2.1	-95.9%
Net cash from operating activities	187.5	134.4	-28.3%