## AGORASA

# Investor Presentation November 2001

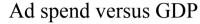
## Financial performance & statistics in 9M 2001 AGORA<sub>SA</sub>

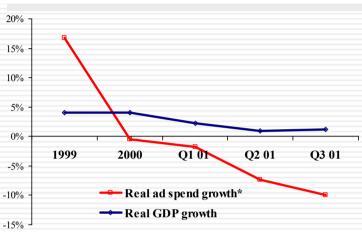


	9M 2001	% change
Financials (	in PLN million)	
Revenue	573.8	-3.0%
Advertising	435.9	-6.4%
Circulation	126.1	+7.9%
Operating cost before D&A	(403.2)	+3.3%
D&A	65.9	+58.6%
Operating profit	104.7	-34.5%
Pretax profit	211.3	+24.6%
Net profit	181.5	+44.9%
EBITDA	170.4	-16.7%
EBITDA margin	29.7%	-4.9pp.
Cash, cash equivalents & short-	221.2	+12.4 %
term securities		
Sta	atistics	
Av. daily copy sales	455,859	-1.1%
No. of ad pages	72,725	-17.2%
Av. revenue per ad page	5,768	+13.3%

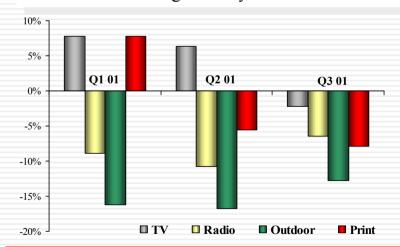
## Advertising market performance in 2000-2001 AGORA<sub>SA</sub>



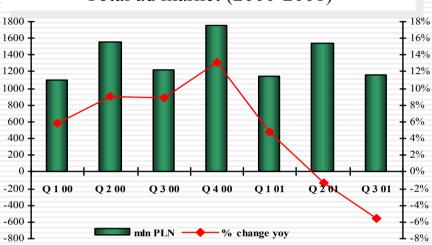




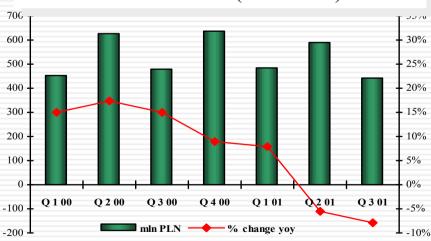
#### Ad market growth by sector in 2001



#### Total ad market (2000-2001)



#### Print ad market (2000-2001)



<sup>\*</sup> Estimated figures - corrected for average discount rate, adjusted for inflation

## Advertising market performance – cont'd

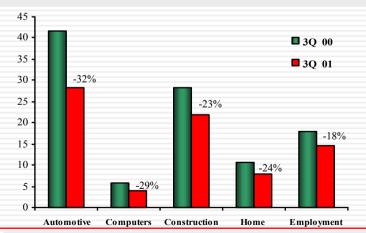


#### Daily print ad categories in 9M 2001

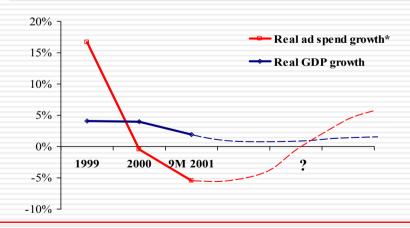
TOP 5 gainers	mln PLN	yoy change
ATTC*	11.2	67%
Health	4.9	35%
Real estate	6.2	16%
Services	2.2	14%
Science	3.2	13%
Total gain	27.6	25%

<b>TOP 5 losers</b>	mln PLN	yoy change
Automotive	-38.8	-24%
Computers	- 4.2	-19%
Construction	-13.1	-17%
Home	-4.8	-15%
Employment	-6.6	-12%
<b>Total loss</b>	-67.4	-20%

#### TOP 5 losers in 3Q 2001



#### Ad market to come



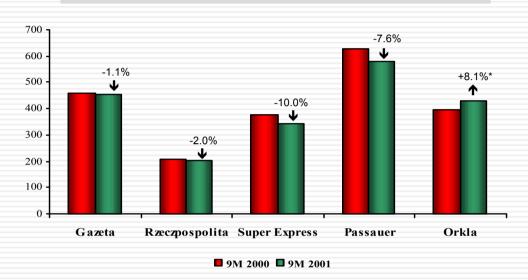
<sup>\*</sup> alcohol, tobacco, tea, coffee

<sup>\*</sup> Estimated figures - corrected for average discount rate, adjusted for inflation

## 9M 2001 Gazeta's performance - circulation



#### 9M 2001 Copy sales ('000)



<sup>\* 5%</sup> decline excluding three new titles purchased Sep.-Dec. 2000 Source: National Circulation Audit Office

