

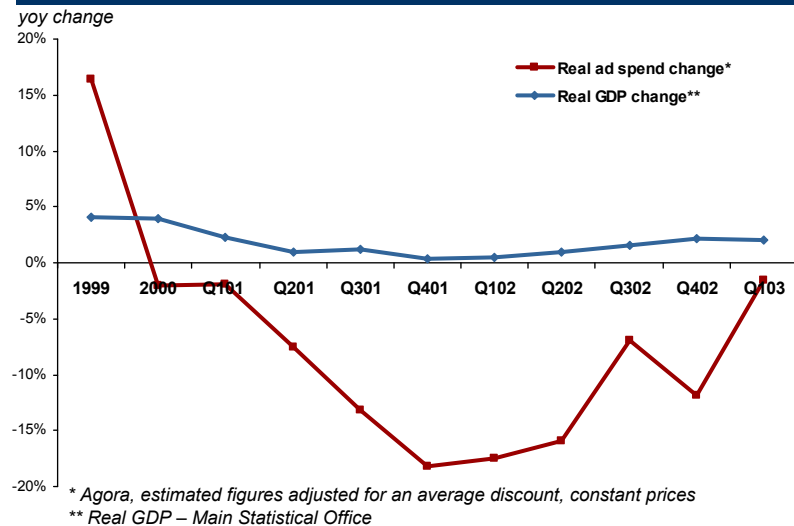
# Agora SA

---

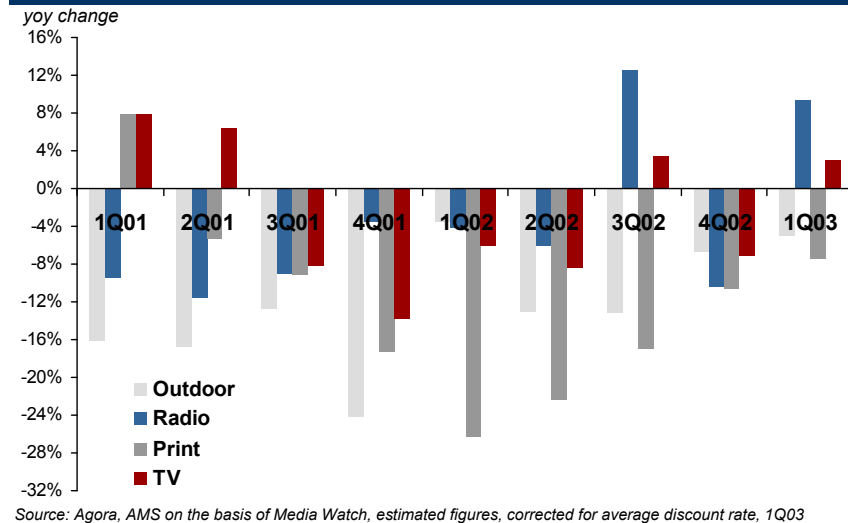
**Investor Presentation**  
*May 2003*

## Advertising market: recession

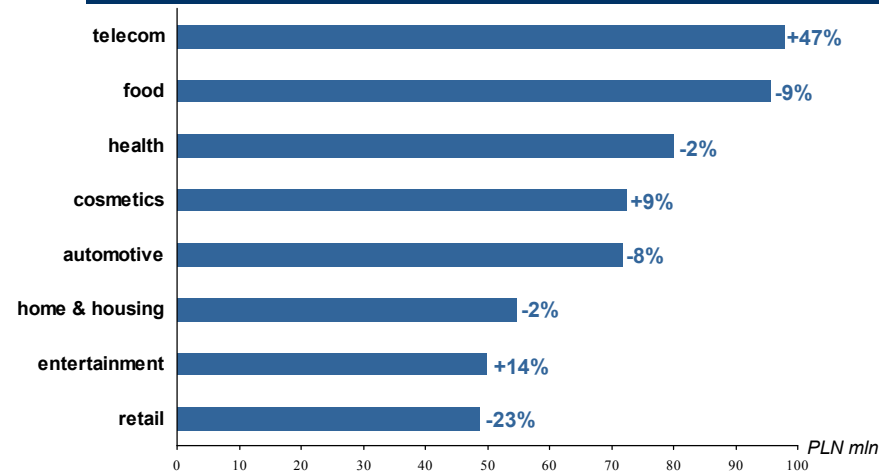
### Ad spend vs GDP



### Ad market performance by medium



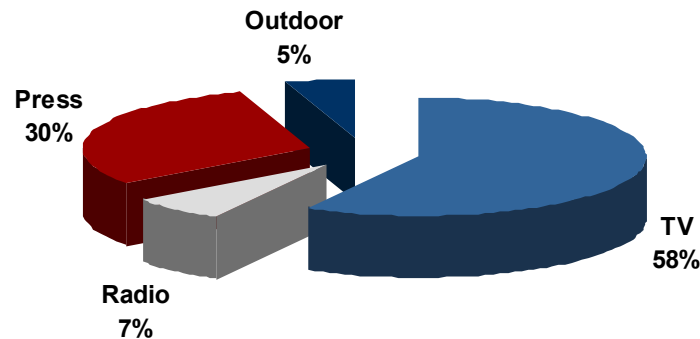
### Ad categories in 3 media



Source: Agora, estimated figures, corrected for average discount rate, for the period of 1Q03; % change figures 1Q03/1Q02

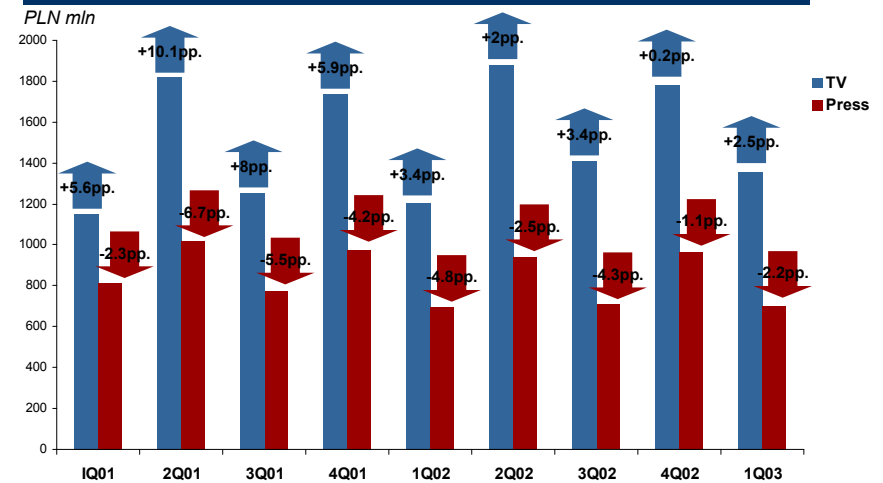
## Advertising market: TV grows share

### Polish ad market structure



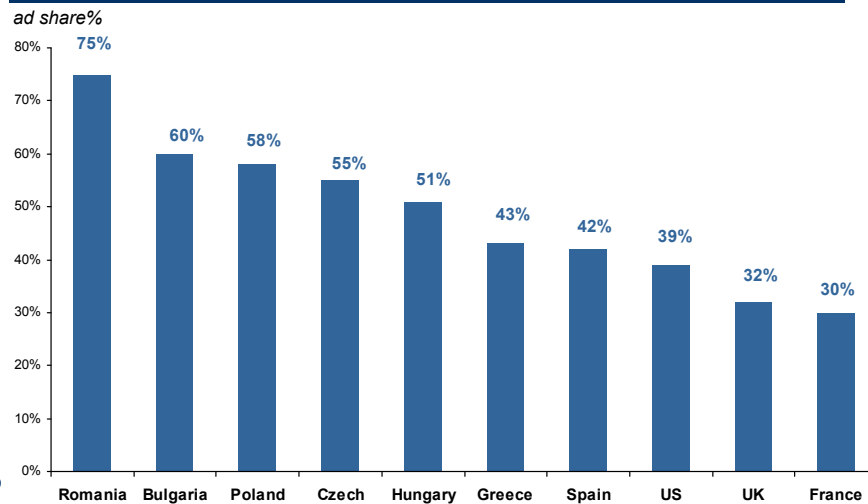
Source: TV: AGB Polska, press: Agora Monitoring, radio: CR Media, outdoor: AMS on the basis of Media Watch, rate card data, 1Q03

### TV advertising share growth



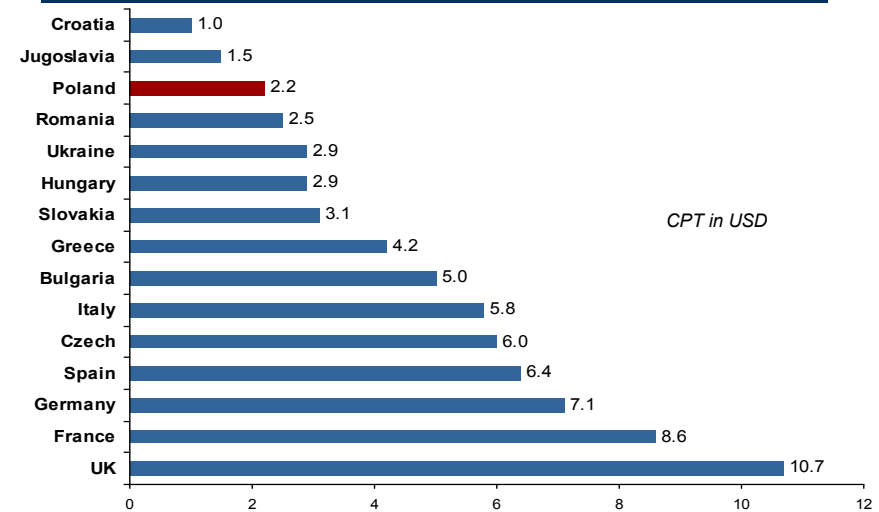
Source: TV: AGB Polska, press: Agora Monitoring, rate card data, 2001-1Q03

### TV share of total adspend in Europe



Source: Mediaedge:cia, Global Media Cost Comparison Book 2002, Agora, rate card data

### TV CPT in Europe



# Agora's Group: today's status

	2000	now	Current market position	
			Advertising share	Audience
<b>Publishing</b>				
– Gazeta	✓	✓	48.6%	31.1%
– online	—	✓	14%	#3
– magazines	—	✓	4%	22.5%
– free press	—	✓	22.1% (Warsaw)	19.4%
<b>Outdoor</b>	—	✓	27.5%	
<b>Radio</b>	✓ 9 stations	✓ 28 stations	10.8%	13.6% (in target market)
<b>TV</b>	—	Project suspended due to new media bill		
<b>Scholastic publishing</b>	—	Tender cancelled by the Treasury Ministry		

4 Source: advertising: Agora, estimated figures, corrected for average discount rate, 1Q03; readership: Polish Readership Research 1Q03 (PBC General: GW & mags; PBC Daily, 1Q03: free press); radio: SMG/KRC Radio Track, 1Q03 (largest cities), target group: 20-50 year olds, Agora's markets; Internet: TNS OBOP's Interbus research – Sept.–Oct. 2002, Agora's estimates; outdoor: AMS estimates on the basis of Media Watch 1Q03, rate card data adjusted for estimated average discount rate.

