

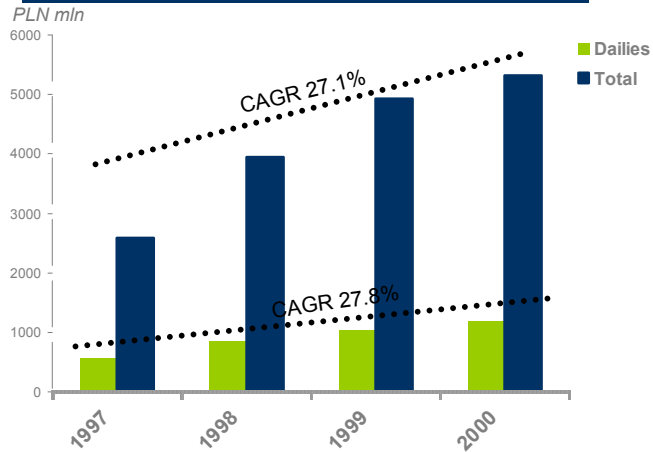
**AGORA**<sub>SA</sub>

***Investor Presentation***

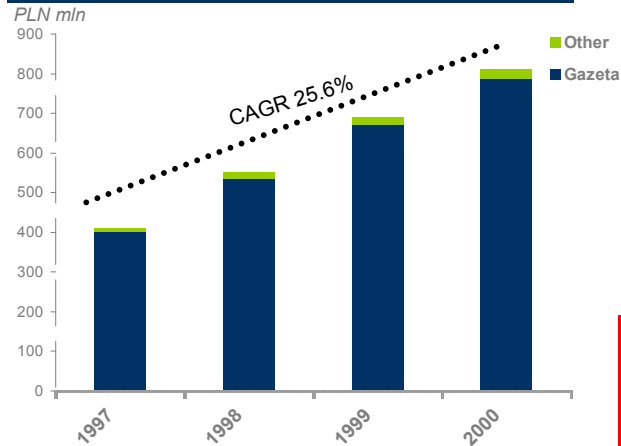
***November 2003***

## 2000 status: market & company

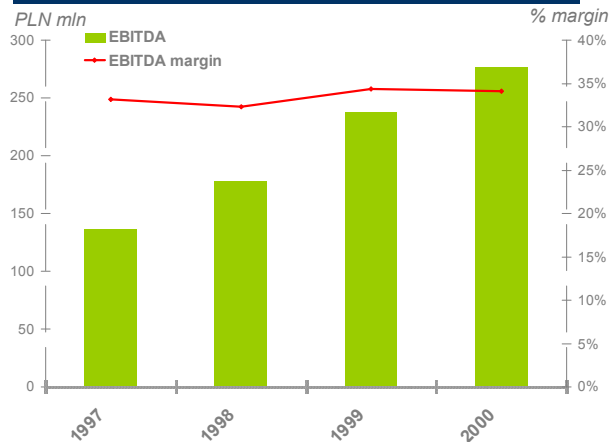
### Advertising market growth



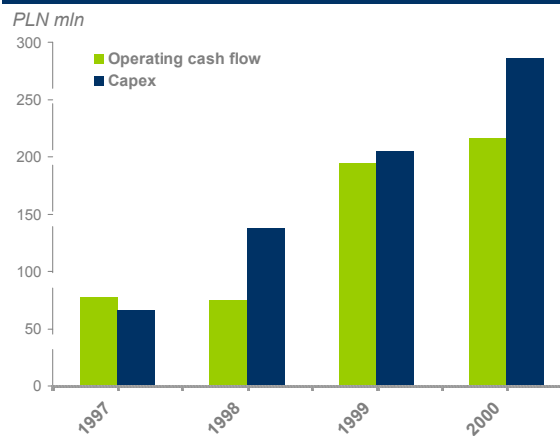
### Agora's revenue growth



### Profitability



### Operating cash flow

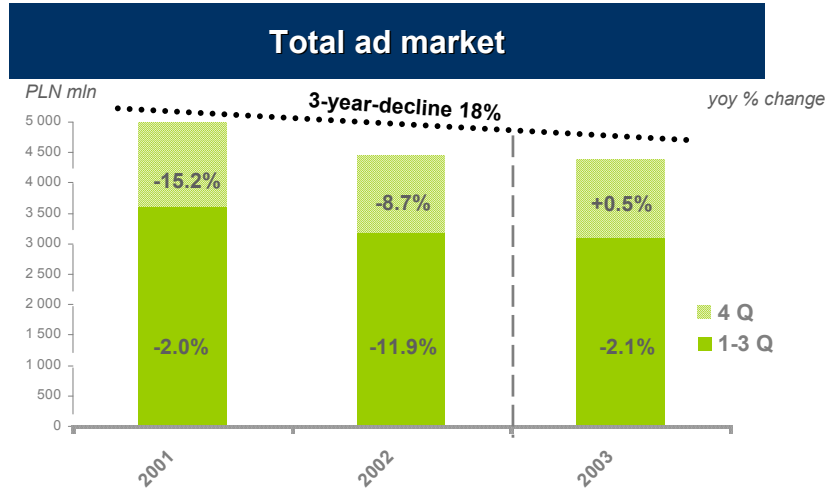


Accelerated capex plan

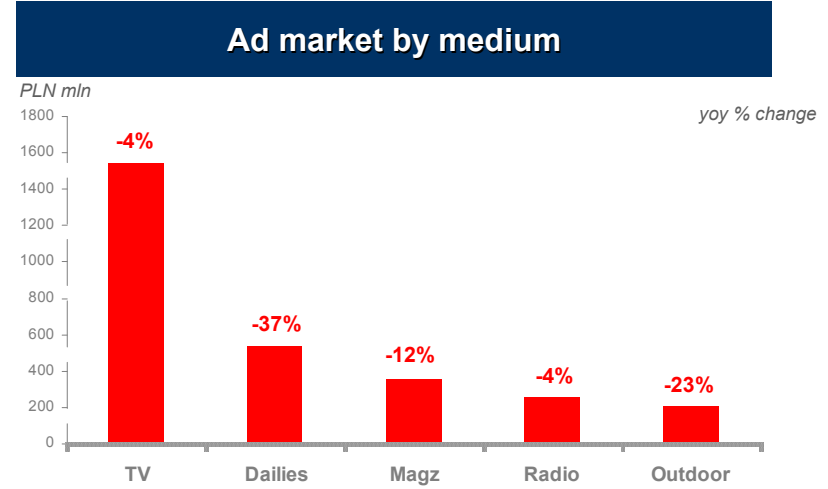
Further growth in media

Advertising market data are based on Agora's estimates adjusted for average discount rate and are stated in current prices. The estimates refer to advertising expenditures in four media (TV, print, radio and outdoor), which in case of print do not include classifieds, inserts and obituaries. The estimates are based on rate card data of AGB Polska, CR Media monitoring, Agora Monitoring, AMS according to Media Watch monitoring.

