



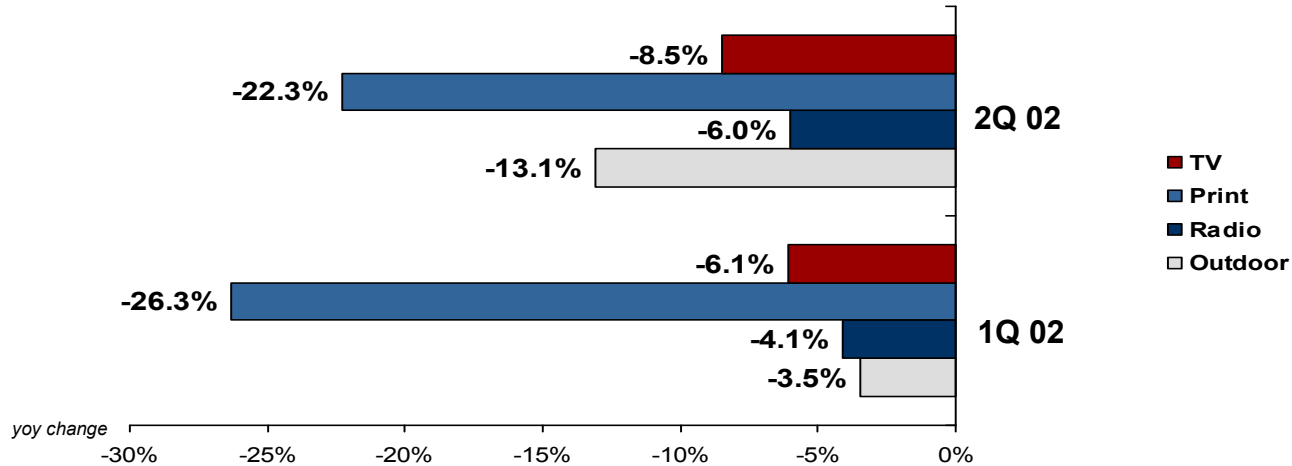
**Agora SA**

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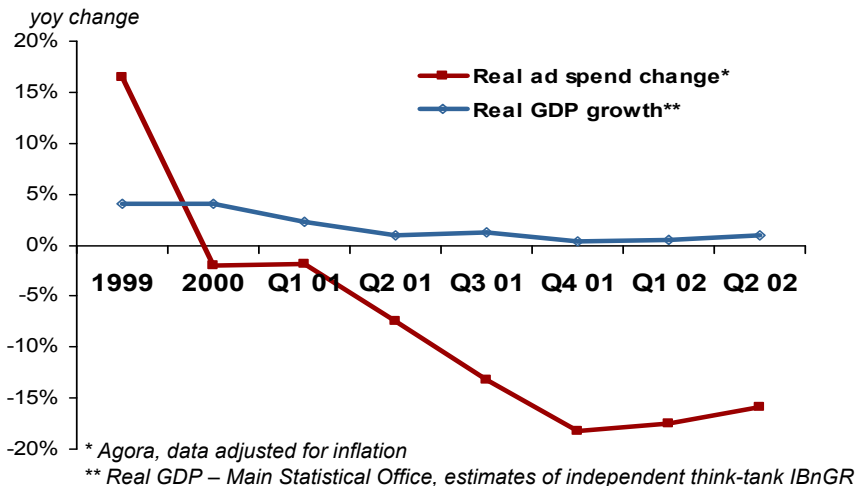
*Investor Presentation*  
*September 2002*

# Agora in 1H 02: advertising recession in Poland

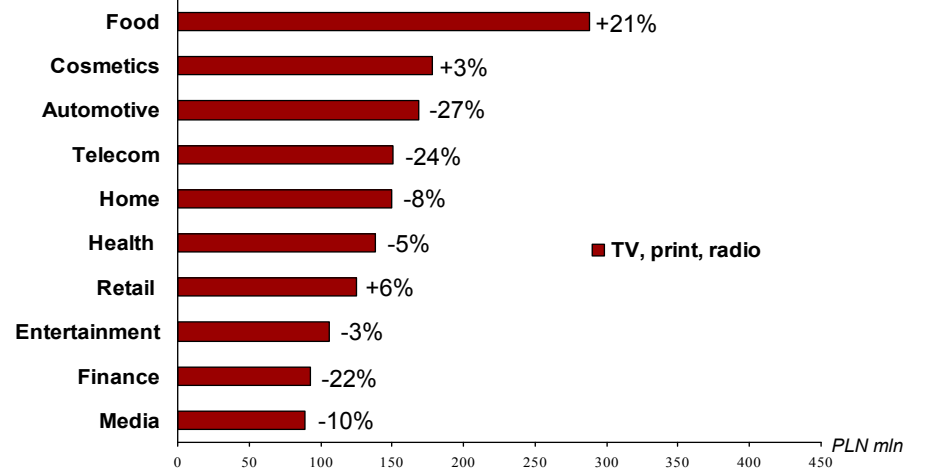
## Ad market performance by media 1Q - 2Q 02



## Ad spend vs GDP 1999 – 2Q 02



## Top 10 ad categories in 3 media in 1H 02



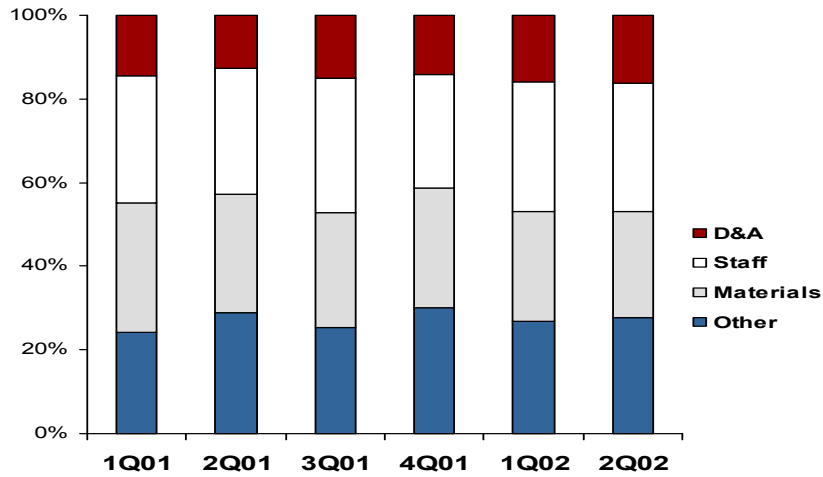
## Agora in 1H 02: key financials

According to IAS	PLN mln		ex. radios and magazines	% change
	consolidated	% change		
▶ Revenues	382.9	-5.8%	350.1	-13.9%
▶ Operating costs (excl. D&A)	277.4	0.8%	250.4	-9.0%
▶ D&A	51.5	19.0%	47.8	10.5%
▶ EBIT	54.8	-37.6%	52.5	-40.2%
▶ EBITDA	106.4	-18.9%	100.3	-23.5%
▶ EBITDA margin	27.8%	-4.5 pp.	28.7%	-3.5 pp.
▶ Net profit	47.9	-69.6%	52.7	-66.6%
▶ Operating cash	94.4	-21.2%		

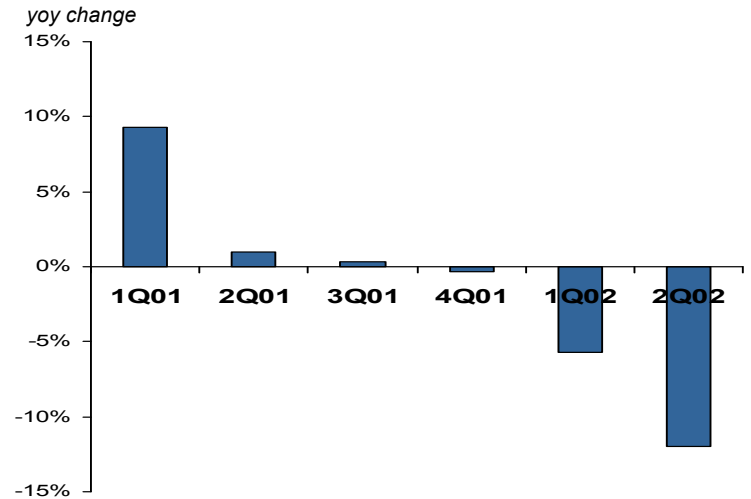
\* Radio business consolidated as of 2Q 02, magazines included in Group's financials as of April 2002.