# Agora's Group: 1Q 2003 performance



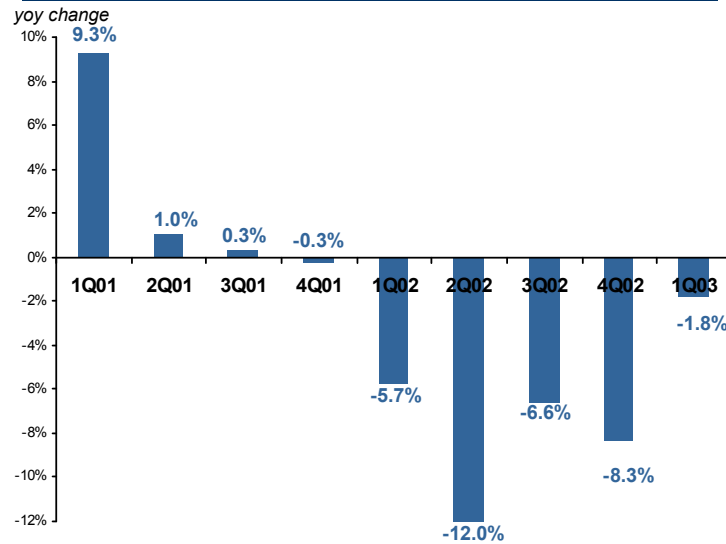
<i>PLN mln</i>	<b>consolidated</b>	<i>% change</i>	<b>ex radios, magz, and AMS</b>	<i>% change</i>
<b>Revenue</b>	198.6	20.0%	156.9	-5.2%
<b>Operating cost (ex D&amp;A)</b>	160.7	30.4%	121.1	-1.8%
<b>D&amp;A</b>	36.3	55.5%	26.4	13%
<b>EBIT</b>	1.5	-92.1%	9.4	-49.7%
<b>EBITDA</b>	37.8	-10.2%	35.8	-14.9%
<b>EBITDA margin</b>	19.0%	-6.4pp.	22.8%	-2.6 pp.
<b>Net profit</b>	-4.8	-	5.2	-68.6%
<b>Operating cash flow</b>	34.3	-40.0%		

\* according to IAS

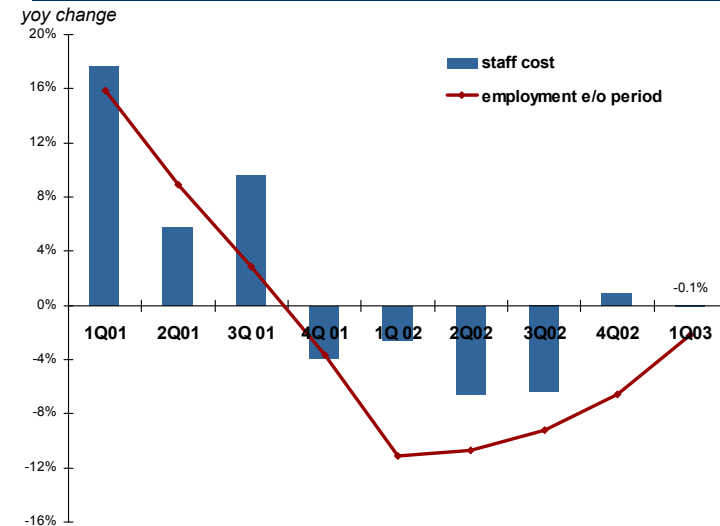
# Agora's Group: cost tailored to market



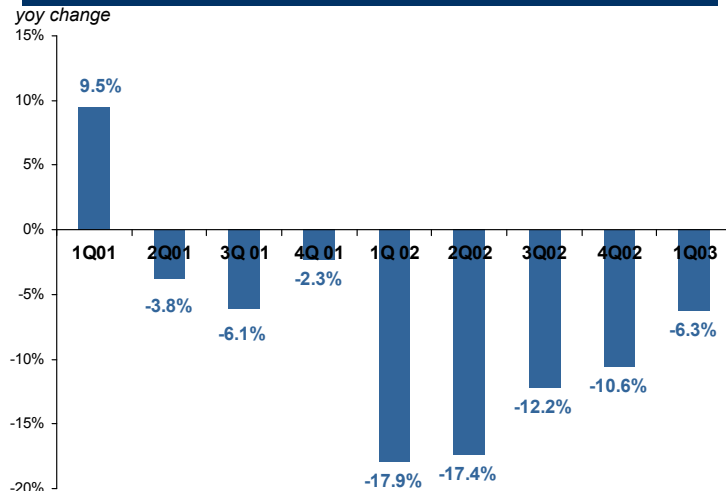
## Operating cost (ex D&A)