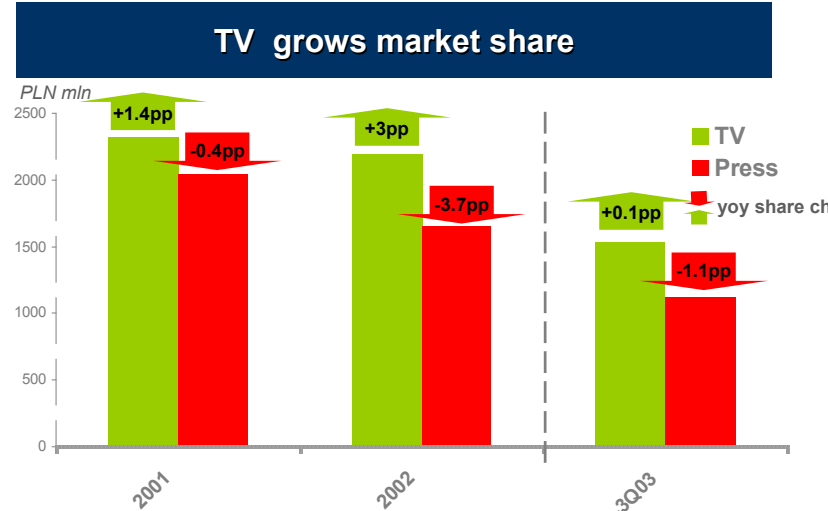
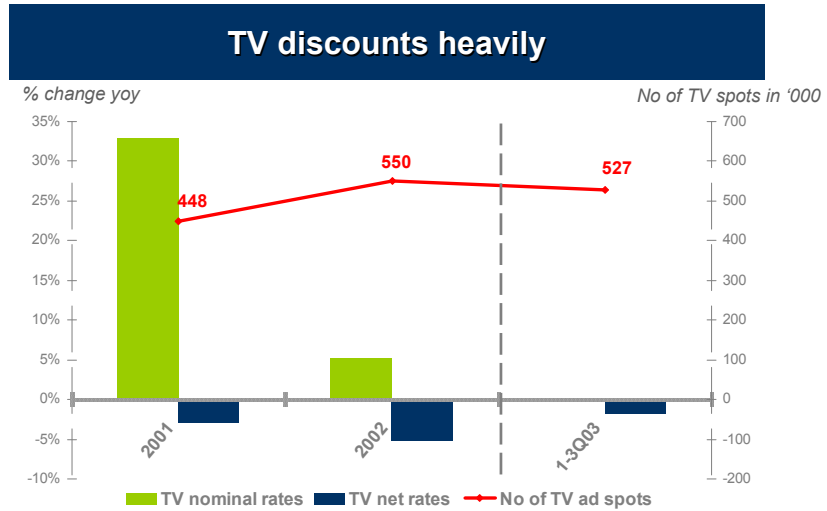
**Advertising market in 3 year recession**



% change 2003/2000; 4Q03 - forecast



% change 1-3Q03/1-3Q00; 1-3Q03 figures in PLN mln



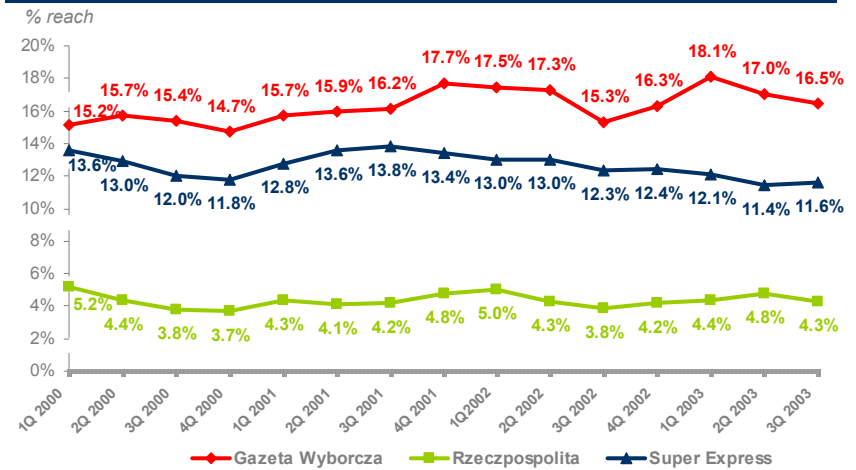
Source: Agora's estimates adjusted for average discount rate (data in current prices). The estimates refer to advertising expenditures in four media (TV, print, radio and outdoor), which in case of print do not include classifieds, inserts and obituaries. The estimates are based on rate card data of AGB Polska, CR Media monitoring, Agora Monitoring and AMS according to Media Watch monitoring. TV nominal rates: rate card data (current prices); TV net rates: rate card data (current prices) corrected for average discount

