

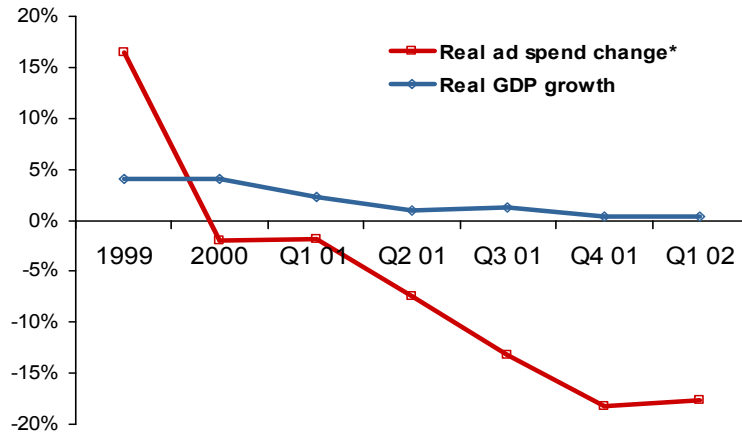
# Agora SA

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Investor Presentation  
May 2002

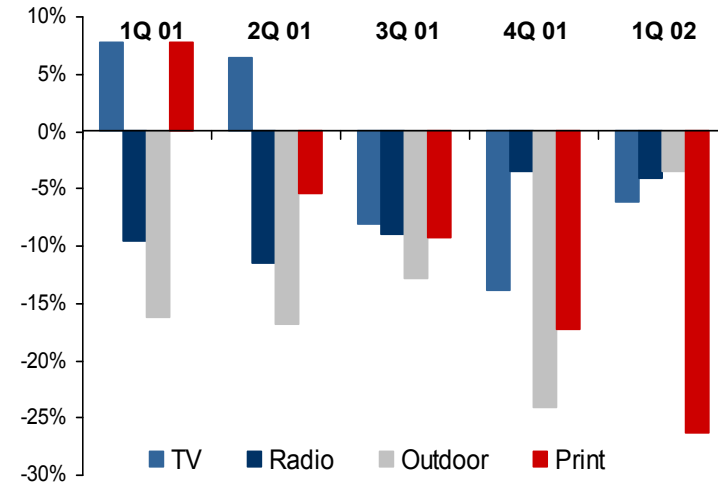
# Advertising market recession in Poland

