AGORA GROUP
REPORT FOR THE THIRD QUARTER OF 2006
PRESENTED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS

TABLE OF CONTENTS

AGORA GROUP
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
OF THE COMPANY'S RESULTS FOR THE THIRD QUARTER OF 2006
PRESENTED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS

AGORA GROUP
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
OF THE COMPANY'S RESULTS FOR THE THIRD QUARTER OF 2006
PRESENTED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS

REVENUE PLN 834 MILLION, NET PROFIT PLN 17 MILLION, OPERATING EBITDA PLN 102 MILLION, OPERATING CASHFLOW PLN 100 MILLION, FREE CASH FLOW PLN 68 MILLION

Unless indicated otherwise, all data presented herein represent the period of January-September 2006, while comparisons refer to the same period of 2005. All data sources are presented in part IV of this MD&A.

Unless explicitly stated otherwise, advertising market data referred to herein are based on Agora's estimates adjusted for average discount rate and are stated in current prices. Given the discount pressure and advertising time and space sell-offs, these figures may not be fully reliable and will be adjusted in the consecutive reporting periods. 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 obtained from the following sources: AGB Polska monitoring, CR Media monitoring, EXPERT MONITOR monitoring, Agora SA monitoring, Izba Gospodarcza Reklamy Zewnetrznej monitoring.

In this MD&A Agora has corrected the advertising figures for 2005 and the previous years. The data referred to herein are based on the corrected estimates of the Company. Presented figures on TV ad spend in the third quarter of 2006 are based on Starlink media house estimates which substantially differed from the Company's initial estimates of this market segment in the third quarter.

I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP

- In the first three quarters of 2006 revenues of the Group amounted to PLN 834 million (down 4.4% yoy). Advertising sales reached PLN 544 million, revenues from copy sales PLN 132 million and book sales PLN 97 million.
- In the third quarter of 2006, advertising spending for all media was worse than the Group expected. Spending for TV came as the largest surprise. According to Starlink media house, during the period, TV grew revenues by merely 2%. Spending for dailies declined ca 1% yoy.
- In the third quarter of 2006 *Gazeta's* advertising sales were PLN 107 million and its share in total newspaper advertising spending stood at 40%.
- In the third quarter of 2006 *Gazeta* sold on average 421 thousand copies and recorded 19.8% readership reach. In September, after the vacation period, *Gazeta's* average number of copies sold reached 451 thousand.
- Executing its internet strategy, Agora launched another thematic vortal, *dom.gazeta.pl*. In October 2006, the Company revamped its services: *gazeta.pl* and *gazetawyborcza.pl.* Also since October, *Gazeta's* readers have an every day access to the paid e-version of the newspaper.

Wanda Rapaczynski, President of the Management Board said:

"The third quarter advertising market disappointed. Spending grew below expectations, due to two factors: deepening seasonality effect and frontloading of spending at the end of the second quarter, in time for the World Cup.
The good news is that the growing competition in the newspaper market did not undermine *Gazeta Wyborcza*'s position in readership and copy sales. This is of vital importance as *Gazeta*'s franchise is the foundation on which we are building new internet businesses such as recruitment vortal or real-estate service launched in September."

II. EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE GROUP

1. EXTERNAL FACTORS

1.1. Advertising market

Advertising spending in the third quarter of 2006 was below the Group's expectations. According to Agora's estimates, during this period, advertising spending grew only 2% yoy and reached PLN 1.25 billion. Such weak performance of the ad market reflects the high base in the third quarter of 2005 due to significant spending for political campaigns before elections (according to Agora's estimates, in the third quarter of 2005, election committees spent about PLN 50 million on advertising), deepening seasonality effect and frontloading of spending at the end of the second quarter due to the World Cup. In the period of July-September 2006, the largest beneficiaries of advertising revenue were television stations (PLN 0.6 billion), though - according to Starlink media house estimates - their saw only 2% growth rate over last year.

In the third quarter of 2006 print recorded merely 1% revenue growth. Advertisers spent 3% more in magazines and 1% less in dailies. Such weak results of the segment stem from decelerated performance of newspaper advertising in August 2006 (the decline reached 7%). The highest rate of decline was recorded by national dailies (around 4%). This was due to tough competition of TV, as well as significant decrease in retail and official announcement categories. In the third quarter of 2006 free dailies saw very dynamic growth rate (37%), including Agora's *Metro* (up 62%). During the period, the share of free newspapers in total newspaper advertising spending increased to almost 4%.

In the third quarter of 2006 spending for outdoor recorded a low 1% growth rate. The weakening trend stems from the high base effect in the third quarter of last year reflecting intensive electoral spending. In July-September 2006 radio grew revenues by 3%.

In total, during the first three quarters of 2006 advertising spending in Poland in all media reached PLN 4.25 billion and grew by PLN 370 million yoy (10%). According to Agora's estimates, almost 49% of all advertising budgets went to TV which grew its share in total ad spend by over 1pp. During the period, advertisers spent PLN 13 million more on newspapers, PLN 39 million more on outdoor and further PLN 37 million more on radio.

1.2. Copy sales and readership of newspapers

According to ZKDP, in April-September 2006 (after the entry of new Springer's title) *Gazeta* sold on average 435 thousand copies. During the same period, *Dziennik's* average paid circulation was nearly two times lower (223 thousand copies). This gap even deepened in September, after the vacation period. At that time, *Gazeta's* average number of copies sold reached 451 thousand, while that of *Dziennik* was 209 thousand.

In April-September 2006 *Gazeta's* weekly readership reach was 20.3% (6.1 million readers). Over the same period, *Dziennik* reached nearly three times fewer readers (i.e. 2.3 million or 7.7%). At the same time, *Fakt* had 19.5% reach, *Rzeczpospolita* 5.6%, *Super Express* 8.9%, and Agora's free newspaper *Metro* had 7.4% audience.

Free newspapers emerged into significant players in the readership market. In the third quarter of 2006, all free papers distributed from Monday to Friday had 7.9% readers.

2. INTERNAL FACTORS

2.1. Revenues from *Gazeta Wyborcza*'s paid circulation

Following the announcement of the cover price of the new Axel Springer's product, in April 2006 Agora made a decision to lower *Gazeta's* cover price to PLN 1.50 across the country. To ensure the most loyal readers an every day access to *Gazeta*, in February 2006, the Company launched the kiosk subscription of the newspaper at the price of PLN 1 per issue. This further decreased *Gazeta's* average cover price. As a result, in the third quarter of 2006 *Gazeta's* revenues from copies sold shrunk by PLN 21 million yoy (in January-September 2006 by PLN 50 million).

2.2. Book collections

In the third quarter of 2006 revenues from sales of book collections were PLN 17 million and grew by nearly 14% yoy. In January-September of 2006 book collections made PLN 97 million in revenues and PLN 4 million in operating profit.

In the first three quarters of 2006 12 collections (10 series and two one-off projects) sold 6.8 million books (including books with DVDs/CDs).

2.3. Marketing and promotion cost

In the first three quarters of 2006 total marketing and promotion cost of the Group reached PLN 142 million and constituted 17% of the Group's sales. Marketing and promotion expense of the newspaper segment (including promotion cost of *Gazeta*, *Metro*, book collections, internet and *Nowy Dzien*) amounted to PLN 125 million and grew by PLN 47 million yoy. This amount reflects the expense of book collections in the amount of PLN 40 million (PLN 13 million more than last year) which included CD and DVD production cost in the amount of PLN 20 million (since September 2005, production cost of CDs and DVDs sold in collections are treated as promotional expense).

Other marketing and promotional expense reflect intensive marketing activities for *Gazeta Wyborcza* carried out in the context of increased competition in the newspaper market, including image campaign and promotion of the newspaper in the points of sale, as well as start-up cost of *Nowy Dzien* (PLN 8 million).

2.4. Staff cost and headcount

In the third quarter of 2006, staff cost decreased PLN 0.3 million yoy. This decline reflects a PLN 3.6 million decrease in holiday leave provision in September 2006.

In January-September 2006 the Group's staff cost (less non-cash incentive compensation) was PLN 191 million and grew by almost PLN 18 million. This growth is attributable to *Nowy Dzien* operations in the first quarter of 2006, consolidation of more radio stations, as well as salary increases in some areas enforced by competitive situation.

The Group's headcount at the end of the third quarter of 2006 was 3,547 employees and declined by 57 FTEs as compared to the second quarter of 2006. This decline is mainly due to the execution of group lay-offs after the closure of *Nowy Dzien.*

Estimated total cost related to incentive plans to be booked in the Group's 2006 profit and loss account will be ca PLN 33 million. According to accounting principles, the fair value of certificates is established as at the grant date and is based on the market value of Agora's shares (discounted) at the grant date of the certificates. The cost of certificates already purchased by employees is not revised following the change in market value of Agora's shares. It should be noted that the above amount includes estimated cost of execution of incentive plan in 2006. The Company does not know the stock price of Agora's shares at that reporting period. The difference in the cost of incentive plans as compared to the Company's prevoius estimates stems from the fact that the current market value of Agora's shares (as at the date of publication of this report) has been taken to calculate the value of certificates which will be purchased by employees in the fourth quarter of 2006.

3. PROSPECTS

3.1. Advertising market

In spite of worse-than-expected ad market performance in the third quarter of 2006, its total growth in 2006 will not materially differ from the Company's expectations (around 10-11% growth yoy). Slight corrections in growth rates of different market segments after the weaker third quarter will not impact ad market trends or change its structure. According to Agora's estimates, dailies will record the slowest growth rate (up to ca 4%). The largest advertising budgets will go to TV, which will increase revenues by around 13%. Radio and outdoor are expected to grow by about 11%.

3.2. Increasing operating efficiency of the Group

On 19 September 2006 the Company announced its plan to increase efficiency of its operations. Implementation of the plan will entail a material reduction in the operating expense of the Group. The Company's objective is to reduce its 2007 cost base by ca PLN 35 million.

The goal of the plan is to make business processes more dynamic and flexible. Increasing operating efficiency of the Group calls for an alignment of the Company's employment level. The group lay-offs in Agora SA will affect up to 250 persons in the period 20 September-31 December 2006.

In the third quarter of 2006, the Company booked PLN 5.1 million of restructuring provisions (including PLN 3.4 million cost of severances).

3.3. Growth of the internet business

The Company significantly accelerated its growth in the internet area. Agora's primary objective is to expand scale and reach of its internet business.

Executing its internet strategy, the Company continues to launch thematic vortals. In March 2006, Agora's internet offer was enhanced with the recruitment vortal, *praca.gazeta.pl.* The service leverages *Gazeta's* strong position in recruitment advertising. Since September 2006, *gazeta.pl* users have access to a new real-estate vortal, *dom.gazeta.pl.* The service includes primary market offers in Warsaw and the seven largest cities. Shortly, it will be enriched by the secondary market offers. According to Agora's estimates, *dom.gazeta.pl* is the second largest real-estate service of this type in the Polish internet.

In October 2006, the Company re-launched *gazetawyborcza.pl* service. Along with content and functionality enhancements, the service offers e-version of *Gazeta Wyborcza* at PLN 1.50 per issue and PLN 35 per monthly subscription.

Agora will continue to implement its internet strategy. Along with protection of revenues from key advertising categories and leveraging key assets for the internet, the Company is working on building new internet-based businesses. The Company's growth in the internet area may be executed through both organic projects and acquisitions.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The consolidated financial statements of the Agora Group for the third quarter of 2006 include Agora SA, Agora Poligrafia Sp. z o.o., Art Marketing Syndicate SA Group (AMS Group), Agora TC and 25 subsidiary and associated companies of the radio business. Detailed list of companies of the Agora Group is presented in the note to the financial statements.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 1

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Sales	245.2	257.0	(4.6%)	834.3	872.9	(4.4%)
Advertising	171.9	165.6	3.8%	543.9	515.5	5.5%
Copy sales	37.6	57.7	(34.8%)	137.4	177.4	(22.5%)
Other	35.7	33.7	5.9%	153.0	180.0	(15.0%)
Operating cost net, incl.:	(239.4)	(226.4)	5.7%	(815.4)	(734.4)	11.0%
Raw materials, energy and consumables	(50.9)	(52.7)	(3.4%)	(184.3)	(206.2)	(10.6%)
D&A	(18.8)	(23.4)	(19.7%)	(56.9)	(71.0)	(19.9%)
Staff cost (2)	(58.8)	(59.1)	(0.5%)	(191.3)	(173.5)	10.3%
Non-cash expense relating to share-based payments	(3.7)	-	-	(24.8)	-	-
Promotion and marketing	(38.1)	(29.8)	27.9%	(141.9)	(96.0)	47.8%
Restructuring (3)	(5.1)	-	-	(5.1)	-	-
Operating profit - EBIT	5.8	30.6	(81.0%)	18.9	138.5	(86.4%)
Finance cost, net, incl.:	3.2	1.7	88.2%	5.2	5.0	4.0%
Revenue from short-term investment	5.2	3.9	33.3%	10.5	11.6	(9.5%)
Interest on loans and similar costs	(1.6)	(1.9)	(15.8%)	(5.0)	(7.2)	(30.6%)
Allowance for losses on investment, net	-	-	-	-	(0.9)	-
Share of results of associates	(0.1)	-	-	-	(0.1)	-
Profit before income tax	8.9	32.3	(72.4%)	24.1	143.4	(83.2%)
Income tax expense (1)	(1.5)	(6.9)	(78.3%)	(7.5)	(26.2)	(71.4%)
Net profit for the period	7.4	25.4	(70.9%)	16.6	117.2	(85.8%)
Attributable to:						
Equity holders of the parent	7.7	25.6	(69.9%)	17.4	118.2	(85.3%)
Minority interest	(0.3)	(0.2)	50.0%	(0.8)	(1.0)	(20.0%)
	7.4	25.4	(70.9%)	16.6	117.2	(85.8%)
EBIT margin (EBIT/Sales)	2.4%	11.9%	(9.5pp)	2.3%	15.9%	(13.6pp)
EBITDA	24.4	53.6	(54.5%)	75.3	208.4	(63.9%)
EBITDA margin (EBITDA/Sales)	10.0%	20.9%	(10.9pp)	9.0%	23.9%	(14.9pp)
Operating EBITDA (2)	29.7	53.6	(44.6%)	101.7	208.4	(51.2%)
Operating EBITDA margin (Operating EBITDA/Sales)	12.1%	20.9%	(8.8pp)	12.2%	23.9%	(11.7pp)
EBIT excluding *Nowy Dzien* and cost of share-based payments	10.1	30.6	(67.0%)	64.5	138.5	(53.4%)

(1) following changes described in note 2 of the financial statements, the comparative figures were restated.

