Investor presentation

September 2005

Consolidated figures according to International Financial Reporting Standards (IFRS)
IMPROVING ECONOMIC PICTURE

Construction drives growth of industrial output

Retail sales up significantly

Jobs and salaries are growing

New car sales are volatile

Lower spending on durables due to summer vacation

Source: Central Statistical Office, IBRM SAMAR
MORE OPTIMISTIC ECONOMIC FORECASTS

**GDP growth**
- 1H 2005: 2.4%
- 2005 AF: 3.7%
- 2006 F: 4.0%

**CPI**
- 1H 2005: 2.9%
- 2005 AF: 2.1%
- 2006 F: 1.5%

**Company investments**
- 1H 2005: 2.6%
- 2005 AF: 7.0%
- 2006 F: 10.0%

**Individual consumption**
- 1H 2005: 1.6%
- 2005 AF: 2.8%
- 2006 F: 3.7%

Source: Central Statistical Office, Ministry of Finance - Budget assumptions for the year 2006
ADVERTISING MARKET CONTINUES TO GROW

Total ad spend in 1H 2005 grew by ca. 10%

Deceleration driven by lower growth rate of TV

Strong growth in smaller media

TV budgets shift to dailies

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 monitoring, Expert Monitor monitoring, Agora monitoring and Izba Gospodarcza Reklamy Zewnętrznej (IGRZ) monitoring.
TV runs at full capacity

TV inventory sell-out rates

Prime time and off peak in commercial TV

Prime time and off peak in public TV

One-week advertising break

Source: AGB Polska
ALL KEY ADVERTISING CATEGORIES PICKED UP

Total ad spend growth in 1H 2005

- **TOTAL**: 240 million PLN
- Health & beauty: 71 million
- Retail: 50 million
- Package goods: 40 million
- Automotive: 26 million
- Telecom: 25 million

90% of growth

Fastest growing:
- Retail: +34%
- Employment: +20%
- Health & beauty: +18%

Newspaper ad spend growth in 1H 2005

- **TOTAL**: 58 million PLN
- Retail: 20 million
- Automotive: 16 million
- Employment: 9 million
- Announcements: 7 million

90% of growth

Fastest growing:
- Retail: +62%
- Automotive: +28%
- Telecoms: +26%
- Finance: +23%
- Employment: +21%

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, outdoor), which in case of print do not include classifieds, inserts and obituaries. The estimates are based on rate card data of AGB Polska, Expert Monitor and Izba Gospodarcza Reklamy Zewnętrznej (IGRZ) monitoring. The comparisons refer to 1H 2005 and 1H 2004.
Print will not reach 2000 level in 2005

AGORA’S PERFORMANCE TAKES OFF

Strong operating results

Net earnings grow significantly

Growth in free cash flow

Return on equity ahead of Re

Net profit and margin:
- **1H 2004**: 13.5pp
- **1H 2005**: 165.7%

Return on equity:
- **1H 2004**: 12.4pp
- **1H 2005**: 168.5%
GROWTH IN SCALE CHANGES COMPOSITION OF REVENUES AND COST

**Revenues**

- **1H 2004**: 400 PLN mln
- **1H 2005**: 500 PLN mln
  - **yoy % change**
    - Advertising: +11.3%
    - Circulation: -0.8%
    - Books: +987.4%
    - Other: +16.3%

**Operating cost**

- **1H 2004**: 300 PLN mln
- **1H 2005**: 400 PLN mln
  - **yoy % change**
    - Materials: +67.2%
    - Promotion: +37.1%
    - Staff cost: -2.6%
    - D&A: -15.8%
    - Other: -11.2%

**Source:** Consolidated figures according to International Financial Reporting Standards (IFRS)
### MAJOR LINES OF BUSINESS GROW STRONGER

**The Group**

<table>
<thead>
<tr>
<th></th>
<th>Revenues PLN 615.9 million</th>
<th>EBITDA PLN 154.8 million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Newspaper Segment</strong></td>
<td>% of total</td>
<td>yoy % growth</td>
</tr>
<tr>
<td></td>
<td>61%</td>
<td>7%</td>
</tr>
</tbody>
</table>

