

# Agora SA

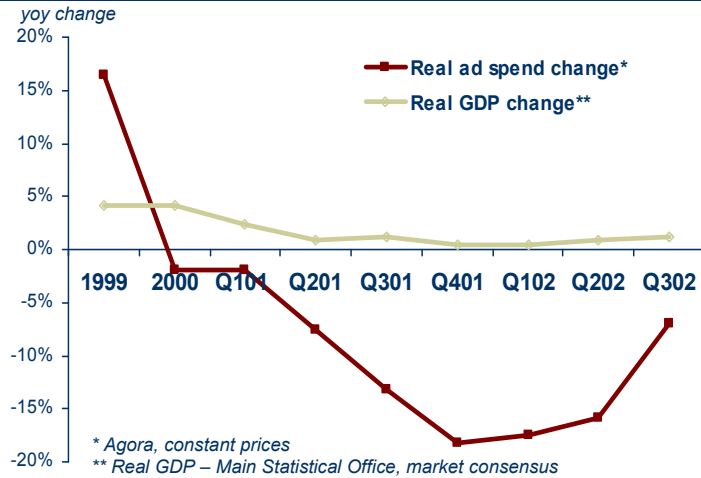
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*Investor Presentation*

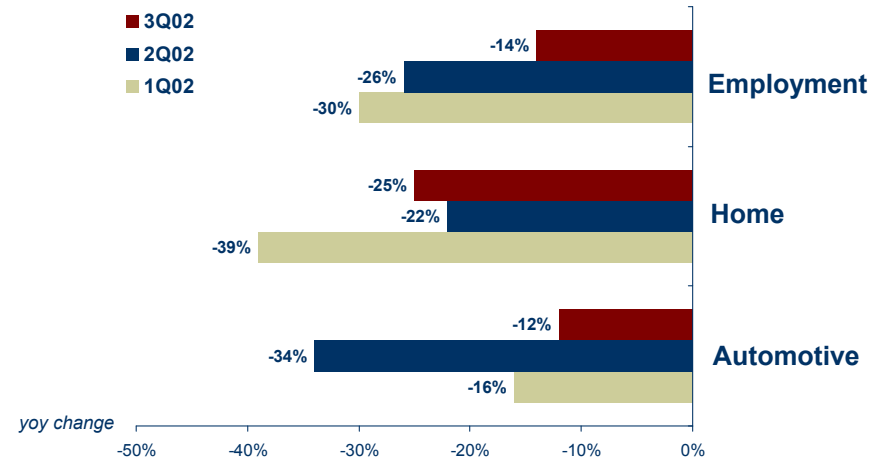
*November 2002*

# Advertising market in Poland

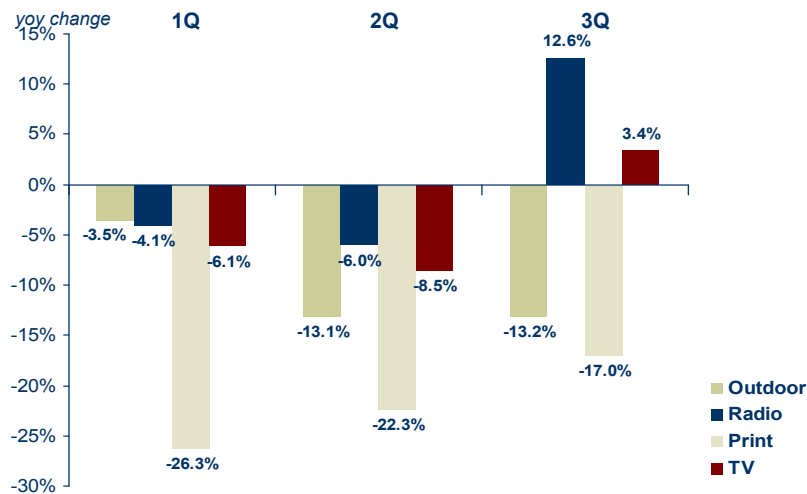
## Ad spend vs GDP 1999 – 3Q 02



## Ad categories in 3 media in 1-3Q 02

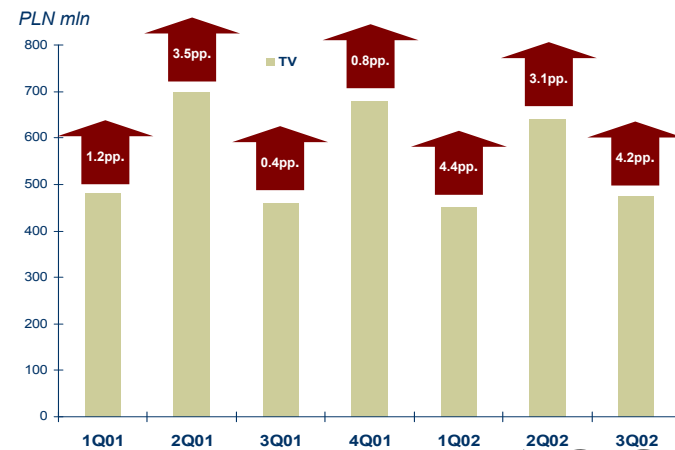


## Ad market performance by media 1- 3Q 02



Source: Agora, estimated figures, corrected for average discount rate

## TV advertising share growth



# Agora group: where we are on strategy

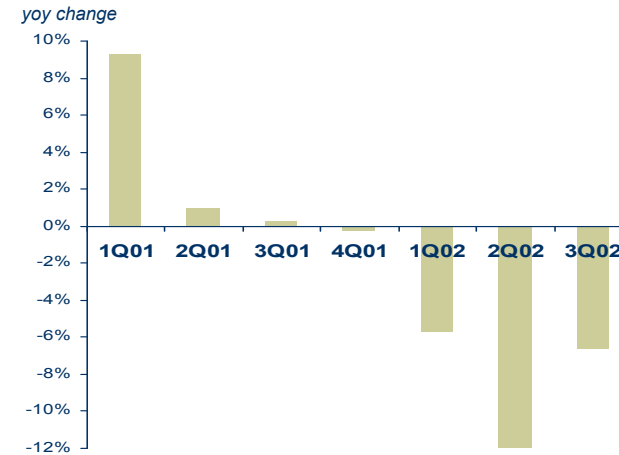
	2000	now	Current market position		
			Advertising share	Audience share	
Publishing					
	- Gazeta	✓	✓	 48.2% ↑ 1.4 pp	 23.7%
	- magazines	—	✓	 5%	 21%
- free press	—	✓	 26.6% in Warsaw ↑ 5.2 pp.	 18.9%	
Outdoor	—	✓	 ↑30%	na	
Broadcasting					
- local radios	✓ 14 stations	✓ 27 stations	 11.5% ↑ 1.7 pp	 15.8%	
