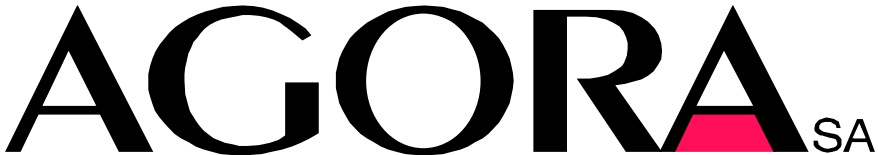


**AGORA**SA

*Investor Presentation*

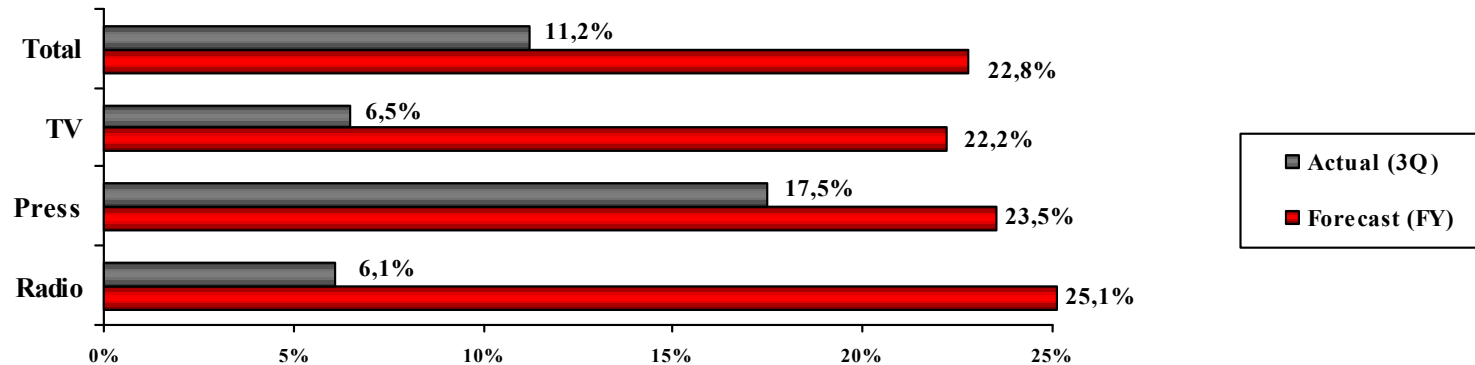
*November 2000*

*(based on 3Q results)*

# Polish advertising market in 2000



## Advertising market growth slower than expected



## Reasons for market slowdown

- higher inflation
- lower consumer demand:
  - slowdown of automotive sector
  - slowdown of FMCG
- pension fund ads one time event in 1999

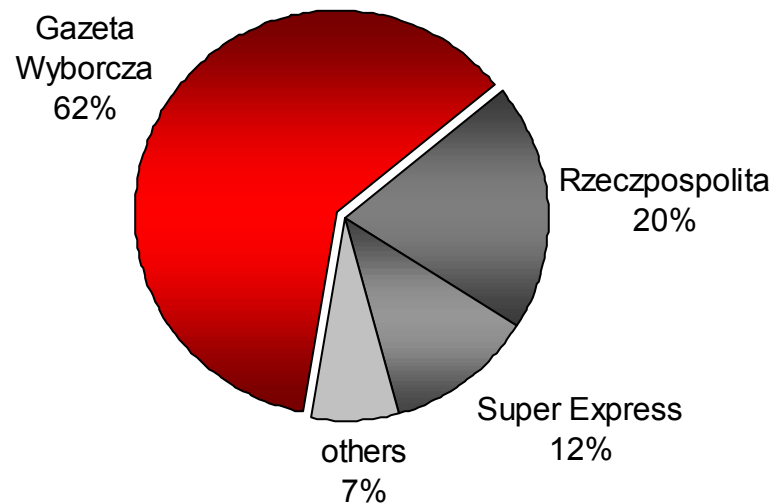
\* All figures reflect nominal growth in PLN