# Agora in 1H 02: cost discipline

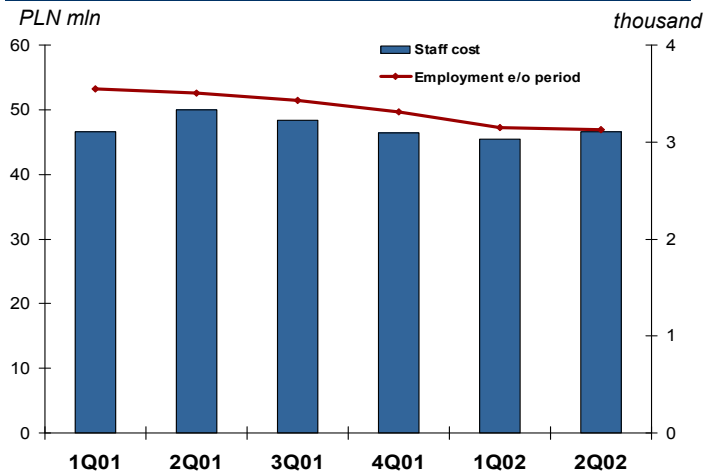
### Operating cost structure



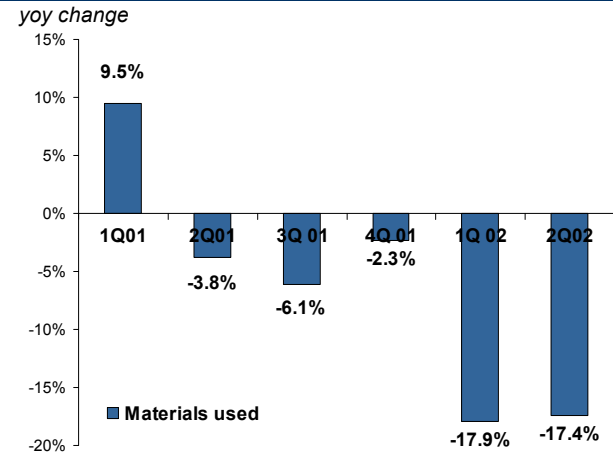
### Operating cost (ex D&A)