Online	—	✓ - Portal - GW online	 14%	# 3	

3 Source: advertising: Agora, estimated figures, corrected for average discount rate 1-3Q02; readership: Polish Readership Research Jan.-Sept. 2002 (PBC General: GW & mags; PBC Daily, Sept. 2002: free press); radio: SMG/KRC Radio Track, July-Aug. 2002, target group: 20-50 year olds; Internet: TNS OBOP's Interbus research – Sept.–Oct. 2002, Agora's estimates; outdoor: 2001 Media Watch.

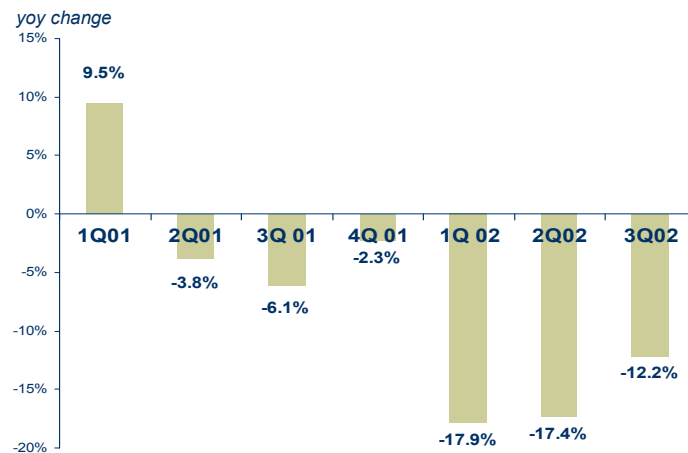
# Agora group: financial performance

PLN mln	consolidated	% change	ex radios, mags and AMS	% change
◆ Revenue	555.9	-3.1%	503.7	-12.2%
◆ Operating costs (excl. D&A)	417.2	3.5%	370.0	-8.2%
◆ D&A	81.2	23.2%	74.6	13.1%
◆ EBIT	58.4	-44.1%	59.8	-42.8%
◆ EBITDA	139.6	-18.1%	134.4	-21.1%
◆ EBITDA margin	25.1%	-4.6 pp.	26.7%	-3.0 pp.
◆ Net profit	50.4	-72.2%	61.5	-66.1%
◆ Operating cash	139.6	-17.3%		

