Advertising market is growing dynamically

Ad spend growth in 1Q05

- **Total**: +13%
- **TV**: +12%
- **Dailies**: +11%
- **Magazines**: +8%
- **Radio**: +11%
- **Outdoor**: +34%

Ad spend growth in 2005

- **Total**: +10%
- **TV**: +11%
- **Dailies**: +9%
- **Magazines**: +8%
- **Radio**: +7%
- **Outdoor**: +12%

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 IGRZ monitoring.
### Strong Agora’s performance in 1Q 2005

#### Agora Group (selected figures)

<table>
<thead>
<tr>
<th></th>
<th>1Q05</th>
<th>1Q04</th>
<th>yoy % change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>290.6</td>
<td>210.2</td>
<td>38.2%</td>
</tr>
<tr>
<td>- advertising</td>
<td>154.7</td>
<td>136.3</td>
<td>13.5%</td>
</tr>
<tr>
<td>- copy sales</td>
<td>55.7</td>
<td>58.2</td>
<td>-4.3%</td>
</tr>
<tr>
<td>- publishing projects</td>
<td>63.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating cost:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>238.6</td>
<td>216.8</td>
<td>10.1%</td>
</tr>
<tr>
<td>- materials</td>
<td>76.9</td>
<td>40.7</td>
<td>88.9%</td>
</tr>
<tr>
<td>- staff cost</td>
<td>54.8</td>
<td>59.5</td>
<td>-7.9%</td>
</tr>
<tr>
<td>- promotion and marketing</td>
<td>29.9</td>
<td>17.2</td>
<td>73.8%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>52.0</td>
<td>-6.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>75.6</td>
<td>25.0</td>
<td>202.4%</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>26.0%</td>
<td>11.9%</td>
<td>14.1pp</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>43.1</td>
<td>-9.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Employment (end of period)</strong></td>
<td>3338</td>
<td>3813</td>
<td>-12.6%</td>
</tr>
</tbody>
</table>
Newspaper segment is growing circulation and revenues

Copy sales on the rise

Strong operating performance

Solid market share in newspaper ads

Source: copy sales: Circulation Audit Office; advertising: Agora, estimated data (current prices) corrected for average discount rate based on Agora Monitoring 1Q05.
Newspaper segment – Metro turned national

In Warsaw:
- readership 27%
- 5% share in ad revenues

National reach:
- 10 cities since Nov 2004; circulation 269 K
- 19 cities since April 2005

460 000 copies on Mondays
410 000 copies Tuesday to Thursday
820 000 copies on Fridays

Newspaper segment – new revenue stream

Books and encyclopedia prove successful

1Q revenues PLN 63 million
(total PLN 121 million)

increased Gazeta’s copy sales

delivered solid profitability

New collection launched in May 2005

40 - volume collection
June 2004 – March 2005
retail price PLN 15

20 - volumes
January 2005 – May 2005
retail price PLN 37

30 volumes
retail price PLN 18
available every Tuesday

May 2005 – December 2005
AMS on track to reach 2005 operating goals

Solid financial performance

- **1Q04**
  - Revenue: -4.5

- **1Q05**
  - Revenue: 6.2
  - EBITDA: +44.1%

**2005 target**
- EBIT break even

Advertising on buses
- in 8 major cities
- over 300 buses
- wide range of ad forms

Share improvement
- **1Q04**: 28.3%
- **1Q05**: 31.3%

Source: market share Izba Gospodarcza Reklamy Zewnętrznej (IGRZ) which includes: AMS SA, Cityboard Media, Clear Channel Poland, Stroeer Out of home Media, News Outdoor Poland, Gigaboard Polska, Mini Media/Publiprox and Business Consulting
Magazines on track to reach 2005 operating goals

Good financial performance

- Positive single digit EBITDA including Avanti

New greenfield proves successful

- Avanti
  - debut of the year
  - average copy sales 156 K
  - ad sales beat expectations

- Logo – a new quarterly for men
  - shopping guide/ consumer features magazine

Share improvement

- Axel Springer 14%
- Bauer 13%
- Edipresse 13%
- Gruner+Jahr 11%
- other 33%
- ZPR 3%
- Marguard 4%
- Hachette Filipacchi 4%
- Agora 5% +1.5pp

* including Avanti

Source: Copy sales Circulation Audit Office, April–December 2004, Agora: Agora Monitoring, rate card data for 1Q 2005
Radio works to lay grounds for operating improvements

Good financial performance

- Revenues
- EBITDA

2005 target

Rebranding and new formula

- brand management
- national advertising offer

Local stations excl. new & TOK FM

Share improvement

- RMF FM 26%
- ZET 25%
- Agora 12%
- Eska 10%
- PR-1 6%
- PR-3 3%
- other 12%
- regional PR 3%
- other 12%

Source: CR Media, EXPERT MONITOR, Agora’s estimates
Agora’s main priority is growth in media