*Advertising market below expectations, print least affected*

# Gazeta - advertising results

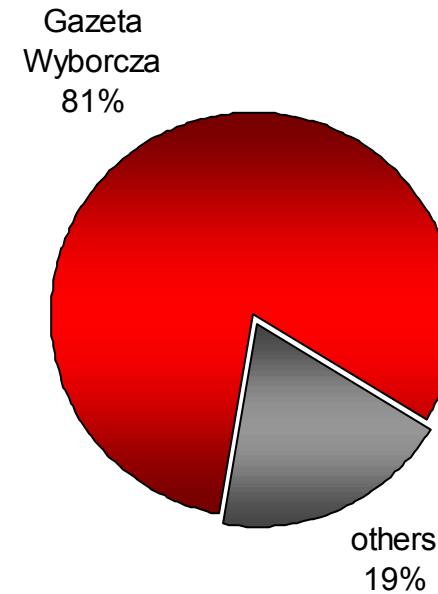


## National market share



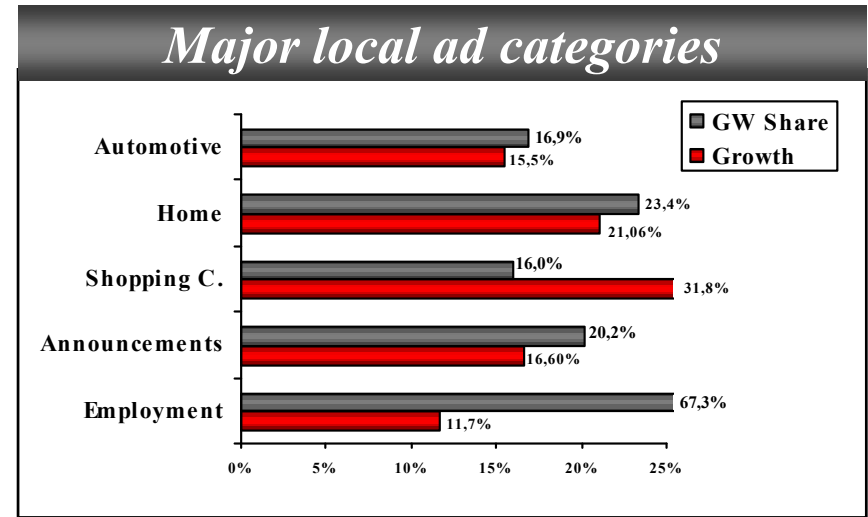
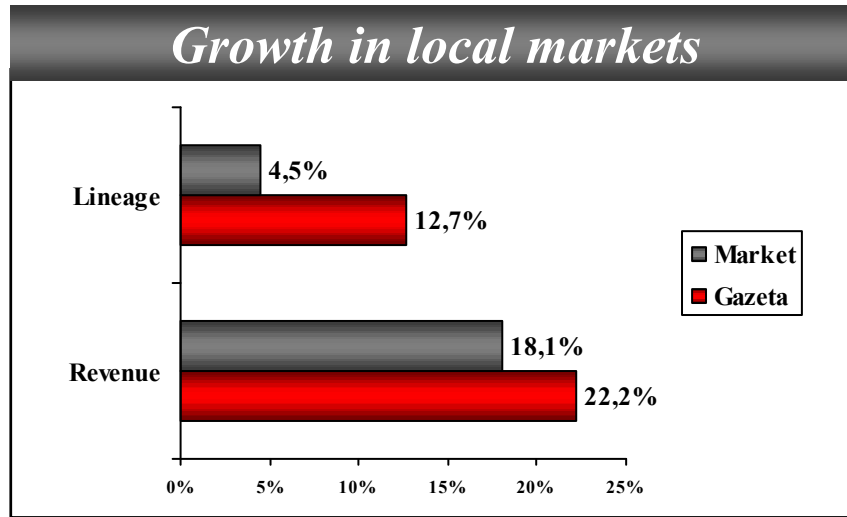
Revenue	
Gazeta	+ 20,9% to PLN 236 million
Market	+ 17,4%