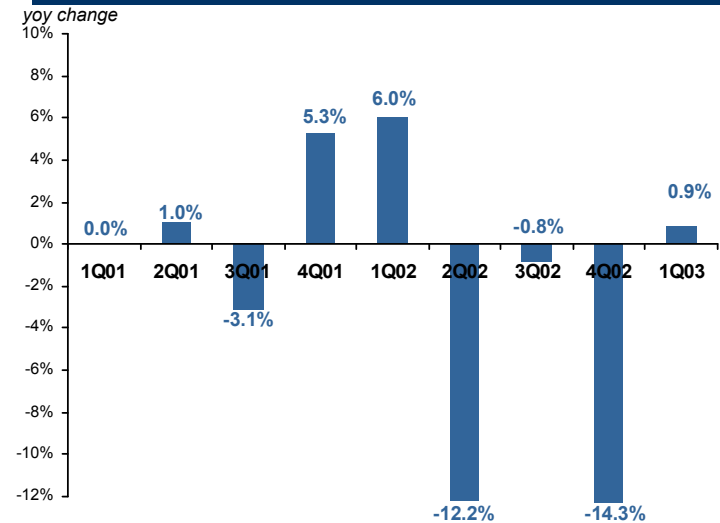
## Staff cost



## Cost of materials



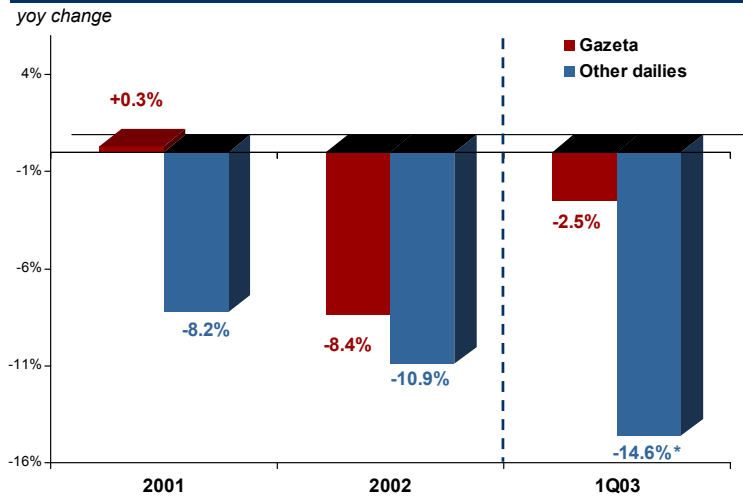
## Other operating expense



According to IAS, excluding radios, magz & AMS

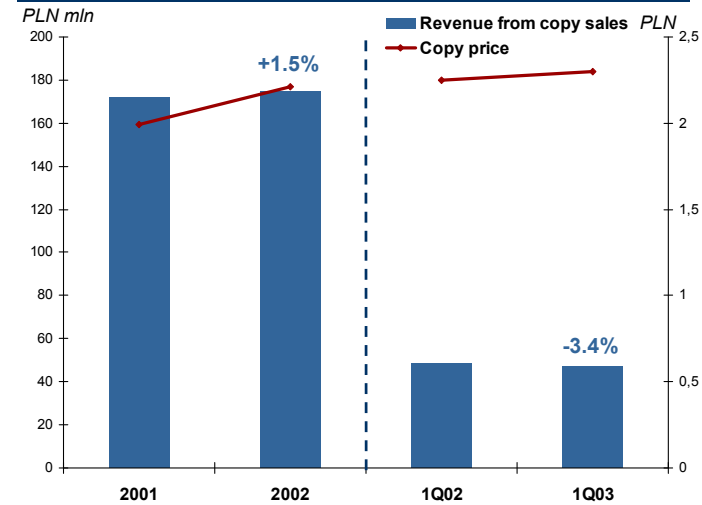
# Gazeta Wyborcza: market share grows

## Circulation performance

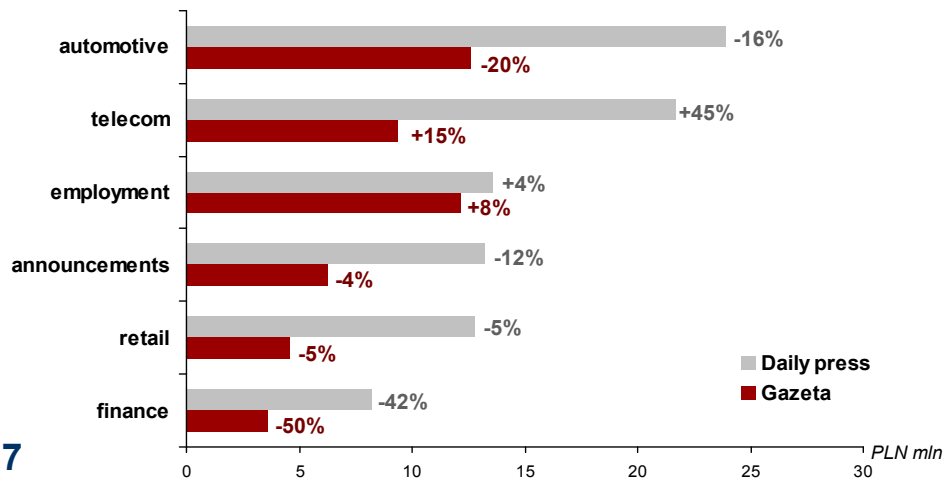


Source: National Circulation Audit Office, national dailies, 2001-1Q03  
 \* A national daily – Zycie ceased publication by the end of 2002

## Revenue from copy sales

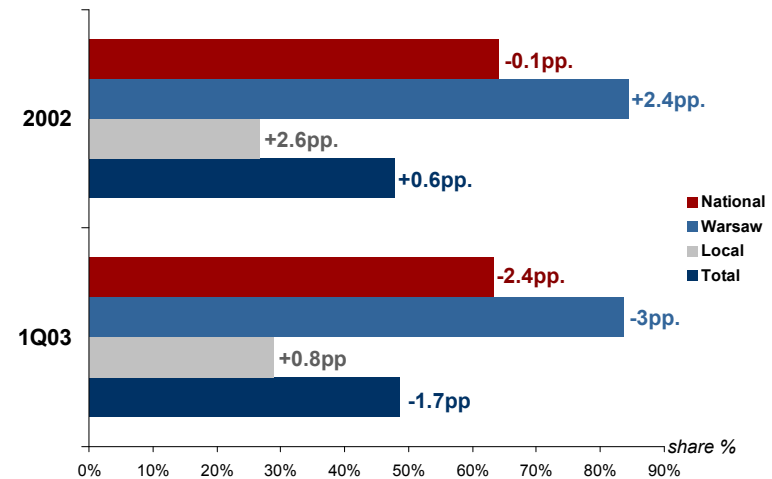


## Daily newspaper top 6 ad categories 1Q 2003



Source: Agora, estimated figures, corrected for average discount rate; % change 1Q03/1Q02

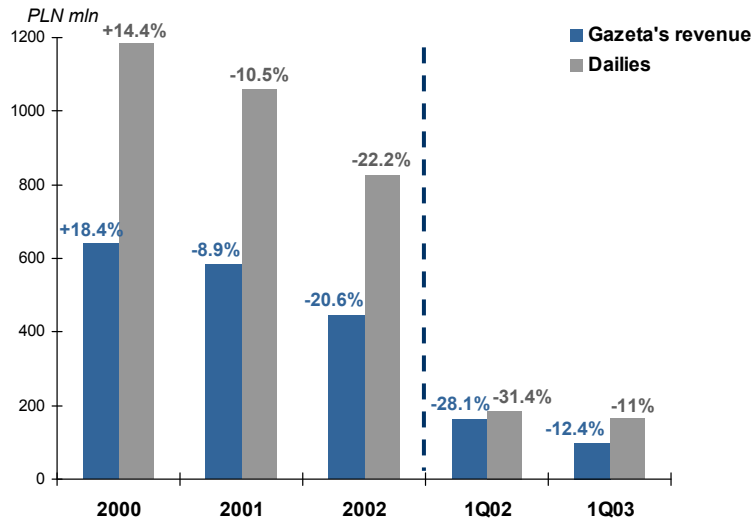
## Gazeta's change in share by ad market



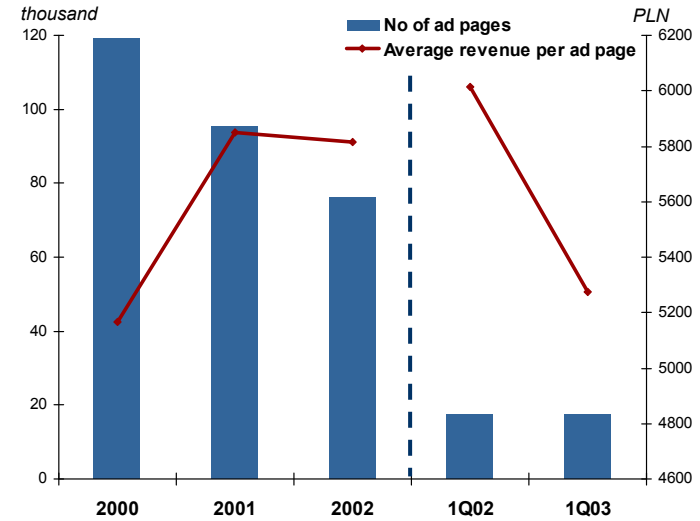
Source: Agora, estimated figures, corrected for average discount rate; 2002 & 1Q03

# Gazeta Wyborcza: margins hold up

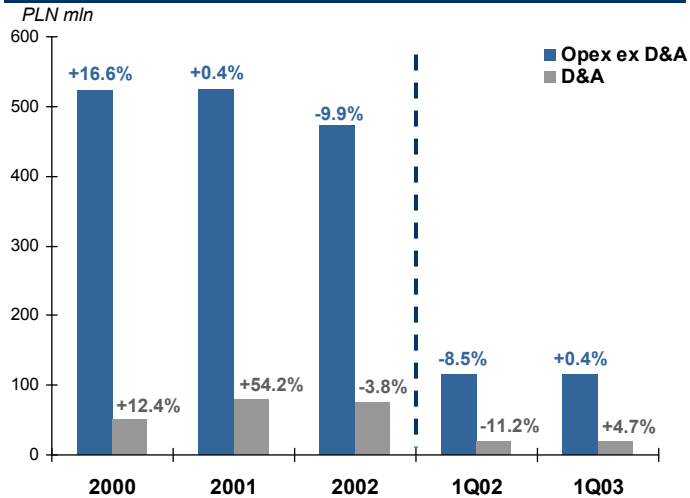
## Revenue from advertising



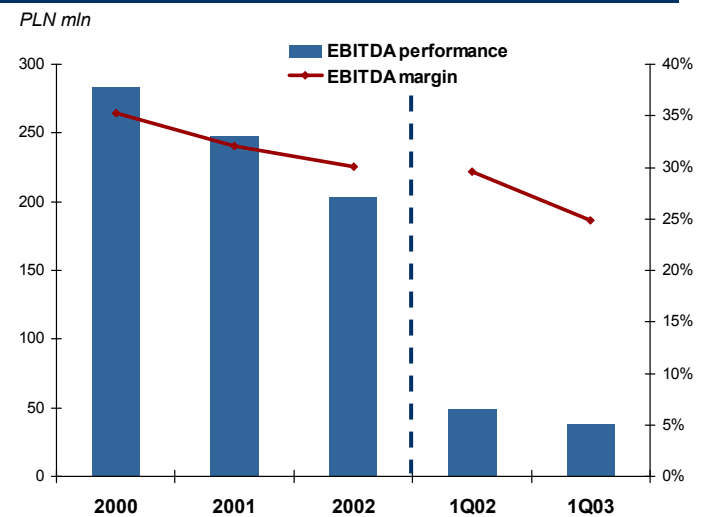
## Profitability of ad pages



## Cost performance



## EBITDA performance

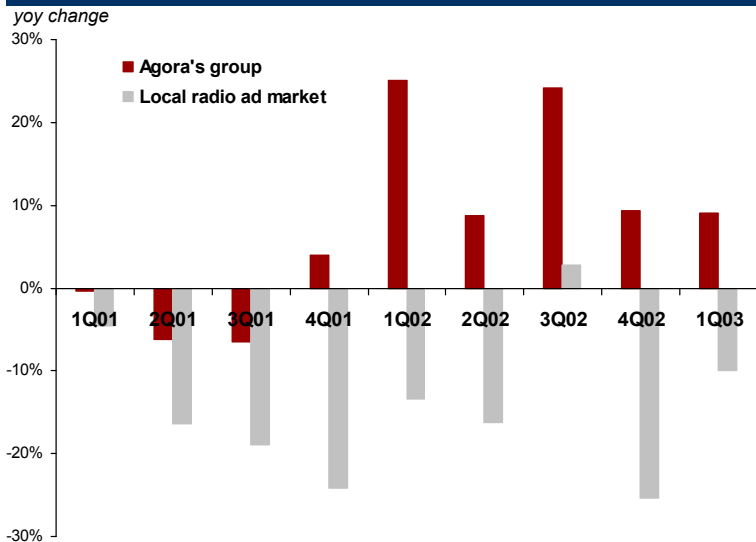


Source: ad: Agora, estimated figures adjusted for average discount rate, 2000-1Q03;  
financial figures: according to IAS, press segment: GW + other press, yoy % change