Gazeta maintains circulation & advertising share

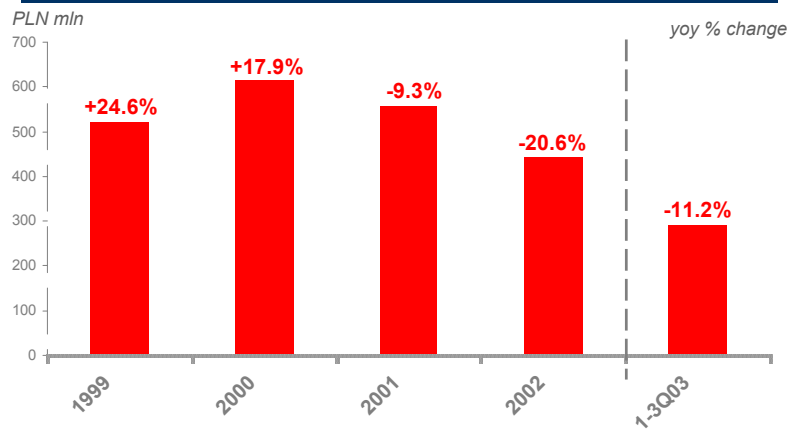
Copy sales



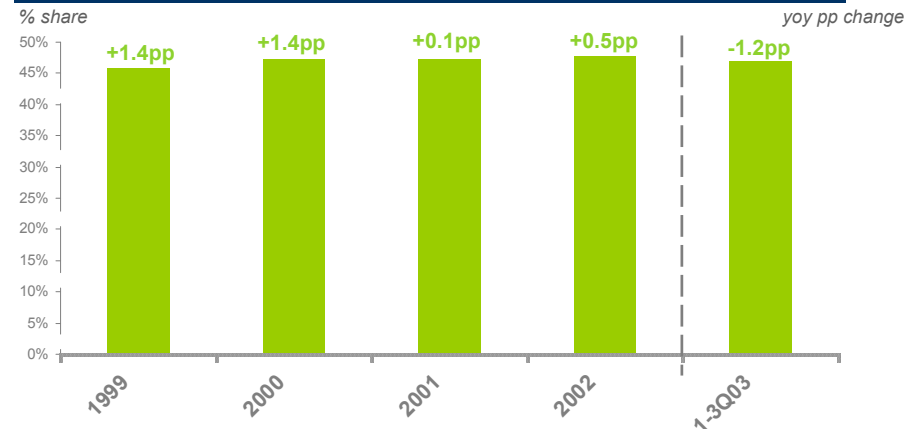
Readership



Advertising revenue



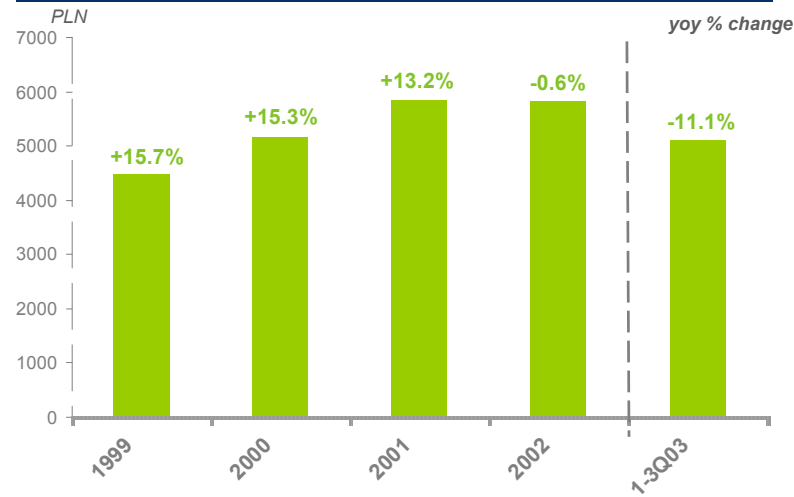
Share in dailies ad revenue



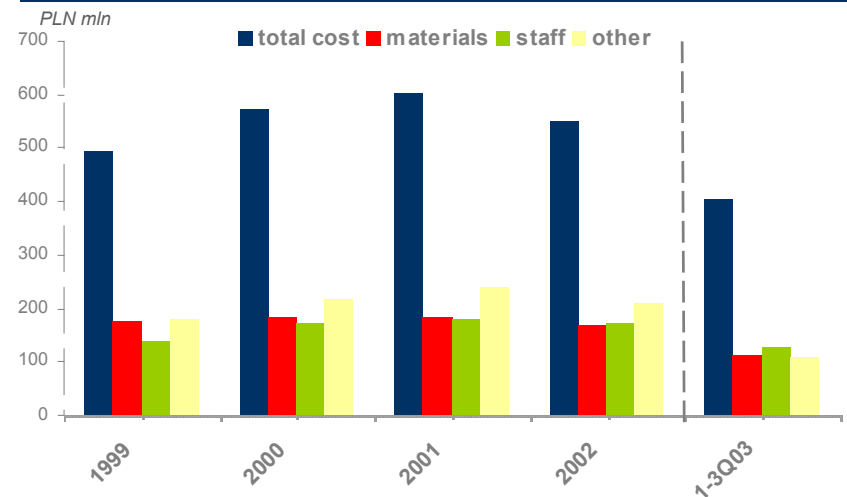
Source: circulation: National Circulation Audit Office (ZKDP), 2003 data: for the period of Jan.-Aug.; 2003 data does not include Zycie which ceased publication in 2002; readership: Polish Readership Research (PBC) Daily, weekly readership, population 15+; advertising market data according to Agora's estimates adjusted for average discount rate and stated in current prices. The estimates are based on rate card data of Agora Monitoring and they do not include classifieds, inserts and obituaries.

