



## **2008 financial performance of the Group**

**Investor presentation**

February 2009

# 2008 financial performance of the Group

<i>PLN mln</i>	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues</b>	<b>335.9</b>	<b>(4.7%)</b>	<b>1 277.7</b>	<b>0.4%</b>
<b>Operating cost, incl.:</b>	<b>334.1</b>	<b>3.9%</b>	<b>1 205.9</b>	<b>4.7%</b>
- provisions	14.5	-	14.5	-
<b>Financial cost</b>	<b>31.8</b>	<b>-</b>	<b>43.4</b>	<b>-</b>
<b>EBIT</b>	<b>1.8</b>	<b>(94.1%)</b>	<b>71.8</b>	<b>(40.3%)</b>
<b>Operating EBITDA*</b>	<b>28.0</b>	<b>(55.4%)</b>	<b>182.2</b>	<b>(21.0%)</b>
<b>Net profit/ loss</b>	<b>(30.7)</b>	<b>-</b>	<b>23.4</b>	<b>(76.7%)</b>
<b>Employment e/y</b>	<b>3 673</b>	<b>5.9%</b>	<b>3 673</b>	<b>5.9%</b>

<b>Provisions</b>	
<i>PLN mln</i>	4Q08
<b>Operating efficiency improvement plan</b>	<b>8.6</b>
- lay-offs	4.9
<b>Compensation and severance cost of former Management Board Members</b>	<b>3.8</b>
<b>Other one-offs</b>	<b>2.1</b>
<b>Operating EBITDA</b>	<b>14.5</b>

+

<b>Impairment</b>	
<i>PLN mln</i>	4Q08
<b>Impairment loss on investment in Trader.com (Polska) Sp. z o.o.</b>	<b>27.2</b>
<b>Net profit</b>	<b>27.2</b>

**Total impact on net profit** ▼ **41.7**

## Cash position

<i>PLN mln</i>	e/y 2008
Cash and cash equivalents	263.7
Debt	140.0
<b>Net cash position</b>	<b>123.7</b>

## Cash returned to Shareholders

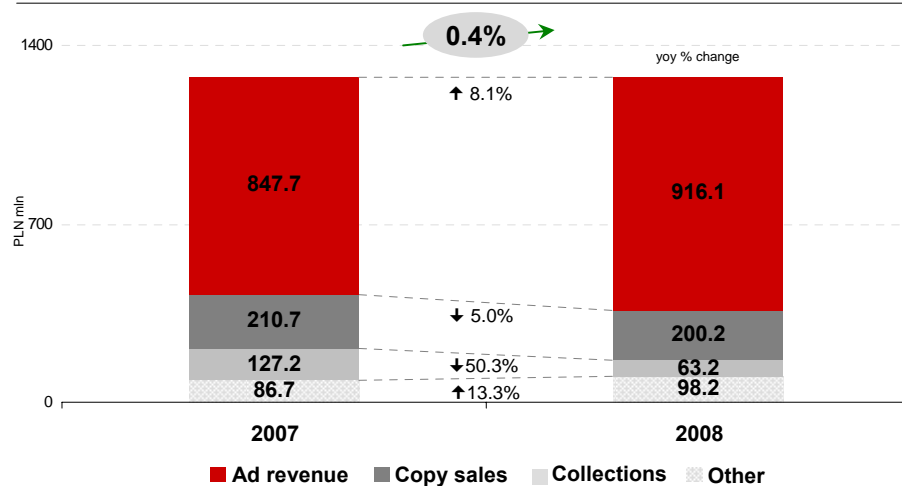
<i>PLN mln</i>	2008
<b>Dividend paid</b>	<b>27</b>
<b>Buyback program executed</b>	<b>71</b>

## Financial results excl. provisions & impairment

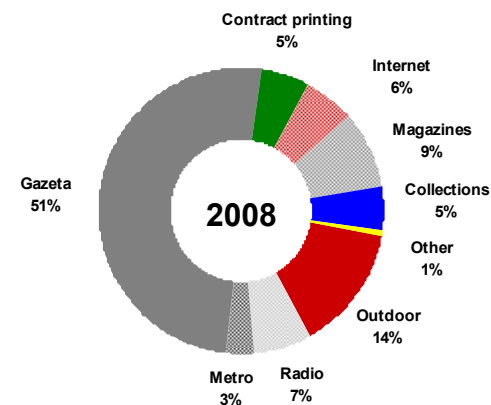
<i>PLN mln</i>	4Q08
<b>EBIT</b>	<b>16.3</b>
<b>Operating EBITDA*</b>	<b>42.5</b>
<b>Net profit</b>	<b>11.0</b>

# 2008 financial performance of the Group

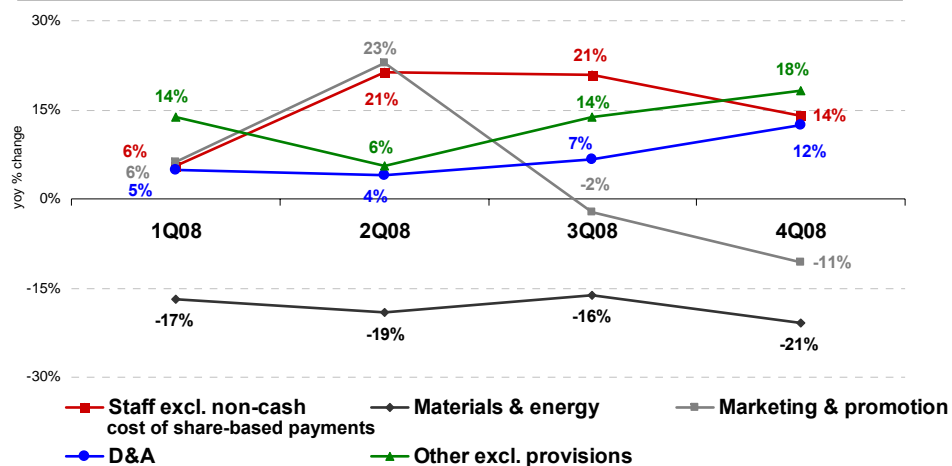
## Revenue performance



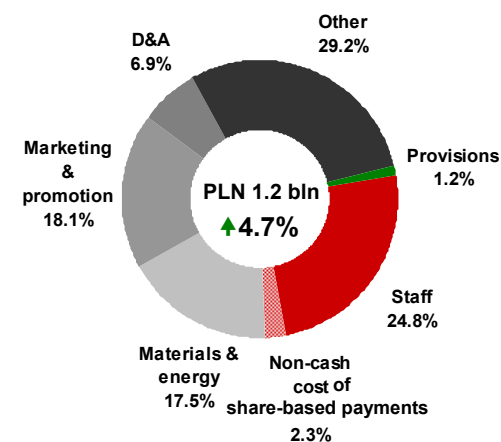
## Revenue structure by line of business



