

## AGORA SA, WARSAW, POLAND

Agora SA principally produces *Gazeta Wyborcza* daily newspaper, magazines, other periodicals and run an Internet business. Additionally, the Company exercises significant influence over 13 radio companies. Agora's radio group consists of 18 *Golden Oldies (Złote Przeboje)* radio stations, 6 rock radio stations (*Radio Roxy FM*) and a superregional news radio *TOK FM* broadcasting in 9 cities. Agora's radio group includes also 2 local stations which play in AC format (Adult Contemporary). The Company is also active in the outdoor segment through its subsidiary, Art Marketing Syndicate SA (AMS).

The Group comprises Agora SA and 17 (26) subsidiaries. Additionally Agora SA exercises significant influence over 1 (5) associate company. The Group operates in all the major cities in Poland.

The Group comprises the following main **business segments**: Press and Other Media; and Outdoor Advertising.

**PRESS AND OTHER MEDIA** The majority of the press and other media segment sales and operating profit are derived from the principal activity of the Group which is copy sales and advertising sales of the *Gazeta Wyborcza (GW)* daily newspaper in Poland. Additionally, the segment also included the magazine business, radio business and internet.

**Newspapers:** *Gazeta Wyborcza (GW)* is claimed to be one of the biggest dailies in terms of revenue and circulation in Central and Eastern Europe. Since April 18, 2005, the free title *Metro* is present in 19 cities. In mid-November 2005, Agora launched *Nowy Dzień (New Day)*, a paid national newspaper. The sales results of the daily were below expectations and continued to decline. In February 2006, the Company ceased publication of the daily *Nowy Dzień*. In 2006 *Nowy Dzień* depressed the results of the Newspapers and Internet line of business by PLN 19.1 million.

*Gazeta Wyborcza (GW)* is the most-widely read newspaper title in Poland and its rich readership and advertising content. *Gazeta's* pricing strategy adopted in response to Springer's competitive approach (reduction of *Gazeta's* cover price) had a material impact on the newspaper's revenues from copies sold. In 2006 *Gazeta's* revenues from paid circulation were down PLN 66 million over last year. In 2006 *Gazeta* posted very good readership results. During the period, the newspaper had almost 6.0 million readers (19.8% weekly reach). In 2006 *Gazeta's* share in national display advertising was about 44% and went down by nearly 4pp.

In 2006 successful refurbishment of *Gazeta Telewizyjna (TV Guide)* formula earned dynamic growth of *Gazeta's* Friday paid circulation (up 50,000 copies yoy).

In 2006 book collections added PLN 123 million in revenues and earned 5 million in operating profit. Last year 18 collections (12 series and 6 one-off projects) sold 8.4 million books and books with CDs and DVDs.

**Free press:** In the 4<sup>th</sup> quarter of 2006 *Metro* was the third most read newspaper in Poland (daily average) and from January 2007 - after the withdrawal of *Metropol* – the only national free newspaper distributed every day (Monday through Friday). *Metro* increased ad sales by over 50%. During the same period, *Metro's* share in the national and local newspaper display advertising market reached 2%. On 16 October *Metro* received a new layout. Following the changes, *Metro's* daily readership reached 4.8% (the 4<sup>th</sup> quarter of 2006). In December *Metro* started a new weekly supplement, *Metro City* which is the weekend entertainment guide in large cities.

**Internet:** The Company operates its Internet portal *Gazeta.pl* and advertising service *Aaaby.pl*. *Gazeta.pl* is one of Poland's leading Internet portals. Every third Internet user in Poland visits our service. Every day, the advertising service *Aaaby.pl* publishes several hundred thousands of new business classifieds (i.e. employment, real estate). It is the largest site of this sort in Poland.

Revenues of *Gazeta.pl* were up 24% in 2006 and the portal reached positive EBITDA. Executing its Internet strategy, in 2006 Agora enriched its online offer by a number of new services (incl. 2 portals and a news service *GazetaWyborcza.pl*), as well as revamped key existing others. Advertising revenues grew solidly (37% increase over last year, excl. classifieds).