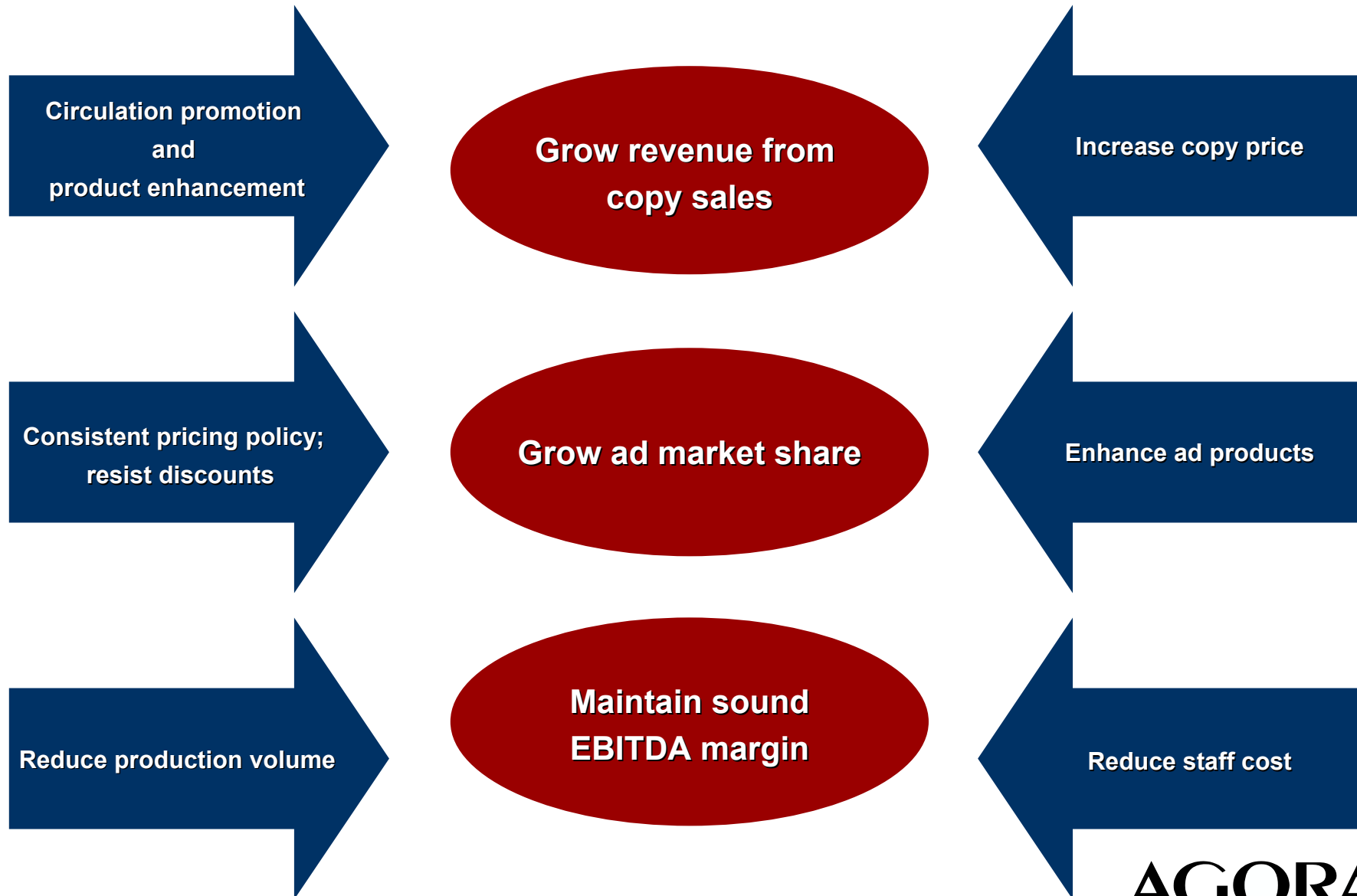
### Savings on staff cost



### Savings on materials

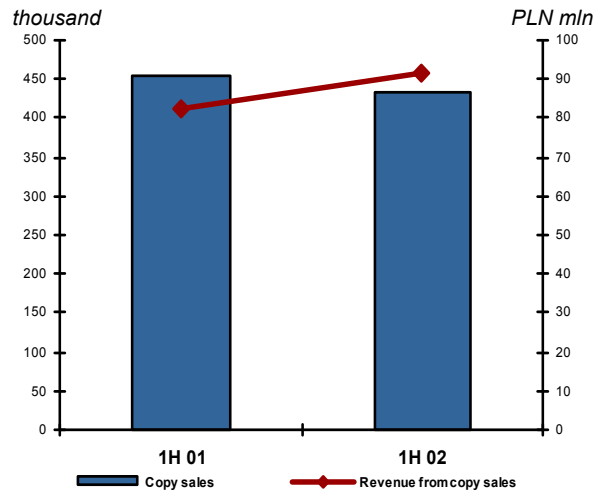


## Agora in 1H 02: Gazeta's strategy



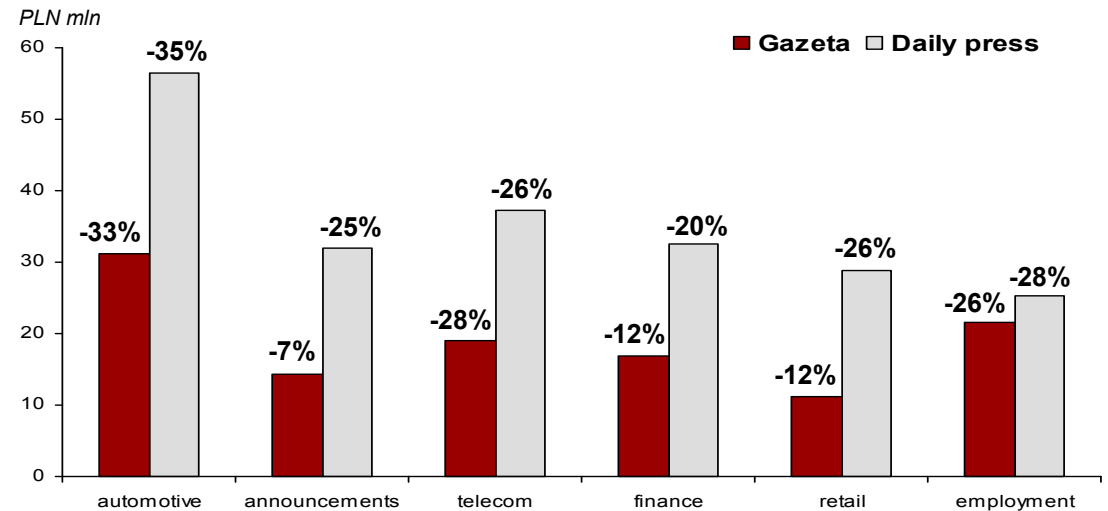
# Agora in 1H 02: Gazeta's performance

## Circulation performance

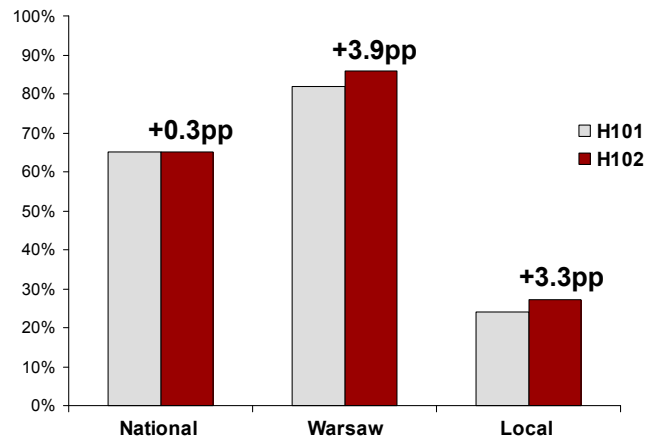


1H 02: market down 4.6%, Gazeta down 4.2%

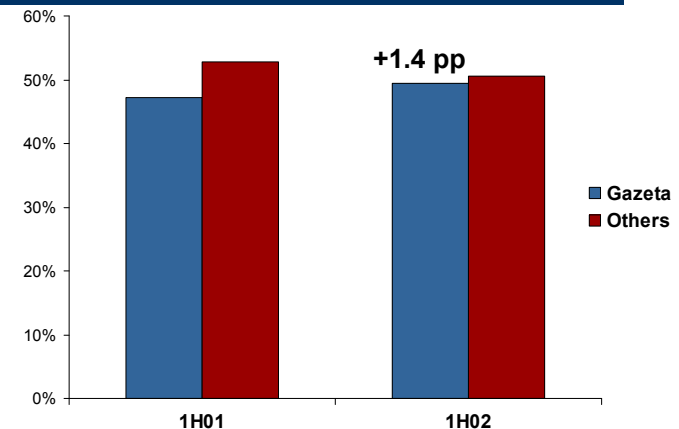
## Daily newspaper top 6 ad categories



## Gazeta's change in share by ad market



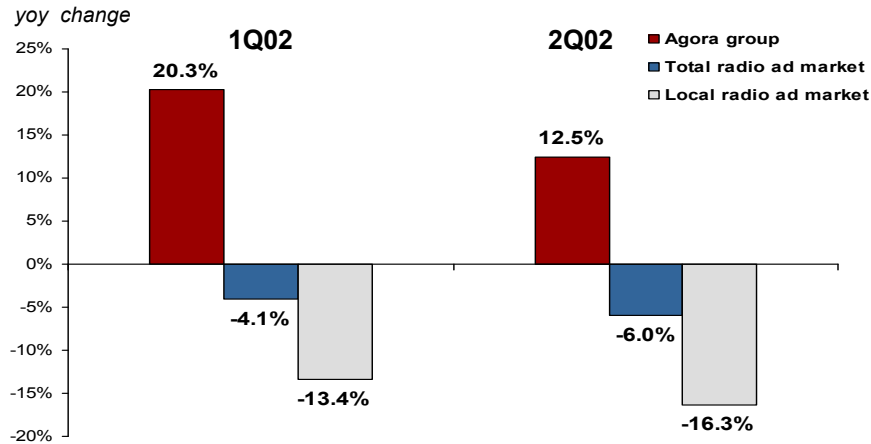
## Daily newspaper advertising share



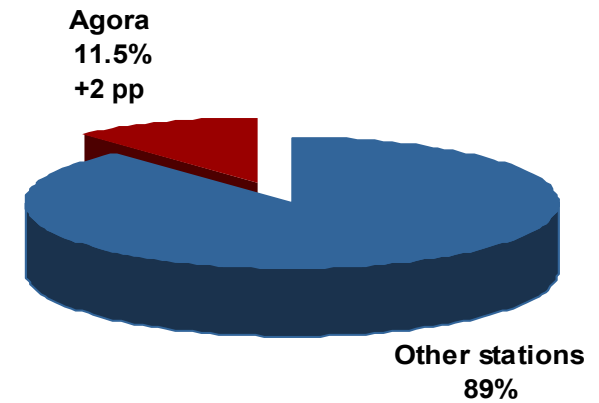
Source: ad market - Agora, estimated figures, corrected for average discount rate  
circulation - National Circulation Audit Office