(2) excluding non-cash cost of share-based payments.
(3) including non-cash expense related to share-based payments in the amount of PLN 1.6 million.

Major products and services, as well as operating revenue and cost of the Agora Group are presented in detail in part IV of this MD&A ("Operating review – major lines of business of the Agora Group").

Agora's business lines operating contribution to the Group's financials is presented in the underneath table (see 2.1.).

2.1. Financial results presented according to major lines of business of the Agora Group for the first three quarters of 2006

Tab. 2

in PLN million	Newspapers and Internet (1)	Magazines	Outdoor	Radio	Company's headquarters, New Business Development division	Elimina-tions	Total (consoli-dated) I-III 2006
Total sales	629.4	70.4	106.6	46.6	-	(18.7)	834.3
% Share	75.4%	8.4%	12.8%	5.6%	-	(2.2%)	100.0%
Total operating cost	(616.6)	(64.5)	(90.5)	(54.5)	(7.4)	18.1	(815.4)
EBIT	12.8	5.9	16.1	(7.9)	(7.4)	(0.6)	18.9
Finance cost, net							5.2
Share of results of associates							-
Income tax expense							(7.5)
Net profit							16.6
Attributable to:							
Equity holders of the parent							17.4
Minority interest							(0.8)
EBITDA	52.6	6.1	23.8	(5.7)	(1.1)	(0.4)	75.3
Operating EBITDA (2)	75.0	6.9	25.0	(4.0)	(0.7)	(0.5)	101.7
CAPEX	(6.8)	(0.6)	(19.9)	(0.8)	(0.0)	-	(28.1)

(1) the majority of overhead cost is included in "Newspapers and Internet" line of business.
(2) excluding non-cash cost of share-based payments.

2.2. Finance cost, net

Lower revenue from short-term investments reflects lower interest rates.

Decrease of interest of bank credits and loans results from lower interest rates. In addition, in the first quarter of 2005 the Group incurred cost of the extension of the bank credit.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 3

in PLN million	30/09/2006	30/06/2006	% change to 30/06/2006	31/12/2005	30/09/2005
Non-current assets	984.2	983.2	0.1%	1,001.2	1,010.2
share in balance sheet total	*65.5%*	*64.6%*	*0.9pp*	*66.6%*	*66.3%*
Current assets	518.0	539.3	(3.9%)	502.8	514.0
share in balance sheet total	*34.5%*	*35.4%*	*(0.9pp)*	*33.4%*	*33.7%*
TOTAL ASSETS	1,502.2	1,522.5	(1.3%)	1,504.0	1,524.2
Equity attributable to equity holders of the parent	1,139.9	1,128.6	1.0%	1,125.4	1,164.2
share in balance sheet total	*75.9%*	*74.1%*	*1.8pp*	*74.8%*	*76.5%*
Minority interest	(0.5)	(0.4)	25.0%	(0.2)	(0.5)
share in balance sheet total	-	-	-	-	-
Non-current liabilities and provisions	178.7	186.1	(4.0%)	200.3	198.6
share in balance sheet total	*11.9%*	*12.2%*	*(0.3pp)*	*13.3%*	*12.9%*
Current liabilities and provisions	184.1	208.2	(11.6%)	178.5	161.9
share in balance sheet total	*12.2%*	*13.7%*	*(1.5pp)*	*11.9%*	*10.6%*
TOTAL EQUITY AND LIABILITIES	1,502.2	1,522.5	(1.3%)	1,504.0	1,524.2

Following the changes described in note 2 of the financial statements, the comparative figures were restated.

3.1. Non-current assets

The change in the balance of non-current assets versus 30 June 2006 was due to the increase in deferred tax asset and the depreciation of tangible fixed assets and amortization of intangible fixed assets.

3.2. Current assets

The decrease of current assets versus 30 June 2006 was due to the decrease of cash and short-term securities (in September 2006 the Group paid out dividend).

3.3. Non-current liabilities and provisions

The decrease of non-current liabilities versus 30 June 2006 is caused mainly by the reclassification of bank loan in the amount of PLN 8.7 million as at 30 September 2006 from non-current to current part.

3.4. Current liabilities and provisions

The decrease of current liabilities and provisions versus 30 June 2006 results mainly from dividend payout, the increase in short-term borrowings as a result of the above re-classification, as well as restructuring provision set in the third quarter of 2006.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 4

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Net cash from operating activities	28.2	75.1	(62.5%)	100.0	203.3	(50.8%)
Net cash from investment activities	42.2	(9.0)	-	2.8	(86.8)	-
Net cash from financing activities	(29.1)	(85.7)	(66.0%)	(32.5)	(91.9)	(64.6%)
Total movement of cash and cash equivalents	41.3	(19.6)	-	70.3	24.6	185.8%
Cash and cash equivalents at the end of period	260.0	252.0	3.2%	260.0	252.0	3.2%

Following the changes described in note 2 of the financial statements, the comparative figures were restated.

As at 30 September 2006, the Agora Group had PLN 301.8 million in cash and in short-term monetary assets, of which PLN 260.0 million was in cash and cash equivalents and PLN 41.8 million in short-term safe and liquid monetary assets.

Considering the cash position and the available loan facility (PLN 500 million less the drawing of PLN 139.5 million), the Agora Group does not anticipate any liquidity problems with regards to its further investment plans.

4.1. Operating activities

Net cash from operating activities declined in the third quarter of 2006 yoy as a results of higher marketing and promotion cost and the reduction of *Gazeta's* cover price.

4.2. Investment activities

Net inflow from investing activities in the third quarter of 2006 results from sales of short-term securities (investment of free cash). During the same period of the previous year the balance was negative. Also, in the third quarter of 2006 the Company sold shares and borrowings of Radio Mazowsze Sp. z. o.o.

4.3. Financing activities

In the third quarter of 2006 net cash from financing activities mainly included a dividend payout of PLN 27.5 million.

5. SELECTED FINANCIAL RATIOS *[4]*

Tab. 5

	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Profitability ratios						
Net profit margin	3.2%	10.0%	(6.8pp)	2.1%	13.5%	(11.4pp)
Gross profit margin	38.6%	44.9%	(6.3pp)	40.4%	45.4%	(5.0pp)
Return on equity	2.7%	8.7%	(6.0pp)	2.0%	13.7%	(11.7pp)
Efficiency ratios						
Inventory turnover	10 days	10 days	-	10 days	10 days	-
Debtors days	73 days	69 days	5.8%	66 days	55 days	20.0%
Creditors days	36 days	39 days	(7.7%)	40 days	32 days	25.0%
Liquidity ratio						
Current ratio	2.8	3.2	(12.5%)	2.8	3.2	(12.5%)
Financing ratios						
Gearing ratio (1)	-	-	-	-	-	-
Interest cover	1.8	16.3	(89.0%)	3.9	21.4	(81.8%)
Free cash flow interest cover	4.2	32.3	(87.0%)	13.9	26.9	(48.3%)

(1) as at 30 September 2006 and 30 September 2005 the Group had net cash position.

Definitions of financial ratios *[4]* are presented at the end of part IV of this MD&A *("Operating review – major lines of business of the Agora Group").*

IV. OPERATING REVIEW - MAJOR LINES OF BUSINESS OF THE AGORA GROUP

IV.A. NEWSPAPERS AND INTERNET

Tab. 6

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Total sales	176.8	194.2	(9.0%)	629.4	679.8	(7.4%)
Copy sales	25.7	47.1	(45.4%)	99.7	144.6	(31.1%)
incl. *Gazeta Wyborcza*	*25.7*	*47.1*	*(45.4%)*	*94.5*	*144.5*	*(34.6%)*
Advertising revenue	114.9	112.8	1.9%	372.5	355.8	4.7%
incl. *Gazeta Wyborcza*	*106.5*	*107.4*	*(0.8%)*	*347.5*	*340.0*	*2.2%*
Book collections	17.3	15.2	13.8%	97.1	127.2	(23.7%)
Other revenue	18.9	19.1	(1.0%)	60.1	52.2	15.1%
Total operating cost, including	(173.2)	(160.8)	7.7%	(616.6)	(538.8)	14.4%
Raw materials, energy, consumables and printing services	(59.2)	(54.9)	7.8%	(211.4)	(214.6)	(1.5%)
Staff cost (1)	(43.2)	(43.6)	(0.9%)	(143.4)	(129.7)	10.6%
Non-cash expense relating to share-based payments	(3.1)	-	-	(20.8)	-	-
D&A	(12.8)	(15.7)	(18.5%)	(39.8)	(47.7)	(16.6%)
Promotion and marketing (2) (3)	(30.5)	(25.3)	20.6%	(125.3)	(78.8)	59.0%
Restructuring (4)	(4.7)	-	-	(4.7)	-	-
EBIT	3.6	33.4	(89.2%)	12.8	141.0	(90.9%)
EBIT margin	2.0%	17.2%	(15.2pp)	2.0%	20.7%	(18.7pp)
EBITDA	16.4	49.1	(66.6%)	52.6	188.7	(72.1%)
EBITDA margin	9.3%	25.3%	(16.0pp)	8.4%	27.8%	(19.4pp)
Operating EBITDA (1)	21.1	49.1	(57.0%)	75.0	188.7	(60.3%)
Operating EBITDA margin	11.9%	25.3%	(13.4pp)	11.9%	27.8%	(15.9pp)

(1) *excluding non-cash cost of share-based payments.*

(2) *the amounts do not include the revenue and the total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation.*

(3) *the figures include start-up cost of new collections (the free-of-charge volume and initial high promotion cost in media).*

(4) *including non-cash expense related to share-based payments in the amount of PLN 1.6 million.*

(5) *the majority of overhead cost is included in "Newspapers and Internet" line of business.*

1. GAZETA WYBORCZA

1.1. Revenue

1.1.1. Copy sales

In the third quarter of 2006, average paid circulation of *Gazeta Wyborcza* fell by 4% yoy to 421 thousand copies. The decrease by and large stems from the very high base in 2005. Last year *Gazeta's* sales were boosted by extremely popular series *Nasz Papiez* (Pope Chronicles). In the third quarter of 2004 average paid circulation was 415 thousand.

In the third quarter of 2006 *Gazeta's* Friday edition significantly grew copy sales (by over 70 thousand copies as compared to last year). The improved layout of *Gazeta Telewizyjna* (TV Guide) printed on coated paper since March 2006, was warmly received by the readers. In its annual report on the newspaper market the specialist weekly *Media & Marketing Polska* named *Gazeta Telewizyjna* the TV Guide of the Year.

In the third quarter of 2006 *Gazeta* posted good readership results. During the period, the newspaper had 6.0 million readers (19.8% weekly reach) of whom 46% were university graduates, 46% lived in cities over 100 thousand inhabitants and 61% were under 45 years of age.

Particularly pleasing are readership results of *Gazeta*'s magazine supplements printed on coated paper. *Gazeta Telewizyjna* had 3.0 million readers (10.1% weekly readership), while *Wysokie Obcasy* had 2.8 million readers (9.3% weekly readership). After the image campaign, in September the magazine's page-count reached a record of 88 pages.

1.1.2. Advertising sales

In the third quarter of 2006, *Gazeta*'s net advertising revenue (including display advertising, classifieds and inserts) decreased by 0.8%.

In the third quarter of 2006, *Gazeta*'s share in display advertising in national, Warsaw and local dailies (including paid and free newspapers) stood at about 40% and was down only 1pp as compared to last year, new competitor and dynamic growth of free press notwithstanding.

Gazeta's share in national display advertising was about 42%. In the third quarter of 2006 ad spend for national dailies decreased by 4%. This suggests that the entry of the new daily did not increase share of national newspapers in total ad spend. The fastest growing newspaper segment was free dailies, including Agora's *Metro.*

In the third quarter of 2006 *Gazeta Wyborcza's* share in Warsaw display advertising market (excluding classifieds, inserts and obituaries) decreased by ca 3pp yoy. Agora's share in the third quarter of 2006 reached 68% in Warsaw. *Gazeta Wyborcza* increased its share in local display advertising market (outside Warsaw) by ca 3pp.

