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

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Agora S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is Agora S.A. with its registered office in Warsaw, ul. Czerska 8/10 ("the Group"), which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements.

Management's and Supervisory Board's Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group's activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act"), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying consolidated financial statements of Agora S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Group's Activities

As required under the Accounting Act, we report that the accompanying report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original
....
Zbigniew Libera
Key Certified Auditor
Registration No. 90047
Limited Liability Partner with power of attorney

1 April 2016

Dear shareholders,

in 2015 Agora continued on with effective implementation of Agora’s Development Plan for the Upcoming Years announced in March, 2014. The actions undertaken are designed to allow the Group to increase the scale of its operations through growth of revenues, while at the same time improving profitability.

Initiatives implemented in 2015 had an amazing effect. Agora Group not only noted an increase of revenues, but also improved its profitability. This was primarily the result of record-breaking results of selected segments of the Group as well as improvement of profitability of all businesses. What is more, the Press segment continues its digital transition with the result of over 77 thousand paid subscriptions of *Gazeta Wyborcza* at the end of 2015. This number is even more pleasing knowing that we have delivered the target a year sooner than planned. This is a good signal confirming the right choice of how to change the business model of our press activity. We are gradually strengthening Agora’s presence in the television market. Stopklatka TV, our joint business, maintains the level of 1% audience. We shall work on its further development. The next step in building our position in the television market was winning the concession to broadcast universal television channel with lifestyle profile on the eighth multiplex of digital terrestrial television which according to the announcement is to be launched in autumn 2016.

The results of 2015 confirmed the effectiveness of the way of development we have chosen. Therefore, in the near future we shall continue to carry out the tasks we planned with even greater determination. 2016 will be the first year in which we will finalize part of large projects and start our own activity on the television market.

Agora’s priority remains the successful transformation of the press activity. It is based on two main assumptions: improving the profitability of our newspapers in their traditional form and building a solid base of digital subscriptions. The next step is its effective monetization. Another ambitious goal that we have set within this process is to achieve the level of 90 thousand paid digital subscriptions of *Gazeta Wyborcza* at the end of 2016.

We want to strengthen the Agora's position in television market. In the near future we will focus on activities which shall give the opportunity to increase Stopklatka TV’s audience and its business performance. However, our main goal for 2016 is to increase our presence in the market through the launch of new digital terrestrial television channel on multiplex 8.

Priority for Group’s Internet business is the intensive development in the area of mobile services, video, and further diversification of the revenue sources. We plan to invest in content and applications of our major brands. We dynamically develop advertising brokerage services which become an important source of revenues for the segment.

As far as our cinema activity is concerned, we continue to develop Helios cinemas – in 2016 new Helios cinemas will be opened. We shall also continue film distribution cinema and film production. In 2016 we plan to introduce to cinemas 8 new films, of which three will be co-produced by Agora and one in which Agora will be a leading producer.

Agora Group’s priority in the outdoor market is strengthening its position in the segment of premium panels. In 2016 we plan to complete the construction of 1,580 bus shelters in Warsaw. We believe that this is a landmark project in the Polish outdoor advertising market. AMS has the chance to shape this market in the upcoming years, and we plan to participate in similar projects in other Polish cities. Additionally, the Outdoor segment already in 2015 achieved a profitability level planned for 2017.

The ultimate goal of our radio activity is to improve profitability and the ratio planned in 2014 by the Management Board as the target for 2017 was achieved already in 2015. In addition, we launched a new music station Radio Pogoda due to acquisitions. We want to develop it as part of our portfolio. Further organic development of the radio business depends on the number of frequencies available in Poland. The Group's objective is to acquire as many concessions as possible in order to expand the technical range of the stations currently operating. In 2015 we were able to increase the range potential of radio and music stations.

One of the objectives announced by the Group was to optimize the cost of common services and infrastructure. In 2015, due to optimization measures we have made a significant progress in achieving this goal and almost achieved planned ratio in 2015.

In our opinion, positive effects of the implementation of Agora’s plans for the upcoming years are already visible. We are sure that consistent implementation of the entire plan will enable Agora Group not only to improve the efficiency and increase the scale of operations, but above all it will ensure value growth for the shareholders.

Executing our business and financial goals, we would like to become the first and natural choice for its users and business partners, to whom our media and our businesses deliver credible information and quality entertainment, as well as innovative solution for business partners to reach their clients.

On behalf of the Company, I would like to thank all the shareholders, clients and employees for support and trust in Agora, and the readers, users, listeners and viewers - for your interest.

Bartosz Hojka

President of Management Board of Agora S.A.

AGORA SA

AGORA GROUP

Consolidated financial statements

as at 31 December 2015 and for the year ended thereon

April 1, 2016

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(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	31 December 2015	31 December 2014
Assets			
Non-current assests:			
Intangible assets	3	448,064	399,656
Property, plant and equipment	4	669,689	686,411
Long-term financial assets	5	98	123
Investments in equity accounted investees	6	19,938	16,403
Receivables and prepayments	7	14,179	33,531
Deferred tax assets	15	10,388	6,678
		1,162,356	**1,142,802**
Current assets:			
Inventories	8	29,031	30,182
Accounts receivable and prepayments	9	281,716	268,742
Income tax receivable		121	327
Short-term securities and other financial assets	10	105,826	62,116
Cash and cash equivalents	11	31,163	52,330
		447,857	**413,697**
Total assets		**1,610,213**	**1,556,499**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015 (CONTINUED)

	Note	31 December 2015	31 December 2014
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital	12	47,665	50,937
Treasury shares	12	-	(30,060)
Share premium		147,192	147,192
Retained earnings and other reserves	13	958,629	981,520
		1,153,486	**1,149,589**
Non-controlling interest		**16,699**	**15,490**
Total equity		**1,170,185**	**1,165,079**
Non-current liabilities:			
Deferred tax liabilities	15	22,527	31,430
Long-term borrowings	14	60,850	53,276
Other financial liabilities	16	16,575	22,218
Retirement severance provision	17	2,451	2,363
Provisions	18	927	1,159
Deferred revenues and accruals	19	15,259	5,819
		118,589	**116,265**
Current liabilities:			
Retirement severance provision	17	198	219
Short-term liabilities	20	165,998	161,510
Income tax liabilities		9,463	3,376
Short-term borrowings	14	46,794	40,090
Other financial liabilities	16	4,304	-
Provisions	18	2,115	3,532
Deferred revenues and accruals	19	92,567	66,428
		321,439	**275,155**
Total equity and liabilities		**1,610,213**	**1,556,499**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
Sales	21	1,189,340	1,102,417
Cost of sales	22	(795,591)	(760,363)
Gross profit		**393,749**	**342,054**
Selling expenses	22	(260,088)	(221,953)
Administrative expenses	22	(120,619)	(120,126)
Other operating income	23	19,917	13,239
Other operating expenses	24	(14,227)	(31,511)
Operating profit/(loss)		**18,732**	**(18,297)**
Finance income	28	4,109	10,731
Finance cost	29	(5,164)	(7,472)
Share of results of equity accounted investees		(872)	(2,887)
Profit/(loss) before income taxes		**16,805**	**(17,925)**
Income tax expense	30	(1,486)	6,899
Net profit/(loss) for the period		**15,319**	**(11,026)**
Attributable to:			
Equity holders of the parent		12,709	(12,574)
Non-controlling interest		2,610	1,548
		15,319	**(11,026)**
Basic/diluted earnings per share (in PLN)	32	**0.27**	**(0.25)**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
Net profit/(loss) for the period	**15,319**	**(11,026)**
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	293	276
Income tax effect	(55)	(52)
	238	224
Items that will be reclassified to profit or loss		
Other comprehensive income for the period	**238**	**224**
Total comprehensive income for the period	**15,557**	**(10,802)**
Attributable to:		
Shareholders of the parent	12,945	(12,355)
Non-controlling interests	2,612	1,553
	15,557	**(10,802)**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity attributable to equity holders of the parent						
	Share capital	Treasury shares	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2015							
As at 31 December 2014	**50,937**	**(30,060)**	**147,192**	**981,520**	**1,149,589**	**15,490**	**1,165,079**
Total comprehensive income for the period							
Net profit for the period	-	-	-	12,709	12,709	2,610	15,319
Other comprehensive income	-	-	-	236	236	2	238
Total comprehensive income for the period	**-**	**-**	**-**	**12,945**	**12,945**	**2,612**	**15,557**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends of subsidiaries	-	-	-	-	-	(676)	(676)
Repurchase of own shares (note 12)	-	(9,288)	-	-	(9,288)	-	(9,288)
Redemption of own shares	(3,272)	39,348	-	(36,076)	-	-	-
Total contributions by and distribtutions to owners	**(3,272)**	**30,060**	**-**	**(36,076)**	**(9,288)**	**(676)**	**(9,964)**
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Acquisition of non-controlling interests	-	-	-	27	27	(727)	(700)
Expiration of put option liability (note 16)	-	-	-	213	213	-	213
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**240**	**240**	**(727)**	**(487)**
Total transactions with owners	(3,272)	30,060	-	(35,836)	(9,048)	(1,403)	(10,451)
As at 31 December 2015	**47,665**	**-**	**147,192**	**958,629**	**1,153,486**	**16,699**	**1,170,185**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR TWELVE MONTHS ENDED 31 DECEMBER 2015 (CONTINUED)

	Equity attributable to equity holders of the parent						
	Share capital	Treasury shares	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2014							
As at 31 December 2013	**50,937**	**-**	**147,192**	**991,445**	**1,189,574**	**18,021**	**1,207,595**
Total comprehensive income for the period							
Net profit/(loss) for the period	-	-	-	(12,574)	(12,574)	1,548	(11,026)
Other comprehensive income	-	-	-	219	219	5	224
Total comprehensive income for the period	**-**	**-**	**-**	**(12,355)**	**(12,355)**	**1,553**	**(10,802)**
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends of subsidiaries	-	-	-	-	-	(586)	(586)
Repurchase of own shares (note 12)	-	(30,060)	-	-	(30,060)	-	(30,060)
Total contributions by and distribtutions to owners	**-**	**(30,060)**	**-**	**-**	**(30,060)**	**(586)**	**(30,646)**
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Acquisition of non-controlling interests	-	-	-	(3,822)	(3,822)	(3,498)	(7,320)
Expiration of put option liability (note 16)	-	-	-	6,252	6,252	-	6,252
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**2,430**	**2,430**	**(3,498)**	**(1,068)**
Total transactions with owners	-	(30,060)	-	2,430	(27,630)	(4,084)	(31,714)
As at 31 December 2014	**50,937**	**(30,060)**	**147,192**	**981,520**	**1,149,589**	**15,490**	**1,165,079**

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

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
Cash flows from operating activities			
Profit/(loss) before income taxes		**16,805**	**(17,925)**
Adjustments for:			
Share of results of equity accounted investees		872	2,887
Depreciation of property, plant and equipment		78,426	84,053
Amortisation of intangible assets		23,562	11,977
Foreign exchange loss		(86)	139
Interest, net		3,176	4,929
(Profit) /loss on investing activities		(1,738)	13,838
Change in provisions		(1,582)	1,150
Change in inventories		1,150	(4,335)
Change in receivables and prepayments		(27,728)	(19,921)
Change in payables		293	18,561
Change in deferred revenues and accruals		23,594	7,056
Other adjustments		750	(2,472)
Cash generated from operations		**117,494**	**99,937**
Income taxes paid		(6,418)	(2,117)
Net cash from operating activities		**111,076**	**97,820**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangibles		7,177	14,689
Dividends received		-	180
Loan repayment received		-	2,560
Interest received		1,414	2,804
Disposal of short-term securities		118,886	124,867
Other inflows	37	8,000	9,400
Purchase of property plant and equipment and intangibles		(89,755)	(69,972)
Acquisition of subsidiary (net of cash acquired) associates and jointly controlled entities	33	(12,959)	(7,635)
Acquisition of short-term securities		(146,124)	(110,000)
Loans granted		(4,970)	(2,900)
Other outflows	10	(10,645)	(7,000)
Net cash used in investing activities		**(128,976)**	**(43,007)**

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

	Note	2015	2014
Cash flows from financing activities			
Proceeds from borrowings		33,809	3,420
Proceeds from factoring		24,024	-
Repurchase of own shares		(9,288)	(30,060)
Acquisition of non-controlling interest		(1,319)	(2,839)
Dividends paid to non-controlling shareholders		(676)	(586)
Repayment of borrowings		(24,753)	(46,864)
Outflows from factoring		(1,815)	-
Payment of finance lease liabilities		(19,057)	(18,631)
Interest paid		(3,436)	(6,052)
Other		(756)	(425)
Net cash used in financing activities		**(3,267)**	**(102,037)**
Net increase (decrease) in cash and cash equivalents		**(21,167)**	**(47,224)**
Cash and cash equivalents			
At start of period		52,330	99,554
At end of period		31,163	52,330

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

(all amounts in PLN thousands unless otherwise indicated) translation only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 AND FOR THE YEAR ENDED THEREON

1. GENERAL INFORMATION

(a) Core business activity

Agora S.A. with its registered seat in Warsaw, Czerska 8/10 street ("the Company") principally produces and sells newspapers (including *Gazeta Wyborcza)*, carries out the Internet activity and is active as a publisher in magazines, periodicals and books segment. The Company also engages in projects related to production and coproduction of movies. Additionally, the Agora Group ("the Group") is also active in the cinema segment through its subsidiaries Helios S.A. and Next Film Sp. z o.o. ("Helios Group") and in the outdoor segment through its subsidiary AMS S.A. ("AMS"). Moreover, the Group controls 5 radio broadcasting companies and offers printing services for external clients in printing houses belonging to the Company and to its subsidiary Agora Poligrafia Sp.z o.o. Since March 2014, the Group is also present in TV segment by holding shares in Stopklatka S.A. Additionally, in December 2015 the subsidiary Green Content Sp. z o.o. received the decision of the President of the National Broadcasting Council on granting a license to broadcast a television programme via digital terrestrial platform in signal of eighth multiplex.

As at 31 December 2015 the Agora Group ("the Group") comprised: the parent company Agora S.A., and 19 subsidiaries. Additionally, the Group held shares in 2 jointly controlled entities: Stopklatka S.A. and Online Technologies HR Sp. z o.o. and in 3 associates: GoldenLine Sp. z o.o., Instytut Badan Outdooru IBO Sp. z o.o. and Hash.fm Sp. z o.o.

The Group carries out activity in all major cities of Poland.

(b) Registered Office

Czerska 8/10 Street
00-732 Warsaw

(c) Registration of the Company in the National Court Register

Seat of the court:	Regional Court in Warszawa, XIII Commercial Department
Registration number:	KRS 0000059944

(d) Tax Office and Provincial Statistical Office registration of the Company

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

(e) Management Board

During the period reported in the consolidated financial statements, the Management Board of Agora S.A. comprised the following members:

Bartosz Hojka	President	for the whole year
Grzegorz Kossakowski	Member	for the whole year
Tomasz Jagiello	Member	for the whole year
Robert Musial	Member	for the whole year

(f) Supervisory Board

The Supervisory Board of the Company comprised the following members:

Andrzej Szlezak	Chairman	for the whole year
Slawomir S. Sikora	Member	for the whole year
Tomasz Sielicki	Member	for the whole year
Wanda Rapaczynski	Member	for the whole year
Dariusz Formela	Member	for the whole year
Paweł Mazur	Member	for the whole year

(g) Information about the financial statements

The consolidated financial statements were authorised for issue by the Management Board on 1 April 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) aplicable to financial reporting, adopted by the European Union.