### Ad spend versus GDP 1999 – 1Q 2002

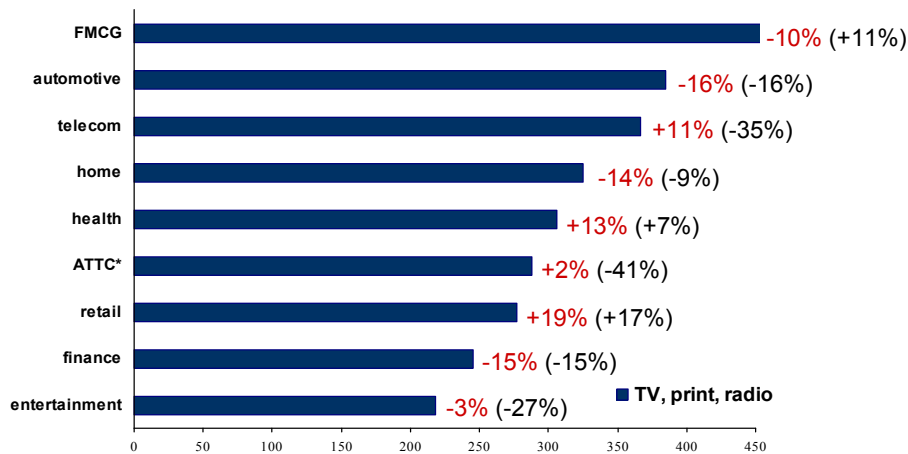


\* adjusted for inflation, yoy change

### Ad market performance by media 2001- 1Q 2002

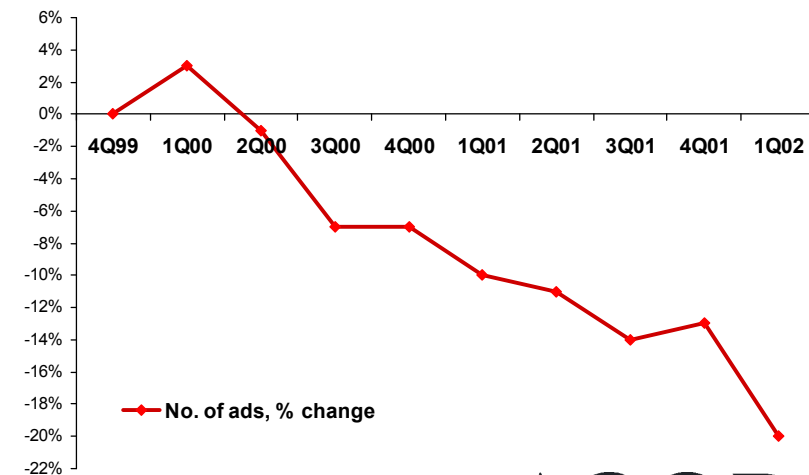


### Top 10 ad categories in 3 media in 2001



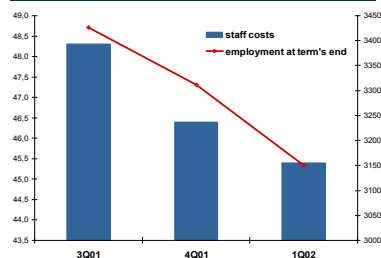
Source: Agora, estimated figures, corrected for average discount rate, 1Q 02 in parentheses