## Operating cost performance

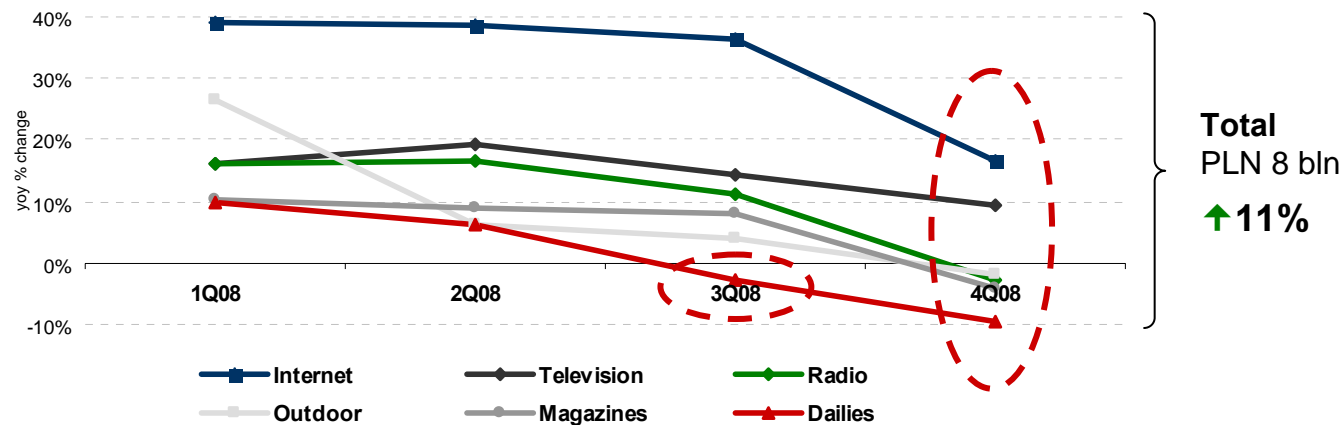


## Operating cost structure

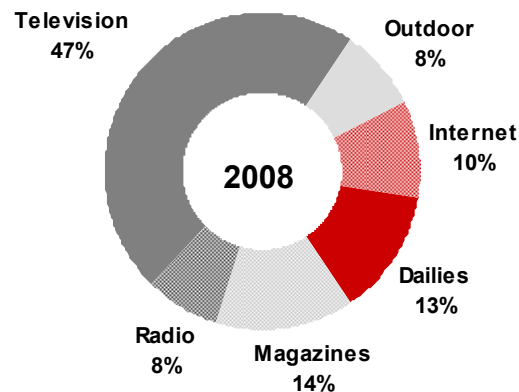


# 2008 advertising market performance

Quarterly ad spend performance in 2008

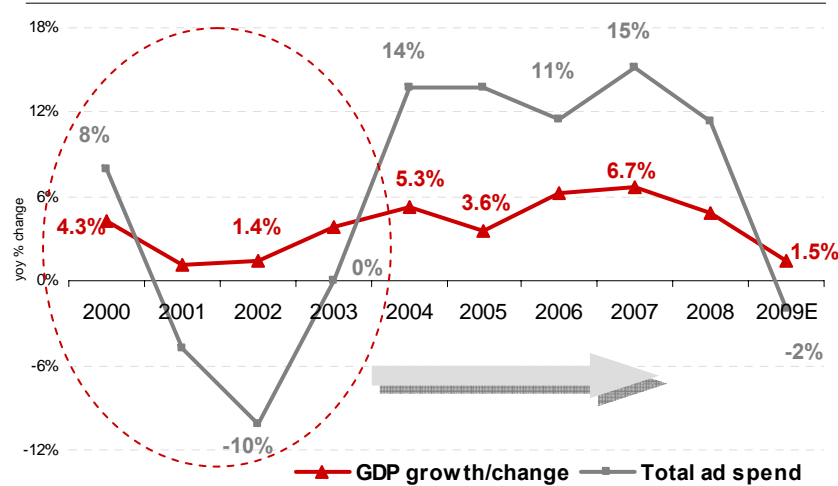


Ad market structure in 2008

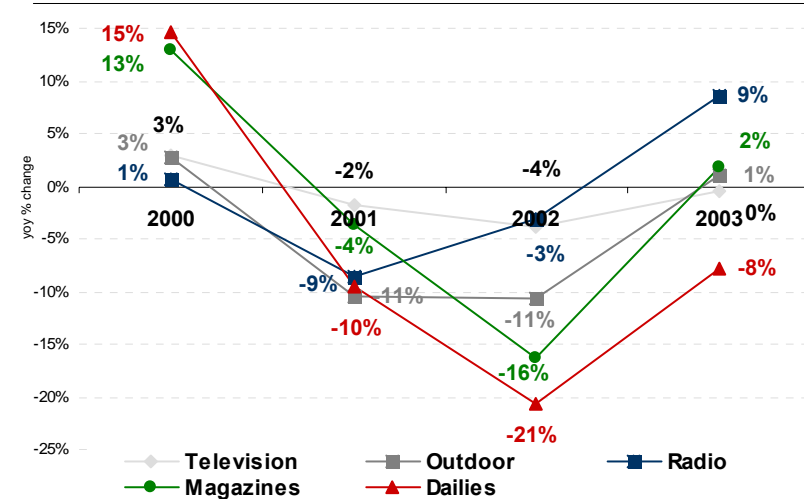


# 2009 advertising spending estimates

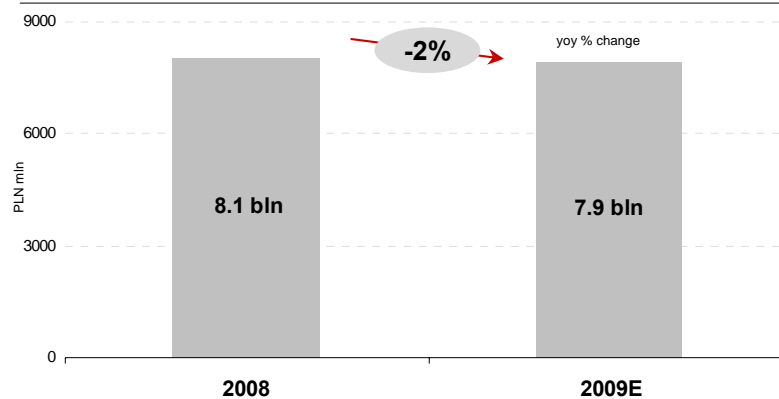
Ad spend vs GDP 2000 – 2009E



Segment performance during 2000-2003 ad market recession



2009E advertising spending performance based on 1.5% GDP growth



Increase	Decline
<b>↑ Television</b> (by several %)	<b>↓ Dailies</b> (by a mid-teen %)
<b>↑ Internet</b> (by a mid-teen %)	<b>↓ Magazines</b> (by several %)
	<b>↓ Outdoor</b> (by several %)
	<b>↓ Radio</b> (by several %)

► The estimates on particular media performance in 2009 are hard to rely on as their margin of error is very high due to shaky market conditions.

# Segment performance: **Gazeta** (incl. *Metro* and collections)

## Financial performance of *Gazeta*\*

<i>PLN mln</i>	<b>4Q 2008</b>	<i>yoy % change</i>	<b>2008</b>	<i>yoy % change</i>	