Information about standards and interpretations, which were published and become effective after the balance sheet date, including those awaiting endorsement by the European Union, is presented in point (ae).

(b) Basis of preparation

The consolidated financial statements are presented in PLN thousands. Polish zloty is functional currency of parent company and its subsidiaries, associates and joint-ventures. All amounts (unless otherwise indicated) are recalculated and rounded to nearest thousand. The consolidated financial statements are prepared on the historical cost basis except that financial instruments are stated at their fair value.

The consolidated financial statements of the Group were prepared with the assumption that the Company and its subsidiaries would continue their business activities in the foreseeable future. There are no threats that would prevent the companies from continuing their business operations.

The accounting policies were applied consistently by Group entities.

In the preparation of these consolidated financial statements, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2014, except for the changes connected with IFRSs described below.

For the Group’s financial statements for the year started with January 1, 2015, new standards, amendments and interpretations to existing standards, which were endorsed by the European Union, are effecitve:

1) IFRIC Interpretation 21 *Levies;*
2) Amendments to IFRS - *Improvements 2011-2013.*

The application of the amendments have no impact on the unconsolidated financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities, which are controlled by the Group. Control exists when the Group due to its involvement in an investee is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. The Group has power over an investee when the Group has existing rights that give it the current ability to direct the relevant activities, ie the activities that significantly affect the investee’s returns.

The acquitision method of accounting is applied to account for the acquisition of subsidiaries by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date that control ceases to exist. Contingent consideration is initially recognised at the acquisition date fair value. Subsequent changes in the value of the contingent payment liability is recognised through the income statement Changes in a parent`s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii)Joint ventures and associates

An associate is that entity in which the Group has significant influence, but not control. Joint venture is an entity which is jointly controlled by the Group and other shareholders on the basis of a statute, company's act or other agreement. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures from the date that significant influence or joint control commences until the date that significant influence or joint control ceases to exist. The investments in associates and joint ventures are accounted for using the equity method. An interest in a joint venture or associate is initially recorded at cost and adjusted thereafter for the post-acquistion change in the Group's share of net assets of the joint venture or associate. When the Group's share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or joint venture.

(iii)Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains or losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised gains or losses arising from transactions with associates are eliminated against the investment in the associate and the joint venture.

(iv) Put options granted to non-controlling interests

When an agreement signed by the Group with non-controlling shareholders grants a conditional put option for the shares, which they possess and the put option granted meets the definition of a financial liability under *IAS 32 Financial Instruments: Presentation* and at the same time, the non-controlling shareholders holding put options have retained their rights to the economic benefits associated with the underlying shares, the Group recognises the financial liability in the consolidated balance sheet (line item: other financial liabilities) equal to the estimated, discounted redemption amount of the put option and decreases other reserves (line item in the consolidated balance sheet : Retained earnings and other reserves). Subsequent changes in the value of the liability are recognised through the income statement.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost or cost incurred for their manufacture, development or modernization, less accumulated depreciation and impairment losses, if any (see accounting policy from point w).

The cost of property, plant and equipment comprises costs incurred in their purchase or development and modernisation and includes capitalised borrowing costs.

Depreciation is calculated on the straight line basis over the estimated useful life of each asset. Estimated useful life of property, plant and equipment, by significant class of asset, is usually as follows:

Perpetual leasehold of land	86 - 93 years
Buildings	10 - 40 years
Plant and machinery	2 - 20 years
Motor vehicles	5 - 8 years
Other equipment	2 - 20 years

Land is not depreciated.

Repairs and renewals are charged to the income statement when the expenditure is incurred; in other cases are capitalised.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(e) Intangible assets

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less impairment losses, if any (see accounting policy w). Goodwill is tested annually for impairment or more often if there are indications of impairment.

In respect of associates and joint-ventures accounted for the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in the associate and the joint-venture.

Other intangible assets, except for the acquired magazine titles, that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any (see accounting policy w).
Other intangibles are depreciated using the straight line method over the estimated useful life of each asset, except for some special projects related to distribution and co-operation rights for movies and computer games, in case of which the consumption of economic benefits may significantly differ from the straight line approach and the pattern of consumption of economic benefits in particular periods can be reliably determined based on generated revenue and it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated.

Estimated useful lives of intangible assets (apart from acquired magazine titles) are usually between 2 and 15 years.

Acquired magazine titles have indefinite useful lives and are not amortised. Their market position and lack of legal and market barriers for their publishing determined such qualification. Instead they are tested annually for impairment or more often if there are indications of impairment (see accounting policy w).

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and demand deposits.

(g) Derivative financial instruments

Derivative financial instruments are recognized initially and subsequently measured at fair value. The Group does not apply hedge accounting and any gain or loss relating to the change in the fair value of the derivative financial instrument is recognized in the income statement.

Upon signing an agreement that includes derivative financial instruments embedded, the Group assesses whether the economic characteristics of the embedded derivative instrument are closely related to the economic characteristics of the financial instrument ("host contract") and whether the agreement that embodies both the embedded derivative instrument and the host contract is currently measured at fair value with changes in fair value reported in earnings, and whether a separate instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. Derivatives embedded in foreign currency non-financial instrument contracts are not separated from the host contracts if these contracts are in currencies which are commonly used in the economic environment in which transactions take place. If the embedded derivative instrument is determined not to be closely related to the host contract and the embedded derivative instrument would qualify as a derivative instrument, the embedded derivative instrument is separated from the host contract and valued at fair value with changes recorded in the income statement.

(h) Loans

Loans originated by the Group are financial assets created by the Group providing money, goods, or services to a debtor, other than those created with the intent to be sold in the short-term. Loans originated by the Group comprise loans provided to associate entities, other non-consolidated entities and loans originating on the buy-sell back treasury bonds transactions. Originated loans are carried at amortized cost, less impairment losses recognised. At the end of each reporting period, the Group assesses, whether there is objective evidence of impairment of financial assets. An impairment loss is calculated as the difference between the asset`s carrying amount and the present value of the estimated future cash flows discounted with the effective interest rate. Changes in impairment losses are recognized in profit or loss. Accrued interest is included in net profit or loss for the period in which it arises.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that the Group principally holds for the purpose of short-term profit taking. Subsequent to initial recognition (at which date available-for-sale financial assets are stated at cost), all available-for-sale financial assets are measured at fair value. Financial gains or losses on financial assets are recognised in net profit or loss for the period.

(j) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial assets. Subsequent to initial recognition (at which date available-for-sale financial assets are stated at cost), all available-for-sale financial assets are measured at fair value. Unrealised gains or losses of available-for-sale financial assets are recognised in equity. For interest-bearing financial assets interest is calculated using the effective interest method and is recognised in the income statement.

(k) Derecognition of financial instruments

Financial assets are derecognised, when the contractual rights to the cash flows from the financial asset have expired or the Group has transferred the contractual rights to the cash flows to a third party and simultaneously transferred substantially all the risks and rewards of ownership of the asset.

The financial liabilities are removed from the balance sheet, when the obligation specified in the contract is discharged, cancelled or has expired.

(l) Foreign currency

Functional and presentation currency for Agora S.A., its subsidiaries and associates is Polish zloty (excluding LLC Agora Ukraine – which functional currency is hryvnia). Foreign currency transactions are translated at the foreign exchange rates prevailing at the date of the transactions using:

- the purchase or selling rate of the bank whose services are used by the Group entity – in case of foreign currency sales or purchase transactions, as well as of the debt or liability payment transactions,
- the average rate specified for a given currency by the National Bank of Poland as on the preceding date before that date – in case of other transactions.

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised as financial income or expense in the consolidated income statement. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to PLN at the foreign exchange rate set by the National Bank of Poland ruling for that date.

(m) Receivables

Trade and other receivables are stated at amortised cost less impairment losses. The Group recognises impairment losses for receivables in dispute and doubtful debts. The losses are charged to other operating or financial costs depending on the nature of the amount that was provided for.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less VAT, discounts and the costs of completion and selling expenses. Inventories comprise goods for resale, materials, finished goods and work in progress, including production cost of own movies.

Cost is determined by specific identification of their individual costs for paints and paper and by the first-in, first-out (FIFO) method for other materials, goods for resale and finished goods.

(o) Equity

(i) Share capital

The share capital of the parent company is also the share capital of the Group and is presented at the nominal value of registered stock, in accordance with the parent company's statute and commercial registration.

(ii) Treasury shares purchased for their redemption.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

(iii) Share premium

The share premium is a capital reserve arising on the Group's initial public offering ("IPO") during 1999 and is presented net of the IPO costs, decreased by the tax shield on the costs.

(iv) Retained earnings and other reserves

Retained earnings represent accumulated net profits / losses, including reserve capital accumulated from prior years profits. Other reserves include also the equivalent of costs of share-based payments recognised in accordance with IFRS 2 as described below and the recognition of the put option given to the non-controlling shareholders.

In the Agora Group the share incentive plans based on Agora S.A.'s shares were carried out, which ended in the first half of 2013. According to these plans, which were share-based payments settled in financial instruments, eligible employees were entitled to purchase investment certificates in closed end mutual fund. The fair value of certificates was determined by applying valuation model, which took into consideration such variables as: market value of Agora's shares, specific characteristics and running costs of the fund as well as the kind of shares and rights associated with the certificates. The fair value of certificates was included in staff cost with corresponding increase in equity. The fair value of certificates was established as at the grant date and posted to the income statement from the month following the month in which certificates were purchased. The costs were recognized over the vesting period.

(p) Income taxes and deferred income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax expense is calculated according to tax regulations.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward, except for:

(i) the initial recognition of assets or liabilities that in a transaction which is not a business combination and at the time of the transaction affect neither accounting nor taxable profit and

(ii) differences relating to investments in subsidiaries and associates to the extent the parent is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The principal temporary differences arise on depreciation of property, plant and equipment and various transactions not considered to be taxable or tax-deductible until settlement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. At each balance sheet date deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group set off for the presentation proposes deferred income tax assets against deferred income tax liabilities at the companies' level.

(q) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(r) Retirement severance provision

The Group makes contributions to the Government's retirement benefit scheme. The state plan is funded on a pay-as-you-go basis, i.e. the Group is obliged to pay the contributions as they fall due and if the Group ceases to employ members of the state plan, it will have no obligation to pay any additional benefits. The state plan is defined contribution plan. The expense for the contributions is charged to the income statement in the period to which they relate.

Employees of the Group are entitled to retirement severance payment which is paid out on the non-recurrent basis at the moment of retiring. The amount of payment is defined in the labour law. The Group does not exclude assets that might serve in the future as a source of settling liabilities resulting from retirement payments. The Group creates provision for future liabilities in order to allocate costs to the periods they relate to. The Group's obligation in respect of retirement severance provision is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The amount of the liability is calculated by actuary and is based on forecasted individual's entitlements method. Changes in the value of the liability are recognized in profit or loss, except for actuarial gains and losses, which are recognized in other comprehensive income.

(s) Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method.

(t) Grants for the acquisition of fixed assets

The grants received for financing the acquisition of fixed assets are recognized, when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching thereto. The grants are initially recognised at fair value as deferred income and credited to the income statement as other operating income on a systematic basis over the useful life of the respective assets.

(u) Trade and other payables

Trade and other payables are stated at amortised cost.

(v) Revenue recognition

Sales revenue comprises revenue earned (net of value added tax (VAT), returns, discounts and allowances) from the provision of services or goods to third parties.

(i) Sale of goods

Revenues are recognised when the conditions of sale have been met, no significant uncertainties remain regarding the acceptance of the goods (significant risk and rewards of ownership have been transferred to the buyer) and the amount can be measured reliably.

(ii) Sale of services

Revenue from sales of advertising services is recognized as services are provided.

(iii) Interest income

Revenue is recognised as the interest accrues (using the effective interest method).

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(w) Impairment losses

The carrying amount of the Group's assets, other than inventories (see accounting policy n), and deferred tax assets (see accounting policy p) for which other procedures should be applied, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated (the higher of net selling price and value in use). The value in use is assumed to be a present value of discounted future economic benefits which will be generated by the assets.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

At each balance sheet date the Group reviews recognised impairment losses whether there is any indication showing that some of the recognised impairment losses should be reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal on an impairment loss is recognised in the income statement.

An impairment loss for goodwill is not reversed.

(x) Operating lease payments

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(y) Finance lease

Leases which transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Assets acquired under finance lease agreements are initially recognised at the fair value or, if lower, the present value of the minimum lease payments. The initial value is then depreciated and diminished by any impairment charges. If there is no reasonable certainty that the lessee will obtain the ownership by the end of the lease term, the leased asset is fully depreciated over its useful life, but no longer than the lease term. In other cases the depreciation policy is consistent with that for depreciable assets as described in point (d).

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is calculated using constant internal rate of return and is recognised as an expense during the lease period.

(z) Borrowing costs

Interest and other costs of borrowing are recorded in the income statement using effective interest rate in the period to which they relate, unless directly related to investments in qualifying assets, which require a substnatial period of time to get ready for its intended use or sale, in which case they are capitalised.

(aa) Share-based payments

Within the Agora Group there are 3-Year-Long Incentive Plans carried out, described in note 27B. One of the components of the plans is accounted for in accordance with IFRS 2. These are cash-settled plans with rules based on - inter alia - share price quotations and appreciation. In this plans, eligible employees of the Agora Group (the Management Board) are entitled to a reward based on the realization of the Target of Share Price Rise. The value of the provision for the cost of the reward concerning the realization of the Target of Share Price Rise, is estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. The value is charged to the staff costs in Income Statement in proportion to the full period of the 3-Year-Long Incentive Plan and accounted into the accruals. The changes in the value are included in staff costs.

(ab) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the resolution of the Company's shareholders.

(ac) Related parties

For the purposes of these financial statements, related parties comprise significant shareholders, subsidiaries, associated undertakings, joint-ventures and members of the Management and Supervisory Boards of the Group entities and their immediate family, and entities under their control.

(ad) Accounting for tax exemption in Special Economic Zone (SEZ)

The Group's subsidiary (Agora Poligrafia Sp. z o.o.) operates in a Special Economic Zone. Income from activities in SEZ is exempt from taxation up to the amount defined by SEZ regulations. The tax exemption is recognised in the Group's income statement in the period to which it relates. Future tax benefits relating to tax exemption are treated as an investment relief and recognised, by analogy, based on the provisions of IAS 12, as deferred tax assets (as described in point p).

(ae) New accounting standards and interpretations of International Financial Reporting Interpretations Committee (IFRIC)

The Group did not early applied new standards and interpretations, which were published and endorsed by the European Union or which will be endorsed in the nearest future and which become effective after the balance sheet date.

Standards and interpretations endorsed by the European Union:

1) Amendments to IAS 19 *Employee Benefits* entitled *Defined Benefit Plans: Employee Contributions (*effective for annual periods beginning on or after February 1, 2015 or later)

The amendments apply to contributions from employees or third parties to defined benefit plans.

The amendments will have no impact on the consolidated financial statements, since the existing defined benefit plan has no contributions from employees.

2) Improvements to IFRS 2010-2012 (effective for annual periods beginning on or after February 1, 2015 or later)

The changes arising from annual improvements to standards. The Improvements to IFRS 2010-2012 contain 8 amendments to 7 standards, with consequential amendments to other standards and interpretations.

The Group does not expects those changes to have a material impact on the consolidated financial statements.

3) Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint* Operations (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments provide guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business under MSSF 3 and related disclosures.