### Employment ads in focus

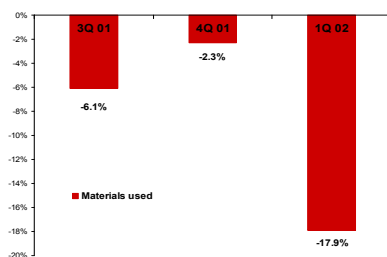


# Agora's group - financials

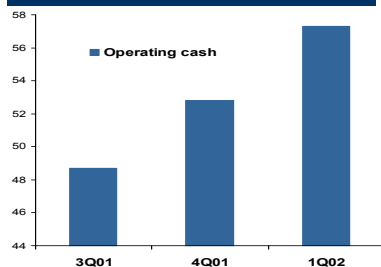
## Savings on staff costs



## Savings on materials used



## Operating cash position growth

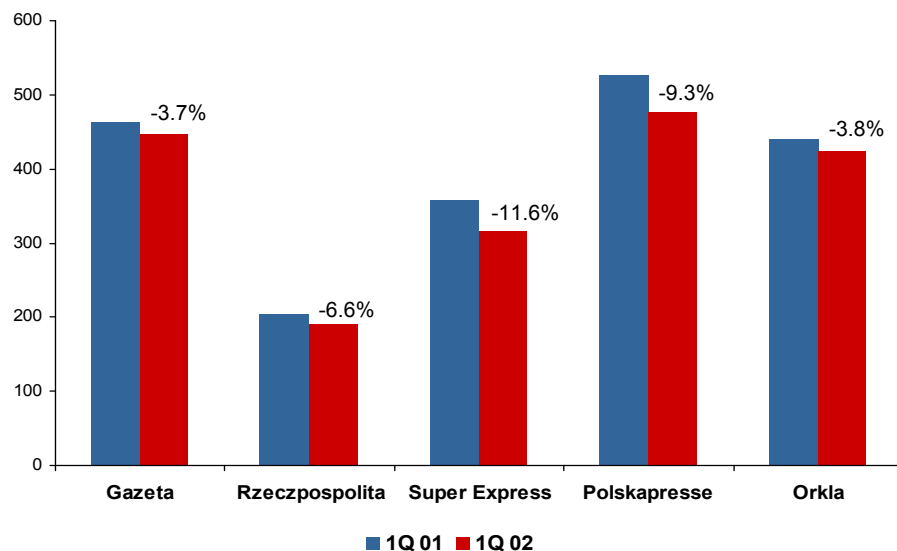


| PLN mln                              | 1Q 02        | % change qoq   |
|--------------------------------------|--------------|----------------|
| <b>Revenues</b>                      | <b>165.6</b> | <b>-16.4%</b>  |
| <i>Advertising</i>                   | <i>110.4</i> | <i>-26.8%</i>  |
| <i>Copy sales</i>                    | <i>48.7</i>  | <i>14.3%</i>   |
| <b>Operating costs (ex D&amp;A)</b>  |              | <b>-5.7%</b>   |
| <i>Raw materials and consumables</i> | <i>38.8</i>  | <i>-17.9%</i>  |
| <i>Staff costs</i>                   | <i>45.4</i>  | <i>-2.6%</i>   |
| <b>D&amp;A</b>                       | <b>23.4</b>  | <b>5.8%</b>    |
| <b>EBIT</b>                          | <b>18.7</b>  | <b>-58.5%</b>  |
| <b>EBITDA</b>                        | <b>42.1</b>  | <b>-37.4%</b>  |
| <b>EBITDA margin</b>                 | <b>25.4%</b> | <b>-8.5pp.</b> |
| <b>Net profit</b>                    | <b>16.5</b>  | <b>-54.6%</b>  |
| <b>Cash</b>                          | <b>160.9</b> | <b>66.2%</b>   |

\* According to IAS

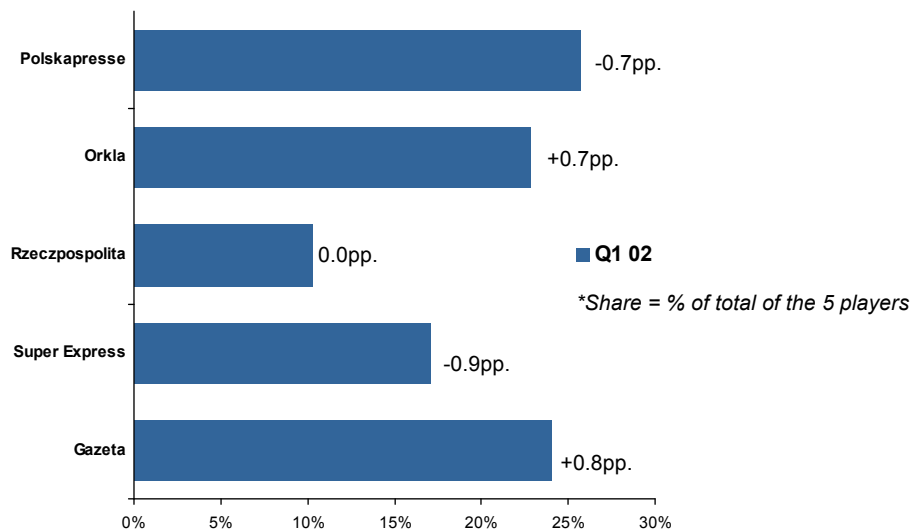
# Agora's group – Gazeta Wyborcza

Copy sales in ('000)



Source: National Circulation Audit Office, Agora

Share of copies sold\*



•Total paid circulation of dailies declined by 6.6%\*

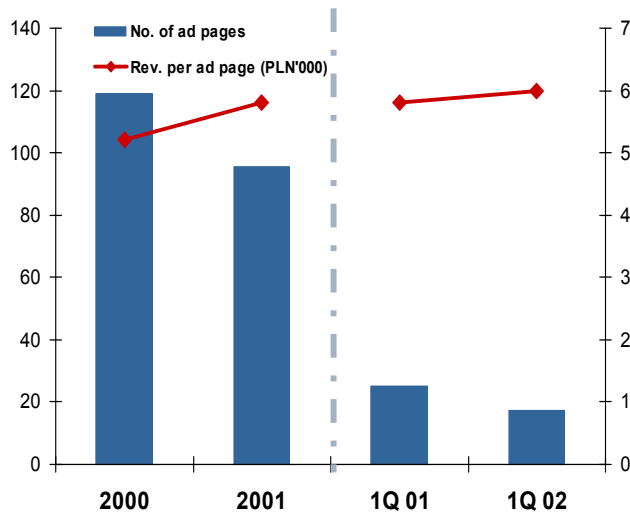
\*1Q audited by National Circulation Audit Office