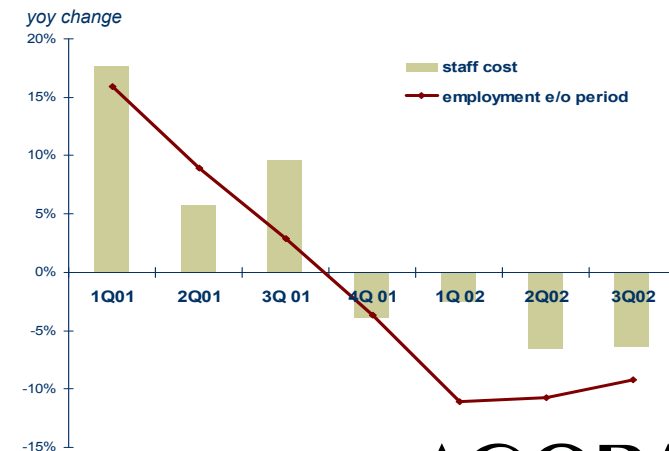
## Operating costs (ex D&A)



## Cost of materials



## Staff costs



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• Costs ex radios, magazines & AMS, according to IAS.

**AGORA** SA

# Agora group: performance in major segments (1-3Q02)

## PRESS

### Gazeta Wyborcza and other press\*

PLN mln	1-3Q 2002	% change
Total revenue	498.5	-12.7%
- ad revenue	344.6	-20.6%
- copy sales	133.5	5.9%
Operating costs	403.3	-9.1%
EBITDA margin	30.7%	-1.9pp.

Gazeta's copy sales down 7.1% vs. daily market down 8%.

## PUBLISHING

### 12 mags acquired from Prószyński & S-ka\*\*

PLN mln	2-3Q 2002
Total revenue	31.5
- ad revenue	13.3
Operating profit /loss	3.4
Impact on Group's net earnings	2.4
Average monthly circulation (all titles)	1.5 mln

Magazine ad market down 17.4%.

Agora's magazines share unchanged.

## BROADCASTING

### Local radio stations group

26 stations – not adjusted for equity PLN mln	1-3Q 02	% change
Total revenue	30.2	17.6%
- ad revenue	28.5	20.9%
Net profit	-9.4	-
EBITDA	-4.2	-
Impact on Group's financials adjusted for equity	-11.0	Consolidated as of 2Q02: 13 full consolidation, 6 by equity method

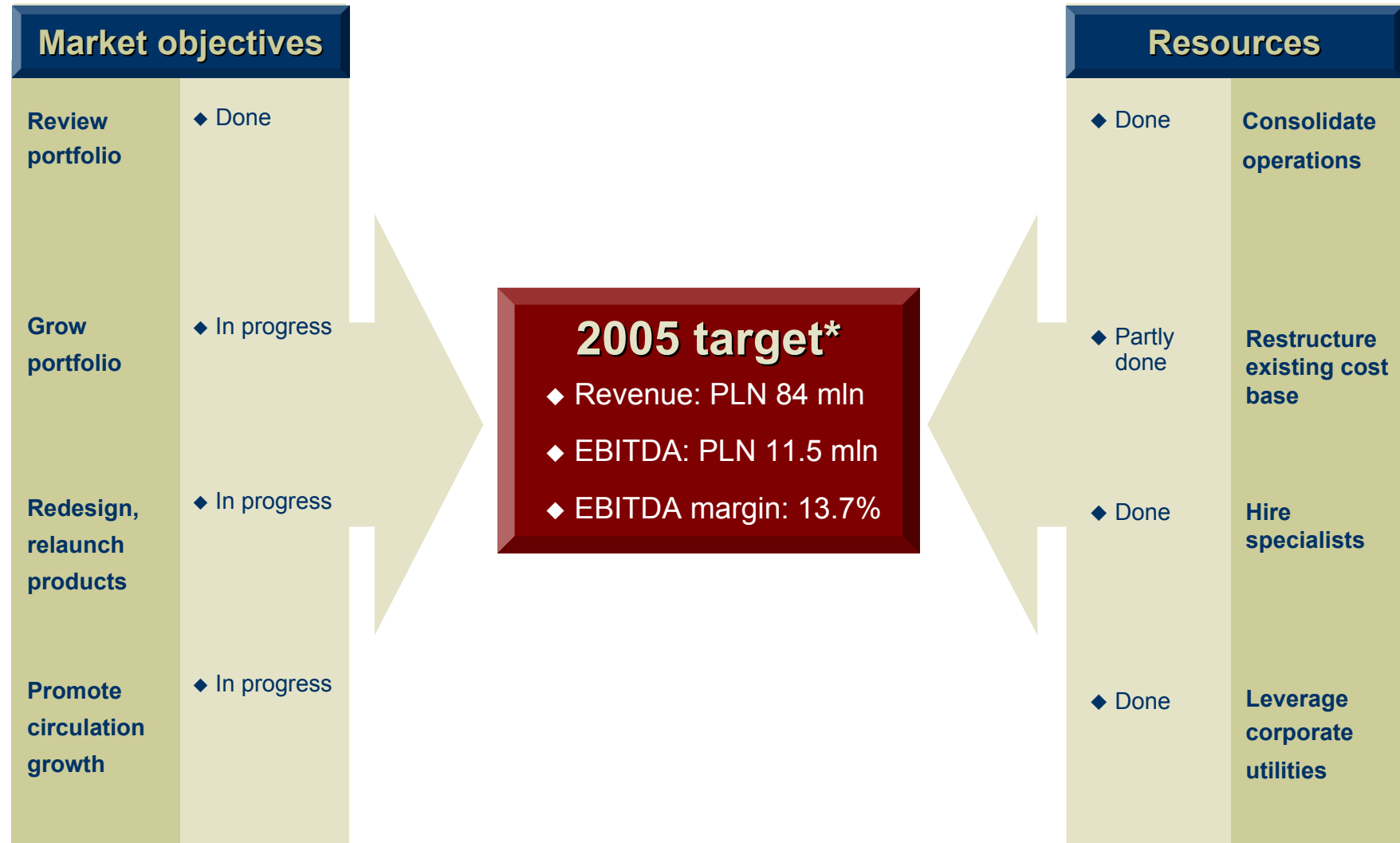
Radio ad market up 0.3%,  
local radio ad market down 9.6%.