The Group does not expects those changes to have a material impact on the consolidated financial statements, because the Company is not involved in joint arrangements, which meet such criteria.

4) Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. For intangible assets this presumption can be rebutted in certain limited circumstances.

The Group does not expects those changes to have a material impact on the consolidated financial statements.

5) Improvements to IFRS (2012-2014) (effective for annual periods beginning on or after January 1, 2016 or later)

The annual Improvements to IFRSs (2012-2014) contains 4 amendments to existing standards (IFRS 5, IFRS 7, IAS 19, IAS 34), with consequential amendments to other standards and interpretations.

The Group does not expect, that the amendments will have material impact on the consolidated financial statements.

6) Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture - Bearer Plants* (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments change the financial reporting for bearer plants. Under the new requirements, bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16.

The amendments will have no impact on the consolidated financial statements.

7) Amendments to IAS 27 *Separate Financial Statements - Equity Method in Separate Financial Statements* (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments introduce an option for the entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements, in addition to the existing cost and fair value options.

The amendments will have no impact on the consolidated financial statements.

8) Amendments to IAS 1 *Presentation of Financial Statements - Disclosure initiative* (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments clarify requirements related to presentation and disclosures in financial statements. An emphasis is placed on materiality. Specific single disclosures that are not material do not have to be presented – even if they are a minimum requirement of a standard.

The Group does not expect, that the amendments will have material impact on the consolidated financial statements.

Standards and interpretations awaiting on endorsement by the European Union:

1) IFRS 14 *Regulatory Deferral Accounts* (effective for annual periods beginning on or after January 1, 2016 or later, however the European Commission decided not to endorse this interim standard and to wait for the final standard)

The interim Standard that permits first time adopters of IFRS to continue to use its previous GAAP to account for regulatory deferral account balances both on initial adoption of IFRS and in subsequent financial statements.

The standard will have no impact on the consolidated financial statements, because the Company has no regulatory accounts.

2) Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for annual periods beginning on or after January 1, 2016 or later)

The Amendments remove the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture concerning the recognition of profit or loss on the loss of control of subsidiary and require a full gain or loss to be recognised when the assets transferred meet the definition of a business under IFRS 3 *Business Combinations.*

The amendments will have no impact on the consolidated financial statements.

3) Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception* (effective for annual periods beginning on or after January 1, 2016 or later)

The amendments relate to financial reporting of investment entities and will have no impact on the consolidated financial statements.

4) IFRS 9 *Financial Instruments (2014)* (effective for annual periods beginning on or after January 1, 2018 or later).

The new standard replaces the guidance included in IAS 39 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets, including a model for calculating impairment losses. One of significant changes relates to the changes in classification categories of financial assets. On initial recognition, financial assets will be classified into one of three categories:

- financial assets measured at amortized cost;

- financial assets measured at fair value through profit or loss; or

- financial assets measured at fair value through other comprehensive income (OCI).

The standard retains almost all of the existing requirements from IAS 39 on the classification and measurement of financial liabilities and for derecognition of financial assets and financial liabilities. In respect of the financial assets impairment requirements, IFRS 9 replaces the "incurred loss" impairment model in IAS 39 with an "expected credit loss" model. Under the new approach, it will no longer be necessary for a loss event to occur before an impairment allowance is recognized.

The Group analyzes the impact of the new standard on the consolidated financial statements.

5) IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after January 1, 2018 or later)

The Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Under the new standard, entities will apply a five-step model to determine when to recognize revenue, and at what amount. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Standard includes new qualitative and quantitative disclosure requirements to enable financial statements users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers

The Group analyzes the impact of the new standard on the consolidated financial statements.

6) IFRS 16 *Leasing* (effective for annual periods beginning on or after January 1, 2019 or later)

IFRS 16 supersedes IAS 17 Leases and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases. Bringing operating leases in balance sheet will result in recognizing a new asset – the right to use the underlying asset – and a new liability – the obligation to make lease payments. The right-of-use asset will be depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when they pay constant annual rentals.

Lessor accounting, however, shall remain largely unchanged and the distinction between operating and finance leases will be retained.

The Group analyzes the impact of the new standard on the consolidated financial statements.

7) Amendments to IAS 12 *Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses* (effective for annual periods beginning on or after January 1, 2017 or later)

The amendments clarify that unrealized losses related to debt instruments measured at fair value in the financial statements, but whose tax base is their original cost, can give rise to deductible temporary differences. The amendments also give more guidance on assessing whether taxable profits will be available against which deductible temporary differences could be utilized.

The Group does not expect, that the amendments will have material impact on the consolidated financial statements.

8) Amendments to IAS 7 *Statement of Cash Flows - Diclosure initiative* (effective for annual periods beginning on or after January 1, 2017 or later)

Pursuant to the amendments, an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. One way to fulfil the above disclosure requirement is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The Group expects, that the application of the amendments may result in additional disclosures of changes in financing liabilities as required by the amendments.

(all amounts in PLN thousands unless otherwise indicated) translation only

3. INTANGIBLE ASSETS

	Magazine titles	Goodwill	Licences and patents	Other	Total
Cost as at 1 January 2015	**58,380**	**374,369**	**156,460**	**24,053**	**613,262**
Additions	-	8,213	61,142	3,053	72,408
Acquisitions	-	-	48,631	360	48,991
Transfer from assets under construction	-	-	12,416	2,693	15,109
Acquisitions through business combinations (note 33)	-	8,213	95	-	8,308
Disposals	-	-	(54)	(3,050)	(3,104)
Sale	-	-	-	(3,050)	(3,050)
Liquidation	-	-	(54)	-	(54)
Cost as at 31 December 2015	**58,380**	**382,582**	**217,548**	**24,056**	**682,566**
Amortisation and impairment losses as at 1 January 2015	**35,022**	**63,265**	**93,500**	**21,819**	**213,606**
Amortisation charge for the period	-	-	20,220	3,342	23,562
Impairment losses	-	-	446	-	446
Sale	-	-	-	(3,050)	(3,050)
Liquidation	-	-	(54)	-	(54)
Other	-	-	-	(8)	(8)
Amortisation and impairment losses as at 31 December 2015	**35,022**	**63,265**	**114,112**	**22,103**	**234,502**
Carrying amounts					
As at 1 January 2015	23,358	311,104	62,960	2,234	399,656
As at 31 December 2015	23,358	319,317	103,436	1,953	448,064

(all amounts in PLN thousands unless otherwise indicated) translation only

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Total
Cost as at 1 January 2014	**58,380**	**374,369**	**148,485**	**22,990**	**604,224**
Additions	-	-	8,580	1,063	9,643
Acquisitions	-	-	3,131	151	3,282
Transfer from assets under construction	-	-	5,449	912	6,361
Disposals	-	-	(605)	-	(605)
Liquidation	-	-	(605)	-	(605)
Cost as at 31 December 2014	**58,380**	**374,369**	**156,460**	**24,053**	**613,262**
Amortisation and impairment losses as at 1 January 2014	**19,895**	**63,265**	**83,374**	**20,474**	**187,008**
Amortisation charge for the period	-	-	10,732	1,245	11,977
Impairment losses (note 41)	15,127	-	-	100	15,227
Liquidation	-	-	(606)	-	(606)
Amortisation and impairment losses as at 31 December 2014	**35,022**	**63,265**	**93,500**	**21,819**	**213,606**
Carrying amounts					
As at 1 January 2014	38,485	311,104	65,111	2,516	417,216
As at 31 December 2014	23,358	311,104	62,960	2,234	399,656

Amortisation of intangibles is recognised in “cost of sales”, “selling expenses” and “administrative expenses”. Impairment losses are recognised in “other operating expenses” in the income statement. Reversals of impairment losses are recognised in “other operating income” in the income statement.

Other intangibles with the book value in the amount of PLN 139 thousand (2014: PLN 201 thousand) are pledged as security for bank loans of Helios S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Perpetual usufruct of land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2015	**18,195**	**34,440**	**527,639**	**841,618**	**8,515**	**208,072**	**36,212**	**1,674,691**
Additions	7,320	-	24,016	32,941	982	9,652	104,076	178,987
Acquisitions	-	-	1,311	11,019	695	414	102,103	115,542
Transfer from assets under construction	1,131	-	22,493	21,783	287	9,211	-	54,905
Acquisitions through business combinations (note 33)	-	-	158	119	-	-	-	277
Reclassifications	6,189	-	3	20	-	-	-	6,212
Other	-	-	51	-	-	27	1,973	2,051
Disposals	(35)	(6,622)	(9,137)	(28,131)	(863)	(6,504)	(106,391)	(157,683)
Sale	-	-	(4,396)	(1,209)	(736)	(11)	(34,761)	(41,113)
Liquidation	-	-	(4,721)	(26,922)	(127)	(6,493)	(939)	(39,202)
Reclassifications	(3)	(6,622)	(20)	-	-	-	-	(6,645)
Transfer from assets under construction	-	-	-	-	-	-	(70,014)	(70,014)
Other	(32)	-	-	-	-	-	(677)	(709)
Cost as at 31 December 2015	**25,480**	**27,818**	**542,518**	**846,428**	**8,634**	**211,220**	**33,897**	**1,695,995**

(all amounts in PLN thousands unless otherwise indicated) translation only

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Perpetual usufruct of land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2015	**-**	**10,984**	**214,205**	**621,344**	**6,309**	**133,918**	**1,520**	**988,280**
Depreciation charge for the period	-	258	19,298	45,044	783	13,043	-	78,426
Impairment losses	-	-	44	250	-	673	1,222	2,189
Reversal of impairment losses	-	-	-	-	-	-	(24)	(24)
Sale	-	-	(4,308)	(1,187)	(665)	(3)	-	(6,163)
Liquidation	-	-	(4,190)	(26,789)	(127)	(4,670)	(193)	(35,969)
Reclassifications	-	(432)	(5)	3	-	1	-	(433)
Depreciation and impairment losses as at 31 December 2015	**-**	**10,810**	**225,044**	**638,665**	**6,300**	**142,962**	**2,525**	**1,026,306**
Carrying amounts								
As at 1 January 2015	18,195	23,456	313,434	220,274	2,206	74,154	34,692	686,411
As at 31 December 2015	25,480	17,008	317,474	207,763	2,334	68,258	31,372	669,689

(all amounts in PLN thousands unless otherwise indicated) translation only

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Perpetual usufruct of land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2014	**16,852**	**35,663**	**521,471**	**830,083**	**7,860**	**206,326**	**29,986**	**1,648,241**
Additions	1,360	-	9,894	22,494	1,055	10,237	59,720	104,760
Acquisitions	-	-	693	12,674	803	603	57,525	72,298
Transfer from assets under construction	240	-	9,133	9,815	252	9,629	-	29,069
Reclassifications	1,120	-	-	5	-	-	-	1,125
Other	-	-	68	-	-	5	2,195	2,268
Disposals	(17)	(1,223)	(3,726)	(10,959)	(400)	(8,491)	(53,494)	(78,310)
Sale	-	-	(1,584)	(1,109)	(394)	(392)	(15,580)	(19,059)
Liquidation	-	-	(2,137)	(9,850)	(6)	(8,099)	(558)	(20,650)
Reclassifications	-	(1,223)	(5)	-	-	-	-	(1,228)
Transfer from assets under construction	-	-	-	-	-	-	(35,430)	(35,430)
Other	(17)	-	-	-	-	-	(1,926)	(1,943)
Cost as at 31 December 2014	**18,195**	**34,440**	**527,639**	**841,618**	**8,515**	**208,072**	**36,212**	**1,674,691**

(all amounts in PLN thousands unless otherwise indicated) translation only

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Perpetual usufruct of land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2014	**-**	**10,774**	**198,026**	**585,948**	**5,852**	**121,508**	**1,497**	**923,605**
Depreciation charge for the period	-	313	19,440	45,258	700	18,342	-	84,053
Impairment losses	-	-	-	-	-	9	251	260
Reversal of impairment losses	-	-	-	-	-	-	(20)	(20)
Sale	-	-	(1,550)	(1,109)	(238)	(311)	-	(3,208)
Liquidation	-	-	(1,711)	(8,753)	(5)	(5,630)	-	(16,099)
Reclassifications	-	(103)	-	-	-	-	(208)	(311)
Depreciation and impairment losses as at 31 December 2014	**-**	**10,984**	**214,205**	**621,344**	**6,309**	**133,918**	**1,520**	**988,280**
Carrying amounts								
As at 1 January 2014	16,852	24,889	323,445	244,135	2,008	84,818	28,489	724,636
As at 31 December 2014	18,195	23,456	313,434	220,274	2,206	74,154	34,692	686,411

Depreciation of property, plant and equipment is recognised in "cost of sales", "selling expenses" and "administrative expenses". Impairment losses are recognised in "other operating expenses" in the income statement. Reversals of impairment losses are recognised in "other operating income" in the income statement.

The balance sheet value as at December 31, 2015 of property, plant and equipment used on the basis of finance lease agreements amounted to PLN 73,949 thousand (2014: PLN 71,586 thousand). The information on the conditions and terms of finance lease agreements are shown in note 14 to the consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

The following property, plant and equipment are pledged as security for loan facility concerning Agora S.A. and bank loans and finance lease agreements concerning Helios S.A. (described in note 14):

No.	Assets	Net book value at 31 December 2015
1	Perpetual usufruct	4,400
2	Land	10,496
3	Buildings	143,162
4	Plant, machinery and equipment	67,204
5	Vehicles	472
6	Other fixed assets	19,754
	Total	245,488

Contractual investment commitments are disclosed in note 36.

5. INVESTMENTS

Investments include primarily shares and loans granted of the unconsolidated companies.

	2015	2014
Balance as at beginning of the period	**123**	**163**
Shares	83	83
Loans granted	40	80
Additions	**-**	**40**
Loans granted	-	40
- interests charged	-	40
Disposals	**(25)**	**(80)**
Loans granted	(25)	(80)
- reclassifications	(25)	(80)
Balance as at end of the period	**98**	**123**
Shares	83	83
Loans granted	15	40

(all amounts in PLN thousands unless otherwise indicated) translation only

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associates and joint ventures accounted for using the equity method.

	2015 r.	2014
Investments in associates	12,427	13,058
Investments in joint ventures	7,511	3,345
Total investments in equity accounted investees	**19,938**	**16,403**
Balance as at beginning of the period	**16,403**	**11,835**
Additions	4,407	7,635
Acquisition of shares	-	2,169
Share capital increase (note 33)	4,407	5,466
Disposals	(872)	(3,067)
Share in net losses	(872)	(2,887)
Dividends received	-	(180)
Balance as at end of the period	**19,938**	**16,403**

Summarised financial information about associates and joint-ventures is presented in note 39.

7. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 December 2015	31 December 2014
Prepayments and accrued income	2,166	2,465
Other	12,013	31,066
Total accounts receivable and prepayments, gross	**14,179**	**33,531**

As at 31 December 2015 the Group had a deposit receivable of PLN 29.6 million (2014: PLN 37.6 million) resulting from a cash deposit provided by subsidiary AMS S.A. as a cash collateral securing the bank guarantees issued in relation to the concession contract for construction and utilization of bus shelters in Warsaw). As at 31 December 2015, part of the deposit receivable in the amount of PLN 10.8 million (2014: PLN 29.6 million) is presented within long-term receivables.