## Warsaw market share

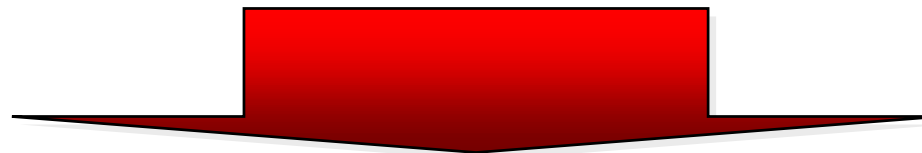


Revenue	
Gazeta	+ 14,5% to PLN 104,7 million
Market	+ 11,8%

# Gazeta - advertising results in local markets



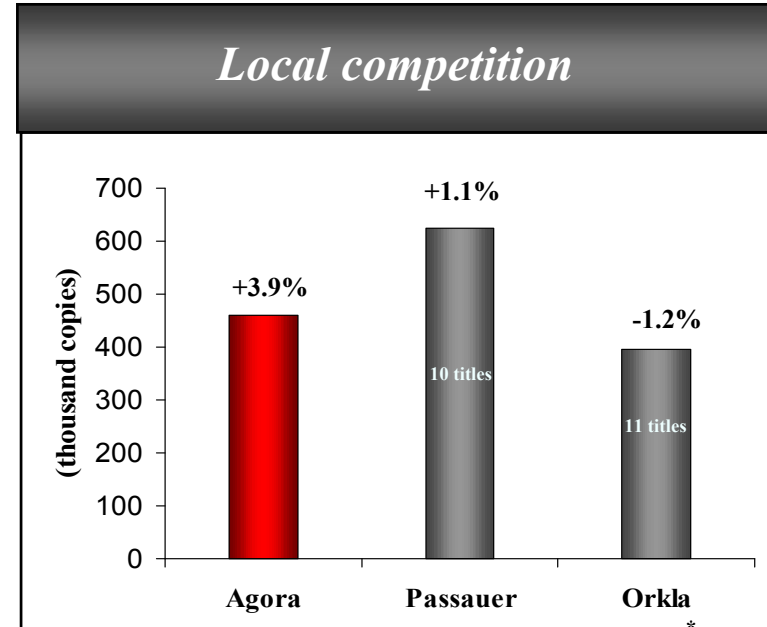
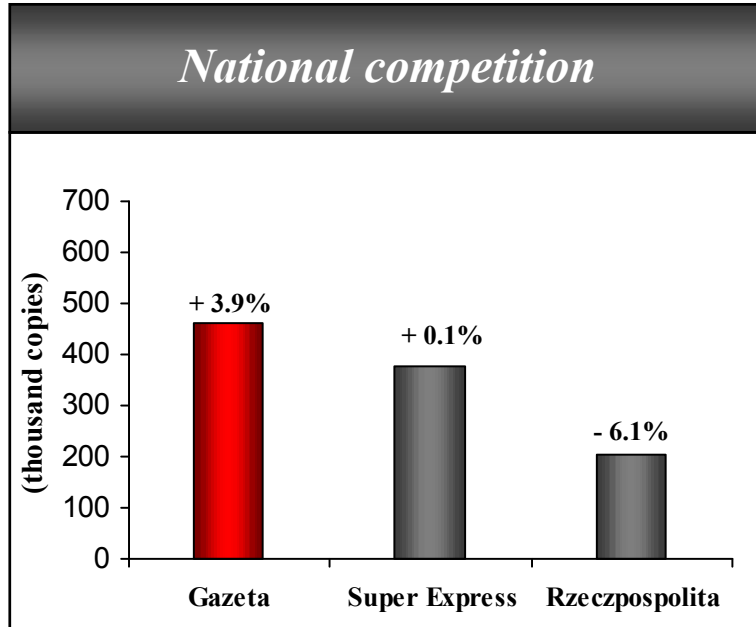
Source: Agora