## Gazeta's performance

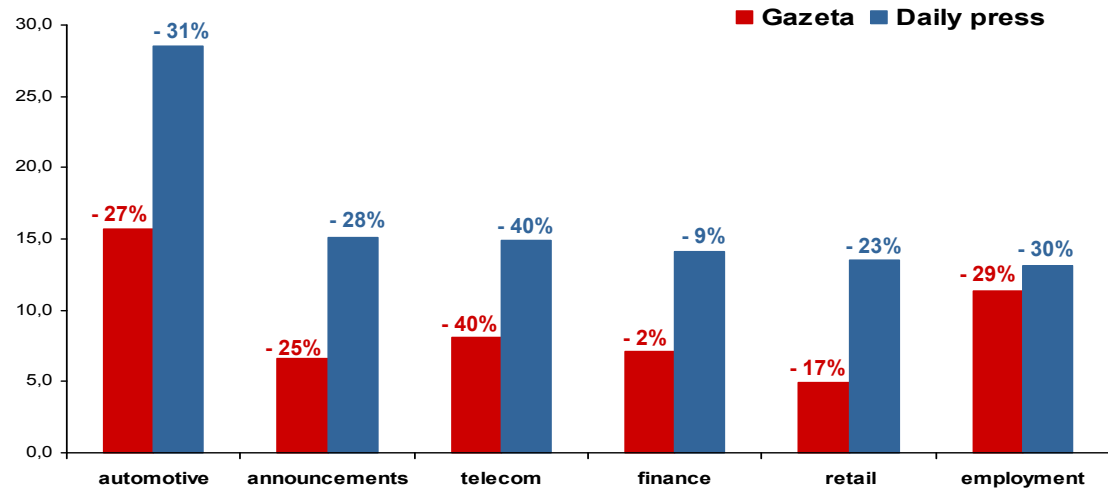
|                                    | 1Q 02   | % change |
|------------------------------------|---------|----------|
| Average daily paid circulation     | 447,000 | -3.7%    |
| Average copy price incl. VAT (PLN) | 2.25    | 19%      |
| Revenue from copy sales (PLN m)    | 48.3    | 14.5%    |