8. INVENTORIES

	31 December 2015	31 December 2014
Raw materials and consumables	24,538	24,454
Work in progress	-	3,203
Finished goods	1,715	344
Goods for resale	2,778	2,181
	29,031	**30,182**
Impairment losses recognised	8,135	7,768
Total inventories, gross	**37,166**	**37,950**

Work in progres comprises costs related to production of own movies.

(all amounts in PLN thousands unless otherwise indicated) translation only

The cost of inventories recognised as an expense amounted to PLN 202,801 thousand (2014: PLN 197,084 thousand) and is presented in "cost of sales" in the income statement.

Impairment losses and reversals of impairment losses are recognised in "cost of sales" in the income statement (in 2015 net loss in the amount of PLN 1,135 thousand, in 2014 net loss in the amount of PLN 432 thousand).

9. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 December 2015	31 December 2014
Trade receivables (net of impairment losses)	201,622	193,775
Taxes, social security and similar	23,982	22,803
Prepayments and accrued income	8,589	10,254
Other	47,523	41,910
	281,716	**268,742**
Impairment losses recognised	18,499	22,865
Total accounts receivable and prepayments, gross	**300,215**	**291,607**

Other receivables include mainly loans granted to employees from the Group's social fund of PLN 19,629 thousand (31 December 2014: PLN 22,010 thousand). Loans are granted for periods up to 10 years and are repayable in monthly instalments. Loans granted bear a fixed interest rate no greater than 2%. Other receivables also include the current part of the cash deposit provided by subsidiary AMS S.A. described in note 7.

Accounts receivable include receivables from related parties – details are presented in note 40.

Trade receivables are non-interest bearing and payment terms vary usually from 7 to 30 days. Tax and social security receivables are non-interest bearing.

Impairment losses are recognised in "other operating expenses" in the income statement. Reversals of impairment losses are recognised in "other operating income" in the income statement.

Ageing of trade receivables - gross

	31 December 2015	31 December 2014
Current receivables	134,702	121,623
Overdue receivables within 1 month	46,348	51,095
Overdue receivables between 1 and 3 months	15,353	11,280
Overdue receivables between 3 and 6 months	3,078	7,820
Overdue receivables between 6 months and 1 year	3,198	6,055
Overdue receivables more than 1 year	17,338	18,702
	220,017	**216,575**

Impairment losses on accounts receivable

	2015	2014
Balance as at beginning of the period	**22,865**	**21,646**
Additions	6,039	8,291
Reversals	(5,093)	(3,574)
Used impairment losses	(5,312)	(3,498)
Balance as at end of the period	**18,499**	**22,865**

(all amounts in PLN thousands unless otherwise indicated) translation only

10. SHORT-TERM SECURITIES AND OTHER FINANCIAL ASSETS

	31 December 2015	31 December 2014
Certificates in investment funds	85,771	57,888
Loans granted	9,410	4,228
Other	10,645	-
	105,826	**62,116**

The loans granted concerns transactions with related parties according to the information presented in the note 40.

Other financial assets relate to the amount of cash paid by the Company in connection with the subscriptions for shares of Stopklatka S.A., described in note 36 and was returned to the Company on January 21, 2016.

11. CASH AND CASH EQUIVALENTS

	31 December 2015	31 December 2014
Cash at bank and in hand	23,171	40,966
Short-term bank deposits	5,024	11,047
Other	2,968	317
	31,163	**52,330**

Included in cash and cash equivalents is cash in the amount of PLN 9,787 thousand representing cash held on behalf of the Group's social fund (31 December 2014: PLN 9,617 thousand).

12. SHARE CAPITAL

Registered share capital as at 31 December, 2015

Series	Type of shares	Type of preference	Amount of shares	Par value	Origin of capital
A	preference	voting	4,281,600	4,282	conversion
BiD	ordinary	none	43,383,826	43,383	conversion, share issue
			47,665,426	**47,665**	

The nominal value of each share amounts to PLN 1.

Each Registered A share carries five votes at general meetings.

All issued shares are fully paid.

Shares buy-back program

On June 24, 2014, the General Meeting adopted the resolution on the Company's share buy-back program for the purpose of their redemption ("the Program"). Within the realization of the Program, the Company might acquire no more than 3,638,380 shares with the minimum price not lower than PLN 12.00 and the maximum price not higher than PLN 16.00 per one share. According to the above, the General Meeting adopted resolution on creation a reserve capital dedicated to share buy-back, for which it has allocated PLN 50,937,380 from the supplementary capital.

On August 14, 2014, the Management Board of Agora S.A. announced the offer to buy back shares of the Company ("Offer"). All shareholders of the Company were entitled to participate in the Offer. Within the Offer, the Company was to purchase no more than 2,779,970 shares ("Shares"), constituting no more than 5.46% of the Company's share capital, however no more than 2,500,000 bearer shares traded on Warsaw Stock Exchange and no more than 279,970 registered shares. The offered price for the Share was PLN 12.00. The sale offers were accepted since August 25th, 2014 till September 5th, 2014. The entity intermediating in the execution and settlement of the Offer was Dom Maklerski BZ WBK S.A.

On September 12, 2014, the Management Board of Agora S.A. announced that, as a result of the announced Offer, on September 12th, 2014 the Company purchased a total of 2,500,000 own shares outside of the regulated market, via the brokerage house of Dom Maklerski BZ WBK S.A. All purchased shares are ordinary bearer shares quoted on Warsaw Stock Exchange, each with a nominal value of PLN 1.0, which in total represent 4.91% of the Company's share capital and 2,500,000 votes at the general meeting of the Company, which represents 3.67% of the votes at the general meeting of the Company (the "Purchased Shares"). The purchase price was PLN 12.00 per one Purchased Share and all expenditure incurred on execution and settlement of the Offer amounted to PLN 30,060 thousand. The Purchased Shares were acquired with the aim of being redeemed.

On April 1, 2015, the Management Board of Agora S.A. announced the second offer to buy back shares of the Company ("Offer"). All shareholders of the Company were entitled to participate in the Offer. Within the Offer, the Company offered to purchase no more than 1,138,380 shares ("Shares"), constituting no more than 2.23% of the Company's share capital, however no more than 771,960 bearer shares traded on Warsaw Stock Exchange and no more than 366,420 registered shares. The offered price for the Share was PLN 12.00. The sale offers were accepted since April 7th, 2015 till April 17th, 2015. The entity intermediating in the execution and settlement of the Offer was Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK.

On April 24, 2015, the Management Board of Agora S.A. announced that, as a result of the Offer the Company purchased a total of 771,960 own shares outside of the regulated market, via the brokerage house from Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK. All purchased shares are ordinary bearer shares quoted on Warsaw Stock Exchange, each with a nominal value of PLN 1.0, which in total represent 1.52% of the Company's share capital and 771,960 votes at the general meeting of the Company, which represents 1.13% of the votes at the general meeting of the company ("the Purchased Shares"). The purchase price was PLN 12.00 per one Purchased Share and all expenditure incurred on execution and settlement of the Offer amounted to PLN 9,288 thousand. The Purchased Shares were acquired with the aim of being redeemed.

As a result of the execution of two stages of the own shares purchase program to which the Management Board of Agora S.A. was authorized in resolution no. 7 of the Annual General Meeting of Shareholders dated June 24, 2014 and after the settlement of the Offer, the Company holds in total 3,271,960 own shares, each with a nominal value of PLN 1.0, which in the aggregate represent 6.42% of the Company's share capital and 3,271,960 votes at the general meeting of shareholders of the Company, which represents 4.81% of total votes at the general meeting of the Company. In accordance with applicable laws, the Company does not exercise the shareholder's rights attached to own shares.

On June 26, 2015, General Meeting of Shareholders of Agora S.A. adopted the resolutions on redemption of the own shares and decrease of the share capital of the Company by the amount of PLN 3 271 960.

In the current reports dated September 23, 2015, the Management Board of Agora S.A. informed that on September 22, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered the decrease of the Company's share capital by the amount of PLN 3,271,960, i.e. from PLN 50,937,386 to PLN 47,665,426. The decrease of the Company's share capital resulted from the redemption of 3,271,960 of the Company's bearer shares with a nominal value of PLN 1 per share, entitling to 3,271,960 votes at the General Meeting of Shareholders of the Company, purchased by the Company in two stages of the shares buy - back Program described above.

The restatement of equity due to hyperinflation

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 Company 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 Company with corresponding decrease of retained earnings by the same amount.

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

(all amounts in PLN thousands unless otherwise indicated) translation only

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

13. RETAINED EARNINGS AND OTHER RESERVES

Dividends

Retained earnings may be distributed subject to regulations, stipulated in the commercial companies' code and according to dividend policy announced by the Company.

Frame dividend policy announced by the Company on 14 February of 2005 provides for return of excess cash to shareholders, depending on the Company's perspectives and market conditions, through annual dividend and through share repurchases for the purpose of their redemption.

For the financial year of 2014, Agora S.A. made a net loss of PLN 25,984 thousand, which was covered in accordance with the resolution of the General Meeting of Shareholders of Agora dated June 26, 2015 from the reserve capital.

14. LONG-TERM AND SHORT-TERM BORROWINGS

	31 December 2015	31 December 2014
Long term bank loans	26,777	23,441
Finance lease liabilities	34,073	29,835
Total long term borrowings	**60,850**	**53,276**
Short term bank loans	29,634	23,823
Finance lease liabilities	17,160	16,267
Total short term borrowings	**46,794**	**40,090**

Bank loans

Debt repayment schedule:

	31 December 2015	31 December 2014
More than 1 and less than 3 years	17,218	14,666
Between 3 and 5 years	9,559	6,178
More than 5 years	-	2,597
Total	**26,777**	**23,441**

On the basis of the Annex no. 1 to the multi - purpose credit line agreement signed on 26 May 2015 with Bank Polska Kasa Opieki S.A., Agora S.A. was provided with a time credit of up to PLN 100.0 million, which may be used by 31 May 2016 and with a credit facility in the current account of up to PLN 35.0 million, which may be used by 28 May 2016.

In the first quarter of 2015, the Company repaid the last installment of the credit line used in previous years. As at 31 December 2015, the outstanding amount of the credit facility in the current account amounted to PLN 17,878 thousand.

(all amounts in PLN thousands unless otherwise indicated) translation only

Finance lease liabilities

	31 December 2015	31 December 2014
Future minimum lease payments	56,007	51,091
Future finance charges	(4,774)	(4,989)
Present value of finance lease liabilities, total	**51,233**	**46,102**

Present value of finance lease liabilities by payment period

	31 December 2015	31 December 2014
Within 1 year	17,160	16,267
Between 1 and 5 years	30,409	29,835
More than 5 years	3,664	-
Present value of finance lease liabilities, total	**51,233**	**46,102**

Future minimum lease payments by payment period

	31 December 2015	31 December 2014
Within 1 year	19,262	18,724
Between 1 and 5 years	32,999	32,367
More than 5 years	3,746	-
Future minimum lease payments, total	**56,007**	**51,091**

(all amounts in PLN thousands unless otherwise indicated) translation only

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2015	31 December 2014	31 December 2015		31 December 2014					
			Long term	Short term	Long term	Short term				
Credits and loans										
Bank Pekao S.A.	135,000	169,929	-	17,878	-	8,643	WIBOR 1 M or 3 M + margin	refinancing credit till March 31, 2015 ; time credit - ready to use: if used - quarterly 13 instalments from June 30, 2017 to June 30, 2020; credit facility in the current account which may be used by May 28, 2016.	mortgages on propertis in Warsaw (including perpetual usufruct and buildings located on them), pledge on insurance policies, pledges on Company's bank accounts	credit line granted to Agora S.A. (divided into parts: refinancing credit, time credit ready to use and credit facility in the current account)
Bank Zachodni WBK S.A.	42,627	29,327	13,865	5,686	5,240	4,475	1M WIBOR + bank margin	monthly installments until May 7, 2020	mortgage on property in Białystok, Radom, Sosnowiec and Opole, registered pledge on cinema equipment, pledge on insurance policy, blank promissory note, subordinated loan from Agora S.A.	investment credit granted to Helios S.A.
Raiffeisen Bank Polska S.A.	56,000	56,000	12,238	5,446	17,684	5,700	1M WIBOR + bank margin	monthly installments until December 31, 2020	registered pledge on cinema equipment, pledge on insurance policy, Bank`s right to settle liabilites arising from loan agreement against current account, blank promissory note with promissory note declaration, pledge on current account and other bank accounts managed by the Bank, mortgage on property in Opole, Białystok, Sosnowiec and Radom, pledge on insurance policy, plegde on receivables from a contract on the basis of the agreement between the Bank and the Borrower	investment credit granted to Helios S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

Creditor	Amount of agreement 31 December 2015	Amount of agreement 31 December 2014	Outstanding 31 December 2015 Long term	Outstanding 31 December 2015 Short term	Outstanding 31 December 2014 Long term	Outstanding 31 December 2014 Short term	Interest	Repayment schedule according to agreement	Collaterals	Other
Raiffeisen Bank Polska S.A.	1,500	1,500	414	103	517	103	1M WIBOR + bank margin	monthly installments until December 31, 2020	mortgage on property in Opole, registered pledge on cinema equipment, pledge on insurance policy, Bank`s right to settle liabilites arising from loan agreement against current account, blank promissory note with promissory note declaration	revolving credit granted to Helios S.A.
Bank Zachodni WBK S.A.	-	3,600	-	-	-	3,600	1M WIBOR + bank margin	monthly installments until November 23, 2015	blank promissory note, pledge on insurance policy, registered pledge on cinema equipment, mortgage on property in Radom, Sosnowiec, Opole and Bialymstok, subordinated loan from Agora S.A. Declaration of support from Agora S.A.	revolving credit granted to Helios S.A.
Alior Bank S.A.	1,952	1,952	260	521	-	1,302	3M WIBOR + bank margin	monthly installments until 30 June 2017	pledge on current account, mortgage on property in Radom	investment credit granted to Helios S.A.
Finance lease liabilities										
BZ WBK LEASING S.A.	12,148	33,374	5,053	1,729	6,678	4,456	1M WIBOR + lessor`s margin	Final repayment in installments till 2019	blank promissory note, leased equipment (projectors 3D, cinema and bar equipment)	lease agreement signed by Helios S.A.
mLeasing Sp. z o.o.	2,407	2,625	282	498	780	513	1M WIBOR + lessor`s margin	Final repayment in installments till 2017	blank promissory note, leased equipment (cars and cinema equipment)	lease agreement signed by Helios S.A.
Europejski Fundusz Leasingowy S.A.	22,120	32,246	5,425	4,522	9,947	6,134	1M WIBOR + lessor`s margin	Final repayment in installments till 2018	blank promissory note, leased equipment (cinema and bar equipment)	lease agreement signed by Helios S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2015	31 December 2014	31 December 2015		31 December 2014					
			Long term	Short term	Long term	Short term				
SG Equipment Leasing Polska Sp. z o.o.	452	452	255	71	332	74	1M WIBOR + lessor`s margin	Final repayment in installments till 2020	blank promissory note, leased equipment (cinema equipment in Legnica), gurantee deposit equal to 10% of financing amount	lease agreement signed by Helios S.A.
XDC ALPHA S.A.	7,571	7,571	-	3,451	3,064	1,016	1M WIBOR + lessor`s margin	Final repayment in installments till 2016	leased equipment - projectors 3D	lease agreement signed by Helios S.A.
BZ WBK Lease S.A.	32,837	12,221	18,550	4,655	3,314	2,185	1M WIBOR + lessor`s margin	Final repayment in installments till 2021	blank promissory note, leased equipment (projectors, cinema equipment, cars)	lease agreement signed by Helios S.A.
Santander Consumer Multirent	114	114	-	24	24	27	1M WIBOR + lessor`s margin	Final repayment in installments till 2016	blank promissory note, cars	lease agreement signed by Helios S.A.
ING Lease Sp. z o.o.	11,062	10,797	3,879	2,039	5,696	1,861	1M WIBOR + lessor`s margin	Final repayment in installments till 2019	blank promissory note, leased equipment (projectors, cinema equipment)	lease agreement signed by Helios S.A.
Raiffeisen Leasing Polska S.A.	1,011	-	629	171	-	-	1M WIBOR + lessor`s margin	Final repayment in installments till 2020	blank promissory note, leased equipment (projectors, cinema equipment)	lease agreement signed by Helios S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

15. DEFERRED INCOME TAXES

Deferred income taxes are calculated using a rate of 19% (2014: 19%).