In September 2006 *Gazeta* introduced "memosticks" - another (following "wings") innovative advertising tool. A"memostick" is a small piece of paper (72x73 mm) which is automatically sticked on the first page of the main issue of *Gazeta Wyborcza* as well on the first pages of its supplements (also during night shifts). Only Agora's printing plants offer such service in such a scale.

In the third quarter of 2006, together with the launch of *dom.gazeta.pl,* the advertisers received another two-media offer combining a daily with the internet (previously the company launched *praca.gazeta.pl*). Combined with the re-launched supplement *Dom (Home*) and the newly launched monthly *Warszawskie Domy, Mieszkania, Dzialki (Houses, Flats and Plots in Warsaw)* in September, the new internet offer constitutes one of the elements of *Gazeta's* broader strategy in the real-estate area.

In the third quarter of 2006, share of ad pages in the total pagecount of *Gazeta* amounted to over 41%, while the average number of ad pages published daily in all local and national editions amounted to ca 271.

1.1.3. Book collections

Tab. 7

	I Q 2005	II Q 2005	III Q 2005	IV Q 2005	I Q 2006	II Q 2006	III Q 2006
Revenue from book collections	63.0	49.0	15.2	53.6	51.7	28.1	17.3

In the third quarter of 2006 the Company run six publishing projects – five collections and a one one-off publication. Two of the series were completed, one project continued and three new projects commenced.

In August 2006, Agora concluded sale of the movie collection. The project started in February and consisted of 30-volume movie collection on DVDs. In September the last, sixteenth volume of *Illustrated Encyclopedia for the Whole Family* hit the news stands.

In the third quarter of 2006 Agora continued sale of 25-volume rock'n'roll music collection *Stars, idols, hits* (the series were recommended jointly by *Gazeta Wyborcza* and *Golden Oldies* radio station).

In September two new collections started: *School Literature* and *Great Encyclopedic Atlas of the World.* Each set of the 25-volume collection contains a description of the literary work and its cinema adaptation on DVD.

The series is available every Wednesday at PLN 19.99 plus the price of *Gazeta Wyborcza*. The second project – *Great Encyclopedic Atlas of the World* constitutes a collection of 18 volumes which combines the elements of an atlas, encyclopedia and a travel guide. Subsequent volumes are available every Thursday with *Gazeta Wyborcza* at PLN 24.90 plus the price of the newspaper. Another, one-off project run in September was a publication directed to football funs.

Three collections introduced at the end of the third quarter of 2006 significantly affected the project's financial results.

1.1.4. Other revenues

In the third quarter of 2006 the Group recorded a 1.4% growth in sales of printing services (more purchase orders from external clients).

1.2. Cost of production of *Gazeta Wyborcza* (newsprint and printing services)

Tab. 8

Cost of production of *Gazeta Wyborcza* in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Fixed cost	14.2	14.9	(4.7%)	42.3	47.1	(10.2%)
incl. D&A	7.3	8.8	(17.0%)	21.1	27.7	(23.8%)
Variable cost	36.8	29.8	23.5%	110.0	93.9	17.1%
incl. newsprint	29.4	24.4	20.6%	88.2	77.3	14.1%
TOTAL fixed and variable cost	51.0	44.7	14.1%	152.3	141.0	8.0%

The decrease of fixed cost of production *of Gazeta Wyborcza*'s in the third quarter of 2006 results mainly from the change of the depreciation cost due to review of the depreciation rates.

1.2.1. Newsprint and printing services

The increase of newsprint cost and cost of printing services in the third quarter of 2006 was mainly affected by change in newsprint quality of *Gazeta Telewizyjna* (TV Guide) and the shift of its production to external printing plants.

2. FREE PRESS

Metro is the largest free daily newspaper distributed in Poland (from Monday to Friday). It leads in readership rates in the free newspaper market and is one of the most-widely read national newspapers. In the third quarter of 2006, the newspaper had 2.0 million readers, whereas *Metropol* reached 1.1 million readers and *Rzeczpospolita* 1.6 million. In cities over 500 thousand inhabitants (important advertising and readership markets) *Metro's* readership stood at 24.9%, while that of *Fakt* was 18.9%. *Gazeta,* which is the most-widely read national newspaper in large cities, had 37.9% audience. In the third quarter of 2006 free newspapers sold 37% more advertising than last year, while *Metro* increased ad sales by 62%. During the same period, *Metro's* share in the newspaper display advertising market reached 2%.

During the International Publication Design Contest, *Metro* received the Bronze Chimera for its afternoon front cover of 7 July 2005 devoted the bomb attacks in London.

On 16 October 2006 *Metro* received a new layout. The newspaper has more news and its layout is now more transparent and easier to navigate. The changes were supported with advertising campaign designed to attract more readers and advertisers.

3. *NOWY DZIEN*

In the first three quarters of 2006 N*owy Dzien* depressed the results of the Newspapers and Internet line of business by PLN 19.2 million.

4. INTERNET *[5]*

In August 2006 the portal's reach among Polish internet users was 35.1%. *Gazeta.pl* number of users grew by 46.6% to 4.5 million. In August 2006 the number of page views from the territory of Poland amounted to 353.0 million (17.2% more than last year).

In the period of July-September of 2006 *Gazeta.pl* reported positive EBITDA (excluding vortals). Advertising revenues grew solidly (52.9% increase over last year excluding classifieds) and amounted to PLN 3.1 million.

In the third quarter of 2006 *Gazeta.pl* focused on development of its growth strategy through product and advertising offer enhancement. In September of 2006 the portal was enriched with a new real-estate service, *dom.gazeta.pl*. The vortal's unique content ranges from the description of the developer, through articles and photo galleries to expert opinions and discussion forums. The new vortal has an extensive database on home construction and a new search engine.

Also in September, Agora re-launched a re-designed and enhanced recruitment vortal, *praca.gazeta.pl*. The most significant changes included: better functionality and layout, improved search engine and more transparent categorization of ads. We also added a new section devoted to work abroad, *Praca za granica,* which offers advertising content from 20 countries.

According to Megapanel PBI/Gemius, in August 2006, Agora's recruitment service was ranked first most-widely used recruitment service in the Polish internet. According to the Company's estimates, Agora's real-estate vortal is the second largest service of this type in the Polish internet.

Starting 9 October 2006, Agora's portal received a new home page. It has enhanced and modern layout with more pictures and an easy-to-operate user interface.

On 17 October 2006 Agora launched a new internet service of *Gazeta - gazetawyborcza.pl*. The service's attraction is the e-version of *Gazeta Wyborcza*. The digital edition of *Gazeta* is based on one of the most advanced technologies in the world. Readers of the e-version simply use the internet browser to access the complete edition of the newspaper. They can also access texts in the audio format. The e-version of *Gazeta* is available at the retail price of PLN 1.50 per issue and in subscriptions.

IV.B. THE MAGAZINES

In the third quarter of 2006, the top titles of the group sold more copies than last year. Average copy sales of the monthly *Poradnik Domowy* reached 435 thousand and were over 53% higher than last year. *Avanti, Ladny Dom, Kwietnik* and *Dziecko* recorded 5%, 5%, 7% and 16% growth rates, respectively. Copy sales results of *Logo* are promising as well. In March, the magazine changed into a monthly. In the third quarter of 2006 its paid circulation exceeded 67 thousand copies.

During *Media & Marketing Polska* Media Trends 2006, *Logo* received the Debut of the Year commendation and was awarded the Bronze Chimera in the International Publication Design Contest.

Tab. 9

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Total sales, including	23.3	22.5	3.6%	70.4	68.2	3.2%
Copy sales	10.7	10.1	5.9%	32.2	32.4	(0.6%)
Advertising revenue	12.4	12.4	-	37.9	35.7	6.2%
Total operating cost, including	(20.2)	(19.2)	5.2%	(64.5)	(63.2)	2.1%
Raw materials, energy, consumables and printing services	(7.5)	(7.4)	1.4%	(23.8)	(23.8)	-
Staff cost (1)	(4.7)	(4.4)	6.8%	(14.6)	(13.6)	7.4%
Non-cash expense relating to share-based payments	(0.1)	-	-	(0.8)	-	-
D&A	(0.1)	(0.1)	-	(0.2)	(0.2)	-
Promotion and marketing (2)	(6.1)	(5.8)	5.2%	(20.1)	(20.6)	(2.4%)
Restructuring	(0.4)	-	-	(0.4)	-	-
EBIT	3.1	3.3	(6.1%)	5.9	5.0	18.0%
EBIT margin	13.3%	14.7%	(1.4pp)	8.4%	7.3%	1.1pp
EBITDA	3.2	3.4	(5.9%)	6.1	5.2	17.3%
EBITDA margin	13.7%	15.1%	(1.4pp)	8.7%	7.6%	1.1pp
Operating EBITDA (1)	3.3	3.4	(2.0%)	6.9	5.2	33.3%
Operating EBITDA margin	14.3%	15.1%	(0.8pp)	9.8%	7.6%	2.2pp

(1) *excluding non-cash cost of share-based payments.*

(2) *the amounts do not include revenues and the total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation.*

1. REVENUE

1.1. Copy sales

Tab. 10

	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Average copy sales (in thousand of copies)	1,030.0	841.6	22.4%	1,061.0	968.8	9.5%

The increase of revenue from copy sales in the third quarter of 2006 reflects better paid circulation results of particular titles.

1.2. Advertising sales

In the third quarter of 2006 advertising sales remained flat yoy.

In the third quarter of 2006, magazines reached 6.6% share in the magazine advertising market (up ca 0.8 pp).

2. COST

Increase in operating cost results mainly from change of *Logo*'s publication schedule, as well as the restructuring provision recognized.

IV.C. OUTDOOR (AMS GROUP)

Tab. 11

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Total sales, including: (1)	33.8	34.1	(0.9%)	106.6	102.4	4.1%
Advertising revenue	33.3	34.1	(2.3%)	105.9	102.3	3.5%
Total operating cost, including:	(30.7)	(32.0)	(4.1%)	(90.5)	(92.0)	(1.6%)
Execution of campaigns	(6.8)	(6.4)	6.3%	(19.9)	(17.1)	16.4%
Maintenance cost	(14.5)	(14.5)	-	(42.1)	(41.9)	0.5%
Staff cost (2)	(4.0)	(3.9)	2.6%	(12.4)	(12.2)	1.6%
Non-cash expense relating to share-based payments	(0.2)	-	-	(1.2)	-	-
Promotion and marketing	(1.9)	(1.0)	90.0%	(5.3)	(2.8)	89.3%
D&A	(2.9)	(4.3)	(32.6%)	(8.2)	(13.2)	(37.9%)
Other operating revenue /(cost) net	1.5	0.7	114.3%	3.5	3.2	9.4%
EBIT	3.1	2.1	47.6%	16.1	10.4	54.8%
EBIT margin	9.2%	6.2%	3.0pp	15.1%	10.2%	4.9pp
EBITDA	5.8	6.1	(4.9%)	23.8	22.5	5.8%
EBITDA margin	17.2%	17.9%	(0.7pp)	22.3%	22.0%	0.3pp
Operating EBITDA (2)	6.0	6.1	(1.6%)	25.0	22.5	11.1%
Operating EBITDA margin	17.8%	17.9%	(0.1pp)	23.5%	22.0%	1.5pp
Number of advertising faces (3)	24,184	23,712	2.0%	24,184	23,712	2.0%

(1) the amounts do not include the revenue and direct and variable costs of cross-promotion of Agora's other media on AMS panels if such promotion was executed without prior reservation.

(2) excluding non-cash cost of share-based payments.

(3) excluding 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.

1. REVENUE

In the third quarter of 2006, the outdoor market saw significantly weaker growth rate yoy. This was due to the high base in the third quarter of 2005 (significant advertising budgets for election campaigns). Advertising revenues of AMS followed the above trend.

In the third quarter of 2006, estimated share of AMS in the outdoor advertising market (excluding advertising described in the footnote no 1, beneath the above table *[6])* stood at 25.3% (1.0pp down yoy). In the first three quarters of 2006, the company's share was 26.1% (2.1% down yoy).

2. COST

Growth of promotion and marketing costs in the third quarter of 2006 stems from the increase in the number of social-marketing campaigns.

Decrease of depreciation and amortization costs in the third quarter of 2006 is a consequence of change of amortization rates for large format panels.

Better result on other operating activities reflected revenues from sale of the company's shares in the right of perpetual usufruct in Poznan.

3. IMPORTANT EVENTS

In September 2006 AMS signed an agreement for the panel exchange with Jet Line. AMS will sell to Jet Line 17 sites of frontlight panels (12x4 meters format) located nearby highways while it will buy 17 sites of backlight panels (6x3 meters format) located in Warsaw.

In the third quarter of 2006 AMS was preparing the first stage of the investment project to build a new system of exclusive, lit scrolling panels (9 square meters). Due to the poster scroll mechanism this tool displays three images on the same panel. These elegant panels have a city furniture character and are located in the city centers. The panels will be located at the city centers or adjacent to major street crossings and important routes into the cities. Carefully selected sites guarantee high levels of pedestrian and street traffic slowed down by traffic lights and other speed limits. First construction works commenced in October. The first stage assumes installation of 200 scrolling display panels (600 exposure faces). Scrolling display panels are premium segment advertising tools.

