Overview

- Market leading publishing business
  - Gazeta No 1 newspaper in Poland and one of the top 20 in Europe
  - Unique national-local product
  - State of the art technology
  - High margin business

- Expanding radio and TV investments
  - 10 local music stations 9.8% share of national audience
  - Radio group breaks even ahead of expectations
  - Solid and growing television subscriber base

- Strong financial discipline
  - Focus on shareholder value
  - Scope and cash to expand into related media

- Attractive market dynamics
  - Polish economy on the upswing again
  - Ad market expanding rapidly (over 25% estimated in FY of 99)
  - New categories of ad spend coming on stream
Strong secular trend of GDP growth
Advertising market dynamics (cont’d)

- Structural changes driving ad spend growth:
  - New GSM & DCS licenses
  - Deregulation of fixed line telephony
  - Financial services, phase 3 of pensions reform
  - Increased need for OEMs/car dealers to advertise
  - Increasing demand for home appliances and growing home/construction business

*New opportunities to leverage our competitive strength*
Current position

- Publishing
- Radio
- Television
Publishing - unique structure

- National products, 20 local supplements, national thematic sections with locally zoned pages
- National and local advertising
- The distribution system connected via fiber optic/satellite Wide Area Network
- State of the art, automated production technology
Publishing - editorial quality

Gazeta Wyborcza

- The most important media voice in Poland
- Independent, acknowledged for integrity and high quality journalism and photography
- Opinion leader, agent of change in political, social and consumer domains
- Modern newspaper with accessible language, attractive layout, colour and convenient format
- A great read: informative, passionate, practical & feisty

Broad readership base weighted toward middle class
Publishing - copy sales

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
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<th>Change</th>
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<tbody>
<tr>
<td>Daily copy sales</td>
<td>436K</td>
<td>447K</td>
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<td>2.6%</td>
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<tr>
<td>Revenues from copy sales (PLN)</td>
<td>107m</td>
<td>137m</td>
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<td>27%</td>
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<td>Average copy price</td>
<td>1.2 PLN</td>
<td>1.48 PLN</td>
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<td>23.4%</td>
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*Copy sales increasing*
Publishing - national competition

Readership Market Share 1999

Copy Sales 1999

Source: SMG/KRC

Source: Circulation Audit Office

Gazeta’s growth comes from a broad-based appeal and attraction to the growing middle class
In key local markets outside of Warsaw we compete against two groups: Passauer Neue Presse (8 markets out of 20) and Orkla Media (9 markets out of 20).

Gazeta spending significant resources for building readership in strategic markets.
Publishing - ad revenues

Ad revenues in line with budget, despite economy slowing

- 30% average price increase for national products in April
- 30% average price increase for Warsaw in January
- Careful pricing policy for other local products

Excellent ad sales results despite steep price increase in most markets
Publishing - ad market share

**Revenue Share 1999**

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<th></th>
<th>National</th>
<th>Warsaw</th>
<th>Local</th>
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<tbody>
<tr>
<td>Percentage share</td>
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**Space Share 1999**

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Source: Agora’s advertising data base

Consolidating where well-positioned, building share in local markets
Music Radio Group

- Fragmented market with powerful national & over 200 local stations
- Our 10 local stations account for 9.7% market share
- Nearly all stations have top ratings in their markets
- The group generates net profit in 1999

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<thead>
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<th></th>
<th>(PLN)</th>
<th>FY98</th>
<th>FY99</th>
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<tbody>
<tr>
<td>Sales</td>
<td>12.5</td>
<td>32.0</td>
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<tr>
<td>EBITDA</td>
<td>-2.8</td>
<td>4.0</td>
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<td>EBITDA margin</td>
<td>nm</td>
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<td>12.3%</td>
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<tr>
<td>Agora's share in sales</td>
<td>55%</td>
<td>53%</td>
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Rapidly growing and becoming profitable
Television

- Currently own 12.2% in TKP comprising Polish version of pay TV Canal+ and DDTH platform Cyfra+
- Subscriber portfolio shows healthy growth (total ca. 380K, digital 286K)
- Total DDTH (Cyfra+ and competitor) subscribers in Poland by YE99 about 500K demonstrate market appetite
- Competitor acquired by UPC (active in European consolidation play). Potential for market rationalization

Better positioned to succeed
Financial highlights

High margin business
Strategy

- The newspaper doing extremely well reflecting Polish economy
- Infrastructure and product development for Gazeta expansion now largely in place
- Radio investments outperform aggressive expectations
- TKP investment has positive momentum
- Management focus on new business development, assisted by clean balance sheet

Gearing up for growth