Gazeta maintains rates & margins

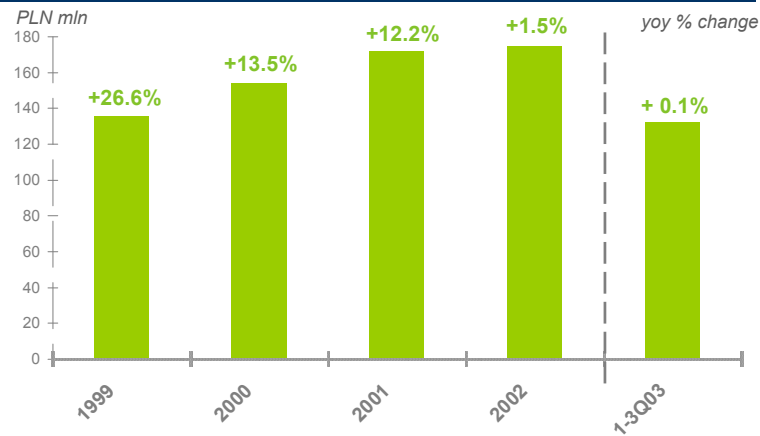
Revenue per ad page



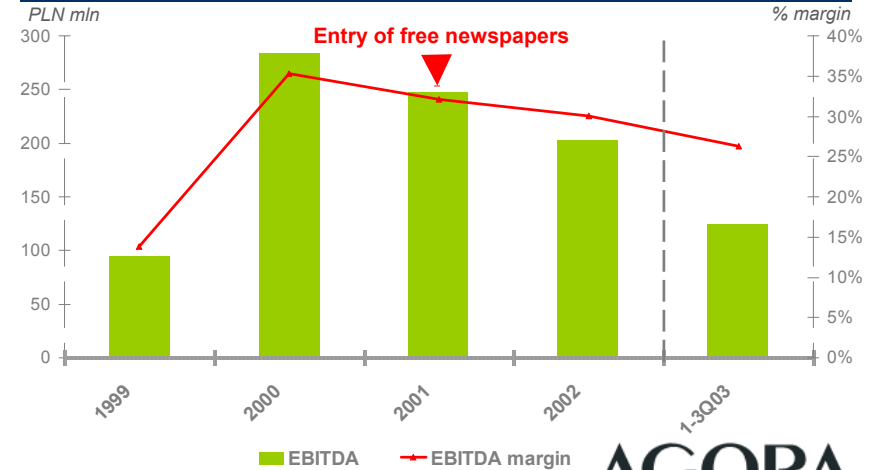
Operating cost



Revenue from copy sales

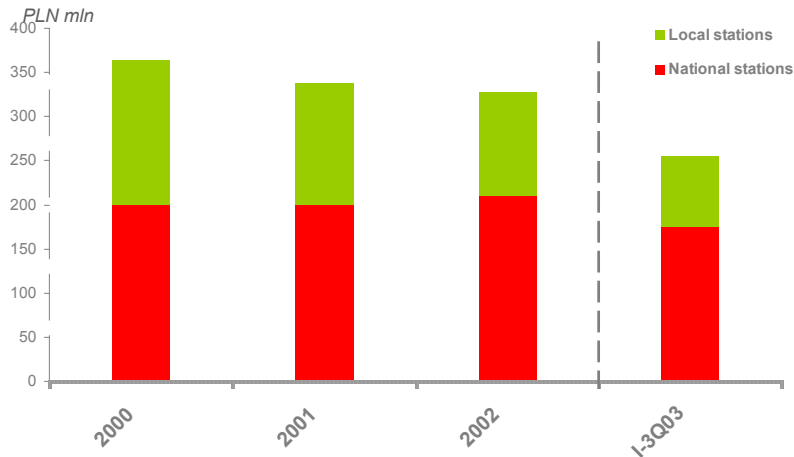


Profitability

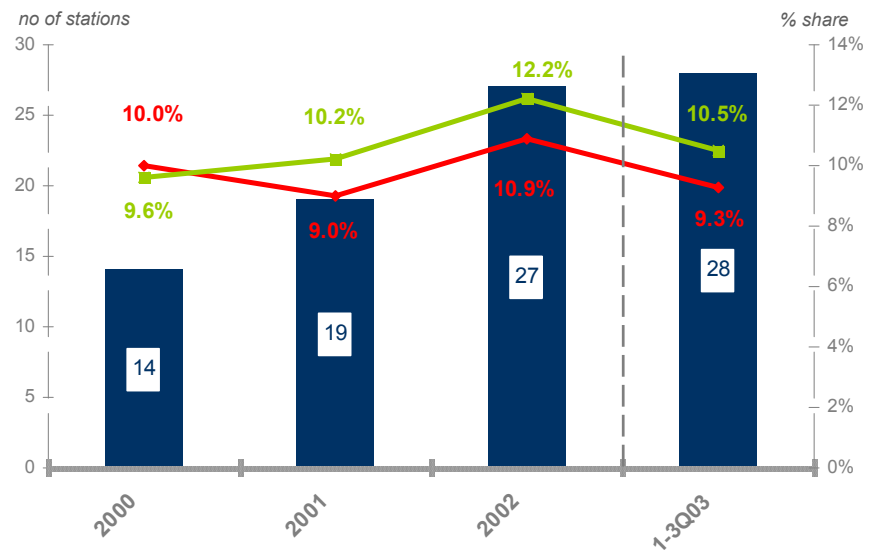


**Radio adds new stations & builds audience share**

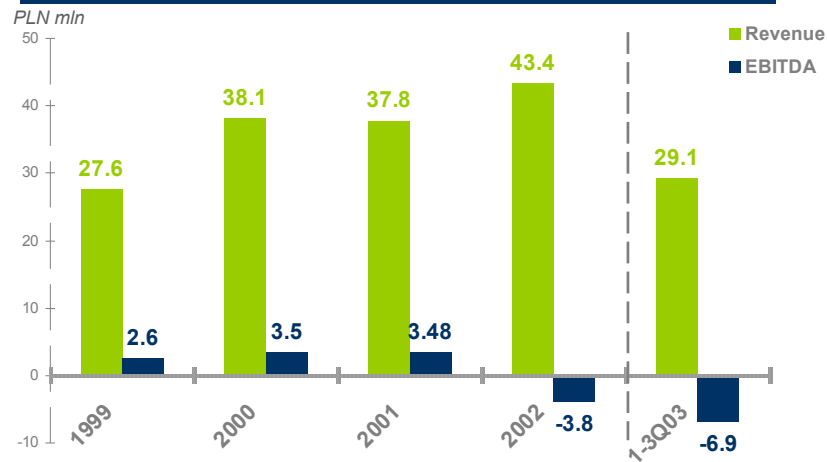
**Radio ad market**



**Agora's group market performance**



**Revenue & EBITDA performance**



**Impact on Agora's consolidated financials**

in PLN mln	2002	1-3Q03
<b>Revenue</b>	30.3	15.5
<b>EBIT</b>	-2.5	-5.9
<b>Net earnings</b>	-9.7	-9.0

Source: advertising market data based on Agora's estimates adjusted for average discount rate and stated in current prices. The estimates are based on rate card data of CR Media monitoring. Audience: SMG/KRC, Radio Track, target audience: aged 25-45 (cities over 100 thousand).

## Magazine acquisition enhances revenues

## Magazines

- ▶ Acquired in mid-April 2002
- ▶ Investment of PLN 73.8 million\*
- ▶ 4.4% share in the magazine ad market, 21% readership reach in 2002

*\*Excludes portfolio enhancement of PLN 4.2 million and payment of liabilities of PLN 12.6 million*

## Magazines financials

<i>in PLN mln</i>	2-4Q 2002	1-3Q 2003
<b>Revenue</b>	<b>46.1</b>	<b>57.8</b>
- advertising	19.6	23.5
- copy sales	26.1	34.2
<b>Operating profit before marketing cost</b>	<b>3.4</b>	<b>8.6</b>
<b>Marketing cost</b>	<b>4.8</b>	<b>25.6</b>
<b>EBIT</b>	<b>-1.2</b>	<b>-17.0</b>
<b>EBITDA</b>	<b>3.0</b>	<b>-12.0</b>

*Source: advertising market data according to Agora's estimates adjusted for average discount rate and stated in current prices. The estimates are based on rate card data of Agora-Monitoring. readership: Polish Readership Research (PBC General)*