<b>Revenues, incl.:</b>	<b>208.4</b>	<i>(13.9%)</i>	<b>827.5</b>	<i>(7.2%)</i>	
- advertising in GW	115.6	<i>(13.7%)</i>	485.8	<i>(0.6%)</i>	
- copy sales in GW	36.6	<i>(15.7%)</i>	151.9	<i>(7.4%)</i>	
<b>Operating cost, incl.:</b>	<b>204.3</b>	<i>(7.1%)</i>	<b>762.2</b>	<i>(4.7%)</i>	
- materials & energy	60.7	<i>(23.5%)</i>	237.4	<i>(20.3%)</i>	
- staff cost excl. non-cash cost of share-based payments	50.4	<i>4.6%</i>	191.8	<i>7.7%</i>	
- marketing & promotion	40.2	<i>(16.3%)</i>	157.4	<i>(2.7%)</i>	
- operating efficiency improvement plan	3.5	<i>-</i>	3.5	<i>-</i>	
<b>EBIT</b>	<b>4.1</b>	<i>(81.6%)</i>	<b>65.3</b>	<i>(28.9%)</i>	
<b>Operating EBITDA**</b>	<b>19.1</b>	<i>(57.2%)</i>	<b>136.7</b>	<i>(19.0%)</i>	

Dailies ad market decline

- Lower circulation  
- Less effective dual pricing  
- Very competitive market

- Favourable exchange rate  
- Lower production volume  
- Newsprint portfolio mix

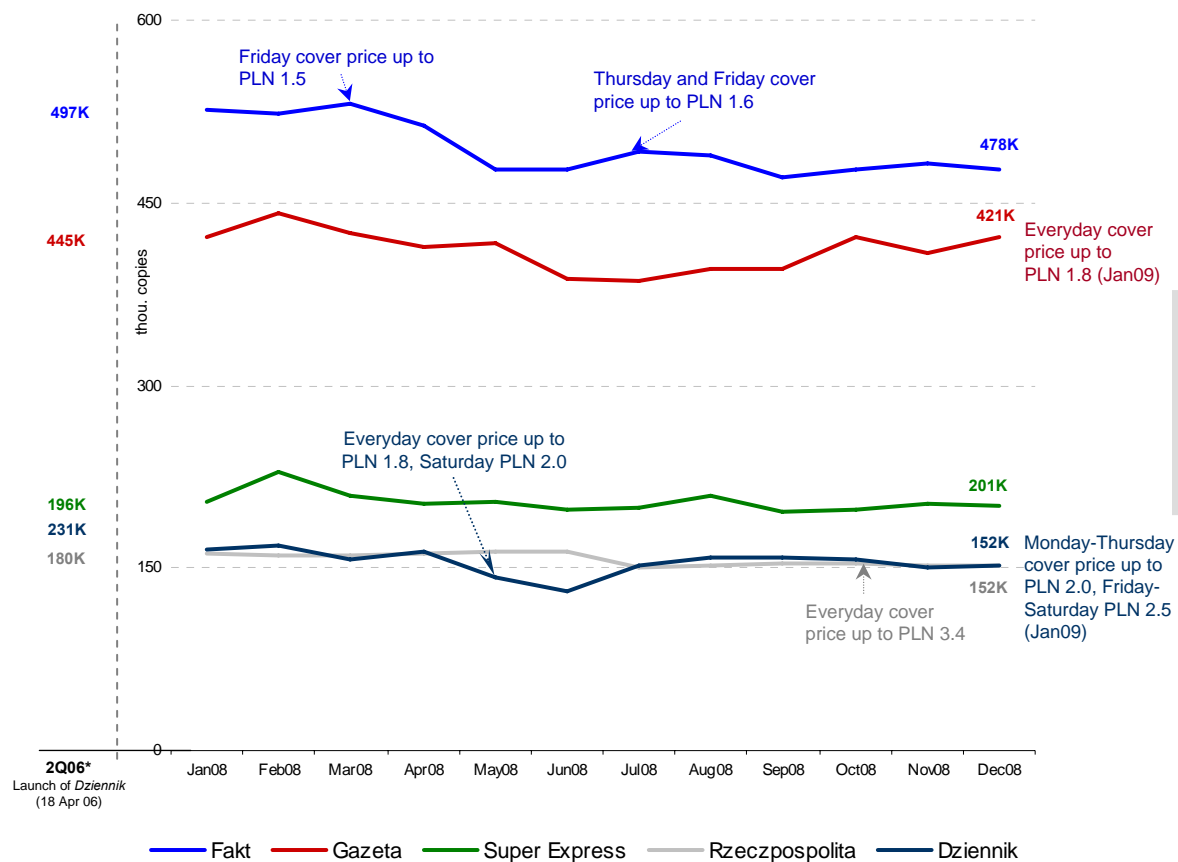
Necessary salary regulations as an adjustment to market conditions