In October AMS finished the first in Poland project of city furniture. The shopping arcade in Wroclaw was arranged with a set of benches, flowerbeds and original, modernly-designed litter bins. The Citylight poster panels and the lit poster pillar next to the entry street were placed between them. The satellite-driven clocks enhanced two Citylight panels. Through this project AMS became the first Polish outdoor company to design urban areas in a citizen-friendly manner which delivers benefits to both, city itself and the company.

Since September AMS has been using a brand new information tool – the *AMS TOProfiler (Target Objects Profiler)* which helps target an outdoor advertising campaign. *AMS TOProfiler* combines the local database on target groups' location areas with the reservation system of the outdoor operator. Profiled campaigns are more effective in reaching proper target groups than traditional methods used by AMS's competitors.

IV.D. RADIO

Agora's radio group consists of 18 *Golden Oldies* (*Zlote Przeboje)* radio stations, six rock radio stations (*Radio Roxy FM)* and a superregional news radio *TOK FM* broadcasting in nine cities. Grupa Radiowa Agory includes a few local stations which play in AC format (Adult Contemporary).

1. LOCAL RADIO STATIONS

In the third quarter of 2006 local radio stations again improved financial results: EBITDA (excluding non-cash expense related to share-based payments) was a negative of PLN 0.2 million (up 91% yoy), while revenues grew 8.6% yoy.

In the third quarter of 2006 radio *Roxy FM*, which began operations in October and November 2005, delivered 5.4% audience reach in its target group *[7]*. In the period of January-September 2006 promotion and marketing costs of introducing a new band in the market amounted to PLN 5.7 million (excluding promotion costs on AMS panels if such promotion was executed without prior reservation on space which was not sold to external clients).
In the third quarter of 2006 ad sales of *Roxy FM* radiostations grew by 41.2% yoy (up 11.5% yoy in the period of January-September).

In the third quarter of 2006, restructuring of Grupa Radiowa Agora Sp. z o.o.'s radiostations portfolio was continued. It included the following transactions:

- on 24 August 2006 Agora bought shares in Biuro Radiowe Obslugi Sp. z o.o., Multimedia Plus Sp. z o.o. (*Roxy FM*), Jan Babczyszyn Radio Jazz FM (*Zlote Przeboje*); after these transactions Agora is the only shareholder of the abovementioned companies;
- on 2 August 2006 Agora sold shares of Radio Mazowsze Sp. z o.o. with its seat in Lomianki.

Also, in July 2006 Biuro Obslugi Radiowej Sp. z o.o. and Partytura Sp. z o.o. (radio *Kiss FM* in Poznan) unbound the operating contracts.

The data presented below is the sum of financials of local radio stations and Radio Division consolidated pro forma. The data below excludes the financials of *TOK FM*, described separately in point 2.

Tab. 12

in PLN million	III Q 2006	III Q 2005	% change yoy	I-III Q 2006	I-III Q 2005	% change yoy
Total sales, including:	13.9	12.8	8.6%	45.3	39.2	15.6%
Advertising revenue (1)	13.1	12.4	5.6%	43.0	37.6	14.4%
Total operating cost, including:	(15.0)	(15.7)	(4.5%)	(51.2)	(43.8)	16.9%
Staff cost (2)	(6.2)	(6.7)	(7.5%)	(19.5)	(19.2)	1.6%
Non-cash expense relating to share-based payments	(0.3)	-	-	(1.7)	-	-
Licenses, rental and telecommunication costs	(1.8)	(1.9)	(5.3%)	(5.7)	(5.9)	(3.4%)
D&A	(0.6)	(0.7)	(14.3%)	(2.0)	(2.1)	(4.8%)
Promotion and marketing (3)	(2.8)	(4.1)	(31.7%)	(12.3)	(10.0)	23.0%
EBIT	(1.1)	(2.9)	62.1%	(5.9)	(4.6)	(28.3%)
EBIT margin	(7.9%)	(22.7%)	14.8pp	(13.0%)	(11.7%)	(1.3pp)
EBITDA	(0.5)	(2.2)	77.3%	(3.9)	(2.5)	(56.0%)
EBITDA margin	(3.6%)	(17.2%)	13.6pp	(8.6%)	(6.4%)	(2.2pp)
Operating EBITDA (2)	(0.2)	(2.2)	90.9%	(2.2)	(2.5)	12.0%
Operating EBITDA margin	(1.4%)	(17.2%)	15.8pp	(4.9%)	(6.4%)	1.5pp

(1) barter sales from Agora SA constituted 9.2% of advertising revenue in the period of January-September 2006 (8.9% in the three quarters of 2005).

(2) excluding non-cash cost of share-based payments.

(3) the amounts do not include the revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation.

Market share of Agora's local radio stations group in the first three quarters of 2006

Tab. 13

Cumulative:	Share in the radio advertising	Share in the local radio advertising	Audience share *[7]* (1)
2006	10.5%	30.3%	9.9%
2005	10.8%	31.4%	10.8%

(1) in 2006 new stations in Bialystok and Walbrzych were excluded.

In the period of January-September of 2006 total radio market grew by 11.1%, with local radios leading the growth (12.5%). National stations increased ad sales by 9%.

2. SUPERREGIONAL RADIO *TOK FM*

In the period of January-September 2006 *TOK FM* achieved 4.1% share in the Warsaw audience market as compared to 2.5% in 2005. In all cities of *TOK FM* operations, its audience share amounts to 2.7% (1.8% in the same period of the previous year).

In the three quarters of 2006, revenue of the station increased by 65.3% and the operating loss was reduced yoy.

NOTES

[1]Operating EBITDA = EBITDA + non-cash expense relating to share-based payments.

[2] The Group's net profit refers to "net profit attributable to equity holders of the parent".

[3] The data on the number of copies sold of daily newspapers is derived from the National Circulation Audit Office (ZKDP).The term "copy sales" used in this MD&A is consistent with the sales declarations of publishers to the National Circulation Audit Office.

Data on dailies readership are based on PBC General research carried out by SMG/KRC A Millward Brown Company on a random, nationwide sample of Poles over 15 years of age. Weekly readership index was used - percentage of respondents reading at least one edition of the title within 7 days of the week. Size of the samples: nationwide PBC General for April - September 2006 n = 23,482; for July - September 2006 n =12,028, July-September 2006, cities over 500 thousand citizens n = 1,031.

[4] Definition of ratios:

$$\text{Net profit margin} = \frac{\text{Net profit (loss) attributable to equity holders of the parent}}{\text{Sales of finished products, merchandise and materials}}$$

$$\text{Gross profit margin} = \frac{\text{Profit (loss) on sales}}{\text{Sales of finished products, merchandise and materials}}$$

$$\text{Return on equity} = \frac{\text{Net profit (loss) attributable to equity holders of the parent}}{\text{(Equity attributable to equity holders of the parent at the beginning of the period +Equity attributable to equity holders of the parent at the end of the period) / 2 / (1.33 for three quarters and 4 for quarterly results)}}$$

$$\text{Debtors days} = \frac{\text{(Trade receivables gross at the beginning of the period + Trade receivables gross at the end of the period) / 2}}{\text{Sales of finished products, merchandise and materials / no. of days}}$$

$$\text{Creditors days} = \frac{\text{(Trade creditors at the beginning of the period + Trade creditors at the end of the period) / 2}}{\text{Cost of sales / no. of days}}$$

$$\text{Inventory turnover} = \frac{\text{(Inventories at the beginning of the period + Inventories at the end of the period) / 2}}{\text{Cost of sales / no. of days}}$$

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

$$\text{Gearing ratio} = \frac{\text{Current and non-current liabilities from loans – cash and cash equivalents – highly liquid short-term monetary assets}}{\text{Total equity and liabilities}}$$

$$\text{Interest cover} = \frac{\text{Operating profit / (loss)}}{\text{Interest charge}}$$

$$\text{Free cash flow interest cover} = \frac{\text{Free cash flow}}{\text{Interest charge}}$$

[5] Portal reach, real users and page views on the basis of MegaPanel PBI/Gemius for August 2006 and cover internet users age 7 years and above, connecting to internets from the territory of Poland.

[6] Source: report on sales of outdoor companies prepared by Izba Gospodarcza Reklamy Zewnetrznej (IGRZ) which include: AMS SA,, Cityboard Media, Clear Channel Poland, Stroeer Out of Home Media, News Outdoor Poland, Gigaboard Polska, Mini Media/Publiprox, Business Consulting and a new member – CAM Media. The report is prepared on the basis of financial data provided by member companies of IGRZ.

[7] Audience market data referred herein are based on Radio Track surveys, carried out by SMG/KRC A Millward Brown Company (all places, all days and all quarters of an hour of listening) for ROXY FM: in the cities of broadcasting and in the age group of 20-35, from July to September (sample for 2006: 1,774); for local radiostations: in cities of broadcasting and in the age group of 15+, from January to September (sample for 2005: 31,930, sample for 2006: 31,875); for TOK FM: in Warsaw and in the age group of 15+, from January to September (sample for 2005: 4,515; sample for 2006: 4,499); for TOK FM: in cities of broadcasting and in the age group of 15+, from January to September (sample for 2005: 23,506, sample for 2006: 23,445), for Roxy FM in the cities of broadcasting and in the age group of 20-35, from January to September (sample for 2006: 5,459).

V. ADDITIONAL INFORMATION

1. Important events

- In the current report published on 11 July 2006, the Company informed about admitting Agora's shares for trading on the main market of the Warsaw Stock Exchange. The shares were purchased by employees of Agora and other companies from Agora's capital group pursuant to stock participation programs executed by Agora in cooperation with Agora Holding Sp. z o.o.
- In the current report published on 11 July 2006, the Company informed about exceeding by Julius Baer Investment Management LLC, with its registered seat in New York the 5% threshold of voting rights during General Meeting of Shareholders of Agora SA.
- In the current report published on 19 September 2006, the Company informed about adoption of the plan to optimize the current business model of the Agora Group. The main objective is to increase the operating efficiency of the Company and to tailor it to changing market condition and growing competition in media. Implementation of the plan will entail a material reduction in the operating expense of the Group. The Company aims to reduce its 2007 cost base by ca PLN 35 million. The plan also calls for an alignment of the Company's employment level to its new business model. The Management Board notified the Labor Office of the planned group lay-offs in Agora SA which will affect up to 250 persons in the period of 20 September to 31 December 2006.
- In the current report published on 2 November 2006, the Company informed about the registration of the decrease of the Agora's share capital on 26 October 2006 (the District Court for the capital city of Warsaw, XIII KRS Commercial Division). The Company's share capital was decreased from PLN 56,757,525 to PLN 54,977,535 by PLN 1,779,990. The decrease of the share capital results from the redemption of 1,779,990 of the Company's shares with nominal value of PLN 1 per share, entitling to 1,779,990 votes at the General Meeting of Shareholders, purchased by the Company during the share buy - back program ("the Program") executed from 18 August 2005 till 30 November 2005. The redemption of shares is effective as of the decrease of the Company's share capital. The repurchase and redemption of the Company's shares were approved by the Company's shareholders. Total expenditure on the execution of the Program including the shares repurchase costs and other planned costs related to the Program amounted to PLN 120 million. Starting from 26 October 2006 the Company's share capital amounts to PLN 54,977,535.

2. Capital restructuring in the Agora Radio Group

- In the current report on 24 July 2006, the Company informed about the execution on 21 July 2006 of a conditional share purchase agreement of the shares in the share capital of Biuro Obslugi Radiowej Sp. z o.o. with its seat in Poznan (BOR), Multimedia Plus Sp. z o.o. with its seat in Srem (MP), Jan Babczyszyn Radio Jazz FM with its seat in Poznan (Jazz). Jazz holds the license for broadcasting local radio program *Radio 88.4 FM Zlote Przeboje* and MP holds the license for broadcasting local radio program *105.4 Roxy FM* in Poznan. BOR operates broadcasting services for Jazz and MP. The agreement was executed between two individuals (collectively referred to as the "Vendors") and Agora.
  On the basis of the aforementioned agreement the Vendors disposed of:
  - 2,036 shares in the share capital of BOR, constituting 50.0% of share capital of BOR,
  - 538 shares in MP, constituting 24.0% of share capital of MP,
  - 3,000 shares in Jazz constituting 50.0% of share capital of Jazz.

  As a result of the aforementioned transaction Agora shall hold 100% stake in BOR, MP and Jazz entitling Agora to exercise 100% of voting rights during general meetings of shareholders of the above mentioned companies. The condition precedent to the aforementioned agreement is the consent granted by the President of Office of Competition and Consumer Protection (OCCP) for the concentration as specified in the agreement or written information issued by the President of OCCP that such consent is not required.

- On 27 July 2006, the Company signed a conditional share disposal agreement of shares constituting 24.0% of share capital of Radio Mazowsze Sp. z o.o. with its seat in Lomianki, at the gross value of PLN 4,265 thousand and receivables at the nominal value of PLN 3,489 thousand with interest (the impairment loss reserve was created for both amounts). The selling price of the shares equaled PLN 64 thousand. Agora SA sold all shares of Mazowsze Sp. z o.o. An ownership of shares shall be transferred on the later of: the date of receiving the payment for the shares or the date of transfer of receivables. On 2 August 2006 the transaction was accomplished.