We acquire & restructure AMS

AMS

- ▶ Acquired in September 2002
- ▶ Investment of PLN 168.4 million\*
- ▶ 25% share in the outdoor ad market in 2002

\*Excludes further financing of the company

<i>in PLN mln</i>	1-3Q02**	1-3Q03	% change
<b>Revenue</b>	<b>75.2</b>	<b>86.3</b>	<b>14.8%</b>
Ex Agora's group	-	65.3	-13.0%
<b>Operating cost</b>	<b>118.6</b>	<b>84.3</b>	<b>-28.9%</b>
Staff cost	13.7	11.2	-18.4%
Rental fees	37	35.6	-3.7%
<b>EBITDA</b>	<b>-29.7</b>	<b>15.4</b>	<b>-</b>

\*\*according to AMS public data

Impact on Agora's consolidated financials		
<i>in PLN mln</i>	2002	1-3Q03
<b>Revenue</b>	27.4	65.3
<b>Operating profit</b>	-5.9	-3.6
<b>Net earnings</b>	-5.4	-5.4

Source: advertising market data based on AMS's estimates adjusted for average discount rate and stated in current prices. The estimates are based on rate card data of Media Watch monitoring outdoor market: 12 largest agglomerations in Poland



We encounter regulatory & political upheavals

**Media bill**

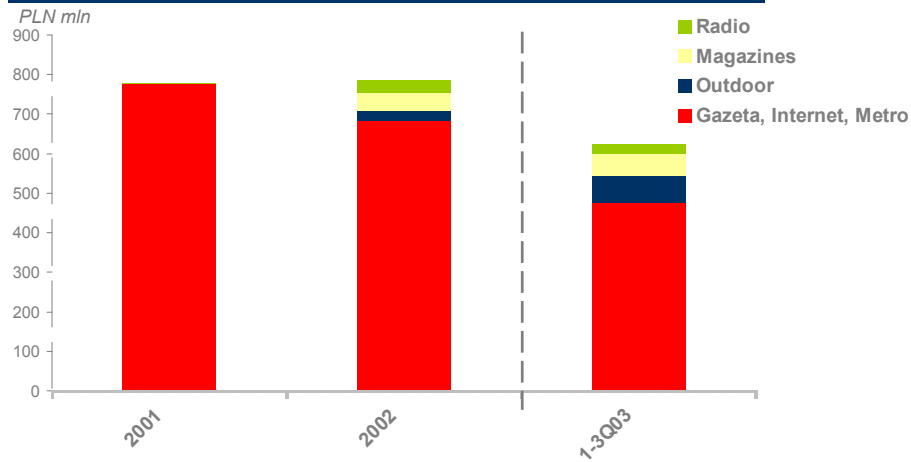
- ▶ TV investment on hold
- ▶ Private media win the first round, uncertainty continues
- ▶ Broadcast Council hostile to Agora, negative impact on radio

**Rywingate**

- ▶ After publicizing the extortion attempt, Agora under political attack
- ▶ The battle engages management time & attention
- ▶ Positive balance for Poland, improved for Agora

Key financials

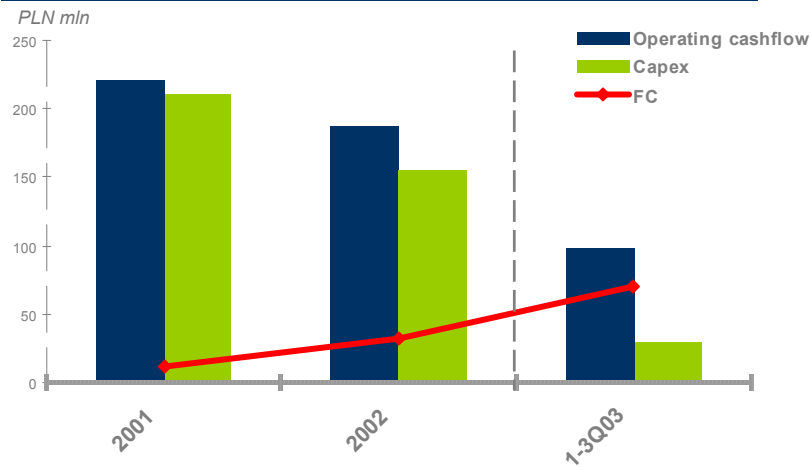
Revenue structure



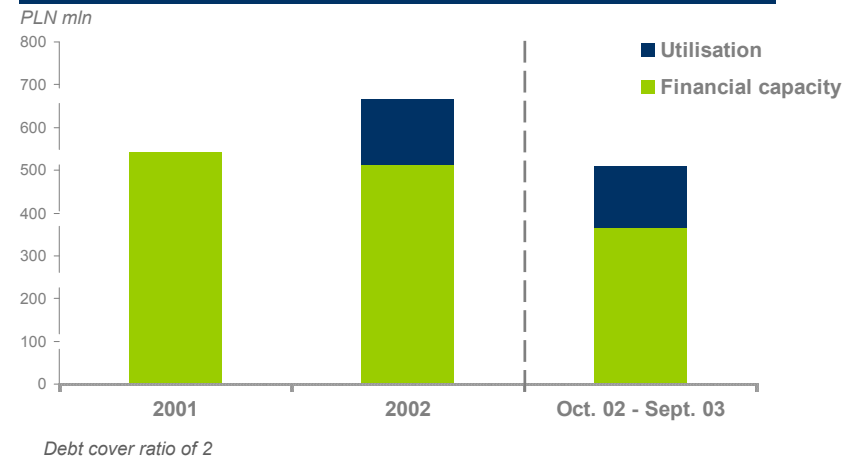
EBITDA contribution

PLN mln	2001	2002	1-3Q 2003
<b>Gazeta, Internet, Metro</b>	229.8	182	118.3
<b>Outdoor</b>	N/A	2.3	15.4
<b>Magazines</b>	N/A	3.0	-12.0
<b>Radio</b>	-1.4	0.8	-3.1