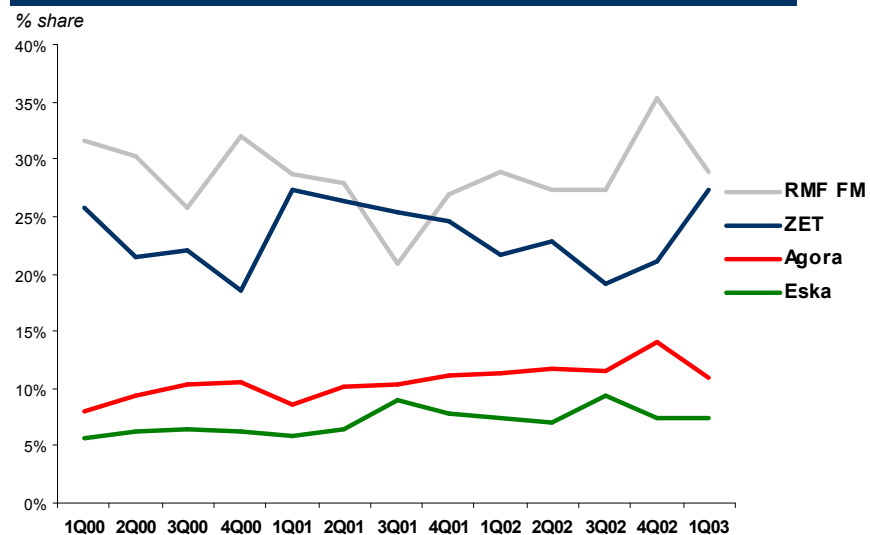
# Local radio stations: we beat the market and grow share **AGORA**<sup>SA</sup>

## Local radio ad market vs. Agora's group



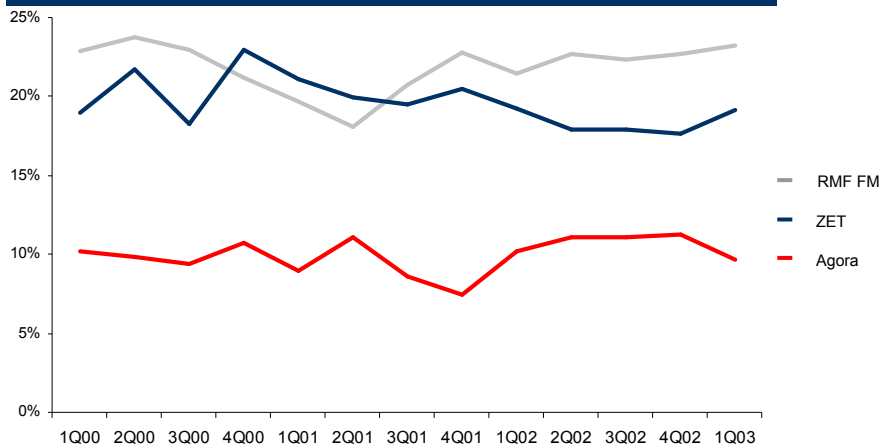
Source: Agora, estimated figures, corrected for an average discount rate, 2001-1Q03

## Advertising share performance – major players



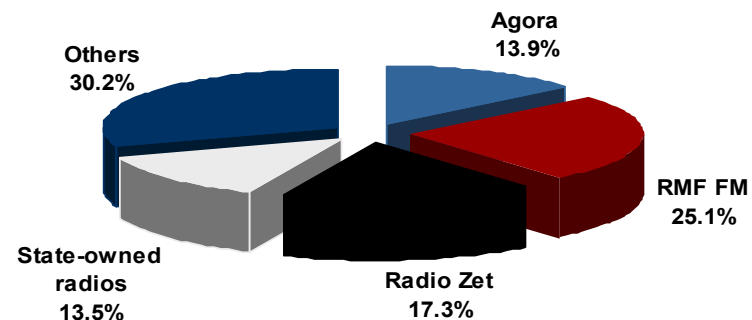
Source: CR Media, Agora estimated figures, corrected for an average discount rate, 2000-1Q03

## Audience performance\*



\*Cities over 100 thousand inhabitants, listeners aged 25-45  
Source: SMG/KRC, Radio TRACK, 2000-1Q03

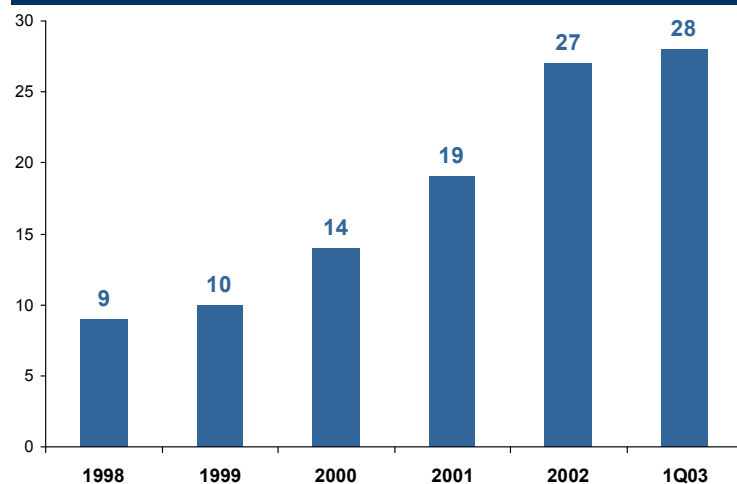
## Radio audience market



Source: SMG/KRC, Radio TRACK Jan.-Mar. 2003, target audience: aged 25-45 (Agora's markets)

## Local radio stations: topline grows

### No of radio stations

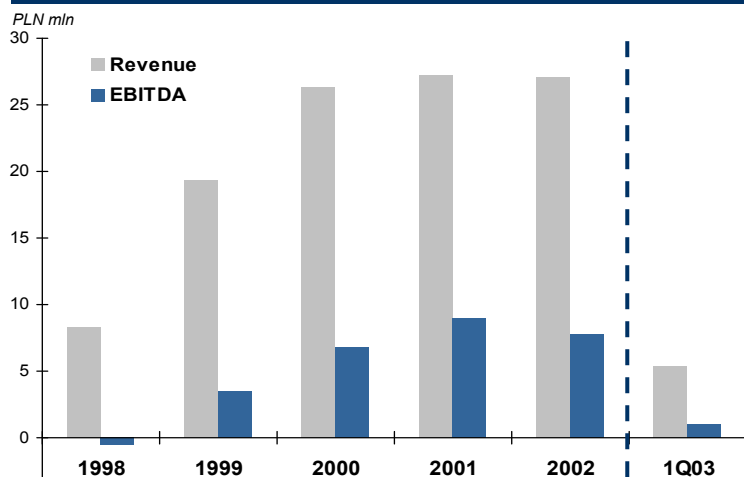


\*No. of stations at period's end

### Financial performance

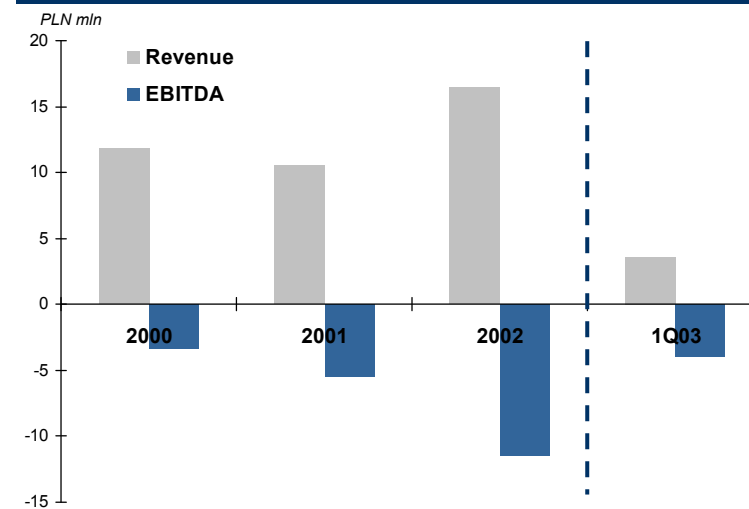
PLN mln	1Q03	1Q02	% change
<b>Total revenue</b>	9.0	8.2	9.1
- ad revenue	8.4	7.7	8.8
<b>EBITDA</b>	-2.8	-0.4	-
<b>Net profit</b>	-4.7	-1.7	-

### Mature stations



Includes 5 stations

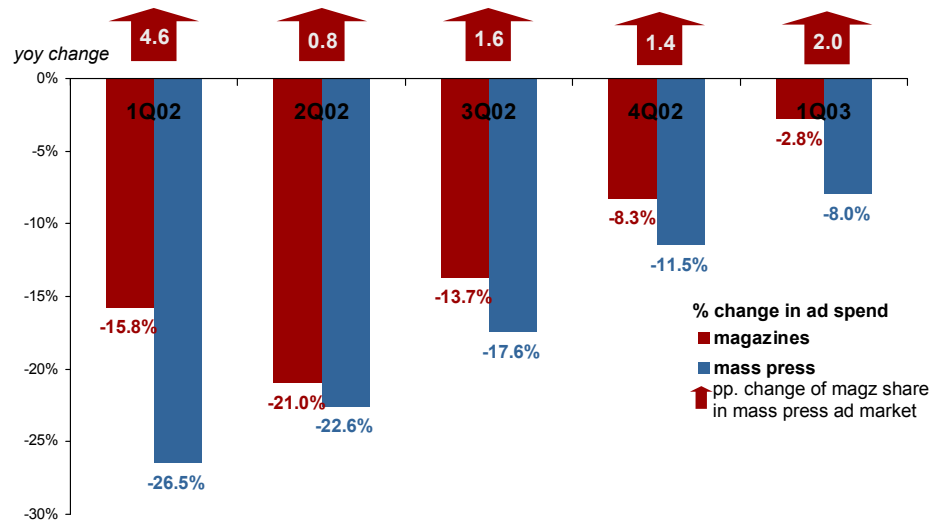
### New stations



2000: 10 stations, 2001: 11 stations, 2002: 22 stations, 1Q03: 23 stations

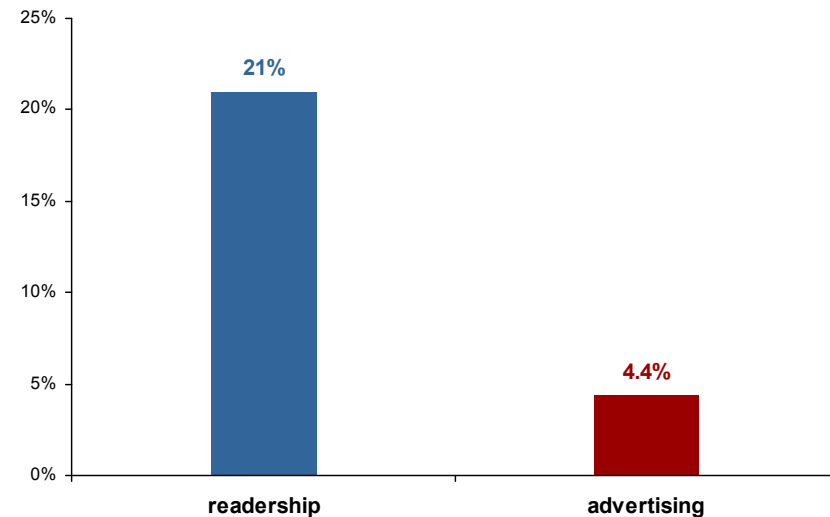
# Magazines: we build portfolio and market position **AGORA**<sup>SA</sup>