In December 2006 *Gazeta.pl* portal underwent changes as well. The service received new corporate identity, new layout and front page composition. In the 1<sup>st</sup> quarter of 2007 the changes were supported with intensive image campaigns of *Gazeta.pl* and *GazetaPraca.pl*. In December 2006 *Gazeta.pl* reached about 35.7% or 4.7 million Polish Internet users (up 45.5% yoy). During the same month, the number of page views from the territory of Poland amounted to 354.9 million (over 26% more than last year).

In the 4<sup>th</sup> quarter of 2006 Agora continued expanding its Internet business. In December the Company enriched its real estate vortal, *Dom (GazetaDom.pl)*. Currently, the service is a one of the largest online advertising offers on primary and secondary real estate market, as well as the richest content provider for real estate news, house building and interior design advice. The vortal's partners are Agora's housing and interior design magazines: *Ladny Dom*, *Cztery Katy* and *Ogrody* and *Gazeta's* Wednesday's real-estate supplement – *Gazeta Dom*. In December *GazetaDom.pl* had 0.5 million users.

Also Agora's recruitment service grew dynamically. In December 2006 the vortal had 0.8 million users which makes it one of the two largest recruitment services in the Polish Internet. In November, the vortal organized its first online job fairs.

In December 2006 Agora signed a cooperation agreement between *Gazeta.pl* and Nullsoft – a part of AOL LLC. The contract provides Agora exclusive rights to sell advertising in *Winamp* media player on the territory of Poland.

Circulation – <i>Gazeta Wyborcza</i>	2002	2003	2004	2005	2006
Average daily copy sales	420,669	417,386	436,000	447,700	<b>434,000</b>

#### Newspapers and Internet

In million PLN	2002	2003	2004	2005	2006
Copy sales	176.2	179.6	186.8	194.1	127.9
incl. <i>Gazeta Wyborcza</i>	175.1	179.4	186.8	188.9	127.9
Advertising revenue	468.4	423.4	446.3	480.6	508.7
incl. <i>Gazeta Wyborcza</i>	461.4	415.1	441.1	465.4	472.6
Book collections			58.5	180.8	122.9
Other revenue			71.7	84.3	81.6
<b>Total sales</b>	<b>675.1</b>	<b>657.3</b>	<b>763.3</b>	<b>939.8</b>	<b>841.1</b>
EBIT		<b>60.3</b>	<b>134.8</b>	<b>162.2</b>	<b>26.9</b>
EBITDA		<b>143.8</b>	<b>205.5</b>	<b>227.1</b>	<b>80.5</b>
Operating EBITDA			<b>205.5</b>	<b>233.0</b>	<b>109.8</b>
EBIT of <i>Nowy Dzień</i> *		-	-	<b>(27.3)</b>	

\* The start-up cost of *Nowy Dzień* incurred in the first three quarters of 2005 in the amount of PLN 2.1 million is not included in "Newspapers and internet" profit and loss account.

**Magazines:** Agora publishes 13 magazines – 11 monthlies, 1 quarterly and 1 annual.

In 2006, the top titles of Agora sold more copies than last year. The highest growth rates were recorded by *Avanti* (10%), *Cztery Katy* (16%), *Dziecko* (13%), *Ladny Dom* (21%), *Poradnik Domowy* (18%). Copy sales results of *Logo* are promising as well. In March 2006, the magazine changed into a monthly.

In March 2006 in Media Trendy contest a monthly *Avanti* won the title *The Magazine of the Year*. In *Media & Marketing Polska* Media Trends 2006 *Logo* received the *Debut of the Year* commendation.

In May 2006, Agora ceased publication of the monthly *Magazyn Wysokie Obroty*. The decision was made in the context of continued stagnation in new car sales and decreased level of spending for car advertising in automotive monthlies.