Fewer collections and dual pricing projects

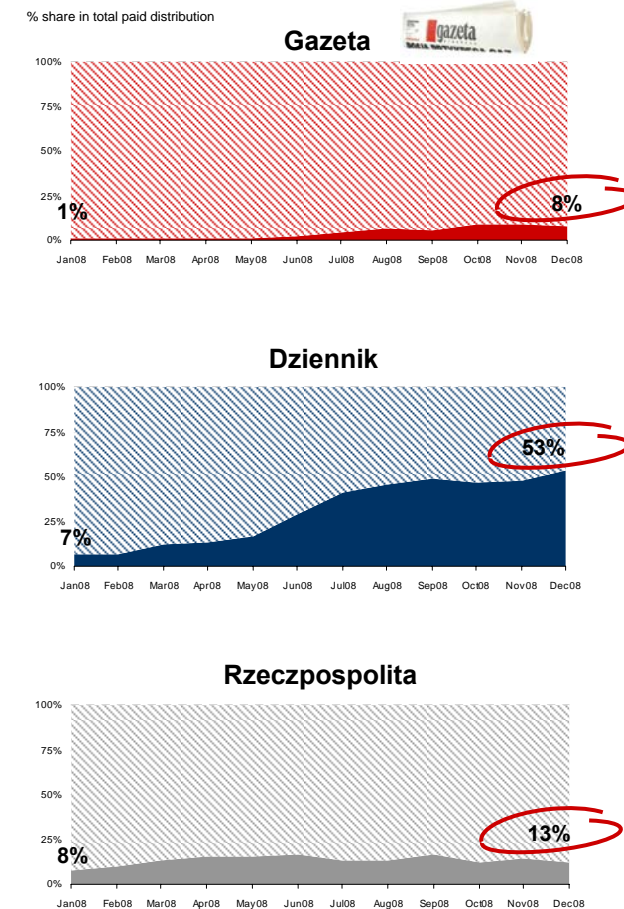
\*incl. *Gazeta*, *Metro*, collections; incl. general overhead cost of Agora SA