- Agora's 3Q 2000 performance
- Share in lineage up by 2.8 pp. (to 39%)
  - Share in revenue up by 1.6 pp. (to 24.8%)

*Developing local markets drive new growth opportunities*

# Gazeta - circulation growth



Source: Agora

\* Rzeczpospolita excluded

- Overall circulation revenue growth by 14.4% to PLN 115.5 million
- Re-designed TV Guide and new supplement for children boost Friday circulation in September 650,000 copies
- Average daily copy sales up 3.9% to 461,000 copies
- Monday edition with employment and extended sport section records growth in copy sales by 40,000 copies
- Significant circulation growth in 2 out of 3 strategic markets (Poznań up by 7.4%, Wrocław up by 10.9%)
- 2nd edition of Fantasy Soccer yields 330,000 coupons; helps Monday's & Friday's copy sales

*Copy sales keep growing - overall and in strategic local markets*

## Gazeta - key business drivers

**AGORA**<sub>SA</sub>

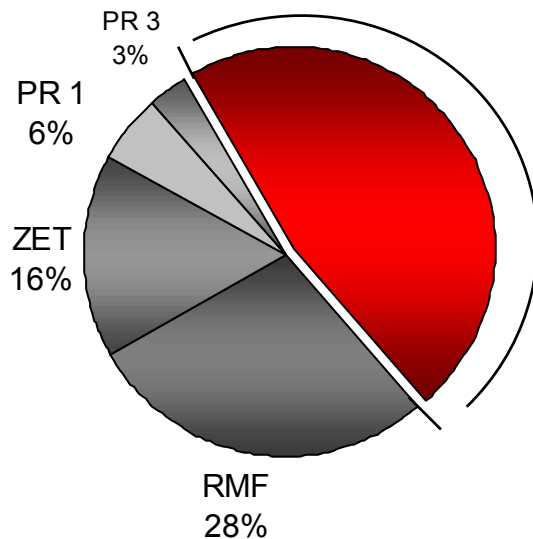
	1997	1998	1999	3Q 1999	3Q 2000
<i>Average daily copy sales</i>	409 415	435 877	447 208	443 815	461 342
<i>Average copy price (PLN)</i>	1.07	1.20	1.48	1.47	1.64
<i>Average daily pagecount</i>	99.8	118.4	125.8	122,5	129,5
<i>Share of colour pages</i>	30.1%	40.7%	55.2%	54.1%	61.2%
<i>Share of ad pages</i>	57.0%	58.4%	57.9%	57.4%	56.5%
<i>Number of ad pages</i>	88 653	108 073	116 411	84 764	87 900
<i>Average revenue per ad page (PLN)</i>	3,466	3,876	4,484	4,409	5,086
<i>Revenue from inserts (PLN '000)</i>	5,222	9,046	14,054	9,045	12,809

Source: Agora

*New printing plants begin making impact*

# Radio market

## Share in radio market



Revenue	
National	PLN 157 million
Local	PLN 139 million

- **Fragmented local market (200 stations)**
- **20 biggest local stations account for 40% of ad revenue from local market**
- **The biggest local stations in September - Radio Pogoda (PLN 2.2 million of revenue) & Warsaw Radio Kolor (PLN 1.7 million)**
- **Estimated Agora's share in local radio ad market is around 10%**

Source: CR Media Monitoring, May-September 2000 r.

## Local radio group

<u>Station</u>	<u>City</u>	<u>Launch date</u>
Kolor	Wrocław	May '96
Elita	Bydgoszcz	September '97
Trefl	Gdańsk	September '97
Pogoda	Warszawa	November '97
Radio C.	Częstochowa	July '98
O'le	Opole	February '98
Karolina	Katowice	October '98
*88,4 Jazz FM	Poznań	July '97
*103,4 FM	Poznań	November '98
*93,5 Klasyka FM	Poznań	October '98
Na fali	Świnoujście	January '00
Klasyka	Warszawa	March '00
Barys	Katowice	April '00
RES 95,7 FM	Rzeszów	November '00