Ad sales increase reflects ad market growth, better competitive position of Agora's, as well as changes of publishing schedule of *Logo*. In 2006, magazines reached 6.1% share in the magazine advertising market (up ca 0.8 pp).

Copy sales – Magazines	2003	2004	2005	2006
Average copy sales	1,010,400	1,054,100	986,200	<b>1,077,400</b>

**Magazines**

<i>In million PLN</i>	2003	2004	2005	2006
<b>Sales:</b>				
Copy sales	46.8	51.1	42.4	43.4
Advertising revenue	31.5	40.5	47.2	51.2
Other revenue	0.1	0.3	0.3	
<b>Total sales</b>	<b>78.4</b>	<b>91.9</b>	<b>89.9</b>	<b>95.0</b>
<b>EBIT</b>	<b>(11.5)</b>	<b>(12.4)</b>	<b>5.1</b>	<b>10.2</b>
<b>EBITDA</b>	<b>(4.8)</b>	<b>(6.5)</b>	<b>5.4</b>	<b>10.5</b>
<b>Operating EBITDA</b>		<b>(6.5)</b>	<b>5.6</b>	<b>11.6</b>

**Paid circulation – Magazines**

	2004	I 2005	I 2006
Avanti (shopper)		125,148	145,407
Bukiety (Bouquets)		10,730	9,622
Cztery Kąty (Hearth & Home)	99,578	77,740	103,771
Dziecko (Child)	60,143	73,538	91,551
Kuchnia (Cuisine)	29,721	28,746	25,244
Kwietnik (Flower and Garden)	53,690	51,504	43,555
Logo			63,373
Lubię Gotować (Fine Cooking)		49,668	41,867
Ładny Dom (House Beautiful)	43,882	34,277	43,798
Ogrody (Beautiful Gardens)	26,807	25,286	20,353
Poradnik Domowy (Good Housekeeping)	472,286	308,005	419,567
Świat Motocykli (Motorcycle World)	40,275	37,159	36,408
Wysokie Obroty Magazyn (former Auto+)	75,648	33,844	33,121

\*Paid circulation.

**Radio:** Pursuant to the long-term operating efficiency improvement program, in the fourth quarter of 2006, Agora's 12 radio companies were merged within **Grupa Radiowa Agory Sp. z o.o. (GRA)**. As at 31 December 2006 the radio segment consisted of 12 radio companies with 26 local broadcasting licenses, and **Inforadio Sp. z o.o.** – a broadcaster of *TOK FM*. Capital consolidation of radio companies within GRA will be continued in 2007.

Agora's radio group consists of 18 *Golden Oldies (Złote Przeboje)* radio stations, 6 rock radio stations (*Radio Roxy FM*) and a superregional news radio *TOK FM* broadcasting in 9 cities. The group also operates stations playing CHR (Contemporary Hit Radio) and hot AC (Adult Contemporary) format.

In 2006 local radio stations again improved financial results and reported positive EBITDA of PLN 0.3 million (excl. non-cash expense related to share-based payments). In the 4<sup>th</sup> quarter of 2006 radio *Roxy FM*, which began operations in October and November 2005, delivered 5.1% audience reach in its target group. In the 2<sup>nd</sup> half of 2006 cash ad sales of *Roxy FM group* grew by 46.4% yoy (in 2006 up 20.9% yoy).

In 2006 *TOK FM* achieved 4.2% (2.6%) share in the Warsaw audience market in its target group. In all cities of *TOK FM* operations, its audience share amounts to 2.8% (2.0%). In 2006, revenue of the station increased by 69% yoy and the operating loss was reduced yoy.