# Agora in 1H 02: local radio stations

## Ad sales vs. market

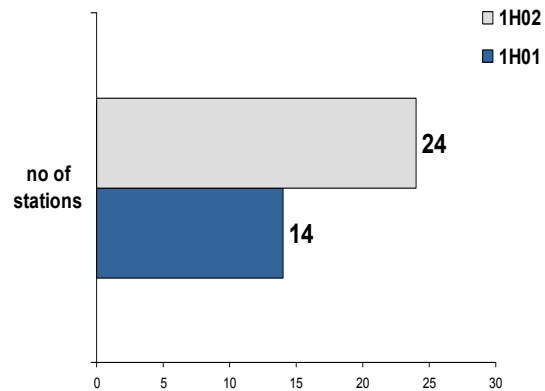


## Radio ad market

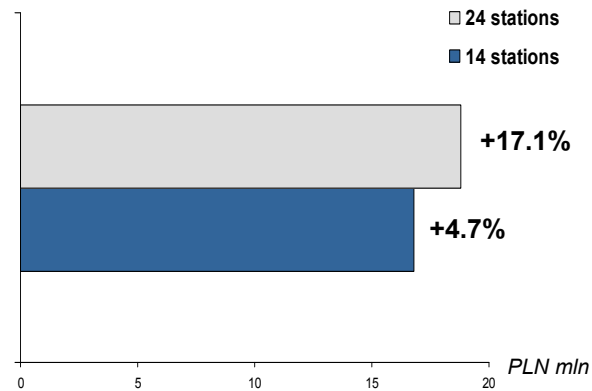


Source: Agora, estimated figures, corrected for average discount rate

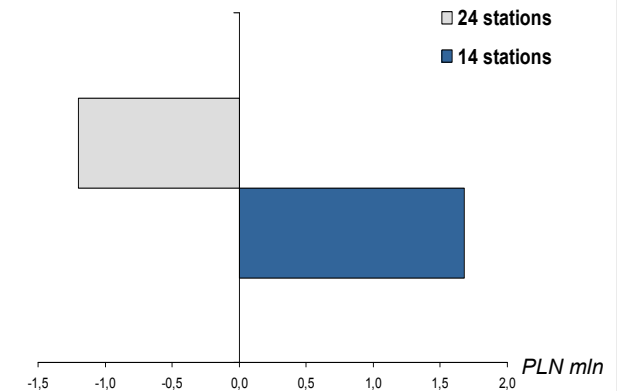
## Group's growth



## Ad revenue



## EBITDA



# Agora in 1H 02: impact of magazines

12 magazine titles included as of mid-April 02

Key financial figures	PLN mln
	2Q 02
Total revenue	18.5
<i>Ad revenue</i>	7.7
Operating cost	14.7
Operating profit	3.6
Employment at e/o period	178
Impact on net profit	2.6
Goodwill	0.022 (PLN 3 mln to be amortized over 10 years)

2Q 02 figures do not fairly represent the business because of timing differences (not all costs included).

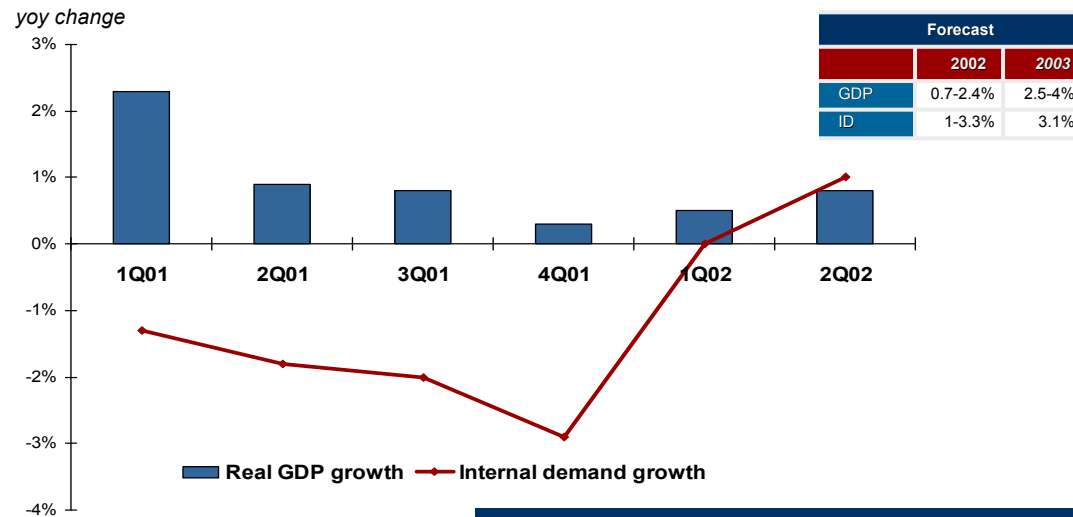


# Looking forward: economic environment

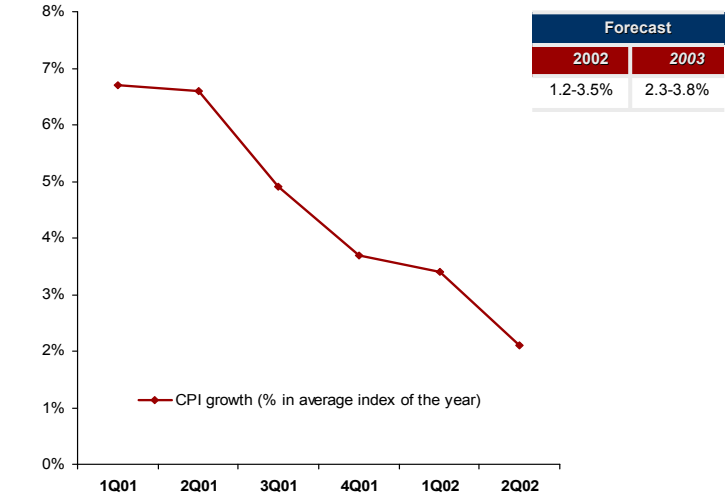
Local	Global
<p><b>+</b></p> <ul style="list-style-type: none"> <li>• Sound July's production data: 6% growth yoy, 3% growth vs June 2002</li> <li>• New car sales up 9% in July (YTD -16%)</li> <li>• Inflation continues its downward march</li> <li>• Finance Ministry lowers inflation forecast for 2003 to 2.3%</li> <li>• Entry to EU in 2004</li> </ul>	<p><b>+</b></p> <ul style="list-style-type: none"> <li>• Sales of durable goods up 8.7% yoy in US in July</li> <li>• New US home sales up 4.7% in July</li> <li>• US export grows by 12.3% in 2Q02</li> </ul>
<p><b>-</b></p> <ul style="list-style-type: none"> <li>• August's production data: 1.1% drop yoy</li> <li>• New car sales down 14.4% in August</li> <li>• Low investment and consumption forecasts</li> <li>• Currency exchange rate uncertainty</li> <li>• High unemployment</li> </ul>	<p><b>-</b></p> <ul style="list-style-type: none"> <li>• 2Q US GDP slowdown, double dip recession?</li> <li>• Poor 2Q GDP growth in eurozone (0.5%)</li> <li>• Eurozone forecast for Q3 GDP growth lowered twice to a range of 0.3-0.6%</li> <li>• Flood impact on German economy</li> <li>• US accounting scandals</li> <li>• US war on Iraq?</li> </ul>

# Looking forward: key economic indicators

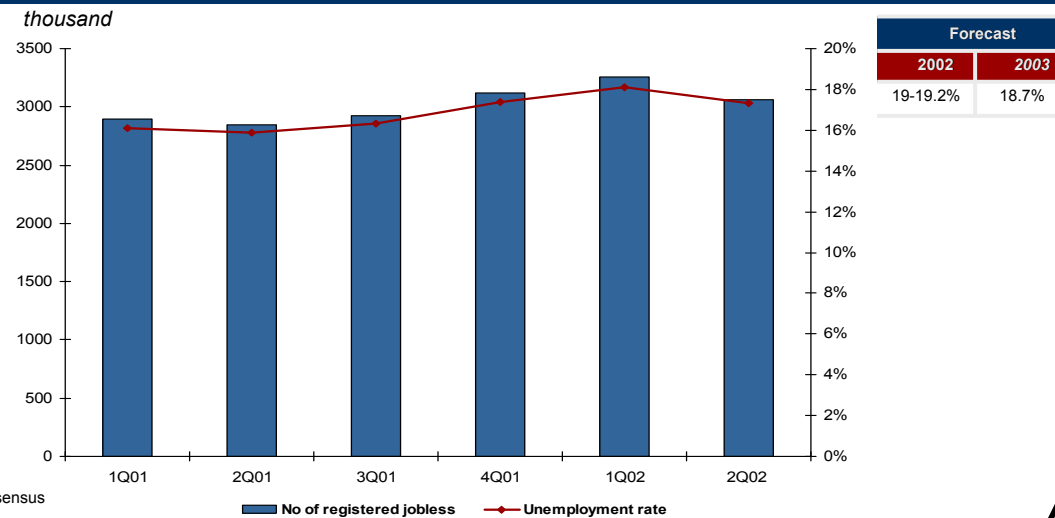
## Real GDP growth vs. internal demand growth