# Agora's group - Gazeta Wyborcza

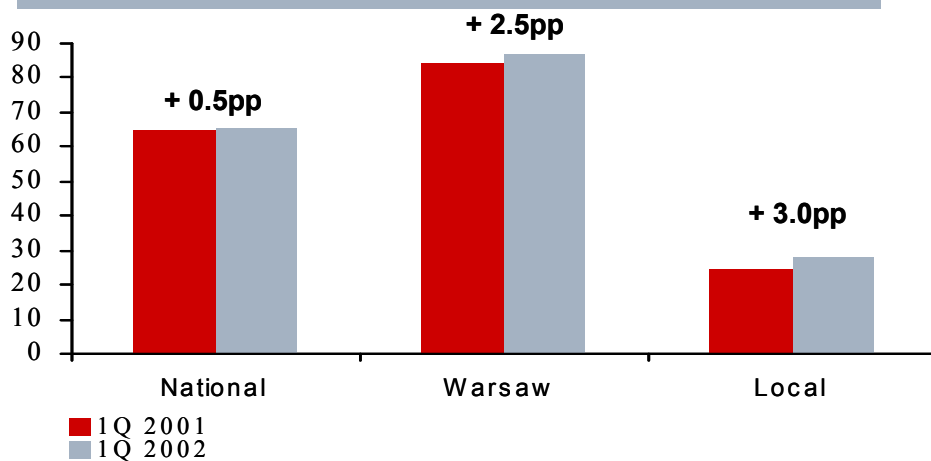
Revenue per ad page growth



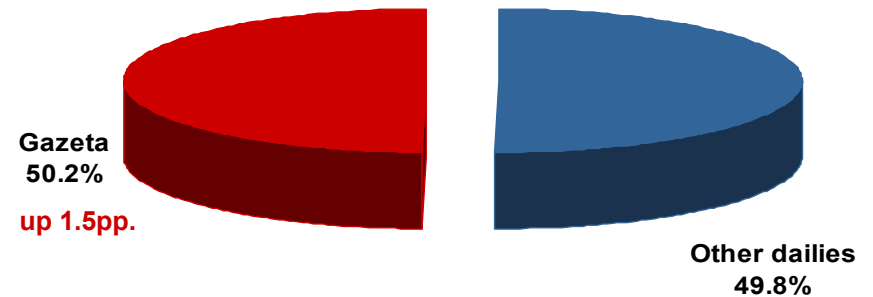
Daily newspaper top 6 ad categories 1Q 02



Gazeta's change in share by ad market



Daily newspaper advertising share



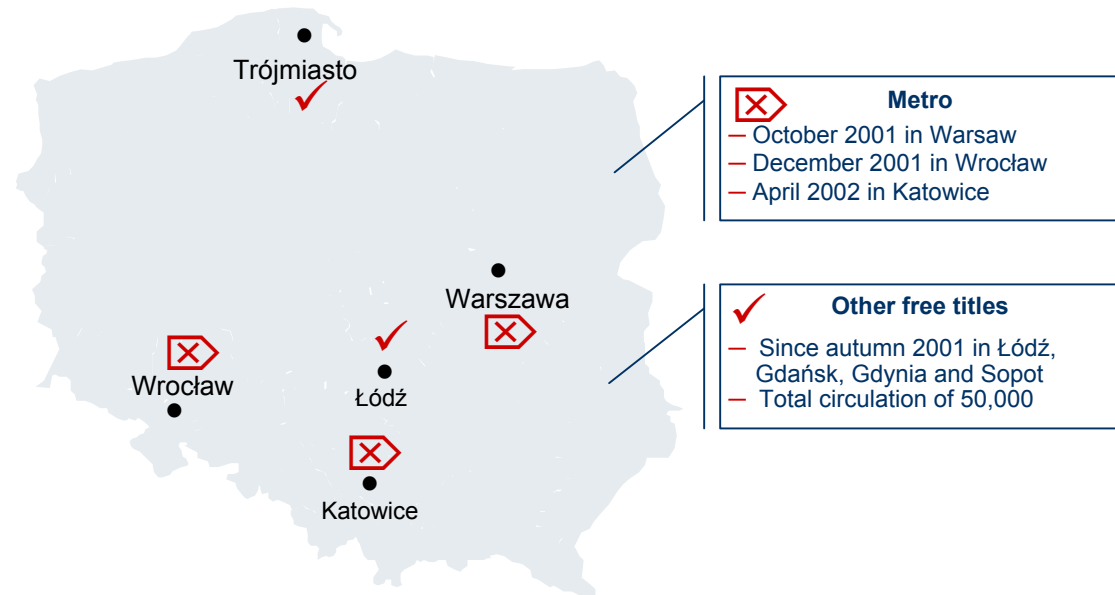
Source: Agora, estimated figures, corrected for average discount rate

# Agora's group – free press

## Market sketch

- ▶ Free dailies command about 7.7% ad market share in Warsaw\*
- ▶ Metro in Warsaw, Wrocław, Katowice (total circulation of 300,000 copies)
- ▶ Metro commands about 5-6% of free press market in Warsaw\*