- **First formatted radio stations in Poland**
- **Target group - aged 25-45, cities over 100,000 inhabitants**

\* Stations operated by BOR in with Agora owns 46%



## Local radio group

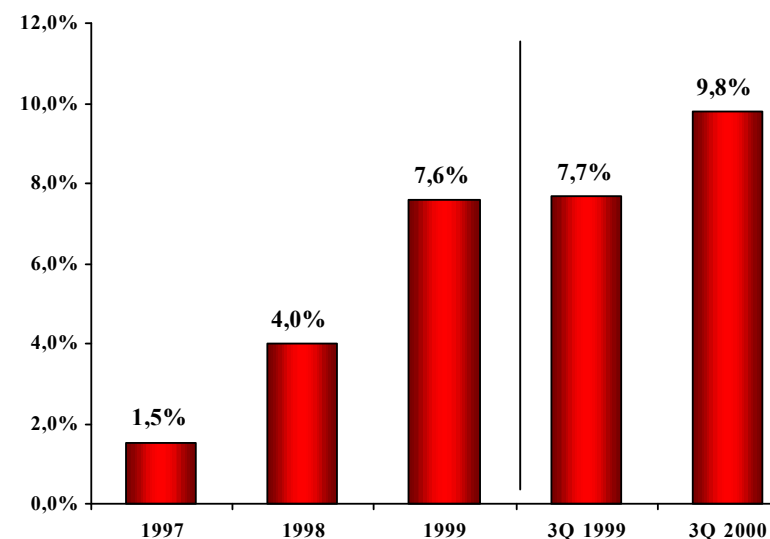
# AGORA<sup>SA</sup>

### Financial information (PLN '000)

	1997	1998	1999	3Q 1999	3Q 2000
<i>Number of stations</i>	5	9	10	10	14
<i>Sales</i>	2 054	13 586	33 000	21 624	30 691
<i>EBITDA</i>	(2,381)	(2,809)	2,640	2 286	2 186
<i>EBITDA margin</i>	(115.9%)	(20.7%)	8.0%	10,6%	7,1%
<i>Agora's share in sales</i>	48.6%	54.9%	64.3%	62,6%	68,3%

Source: Agora

### Share in national audience



Source: SMG/KRC Radio Track

*Warsaw radio Pogoda sets the standard with 45% EBITDA margin*

## Local radios - development plan

- ➔ Committed to further growth to build scale
  - acquisitions/new licences
  - doubling or tripling up in major cities
- ➔ Regulatory issues the potential barrier to growth
  - more regulatory clarity as Poland joins EU
- ➔ If acquisitions on plan, aggregate revenues > PLN 100 million in 2003

*Grow the group - expand scale of operation*

## Worldwide trends in media sector

### Changing media landscape

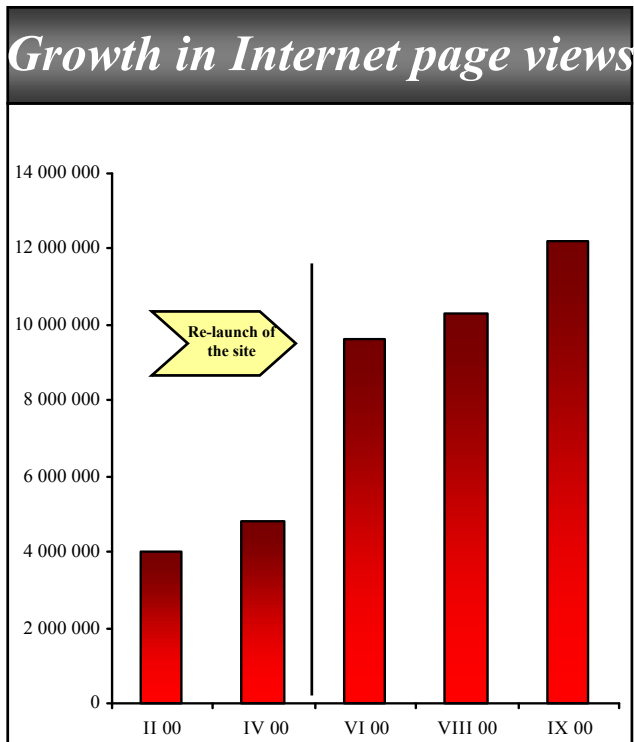
- **new distribution channels & ways to reach users**
- **entry barriers re-defined (regulations, licencing)**
- **challenge for old media**
- **market consolidation**