Free cashflow

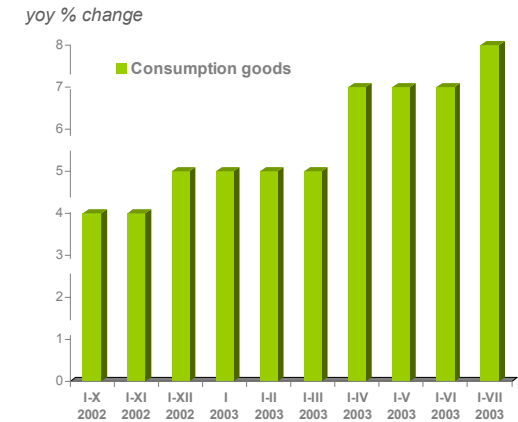
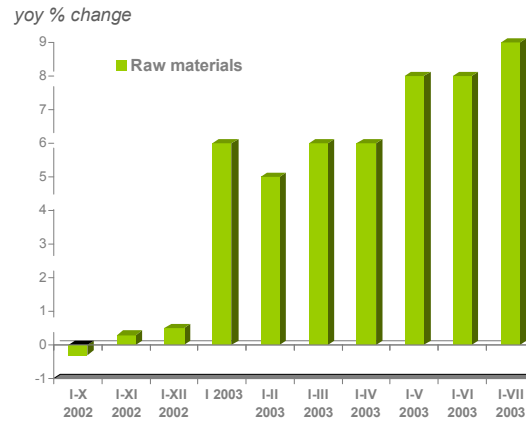
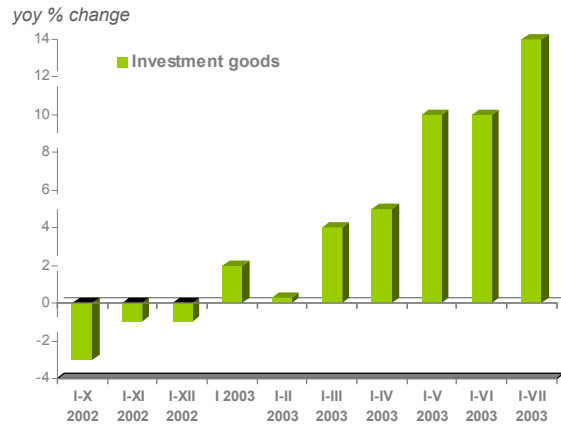


Financial capacity

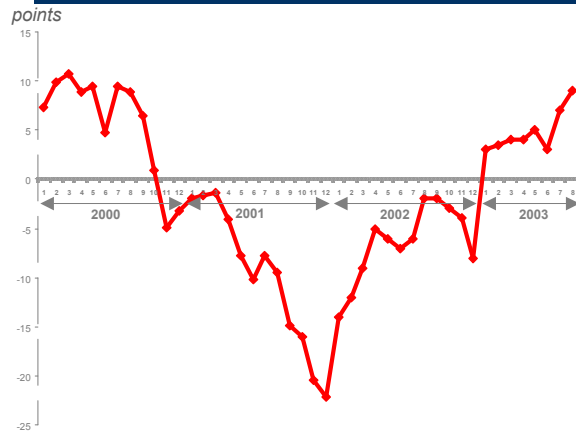


The economy begins to recover

Industrial processing



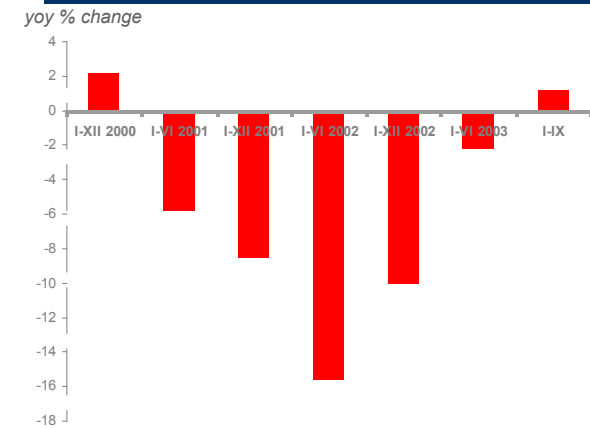
Industrial climate



Industrial output (ex seasonality)



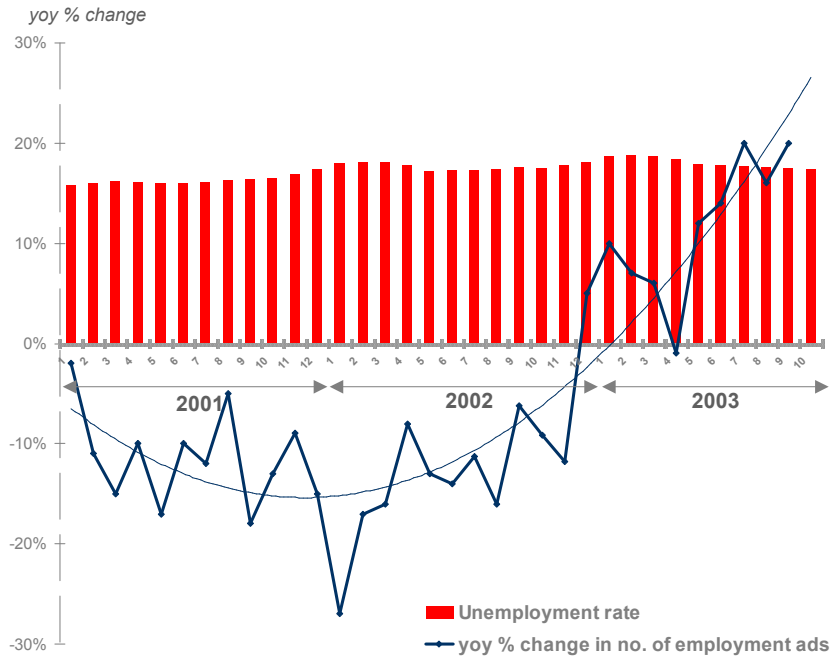
Company investments



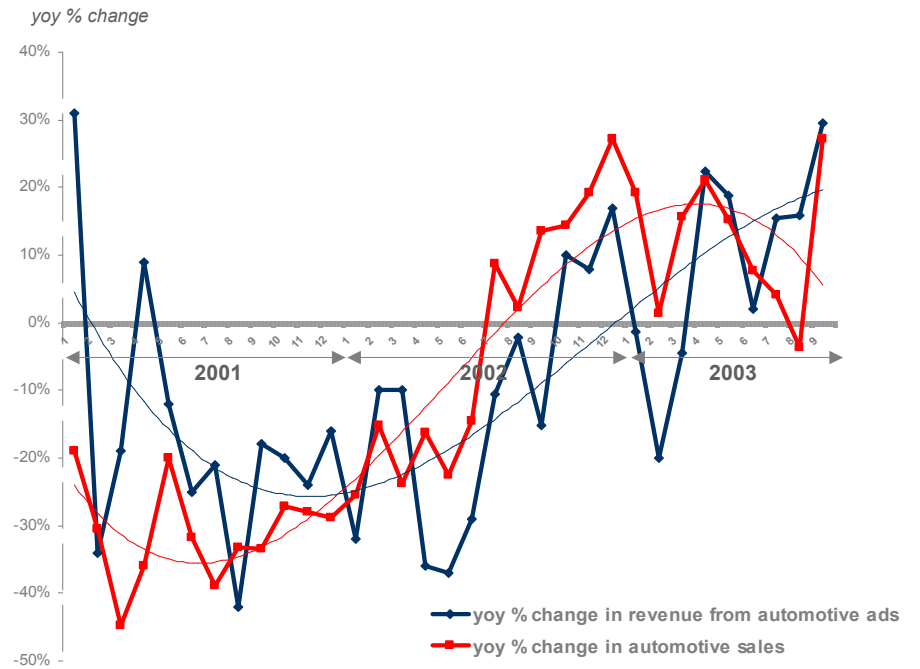
Source: Main Statistical Office: company investments: firms over 50 employees.

