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*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

## OPINION OF THE INDEPENDENT AUDITOR

*To the General Shareholders' Meeting of Agora S.A.*

We have audited the accompanying unconsolidated financial statements of Agora S.A. seated in Warsaw, ul. Czerska 8/10 ("the Company"), which comprise the balance sheet as at 31 December 2008, with total assets and total liabilities and equity of PLN 1,399,495 thousand, the profit and loss account for the year then ended with a net profit of PLN 26,365 thousand, the statement of changes in equity for the year then ended with a decrease in equity of PLN 48,901 thousand, the cash flow statement for the year then ended with a decrease in cash amounting to PLN 63,107 thousand, and notes to the unconsolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these unconsolidated financial statements in accordance with International Financial Reporting Standards, as adopted by European Union and with other applicable regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility, based on our audit, is to express an opinion on these unconsolidated financial statements, and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2002, No. 76, item 694 with amendments) ("the Accounting Act"), the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the accounting records from which they are derived are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion, the accompanying unconsolidated financial statements of Agora S.A. have been prepared and present fairly in all material respects the financial position of the Company as at 31 December 2008 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's Statute that apply to the Company's unconsolidated financial statements and have been prepared from accounting records, that in all material respects have been properly maintained.

#### *Other Matters*

As required under the Accounting Act we also report that the Report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the unconsolidated financial statements.

*Signed on the Polish original*

.....  
Certified Auditor No. 90046/7419  
Marcin Domagała

*Signed on the Polish original*

.....  
For KPMG Audyt Sp. z o.o.  
ul. Chłodna 51; 00-867 Warsaw  
Certified Auditor No. 90046/7419  
Marcin Domagała,  
Member of the Management Board

10 April 2009  
Warsaw, Poland



**Agora S.A.**

**Report supplementing  
the auditor's opinion  
on the unconsolidated  
financial statements  
Financial Year ended  
31 December 2008**

The report supplementing the auditor's opinion  
contains 11 pages  
Report supplementing the auditor's opinion  
on the unconsolidated financial statements  
for the financial year ended  
31 December 2008



*Agora S.A.*

*Report supplementing the opinion on the unconsolidated financial statements  
for the financial year ended 31 December 2008*

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## Contents

1.	General	3
1.1.	General information about the Company	3
1.1.1.	Company name	3
1.1.2.	Registered office	3
1.1.3.	Registration in the National Court Register	3
1.1.4.	Tax Office and Provincial Statistical Office registration	3
1.2.	Auditor information	3
1.3.	Legal status	3
1.3.1.	Share capital	3
1.3.2.	Related parties	4
1.3.3.	Management of the Company	4
1.3.4.	Scope of activities	4
1.4.	Prior period financial statements	5
1.5.	Audit scope and responsibilities	5
2.	Financial analysis of the Company	7
2.1.	Summary of the unconsolidated financial statements	7
2.1.1.	Balance sheet	7
2.1.2.	Profit and loss account	8
2.1.3.	Selected financial ratios	9
2.2.	Interpretation of selected financial ratios	9
3.	Detailed report	10
3.1.	Proper operation of the accounting system	10
3.2.	Asset verification	10
3.3.	Notes to the unconsolidated financial statements	10
3.4.	Report on the Company's activities	10
3.5.	Information on the opinion of the independent auditor	11



## **1. General**

### **1.1. General information about the Company**

#### **1.1.1. Company name**

Agora S.A.

#### **1.1.2. Registered office**

ul. Czerna 8/10  
00-732 Warsaw

#### **1.1.3. Registration in the National Court Register**

Registration court: District Court for the Capital City Warsaw in Warsaw,  
XIII Commercial Department of the National Court Register  
Date: 7 November 2001  
Registration number: KRS 0000059944

#### **1.1.4. Tax Office and Provincial Statistical Office registration**

NIP number: 526-030-56-44  
REGON: 011559486

### **1.2. Auditor information**

Name: KPMG Audyt Sp. z o.o.  
Registered office: Warsaw  
Address: ul. Chłodna 51, 00-867 Warsaw  
Registration number: KRS 0000104753  
Registration court: District Court for the Capital City Warsaw in Warsaw,  
XII Commercial Department of the National Court  
Register  
Share capital: PLN 125,000  
NIP number: 526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of entities authorised to audit financial statements under number 458.

### **1.3. Legal status**

#### **1.3.1. Share capital**

The Company was established for an indefinite period under the terms of its Statute dated 11 March 1998.

The share capital of the Company amounted to PLN 54,977,535.00 as at 31 December 2008 divided into 54,977,535 ordinary shares with a nominal value of PLN 1.00 each.