## CPI change



## Unemployment statistics



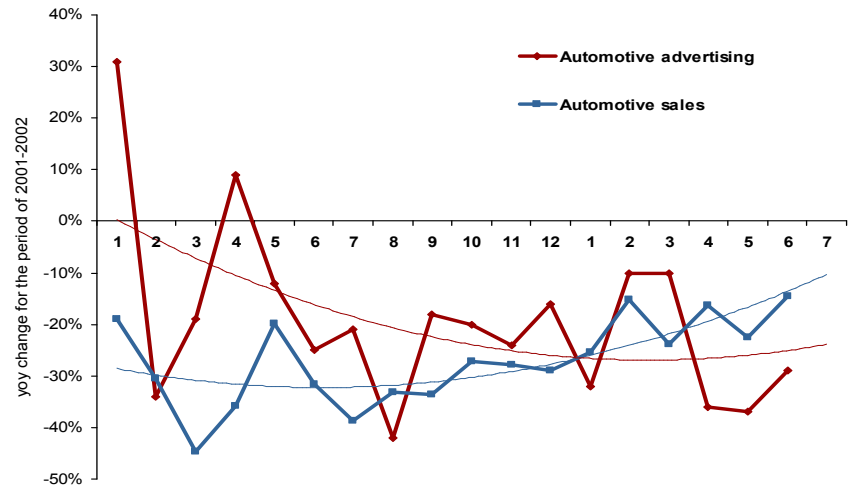
Source: National Bank of Poland, Main Statistical Office  
 Forecasts: National Bank of Poland, Finance Ministry, market consensus  
 \*No of unemployed Q2: May's estimates

# Looking forward: key market indicators

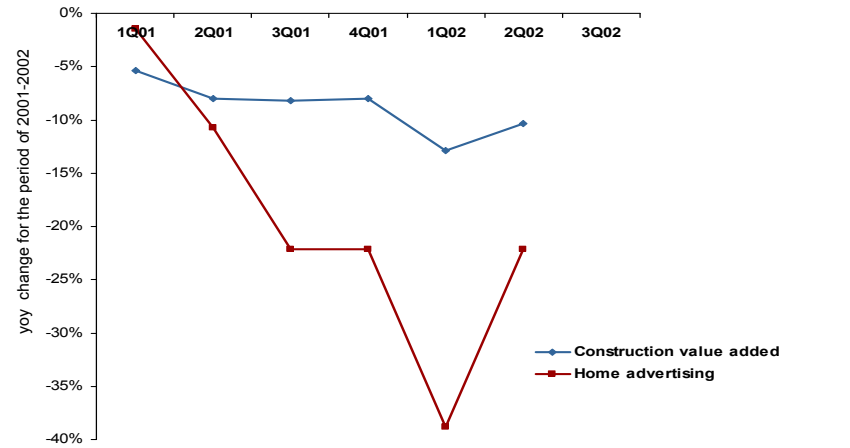
**Employment ads vs. unemployment rate**



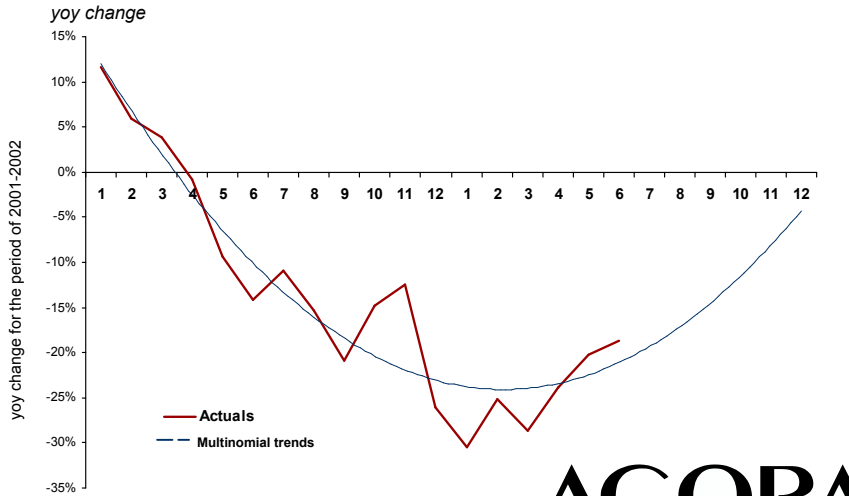
**Automotive ads vs. sales of new passenger cars**



**Home ads vs. construction value added (GDP)**



**Gazeta's ad sales**



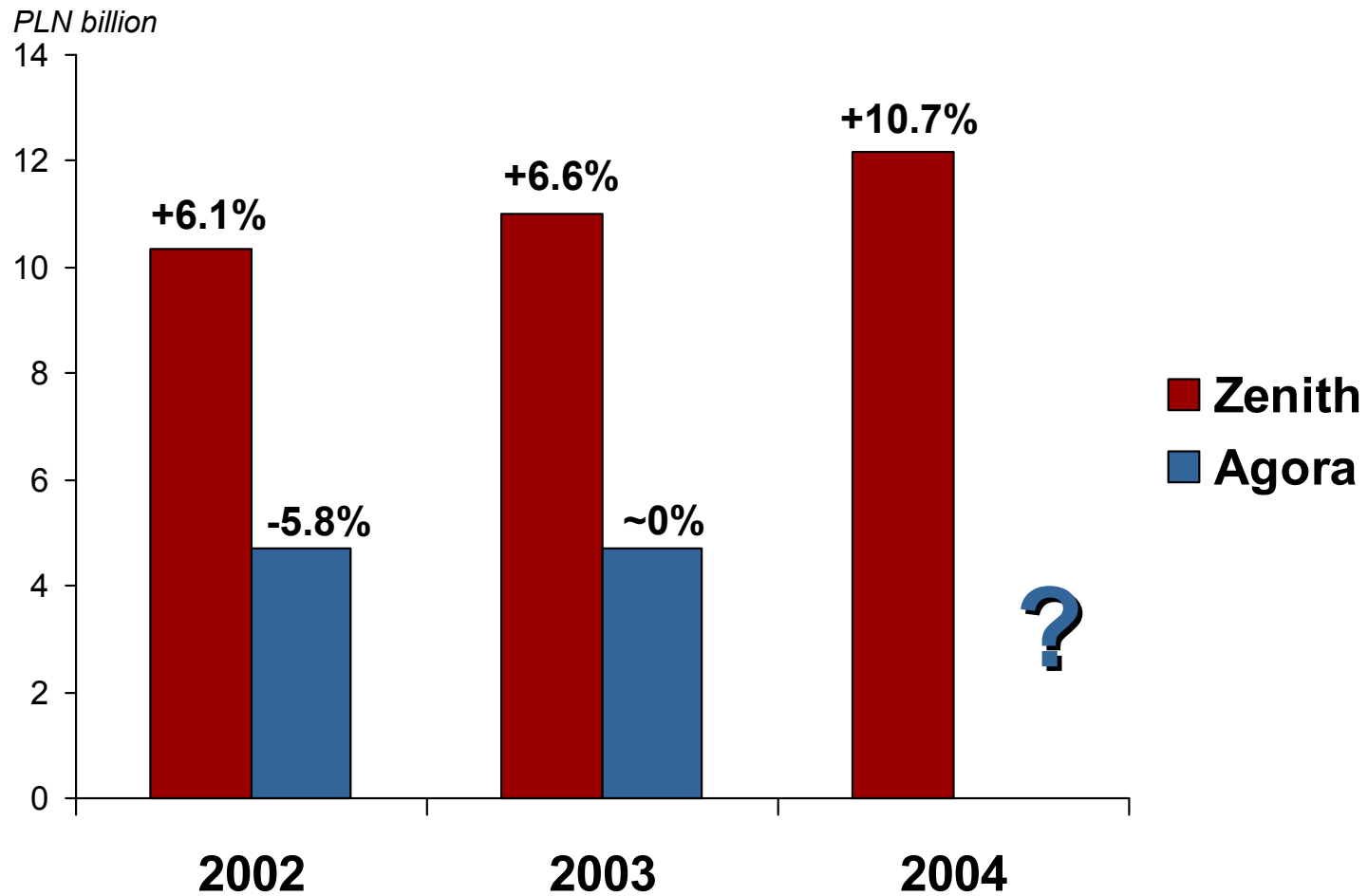
Source: macroeconomy - National Bank of Poland, Main Statistical Office, market consensus  
 Advertising data- Agora, rate card data corrected for average discount  
 Car sales-automotive monitoring firm Samar