## Agora's free press



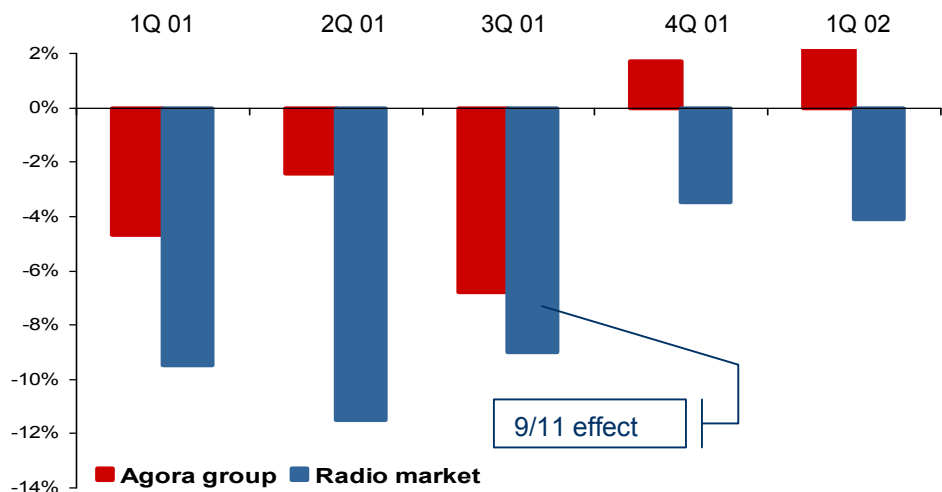
### Metro

| PLN mln        | 1Q 02 |
|----------------|-------|
| Sales          | 0.4   |
| Operating cost | 0.5   |

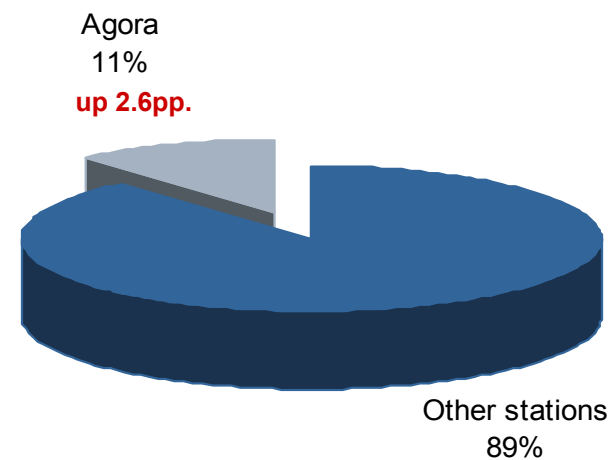
\*Source: Agora, estimated figures, corrected for average discount rate

# Agora's group - local radio stations

Agora vs. radio ad market



Radio ad market in 1Q 02



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

| Local radio group |       |          |
|-------------------|-------|----------|
| PLN mln           | 1Q 02 | % change |
| Total sales       | 8.3   | 19.0%    |
| ▶ advertising     | 7.7   | 20.4%    |
| EBITDA            | -0.4  | 19.1%    |
| EBITDA margin     | -4.4% | 2.1 pp.  |
| No. of stations   | 22    | <+8>     |

Agora's net investment since start - PLN 56.6 mln

# Agora's group - magazines

Purchased 12 titles for PLN 73 mln



## Mid-market magazines

- ▶ 2001 average circulation of 1.7 mln copies, total revenue of PLN 62.3 mln (49% ad revenue).
- ▶ Q1 total revenue of PLN 11.9 mln (ad revenue of PLN 4.7 mln).
- ▶ 2001 total readership of 5.2 mln or 21.9% share in the magazine segment versus 4% share in the magazine ad market.