As at 31 December 2008, the shareholder structure was as follows:

Name of the Shareholder	Number of shares	Voting rights (in %)	Book value of shares PLN'000	Percentage of share capital (in %)
Agora - Holding Sp. z o.o.	7,061,472	33.6%	7,061,472	12.8%
Julius Baer International Equity Fund	3,858,789	5.4%	3,858,789	7.0%
BZ WBK AIB Asset Management S.A.	14,454,410	20.0%	14,454,410	26.3%
Others	29,602,864	41.0%	29,602,864	53.9%
	54,977,535	100.0%	54,977,535	100.0%

Information on changes in the shareholder structure during 2008 and until the date of this report is included in the Report on the Company's activities, chapter V.B. point 2.

### 1.3.2. Related parties

The Company is a parent company of the Agora S.A. Group.

### 1.3.3. Management of the Company

The Management Board is responsible for management of the Company.

At 31 December 2008, the Management Board of the Company was comprised of the following members:

- Piotr Niemczycki – President of the Management Board
- Zbigniew Bąk – Vice President of the Management Board
- Tomasz Józefacki – Member of the Management Board

On 13 November 2008, Mr. Marek Sowa resigned from the post of the President of the Management Board and the Member of the Management Board. On the same day, Mr. Piotr Niemczycki was appointed the President of the Management Board, and Mr. Tomasz Józefacki was appointed the Member of the Management Board. On 28 November 2008, Mr. Jarosław Szaliński resigned from the post of the Vice President of the Management Board and the Member of the Management Board. On 8 January 2009, Mr. Grzegorz Kossakowski was appointed the Member of the Management Board.

### 1.3.4. Scope of activities

The business activities listed in the Company's Statute include the following:

- publishing of newspapers, books, periodical publications and other publishing activities,
- printing newspapers,
- other polygraph activity, not classified elsewhere,
- assembly of texts and manufacturing of printing boards,
- other services relating to polygraph activities,
- advertising activities,
- radio and television activity,
- issuing sound records,
- manufacturing of movies and video records.

#### **1.4. Prior period financial statements**

The unconsolidated financial statements for the period ended 31 December 2007 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion.

The unconsolidated financial statements were approved at the General Shareholders' Meeting on 20 June 2008 where it was resolved to allocate the profit for the prior financial year of PLN 78,500,209.86 as follows:

- PLN 27,488,767.50 to be paid as a dividend,
- PLN 51,011,442.36 to reserve capital.

The closing balances as at 31 December 2007 have been properly recorded as the opening balances of the audited year.

The unconsolidated financial statements were submitted to the Registry Court on 18 July 2008 and were published in Monitor Polski B No. 2155 on 23 December 2008.

#### **1.5. Audit scope and responsibilities**

This report was prepared for the General Shareholders' Meeting of Agora S.A. seated in Warsaw, ul. Czerna 8/10 and relates to the unconsolidated financial statements comprising: the balance sheet as at 31 December 2008, with total assets and total liabilities and equity of PLN 1,399,495 thousand, the profit and loss account for the year then ended with a net profit of PLN 26,365 thousand, the statement of changes in equity for the year then ended with a decrease in equity of PLN 48,901 thousand, the cash flow statement for the year then ended with a decrease in cash amounting to PLN 63,107 thousand, and notes to the unconsolidated financial statements.

The audited Company prepares its unconsolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the General Shareholders' Meeting dated 20 October 2004.

The unconsolidated financial statements have been audited in accordance with the contract dated 26 September 2008, concluded on the basis of the resolution of the Supervisory Board dated 25 September 2008 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the unconsolidated financial statements in the Company's head office during the period from 8 to 19 September 2008 (interim audit) and from 2 to 27 March 2009 (final audit).

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the unconsolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and with other applicable regulations.



Management of the Company and members of the Supervisory Board are obliged to ensure that the unconsolidated financial statements and the Report on the Company's activities are in compliance with the requirements set forth in the Accounting.

Our responsibility is to express an opinion, and to prepare a supplementing report, on the unconsolidated financial statements, and whether the unconsolidated financial statements are derived from properly maintained accounting records, based on our audit.

Management of the Company submitted a statement dated the same date as this report as to the true and fair presentation of the unconsolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the unconsolidated financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the unconsolidated financial statements of the Company fulfill independence requirements. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o.o.