Deferred tax assets

	2015	2014
Balance as at beginning of the period	**28,739**	**27,525**
Accruals	12,787	12,302
F/X differences	42	19
Interests liabilities	263	259
Deferred revenues	10,142	8,949
Provisions	654	643
Accelerated depreciation and amortisation	249	134
Impairment losses for inventories	1,476	1,734
Impairment losses for accounts receivable	1,526	1,385
Tax losses	277	908
Finance leases	950	968
Other	373	224
Recognised in the income statement due to origination and reversal of temporary differences and tax loss	**3,048**	**1,266**
Accruals	3,776	485
Financial assets and liabilities	124	-
F/X differences	(10)	23
Interests liabilities	7	4
Deferred revenues	(710)	1,193
Provisions	193	63
Accelerated depreciation and amortisation	1,812	115
Impairment losses for inventories	86	(258)
Impairment losses for accounts receivable	(646)	141
Tax losses	(261)	(631)
Finance leases	(950)	(18)
Other	(373)	149
Recognised in other comprehensive income	**(55)**	**(52)**
Provisions	(55)	(52)
Balance as at end of the period	**31,732**	**28,739**
Accruals	16,563	12,787
Financial assets and liabilities	124	-
F/X differences	32	42
Interests liabilities	270	263
Deferred revenues	9,432	10,142
Provisions	792	654
Accelerated depreciation and amortisation	2,061	249
Impairment losses for inventories	1,562	1,476
Impairment losses for accounts receivable	880	1,526
Tax losses	16	277
Finance leases	-	950
Other	-	373

(all amounts in PLN thousands unless otherwise indicated) translation only

Deferred tax liabilities

	2015	2014
Balance as at beginning of the period	**53,491**	**63,948**
Accelerated depreciation and amortisation	49,859	59,569
Financial assets and liabilities	180	603
F/x differences	37	-
Interest receivables	18	3
Finance leases	3,099	3,558
Other	298	215
Recognised in the income statement due to origination and reversal of temporary differences	**(9,620)**	**(10,457)**
Accelerated depreciation and amortisation	(9,927)	(9,710)
Financial assets and liabilities	19	(423)
F/x differences	(35)	37
Interest receivables	(83)	15
Finance leases	345	(459)
Other	61	83
Balance as at end of the period	**43,871**	**53,491**
Accelerated depreciation and amortisation	39,932	49,859
Financial assets and liabilities	199	180
F/x differences	2	37
Interest receivables	(65)	18
Finance leases	3,444	3,099
Other	359	298

Deferred tax assets and liabilities	Before offsetting	Offsetting	31 December 2015 Carrying amount
Assets	31,732	(21,344)	10,388
Liabilities	43,871	(21,344)	22,527

Deferred tax assets and liabilities	Before offsetting	Offsetting	31 December 2014 Carrying amount
Assets	28,739	(22,061)	6,678
Liabilities	53,491	(22,061)	31,430

(all amounts in PLN thousands unless otherwise indicated) translation only

Unrecognised tax assets

Due to uncertainty about the availability of future tax profits within the next five years the Group did not recognise certain deferred tax assets concerning some tax credits and tax losses.

The amounts of unused tax credits and unused tax losses available together with expiry dates for which a deferred tax asset has not been recognised are shown in the table below:

	31 December 2015	31 December 2014	Expiry date
Unused tax losses	25,092	39,308	up to 2020
Unused tax credits	-	3,970	up to 2015
Other deductible temporary differences	16	-	up to 2016

16. OTHER FINANCIAL LIABILITIES

	2015	2014
Long term		
Put option liabilities	16,575	17,735
Contingent payment liability	-	4,483
	16,575	**22,218**
Short term		
Contingent payment liability	4,304	-
	4,304	**-**

Put option liabilities concern the estimated redemption amount of the put options granted to non-controlling shareholders.

As at December 31, 2015, its value amounted to:

- for non-controlling shareholders of Helios S.A. PLN 16,554 thousand (31 December 2014: PLN 17,176 thousand),
- for non-controlling shareholders of Sir Local Sp. z o.o. PLN 21 thousand (31 December 2014: PLN 346 thousand).

On 16th July 2015 the put option liability for non-controlling shareholders of Sport4People Sp. z o.o. in the amount of PLN 213 thousand expired as a result of signing an agreement terminating the Investment Agreement described in note 33.

On 7th September 2015 the put option in the amount of PLN 619 thousand was exercised as a result of execution by Agora S.A. of the call for acquisition of 44,000 shares in Helios S.A. received from the non-controlling shareholder.

The contingent payment liability relates to the estimated fair value of the contingent payment resulting from the share sales agreement concluded on December 11, 2014 , on the basis of which Agora S.A. acquired 384,600 shares of Helios S.A. from a non-controlling shareholder. The consideration transferred comprised a cash payment of PLN 2,638 thousand and a contingent payment with the estimated fair value of PLN 4,483 thousand as at 31 December 2014 and PLN 4,304 thousand as at 31 December 2015.

(all amounts in PLN thousands unless otherwise indicated) translation only

17. RETIREMENT SEVERANCE PROVISION

According to the Polish employment regulations, employees have the right to retirement severances payments. The amount provided as at 31 December 2015 amounted to PLN 2,649 thousand (31 December 2014: PLN 2,582 thousand).

18. PROVISIONS

	2015	2014
Balance as at beginning of the period	**4,691**	**3,672**
Provision for restructuring	227	15
Provision for penalties, interests and similar	1,370	1,765
Provision for onerous contracts	1,391	-
Provision for the cost of compensation and severances for the former Management Board Members	-	681
Provision for legal claims	1,421	768
Other	282	443
Additional provisions	**334**	**2,924**
Provision for restructuring	-	380
Provision for penalties, interests and similar	18	-
Provision for onerous contracts	-	1,449
Provision for legal claims	305	1,082
Other	11	13
Provisions used during the period	**(574)**	**(867)**
Provision for restructuring	(204)	(17)
Provision for penalties, interests and similar	(61)	(183)
Provision for the cost of compensation and severances for the former Management Board Members	-	(667)
Provision for legal claims	(309)	-
Unused provisions reversed	**(1,409)**	**(1,038)**
Provision for restructuring	(23)	(151)
Provision for penalties, interests and similar	-	(212)
Provision for onerous contracts	(232)	(58)
Provision for the cost of compensation and severances for the former Management Board Members	-	(14)
Provision for legal claims	(1,055)	(429)
Other	(99)	(174)
Balance as at end of the period	**3,042**	**4,691**
Provision for restructuring	-	227
Provision for penalties, interests and similar	1,327	1,370
Provision for onerous contracts	1,159	1,391
Provision for legal claims	362	1,421
Other	194	282
Non-current part	**927**	**1,159**
Provision for onerous contracts	927	1,159
Current part	**2,115**	**3,532**
Provision for restructuring	-	227
Provision for penalties, interests and similar	1,327	1,370
Provision for onerous contracts	232	232
Provision for legal claims	362	1,421
Other	194	282

(i) Provision for restructuring

In the third quarter of 2013, as a result of the group lay-offs announced by AMS S.A., a provision for costs related to this process was recognised in the amount of PLN 380 thousand. As at 31 December 2014, the provision outstanding for usage amounted to PLN 227 thousand. As at 31 December 2015, the provision was entirely used.

(ii) Provision for penalties, interests and similar

Provision for penalties, interests and similar includes mainly penalties for putting advertising panels on the waysides by the companies of the AMS group.

(iii) Provision for onerous contracts

Provision for onerous contracts was recognised by the subsidiary Helios S.A. based on the analysis of the settlement of a long-term operating lease contract concerning one of the cinema locations within the Helios network.

(iv) Provision for legal claims

The Group is a defendant in court cases. As at 31 December 2015 the Group evaluated the risk of loss and payment of indemnities in those cases. The amount of indemnities was determined based on consultation with Group's lawyers taking into account the present status of those cases and information available. Additionally, the companies of the Group are a party of legal disputes in the amount of PLN 2,573 thousand (as at December 31, 2014: PLN 3,962 thousand), in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

(all amounts in PLN thousands unless otherwise indicated) translation only

19. NON-CURRENT AND CURRENT DEFERRED REVENUES AND ACCRUALS

	31 December 2015	31 December 2014
Non-current		
Accruals	**-**	**2,008**
- accrual for costs	-	1,890
- accrual for 3-Year-Long Incentive Plan (note 27)	-	118
Deferred revenues	**184**	**370**
- grants for financing property, plant and equipment	-	81
- other	184	289
Other non-current liabilities	**15,075**	**3,441**
- related to purchase of non-current assets	14,064	2,098
- other	1,011	1,343
	15,259	**5,819**
Current		
Accruals	**84,125**	**58,391**
- holiday leave pay provision	9,919	10,309
- employee incentive plan	12,162	9,007
- accrual for 3-Year-Long Incentive Plan (note 27)	2,899	-
- payroll accrual	8,954	6,585
- accrual for costs	49,839	32,490
- related to purchase of non-current assets	352	-
Deferred revenues	**8,442**	**8,037**
- grants for financing property, plant and equipment	70	70
- prepayments for advertising services and subscription	3,503	3,517
- sale of coupons to cinemas	3,569	2,904
- court costs to be recovered	700	617
- other	600	929
	92,567	**66,428**

As at 31 December 2015 other non-current liabilities related to purchase of non-current assets include mainly the long-term part of the liability resulting from the license received by Green Content Sp. z o.o. in the amount of PLN 12,190 thousand.

On December 29, 2015 the subsidiary Green Content Sp. z o.o. received the decision of the President of the National Broadcasting Council on granting a license to broadcast a television programme via digital terrestrial platform in signal of eighth multiplex. The license fee for granting the license for 10 years amounts to PLN 13,545 thousand (of which, as at 31 December 2015, PLN 12,190 thousand is presented within long-term liabilities). This sum will be paid in 10 yearly installments plus a prolongation fee.

As at 31 December 2015 the estimated faiv value of the TV license liability is close to its carrying amount. The measurement of fair value was based on forecasted cash flows since the balance sheet date till 27th February 2025, which were discounted using the WIBOR market rate and a margin reflecting the credit risk of the company.

(all amounts in PLN thousands unless otherwise indicated) translation only

20. ACCOUNTS PAYABLE

	31 December 2015	31 December 2014
Trade payables	100,009	90,149
Other taxes and social security	23,018	30,425
Other	13,131	8,990
Special Fund	29,840	31,946
	165,998	**161,510**

Trade payables are non-interest bearing and are normally settled usually within 14 - 30 days.

Taxes and social security payables are non-interest bearing and are usually settled monthly.

Accounts payable include payables to related parties – details are presented in note 40.

21. SALES AND OPERATING SEGMENT INFORMATION

(a) Operating segment information

In these condensed consolidated financial statements, in accordance with IFRS 8 *Operating segments,* information on operating segments are presented on the basis of components of the Group that management monitors in making decisions about operating matters. Operating segments are components of the Group, about which separate financial information is available, that is evaluated regularly by the chief operating decision maker in the process of decision making regarding allocation of resources and assessing the performance of the Group.

For management purposes, the Group is organized into business units based on their products and services.

Since January 1, 2014, the Group activities are divided into six reportable operating segments as follows:

1) the *Press* segment includes the Group's following activities: publishing of dailies: *Gazeta Wyborcza* and *Metrocafe.pl* as well as, publishing of the magazines within Agora's Magazine Department and Free Press division,

2) the *Movies and Books* segment includes the Group's activities within the cinema management of Helios S.A., film distribution activities of Next Film Sp. z o.o., as well as activities of Agora`s Special Projects Department (including book collections and film production),

3) the *Outdoor* segment includes the activities within the AMS group, which provides advertising services on different forms of outdoor advertising panels,

4) the *Internet* segment includes the following Group's activities: the Internet and multi-media products and services within the Agora's Internet department, Trader.com (Polska) Sp. z o.o., AdTaily Sp. z o.o., Sport4People Sp. z o.o. and Sir Local Sp. z o.o.,

5) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio and Agora's Radio Department,

6) the *Print* segment includes the Group's activities related to printing services within the Agora's Printing Department and Agora Poligrafia Sp. z o.o.

Accounting policies for operating segments are the same as followed by the Agora Group, besides some issues described below.

Data within each reportable segment are consolidated pro-forma. The Management Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Press segment operating costs associated with the production of the Group's own titles are settled on the basis of allocation of direct and indirect costs associated with their production from the Print segment. Segment performance is evaluated based on operating profit or loss.

Operating results of reportable segments do not include:

a) revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments,

b) amortisation recognised on consolidation (described below).

Group financing (including finance costs and finance revenue) and income tax are managed on a Group level and are not allocated to operating segments. Transfer prices between operating segments are set on the market basis in the manner similar to transactions with third parties.

Reconciling positions show data not included in particular segments, inter alia: other revenues and costs of Agora's supporting divisions (centralized IT, administrative, finance and HR functions, etc.) and the Management Board, Agora TC Sp. z o.o., intercompany eliminations and other matching adjustments which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

Operating depreciation and amortisation includes amortisation of intangible assets and fixed assets of each segment. Amortisation recognised on consolidation can be defined as consolidation adjustments, inter alia: the amortisation of intangible assets and adjustments to property, plant and equipment recognised directly on consolidation.

Impairment losses and reversals of impairment losses show impairment losses and their reversals presented in other operating expenses and income.

Amount of investment in associates and joint ventures accounted for by the equity method include the amount of acquired shares adjusted by the Group`s share of net results of those entities accounted for by the equity method. The financials presented for three and twelve months ended 31 December 2015 and 31 December 2014 relate to GoldenLine Sp. z o.o., Online Technologies HR Sp. z o.o, Instytut Badan Outdooru Sp. z o.o., Stopklatka S.A. (since March 12, 2014) and Hash.fm Sp. z o.o. (since August 1, 2014).

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible and fixed assets. In case of Movies and Books segment capital expenditure do not include outlays related to the cinema fit-out works to the extent in which those outlays are reimbursed by the owners of the premises, in which those cinemas are located.

The Agora Group does not present geographical reporting segments, because its business activities are carried out mainly in Poland.