## FURTHER STEPS

### INTEGRATE MAGAZINES INTO AGORA'S GROUP

- ▶ Financial and operating consolidation to be implemented
- ▶ Leverage corporate utilities
- ▶ Hire magazine specialists/experts
- ▶ Phase 1 over by end of 2Q, from July budget plans in place

### EXPLOIT HIDDEN RESERVES

- ▶ Improve sales skills and results
- ▶ Promote circulation
- ▶ Restructure the products

Source: Readership- Polish Readership Research, seasonal cycle readership, 2001  
Advertising - Agora Monitoring, rate card data, 2001



# Agora's group – other ventures



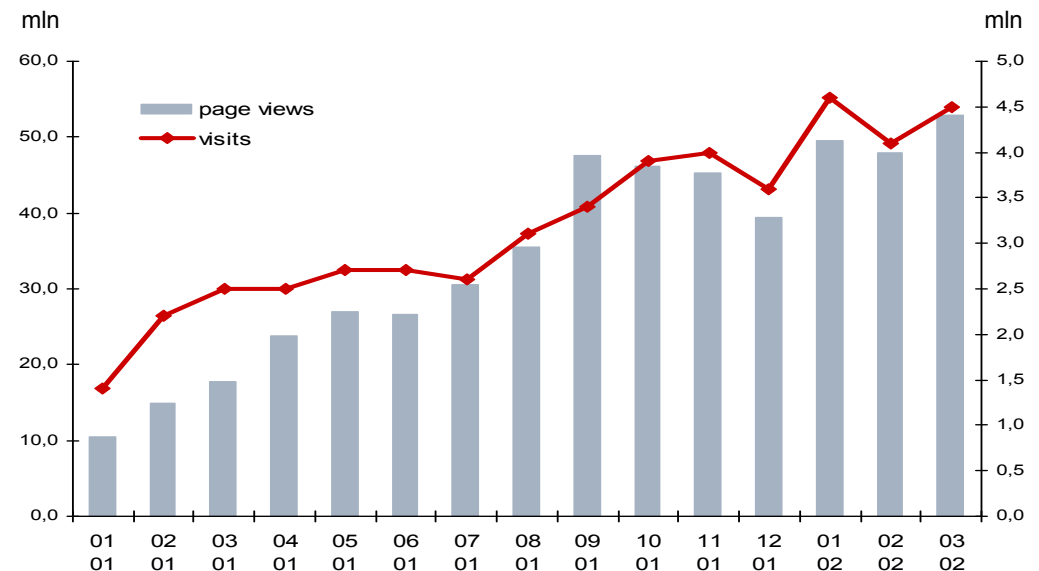
## CITY MAGAZINE

|            | 1Q 02<br>PLN mln | %<br>change |
|------------|------------------|-------------|
| Ad revenue | 0.7              | -26%        |
| EBITDA     | -0.7             | --          |
| Net loss   | -0.7             | --          |

## gazeta.pl INTERNET PORTAL

| PLN mln        | 1Q02 | % change |
|----------------|------|----------|
| Sales          | 1.1  | 56.5%    |
| -- advertising | 0.9  | 87.2%    |
| Operating cost | 7.8  | 63.7%    |
| -- D&A         | 3.7  | 248.4%   |
| Capex          | 0.5  | -94.0%   |

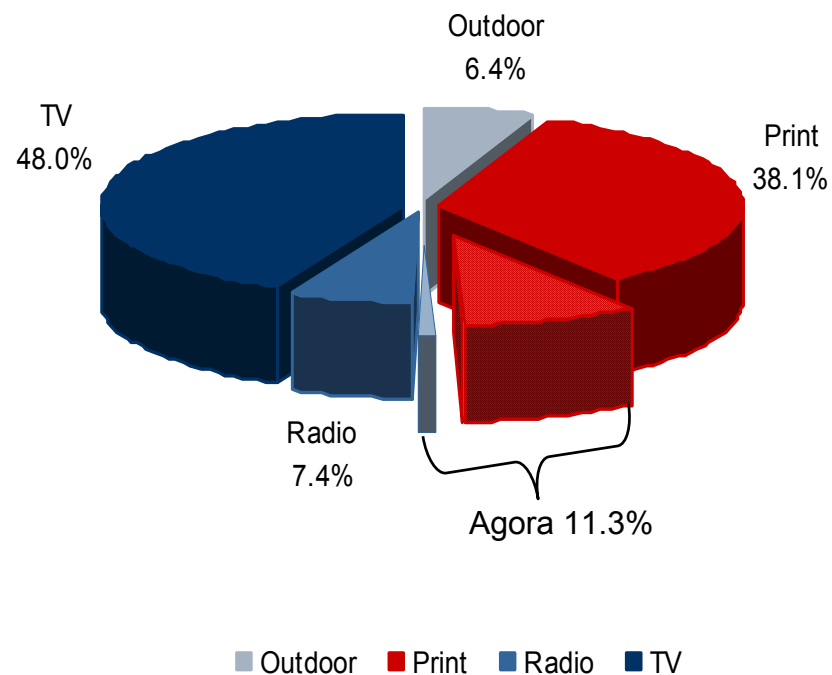
- ▶ Present in 7 cities - total circulation of 153,000 copies at the end of 1Q, as of May total circulation increases to 167,000 copies
- ▶ Work on further enhancement of the product and its profitability:
  - to fit the lean times: smaller format
  - to attract readers and advertisers: layout and section changes, new circulation promotion efforts