### Implications for content owners

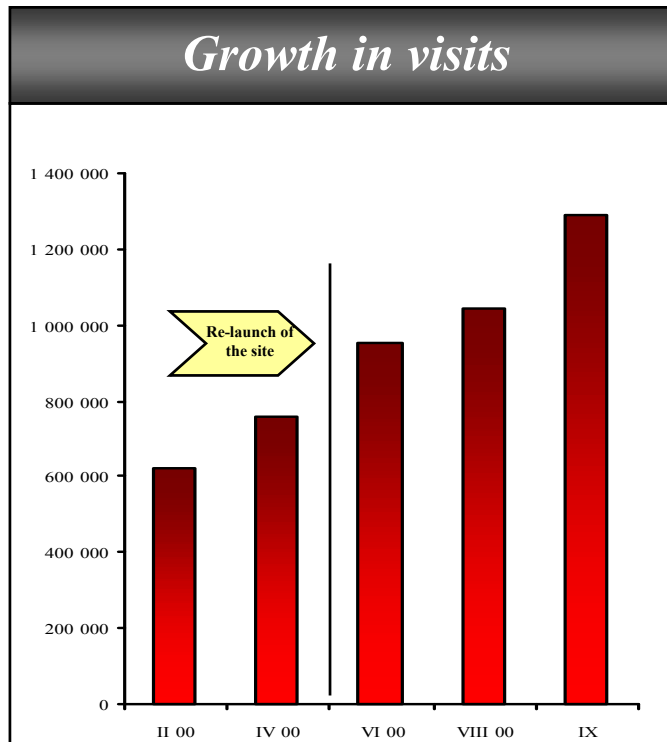
- **reach user with enriched offer**
- **content presentation: interactivity & new challenges (WAP)**
- **new revenue streams**
- **recognized brand name guarantees success**
- **technology is a key**

# Internet - progress to date



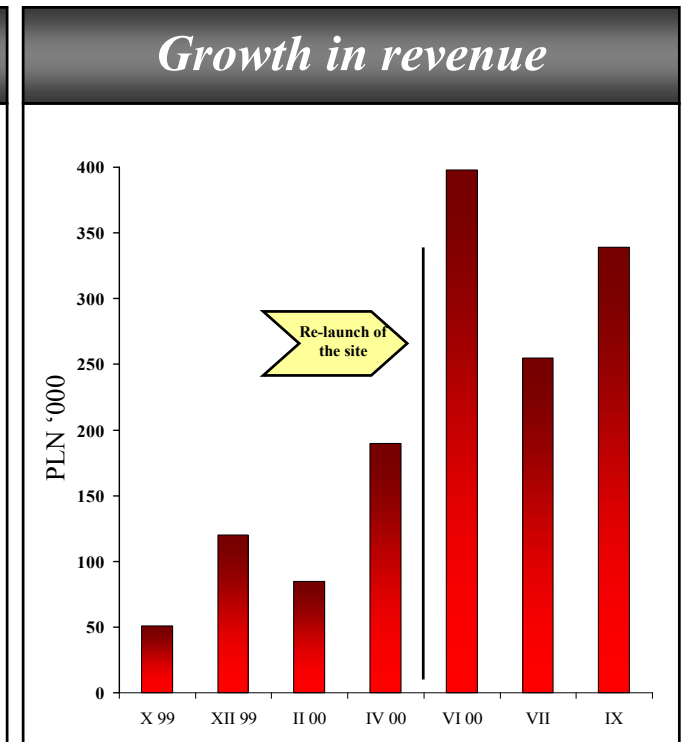
**Launch of portal**

Aspire to be the most frequently visited online service...