- On 25 August 2006, in connection with the current report dated 24 July 2006 (described above) regarding conditional share purchase agreement of the shares in the share capital of Biuro Obslugi Radiowej Sp. z o.o. with its seat in Poznan (BOR), Multimedia Plus with its seat in Srem (MP), Jan Babczyszyn Radio Jazz FM with its seat in Poznan (Jazz), the Company informed about the execution of the Annex to the aforementioned agreement on 24 August 2006 ("Annex"). The Annex abolished the condition precedent to the transfer of shares ownership in BOR, MP and Jazz. On the day of the Annex execution the Company acquired ownership of the aforementioned shares due to which the Company holds 100% stake in BOR, MP and Jazz entitling Agora to exercise 100% of voting rights during general meeting of shareholders of the above mentioned companies.

3. Changes in ownership of shares and rights to shares by Management Board members in the third quarter of 2006 and until the date of publication of the report

Changes in ownership of shares and rights to shares by the Management Board members resulting from disposal of shares are depicted in the table below:

Tab. 14

a. shares	as at 30/09/2006	decrease	increase	as at 30/06/2006
Wanda Rapaczynski	1,301,857	0	0	1,301,857
Piotr Niemczycki	1,548,372	0	0	1,548,372
Zbigniew Bak	130,850	0	0	130,850
Jaroslaw Szalinski	9,218	0	0	9,218

b. rights to shares	as at 30/09/2006	decrease	increase	as at 30/06/2006
Wanda Rapaczynski	0	0	0	0
Piotr Niemczycki	0	0	0	0
Zbigniew Bak	0	0	0	0
Jaroslaw Szalinski	0	0	0	0

a. shares	as at 07/11/2006	decrease	increase	as at 30/06/2006
Wanda Rapaczynski	1,301,857	0	0	1,301,857
Piotr Niemczycki	1,548,372	0	0	1,548,372
Zbigniew Bak	130,850	0	0	130,850
Jaroslaw Szalinski	9,218	0	0	9,218

The members of the Management Board participate in the incentive plan described in the note 5 of the financial statements.

4. Changes in ownership of shares or other rights to shares (options) by Supervisory Board members in the third quarter of 2006

Tab. 15

	as at 30/09/2006	decrease	increase	as at 30/06/2006
Tomasz Sielicki	33	0	0	33
Sanford Schwartz	0	0	0	0
Slawomir Sikora	0	0	0	0
Bruce Rabb	0	0	0	0
Andrzej Szlezak	0	0	0	0

The members of the Supervisory Board did not have any other rights to shares (options).

5. Shareholders entitled to exercise over 5% of total voting rights at the General Meeting of Shareholders, either directly or through affiliates as of the date of publication of the quarterly report

To the best of the Company's knowledge as of the day of publication of the report for the third quarter of 2006, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders in the Company:

Tab. 16

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o.	10,200,748	18.6%	27,327,148	37.9%
Julius Baer Investment Management LLC	3,941,331	7.2%	3,794,001	5.3%

AGORA GROUP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 September 2006 and for 3 and 9 month period ended thereon
prepared under
INTERNATIONAL FINANCIAL REPORTING STANDARDS

(all amounts in PLN thousands unless otherwise indicated)

	As at 30 September 2006	As at 30 June 2006	As at 31 December 2005	As at 30 September 2005*
Assets				
Non-current assets:				
Intangible assets	282,735	277,109	273,404	253,840
Property, plant and equipment	651,553	658,499	680,144	698,915
Investments	7,532	7,597	8,630	20,354
Investments in associates	1,143	1,560	3,404	5,037
Receivables and prepayments	6,201	6,250	7,052	6,535
Deferred tax assets	35,046	32,149	28,552	25,556
	984,210	983,164	1,001,186	1,010,237
Current assets:				
Inventories	17,057	16,432	18,830	17,917
Accounts receivable and prepayments	193,635	202,270	209,192	173,903
Income tax receivable	5,281	4,988	9,598	3,131
Short-term securities and other financial assets	42,088	96,956	75,497	67,077
Cash and cash equivalents	259,960	218,695	189,656	251,995
	518,021	539,341	502,773	514,023
Total assets	1,502,231	1,522,505	1,503,959	1,524,260

* including changes described in note 2

Accompanying notes are an integral part of these interim consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated)

	Note	As at 30 September 2006	As at 30 June 2006	As at 31 December 2005	As at 30 September 2005*
Equity and liabilities					
Equity attributable to equity holders of the parent:					
Share capital		56,758	56,758	56,758	56,758
Treasury shares (negative figure)		(119,977)	(119,971)	(119,952)	(63,354)
Share premium		353,646	353,646	353,646	353,646
Retained earnings and other reserves		849,518	838,165	834,938	817,138
		1,139,945	1,128,598	1,125,390	1,164,188
Minority interest		(540)	(393)	(207)	(480)
Total equity		1,139,405	1,128,205	1,125,183	1,163,708
Non-current liabilities:					
Deferred tax liabilities		62,248	60,460	56,749	54,305
Interest bearing loans and borrowings	3	113,780	122,812	140,642	140,706
Retirement severance provision		1,209	1,203	1,083	1,518
Deferred revenues and accruals		1,458	1,644	1,849	2,108
		178,695	186,119	200,323	198,637
Current liabilities:					
Retirement severance provision		159	159	145	12
Accounts payable		99,350	138,041	131,345	110,915
Income tax liabilities		1,775	1,300	58	1,636
Short-term borrowings	3	28,708	17,710	1	-
Provisions		8,870	6,808	4,405	4,719
Deferred revenues and accruals		45,269	44,163	42,499	44,633
		184,131	208,181	178,453	161,915
Total equity and liabilities		1,502,231	1,522,505	1,503,959	1,524,260
Weighted average number of shares (1)		54,977,535	54,977,535	56,324,104	56,488,323

(1) number of shares has changed following the share buy-back programme carried out in 2005.

* including changes described in note 2

Accompanying notes are an integral part of these interim consolidated financial statements.

Agora Group
Consolidated income statement for three and nine months ended 30 September 2006
(all amounts in PLN thousands unless otherwise indicated)

	Note	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005*	Nine months ended 30 September 2005*
Sales	4	245,178	834,298	256,930	872,879
Cost of sales		(150,468)	(497,310)	(141,544)	(476,361)
Gross profit		94,710	336,988	115,386	396,518
Selling expenses		(64,989)	(225,916)	(55,689)	(173,633)
Administrative expenses		(21,690)	(87,423)	(28,962)	(84,212)
Other operating income		4,922	14,859	5,367	16,786
Other operating expenses		(7,155)	(19,612)	(5,531)	(16,957)
Operating profit	4	5,798	18,896	30,571	138,502
Finance income		5,258	11,141	4,072	13,900
Finance costs		(2,009)	(5,889)	(2,349)	(8,847)
Share of results of associates		(109)	(32)	(30)	(142)
Profit before income taxes		8,938	24,116	32,264	143,413
Income tax expense		(1,555)	(7,550)	(6,931)	(26,221)
Net profit for the period		7,383	16,566	25,333	117,192
Attributable to:					
Equity holders of the parent		7,724	17,356	25,608	118,160
Minority interests		(341)	(790)	(275)	(968)
		7,383	16,566	25,333	117,192
Earnings per share (in PLN)		0.14	0.32	0.45	2.09

* including changes described in note 2

Accompanying notes are an integral part of these interim consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated)

	Equity attributable to equity holders of the parent						Minority interest	Total equity
	Share capital	Treasury shares (negative figure)	Share premium	Retained earnings	Other	Total		
Three months ended 30 September 2006								
As at 30 June 2006	56,758	(119,971)	353,646	838,165	-	1,128,598	(393)	1,128,205
Additional contribution of minority shareholder	-	-	-	-	-	-	194	194
Adjustment from consolidation of subsidiaries previously accounted for using equity method	-	-	-	(87)	-	(87)	-	(87)
Total income and expense for the period recognized directly in equity	-	-	-	(87)	-	(87)	194	107
Net profit / (loss) for the period	-	-	-	7,724	-	7,724	(341)	7,383
Share-based payments	-	-	-	3,716	-	3,716	-	3,716
Share buy-back for their redemption (1)	-	(6)	-	-	-	(6)	-	(6)
As at 30 September 2006	56,758	(119,977)	353,646	849,518	-	1,139,945	(540)	1,139,405

(1) in 2006 the share buy-back programme was not carried out. The change in the value of treasury shares represents direct costs related to execution of this programme.

(all amounts in PLN thousands unless otherwise indicated)

	Equity attributable to equity holders of the parent						Minority interest	Total equity
	Share capital	Treasury shares (negative figure)	Share premium	Retained earnings	Other	Total		
Nine months ended 30 September 2006								
As at 31 December 2005	56,758	(119,952)	353,646	834,938	-	1,125,390	(207)	1,125,183
Additional contribution of minority shareholder	-	-	-	-	-	-	1,145	1,145
Adjustment from consolidation of subsidiaries previously accounted for using equity method	-	-	-	(126)	-	(126)	-	(126)
Total income and expense for the period recognized directly in equity	-	-	-	(126)	-	(126)	1,145	1,019
Net profit / (loss) for the period	-	-	-	17,356	-	17,356	(790)	16,566
Share-based payments	-	-	-	24,839	-	24,839	-	24,839
Share buy-back for their redemption (1)	-	(25)	-		-	(25)	-	(25)
Dividends declared	-	-	-	(27,489)	-	(27,489)		(27,489)
Dividends of subsidiaries	-	-	-	-	-	-	(688)	(688)
As at 30 September 2006	56,758	(119,977)	353,646	849,518	-	1,139,945	(540)	1,139,405

(1) in 2006 the share buy-back programme was not carried out. The change in the value of treasury shares represents direct costs related to execution of this programme.

(all amounts in PLN thousands unless otherwise indicated)

	Equity attributable to equity holders of the parent						Minority interest	Total equity
	Share capital	Treasury shares (negative figure)	Share premium	Retained earnings	Other	Total		
Twelve months ended 31 December 2005								
As at 31 December 2004	56,758	-	353,646	725,449	1,147	1,137,000	1,554	1,138,554
Additional contribution of minority shareholder	-	-	-	-	-	-	8,841	8,841
Adjustment from consolidation of subsidiaries previously accounted for using equity method	-	-	-	2,887	-	2,887	(8,441)	(5,554)
Total income and expense for the period recognized directly in equity	-	-	-	2,887	-	2,887	400	3,287
Net profit / (loss)	-	-	-	126,713	-	126,713	(1,100)	125,613
Reclassification	-	-	-	1,147	(1,147)	-	-	-
Share-based payments	-	-	-	7,121	-	7,121	-	7,121
Share buy-back for their redemption	-	(119,952)	-	-	-	(119,952)	-	(119,952)
Dividends declared	-	-	-	(28,379)	-	(28,379)	-	(28,379)
Dividends of subsidiaries	-	-	-	-	-	-	(1,061)	(1,061)
As at 31 December 2005	56,758	(119,952)	353,646	834,938	-	1,125,390	(207)	1,125,183

(all amounts in PLN thousands unless otherwise indicated)

	Equity attributable to equity holders of the parent						Minority interest	Total equity
	Share capital	Treasury shares (negative figure)	Share premium	Retained earnings	Other	Total		
Nine months ended 30 September 2005*								
As at 31 December 2004	56,758	-	353,646	725,449	1,147	1,137,000	1,554	1,138,554
Additional contribution of minority shareholder	-	-	-	-	-	-	8,436	8,436
Adjustment from consolidation of subsidiaries previously accounted for using equity method	-	-	-	761	-	761	(8,441)	(7,680)
Total income and expense for the period recognized directly in equity	-	-	-	761	-	761	(5)	756
Net profit / (loss)	-	-	-	118,160	-	118,160	(968)	117,192
Reclassification	-	-	-	1,147	(1,147)	-	-	-
Share buy-back for their redemption	-	(63,354)	-	-	-	(63,354)	-	(63,354)
Dividends declared	-	-	-	(28,379)	-	(28,379)	-	(28,379)
Dividends of subsidiaries	-	-	-	-	-	-	(1,061)	(1,061)
As at 30 September 2005	56,758	(63,354)	353,646	817,138	-	1,164,188	(480)	1,163,708

* including changes described in note 2

Accompanying notes are an integral part of these interim consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated)