## Magazine ad market vs. mass press ad market



Source: Agora, estimated figures, corrected for average discount rate, 2002-1Q03

## Agora's position in the magazine market



Source: readership: Polish Readership Research, seasonal cycle readership, 2002; Agora's range among readers of magz, ad: Agora, estimated figures, corrected for average discount rate, 2002; Agora's share in the magz market.

## Position of Agora's titles in the magazine market

Ad category	Readership		Advertising	
	Magz readers in the category (mln)	Agora's magazine range	Market (PLN mln)	Agora's share
Construction and housing	3.3	53.1%	27.6	31.3%
Auto motive	3.1	22.2%	13.0	6.7%
Child care	1.1	36.3%	12.9	16.1%
Women titles	17.5	14.8%	184.9	2.4%

Source: ad: Agora, estimated figures, corrected for average discount rate, 2002; national magz readership: Polish Readership Research, seasonal cycle readership, 2002

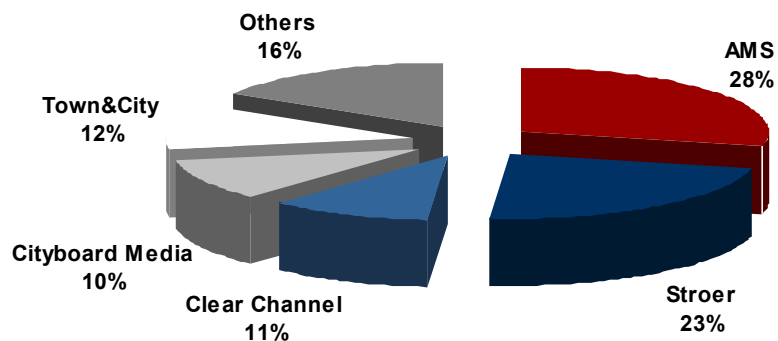
## Magazine financials

PLN mln	1Q03
Total revenue	15.8
- ad revenue	6.6
Operating cost	-19.0
EBITDA	-1.6

\*Included in Group's financials as of April 2002

# AMS: Agora buys leader in outdoor advertising

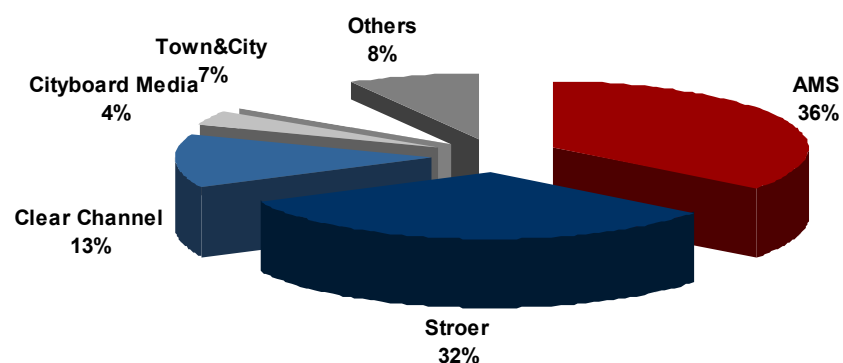
## Share in ad revenue



1Q03 AMS' share at 27.5% (down 1.8pp.)

Source: AMS on the basis of Media Watch 2002, rate card data

## Share in no. of panels



Source: AMS on the basis of Media Watch 2002, no. of panels sold

## AMS financials

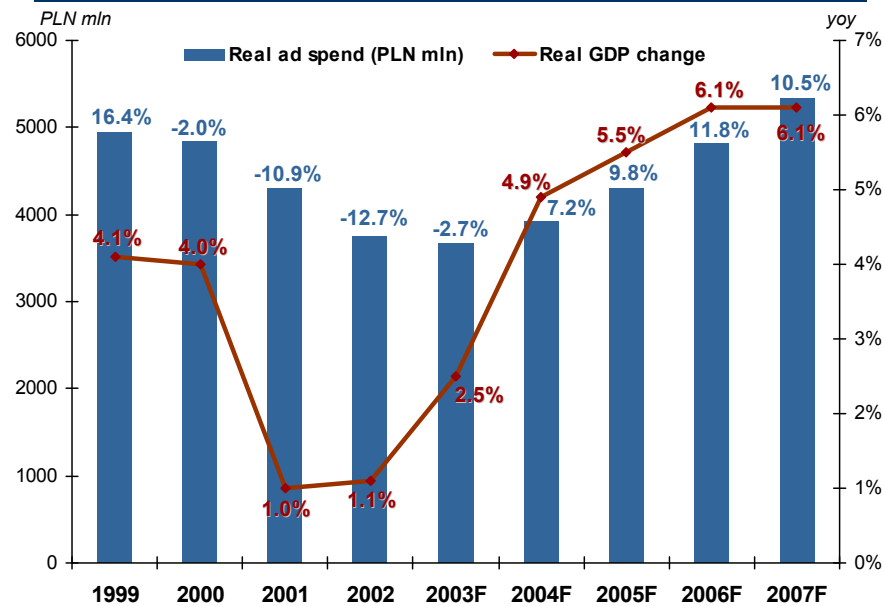
PLN mln	1Q03	% change
<b>Revenue</b>	23.6	8%
- ad revenue	23.4	10%
<b>Operating cost</b>	24.2	-29%
<b>EBITDA</b>	3.6	-
<b>Net profit</b>	-3.1	-

\* Consolidation note

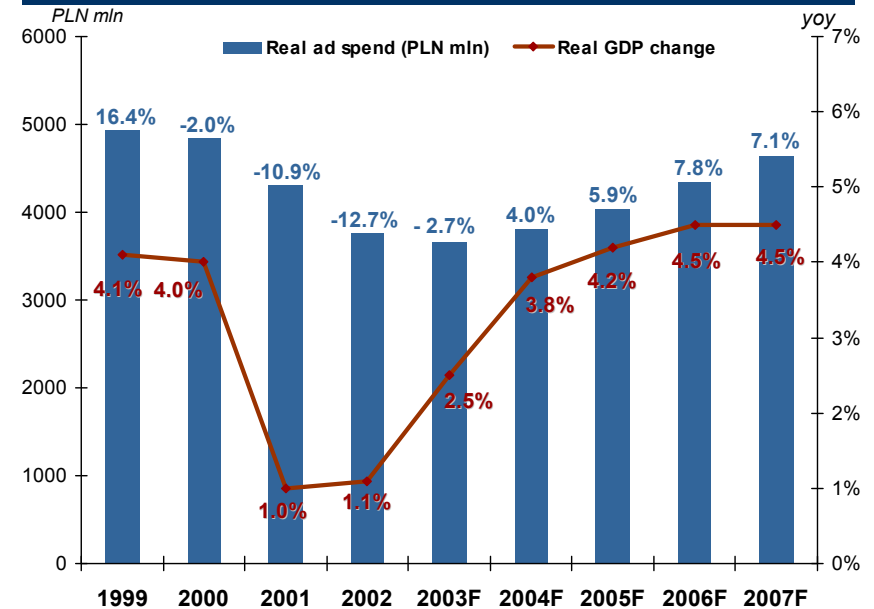
• 3Q02 equity method consolidation, 4Q02 full method consolidation; as of 2003 full method consolidation.

# Advertising market: what's in store

## Optimistic scenario



## Realistic scenario



### Assumptions:

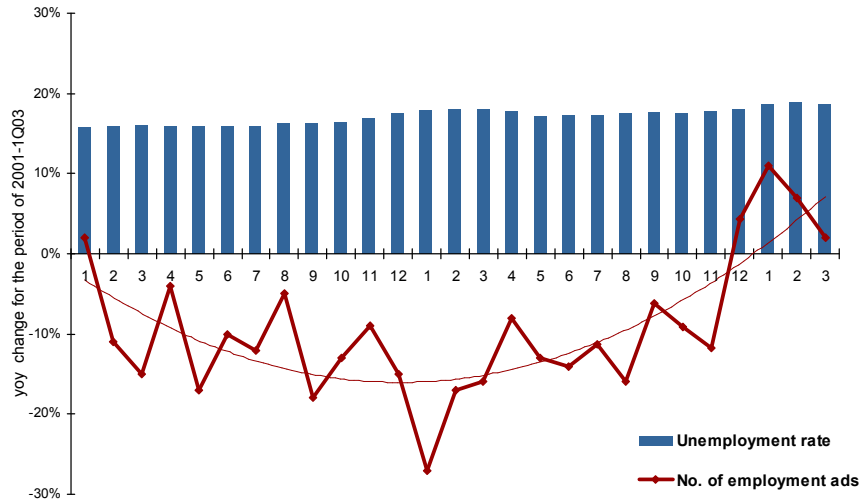
- ▶ Real ad spend grows if real GDP rises at least 2% p.a.
- ▶ Ad spend revives approx. 6 month after GDP recovers.
- ▶ Ad spend grows approx. at double rate of GDP growth.