(all amounts in PLN thousands unless otherwise indicated) translation only

(a) Operating segment information, continued

	Twelve months ended 31 December 2015							
	Press	**Movies and books**	**Outdoor**	**Internet**	**Radio**	**Print**	**Reconciling positions**	**Total**
Revenues from external customers	291,457	326,709	153,135	145,698	102,937	163,117	6,287	1,189,340
Intersegment revenues (2)	9,376	18,360	3,005	4,843	4,811	1,575	(41,970)	-
Total revenues	**300,833**	**345,069**	**156,140**	**150,541**	**107,748**	**164,692**	**(35,683)**	**1,189,340**
Total operating cost (1), (2), (3)	**(283,599)**	**(321,511)**	**(139,071)**	**(126,356)**	**(94,345)**	**(162,428)**	**(43,298)**	**(1,170,608)**
Operating profit / (loss) (1)	**17,234**	**23,558**	**17,069**	**24,185**	**13,403**	**2,264**	**(78,981)**	**18,732**
Net finance income and cost							(1,055)	(1,055)
Share of results of equity accounted investees (3)	-	-	(15)	224	-	-	(1,081)	(872)
Income tax							(1,486)	(1,486)
Net profit								**15,319**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;
(3) *reconciling positions* show data not included in particular segments, inter alia: other cost and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc.) and the Management Board and Agora TC Sp. z o.o. (PLN 90,863 thousand), intercompany eliminations and other matching adjustments which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

(a) Operating segment information, continued

	Twelve months ended 31 December 2015							
	Press	**Movies and books (3)**	**Outdoor**	**Internet**	**Radio**	**Print**	**Reconciling positions**	**Total**
Operating depreciation and amortisation	(9,754)	(36,809)	(13,218)	(5,379)	(2,814)	(15,849)	(16,817)	(100,640)
Amortisation recognised on consolidation (1)	-	(534)	-	(1,068)	-	-	254	(1,348)
Impairment losses	(3,157)	(667)	(3,566)	(1,411)	(582)	(225)	(337)	(9,945)
Reversals of impairment losses	3,760	30	772	308	177	62	8	5,117
Capital expenditure (2)	1,683	46,942	49,800	2,804	4,018	4,115	19,770	129,132

	As at 31 December 2015							
	Press	**Movies and books**	**Outdoor**	**Internet**	**Radio**	**Print**	**Reconciling positions (4)**	**Total**
Property, plant and equipment and intangible assets	72,512	279,033	268,983	48,482	81,279	176,294	191,170	1,117,753
Investments in associates and joint ventures accounted for by the equity method	-	-	-	13,267	-	-	6,671	19,938

(1) is not presented in operating result of the Group's segments;
(2) based on invoices booked in the period;
(3) capital expenditure include lease property, plant and equipment in the amount of PLN 23,922 thousand;
(4) *reconciling positions* include mainly Company's headquarter (PLN 114,278 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

(a) Operating segment information, continued

	Twelve months ended 31 December 2014							
	Press	Movies and books	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	299,014	273,131	146,623	122,888	82,674	171,637	6,450	1,102,417
Intersegment revenues (2)	7,340	9,772	3,142	4,256	4,722	1,419	(30,651)	-
Total revenues	**306,354**	**282,903**	**149,765**	**127,144**	**87,396**	**173,056**	**(24,201)**	**1,102,417**
Total operating cost (1), (2), (3)	**(294,750)**	**(269,547)**	**(143,531)**	**(106,413)**	**(78,264)**	**(172,447)**	**(55,762)**	**(1,120,714)**
Operating profit/(loss) (1)	**11,604**	**13,356**	**6,234**	**20,731**	**9,132**	**609**	**(79,963)**	**(18,297)**
Net finance income and cost							3,259	3,259
Share of results of equity accounted investees (3)	-	-	(198)	152			(2,841)	(2,887)
Income tax							6,899	6,899
Net loss								**(11,026)**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;
(3) *reconciling positions* show data not included in particular segments, inter alia: other cost and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc.) and the Management Board and Agora TC Sp. z o.o. (PLN 92,024 thousand), intercompany eliminations and other matching adjustments which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

(a) Operating segment information, (continued)

	Twelve months ended 31 December 2014							
	Press	Movies and books (3)	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(9,971)	(26,122)	(16,478)	(5,055)	(2,612)	(16,259)	(18,180)	(94,677)
Amortisation recognised on consolidation (1)	-	(539)	-	(1,068)	-	-	254	(1,353)
Impairment losses	(18,858)	(485)	(3,177)	(1,005)	(784)	(592)	(425)	(25,326)
Reversals of impairment losses	690	1,616	377	642	200	56	10	3,591
Capital expenditure (2)	1,271	27,132	13,306	4,438	3,056	4,759	7,434	61,396

	As at 31 December 2014							
	Press	Movies and books	Outdoor	Internet	Radio	Print	Reconciling positions (4)	Total
Property, plant and equipment and intangible assets	71,340	270,018	234,944	52,580	71,980	196,382	188,823	1,086,067
Investments in associates and joint ventures accounted for by the equity method	-	-	15	13,043	-	-	3,345	16,403

(1) is not presented in operating result of the Group’s segments;
(2) based on invoices booked in the period;
(3) capital expenditure include lease property, plant and equipment in the amount of PLN 6,872 thousand;
(4) *reconciling positions* include mainly Company’s headquarter (PLN 118,872 thousand) and other property, plant and equipment and intangible assets of Agora’s support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

(b) Sales information

	2015	2014
Sales of advertising services	562,372	533,070
Sales of newspapers and magazine	144,845	135,555
Sales of goods for resale	83,834	67,237
Ticket sales	162,195	142,964
Printing services	156,250	165,301
Other sales	79,844	58,290
	1,189,340	**1,102,417**

Sales includes barter sales of PLN 41,815 thousand (2014: PLN 29,497 thousand).

22. EXPENSES BY NATURE

	2015	2014
Depreciation of property, plant and equipment (note 4)	78,426	84,053
Amortisation of intangibles (note 3)	23,562	11,977
Raw materials, energy and consumables	226,057	239,406
Advertising and promotion costs	87,351	72,949
Property operating lease rentals	49,862	48,156
Outdoor location lease rentals	52,028	54,207
Taxes and similar charges	8,490	7,879
Other external services rendered	333,670	281,799
Staff costs (note 25)	317,338	302,274
Total expenses by nature	**1,176,784**	**1,102,700**
Change in the balance of products	(192)	4
Cost of production for in-house use	(294)	(262)
Total operating expenses	**1,176,298**	**1,102,442**
Selling expenses	(260,088)	(221,953)
Administrative expenses	(120,619)	(120,126)
Cost of sales	**795,591**	**760,363**

23. OTHER OPERATING INCOME

	2015	2014
Gain on disposal of non-financial non-current assets	4,069	543
Grants received	2,543	2,368
Reversal of impairment losses for receivables	5,093	3,574
Reversal of provisions	1,287	713
Donations received	233	204
Liabilities written off	708	1,632
Other	5,984	4,205
	19,917	**13,239**

The reversal of impairment losses for receivables results from repayment of receivables, which were previously classified as doubtful.

(all amounts in PLN thousands unless otherwise indicated) translation only

24. OTHER OPERATING EXPENSES

	2015	2014
Impairment losses recognised for receivables	6,039	8,291
Impairment losses recognised for non-financial non-current assets	2,635	15,487
Donations	671	670
Provisions recognised	334	2,544
Liquidation of fixed assets including dismantling panels	958	1,397
Other	3,590	3,122
	14,227	**31,511**

25. STAFF COSTS

	2015	2014
Wages and salaries	271,274	256,695
Social security costs	46,064	45,579
	317,338	**302,274**
Average number of persons employed	**3,031**	**3,079**

The headcount figure include employees of Agora S.A. and of the companies consolidated using the full consolidation method (see note 39).

26. MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

Remuneration of Management Board (including bonuses paid from motivation plans) and Supervisiory Board members of Agora S.A.:

	2015	2014
Management Board		
Bartosz Hojka	902	667
Grzegorz Kossakowski	864	661
Robert Musial	735	570
Tomasz Jagiello	384	221
Wanda Rapaczynski (1)	-	538
	2,885	**2,657**
Supervisory Board		
Andrzej Szlezak	108	108
Wanda Rapaczynski (2)	72	37
Tomasz Sielicki	72	72
Slawomir S. Sikora	72	72
Helena Luczywo (3)	-	35
Dariusz Formela	72	72
Pawel Mazur (4)	72	11
	468	**407**

(1)Wanda Rapaczynski was a President of the Management Board till March 12, 2014;

(2) Wanda Rapaczynski was a Member of Supervisory Board from June 24,2014;

(3) Helena Luczywo was Member of Supervisory Board till June 24,2014;

(4) Pawel Mazur is a Member of Supervisory Board from November 6, 2014.

(all amounts in PLN thousands unless otherwise indicated) translation only

Tomasz Jagiello received also remuneration as the President of the Management Board of Helios S.A. in the amount of PLN 352 thousand (in 2014: in the amount of PLN 351 thousand) . The other members of Agora's Management and Supervisory Board did not receive any remuneration for serving as board members in subsidiaries, joint-ventures and associates.

The impact on staff costs of the incentive plan for the Management Board of Agora S.A. based on financial instruments is described in note 27.

27. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Starting from the third quarter 2013, eligible employees of the Company (Management Board members of the Company) participate in an incentive program ("3-Year-Long Incentive Plan" for the period of 2013-2015), which till the end of 2014 was based on two components described below:

(i) the stage of realisation of the target based on the operating EBITDA of the Agora Group ("the EBITDA target"). The target depends on the achievement of certain EBITDA level for 2014 ("the Condition"). If the Condition is not fulfilled, the target is based on the accumulated operating EBITDA (excluding some adjustments) to be reached in the years 2013-2015. The amount of potential reward depended on the stage of the EBITDA target fulfillment and was determined on the basis of the audited consolidated financial statements of the Agora Group for the period of 2013-2015. If the stage of achieving the target will be below 70% or if the Condition will be fulfilled, the reward will not be granted in this component of the 3-Year-Long Incentive Plan,

(ii) the percent of Company's share price increase ("the Target of Share Price Increase"). The amount of potential reward in this component of the 3-Year-Long Incentive Plan will depend on the average of the quoted closing Company's share prices in the period of January 1, 2016 till March 31, 2016 ("the Reference Share Price") adjusted by: (i) the accumulated dividend per one share, to which the shareholders will be eligible in the period of April 1, 2013 till March 31, 2016 and (ii) the adjustments resulting from the share buy-back program in the period of April 1, 2013 till March 31, 2016 ("the Share Price for Reward Calculation"). If the Share Price for Reward Calculation will be lower than PLN 9.9, the Target of Share Price Increase is not satisfied and the reward will not be granted in this component of the 3-Year-Long Incentive Plan.

The reward for 3-Year-Long Incentive Plan depends also on the fulfillment of other conditions, which are non-market conditions (for example: continuation of the employment within the Agora Group, holding the post of Management Board member of the Company).

The rules, goals, adjustments and conditions for 3-Year-Long Incentive Plan fulfillment for the Management Board members are described in the Supervisory Board resolution.

At the end 2014, the Condition based on the achievement of certain Group EBITDA level for 2014 (being the sum of operating profit/loss and amortization and depreciation) was fulfilled. As a result, the liability relating to the EBITDA target component of the Plan accumulated so far has been reversed. The impact of this reversal on the Income Statement was compensated by an increase of the accrual for cash motivation plans.

As a result, starting from the first quarter of 2015, the potential reward resulting from the 3-Year-Long Incentive Plan is based only on the percent of Company's share price increase.

The fair value of the provision for the cost of potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date.
The value is charged to the Income Statement in proportion to the full period of the 3-Year-Long Incentive Plan, that is from December 1, 2013 (the grant date) till June 30, 2016 (the vesting date). The basic parameters of the Binomial Option Price Model used for calculation of the fair value of the potential reward from the realization of the Target of Share Price Increase and the cost to the Income statement of the Agora Group for the period, are described below:

the share price of Agora S.A. as at the present balance sheet date	PLN	12.60
volatility of the share price of Agora S.A. during the last 12 months	%	35.15
the Basic Share Price	PLN	9.00
risk-free rate	%	1.35-1.58 (at the maturity date)

(all amounts in PLN thousands unless otherwise indicated) translation only

To estimate the fair values above, the probability ratio of the fullfilment by eligble employees of the non-market conditions mentioned above is equal to 95%.

The total impact of the 3-Year-Long Incentive Plan on the consolidated financial statements of the Agora Group:

	2015	2014
Income statement –increase/(decrease) staff cost	2,781	(577)
Income statement - deferred income tax	(528)	110
Liabilities - accruals - as at the end of the period	2,899	118
Deferred tax asset - as at the end of the period	551	22

The total impact of the 3-Year-Long Incentive Plan concerning the Management Board of Agora S.A. on the increase/(decrease) of staff costs:

	2015	2014
Bartosz Hojka	696	(136)
Grzegorz Kossakowski	695	(169)
Tomasz Jagiello	695	(136)
Robert Musial	695	(136)
TOTAL	**2,781**	**(577)**

28. FINANCE INCOME

	2015	2014
Interests on loans and similar items	212	156
Other interest and income from short-term financial assets	2,823	5,878
Reversal of impairment losses for financial assets	331	1,050
Valuation of put options	507	3,618
F/x gains	193	-
Other	43	29
	4,109	**10,731**

29. FINANCE COST

	2015	2014
Interest on loans payable, lease liabilities and similar items	4,614	6,838
Other interest	521	485
Impairment losses recognised for financial assets	-	7
Valuation of put options	-	13
F/x losses	-	53
Other	29	76
	5,164	**7,472**

(all amounts in PLN thousands unless otherwise indicated) translation only

30. INCOME TAXES

Income tax recognised in the consolidated income statement

	2015	2014
Current tax expense		
Current year	(14,291)	(6,316)
Adjustments for prior periods	136	1,492
	(14,155)	**(4,824)**
Deferred tax expense		
Origination and reversal of temporary differences	12,762	12,287
Utilization of tax loss	(177)	(648)
The amount of benefit from a previously unrecognised tax loss	-	84
The adjustment of deferred tax related to tax losses	84	-
	12,669	11,723
Total tax expense recognised in the income statement	**(1,486)**	**6,899**

Income tax expense recognised in other comprehensive income

	2015	2014
Actuarial gains/(losses) on defined benefit plans	(55)	(52)
Total tax expense recognised in other comprehensive income	**(55)**	**(52)**

Current tax receivables and liabilities are expected to be recovered or settled within one year.

(all amounts in PLN thousands unless otherwise indicated) translation only

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate ruling in the particular year (19%) as follows:

	2015	2014
Profit/(loss) before tax	**16,805**	**(17,925)**
Tax calculated at a rate of 19% (2014 : 19%)	**(3,193)**	**3,406**
Tax effect of:		
Share of results of equity accounted investees	(166)	(548)
Other non-taxable revenues	937	1,235
Other non-deductible expenses	(2,519)	(2,912)
Temporary differences on which deferred tax was not recognised	(2)	18
Utilisation of tax losses and tax credits on which deferred tax was not recognised	4,231	84
Tax losses on which deferred tax was not recognised	(979)	(3,857)
Recognition of deferred tax on tax losses from previous periods	-	84
Recognition of deferred tax on temporary differences from previous period	35	-
Other (1)	170	9,389
Tax calculated at an effective rate of 8.8% (2014: 38.5%)	**(1,486)**	**6,899**

(1) in 2014, this position includes mainly a tax effect (in the amount of PLN 8,045 thousand) on the settlement of a intragroup contribution in kind and leaseback transaction of advertising panels, carried out as part of the operating activity optimalization of companies belonging to Outdoor segment.