Source: advertising: Agora, estimated figures, corrected for average discount rate; circulation: National Circulation Audit Office.

\*GW and other press: figures include local weeklies and free press.

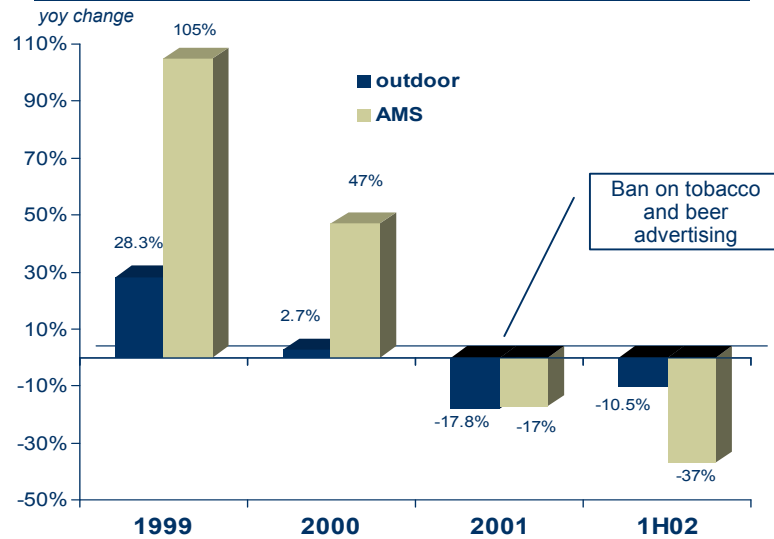
\*\*Mags financials: understated costs due to timing differences.

# Challenge ahead: magazines



# Challenge ahead: AMS

## Polish outdoor market growth



Source: Agora, estimated figures, corrected for average discount rate, AMS

## Market share

Company	Revenue share	Billboards	Street furniture	Large formats
AMS	30%	26.7%	72.6%	21.7%
Stroer	21.9%	38.4%	18.3%	7.8%
Citiboard Media	12%	0%	0%	26.2%
Clear Channel	9.7%	20.3%	3%	1.1%
Town&City	9.7%	4.9%	0%	16.7%

#1 #2

Source: Media Watch 2001, (Stroer – estimates include Europlakat & Outdoor).