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005*	Nine months ended 30 September 2005*
Cash flows from operating activities				
Profit / (loss) before income taxes	8,938	24,116	32,264	143,413
Adjustments for:				
Share of results of associates	109	32	30	142
Depreciation of property, plant and equipment	17,610	53,914	23,161	70,391
Amortization of intangible assets and goodwill	1,213	3,033	222	605
Interest, net	1,662	4,757	1,880	6,483
(Profit) / loss on investing activities	(8,229)	(8,599)	40	(1,725)
(Decrease) / increase in provisions	2,030	4,548	(218)	2,199
(Increase) / decrease in inventories	(625)	1,773	(5,654)	(362)
(Increase) / decrease in receivables and prepayments	15,253	24,067	25,769	(25,209)
(Decrease) / increase in payables	(13,084)	(25,637)	2,693	22,001
(Decrease) / increase in deferred revenues and accruals	466	1,889	4,350	4,497
Other adjustments	5,383	24,503	(507)	(1,040)
Cash generated from operations	30,726	108,396	84,030	221,395
Income taxes (paid) / returned	(2,522)	(8,379)	(8,918)	(18,109)
Net cash from operating activities	28,204	100,017	75,112	203,286
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	214	441	145	229
Disposal of subsidiaries (net of cash disposed) and associates	64	694	-	2,214
Disposal of financial assets	1,119	2,436	-	1,329
Loan repayment received	63	277	-	-
Interest received	1,325	1,542	268	563
Disposal of short-term securities	52,867	98,438	24,893	57,451
Purchase of property plant and equipment, and intangibles	(14,747)	(31,860)	(14,304)	(28,783)
Acquisition of subsidiary (net of cash acquired) and associates	(9)	(3,178)	(51)	174
Acquisition of financial assets	1,278	-	-	(1,259)
Acquisition of short-term securities	-	(65,987)	(19,985)	(118,141)
Loans granted	-	-	(2)	(552)
Net cash used in investing activities	42,174	2,803	(9,036)	(86,775)

(all amounts in PLN thousands unless otherwise indicated)

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005*	Nine months ended 30 September 2005*
Cash flows from financing activities				
Proceeds from borrowings	-	584	937	937
Repurchase of own shares (1)	(6)	(25)	(56,350)	(56,350)
Dividends paid to equity holders of the parent	(27,477)	(27,477)	(28,367)	(28,367)
Dividends paid to minority shareholders	-	(688)	-	(1,059)
Repayment of borrowings	-	(1)	-	(2)
Interest paid	(1,630)	(4,909)	(1,880)	(6,483)
Other	-	-	-	(604)
Net cash used in financing activities	(29,113)	(32,516)	(85,660)	(91,928)
Net increase / (decrease) in cash and cash equivalents	41,265	70,304	(19,584)	24,583
Cash and cash equivalents				
At start of period	218,695	189,656	271,579	227,412
At end of period	259,960	259,960	251,995	251,995

(1) in 2006 the share buy-back programme was not carried out. The cash outflow for repurchase of own shares represents direct costs related to execution of this programme.

* including changes described in note 2

Accompanying notes are an integral part of these interim consolidated financial statements.

1. General information

Agora SA with its registered seat in Warsaw, Czerska 8/10 street ("the Company") principally produces, sells and promotes daily newspapers (including flagship *Gazeta Wyborcza*), magazines, other periodicals and carries out the internet activity. The Company also controls or exercises significant influence over 25 radio operating companies and is active in the outdoor segment through an acquired subsidiary, Art Marketing Syndicate SA ("AMS").

As at 30 September 2006 the Group comprised Agora SA and 29 subsidiaries. Additionally Agora SA exercised significant influence over 1 associate company.

The Group operates in all the major cities in Poland.

Financial statements are presented as at and for three and nine months ended 30 September 2006, with comparative figures presented as at and for three and nine months ended 30 September 2005 and as at 31 December 2005.

The financial statements were authorized for issue by the Management Board on 7 November 2006.

2. Statement of compliance

The Consolidated Balance Sheet as of 30 September 2006, the Consolidated Income Statement, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the three and nine months ended 30 September 2006 have neither been audited nor reviewed. The Consolidated Balance Sheet as of 31 December 2005, the Consolidated Income Statement, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the twelve months ended 31 December 2005 have been audited by independent auditor who issued unqualified opinion.

The Condensed Consolidated Financial Statements have been prepared under International Accounting Standard 34 "Interim Financial Reporting", according to art. 45 point 1a-1c of Accounting Act (Official Journal from 2002, No 76, item 694 with amendments), regulations issued based on that Act and the Minister of Finance Decree of 19 October 2005 on current and periodic information provided by issuers of securities (Official Journal from 2005, No 209, item 1,744).

These unconsolidated and consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS), adopted by the European Union. As at the day of publication of these interim consolidated financial statements, taking into account the adaptation process of IFRS by the European Union, there are no differences between IFRS and IFRS adopted by the European Union with respect to the financial reporting of the Group.

Except for the change of presentation of minority interest in Inforadio Sp. z o.o. described below, in the preparation of these condensed consolidated financial statements, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2005. The Consolidated Financial Statements as at 31 December 2005 have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ("IFRIC") published in the form of regulations of the European Union. The 30 September 2006 Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements as at 31 December 2005.

(all amounts in PLN thousands unless otherwise indicated)

Following the changes described in the financial statements for 2005, the financial data as at and for nine months ended 30 September 2005 has been restated. These changes related to:

- change of method of accounting for tax exemption in Special Economic Zone,
- recalculation of lease rentals.

The summary of changes is presented in the table below:

	Data presented in the report for the third quarter of 2005	Restatement	Comparative data presented in the report for the third quarter of 2006
Deferred tax assets as at 30 September 2005	14,306	11,250	25,556
Equity attributable to equity holders of the parent as at 30 September 2005	1,151,128	13,060	1,164,188
Accounts payable as at 30 September 2005	112,725	(1,810)	110,915
Income tax expense for nine months ended 30 September 2005	(26,971)	750	(26,221)
Net profit attributable to equity holders of the parent for nine months ended 30 September 2005	117,410	750	118,160
EPS for nine months ended 30 September 2005 (PLN)	2.07	0.02	2.09

Comparing to the financial statements for 2005 the method of presentation of minority interest relating to Inforadio Sp. z o.o. changed. Due to the existence of obligation of minority shareholder to provide additional investments in Inforadio in proportion to shares held, loans received by Inforadio from its minority shareholder are presented net with share of this shareholder in Inforadio's equity.

	Data presented in the financial statements for the third quarter 2005	Restatement	Comparative data presented in the report for the third quarter of 2006
Minority interest as at 30 September 2005	(18,343)	17,863	(480)
Interest bearing loans and borrowings as at 30 September 2005	153,981	(13,275)	140,706
Short-term borrowings as at 30 September 2005	4,588	(4,588)	-

(all amounts in PLN thousands unless otherwise indicated)

3. Long-term and short-term borrowings

As at 30 September 2006 the Group had a PLN 500 million long-term loan facility available from Bank Pekao SA, on the basis of the loan agreement dated 5 April 2002. The tranches drawn as at 30 September 2006 amounted to PLN 139,480 thousand, including PLN 113,327 thousand presented in the non-current part.

BOR Sp. z o.o. had also loan facility. The outstanding balance of short-term liability as at 30 September 2006 amounted to PLN 2,034 thousand.

Additionally, Group's subsidiary - Inforadio Sp. z o.o. has loan liability to a minority shareholder in the amount of PLN 19,413 thousand.

4. Sales and segment information

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005	Nine months ended 30 September 2005
Sales				
Press and other media	214,297	739,093	226,162	779,269
Outdoor	40,436	134,805	42,448	128,583
Consolidation eliminations	(9,555)	(39,600)	(11,680)	(34,973)
Consolidated	245,178	834,298	256,930	872,879
Operating profit / (loss)				
Press and other media	(1,158)	(13,142)	22,545	109,778
Outdoor	9,032	39,921	9,176	32,251
Consolidation eliminations	(2,076)	(7,883)	(1,150)	(3,527)
Consolidated	5,798	18,896	30,571	138,502
(Impairment loss recognized) / reversal of impairment losses				
Press and other media	(1,388)	(2,824)	(1,765)	(1,360)
Outdoor	(170)	282	42	73
Consolidation eliminations	-	-	67	-
Consolidated	(1,558)	(2,542)	(1,656)	(1,287)
Restructuring				
Press and other media	(5,086)	(5,086)	-	-
Outdoor	-	-	-	-
Consolidation eliminations	-	-	-	-
Consolidated	(5,086)	(5,086)	-	-

5. Share-based payment

In Agora Group the share incentive plans fueled by Agora's shares are run. This plans fall within the scope of IFRS 2 "Share-based Payment" which came into force from 1 January 2005.
Eligible employees are entitled to purchase investment certificates in closed end mutual fund. The fair value of certificates is determined by applying valuation techniques and is included in staff cost with corresponding increase in equity.

According to transitional provisions of IFRS 2, the standard should be applied to equity instruments that were granted after 7 November 2002 and vested or will vest after 1 January 2005. All restricted stock purchased within incentive plans up to 2004 inclusive was granted to employees either before 7 November 2002 or was vested before 1 January 2005. Consequently, shares purchased by employees up to the end of 2004 fall outside scope of IFRS 2 and they do not affect the income statement of the Group.

(all amounts in PLN thousands unless otherwise indicated)

A. Incentive plan based on investment certificates

The impact of share-based payments on the financial statements of the Group:

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Twelve months ended 31 December 2005
Income statement – staff costs	3,716	24,839	7,121
Equity	3,716	24,839	7,121

The impact on the financial statements of the Group described above, result exclusively from recognition of costs in the first three quarters of 2006 of the plans carried out in 2005. Details about the plan are described in the financial statements for 2005.

The table below shows the number of certificates purchased by the employees of the Group in incentive scheme in the fourth quarter of 2005 (in number of certificates, including certificates purchased by the Management Board of Agora SA):

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Twelve months ended 31 December 2005
At the beginning of the period	499,623	865,168	-
Granted	-	-	865,168
Forfeited	(1,060)	(12,287)	-
Vested	-	(354,318)	-
At the end of the period	498,563	498,563	865,168

In the first three quarters of 2006 employees of the Group did not acquire investment certificates.

Investment certificates acquired by Management Board of Agora SA in the fourth quarter of 2005 (number of certificates):

	As at 30 September 2006	Sold in the first three quarters of 2006	Acquired in the first three quarters of 2006	As at 31 December 2005
Wanda Rapaczynski	145,321	-	-	145,321
Piotr Niemczycki	16,286	-	-	16,286
Zbigniew Bak	11,896	(11,896)	-	23,792
Jaroslaw Szalinski	7,462	(7,463)	-	14,925
	180,965	(19,359)	-	200,324

B. Employee Stock Purchase Plan and Stock Incentive Plan for management (carried out until the end of 2004)

In these plans, Agora Holding Sp. z o.o. sold Agora's shares to eligible employees for fixed price of PLN 1 for each share with following restrictions: they were registered, not admitted for public trade and could not be sold for a period up to 10 years.

During the vesting period Agora Holding Sp. z o.o. has an irrevocable right to buy back shares for PLN 1 in case of non-compliance with share incentive plan regulations by employees.

The number of shares granted depended on eligible managers meeting performance criteria (non-market criteria).

(all amounts in PLN thousands unless otherwise indicated)

Movements in the shares outstanding are as follows (including shares granted to Management Board members):

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Twelve months ended 31 December 2005
At the beginning of the period	3,283,106	5,164,378	8,019,343
Granted	-	-	-
Forfeited	(3,093)	(13,974)	(62,570)
Vested	-	(1,870,391)	(2,792,395)
At the end of the period	3,280,013	3,280,013	5,164,378

The shares granted have vesting and selling restrictions (with selling obligation) for the period from 5 to 10 years (up to 2010).

The shares not yet vested as at 31 December 2004 were granted before 7 November 2002; consequently they are outside the scope of IFRS 2 (they are not valuated and recognised in the books). As a result they do not affect the results and equity of the Group.

All shares have full dividend and voting rights.

The movements in shares purchased by Management Board of Agora are shown in point V.3 of the Management Discussion and Analysis.

6. Provisions and impairment losses

In the period from 1 January 2006 to 30 September 2006 the following impairment losses were changed (in brackets figures for the third quarter of 2006):

- impairment loss for receivables: decrease by PLN 3,222 thousand (increase by PLN 220 thousand),
- impairment loss for financial assets: decrease by PLN 6,492 thousand (decrease by PLN 6,780 thousand) – mainly due to the sale of shares of Radio Mazowsze Sp. z o.o.,
- impairment loss for inventory: increase by PLN 4,153 thousand (decrease by PLN 581 thousand),
- impairment loss for property, plant and equipment and intangible assets: decrease by PLN 1,825 thousand (decrease by PLN 1,519 thousand).

Additionally in the period from 1 January 2006 to 30 September 2006 the following provisions were changed:

- provision for certain and probable losses: decrease by 2,646 thousand (decrease by PLN 81 thousand),
- provision for restructuring: increase by PLN 7,110 thousand (increase by PLN 2,142 thousand),
- retirement severance provision: increase by PLN 139 thousand (increase by PLN 7 thousand).

7. Equity

According to IAS 29 "Financial Reporting in Hyperinflationary Economies", the Polish economy was regarded as hyperinflationary up to 1996.

IAS 29 requires the share capital of the Group to be restated by applying the general price index.

Retrospective application of IAS 29 with regard to equity would result in an increase of share capital of the Group with corresponding decrease of retained earnings by the same amount.

Consequently, the restatement of equity due to hyperinflation does not affect the value of equity of the Group, only the structure of the equity is affected.

Polish regulations, commercial code in particular, do not rule the way how this type of adjustment should be carried out (especially adjustments to equity of companies).