**Local radio stations\***

<i>In million PLN</i>	2004	2005	2006
<b>Sales:</b>			
Advertising revenue**	47.7	54.6	62.8
Other revenue	1.9	2.4	2.6
<b>Total sales</b>	<b>49.6</b>	<b>57.0</b>	<b>65.4</b>
<b>EBIT</b>	<b>(3.3)</b>	<b>(8.5)</b>	<b>(4.7)</b>
<b>EBITDA</b>	<b>(0.5)</b>	<b>(5.7)</b>	<b>(2.1)</b>
<b>Operating EBITDA</b>	<b>(0.5)</b>	<b>(5.2)</b>	<b>0.3</b>

\* The data presented is the sum of financials of local radio stations operated and Radio Division consolidated pro forma. The data excludes the financials of *TOK FM*. \*\* Barter sales from Agora SA constituted 9.6% of advertising revenue after four quarters of 2005.

**OUTDOOR (AMS GROUP)** Outdoor segment is represented by the majority-owned **Art Marketing Syndicate SA (AMS)** – the leader in the outdoor advertising market in Poland. In 2006, estimated share of AMS in the outdoor advertising market (excl. transit advertising and advertising panels of Akcent Media Sp. z o.o. installed on petrol stations, small panels at bus shelters and advertising surface on buses and trams advertising) stood at 26.6% (1.8pp down y-o-y).

AMS grew revenues by 5% to PLN 151 million in 2006. In 2006 AMS noted a rise in ad sales due to the outdoor advertising market growth and the changes in panel portfolio structure. The highest growth rates were recorded by premium backlight panels and transit advertising.

In the 4<sup>th</sup> quarter of 2006 AMS finished the first stage of the investment project to build a new system of exclusive, cityscroll panels (9 square meters). Till the end of December 2006, 145 display cityscrolls with three shifting images were installed (435 exposure faces). Cityscroll investments are part of AMS's strategy to change the portfolio structure into Premium and Superpremium offers.

In October AMS finished the first in Poland project of city furniture in the shopping arcade in Wroclaw.

Based on the agreement with Universum Promotion Group, on 1 September 2006, AMS will expanded its offer by a number of large format panels on city buildings (more than 100 square meters in size), which are part of an attractive and fast growing market segment.

Since September AMS has been using a brand new information tool - *the AMS TOPProfiler* (Target Objects Profiler) which helps target an outdoor advertising campaign. *AMS TOPProfiler* combines the local database on target groups' location areas with the reservation system of the outdoor operator.

#### Outdoor (AMS Group)

<i>In million PLN</i>	2003	2004	2005	2006
Sales:				
Advertising revenue	101.3	112.6	143.1	149.8
Other revenue	1.3	0.8	0.2	1.2
<b>Total sales</b>	<b>102.6</b>	<b>113.4</b>	<b>143.3</b>	<b>151.0</b>
EBIT	(13.6)	(12.5)	10.1	20.0
EBITDA	4.0	5.6	26.6	30.7
Operating EBITDA		5.6	27.0	32.7
Number of advertising faces*		23,824	23,930	24,095

\* Excl. advertising panels of Akcent Media Sp. z o.o. installed on petrol stations, small panels at bus shelters and advertising surface on buses and trams.

**OWNERSHIP** The following shareholders owned 3% or over of Agora's share capital as of 31 December 2006: Agora-Holding Sp. z o.o. (16.5%); Employees (7.9%); Julius Baer Investment Management LLC (7.2%). Voting rights: Agora-Holding Sp. z o.o. (36.3%); Employees (6.0%); Julius Baer Investment Management LLC (5.3%).

The consolidated financial statements of the Agora Group for the year 2006 include Agora SA, Agora Poligrafia Sp. z o.o., Art Marketing Syndicate SA Group (AMS Group), Agora TC Sp. z o.o. and 13 subsidiary and associated companies of the radio business.