Poland is our key market

Organic growth + Acquisitions

CEE region - opportunistic

Excess cash to shareholders
## Growing Agora in Poland

<table>
<thead>
<tr>
<th>Greenfields</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Design/feasibility testing of projects</strong></td>
<td><strong>Identifying Opportunities</strong></td>
</tr>
<tr>
<td><strong>Lower investment (WK financing)</strong></td>
<td><strong>Investment Cost</strong></td>
</tr>
<tr>
<td><strong>High risk of failure, but easy to stop</strong></td>
<td><strong>Investment Risk</strong></td>
</tr>
<tr>
<td><strong>ST: TL↑, OL &amp; BL↓</strong>&lt;br&gt;<strong>LT: may substantially improve BL</strong></td>
<td><strong>Impact on Results</strong></td>
</tr>
<tr>
<td><strong>Relatively easy to manage, adopts same culture</strong></td>
<td><strong>Management</strong></td>
</tr>
<tr>
<td><strong>Drain on management resource</strong></td>
<td><strong>HR</strong></td>
</tr>
</tbody>
</table>
Criteria for investment decisions

Key rule: DCF valuation ➔ Go if NPV>0

Greenfields
- Business plans with full cash flow projections for 5-10 years with terminal value
- Investment cost and losses taken into account as negative flows

Discount Rate
Cost of equity:
- **Risk-free rate:** Real risk free rate based on government bonds plus projected inflation
- **β:** Beta appropriate for the target, depends on the sector
- **Market risk premium:** As Poland matured and entered EU, the premium fell to about 5%

\[ Re = Rf + \beta (Rm - Rf) \]

Acquisitions
- **NPV =** Consideration paid – value of target as a standalone business + value of synergies
- Multiples approach as a sanity check

Synergies
Discount rate appropriate for perceived risk of achieving synergies
AGORA’S POLICY FOR RETURNING PROFITS TO SHAREHOLDERS

- Agora SA remains first and foremost focused on growth and expects to use its capital for expansion opportunities – both acquisitions and organic growth projects - that will enhance long-term shareholder value. At the same time, as appropriate and as authorized by the AGM, it will return excess capital to the shareholders through a dual mechanism of (i) a dividend and (ii) share repurchases.

- The Company will propose and, upon AGM’s approval, pay a dividend of 0.5 PLN per share annually. This dividend amount represents ca 1% yield which will satisfy certain shareholders seeking a current return and allow the company to potentially broaden its shareholder base. The Company intends to propose such a dividend annually, subject to the discretion of the Management Board/Supervisory Board and subject to the earnings and prospects of the Company and market conditions.

- If conditions warrant, the Company will also, from time to time, submit to the AGM a request for authorization of a share repurchase program as a means of returning excess capital to shareholders. The Company will review its situation on an annual basis, prior to the AGM, and resolve whether to submit such a request. If a request is submitted, it will include all relevant terms and conditions of the repurchase program. If the program is approved, the company will periodically report its results.
Management Board recommendation on 2004 profit distribution

➤ Payment of a dividend in the amount of PLN 0.50 per share.
   The dividend day - July 5, 2005; the dividend payment date - September 2, 2005.

➤ Company's share repurchase and redemption program in the amount of PLN 120 million,
   to be executed before and until June 30, 2006.

After the AGM approves the recommendation on June 22, 2005 and before the commencement of the program, the company shall publicly announce details concerning the program, including its: objective, the commencement date and the duration of the program, the maximum number of shares to be purchased and the maximum amount to be expended for the program.
Appendix
## 2004 Group’s financial results

<table>
<thead>
<tr>
<th>PLN mln</th>
<th>2004</th>
<th>2003</th>
<th>yoy % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,001.1</td>
<td>853.5</td>
<td>17.3%</td>
</tr>
<tr>
<td>- advertising</td>
<td>642.1</td>
<td>581.5</td>
<td>10.4%</td>
</tr>
<tr>
<td>- copy sales</td>
<td>237.9</td>
<td>226.4</td>
<td>5.1%</td>
</tr>
<tr>
<td>- other (incl. books)</td>
<td>121.1</td>
<td>45.6</td>
<td>165.6%</td>
</tr>
<tr>
<td>Operating cost</td>
<td>918.8</td>
<td>849.0</td>
<td>8.2%</td>
</tr>
<tr>
<td>EBIT</td>
<td>82.3</td>
<td>4.5</td>
<td>1728.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>204.9</td>
<td>139.1</td>
<td>47.3%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>20.5%</td>
<td>16.3%</td>
<td>4.2pp</td>
</tr>
<tr>
<td>Net profit</td>
<td>66.3</td>
<td>2.1</td>
<td>3057.1%</td>
</tr>
<tr>
<td>Employment e/y</td>
<td>3,387</td>
<td>3,849</td>
<td>-12.0%</td>
</tr>
</tbody>
</table>
Group’s financials in 2000 – 2004

Revenues

Profitability

Net profit

Operating cash flow

Operating cash flow

Capex