**Launch of portal**

...with richest content...



**Launch of portal**

...and attractive for advertisers

*Keep growth momentum during development*

## Internet - progress to date

### Technology

#### HARDWARE

- SUN Servers
- SUN Collective memory
- Pix firewall

#### SOFTWARE

- SUN Solaris 5.7 x OS
- Bea Weblogic Server
- DB Oracle 8 i
- DB Open LDAP
- Alta Vista Search Engine
- Dmail & KB mail
- Dnews
- Volano Chat Pro
- Several pieces written by IT staff (ad server, communities)

#### STAFF

- A team of excellent technology specialists/programmers on board



- Modular page structure facilitates personalisation
- Architecture aids endless content development
- Allows unlimited growth in usage

### Content and navigation

#### CONTENT & DEPTH VARIETY

- Multimedia publication via reengineered newsrooms
- Chats/communities led by journalists to generate tips/stats
- Classifieds - volume, partnerships , searchable data bases
- ‘Expert’ content - purchases & deals
- Over 20 thematic channels with solid depth
- 20 local portals
- Radio group adding value

#### NAVIGATION STRUCTURE

- National/local treatment with multiple access
- Advisory “ sequences”
- Search embedded in simple narratives



- ‘Draws in ‘ users , builds share/stickiness
- Expanding advertising inventory (scope and targetting)