# Looking forward: advertising market prospects - until 2002

	2000		2001		2002	
yoy change	Zenith	Agora	Zenith	Agora	Zenith	Agora
<b>Total</b>	14.4%	7.9%	22.4%	-6%	6.1%	-5.8%
<b>TV</b>	10%	4.9%	35.6%	-3.0%	7.3%	-3%
<b>Press</b>	20%	14%	10%	-7%	3%	-14.3%
<b>Radio</b>	10.8%	0.7%	14.5%	-8.3%	19.4%	1.3%
<b>Outdoor</b>	28%	3%	-17.5%	-18%	-5%	-4.6%

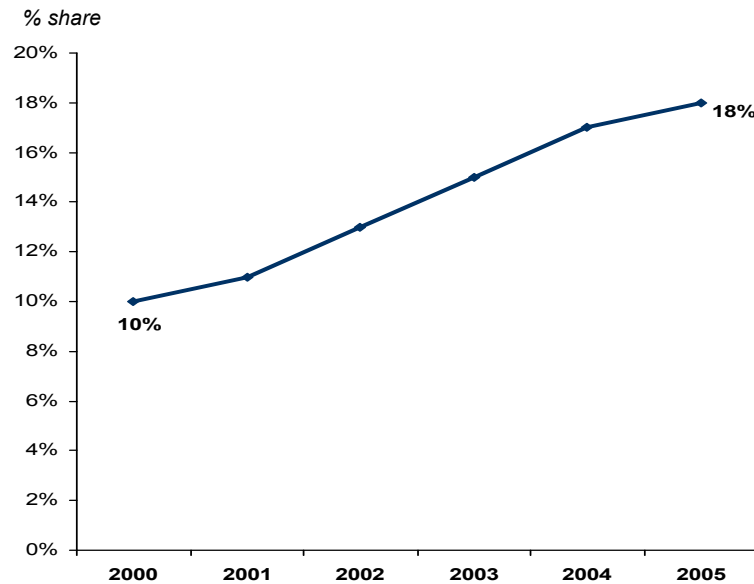
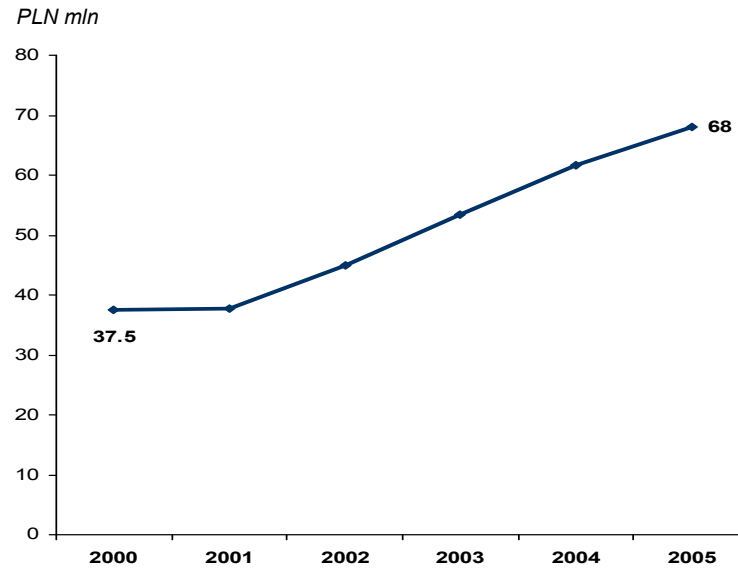
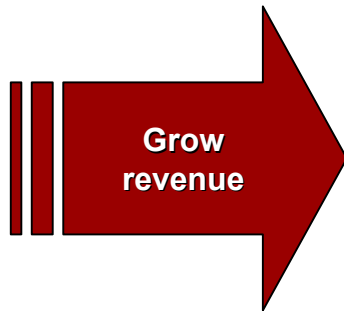
Source: Zenith Media 2002  
 Agora, estimated figures, corrected for average discount rate

# Looking forward: advertising market prospects



Source: Zenith Media 2002  
Agora, estimated figures, corrected for average discount rate

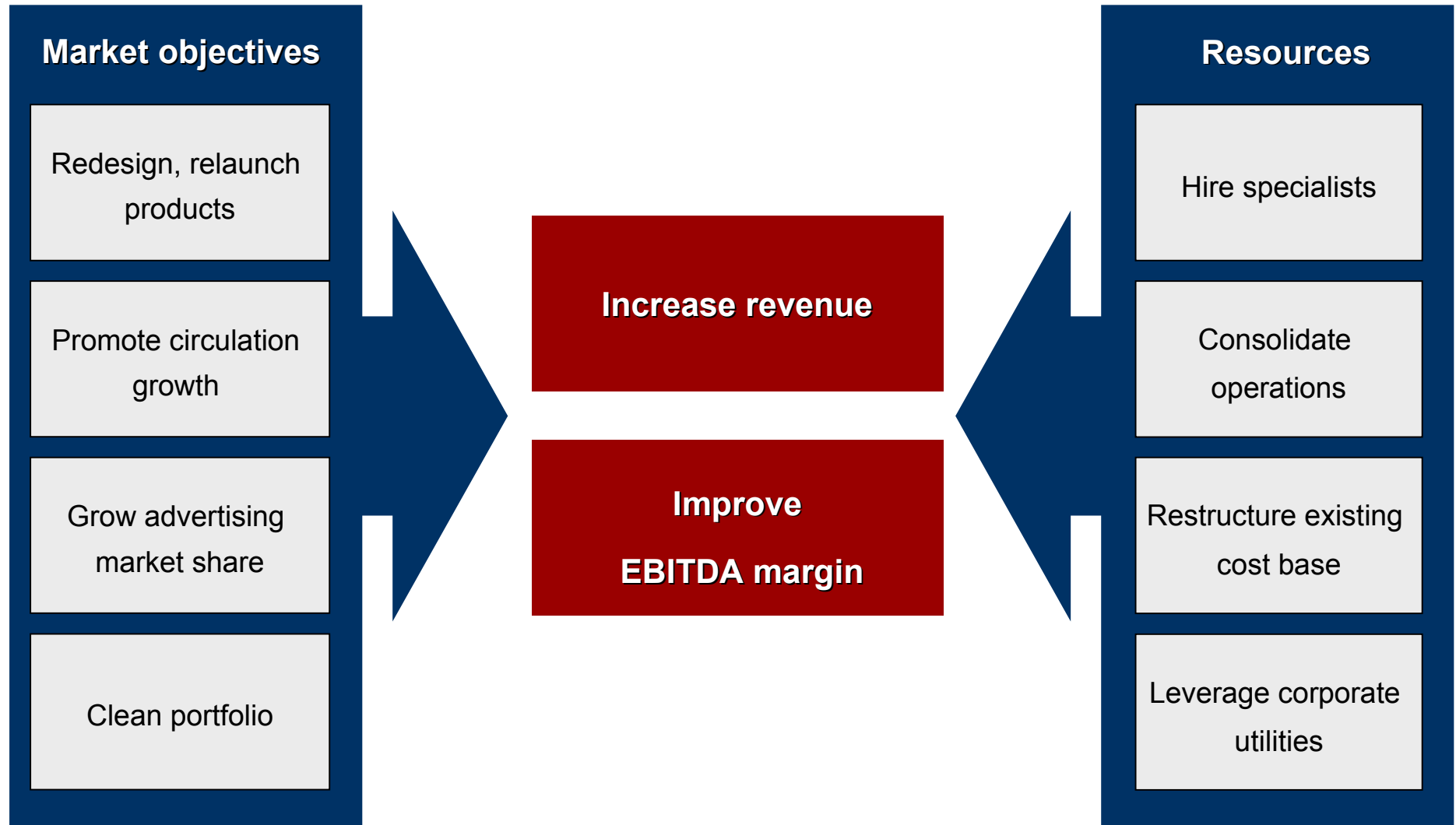
# Looking forward: local radio stations










## Assumes:

- ▶ No new stations
- ▶ Adoption of current media bill
- ▶ Low growth in ad market now till 2005