 Daily copy sales
 461K
 456K
 -1.1%

 Average copy price (PLN)
 1.64
 1.94
 +18.5%

 Revenue (PLN million)
 115.5
 124.8
 8.0%\*\*\*

- Copy sales in 3Q 2001up 2.5% yoy
- TV Guide and Sports sections improve
   Monday and Friday circulation by 1.7% and 3.0%, respectively

<sup>\*\*</sup> Net of VAT; with VAT 15.6 % growth

## 9M 2001 Gazeta's performance - advertising



#### Gazeta versus market performance

	]	Revenue growth	1	Gazeta's	Estimated
	Market	Gazeta estimated*	Gazeta real**	estimated share	change in Gazeta's share
National	-8.7%	-6.7%	-7.0%	64.5%	+1.4 pp.
Warsaw	-6.9%	-8.7%	-6.3%	82.1%	-1.6 pp.
Local	-2.3%	-5.9%	-4.2%	23.6%	-0.9 pp.
Total	-5.5%	-6.9%	-6.4%	46.6%	-0.7 pp.

#### Gazeta & top 10 daily newspaper ad categories

	Revenue	growth	Change in
	Gazeta	Market	Gazeta's share
Automotive	-23.0%	-24.0%	+0.9pp.
Announcements	-8.0%	-7.0%	-0.3pp.
Telecom	+1.0%	+1.0%	-0.1pp.
Construction	-22.0%	-17.0%	-2.6pp.
Retail	+6.0%	-1.0%	+2.1pp.
Finance	-4.0%	-2.0%	-0.6pp.
Employment	-15.0%	-12.0%	-2.7pp.
Real estate	+23.0%	+16.0%	+3.3pp.
Travel	-3.0%	+2.0%	-3.2pp.
ATTC	+60.0%	+67.0%	-2.6pp.
Total	-6.9%	-5.5%	-0.7pp.

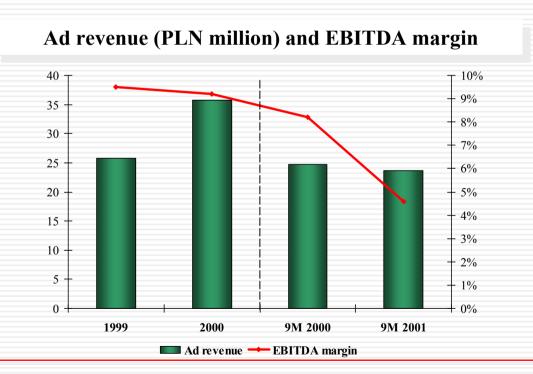
<sup>\*</sup> marketing database figures corrected for estimated discounts

<sup>\*\*</sup> accounting data

## 9M 2001 local radio performance



- Local radio revenues decline 13.9%; Agora group down 4.4%
- Focus on revenue and market share; cost curbing programs implemented
- 3 new stations added to the group in 3Q 2001



## 2001 cost structure



	9M 01	% yoy change	3Q 01	3Q/2Q change	% yoy change
Newsprint	111.9	-1.2%	35.2	-9.1%	-3.6%
Staff cost	144.8	10.7%	48.3	-3.1%	9.6%
Wages and salaries	118.9	10.3%	40.5	-0.4%	10.9%
D&A	65.9	58.6%	22.6	6.7%	37.2%
Other	122.9	-0.6%	38.3	-20.1%	-3.0%
Operating cost before D&A	403.2	3.3%	128.1	-11.3%	0.3%
Total operating cost	469.1	8.6%	150.7	-9.0%	4.5%
Employment at the end of period	3425.5	2.9%	3425.5	-2.2%	2.9%

## Sources and uses of funds



(PLN '000)		30.09.200
Sources		
Cash and short-term securities (opening balance)		189,435
Cash inflow from operations	170,420	
Cash inflow cash management	19,251	
Long-term investments, net	11,792	
Other cash (net)		
Total		390,898
Uses		
Taxes paid	(13,659)	
Cash for increase in working capital	(2,669)	
Capital expenditure (net)	(151,174)	
Hedging and other expenses (net)	(2,215)	
Total		(169,717)
Cash and short-term securities (closing balance)		221,181
Debt capacity range	450-500*	

<sup>\*</sup> Calculated on P&L debt cover ratio of 2

## **Looking forward**



- Weak advertising quarter ahead, we expect:
  - total sales to fall 4% yoy
  - advertising sales down 6-8% yoy
  - paid circulation flat yoy (after 1H 2001 decline of 2.9%)
- No yoy improvement in the ad market anticipated in 2002

## **Further steps**



### • Continue to tighten our belt

#### 2002 budget in the works - tailor cost base to advertising market

- no merit increases in next year's budget
- employment under review
- production and other operating cost reductions at all levels

## Continue implementing growth strategy

- have liquidity and debt capacity
- several interesting transactions in the works
- work on filling the pipeline