#### PERSONNEL

<i>Average number</i>	2002	2003	2004	2005	2006
<b>EMPLOYEES</b>	3,613	3,866	3,586	3,424	<b>3,597</b>

#### CONSOLIDATED PROFIT AND LOSS ACCOUNT - PLN

<i>In million PLN</i>	2002	2003	2004	2005	2006
			<i>restated</i>		
Sales	785.3	853.5	1,001.1	1,202.1	1,133.7
Cost of sales		(561.6)	(598.3)	(677.4)	(668.5)
Gross profit		291.9	402.7	524.8	465.2

Selling expenses	(157.9)	(183.9)	(250.3)	(298.5)
Administrative expenses	(113.1)	(108.4)	(120.1)	(120.2)
Other operating income	23.7	18.4	24.2	19.2
Other operating expenses	(40.1)	(46.5)	(27.8)	(26.1)
<b>Operating profit (EBIT)</b>	<b>69.1</b>	<b>4.5</b>	<b>82.3</b>	<b>150.8</b>
Financial income			14.6	14.3
Financial expense			(18.6)	(7.7)
Share of result of associates	(2.3)	(1.7)	(1.4)	0.1
<b>Profit/loss before tax</b>	<b>74.2</b>	<b>(6.7)</b>	<b>76.8</b>	<b>154.1</b>
Income tax	(22.3)	9.6	(8.5)	(14.3)
<b>Net profit for the period</b>	<b>52.8</b>	<b>3.7</b>	<b>68.3</b>	<b>125.6</b>
Attributable to equity holders	51.9	2.9	67.3	126.7
Attributable to minority interests	0.9	0.8	1.1	(0.6)
<b>EBITDA</b>			<b>204.9</b>	<b>245.8</b>
<b>Operating EBITDA</b>			<b>204.9</b>	<b>252.9</b>
<b>EBIT excl. Nowy Dzień and cost of share-based payments</b>			<b>187.3</b>	<b>93.9</b>
<b>Earnings per share (PLN)</b>			<b>PLN 1.19</b>	<b>PLN 2.25</b>
				<b>PLN 0.59</b>

### CONSOLIDATED PROFIT AND LOSS ACCOUNT - EUR

<i>In million EUR</i>	2004	2005	2006
Sales	221.7	298.5	290.9
Operating profit	18.2	37.4	10.2
Profit before income taxes	17.0	38.3	11.9
Net profit for the period attributable to equity holders	14.9	31.5	8.4
<b>Earnings per share (€)</b>	<b>€ 0.26</b>	<b>€ 0.56</b>	<b>€ 0.15</b>

In 2006 revenues of the Group amounted to PLN 1.13 billion, down 5.7% y-o-y. Operating EBITDA of the Group was PLN 151 million and EBITDA margin stood at 13%. In 2006, the Group posted PLN 33 million net profit.

### CONSOLIDATED CASH FLOW STATEMENT - PLN

<i>In million PLN</i>	2004	2005	2006
Net cash flow from operating activities	192.0	230.4	147.1
Net cash from investment activities	(44.5)	(111.1)	33.8
Net cash from financial activities	(10.6)	(157.0)	(35.8)
<b>Opening net cash</b>	<b>90.5</b>	<b>227.4</b>	<b>189.7</b>
<b>Closing net cash</b>	<b>227.4</b>	<b>189.7</b>	<b>334.7</b>

### CONSOLIDATED CASH FLOW STATEMENT - EUR

<i>In million EUR</i>	2004	2005	2006
Net cash flow from operating activities	42.5	57.2	37.7
Net cash from investment activities	(9.9)	(27.6)	8.7
Net cash from financial activities	(2.3)	(39.0)	(9.2)

### CONSOLIDATED BALANCE SHEET - PLN

<i>In million PLN</i>	2002	2003	2004	2005	2006
Non-current assets	1,206.0	1,133.5	1,049.8	1,001.2	975.3
Current assets	225.7	244.3	407.0	502.8	557.4
<b>Total assets</b>	<b>1,431.8</b>	<b>1,376.9</b>	<b>1,456.8</b>	<b>1,504.0</b>	<b>1,532.6</b>
Current liabilities	169.6	122.1	160.2	178.5	197.6
Non-current liabilities	197.6	188.3	158.1	200.3	170.3
Shareholders' equity	1,063.1	1,065.3	1,137.0	1,125.4	1,164.2
Minority interests	1.5	1.3	1.5	(0.2)	(0.5)