# Looking forward: magazines



# Looking forward: magazines

	Market (PLN mln)*	Current share		Target share in 5 years
 home & interior design	52.5	38%	➔	53%
 automotive	28.1	7%	➔	21%
 child care	24.8	20.8%	➔	23%
 women's titles	392.7	3.6%	➔	4.8%
 science	15.7	5%	➔	17%
 gardening	4.3	66%	➔	74%
 cooking	2.3	60%	➔	70%



## Looking forward: magazines

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PLN 80 mln



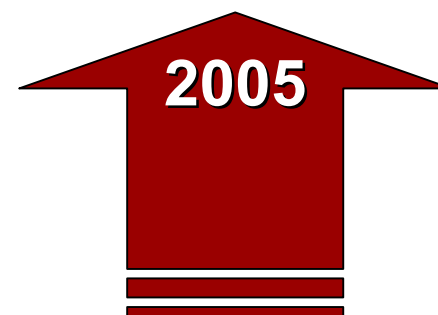
Revenue

PLN 11 mln



EBITDA

13%



EBITDA margin

# Looking forward: AMS transaction plan

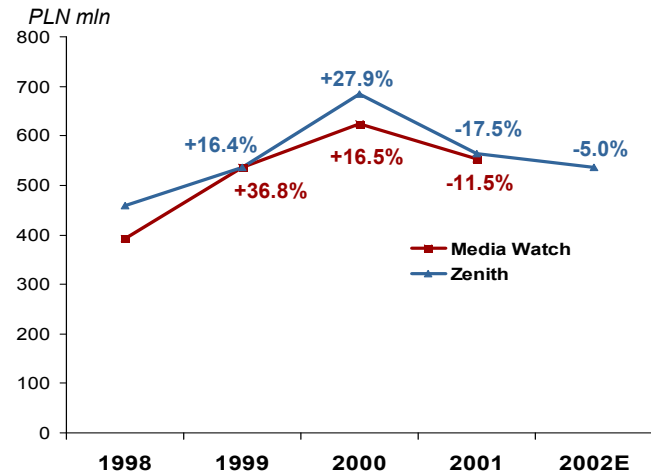
Transaction structure					
	No of shares secured	% of votes	Per share value (PLN)	Total transaction value (PLN)	Status
Step 1 Off-session transaction	501,195 ordinary shares	9.99%	20	10,023,900	completed
Step 2 Private transaction	200,025 preferred shares not publicly traded	19.93%	4	800,100	completed
Step 3 Tender offer for all remaining shares	minimum of 1,956,639 ordinary shares	minimum of 39%	Before annex 46  <b>After annex 44</b>	90,005,394  <b>86,092,116</b>	} ongoing
<i>Total (if purchased 100%)</i>	4,216,867	100%	Before annex 40.92  <b>After annex 39.25</b>	172,543,762  <b>165,512,468*</b>	

- ▶ Management control as of September 2, 2002
- ▶ Operating plan in place by end of 2002

\* BB Investment's financial obligations toward AMS total PLN 43.4 mln as specified in the annex to the agreement to purchase AMS.

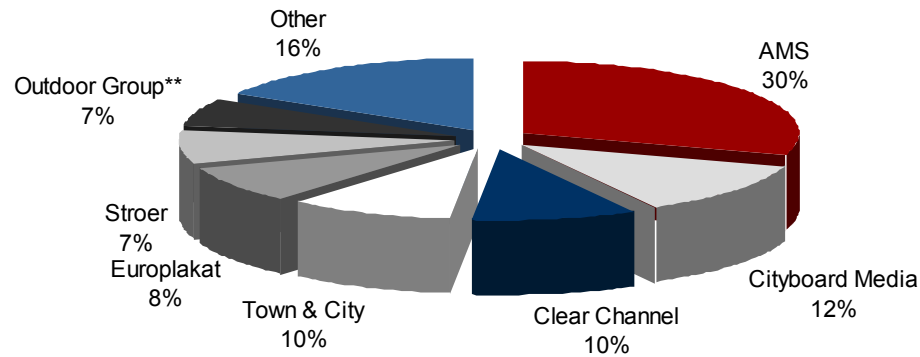
# Looking forward: the outdoor business

## Outdoor advertising revenue



Source: 2001 Media Watch, 2002 Zenith Media (current prices)