Advertising market might turn positive soon (4Q)

Employment ads vs. unemployment rate



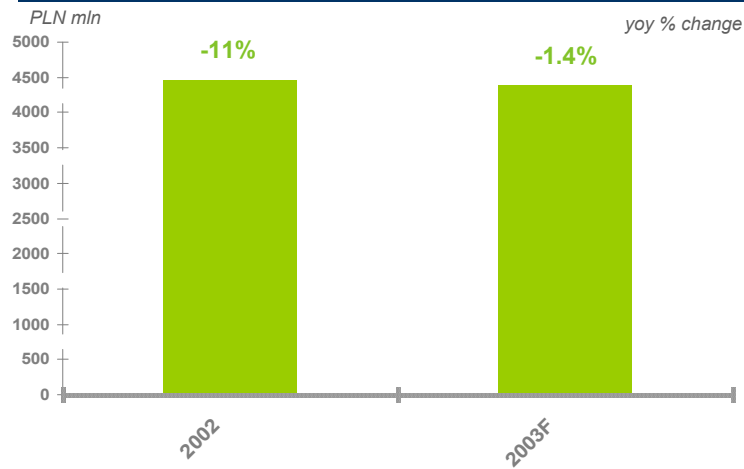
Automotive ads vs. sales of new passenger cars



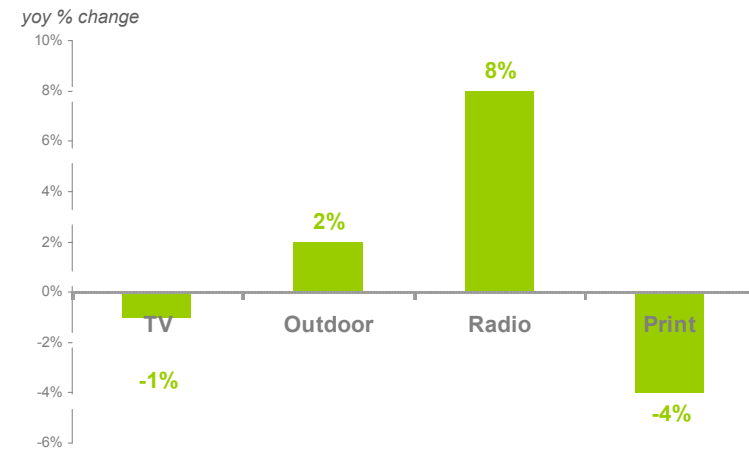
Source: ad market: Agora, estimated figures corrected for average discount rate; unemployment: Main Statistical Office; new car sales: Samar, Poland's automotive monitoring firm

**Dailies will still be negative yoy**

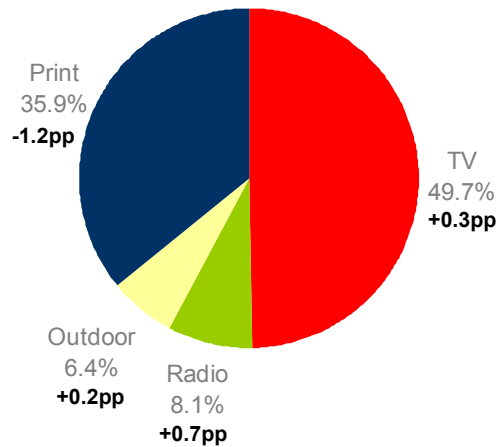
**Ad market in 2003**



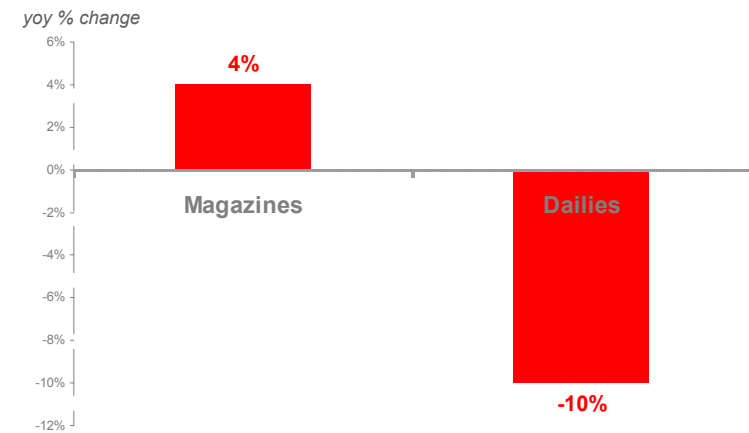
**Ad market performance by medium in 2003**



**Ad market structure in 2003**



**Print segment performance in 2003**



Source: advertising market data based on Agora's estimates adjusted for average discount rate, stated in current prices. The estimates refer to advertising expenditures in four media (TV, print, radio and outdoor), which in case of print do not include classifieds, inserts and obituaries. The estimates are based on rate card data of AGB Polska, CR Media monitoring, Agora Monitoring and AMS according to Media Watch monitoring.