Consequently, due to lack of impact on equity of the Group following the hyperinflationary adjustment and lack of regulations in polish law, the Group did not post any adjustment to equity as a consequence of IAS 29 application.

(all amounts in PLN thousands unless otherwise indicated)

8. Capital and investment commitments

Contractual capital and investment commitments (mainly relating to fixed assets) existing at the balance sheet date amounted to PLN 2,979 thousand (30 June 2006: PLN 4,659 thousand, 31 December 2005: PLN 6,818 thousand, 30 September 2005: PLN 9,048 thousand).

9. Contingencies

As of 30 September 2006 the Group had contingent liabilities in respect of guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, other than those noted below.

Benefiting party	Debtor	Valid till	Amount	Provisions booked
	Guarantees provided by Agora SA			
Bank BPH SA	BOR Sp. z o.o.	31.05.2007	2,900	-
Pekao SA	Agora's employees	31.03.2008 / 31.05.2008 / 30.09.2009	675	-
	Guarantees provided by AMS SA			
VOX Chemia Sp. z o.o.	AMS SA	31.12.2012	1,467	-
PKiN Sp. z o.o.	AMS SA	Not specified	200	-
Others	AMS SA	29.12.2006	90	-
			5,332	-

The total amount of the guarantees does not exceed 10% of the Group's equity.

10. Court cases

As for 30 September 2006 the Group has not entered into litigation or has been litigated for claims or liabilities that in total exceed 10% of the Group's equity.

11. Seasonality

Advertising revenues are subject to seasonality – revenues earned in the first and third quarter are lower than in the second and fourth quarter.

12. Restructuring

On 19 September 2006 the Management Board of Agora SA approved the plan to optimize the current business model of the Agora Group. The main objective is to increase the operating efficiency of the Company and to tailor it to changing market condition and growing competition in media. Implementation of the plan will entail a material reduction in the operating expense of the Group. The Company aims to reduce its 2007 cost base by ca PLN 35 million. The plan also calls for an alignment of the Company's employment level to its new business model. On 19 September 2006 the Management Board notified the Labor Office of the planned group lay-offs in Agora SA which will affect up to 250 persons in the period of 20 September to 31 December 2006. According to the Company's estimates, total cost of restructuring will reach PLN 5 million (including PLN 3.4 million cost of severances). The Company will set all necessary restructuring provisions for the mentioned costs in the Group's 2006 profit and loss account.

(all amounts in PLN thousands unless otherwise indicated)

13. Related-party transactions

(a) Management Board's remuneration

Remuneration of Management Board members of Agora SA paid pursuant to employment and management contracts amounted to PLN 1,889 thousand (nine months ended 30 September 2005: PLN 1,948 thousand).

Management Board members did not acquire Agora's shares and investment certificates as part of incentive plans in the nine months ended 30 September 2006.

Non-cash expense of investment certificates acquired by Management Board of Agora in the fourth quarter of 2005 recognized according to IFRS 2 amounted to PLN 1,317 thousand in the third quarter of 2006 (PLN 5,001 thousand in the three quarters of 2006).

(b) Other entities

There were no material transactions and balances with entities other that disclosed below:

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005	Nine months ended 30 September 2005
Associates and non-consolidated subsidiaries				
Sales	555	2,888	1,334	4,053
Purchases of goods and services	(1,157)	(4,879)	(1,854)	(7,534)
Impairment losses on loans granted	-	-	-	(865)

	As at 30 September 2006	As at 31 March 2006	As at 31 December 2005	As at 30 September 2005
Associates and non-consolidated subsidiaries				
Receivables	524	1,132	1,439	1,823
Payables	172	8,564	1,746	906
Loans granted and debt securities	1,372	3,000	4,419	13,680

All transactions carried out between related parties are of routine nature.

14. Selected consolidated financial data together with translation into EURO

Selected financial data presented in the financial statements has been translated into EURO in the following way:

- income statement and cash flow statement figures using arithmetic average of exchange rates published by NBP and ruling on the last day of each month during the first, the second and the third quarter. For first three quarters of 2006 EURO 1 = 3.9138; for first three quarters of 2005 EURO 1 = 4.0651.
- balance sheet figures using the average exchange rates published by NBP and ruling on the last day of the third quarter of 2006. Exchange rate as at 30 September 2006 – EURO 1 = 3.9824; as at 30 September 2005 – EURO 1 = 3.9048.

	PLN thousand		EURO thousand	
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Nine months ended 30 September 2006	Nine months ended 30 September 2005
Sales	834,298	872,879	213,168	214,725
Operating profit	18,896	138,502	4,828	34,071
Profit before income taxes	24,116	143,413	6,162	35,279
Net profit for the period attributable to equity holders of the parent	17,356	118,160	4,435	29,067
Net cash from operating activities	100,017	203,286	25,555	50,008
Net cash used in investing activities	2,803	(86,775)	716	(21,346)
Net cash used in financing activities	(32,516)	(91,928)	(8,308)	(22,614)
Net increase / (decrease) in cash and cash equivalents	70,304	24,583	17,963	6,047
Total assets	1,502,231	1,524,260	377,218	390,355
Non-current liabilities	178,695	198,637	44,871	50,870
Current liabilities	184,131	161,915	46,236	41,466
Equity attributable to equity holders of the parent	1,139,945	1,164,188	286,246	298,143
Share capital	56,758	56,758	14,252	14,535
Weighted average number of shares	54,977,535	56,488,323	54,977,535	56,488,323
Earnings per share (in PLN / in EURO)	0.32	2.09	0.08	0.51
Book value per share (in PLN / in EURO)	20.73	20.61	5.21	5.28

(all amounts in PLN thousands unless otherwise indicated)

15. Description of the Group

The list of companies from the Group:

		% of shares held (effectively)	
	Subsidiaries consolidated	30 September 2006	30 June 2006
1	Agora Poligrafia Sp. z o.o., Tychy	100.0%	100.0%
2	Art Marketing Syndicate SA (AMS), Poznan	100.0%	100.0%
3	KKK FM S.A., Wroclaw (1)	100.0%	100.0%
4	Elita Sp. z o.o., Bydgoszcz (1)	100.0%	100.0%
5	Radio Trefl Sp. z o.o., Sopot (1)	99.9%	99.9%
6	IM 40 Sp. z o.o., Warsaw	72.0%	72.0%
7	Grupa Radiowa Agory Sp. z o.o., Warsaw	100.0%	100.0%
8	O'le Sp. z o.o., Opole (1)	100.0%	100.0%
9	Karolina Sp. z o.o., Tychy (1)	100.0%	100.0%
10	CITY Radio Sp. z o.o., Czestochowa (1)	100.0%	100.0%
11	Radio Na Fali Sp. z o.o., Szczecin (1)	100.0%	100.0%
12	ROM Sp. z o.o., Warsaw (1)	100.0%	100.0%
13	Barys Sp. z o.o., Tychy (1)	89.8%	89.8%
14	Agencja Reklamowa Jowisz Sp. z o.o., Jelenia Gora (1)	100.0%	100.0%
15	Radio Pomoże Sp. z o.o., Bydgoszcz (1)	100.0%	100.0%
16	Twoje Radio Sp. z o.o., Walbrzych (1)	100.0%	100.0%
17	Wibor Sp. z o.o., Nowy Sacz (1)	100.0%	100.0%
18	Adpol Sp. z o.o., Warsaw (2)	100.0%	100.0%
19	Akcent Media Sp. z o.o., Poznan (2)	100.0%	100.0%
20	Radio Wanda Sp. z o.o., Cracow (1)	100.0%	100.0%
21	Radio Klakson Sp. z o.o., Wroclaw (1)	100.0%	100.0%
22	Multimedia Plus Sp. z o.o., Srem	100.0%	76.0%
23	Lokalne Radio w Opolu Sp. z o.o., Opole	100.0%	100.0%
24	Inforadio Sp. z o.o., Warsaw	66.1%	66.1%
25	Regionalne Przedsiębiorstwo Związkowe Sp. z o.o., Tychy	100.0%	100.0%
26	Tres Sp. z o.o., Sieradz	100.0%	100.0%
27	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
28	BOR Sp. z o.o., Poznan	100.0%	50.0%
29	Jan Babczyszyn Radio Jazz FM Sp. z o.o., Poznan	100.0%	50.1%
	Associate companies valued using the equity method		
30	Radio Mazowsze Sp. z o.o., Lomianki	-	24.0%
31	Bis Media Sp. z o.o., Lublin	49.0%	49.0%
	Companies excluded from consolidation and equity accounting		
32	Polskie Badania Internetu Sp. z o.o., Warsaw	20.0%	20.0%
33	Radio Wawel Sp. z o.o., Cracow	50.0%	50.0%
34	Projekt Inwestycyjny Sp. z o.o., Warsaw	100.0%	100.0%
35	Polskie Badania Outdooru Sp. z o.o., Warsaw (2)	41.0%	41.0%
36	Media System Sp. z o.o., Warsaw (2)	100.0%	100.0%

(1) indirectly through Grupa Radiowa Agory Sp. z o.o.

(2) indirectly through AMS SA.

(all amounts in PLN thousands unless otherwise indicated)

16. Business combinations

- On 21 July 2006, the Company informed about the execution of a conditional share purchase agreement of the shares in the share capital of Biuro Obslugi Radiowej Sp. z o.o. with its seat in Poznan (BOR), Multimedia Plus Sp. z o.o. with its seat in Srem (MP), Jan Babczyszyn Radio Jazz FM with its seat in Poznan (Jazz). Jazz holds the license for broadcasting local radio program *Radio 88.4 FM Zlote Przeboje* and MP holds the license for broadcasting local radio program *105.4 Roxy FM* in Poznan. BOR operates broadcasting services for Jazz and MP. The agreement was executed between two individuals (collectively referred to as the "Vendors") and Agora.

  On the basis of the aforementioned agreement the Vendors were to dispose of:
  - 2,036 shares in the share capital of BOR, constituting 50.0% of share capital of BOR,
  - 538 shares in MP, constituting 24.0% of share capital of MP,
  - 3,000 shares in Jazz constituting 50.0% of share capital of Jazz.

  The condition precedent to the aforementioned agreement is the consent granted by the President of Office of Competition and Consumer Protection (OCCP) for the concentration as specified in the agreement or written information issued by the President of OCCP that such consent is not required.

  On 24 August 2006, Agora signed the Annex to the aforementioned agreement. The Annex abolished the condition precedent to the transfer of shares ownership in BOR, MP and Jazz. On the day of the Annex execution the Company acquired ownership of the aforementioned shares due to which the Company holds 100% stake in BOR, MP and Jazz entitling Agora to exercise 100% of voting rights during general meeting of shareholders of the above mentioned companies.

  The assets and liabilities of these three companies consolidated pro forma at the date of acquisition are as follows:

	Carrying amounts	Recognized values
Intangible assets	189	1,886
Property, plant and equipment	447	447
Deferred tax asset	208	208
Operating working capital, except cash and cash equivalents	(518)	(518)
Cash and cash equivalents	92	92
Interest-bearing loans and borrowings	(4,124)	(4,124)
	(3,706)	(2,009)
Net identifiable assets and liabilities		(775)
Goodwill on acquisition (1)		3,805
Total consideration		3,030
Purchase consideration settled in cash		3,030
Cash and cash equivalents in subsidiaries acquired		(92)
Cash outflow on acquisition		2,938

  (1) Goodwill includes items which cannot be individually separated and reliably measured from the acquiree, due to their nature.

  Assuming the consolidation of BOR and Jazz from 1 January 2006 the Group’s revenue for the three quarters of 2006 would be PLN 835,403 thousand and the net profit PLN 17,434 thousand.

- On 27 July 2006, the Company signed a conditional share disposal agreement of shares constituting 24.0% of share capital of Radio Mazowsze Sp. z o.o. with its seat in Lomianki, at the gross value of PLN 4,265 thousand and receivables at the nominal value of PLN 3,489 thousand with interest (the impairment loss reserve was created for both amounts). The selling price of the shares equaled to PLN 64 thousand. Agora SA sold all shares of Mazowsze Sp. z o.o. An ownership of shares shall be transferred on the later of: the date of receiving the payment for the shares or the date of transfer of receivables. On 2 August 2006 the transaction was accomplished.

17. Events after the balance sheet date

- In the current report published on 2 November 2006, the Company informed about the registration of the decrease of the Agora's share capital on 26 October 2006 (the District Court for the capital city of Warsaw, XIII KRS Commercial Division). The Company's share capital was decreased from PLN 56,757,525 to PLN 54,977,535 by PLN 1,779,990. The decrease of the share capital results from the redemption of 1,779,990 of the Company's shares with nominal value of PLN 1 per share, entitling to 1,779,990 votes at the General Meeting of Shareholders, purchased by the Company during the share buy - back program ("the Program") executed from 18 August 2005 till 30 November 2005. The redemption of shares is effective as of the decrease of the Company's share capital. The repurchase and redemption of the Company's shares were approved by the Company's shareholders. Total expenditure on the execution of the Program including the shares repurchase costs and other planned costs related to the Program amounted to PLN 120 million. Starting from 26 October 2006 the Company's share capital amounts to PLN 54,977,535.