**CONSOLIDATED BALANCE SHEET - EUR**

<i>In million EUR</i>	2004	2005	2006
<b>Total assets</b>	<b>357.1</b>	<b>389.6</b>	<b>400.0</b>
Current liabilities	39.3	46.2	51.6
Non-current liabilities	38.8	51.9	44.5
Shareholders' equity	278.7	291.6	304.1

**SEGMENT REPORT**

<i>In million PLN</i>	2003	2004	2005	2006
<b>REVENUE by division:</b>				
Press and other media	764.1	894.6	1,074.9	997.9
Outdoor	120.3	141.3	177.6	183.6
Consolidation eliminations	(30.9)	(34.8)	(50.4)	(47.9)
<b>Total</b>	<b>853.5</b>	<b>1,001.1</b>	<b>1,202.1</b>	<b>1,133.7</b>
<b>OPERATING PROFIT (EBIT) by division:</b>				
Press and other media	11.5	80.9	123.5	1.5
Outdoor	(6.8)	3.4	38.8	47.5
Consolidation eliminations	(0.3)	(2.0)	(11.4)	(9.3)
<b>Total</b>	<b>4.5</b>	<b>82.3</b>	<b>150.8</b>	<b>39.6</b>

**SEGMENT REPORT**

<i>In million PLN</i>	2003	2004	2005	2006
<b>SALES by business:</b>				
Newspapers and Internet	657.3	763.3	939.8	841.1
Magazines	78.4	91.9	89.9	95.0
Outdoor	102.6	113.4	143.3	151.0
Radio	40.9	49.7	57.0	67.6
Unallocated items		22.4	-	-
Eliminations		(39.6)	(27.9)	(21.0)
<b>Total</b>	<b>853.5</b>	<b>1,001.1</b>	<b>1,202.1</b>	<b>1,133.7</b>
<b>OPERATING PROFIT (EBIT) by business:</b>				
Newspapers and Internet	60.3	134.8	162.2	26.9
Magazines	(11.5)	(12.4)	5.1	10.2
Outdoor	(13.6)	(12.5)	10.1	20.0
Radio	(9.6)	1.6	(8.5)	(7.2)
Company's headquarters, New Business Development division		(18.8)	(14.7)	(9.7)
Eliminations		(10.4)	(3.4)	(0.6)
<b>Total</b>	<b>4.5</b>	<b>82.3</b>	<b>150.8</b>	<b>39.6</b>
<b>EBITDA by business:</b>				
Newspapers and Internet	143.8	205.5	227.1	80.5
Magazines	(4.8)	(6.5)	5.4	10.5
Outdoor	4.0	5.6	26.6	30.7
Radio	(7.2)	3.7	(5.7)	(4.3)
Company's headquarters, New Business Development division		(6.0)	(3.7)	(1.3)
Eliminations		2.6	(3.9)	(0.1)
<b>Total</b>	<b>139.1</b>	<b>204.9</b>	<b>245.8</b>	<b>116.0</b>
<b>OPERATING EBITDA by business:</b>				
Newspapers and Internet		205.5	233.0	109.8
Magazines		(6.5)	5.6	11.6
Outdoor		5.6	27.0	32.7
Radio		3.7	(5.2)	(1.9)
Company's headquarters, New Business Development division		(6.0)	(3.6)	(0.8)
Eliminations		2.6	(3.9)	(0.2)
<b>Total</b>		<b>204.9</b>	<b>252.9</b>	<b>151.2</b>

**SEGMENT REPORT**

<i>In million PLN</i>	2002	2003	2004	2005	2006
<b>REVENUE:</b>					
Sales of advertising services*	550.7	581.5	642.1	711.6	754.5
Sales of newspapers and magazines	202.4	226.4	237.9	236.5	178.7
Sales of goods for resale	n/a	n/a	58.4	186.6	122.7
Other sales	32.3	45.6	62.7	67.4	77.9
<b>Total</b>	<b>785.3</b>	<b>853.5</b>	<b>1,001.1</b>	<b>1,202.1</b>	<b>1,133.7</b>

\* Included in sales of advertising services are barter sales of PLN 56,099 thousand (2005: PLN 52,236 thousand).