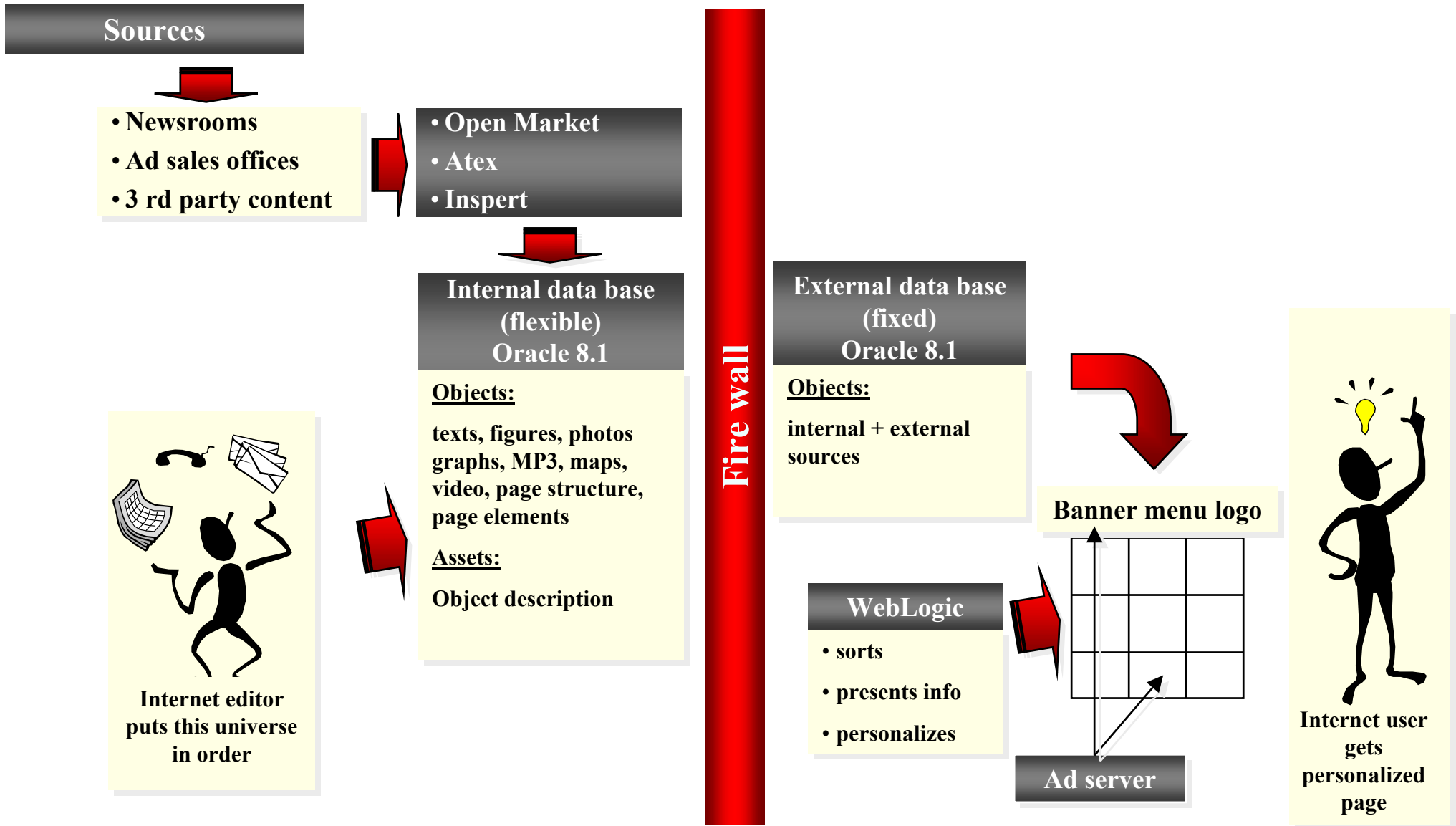
### Sales

- National sales (25 people including 5 PMs), 3 on-line local staff and sales promotion team
- Staff trained, client education effort underway
- Local SMEs supported by Gazeta’s sales network/mgmt
- Relationships with key classified partners
- New SME product: 1700 cash clients, 16000 quarters, 5000 run this month
- Revenue sharing deals with content partners
- Active participation in on-line measurement syndicate
- Seeded on-line ad spend monitoring
- Graphic design studio to enhance sales



- Most pro-active sales organisation
- Focused on cash revenues
- Significant revenue growth/reach
- Most cash advertisers land on gazeta.pl

## Internet - how it will work



## Internet - next steps

### Advertising and Promotion

- Decided portal name: **www.gazeta.pl**
  - Gazeta recognized for breadth and depth of coverage, wisdom and friendliness,
  - We are not starting from zero
  - Less expensive to promote
- Currently site promoted in Gazeta, cross-promotion with Netia
- Campaign at launch will promote portal trial

- ➔ Launch by year end as planned
- ➔ 2000 operating cost: ca. PLN 12 million
- ➔ 2000 capex: ca. PLN 20 million
- ➔ Team: over 80 people by year end
- ➔ Several partnerships/deals nearing completion

## Summary financials

# AGORA<sub>SA</sub>

### *Summary financial information (PLN '000)*

	1997	1998	1999	3Q 1999	3Q 2000
<i>Sales</i>	409,502	549,894	689,689	495, 217	591, 761
<i>Operating costs</i>	290,689	397,470	498,421	354, 885	431, 968
<i>EBITDA</i>	135,853	177,711	237,212	170, 073	204, 485
<i>EBIT</i>	115,751	155,355	191,268	140, 332	162, 938
<i>Pre-tax profit</i>	115,184	46,073	190,402	137, 471	169, 584
<i>Net profit</i>	62,801	4,177	126,446	90, 156	125, 239
<i>EBIT margin</i>	28.3%	28.3%	27.7%	28.3%	27.5%
<i>EBITDA margin</i>	33.2%	32.3%	34.4%	34.3%	34.6%

*Source: IAS consolidated results*

*Strong financial results underpin Agora's leading position*



### Strategic priorities and implementation plan

- ➔ Multimedia expansion
  - keep internet growth momentum
  - strategic acquisitions
  - strategic alliances and joint ventures
- ➔ Beef up development staff and bench strength
  - Head of Business Development on board
  - Business Development organization growing
  - implementing a multi-tiered system of identifying and training management talent
- ➔ Guard growth of core business
  - flagship for brand, credibility, market position
  - cash generative
  - secret weapon in new media competition

*Become an active player in European media consolidation*