# Segment performance: *Gazeta*

## Copy sales of dailies

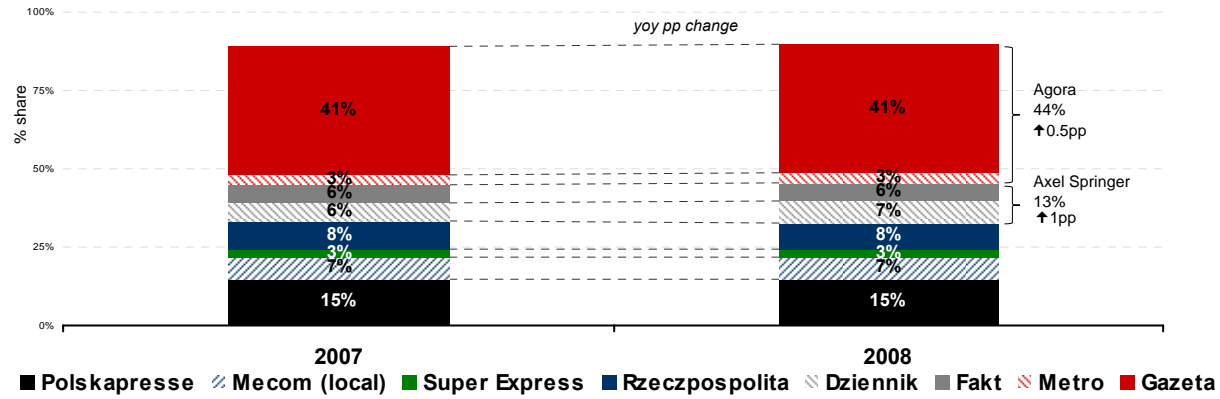


## Other paid-for distribution methods

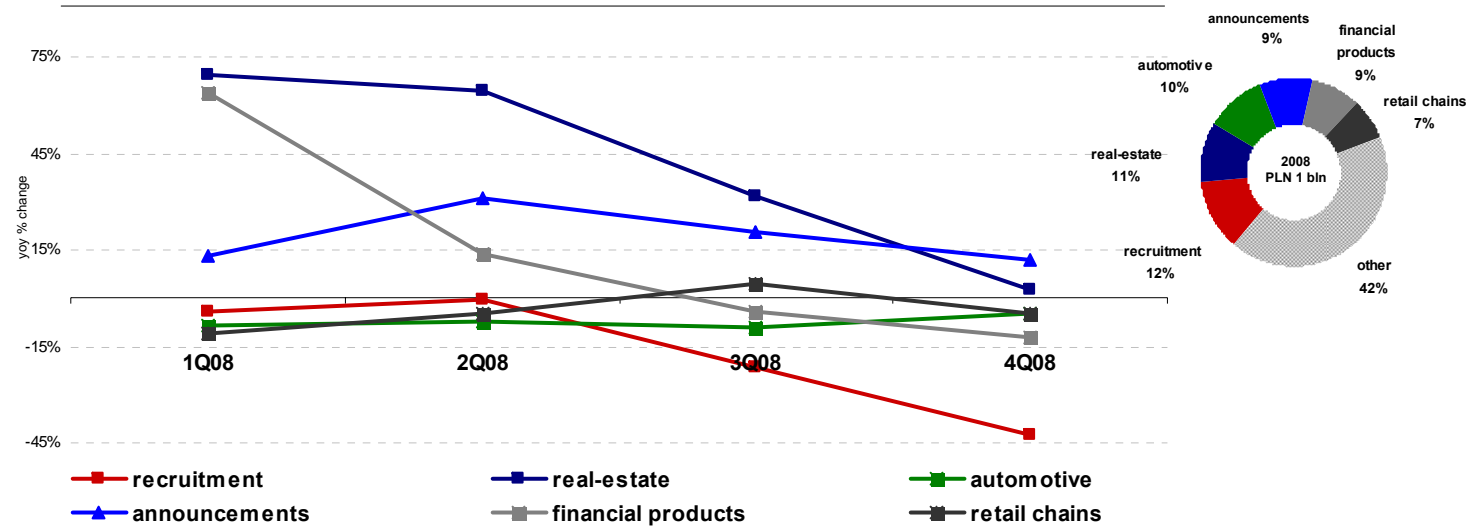


# Segment performance: *Gazeta*

Newspaper ad market\*



Top ad categories in dailies



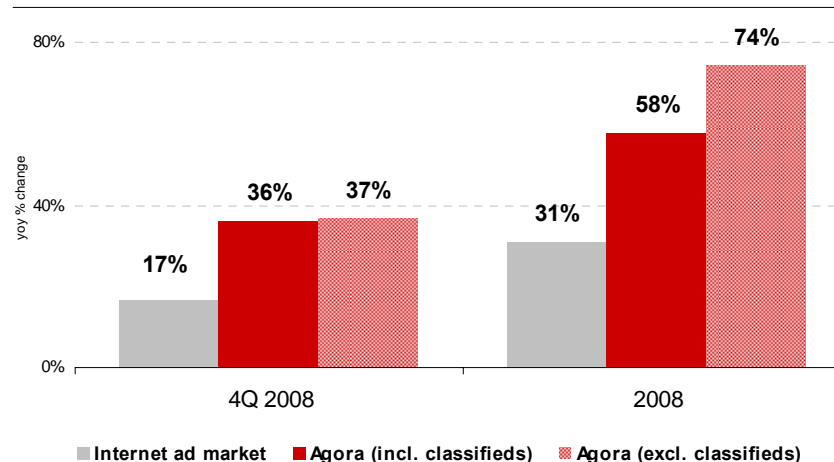


# Segment performance: Internet

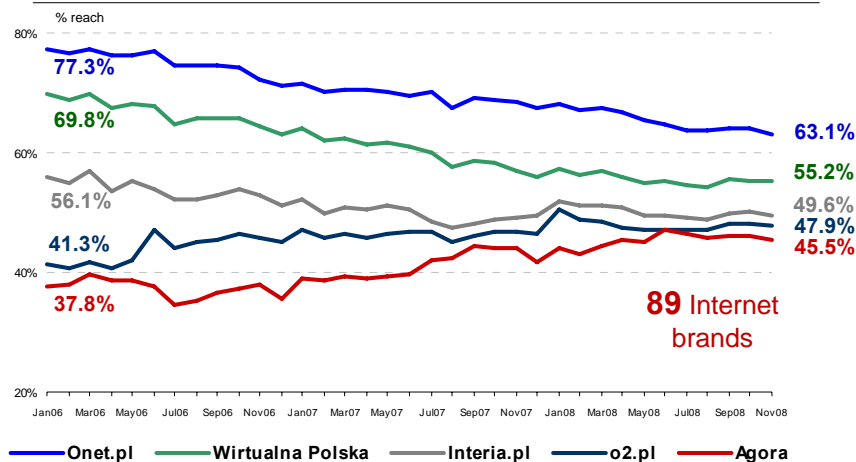
## Financial performance\*

PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues, incl.:</b>	<b>23.8</b>	<b>51.6%</b>	<b>77.1</b>	<b>67.6%</b>
- display ads	15.2	36.9%	47.9	74.2%
- vortals ad sales	4.7	34.3%	18.6	26.5%
<b>Operating cost, incl.:</b>	<b>25.6</b>	<b>53.3%</b>	<b>85.4</b>	<b>79.8%</b>
- staff cost excl. non-cash cost of share-based payments	11.2	93.1%	35.8	108.1%
- promotion and marketing	5.7	(18.6%)	25.8	38.7%
- operating efficiency improvement plan	0.8	-	0.8	-
<b>EBIT</b>	<b>(1.8)</b>	<b>(80.0%)</b>	<b>(8.3)</b>	<b>(453.3%)</b>
<b>Operating EBITDA**</b>	<b>(0.4)</b>	<b>(33.3%)</b>	<b>(4.1)</b>	-

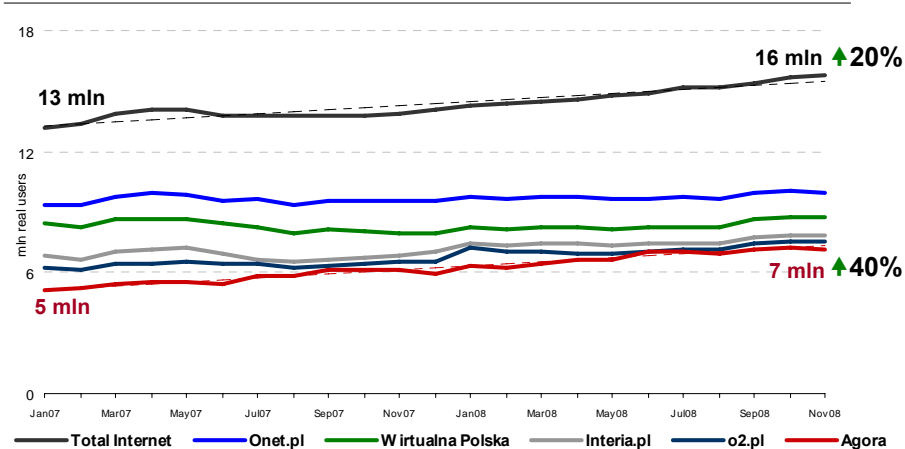
## Agora's online revenues vs Internet ad market\*\*\*