31. TAX EXEMPTION IN SPECIAL ECONOMIC ZONE

The Group's subsidiary (Agora Poligrafia Sp. z o.o.) operates in a Special Economic Zone. Agora Poligrafia Sp. z o.o. was granted the right to tax exemption up to a maximum amount of 75% of capital expenditures incurred since the date of permit for activity in the Special Economic Zone to 31 December 2006 (at 31 December 2006 qualifying capital expenditures amounted to PLN 71,130 thousand). The printing activities conducted in the Special Economic Zone are subject to the tax exemption. As at 31 December 2015 the cumulative taxes not paid amounted to PLN 32,572 thousand (31 December 2014: PLN 32,294 thousand).

32. EARNINGS PER SHARE

In calculating earnings per share the following variables were used:

a) as numerators – net profits attributable to equity holders of the Company for the respective years,
b) as denominators - the average number of shares in the current year which is 47,906,531 for 2015 (2014: 50,183,961).

Weighted average number of ordinary shares:

	2015	2014
Issued ordinary shares at the beginning of the period	50,183,961	50,937,386
Effect of own shares buy-back	(2,277,430)	(753,425)
Weighted average number of ordinary shares at the end of the period	**47,906,531**	**50,183,961**

There are no dilutive factors.

(all amounts in PLN thousands unless otherwise indicated) translation only

33. BUSINESS COMBINATIONS

On January 14, 2015, the meeting of shareholders of TV Zone Sp. z o.o. adopted the resolution to increase the share capital by 1,000 new shares with nominal value of PLN 50 per share (in total PLN 50 thousand). Agora S.A. covered 1,000 new shares with PLN 50 thousand contribution. After the registration of the share capital increase it amounts to PLN 55 thousand and is divided into 1,100 shares with nominal value of PLN 50 per share. After the registration of the share capital increase, Agora S.A. owns 1,100 shares, which translates into 100% of the company's share capital and 100% of votes at shareholders' meeting. The District Court for Warsaw, XIII KRS Commercial Division, registered the increase of the share capital of TV Zone Sp. z o.o. on February 25, 2015.

On April 3, 2015, Grupa Radiowa Agory Sp. z o.o. ("GRA"), Agora's subsidiary, concluded share sales agreement on the basis of which GRA acquired 3,000 shares of BDM MEDIA Sp. z o.o. with its registered seat in Cracow ("BDM MEDIA") from four shareholders of BDM MEDIA at the price of PLN 936.5 thousand. As a result of the above transaction, GRA owns 3,000 shares, which translates into 100% of the company's share capital and 100% of votes at shareholders' meeting. Additionally, on April 3, 2015 GRA – as an assignee – concluded assignment of claim agreement with shareholders of BDM MEDIA – as assignors - at the price of PLN 1,903.5 thousand. BDM MEDIA owns a radio licence on a radio channel KRK FM in Cracow. KRK FM radio channel joined the portfolio of GRA. Moreover, National Braodcasting Council granted its permission to change the station's name to Radio Pogoda.

<u>Business combination accounting</u>

As a result of the above mentioned transactions, the Group has obtained control over the company BDM MEDIA. Since the date of its acquisition the company is fully consolidated. The total purchase price comprising the cash transferred to the previous owners amounted to PLN 2,840 thousand.

The fair value of acquired assets and liabilities and goodwill as at the acquisition date is as follows:

	Fair value as at acquisition date
Assets	
Intangible assets	13
Property, plant and equipment	250
Accounts receivable	103
Other receivables and prepayments	40
Cash and cash equivalents	16
	422
Liabilities	
Accounts payable	145
Other current liabilities	12
	157
Identifiable net assets at fair value	**265**
Cash consideration transferred	(2,840)
Goodwill as at the acquisition date	**2,575**

Goodwill is attributable mainly to synergies arising from combining the company with the radio segment of the Agora Group and expected increase of the market share. None of the goodwill recognised is expected to be deductible for income tax purposes.

The acquisition-related costs of PLN 9 thousand have been expensed and are included in administrative expenses in the income statement of the Agora Group.

From the date of acquisition till December 31, 2015, BDM MEDIA has contributed revenues of PLN 67 thousand and a loss of PLN 921 thousand to the revenues and net profit of the Agora Group, respectively. If the acquisition had occured at the beginning of the year, the revenue of the Agora Group for the period ended 31 December 2015 would have been PLN 1,189,420 thousand and the net profit would have been PLN 15,104 thousand.

(all amounts in PLN thousands unless otherwise indicated) translation only

On April 13, 2015, the District Court for Warsaw, XIII KRS Commercial Division, registered deletion from a register of Polskie Badania Outdooru Sp. z o.o., the company in which AMS S.A. owned 41% of the company's share capital.

On June 25, 2015 the District Court for Szczecin – Centrum in Szczecin, XIII KRS Commercial Division of the National Court Register, registered the increase of the share capital of Online Technologies HR Sp. z o.o. adopted by the General Meeting of Shareholders of Online Technologies HR Sp. z o.o., as a result of which Agora S.A. owns 48 shares that represent 46,15% of the company's share capital and 46,15% of votes at the shareholders' meeting.

On July 2, 2015, Grupa Radiowa Agory Sp. z o.o. ("GRA"), a subsidiary of Agora S.A., acquired 100 shares in the share capital of Fonia Sp. z o.o. with its registered seat in Sieradz, from four shareholders of that company for the total price of PLN 5,569 thousand. As a result of the above transaction, GRA owns 100 shares in the company's share capital, which represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. Additionally, on July 2, 2015, GRA – as an assignee – concluded the receivables assignment agreement with the shareholders of Fonia Sp. z o.o.– as the assignors, for the total price of PLN 181 thousand. Fonia Sp. z o.o. holds a license to broadcast Radio Nostalgia in Warsaw, which joined the portfolio of GRA. Moreover, National Braodcasting Council granted its permission to change the station's name to Radio Pogoda.

<u>Business combination accounting</u>

As a result of the above mentioned transactions, the Group has obtained control over the company Fonia. Since the date of its acquisition the company is fully consolidated. The total purchase price comprising the cash transferred to the previous owners amounted to PLN 5,750 thousand.

The fair value of acquired assets and liabilities and goodwill as at the acquisition date is as follows:

	Fair value as at acquisition date
Assets	
Intangible assets	82
Property, plant and equipment	27
Accounts receivable	38
Other receivables and prepayments	1
Cash and cash equivalents	22
	170
Liabilities	
Accounts payable	36
Other current liabilities	22
	58
Identificable net assets at fair value	**112**
Cash consideration transferred	(5,750)
Goodwill as at the acquisition date	**5,638**

Goodwill is attributable mainly to synergies arising from combining the company with the Radio segment of the Agora Group and expected increase of the market share. None of the goodwill recognised is expected to be deductible for income tax purposes.

The acquisition-related costs of PLN 61 thousand have been expensed and are included in administrative expenses in the income statement of the Agora Group.

From the date of acquisition till December 31, 2015, Fonia has contributed revenues of PLN 52 thousand and a loss of PLN 170 thousand to the revenues and net loss of the Agora Group, respectively. If the acquisition had occured at the beginning of the year, the revenue of the Agora Group for the period ended 31 December 2015 would have been PLN 1,189,559 thousand and the net loss would have been PLN 15,375 thousand.

On July 9, 2015, Agora S.A. received a call for acquisition of 44,000 shares of Helios S.A. with its registered seat in Lodz, from a non-controlling shareholder, pursuant to the provisions of the Guarantee Agreement - Option Agreement dated 29 October 2010, for a price resulting from the provisions of the Agreement.

On July 16, 2015, Agora S.A. acquired 87 shares in the share capital of Sport4People Sp. z o.o. with its registered seat in Cracow ("S4P") from two shareholders of that company for the total price of PLN 8,700. As a result of the above transaction, Agora S.A. owns 180 shares of the nominal value of PLN 100 each and the total nominal value of PLN 18,000, which represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. On the same day, prior to the acquisition by Agora S.A. of the above mentioned shares, an agreement terminating the Investment Agreement dated 25 November 2011 was concluded between S4P, non-controlling shareholders of S4P and Agora S.A.

On July 27, 2015, Agora S.A. acquired 9 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Warsaw from a shareholder of that company for the total price of PLN 129 thousand. As a result of the above transaction, Agora S.A. currently owns 684 shares in the share capital of the company, which represent 81.43% of the company's share capital and 81.43% of the votes at the shareholders' meeting.

On August 17, 2015 Agora S.A., concluded, as the sole shareholder, the Articles of Association of Green Content Sp. z o.o. On August 19, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 2,000 shares in the share capital of Green Content Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 100 thousand. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 17, 2015 Agora S.A., concluded , as the sole shareholder, the Articles of Association of Joy Media Sp. z o.o. On August 19, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 400 shares in the share capital of Joy Media Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 20 thousand. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 17, 2015, Agora S.A., concluded , as the sole shareholder, the Articles of Association of PTA Sp. z o.o. On August 19, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 400 shares in the share capital of PTA Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 20 thousand. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 27, 2015, the District Court for Lodz – Srodmiescie in Lodz, XX Commercial Division of the National Court Register, registered the increase of the share capital of Helios S.A. from PLN 1,021 thousand to PLN 1,156 thousand. As a result of the abovementioned registration, Agora S.A. owned 88.12% of the company's share capital and 88.12 % of votes at the shareholders' meeting.

On September 7, 2015, in performance of the call for acquisition, received by Agora S.A. on July 9, 2015, Agora S.A. and a non – controlling shareholder of Helios S.A. signed the Promised Share Purchase Agreement. As a result of the abovementioned transaction Agora S.A. purchased 44,000 shares of that company, i.e. registered shares of B series numbered from 112265 to 156264, with the nominal value of PLN 0.10 each, for the total price of PLN 619 thousand. Shares held by Agora S.A. currently represent 88.50 % of the company's share capital and 88.50% of the voting rights at the shareholders' meeting.

On November 19, 2015 the District Court for Cracow – Srodmiescie in Cracow, XI Commercial Division of the National Court Register, registered the increase of the share capital of Sport4People Sp. z o.o. adopted by the General Meeting of Shareholders, from the amount of PLN 18 thousand to the amount of PLN 20 thousand, as a result of which Agora

S.A. owns 200 shares in the share capital of Sport4People Sp. z o.o. with the nominal value of PLN 100 per share and the total nominal value of PLN 20 thousand, that represent 100% of the company's share capital and 100% of votes at the shareholders' meeting.

On December 11, 2015 Agora S.A. acquired 38 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Cracow from two shareholders of that company for the total price of PLN 546 thousand. As a result of the above transaction, Agora S.A. currently owns 722 shares in the share capital of the AdTaily Sp. z o.o. with the nominal value of PLN 50 per share and the total nominal value of PLN 36,100, which represent 85.95% of the company's share capital and 85.95% of the votes at the shareholders' meeting.

On December 31, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Register the merger of Grupa Radiowa Agory Sp. z o.o. with its registered seat in Warsaw, with its two subsidiaries. The merger was executed by transferring all the assets of the company "Fonia" Sp. z o.o. with its registered seat in Warsaw and the company BDM Media Sp. z o.o. with its registered seat in Warsaw ("Acquired Companies") to Grupa Radiowa Agory Sp. z o.o. Before the merger, Grupa Radiowa Agory Sp. z o.o. was the sole shareholder of the Acquired Companies, therefore the merger was effected without the increase of its share capital.

On December 31, 2015 Agora S.A. made the basic and additional subscription for shares of the company Stopklatka S.A. with its registered seat in Warsaw, in connection with the public offering of 4,641,304 series E ordinary bearer shares of the company Stopklatka S.A., with the nominal value of PLN 1.00 each, offered to the shareholders who enjoy the preemptive right. The issue price for one share was PLN 2.30. The public offering has been executed on the basis of resolution no. 4 of the Extraordinary General Meeting of Shareholders of Stopklatka S.A. dated on December 7, 2015. Information Memorandum of Stopklatka S.A. prepared in connection with the aforementioned public offering, has been made available to the public on December 17, 2015. On January 18, 2016, the following financial instruments were assigned to the Company: (i) as a result of the basic subscription: 1,902,907, (ii) as a result of the additional subscription: 13,144, which were paid for in the total amount of PLN 4,407 thousand. The remaining, unused amount of cash paid by the Company in connection with the subscriptions for shares of Stopklatka S.A., amounting to PLN 10,645 thousand, was returned to the Company on January 21, 2016. On February 9, 2016 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register entered into the register of entrepreneurs of the National Court Register the increase of the share capital of Stopklatka S.A. from the amount PLN 6,529,956 to the amount PLN 11,171,260. Agora S.A. currently owns 4,596,203 ordinary bearer shares of the nominal value of PLN 1 per share and the total nominal value of PLN 4,596,203 that represent 41.14% of the company's share capital and 41.14% of the votes at the General Meeting of Stopklatka S.A.

34. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk,
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, granted loans and investment securities.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The biggest customers (in respect of the turnover) are press distributors (companies unrelated to Agora S.A.). Because the value of transactions with none of distributors of the Group has exceeded 10% of the total revenue of the Group, the concentration of customers does not exist. As a result, the Group's credit risk is limited due to a great number and diversification of customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Based on historic default rates, the Group do not create impairment allowances for receivables from related companies, trade receivables that are past due by up to 90 days or for barter receivables; around 90 % of the balance, which includes the amount owed by the Group's most significant customers relates to customers that have a good payment record.

Investments

The Group limits its exposure to credit risk by diversification of its investments in investment funds, which invest in different classes of debt instruments. The Group does not acquire securities directly, but only through investment funds. At the same time, the Company invest only in liquid securities.

Guarantees

The information on guarantees and promissory notes are descibed in note 37.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. In addition, as at December 31, 2015, the Group maintains line of credit in Bank Pekao S.A presented in note 14.

On December 5, 2014 the Company concluded an agreement regarding an implementation of liquidity management system in the Group ("the Cash Pooling Agreement"). The Cash Pooling Agreement was signed between Bank Polska Kasa Opieki S.A. and the following companies from the Group: Agora S.A., Agora Poligrafia Sp. z o.o., Trader.com (Polska) Sp. z o.o., Agora TC Sp. z o.o., Grupa Radiowa Agory Sp. z o.o., Doradztwo Mediowe Sp. z o.o., Inforadio Sp. z o.o. and IM40 Sp. z o.o. and Ad Taily Sp. z o.o. (since August 7,2015). The Cash Pooling Agreement aims to optimize cash liquidity and the most efficient management of cash for entities participating in the cash pooling system. Agora S.A. acts as a cash pool leader within the system. The settlements between Agora S.A. and its subsidiaries resulting from cash pooling agreement are eliminated in the consolidated financial statements.

Additionally, during 2015 the Group used services of factoring with a recourse on the basis of an agreement signed between AMS S.A. and mFaktoring S.A. with a financing limit of PLN 15,000 thousand. The agreement was secured by a blank promissory note issued by AMS S.A. and guaranteed by Adpol Sp. z o.o. On 23 December 2015 the factoring agreement was terminated.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return rate.

Foreign currency risk

Foreign exchange risk is related to purchases of newsprint which is contracted in EURO, fixed asset purchases and rent of premises and credits which are also partly contracted in foreign currencies, mainly EURO and USD.

Cash nad cash equivalents denominated in foreign currency amounted to PLN 396 thousand as at balance sheet date (31 December 2014: PLN 821 thousand), mainly in EURO and USD.

Accounts receivable in foreign currency amounted to PLN 8,530 thousand as at balance sheet date (31 December 2014: PLN 15,991 thousand), principally in USD and EURO.

Accounts payable requiring settlement in foreign currency amounted to PLN 6,659 thousand as at balance sheet date (31 December 2014: PLN 7,684 thousand), payable principally in EURO and USD.