Source: Advertising: Agora's estimates in constant prices.

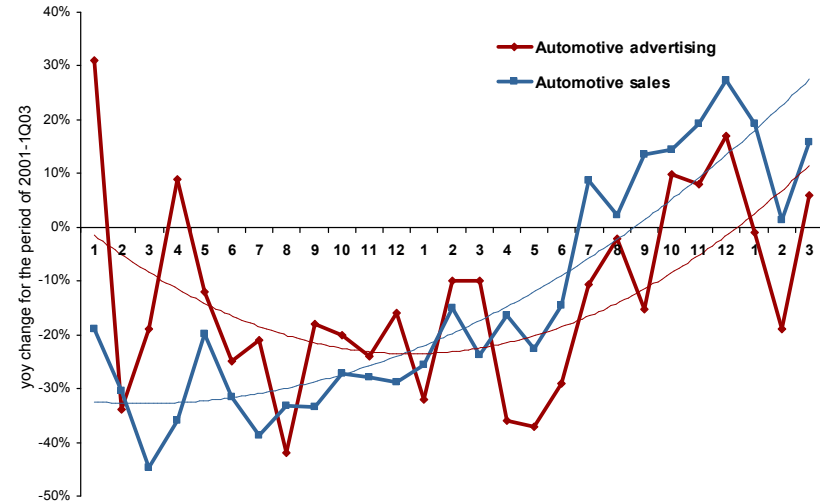
GDP: 2003-2006, optimistic GDP growth scenario based on government's forecasts (high growth scenario); realistic scenario based on market consensus; 2007: Agora's estimates.

# Advertising market: what's in store (cont'd)

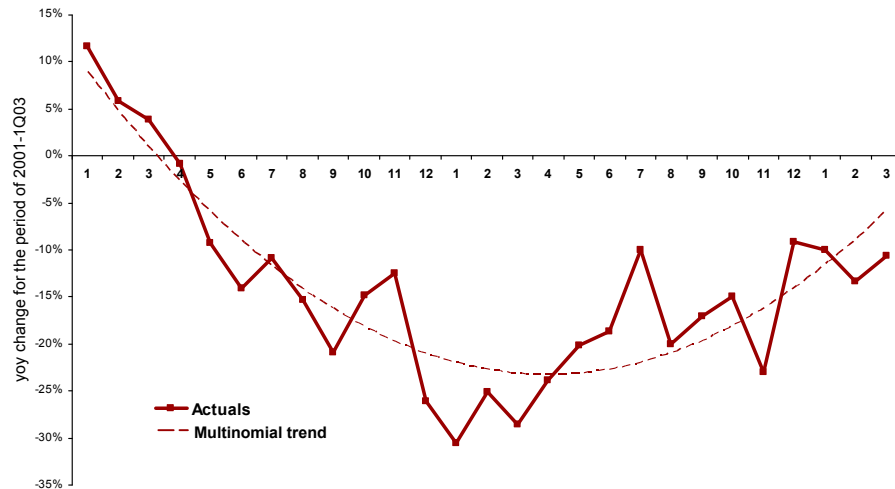
### Employment ads vs. unemployment rate



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



### Gazeta's ad sales

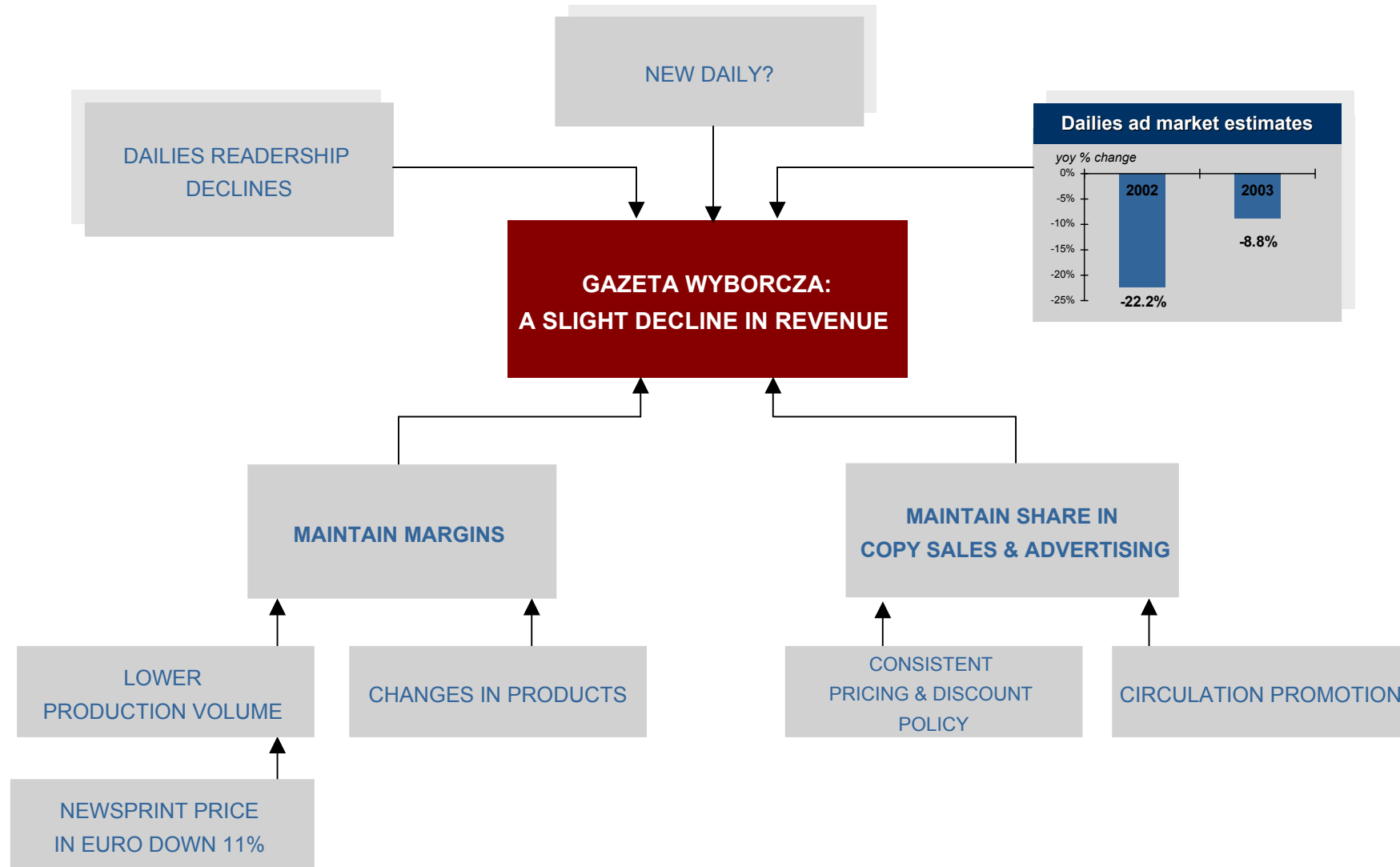


## Other key factors

---

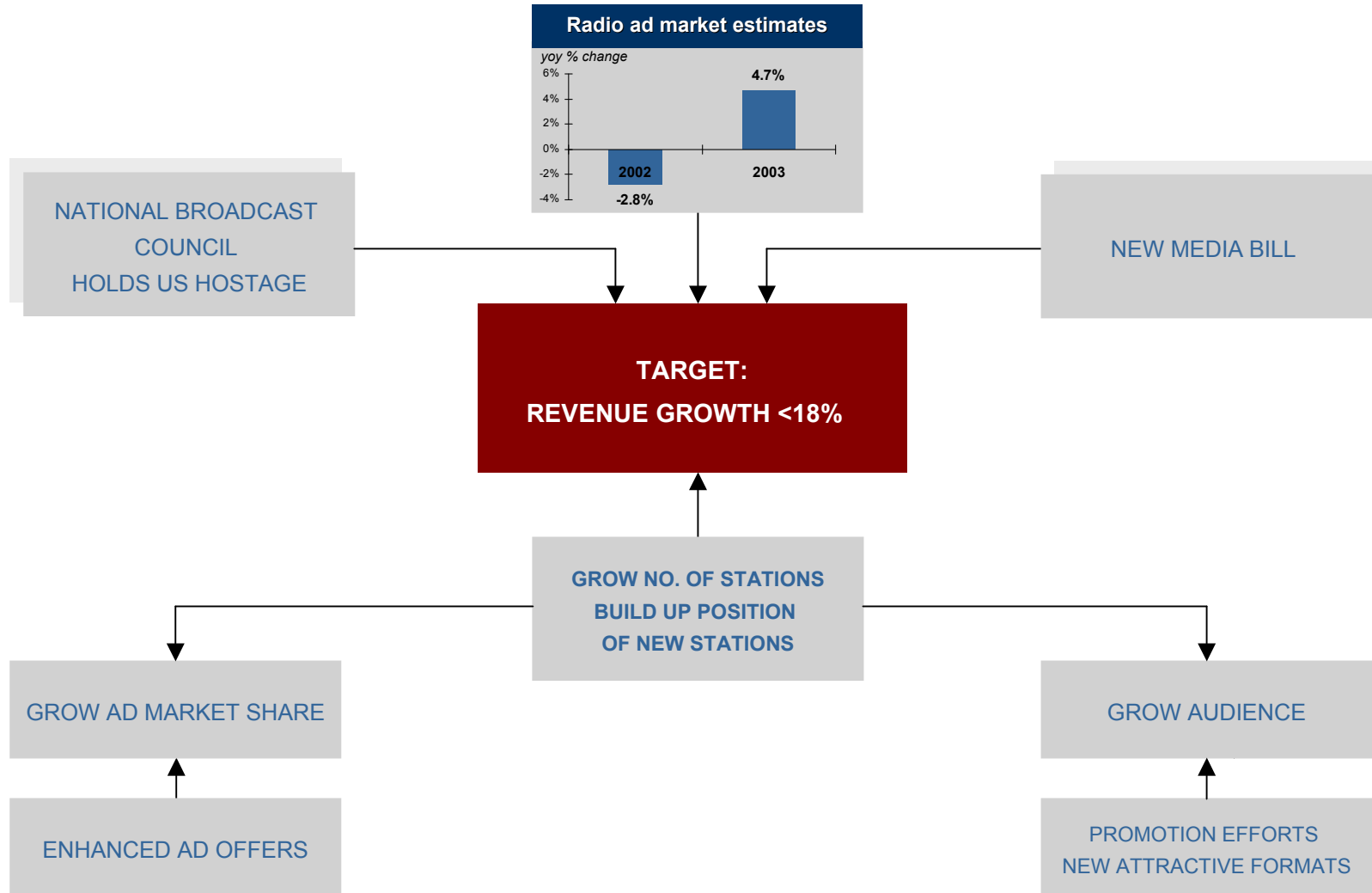
- ▶ **The battle against new media law – to be continued**
  - private media form a coalition – a first!
  - threw spokes in the legislative wheels
  - but future outcome uncertain
  - media law puts certain acquisition plans on hold
  