## Reach of Internet portals



## Real users of Internet portals



**AGORA**

Source: reach, real users: Megapanel PBI/Gemius, reach Jan06-Nov08, real users Jan07-Nov08; financials: consolidated financial statements according to IFRS, 4Q 2008;

\* Internet division, Agora Ukraina, Trader.com (Polska) including print revenues

\*\*excluding non-cash cost of share-based payments and allocations of general overhead cost of Agora SA

\*\*\* Internet ad market: Starlink (display and search engines); Agora: consolidated financial statements according to IFRS, 4Q 2008

# Segment performance: Internet

## Reach drivers



RU – real users, Nov 08;  
Nov 08 vs Jan07 % change



PLN mln	4Q 2008	yoy % change	2008*	yoy % change
<b>Revenues, incl.:</b>	<b>5.4</b>	<b>5.9%</b>	<b>21.2</b>	<b>14.6%</b>
- print	2.0	(13.0%)	8.5	(4.5%)
- online	3.3	17.9%	12.6	31.3%
<b>Operating cost</b>	<b>7.9</b>	<b>19.7%</b>	<b>24.7</b>	<b>23.5%</b>
<b>EBIT</b>	<b>(2.5)</b>	<b>-</b>	<b>(3.5)</b>	<b>-</b>

## Revenue drivers



89 Internet brands

- since September Autotrader.pl present on Gazeta.pl, Moto.pl, Świat Motocykli and Wysokie Obroty



- ads on Autotrader.pl are accessible through Oferty.moto.pl and Moto.pl

- PLN 3 mln in 4Q 2008 on advertising campaigns, i.a. on Domiporta.pl



- advanced technology of Trader to leverage other Agora's Internet projects

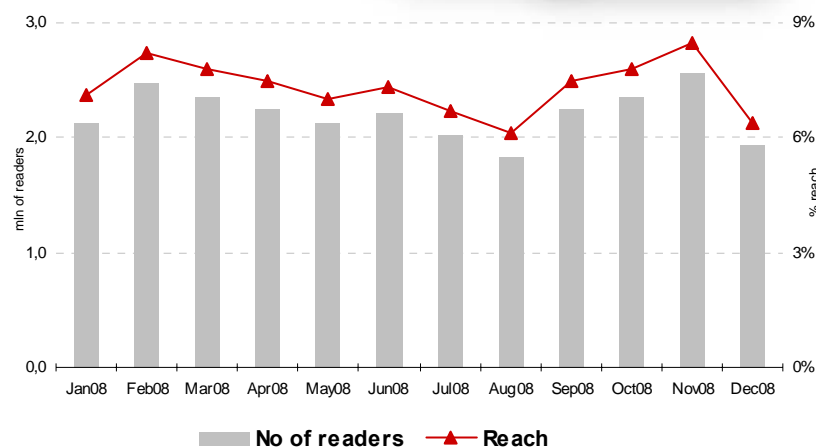
# Segment performance: *Metro*

## Financial performance

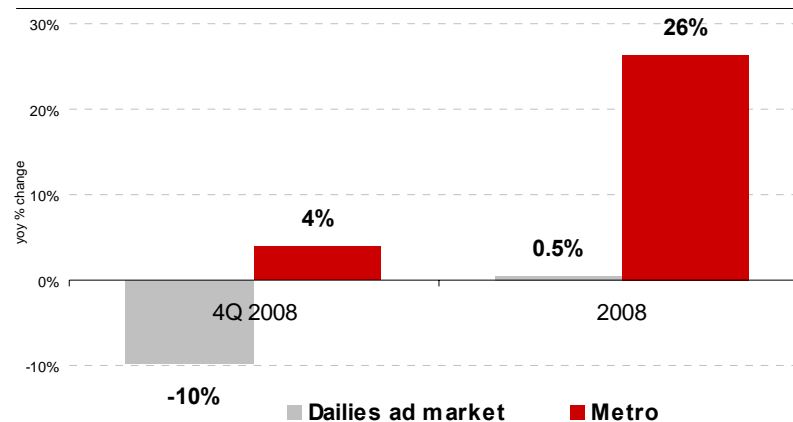
PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Ad revenues</b>	<b>9.7</b>	<b>7.8%</b>	<b>37.4</b>	<b>27.6%</b>
<b>Operating EBITDA*</b>	<b>0.5</b>	<b>-</b>	<b>1.0</b>	<b>-</b>



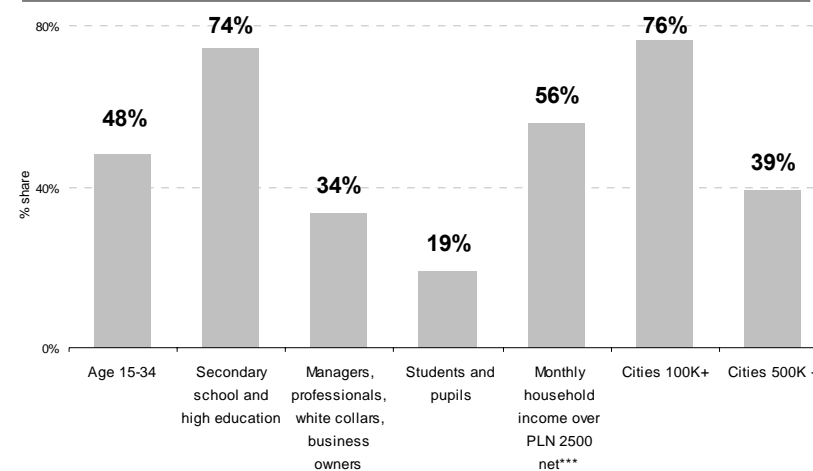
## Readership reach



## Metro vs newspaper ad spend\*\*



## Readership structure



# Segment performance: collections






## Financial performance

PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues</b>	<b>23.2</b>	(25.2%)	<b>63.2</b>	(50.3%)
<b>Operating EBITDA*</b>	<b>(1.6)</b>	-	<b>(6.6)</b>	-