## Outdoor market players\*

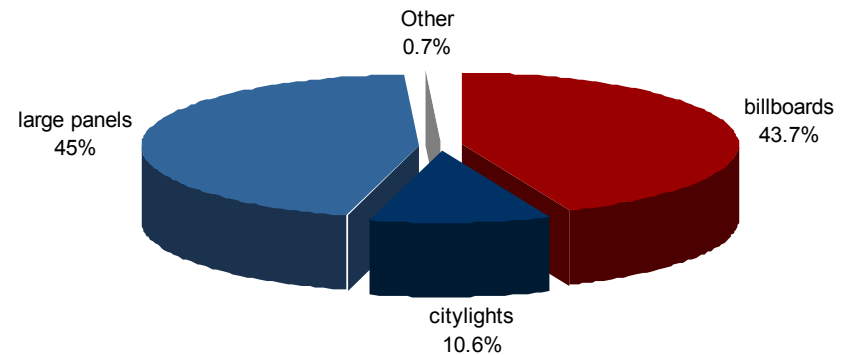


\*In terms of advertising revenue

\*\* Recently acquired by Stroer

Source: 2001 Media Watch

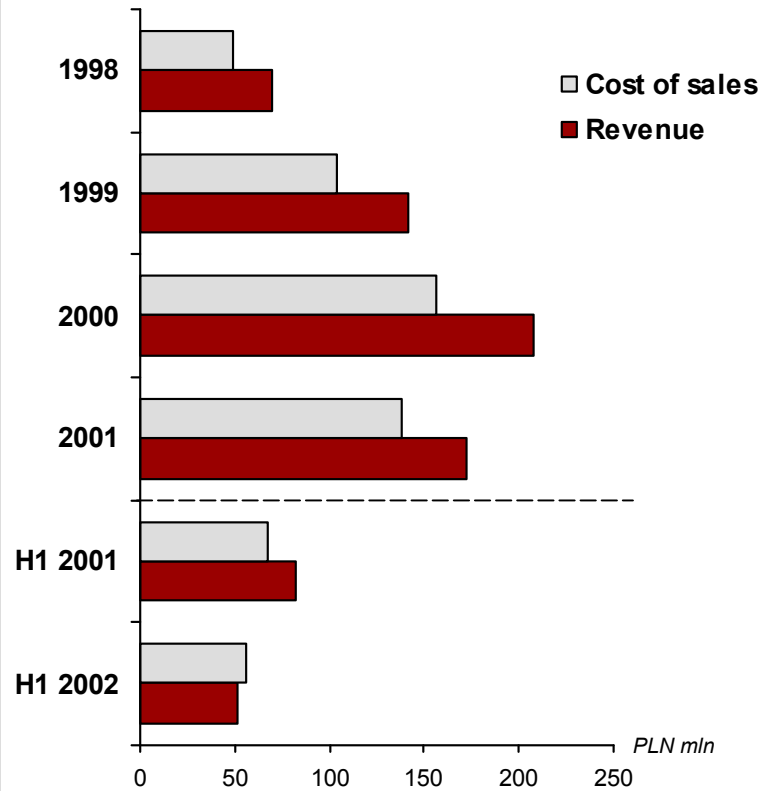
## Outdoor revenue structure



Source: Outdoor Advertising Chamber of Commerce, December 2001

# Looking forward: AMS performance

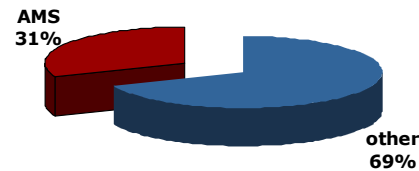
## AMS performance



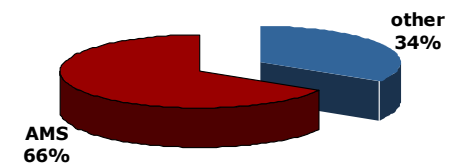
Source: AMS

## AMS share in no. of panels

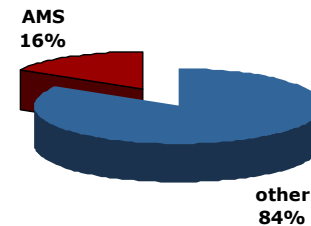
### billboards



### citylights



### large panels



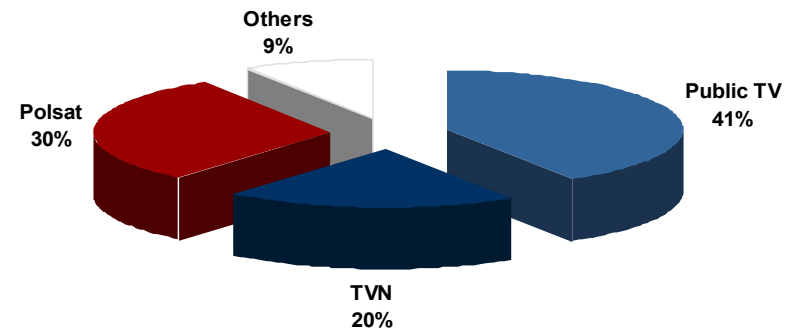
Source: Outdoor Advertising Chamber of Commerce, December 2001

# Looking forward – TV opportunity

Market sketch	
Average daily TV viewership	231 minutes
Cable and satellite TV penetration	57%
Ad revenue (2001)	ca. PLN 2.3 billion
TV share in total ad market (end of 2Q02)	51%

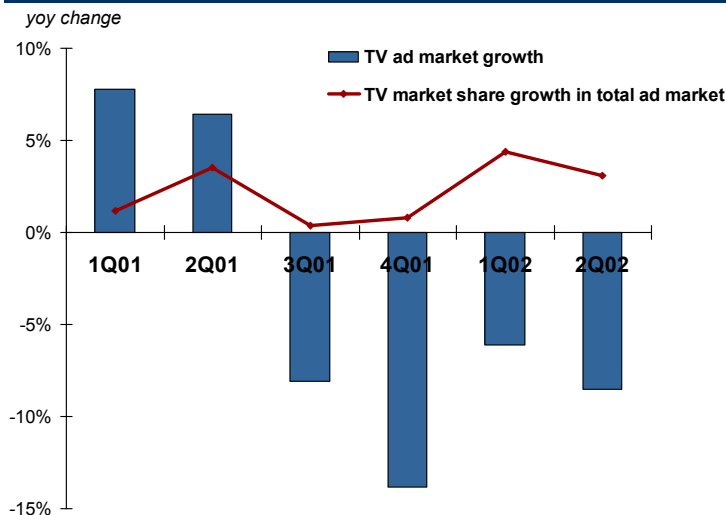
Source: Agora estimated figures corrected for average discount, AGB Polska

## Major market players - advertising



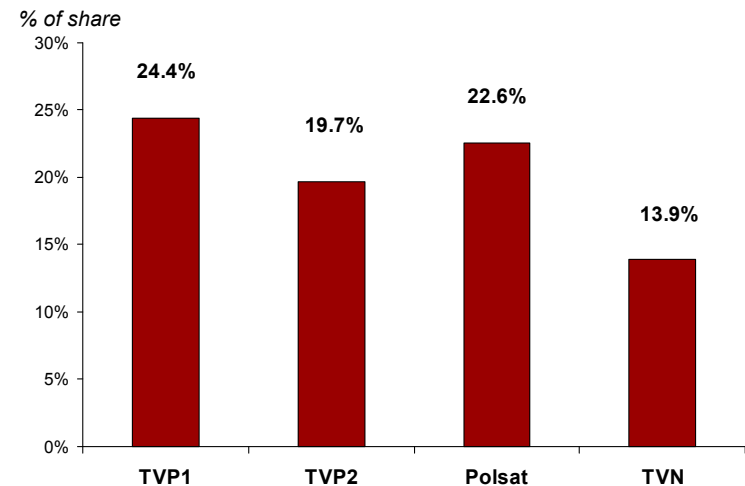
Source: AGB Polska 2001; monitoring data

## TV advertising market growth



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

## Major market players – share of audience



Source: AGB Polska 2001

## Looking forward: other M&A activity

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- ▶ **A few transactions in Poland in the works**
- ▶ **Less positive about investment in the region**
- ▶ **Work-out of new businesses a key priority**

# Appendix

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# Agora in 1H 02: consolidation of radio stations

24 stations in total

20 consolidated:

- ▶ 14 - acquisition method
- ▶ 6 - equity method

Impact on Group's financials in 1H 02		PLN mln
<b>Balance sheet</b>		
	Fixed assets	-19.0
	incl. goodwill on consolidation	20.4
	incl. long term investments (among others shares, loans)	-44.6
	Current assets	9.1
	<u>Total assets /liabilities</u>	<u>-9.9</u>
	Equity	-14.6
	Minority interests	0.9
	Liabilities	3.8
<b>Cash flow</b>		
	<u>Cash at the end of the period</u>	<u>5.0</u>
<b>Profit and loss account</b>		
	Net revenue	14.3
	Operating profit	-1.5
	Pretax profit	-5.9
	<u>Net profit /loss</u>	<u>-7.4</u>

Goodwill from radio business consolidation amounts to gross PLN 24.9 mln to be amortized over the period of 10 years.



# Agora in H1 02: other ventures

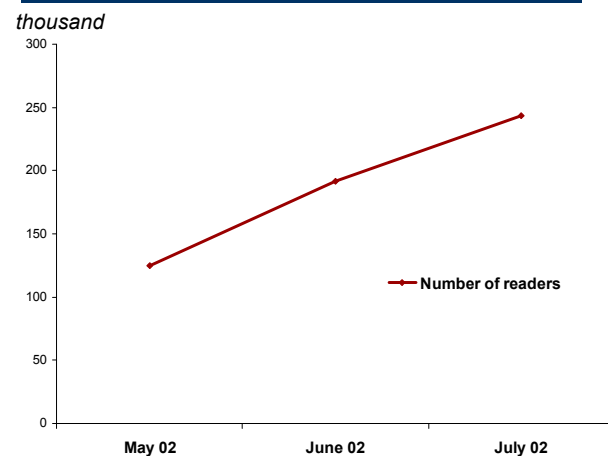
## METRO METRO

1H 02	PLN mln
Sales	1.1
Operating cost	1.8

## CITY CITY MAGAZINE

1H 02	PLN mln	% change
Ad revenue	1.7	-17.5%
EBITDA	-1.0	
Net loss	-1.1	
Present in 7 cities Total circulation	155,000	

### Growing readership ...



## gazeta.pl INTERNET PORTAL

1H 02	PLN mln	% change
Sales	2.8	91.8%
-- advertising	2.4	129.1%
Operating cost	15.9	15.4%
Operating profit	-13.0	
Impact on Group's financials	-9.4	