PLN 139.6 million

EBITDA margin 28.7%

Source: Consolidated figures according to International Financial Reporting Standards (IFRS), 1H 2005. Newspaper segment includes: Gazeta Wyborcza, Metro, Internet, books, as well as cost of overhead.
### MAJOR LINES OF BUSINESS GROW STRONGER

#### THE GROUP

<table>
<thead>
<tr>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLN 615.9 million</td>
<td>PLN 154.8 million</td>
</tr>
</tbody>
</table>

#### OUTDOOR

<table>
<thead>
<tr>
<th>% of total</th>
<th>yoy % growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Revenues**: PLN 615.9 million  
**EBITDA**: PLN 154.8 million  
**EBITDA margin**: 24%

**Source**: Consolidated figures according to International Financial Reporting Standards (IFRS), 1H 2005

---

**Scale of operations increases**

- Over 1500 new citylight panels in three big cities
- Fully operational by e/o June 2006
- Investment of PLN 10 million
### MAGAZINES AND RADIOS ARE SMALL MARKET PLAYERS

#### THE GROUP

<table>
<thead>
<tr>
<th>Magazine Type</th>
<th>Revenues (PLN million)</th>
<th>EBITDA (PLN million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAGAZINES</td>
<td>615.9</td>
<td>154.8</td>
</tr>
</tbody>
</table>

#### MAGAZINES

- % of total: 7%
- YOY % growth: -3%
- Ad revenues in line with the market
- Copy sales decline reflecting market trend
- Successful new magazines

#### RADIO

- % of total: 4%
- YOY % growth: 17%
- Advertising share steady
- Extra investment to improve long-term results
- Slightly negative in 2005

Source: Consolidated figures according to International Financial Reporting Standards (IFRS), 1H 2005
**NEWSPAPERS GROW CIRCULATION AND MARKET SHARE**

### Circulation of *Gazeta* strengthens

![Bar chart showing circulation growth for Gazeta, Fakt, Super Express, and Rzeczpospolita in 1H05.](image)

- **Gazeta**: 5.5% growth
- **Fakt**: 9% growth
- **Super Express**: Thigh
- **Rzeczpospolita**: Decrease

### Metro nearly doubles its circulation

![Line chart showing Metro's circulation growth from January to June 2005.](image)

- Metro: Nearly doubles circulation
- Metropol: Growth

### Readership

![Bar chart showing readership growth for Gazeta, Fakt, Super Express, and Rzeczpospolita.](image)

- **Gazeta**: 8% growth
- **Fakt**: 1% growth
- **Super Express**: 8% decrease
- **Rzeczpospolita**: 177% growth

### Advertising position

![Pie chart showing advertising positions.](image)

- **Gazeta**: 43% (36% + 7%)
- **Fakt**: 6.5%
- **Super Express**: 4%
- **Rzeczpospolita**: 9.5%
- **Metro**: 1%

Source: copy sales, circulation: ZKDP (Circulation Audit Office); readership: Polish Readership Research (PBC General), Millward Brown Company SMG/KRC, weekly readership, January – June 2005; N=18 081; N=18 017; advertising: Agora, estimated data (current prices) corrected for average discount rate based on Agora Monitoring. The comparisons refer to 1H 2005 and 1H 2004.
BOOKS INCREASE VOLATILITY OF RESULTS

Accounting method (according to IFRS):

- Cost booked when incurred (incl. first free volume)
- Revenues booked when received
- Profit in late phase of each project

The graph does not refer to real numbers – it was prepared for illustrative purposes only.
## WHAT TO EXPECT AHEAD IN 2005

<table>
<thead>
<tr>
<th>Diminishing effect of base</th>
<th>Expansion impacts results</th>
<th>Accounting impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Lower rate of revenue growth in 2H 2005</td>
<td>✓ Books add cost and increase volatility and seasonality effects</td>
<td>✓ IFRS 2 – share based payments write-off to be booked in 4Q 2005</td>
</tr>
<tr>
<td>✓ Cost cuts already reflected in 2H 2004 results</td>
<td>✓ Upfront development – new projects increase cost base</td>
<td>✓ Improved cost base due to lower D&amp;A but risk of provisions after impairment</td>
</tr>
</tbody>
</table>
Dividend payout

✓ PLN 0.5 per share or PLN 28 million on 2nd September 2005

Share buy-back

✓ Value: PLN 120 million
✓ Method: main market (through the broker); no block transactions; shares to be cancelled