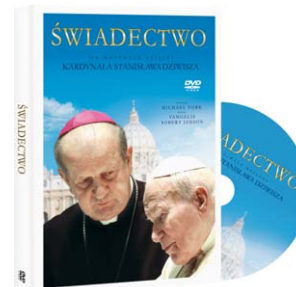
## Statistics

	2007	2008
Series	15	13
One-offs	20	57
<b>Total number of projects</b>	<b>35</b>	<b>70</b>
Copies sold (mln)**	8.0	3.6

## Standard business areas

books	
CDs (distribution/ production)	
DVDs	
audiobooks	
film coproduction	

## New business areas



### Large-screen movie coproduction and distribution

- ▶ World premiere in Vatican
- ▶ Ca. 100K DVDs sold
- ▶ Over 1 mln of cinema audience
- ▶ Ticket sales revenues
- ▶ Distribution licence to be sold abroad



### Cultural events

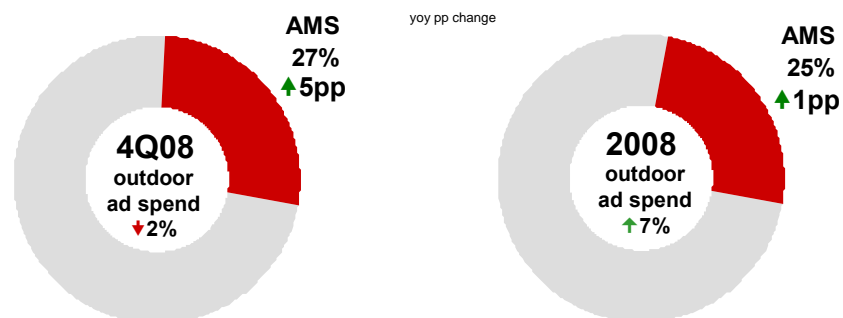
- ▶ Woody Allen concert in Warsaw

# Segment performance: outdoor

## Financial performance

PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues, incl.:</b>	<b>55.0</b>	<b>15.3%</b>	<b>189.7</b>	<b>10.9%</b>
- ad revenues	53.8	13.3%	186.5	10.6%
<b>Operating cost, incl.:</b>	<b>53.5</b>	<b>30.2%</b>	<b>182.3</b>	<b>21.9%</b>
- execution of campaigns	12.7	15.5%	44.9	19.4%
- maintenance cost	18.5	12.8%	73.1	17.7%
- staff cost excl. non-cash cost of share-based payments	5.0	6.4%	19.9	13.1%
- D&A	5.5	27.9%	18.8	25.3%
- promotion & marketing	1.4	40.0%	5.3	(18.5%)
- operating efficiency improvement plan	3.7	-	3.7	-
<b>EBIT</b>	<b>1.5</b>	<b>(77.3%)</b>	<b>7.4</b>	<b>(65.6%)</b>
<b>Operating EBITDA*</b>	<b>7.2</b>	<b>(38.5%)</b>	<b>27.8</b>	<b>(27.6%)</b>

## AMS ad market share



## New ad faces in 2008

Universal:	1.0 thou.
Premium:	1.2 thou.
Superpremium:	0.4 thou.

<b>Metro cars:</b>	
CityINFOtv:	0.9 thou.
Frames:	2.4 thou.

Total 5.9 thou.