# Agora's group - current status

| The group structure                                       |      |     |
|---|------|-----|
|   | 2000 | now |
| <b>Publishing</b>   |      |     |
| - newspapers  | ✓    | ✓   |
| - magazines   | —    | ✓   |
| - free press  | —    | ✓   |
| <b>Broadcasting</b>                                       |      |     |
| - local radios  | ✓    | ✓   |
| <b>Internet</b>   |      |     |
| - portal <a href="http://www.gazeta.pl">www.gazeta.pl</a> | —    | ✓   |

Agora's share in the ad market – 1Q 02



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

# Agora enters an outdoor market



## AMS - Poland's leading outdoor company listed at WSE

- ▶ Capitalization of PLN 179.2 mln\*
- ▶ Ca. 30% market share:
  - ▶ 31% share in billboards
  - ▶ 66% share in city light posters
  - ▶ 52% share in small format panels

### Transaction outline

Agora aims to acquire a minimum of 63% of stake or 68% voting rights in AMS, targets at 100% ownership.

- The transaction to be finalized by the end of September, provided all conditions precedent are met.

| Transaction structure                    |   |                |                       |                               |
|--|---|----------------|-----------------------|-------------------------------|
|  | No of shares                                | % of votes     | Per share value (PLN) | Total transaction value (PLN) |
| <b>Step 1</b><br>Off-session transaction | 501,195<br>ordinary shares                  | 9.99%          | 20                    | 10,023,900                    |
| <b>Step 2</b><br>Private transaction     | 200,025<br>preferred shares<br>(registered) | 19.93%         | 4                     | 800,100                       |
| <b>Step 3</b><br>Tender offer            | minimum of 1,956,639<br>ordinary shares     | minimum of 39% | 46                    | 90,005,394                    |
| <b>Total (if purchased 100%)</b>         | <b>4,216,867</b>                            | <b>100%</b>    | <b>40.92</b>          | <b>172,543,762</b>            |

## Looking forward

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- ▶ Q1 results do not augur advertising market rebound in 2002:
  - market still searching for the bottom,
  - subsequent stagnation expected,
  - recovery no sooner than the end of 2002, beginning of 2003.
  
- ▶ Operating plan based on the above forecasts, assumes a single digit decline in total revenues.
  
- ▶ Costs curbing programs implemented in H2 2001 deliver benefits this year.

## Acquisition strategy

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- ▶ 2001 dedicated to identification and review of opportunities in target geomarkets.
- ▶ Currently, the pipeline filled with several well-advanced deals in Poland and the CEE region, some of them approach closure.
- ▶ Resources in place: strong cash position, credit line of PLN 500 mln, authorised share capital.

# Summary

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## Agora's objectives

- ▶ Strong focus on core business position & margins
- ▶ Managing and continuing expansion in recession
  - ▶ Active stand on key issues

▶ Weak economic growth

▶ Continued recession in the ad market

▶ Regulatory environment

▶ Capital market developments