**CAPITAL EXPENDITURE**

<i>In million PLN</i>	2003	2004	2005	2006
<b>CAPEX by division:</b>				
Press and other media	27.6	17.8	26.4	15.5
Outdoor	13.3	12.0	16.7	26.7
<b>Total</b>	<b>40.9</b>	<b>29.8</b>	<b>43.0</b>	<b>42.2</b>

**ACQUISITIONS AND DISPOSALS****2006**

In February 2006 Agora SA acquired 51.5% shares in **Tres Sp. z o.o.**, Sieradz (*Zlote Przeboje 101.3 FM*). After the transaction, Agora owns 100 % of the share capital of Tres. The total price was PLN 2.2 million.

In August 2006, the Company acquired: 50% of share capital of **BOR Sp. z o.o.**; 24% of share capital of **Mulimedia Plus Sp. z o.o.**; 50% of share capital of **Jan Babczyszyn Jazz Sp. z o.o.** (*Jazz*). Jazz exercises the license for broadcasting radio program *Radio 88.4 Zlote Przeboje* and *MP – 105.4 Roxy FM* in Poznan. BOR is an radio operator for both of the mentioned companies. As a result of the aforementioned transaction Agora holds 100% stake in BOR, MP and Jazz. The sell price of the shares totaled PLN 1.2 million, PLN 0.8 million and PLN 1.0 million, respectively.

In January 2006, Agora sold **Radio Lokalne Zielona Gora** in favour of Region Sp. z o.o. with its seat in Cracow. The sell price totaled PLN 0.6 million.

On 27 July 2006, the Company signed a conditional share disposal agreement of 24.0% of **Radio Mazowsze Sp. z o.o.**, Lomianki, at the gross value of PLN 4.3 million and receivables at the nominal value of PLN 3.5 million with interest. On 2 August 2006 the transaction was accomplished.

As part of restructuring of Grupa Radiowa Agory Sp. z o.o. (GRA), the subsidiary of Agora SA, the following transactions took place:

- In January 2006 the Warsaw District Court registered the increase of the share capital of GRA Sp. z o.o. (GRA). All shares were taken up by Agora SA in return for the contribution in 10 radio companies. As a result of the share purchase agreement dated 25 April 2006 between Agora SA and a buyer GRA Sp. z o.o., the Company disposed: 51.0% of **Elita Sp. z o.o.**, Bydgoszcz, for PLN 0.9 million; 51% of **Klakson Sp. z o.o.**, Wrocław, for PLN 0.5 million; 51.2% of **Twoje Radio Sp. z o.o.**, Wałbrzych, for PLN 5,000; 50.0% of **City Radio Sp. z o.o.**, Czestochowa, for PLN 5,000. After these transactions GRA holds 100% of the share capital in the above mentioned radio companies.
- On 31 October 2006, the merger was registered of 12 radio companies exercising the licenses for broadcasting radio programs with Grupa Radiowa Agory Sp. z o.o. (GRA), a subsidiary of Agora SA. The companies that were merged with GRA include: City Radio Sp. z o.o., Czestochowa; Elita Sp. z o.o., Bydgoszcz; Karolina Sp. zo.o., Tychy; KKK FM S.A., Wrocław; Radio Klakson Sp. z o.o., Wrocław; Radio na Fali Sp. z o.o., Szczecin; O'le Sp. z o.o., Opole; Radio Pomoże Sp. z o.o., Bydgoszcz; Radio Wanda Sp. z o.o., Cracow; ROM Sp. z o.o., Warsaw; Twoje Radio Sp. z o.o., Wałbrzych; WIBOR Sp. z o.o., Nowy Sacz.

In February 2006, the Company ceased publication of the daily *Nowy Dzień*.