Total capex PLN 72 mln

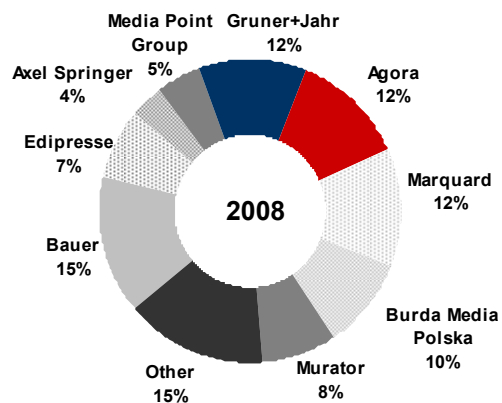


# Segment performance: magazines

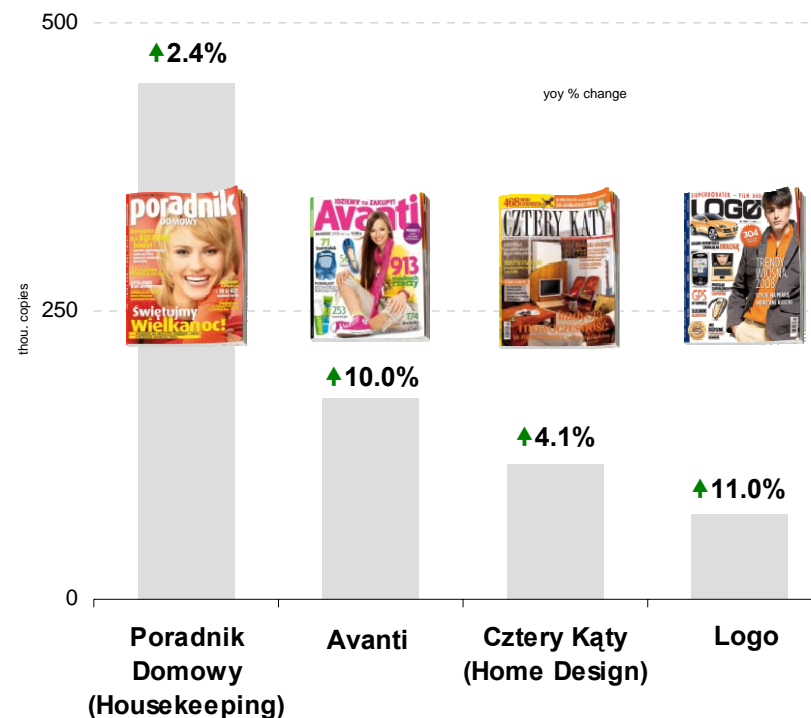
## Financial performance\*

PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues</b>	<b>25.9</b>	<b>(7.2%)</b>	<b>109.7</b>	<b>4.2%</b>
- copy sales	11.2	(8.2%)	46.4	(0.4%)
- ad revenues	14.6	(6.4%)	62.9	7.9%
<b>Operating cost, incl.:</b>	<b>25.4</b>	<b>7.6%</b>	<b>92.1</b>	<b>7.5%</b>
- materials & energy	9.6	12.9%	35.5	7.3%
- staff cost excl. non-cash cost of share-based payments	5.6	21.7%	20.8	11.2%
- promotion & marketing	6.8	(11.7%)	26.4	2.3%
- operating efficiency improvement plan	0.2	-	0.2	-
<b>EBIT</b>	<b>0.5</b>	<b>(88.4%)</b>	<b>17.6</b>	<b>(10.2%)</b>
<b>Operating EBITDA**</b>	<b>0.8</b>	<b>(84.0%)</b>	<b>19.2</b>	<b>(9.0%)</b>

## Monthly magazine advertising performance



## Copy sales drivers

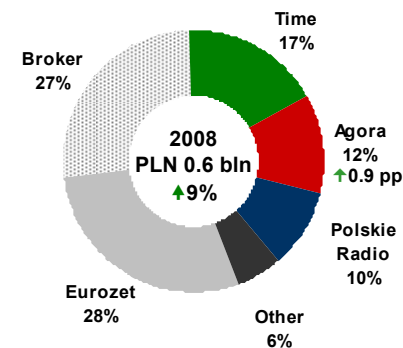


# Segment performance: radio

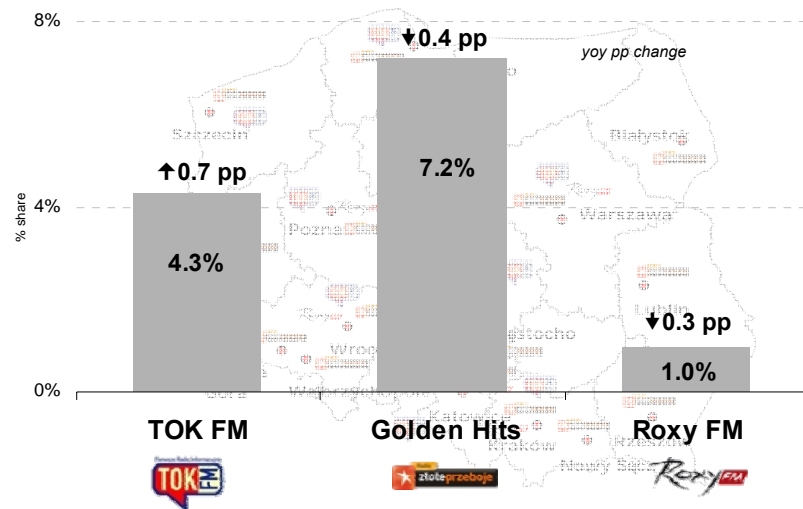
## Financial performance\*

PLN mln	4Q 2008	yoy % change	2008	yoy % change
<b>Revenues</b>	<b>26.4</b>	<b>14.3%</b>	<b>87.5</b>	<b>19.2%</b>
<b>Operating cost, incl.:</b>	<b>24.5</b>	<b>17.2%</b>	<b>83.5</b>	<b>13.9%</b>
- operating efficiency improvement plan	0.4	-	0.4	-
<b>EBIT</b>	<b>1.9</b>	<b>(13.6%)</b>	<b>4.0</b>	<b>-</b>
<b>Operating EBITDA**</b>	<b>2.8</b>	<b>(20.0%)</b>	<b>8.0</b>	<b>77.8%</b>

## 2008 radio ad market structure



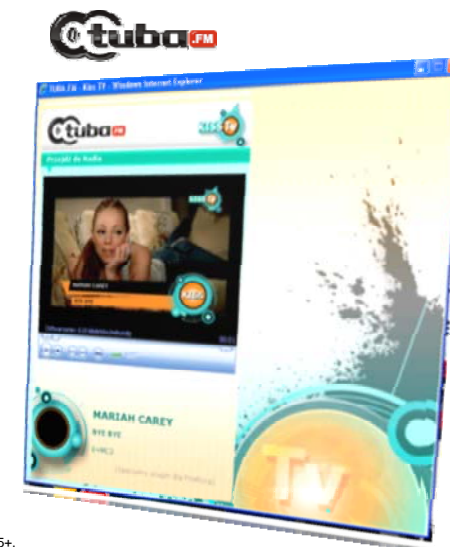
## 2008 audience share



## Development of radio Internet platform

### 10 new channels in 2008

<b>Channels:</b>	
Video music	1
Thematic	18
Authorial	2
Traditional/analog	4
<b>Total</b>	<b>25</b>



# Preview of 2009

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POSITIVE / NEUTRAL	NEGATIVE
<ul style="list-style-type: none"><li>▶ Operating efficiency improvement plan introduced; PLN 11 mln savings on lay-offs; staff cost approximately flat yoy;</li><li>▶ Lower marketing expense;</li><li>▶ Lower non-cash cost of share-based payments by PLN 17.7 mln*;</li><li>▶ Good financial performance of most business areas.</li></ul>	<ul style="list-style-type: none"><li>▶ Continued ad market slowdown to depress revenues, in particular print media;</li><li>▶ Cost of production materials, incl. newsprint, to increase by a mid-teen percentage;</li><li>▶ Unpredictable economic parameters to adversely affect ad market and currency exchange.</li></ul>



## Summary: our objectives

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- ▶ Continue to implement operating efficiency improvement plan to successfully prepare the Group to worse market conditions;
- ▶ Continue to develop existing business areas to minimize possible decline of Group's profitability due to economic slowdown;
- ▶ Continue to execute on strategic objectives; take advantage of current equity market conditions to win valuable assets if available;

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