## 2.1.2. Profit and loss account

	<b>1.01.2008 - 31.12.2008</b>	<b>% of total sales</b>	<b>1.01.2007 - 31.12.2007</b>	<b>% of total sales</b>
	<b>PLN '000</b>		<b>PLN '000</b>	
Revenue	997,225	100.0	1,034,568	100.0
Cost of sales	(508,904)	51.0	(556,827)	53.8
<b>Gross profit on sales</b>	<b>488,321</b>	<b>49.0</b>	<b>477,741</b>	<b>46.2</b>
Distribution expenses	(336,037)	33.7	(326,408)	31.6
Administrative expenses	(102,636)	10.3	(91,786)	8.9
Other operating income	10,770	1.1	12,759	1.2
Other operating expenses	(22,897)	2.3	(13,815)	1.3
<b>Results from operating activities</b>	<b>37,521</b>	<b>3.8</b>	<b>58,491</b>	<b>5.7</b>
Finance income	53,591	5.4	59,857	5.8
Finance expenses	(48,447)	4.9	(24,026)	2.3
<b>Profit before tax</b>	<b>42,665</b>	<b>4.3</b>	<b>94,322</b>	<b>9.1</b>
Income tax expense	(16,300)	1.6	(15,822)	1.5
<b>Profit for the period</b>	<b>26,365</b>	<b>2.6</b>	<b>78,500</b>	<b>7.6</b>
<b>Earnings per share (PLN)</b>	<b>0.49</b>		<b>1.43</b>	

### 2.1.3. Selected financial ratios

	2008	2007	2006
<b>1. Return on sales</b>			
$\frac{\text{profit for the period} \times 100\%}{\text{revenue}}$	2.6%	7.6%	negative value
<b>2. Return on equity</b>			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	2.6%	7.6%	negative value
<b>3. Debtors' days</b>			
$\frac{\text{average trade receivables (gross)} \times 365 \text{ days}}{\text{revenue}}$	62 days	57 days	63 days
<b>4. Debt ratio</b>			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	24.4%	23.3%	23.1%
<b>5. Current ratio</b>			
$\frac{\text{current assets}}{\text{current liabilities}}$	2.2	3.1	3.1

- Net revenues are comprised of the sale of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, excluding allowances for receivables.

## 2.2. Interpretation of selected financial ratios

### Return on sales and return on equity

Return on sales and return on equity decreased as compared to the prior year due to a decrease of the net profit. In the current period, the Company incurred higher distribution expenses and administrative expenses, accompanied by a decrease of revenues. Additionally, there was an increase of other operating expenses, related primarily to restructuring costs incurred in the fourth quarter of 2008, and an increase of finance expenses predominantly attributable to the impairment loss on the investment in Trader.com (Polska) Sp. z o.o., the Company's subsidiary.

### Debtors' days

Debtors' days worsened slightly as compared to the prior year.

### Debt ratio

Debt ratio remains at the level comparable to the prior year.

### Current ratio

The current ratio decreased in comparison to the prior year. However, it still remains relatively high.

### **3. Detailed report**

#### **3.1. Proper operation of the accounting system**

The Company maintains current documentation describing the applied accounting principles, adopted by the Management Board, to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system. Our assessment covered in particular:

- appropriateness and consistency of the accounting principles used,
- correctness of the documentation of business transactions,
- fairness, accuracy and verifiability of the books of account, including the matching of accounting entries with supporting documentation and the financial statements,
- compliance of the adopted policies relating to safeguarding of accounting records, books of account and the financial statements with the Accounting Act.

On the basis of the work performed we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

#### **3.2. Asset verification**

The Company performed a physical verification of assets in accordance with the requirements and time frame specified in Art. No. 26 of the Accounting Act. The following categories of assets were included in the verification:

- cash,
- inventories,
- trade receivables.

Count differences have been recorded in the period covered by the unconsolidated financial statements.

#### **3.3. Notes to the unconsolidated financial statements**

All information included in the notes to the unconsolidated financial statements is, in all material respects, presented accurately and completely. This information should be read in conjunction with the unconsolidated financial statements taken as a whole.

#### **3.4. Report on the Company's activities**

The Report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259), and the information is consistent with the unconsolidated financial statements.



### **3.5. Information on the opinion of the independent auditor**

Based on our audit of the unconsolidated financial statements as at and for the year ended 31 December 2008, we have issued an unqualified opinion.

*Signed on the Polish original*

.....  
Certified Auditor No. 90046/7419  
Marcin Domagała

*Signed on the Polish original*

.....  
For KPMG Audyt Sp. z o.o.  
ul. Chłodna 51; 00-867 Warsaw  
Certified Auditor No. 90046/7419  
Marcin Domagała,  
Member of the Management Board

10 April 2009  
Warsaw, Poland