**2005**

In January 2005 Agora sold **Centrum Handlu Internetowego Sp. z o.o.**

In April 2005, Agora purchased 20.7% of shares in **Inforadio Sp. z o.o.** Agora's share in Inforadio Sp. z o.o. after the transaction amounts to 66.1%.

In October 2005, the Company acquired 51% shares in **Regionalne Przedsiębiorstwo Związkowe Sp. z o.o.**, the broadcaster of radio program *94,5 Roxy FM* (RPZ Sp. z o.o.). As the result of the transaction, Agora owns 100% of the share capital of RPZ Sp. z o.o.

On 2 November 2005, the Company signed a conditional sale agreement of **Radio Lokalne Zielona Góra Sp. z o.o.** to Region Sp. z o.o., Cracow.

On 19 December 2005, Grupa Radiowa Agory Sp. z o.o. (Agora's subsidiary) acquired 15.8% shares in **KKK FM (90,4 Złote Przeboje)**.

As part of restructuring of Grupa Radiowa Agory Sp. z o.o. (GRA), the subsidiary of Agora S.A., the following transactions took place:

- In October 2005, the Company disposed of 49.0% of **Elita Sp. z o.o.** to GRA. After the transaction, Agora holds 51.0% of Elita.
- In October 2005, the Company disposed of 49.0% of **Radio Klakson Sp. z o.o.** to GRA. After the transaction, Agora holds 51.0% of Radio Klakson.
- In October 2005, Agencja Reklamowa Jowisz Sp. z o.o. (the subsidiary of GRA) disposed of 22.6% of **Twoje Radio Sp. z o.o.** After the transaction, GRA held 29.4% shares of Twoje Radio.
- In November 2005, the Company disposed of 50.0% of **City Radio Sp. z o.o.** to GRA. After the transaction, Agora holds 50.0% of City Radio.

## 2004

In January 2004, Agora increased its shareholding from 49% to 100% in **Radio Klakson Sp. z o.o.**, Wrocław.

In January 2004, Agora increased its shareholding from 27% to 100% in **Radio Wanda Sp. z o.o.**, Cracow.

In February 2004, Art Marketing Syndicate SA (AMS) and Clear Channel Poland Sp. z o.o. (CCP) founded a limited liability company under the business name **Polskie Badania Outdooru (PBO)**. AMS SA. held 51% of PBO share capital. The PBO's acts in the outdoor advertising research market in Poland.

In June 2004, Agora purchased a 48.51% stake in **Tres Sp. z o.o.**, Sieradz (*Radio Pabianice*).

In July 2004, the Company acquired 52% of **Multimedia Plus Sp. z o.o.**, Srem (*Rock Radio Wielkopolska*). After the transaction, Agora SA stake in the company's capital increased to 76%.

In December 2004, **Radio Klakson Sp. z o.o.**, Wrocław adopted a resolution on division of the company. As a result of the division, three companies were established: **Radio Klakson Sp. z o.o.**, Wrocław, **Radio Lokalne Zielona Góra Sp. z o.o.**, Zielona Góra, and **Lokalne Radio w Opolu Sp. z o.o.**, Opole. Agora SA holds 100% of shares in each of the three companies.

In December 2004, Art Marketing Syndicate sold the whole stake held in the company **IDM Serwis Sp. z o.o.**

In December 2004, Agora sold the magazine *Wiedza i Życie* to Proszynski Media Sp. z o.o..

## PAPER CONSUMPTION

The Group does not depend on a particular supplier. Paper and printing services are important cost items of the Group. Paper used for printing is purchased from several suppliers. In 2005, the value of transactions with any of the clients did not exceed 10% of the total revenue.

The increase of newsprint cost in 2006 was mainly affected by change in the quality of newsprint of *Gazeta Telewizyjna (TV Guide)*.

## Newsprint - GW

<i>In million PLN</i>	2002	2003	2004	2005	2006
Newsprint for <i>GW</i> purchased by Agora	119.0	98.4	110.8	102.8	<b>118.3</b>

# CHARTWATCH