## Profitability of segments

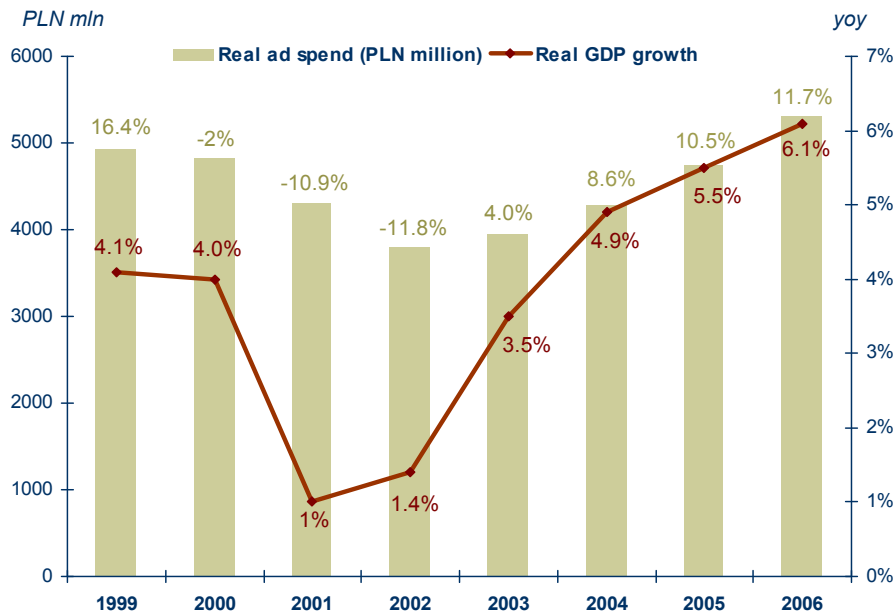
EBITDA margin	
Billboards	5-11%
Street furniture	22-40%
Large formats	>20%

Source: market consensus

# Agora group: going forward

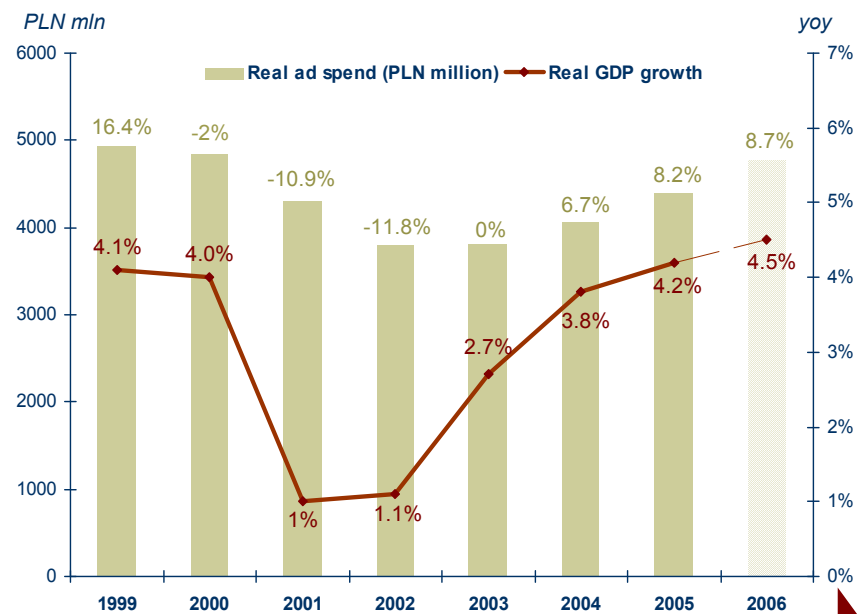
## Advertising market prospects

### Optimistic scenario



Ad spend of 2000 to be reached in 2005

### Pessimistic scenario



Ad spend of 2000 to be reached in 2007

### Assumptions:

- ◆ Real ad spend grows if real GDP rises at least 2% p.a.
- ◆ Ad spend revives 6 month after GDP recovers.
- ◆ Ad spend grows at double rate of GDP growth.

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•Advertising: Agora's estimates in constant prices.  
 •GDP: Optimistic GDP growth scenario based on government's forecasts (high growth scenario); pessimistic scenario based on IBnGR think-tank; 2006 – Agora's estimates.



# Agora group: going forward

## THE COMPANY

### ACCOMPLISHMENTS

- ◆ Unscathed strong position in the daily press market
- ◆ Strongly growing radio business
- ◆ Entered 2 new media segments
- ◆ Liquidity and strong financial standing

### TASKS

- ◆ Maintain market position
- ◆ Consolidate new businesses
- ◆ Maintain financial discipline
- ◆ Keep growing the business

## THE ENVIRONMENT

### THE ECONOMY

- ◆ Unclear growth scenario
- ◆ EU accession terms may weaken convergence effect
- ◆ Affects core business profitability and timing of new business turnaround

### BUSINESS ENVIRONMENT

- ◆ Strong competition in new segments
- ◆ Unfriendly legal and regulatory climate:
  - media bill affects growth and ad revenue split
  - changes in CIT
  - other peculiar proposals
- ◆ Improvements in corporate governance