(all amounts in PLN thousands unless otherwise indicated)

18. Condensed unconsolidated financial statements of Agora SA

Unconsolidated balance sheet as at 30 September 2006

	As at 30 September 2006	As at 30 June 2006	As at 31 December 2005	As at 30 September 2005
Assets				
Non-current assets:				
Intangible assets	82,350	82,242	83,093	75,284
Property, plant and equipment	456,894	466,551	486,717	503,410
Investments	311,765	309,006	295,534	311,138
Receivables and prepayments	87,111	89,932	95,979	95,714
Deferred tax assets	18,202	16,045	13,488	11,732
	956,322	963,776	974,811	997,278
Current assets:				
Inventories	12,632	11,824	15,056	15,003
Accounts receivable and prepayments	167,731	176,647	183,424	150,881
Income tax receivable	5,281	4,417	8,764	3,101
Short-term securities and other financial assets	42,570	95,852	73,481	70,452
Cash and cash equivalents	230,909	191,967	178,517	237,076
	459,123	480,707	459,242	476,513
Total assets	1,415,445	1,444,483	1,434,053	1,473,791

(all amounts in PLN thousands unless otherwise indicated)

	As at 30 September 2006	As at 30 June 2006	As at 31 December 2005	As at 30 September 2005
Equity and liabilities				
Equity:				
Share capital	56,758	56,758	56,758	56,758
Treasury shares (negative figure)	(119,977)	(119,971)	(119,952)	(63,354)
Share premium	353,646	353,646	353,646	353,646
Other reserves	28,091	24,842	6,336	156
Retained earnings	765,129	767,320	794,291	797,222
	1,083,647	1,082,595	1,091,079	1,144,428
Non-current liabilities:				
Deferred tax liabilities	65,474	64,139	60,514	57,755
Interest bearing loans and borrowings	113,327	122,045	139,480	139,480
Retirement severance provision	1,099	1,099	995	1,350
Deferred revenues and accruals	2	1	4	6
Other	77	67	35	20
	179,979	187,351	201,028	198,611
Current liabilities:				
Retirement severance provision	156	156	143	12
Accounts payable	85,282	114,148	112,430	97,069
Short-term borrowings	26,152	17,435	-	-
Provisions	7,688	5,761	3,089	3,269
Deferred revenues and accruals	32,541	37,037	26,284	30,402
	151,819	174,537	141,946	130,752
Total equity and liabilities	1,415,445	1,444,483	1,434,053	1,473,791
Weighted average number of shares (1)	54,977,535	54,977,535	56,324,104	56,488,323

(1) number of shares has changed following the share buy-back programme carried out in 2005.

(all amounts in PLN thousands unless otherwise indicated)

Unconsolidated income statement for three and nine months ended 30 September 2006

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005	Nine months ended 30 September 2005
Sales	200,187	699,012	215,512	752,199
Cost of sales	(118,908)	(405,332)	(110,051)	(388,366)
Gross profit	81,279	293,680	105,461	363,833
Selling expenses	(64,505)	(236,157)	(57,582)	(186,177)
Administrative expenses	(19,453)	(75,963)	(22,735)	(70,283)
Other operating income	2,414	9,178	3,260	9,963
Other operating expenses	(5,953)	(17,260)	(4,475)	(13,428)
Operating profit / (loss)	(6,218)	(26,522)	23,929	103,908
Finance income	4,033	35,492	3,252	67,792
Finance costs	(1,124)	(10,667)	(3,108)	(10,520)
Profit / (loss) before income taxes	(3,309)	(1,697)	24,073	161,180
Income tax expense	1,115	13	(5,035)	(23,287)
Net profit / (loss) for the period	(2,194)	(1,684)	19,038	137,893
Earnings per share (in PLN)	(0.04)	(0.03)	0.34	2.44

(all amounts in PLN thousands unless otherwise indicated)

Unconsolidated statement of changes in equity for three and nine months ended 30 September 2006

	Share capital	Treasury shares (negative figure)	Share premium	Other reserves	Retained earnings	Total equity
Three months ended 30 September 2006						
As at 30 June 2006	56,758	(119,971)	353,646	24,842	767,320	1,082,595
Net profit / (loss)	-	-	-	-	(2,194)	(2,194)
Share-based payments	-	-	-	3,253	-	3,253
Share buy-back for their redemption (1)	-	(6)	-	-	-	(6)
Other	-	-	-	(4)	3	(1)
As at 30 September 2006	56,758	(119,977)	353,646	28,091	765,129	1,083,647
Nine months ended 30 September 2006						
As at 31 December 2005	56,758	(119,952)	353,646	6,336	794,291	1,091,079
Net profit / (loss)	-	-	-	-	(1,684)	(1,684)
Share-based payments	-	-	-	21,766	-	21,766
Share buy-back for their redemption (1)	-	(25)	-	-	-	(25)
Dividends declared	-	-	-	-	(27,488)	(27,488)
Other	-	-	-	(11)	10	(1)
As at 30 September 2006	56,758	(119,977)	353,646	28,091	765,129	1,083,647

(1) in 2006 the share buy-back programme was not carried out. The change in the value of treasury shares represents direct costs related to execution of this programme.

(all amounts in PLN thousands unless otherwise indicated)

	Share capital	Treasury shares (negative figure)	Share premium	Other reserves	Retained earnings	Total equity
Twelve months ended 31 December 2005						
As at 31 December 2004	56,758	-	353,646	180	687,683	1,098,267
Net profit / (loss)	-	-	-	-	134,953	134,953
Share-based payments	-	-	-	6,190	-	6,190
Share buy-back for their redemption	-	(119,952)	-	-	-	(119,952)
Dividends declared	-	-	-	-	(28,379)	(28,379)
Other	-	-	-	(34)	34	-
As at 31 December 2005	56,758	(119,952)	353,646	6,336	794,291	1,091,079
Nine months ended 30 September 2005						
As at 31 December 2004	56,758	-	353,646	180	687,683	1,098,267
Net profit / (loss)	-	-	-	-	137,893	137,893
Share buy-back for their redemption	-	(63,354)	-	-	-	(63,354)
Dividends declared	-	-	-	-	(28,379)	(28,379)
Other	-	-	-	(24)	25	1
As at 30 September 2005	56,758	(63,354)	353,646	156	797,222	1,144,428

(all amounts in PLN thousands unless otherwise indicated)

Unconsolidated cash flow statement for the three and nine months ended 30 September 2006

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005	Nine months ended 30 September 2005
Cash flows from operating activities				
Profit / (loss) before income taxes	(3,309)	(1,697)	24,073	161,180
Adjustments for:				
Depreciation of property, plant and equipment	11,408	35,091	14,606	44,484
Amortization of intangible assets and goodwill	582	2,154	73	232
Foreign exchange (gain) / loss	92	281	107	(322)
Interest, net	286	625	133	(542)
(Profit) / loss on investing activities	(4,268)	(628)	289	(539)
Dividend income	-	(23,769)	-	(37,726)
(Decrease) / increase in provisions	1,928	4,717	(189)	2,717
(Increase) / decrease in inventories	(808)	2,424	(5,640)	(496)
(Increase) / decrease in receivables and prepayments	7,119	32,771	23,040	(25,358)
(Decrease) / increase in payables	(3,696)	(20,267)	1,309	19,863
(Decrease) / increase in deferred revenues and accruals	(4,495)	6,254	2,509	4,827
Other adjustments	4,794	21,835	(523)	(252)
Cash generated from operations	9,633	59,791	59,787	168,068
Income taxes (paid) / returned	(570)	(2,046)	(7,313)	(15,307)
Net cash from operating activities	9,063	57,745	52,474	152,761
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	103	312	144	228
Disposal of subsidiaries and associates	64	3,496	-	2,198
Disposal of financial assets	2,436	3,158	-	723
Dividends received	3,000	10,769	30,000	32,726
Repayment of loans granted	244	721	10,143	20,716
Interest received	2,660	5,598	1,843	7,415
Disposal of short-term securities	52,867	97,799	19,911	49,911
Repayment of finance lease receivables	1,676	5,014	1,657	4,789

(all amounts in PLN thousands unless otherwise indicated)

	Three months ended 30 September 2006	Nine months ended 30 September 2006	Three months ended 30 September 2005	Nine months ended 30 September 2005
Purchase of property plant and equipment, and intangibles	(3,352)	(11,028)	(6,721)	(15,950)
Acquisition of subsidiaries and associates and other investments in subsidiaries and associates	(31)	(2,974)	(51)	(759)
Acquisition of short-term financial assets	-	(65,987)	(20,000)	(110,000)
Loans granted	(656)	(19,734)	(690)	(9,102)
Other	-	-	-	(68)
Net cash used in investing activities	59,011	27,144	36,236	(17,173)
Cash flows from financing activities				
Repurchase of own shares (1)	(6)	(25)	(56,350)	(56,350)
Dividends paid out	(27,477)	(27,477)	(28,367)	(28,367)
Interest paid	(1,614)	(4,890)	(1,880)	(6,482)
Other	(35)	(105)	(35)	(708)
Net cash used in financing activities	(29,132)	(32,497)	(86,632)	(91,907)
Net increase / (decrease) in cash and cash equivalents	38,942	52,392	2,078	43,681
Cash and cash equivalents				
At start of period	191,967	178,517	234,998	193,395
At end of period	230,909	230,909	237,076	237,076

(1) in 2006 the share buy-back programme was not carried out. The cash outflow for repurchase of own shares represents direct costs related to execution of this programme.

(all amounts in PLN thousands unless otherwise indicated)

Following the changes described in the financial statements for 2005, the financial data as at and for nine months ended 30 September 2005 has been restated. These changes related to the change of classification of printing presses lease agreements.

The summary of changes is presented in the table below:

	Data presented in the report for the third quarter of 2005	Restatement	Comparative data presented in the report for the third quarter of 2006
Net cash from operating activities for nine months ended 30 September 2005	161,728	(8,967)	152,761
Net cash used in investing activities for nine months ended 30 September 2005	(26,140)	8,967	(17,173)
Property, plant and equipment as at 30 September 2005	581,286	(77,876)	503,410
Non-current receivables and prepayments as at 30 September 2005	5,091	90,623	95,714
Current accounts receivables and prepayment as at 30 September 2005	144,105	6,776	150,881
Equity as at 30 September 2005	1,128,617	15,811	1,144,428
Deferred tax liabilities as at 30 September 2005	54,043	3,712	57,755
Sales for nine months ended 30 September 2005	761,165	(8,966)	752,199
Cost of sales for nine months ended 30 September 2005	(398,738)	10,372	(388,366)
Finance income for nine months ended 30 September 2005	55,289	12,503	67,792
Income tax expense for nine months ended 30 September 2005	(20,639)	(2,648)	(23,287)
Net profit for nine months ended 30 September 2005	126,632	11,261	137,893
EPS for nine months ended 30 September 2005 (PLN)	2.23	0.21	2.44

Additional information to unconsolidated financial statements of Agora SA

In the period from 1 January 2006 to 30 September 2006 the following impairment losses and provisions were changed (in brackets figures for the third quarter of 2006):

- impairment loss for receivables: decrease by PLN 2,649 thousand (decrease by PLN 575 thousand),
- impairment loss for financial assets: decrease by PLN 4,537 thousand (decrease by PLN 7,056 thousand), mainly due to sale of shares and borrowings of Radio Mazowsze Sp. z o.o.
- impairment loss for inventory: increase by PLN 4,339 thousand (decrease by PLN 497 thousand),
- provision for restructuring: increase by PLN 7,168 thousand (increase by PLN 2,117 thousand),
- provision for certain and probable losses: decrease by PLN 2,569 thousand (decrease by PLN 190 thousand),
- retirement severance provision: increase by PLN 117 thousand (no change).

Selected unconsolidated financial data together with translation into EURO

	PLN thousand		EURO thousand	
	Nine months ended 30 September 2006	Nine months ended 30 September 2005	Nine months ended 30 September 2006	Nine months ended 30 September 2005
Sales	699,012	752,199	178,602	185,038
Operating profit / (loss)	(26,522)	103,908	(6,777)	25,561
Profit / (loss) before income taxes	(1,697)	161,180	(434)	39,650
Net profit (loss)	(1,684)	137,893	(430)	33,921
Net cash from operating activities	57,745	152,761	14,754	37,579
Net cash used in investing activities	27,144	(17,173)	6,935	(4,224)
Net cash used in financing activities	(32,497)	(91,907)	(8,303)	(22,609)
Net increase / (decrease) in cash and cash equivalents	52,392	43,681	13,386	10,745
Total assets	1,415,445	1,473,791	355,425	377,431
Non-current liabilities	179,979	198,611	45,194	50,863
Current liabilities	151,819	130,752	38,122	33,485
Equity	1,083,647	1,144,428	272,109	293,082
Share capital	56,758	56,758	14,252	14,535
Weighted average number of shares	54,977,535	56,488,323	54,977,535	56,488,323
Earnings per share (in PLN / in EURO)	(0.03)	2.44	(0.01)	0.60
Book value per share (in PLN / in EURO)	19.71	20.26	4.95	5.19

Warsaw, 7 November 2006

Wanda Rapaczynski – President of the Management Board ....

Piotr Niemczycki – Deputy President of the Management Board ....

Zbigniew Bak – Deputy President of the Management Board ....

Jaroslaw Szalinski – Member of the Management Board ....