- ▶ **Agora and *Gazeta Wyborcza* in the eye of storm after publication of article on an attempt to extort from us a 17.5 mln USD bribe in exchange for favorable media law**
  - publication consistent with *Gazeta*'s mission and the Company's values
  - prosecutors office conducts investigation
  - investigative committee of the Parliament holds hearings
  - a long process ahead
  - we hope that *Gazeta*'s article and ensuing events will serve to improve standards of business conduct in Poland

# Agora's Group: Gazeta Wyborcza in 2003

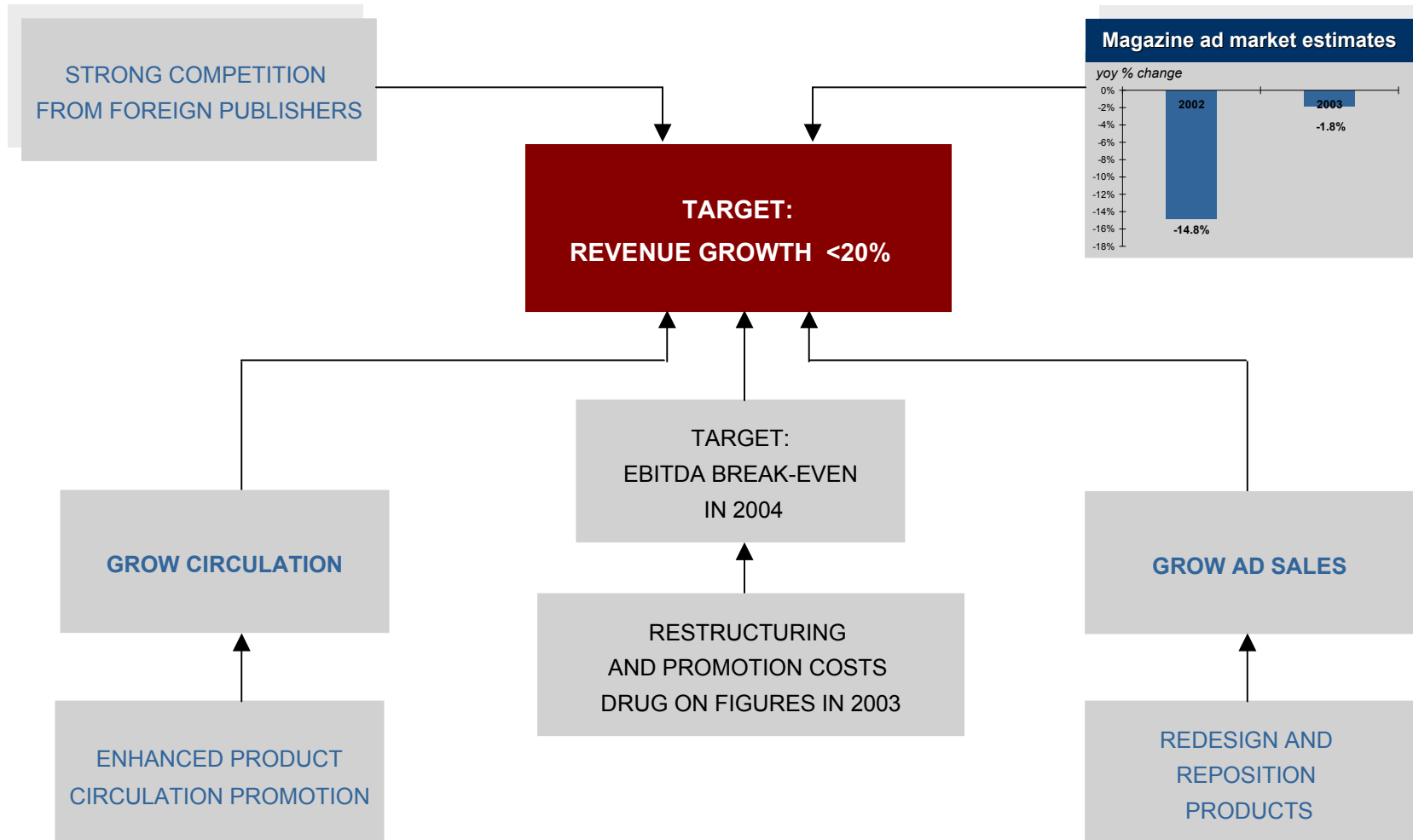




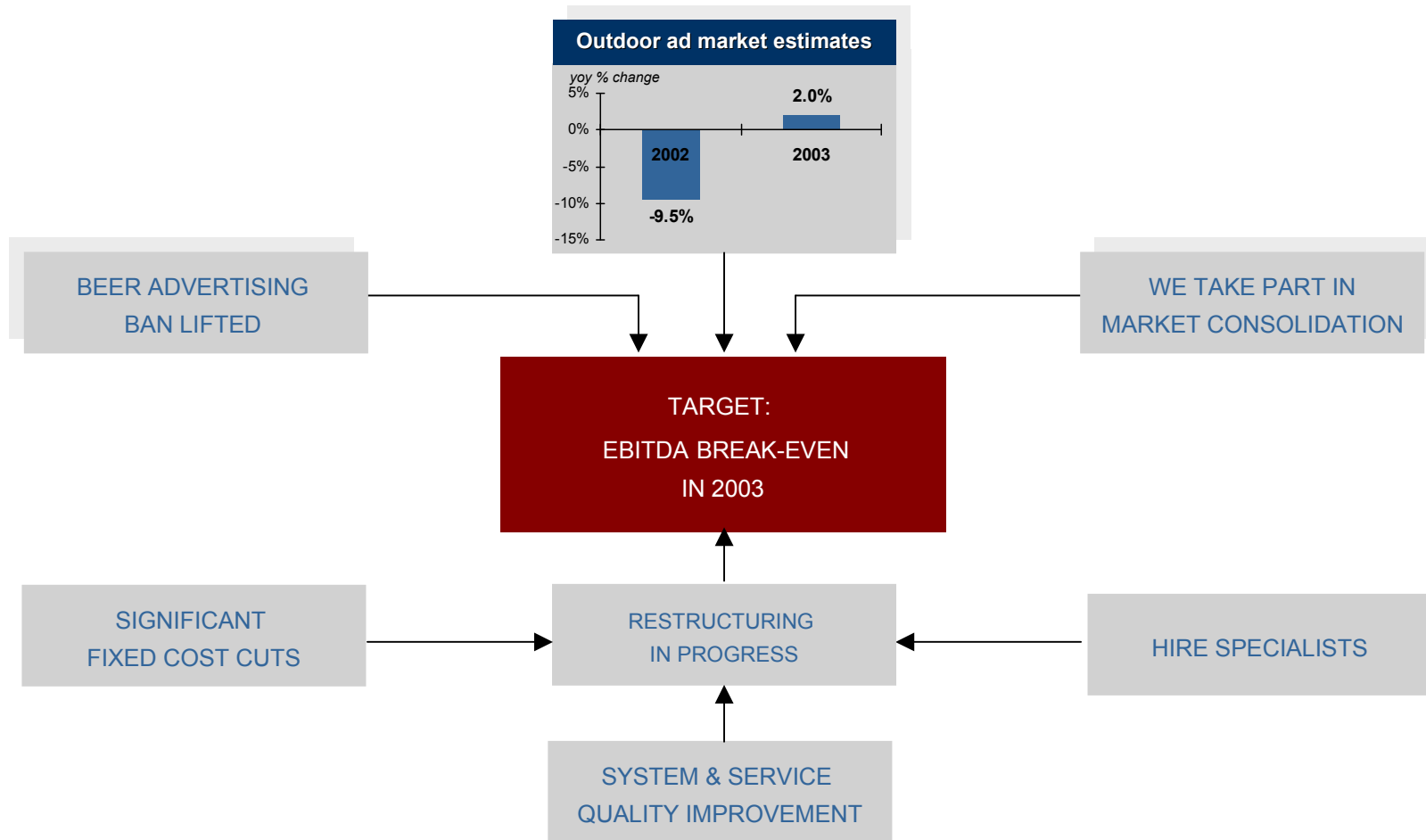
# Agora's Group: radios in 2003



# Agora's Group: magazines in 2003

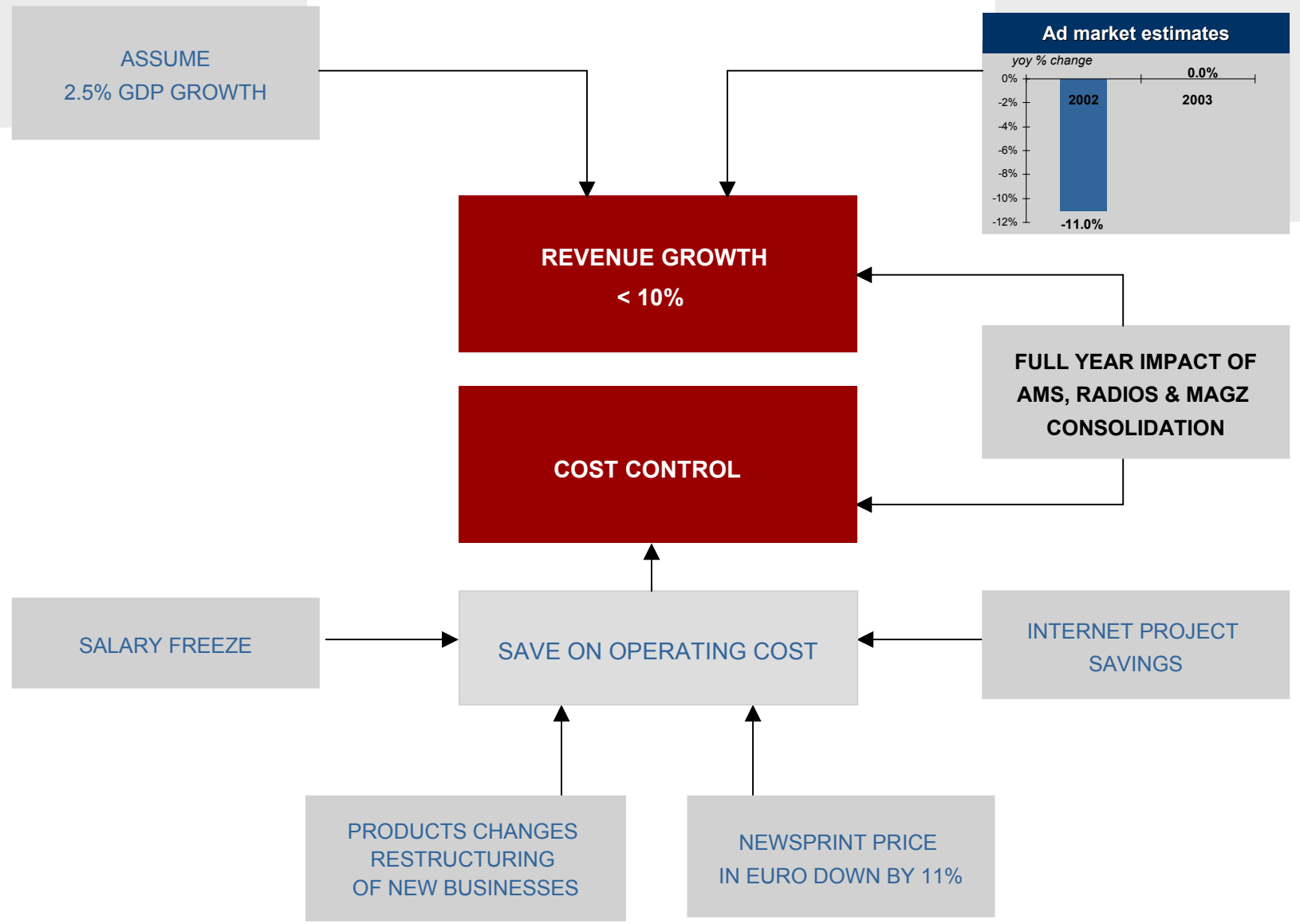


# Agora's Group: AMS in 2003



Source: ad market: Agora and AMS' estimates, current prices.

# Agora's Group: 2003 guidelines



Source: ad market: Agora's estimates, current prices.

# Financial capacity

CAPEX <i>PLN mln</i>	2003F	2004F	2005F	2006F	2007F	TOTAL 2003-2007F
Printing and buildings	7.6	10.8	14.8	13.9	30.0	77.1
Technology	18.0	21.5	25.9	30.0	33.8	129.3
Magazines	1.3	0.3	0.3	0.3	0.3	2.5