Gazeta faces a significant competitive threat

Current players

**Gazeta Wyborcza**



- ▶ Quality daily
- ▶ Paid circulation of 422 thousand
- ▶ Ad market share 47.9%
- ▶ Copy price 2.30 PLN
- ▶ Target readers:
  - education: secondary & higher
  - income: average & above average

**Rzeczpospolita**



- ▶ Quality daily
- ▶ Paid circulation of 188 thousand
- ▶ Ad market share 7.3%
- ▶ Copy price 2.50 PLN
- ▶ Target readers:
  - education: secondary & higher
  - income: above average

**Super Express**



- ▶ Tabloid
- ▶ Paid circulation of 271 thousand
- ▶ Ad market share 4.7%
- ▶ Copy price 1.60 PLN
- ▶ Target readers:
  - education: vocational & secondary
  - income: average

New competitor

**Axel Springer**

- ▶ 20 magazines in Poland, including *Newsweek*
- ▶ Present in 15 European countries
- ▶ Publisher of *Bild* (4 m copies)

**Fakt. Gazeta codzienna**

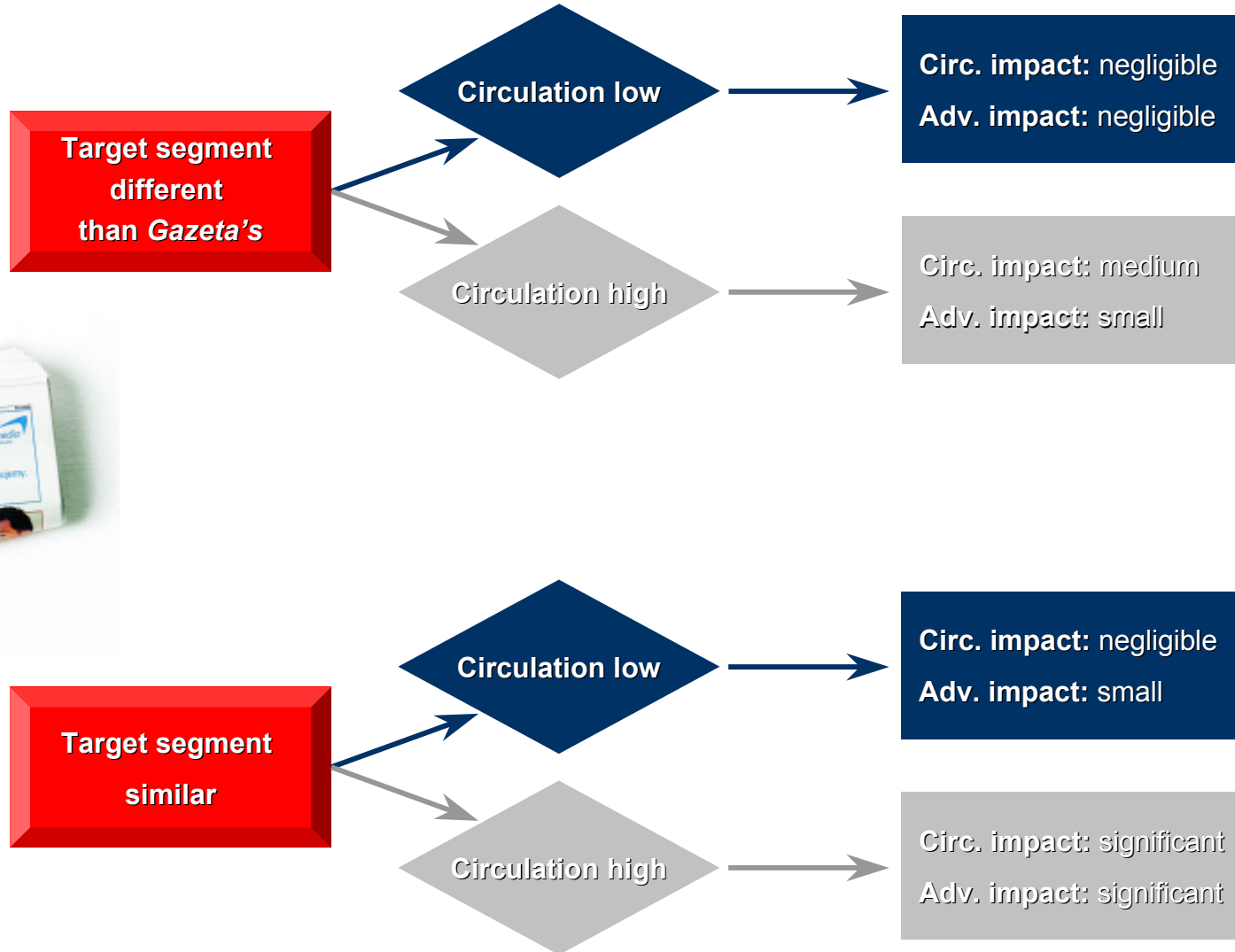
Started  
October 22



- ▶ Target audience: only two issues published
- ▶ Average circulation: 700 thousand?
- ▶ Copy price: 1.00 PLN/1.50 PLN on Thursdays?

**Long-term impact scenarios**

Legend		
impact (%)	Circulation	Ad revenue
<b>Negligible</b>	0 - 2	1 - 4
<b>Small</b>	3 - 6	5 - 8
<b>Medium</b>	7 - 10	9 - 12
<b>Significant</b>	11 - 18	13 - 16



Key challenges

Challenges	Impact	Actions taken/planned	Outlook
<b>Advertising market</b>	<ul style="list-style-type: none"> <li>Revenue decline</li> </ul>	<ul style="list-style-type: none"> <li>Significant cost cuts</li> <li>Rate strategy</li> </ul>	<ul style="list-style-type: none"> <li>Fairer weather ahead; timing &amp; scale?</li> </ul>
<b>Regulatory/political pressures</b>			
<ul style="list-style-type: none"> <li>media law</li> </ul>	<ul style="list-style-type: none"> <li>TV investment on hold</li> <li>Absorbs management</li> </ul>	<ul style="list-style-type: none"> <li>Active involvement in the regulatory process</li> </ul>	TBC
<ul style="list-style-type: none"> <li>KRRiTV</li> </ul>	<ul style="list-style-type: none"> <li>Negative decision on radio licenses</li> </ul>	<ul style="list-style-type: none"> <li>Radio portfolio under restructuring</li> <li>Legal steps?</li> </ul>	TBC
<b>Competitive newspaper</b>	<ul style="list-style-type: none"> <li>Significant resources for war</li> </ul>	<ul style="list-style-type: none"> <li>Competitive strategy to block entry</li> </ul>	<ul style="list-style-type: none"> <li>Depends on duration and outcome of battle</li> </ul>
<b>Growth/expansion</b>	<ul style="list-style-type: none"> <li>Revenue enhanced</li> <li>Depressed EBITDA</li> <li>FCF decline</li> </ul>	<ul style="list-style-type: none"> <li>Acquired business, restructured &amp; promoted</li> </ul>	<ul style="list-style-type: none"> <li>On track to profitability</li> <li>Lower financial capacity for significant acquisitions</li> </ul>