Radios (full method consolidation)	2.4	0.7	0.6	0.3	0.3	4.4
Others	3.7	4.0	4.0	4.0	4.0	19.7
<b>Total</b>	<b>33.0</b>	<b>37.3</b>	<b>45.6</b>	<b>48.5</b>	<b>68.4</b>	<b>233</b>
D&A	106.6	97.9	99.3	101.4	99.3	504.6

- based on existing projects
- the data does not include AMS
- the data does not include possible third phase investment in company's headquarters

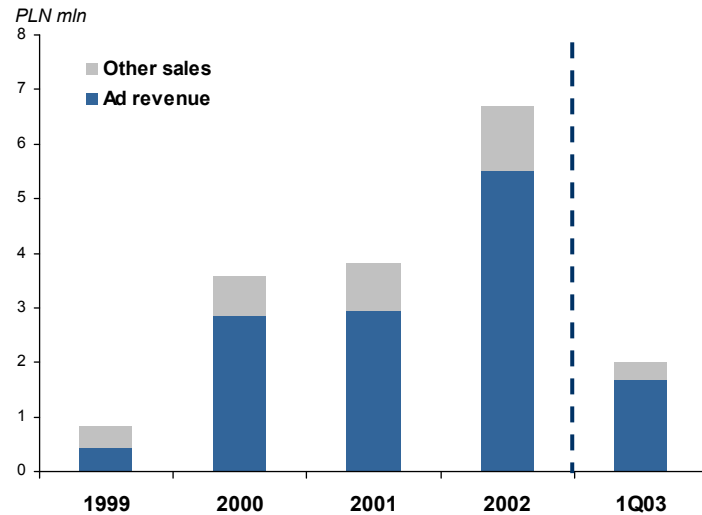
- ▶ Operating cashflow PLN 187.5 million in 2002.
- ▶ At year's end Agora's cash position amounts to PLN 49.5 million.
- ▶ In 2002 Agora drew a tranche of PLN 139.5 million out of its PLN 500 million credit line.

- ▶ Key priority: workout and consolidation of new businesses
- ▶ Eyes open to M&A opportunities
- ▶ Search for TV acquisition suspended until regulatory situation clarified

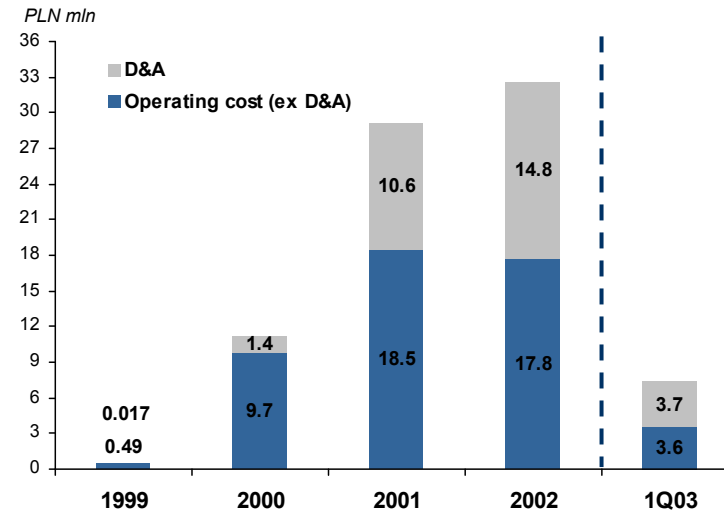


# Agora's Group: internet portal

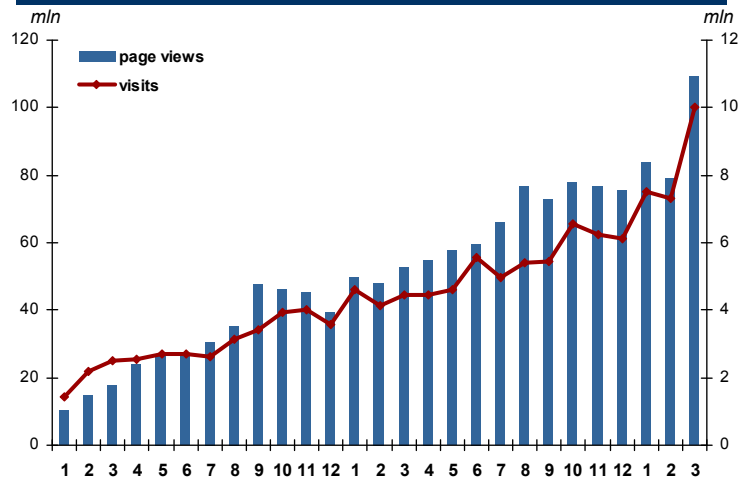
## Revenue performance



## Operating cost change

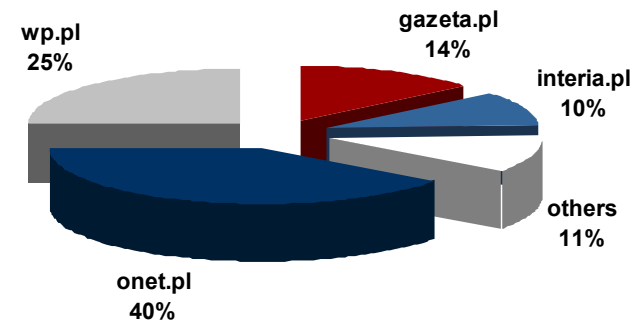


## Viewership growth 2001-1Q03



Source: gazeta.pl, 2001-1Q03

## Internet advertising market



Internet ad market valued at PLN 34 mln in 2002

Source: Agora's estimates, 2002