The Group does not hedge against exchange rate risk by entering into long-term hedging contracts. However, the Group may still enter into short term forward currency contracts with maturity up to three months.

Agora S.A. has not been or was in 2015 engaged in any currency option instruments or other derivatives (used for hedging or speculative ones).

Interest rate risk

The Group invests in short-term deposits and short-term securities with variable interest rates. All the deposits and securities mature within one year.

(all amounts in PLN thousands unless otherwise indicated) translation only

Additionally, the Group has interest bearing bank loans and finance lease aggrements with interest at a floating rate based on WIBOR 1M or 3M.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Further growth of the Group is the Management Board's overarching priority and the Group plans to use its capital in order to achieve that objective, building its long term value through acquisitions and greenfield projects. The Management Board monitors the ratio levels: ROCE and the paid dividend per share. Each decision concerning dividend payments or share repurchases is made after conducting proper analyses of the Company's financial position, investment capacity at the time, the balance sheet structure and the Company's share price quoted on the stock exchange and is approved by the General Meeting of Shareholders.

In the reported period there were no changes in the capital management policy.

The Management Board focuses on keeping the balance between possibility to reach higher rate on return ratio (if the debt level is higher) and advantages and security reached at the stable capital level.

Neither the Company nor its subsidiaries are obligated to obey externally defined capital rules.

Sensitivity analysis

a) Interest rate risk

The Group has many financial instruments (including bank deposits, credits and loans). Their fair values and the fair value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2015, assuming a +/- 1pp change in interest rates, the impact of changes in fair value of financial instruments is estimated at the level of net loss/profit of PLN 546 thousand (as at December 31, 2014: PLN 298 thousand).

b) Foreign currency risk

The Group has many financial instruments (including bank deposit, receivables, payables and bank loans). Their fair values and the fair value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2015, assuming the appreciation/depreciation of Polish zloty by 10%, the fair value of financial instruments that will fluctuate, is estimated to impact the net profit/loss in the amount of PLN 171 thousand (as at December 31, 2014: PLN 739 thousand).

35. FINANCIAL INSTRUMENTS

1) General information

	Short-term financial assets	Bank deposits	Loans granted	Bank loans received
a) Classification	Certificates in investment funds – financial asset at fair value through profit or loss	Loans granted	Loans granted	Financial liability
b) Nature of the instrument	Short-term low risk investments	Short-term low risk investments	long- and short-term loans	Bank loans
c) Carrying value of the instrument	2015: PLN 85,771 thousand 2014: PLN 57,888 thousand	2015: PLN 5,024 thousand 2014: PLN 11,047 thousand	2015: PLN 9,425 thousand 2014: PLN 4,268 thousand	2015: PLN 56,411 thousand 2014: PLN 47,264 thousand
d) Value of the instrument in foreign currency, if applicable	n/a	n/a	n/a	2015: EUR 810 thousand 2014: EUR 957 thousand

	Short-term financial assets	Bank deposits	Loans granted	Bank loans received
e) Purpose of the instrument	Investing of cash surpluses	Investing of cash surpluses	Financing of entities co-operating with the Group	Bank loan – investment needs Bank overdraft – operating needs
f) Amount on which future payments are based	Total value of investments	Total value of deposits	Face value	Face value
g) Amount and timing of future cash receipts or payments	Interest depending on maturity	Interest depending on maturity	Interest depending on maturity	Bank loans - Interests paid monthly
h) Date of repricing, maturity, expiry or execution	Liquid	Liquid – overnight or within 3 months	According to agreements	Payment terms for all loans are described in note 14
i) Early settlement option	Any time	Any time	Possible	Possible
j) Execution price or range of prices	Market value	Face value plus interests	Face value plus interests	Face value plus interests
k) Option to convert or exchange instrument to other asset or liability	None	None	None	None
l) Stated rate or amount of interest, dividend or other periodic return and the timing of payments	According to valuation of certificates, based on currency market instruments Timing of payments– at maturity, on the basis of the Group's decision	WIBID minus margin Timing of payments – at maturity	WIBOR + margin Timing of payments– instalments or at maturity date	Bank loans – WIBOR + bank margin Timing of payments - monthly
m) Collateral held or pledged	None	None	None	Collaterals are described in note 14
n) Other conditions	None	None		Credit line is repayable when 'total borrowings/EBITDA' ratio breaks the level stated in the credit agreement or at least two from other financial ratios fall outside set levels
o) Type of risk associated with the instrument	Interest rate, credit risk of financial institution	Interest rate, credit risk of financial institution	Interest rate, credit risk of subsidiaries and associates	Interest rate
p) Fair value of the instrument	Equal to carrying value	Close to carrying value	Close to carrying value	Close to carrying value
q) Method of fair value determination	Market quotations	Discounted cash flow	Discounted cash flow	Discounted cash flow

(all amounts in PLN thousands unless otherwise indicated) translation only

Interest rate risk

r) Description of the risk	Due to floating rate	Due to floating rate	Due to floating rate	Due to floating rate
s) Contractual repricing or maturity date	See point h)	See point h)	See point h)	See point h)
t) Effective interest rate	Close to nominal	Close to nominal	Close to nominal	Close to nominal

Credit risk

	Short-term financial assets	Bank deposits		Loans received
u) Description of the risk	Depending on the creditworthiness of the financial institution	Depending on the creditworthiness of the bank	Depending on the creditworthiness of the borrowers	None
w) Maximum credit risk exposure	Amount deposited	Amount deposited less amount from BFG	Amount deposited	n/a

The information about trade receivables is included in note 9 and about trade payables in note 20 and about liabilities related to acquisition of a television license in note 19.

2) Detailed information on financial instruments

	2015	2014
Interest income on financial assets		
Bank deposits	351	1,493
Short-term financial assets (investment certificates)	1,552	2,638
Loans granted	212	156
Other	534	1,069
Interest expense on financial liabilities		
Loans	(1,940)	(4,026)
Finance lease liabilities	(2,334)	(2,812)
Factoring	(71)	-
Other	(189)	(192)

3) Fair value hierarchy for financial instruments

The Group applies the following hierarchy for disclosing information about fair value of financial instruments – by valuation technique:

- level 1: quoted prices in active markets (unadjusted) for identical assets or liabilities;
- level 2: valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;
- level 3: valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

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The table below shows financial instruments measured at fair value at the balance sheet date:

	31 December 2015	Level 1	Level 2	Level 3
Certificates in investment funds	85,771	-	85,771	-
Financial assets measured at fair value	**85,771**	**-**	**85,771**	**-**
Put option liabilities	16,575	-	-	16,575
Contingent payment liability	4,304	-	-	4,304
Financial liabilities measured at fair value	**20,879**	**-**	**-**	**20,879**

	31 December 2014	Level 1	Level 2	Level 3
Certificates in investment funds	57,888	-	57,888	-
Financial assets measured at fair value	**57,888**	**-**	**57,888**	**-**
Put option liabilities	17,735	-	-	17,735
Contingent payment liability	4,483	-	-	4,483
Financial liabilities measured at fair value	**22,218**	**-**	**-**	**22,218**

The table below shows a reconciliation from the beginning balance to the ending balance for financial instruments in Level 3 of the fair value hierarchy:

	31 December 2015	31 December 2014
Opening balance	**22,218**	**27,592**
Additions resulting from initial recognition (note 16)	-	4,483
Expiration of put option recognised in equity (note 16)	(213)	(6,252)
Remeasurement recognised in profit or loss	(507)	(3,605)
Exercise of the put option (note 16)	(619)	-
Closing balance	**20,879**	**22,218**

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include discount rate and the estimated level of the EBITDA. In case of the put option granted to the non-controlling shareholders of Helios S.A., an increase of the estimated EBITDA level over the period specified in put option conditions by 10%, would cause an increase of put option liability by ca PLN 2,000 thousand, while an increase of the discount rate by 1pp, would cause a decrease of the liability by ca PLN 840 thousand.

4) Cash flows related to financial liabilities

The future estimated undiscounted cash flows related to financial liabilites based on contractual maturities at the balance sheet date are presented below:

31 December 2015	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	62,189	24,481	6,250	11,624	17,145	2,689
Finance lease liabilities	56,007	11,473	7,789	15,684	17,315	3,746
Trade payables	100,009	100,009	-	-	-	-
Contingent payment liability	4,304	-	4,304	-	-	-
Put option liabilities	21,961	-	-	-	26	21,934
Liabilities related to purchase of non-current assets	28,636	11,382	332	1,755	5,676	9,491
Total	**273,106**	**147,345**	**18,675**	**29,063**	**40,162**	**37,860**

31 December 2014	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	51,541	20,189	5,182	8,934	14,547	2,689
Finance lease liabilities	51,091	9,703	9,022	12,800	19,566	-
Trade payables	90,149	90,149	-	-	-	-
Contingent payment liability	6,190	-	-	-	6,190	-
Put option liabilities	25,224	-	-	-	702	24,523
Liabilities related to purchase of non-current assets	10,568	7,625	317	332	1,082	1,212
Total	**234,763**	**127,666**	**14,521**	**22,066**	**42,087**	**28,424**

36. CONTRACTUAL INVESTMENT COMMITMENTS

Contractual investment commitments related to fixed and intangible assets existing at the balance sheet date amounted to PLN 34,785 thousand (31 December 2014: PLN 41,837 thousand) and to intangible assets amounted to PLN 2,838 thousand (31 December 2014: 1,164 PLN thousand).

The Management Board of the Company would like to point out that the commitments for the purchase of property, plant and equipment include also future liabilities resulting from the signed agreements related to the realization of the concession contract for the construction and utilization of 1,580 bus shelters in Warsaw and 600 bus shelters in Cracow. The investment process in Warsaw has commenced in 2014 and shall last 3 years. The estimated total cost of the bus shelter construction amounts to ca. PLN 80 million. The investment process in Cracow has commenced in 2015 and shall last 15 years.

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Moreover, according to the medium term development plans of the Agora Group announced in March 2014, the subsidiary Helios S.A., plans to open new cinema facilities. Till the end of 2018 the investment outlays related to this process may amount to ca PLN 80 million.

As at the balance sheet date, future investment expenditures budgeted by the Group for the following 12 months amounted to PLN 86,381 thousand (31 December 2014: PLN 118,664 thousand).

37. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

As of 31 December 2015, the Company had contingencies, guarantees and other collaterals 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	As at 31 December 2015	As at 31 December 2014	Provisions booked
Guarantees provided by Agora S.A.					
Bank Pekao S.A.	Agora's employees	28 Jan 2016 - 05 Jul 2020	289	255	-
Bank Pekao S.A.	Doradztwo Mediowe Sp. z o.o.	27 Jun 2016	14,400	-	-
Bank Pekao S.A.	Trader.com (Polska) Sp. z o.o.	27 Jun 2016	2,400	-	-
Guarantees provided by AMS S.A.					
Tejbrant Polska Sp. z o.o.	Adpol Sp. z o.o.	30 Jun 2017	3,000	3,000	-
Guarantees provided by Adpol Sp. z o.o.					
mBank S.A.	AMS S.A.	28 Feb 2017 - 30 Apr 2017	44,400	56,400	-
Bills of exchange issued by AMS S.A. and Adpol Sp. z o.o.					
Urząd Miejski Wroclawia	AMS S.A.	31 May 2016	34	34	-
Gmina Miasto Szczecin	AMS S.A.	indefinite period	90	90	-
mBank S.A.	AMS S.A.	30 Apr 2016 - 31 Dec 2017	2,730	1,933	-
Zarząd Drog Miejskich Warszawa	Adpol Sp. z o.o.	1 Jan 2022	200	200	-

The total amount of the contingencies, guarantees and other collaterals is smaller than 10% of the Group's equity.

Additionally, Helios S.A. issued blank promissory notes as collaterals for bank loan agreements and finance lease agreements and guarantees on rent agreements.

Moreover, AMS S.A. provided to the bank cash deposits as a cash collateral securing the bank guarantees issued in relation to the concession contract for construction and utilization of bus shelters in Warsaw. In the third quarter of 2015 based on the annexes to guarantee contracts the cash deposit was reduced by PLN 8 million. As a result, as at 31 December 2015 the deposit receivable amounts to PLN 29.6 million (including PLN 10.8 million presented within long-term receivables).

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Advertising panels dismantling costs

Majority of lease agreements for rent of space for advertising panels includes an obligation to remove panels and restore the space to its previous condition. Agreements are usually concluded for finite periods, shorter than the useful life of the panels. Despite provisions of the agreements, the necessity to uninstall the panel will depend on future decisions taken at the end of the lease period. Based on the experience of AMS S.A., the majority of the agreements are prolonged without any expenditures on restoration. Taking into account these uncertainties, AMS SA decided to recognize expenditures on restoration when incurred or when the decision to restructure the panels is taken (including restoration). The restoration costs amounted to PLN 727 thousand in 2015 and PLN 818 thousand in 2014.

38. COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases (including the lease of outdoor locations for advertising panels, Helios cinemas, buildings and other) are summarised as follows:

	31 December 2015	31 December 2014
Within one year	83,809	79,815
Between one and five years	213,826	208,922
More than five years	264,120	204,019
Total	**561,755**	**492,756**

The amounts disclosed above include VAT that the Group will be able to recover. The value of net minimum lease payments denominated in EURO amounted to EUR 87,388 thousand (2014: EUR 72,755 thousand).

Annual payments of the Group related to the perpetual usefruct of land amount to PLN 1,393 thousand (2014: PLN 1,505 thousand).

The amount of minimum lease payments recognised as costs (connected with outdoor operation lease rentals, Helios cinemas and other rentals) in the income statements is shown in note 22.

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39. GROUP COMPANIES

Basic information about the companies composing the Agora Group as at 31 December 2015 are presented in the tables below:

		31 December 2015							
		% of shares held (effectively)	Assets		Liabilities		Sales	Net result	Other comprehensive income
Companies consolidated (6)			Non-current	Current	Non-current	Current			
1	Agora Poligrafia Sp. z o.o., Tychy	100.0%	60,469	19,709	17,361	22,930	69,985	(13,662)	3
2	AMS S.A., Warsaw	100.0%	191,150	98,663	24,307	65,808	163,583	16,594	26
3	IM 40 Sp. z o.o., Warsaw (1)	72.0%	674	2,780	-	368	4,598	1,509	-
4	GRA Sp. z o.o., Warsaw	100.0%	58,422	17,690	82	8,413	49,985	15,761	4
5	Adpol Sp. z o.o., Warsaw (2)	100.0%	29,004	33,556	23	3,661	41,988	4,361	6
6	Inforadio Sp. z o.o., Warsaw (1)	66.1%	3,726	5,175	1,890	1,504	11,049	960	1
7	Agora TC Sp. z o.o., Warsaw	100.0%	165	2,094	17	587	7,487	906	1
8	Doradztwo Mediowe Sp. z o.o., Warsaw (1), (4)	100.0%	3,270	31,158	82	37,585	103,775	2,651	4
9	Trader.com (Polska) Sp. z o.o., Warsaw	100.0%	1,604	1,956	918	1,848	10,592	696	6
10	Helios S.A., Lodz	88.5%	232,617	26,557	73,921	70,319	265,304	13,825	15
11	Next Film Sp. z o.o., Lodz (3)	88.5%	68	4,338	-	542	18,202	721	-
12	AdTaily Sp.z o.o. Cracow	86.0%	698	6,190	3	3,897	22,292	1,917	-
13	Sport4People Sp. z o.o. Cracow	100.0%	-	516	-	108	379	(60)	-
14	Projekt Inwestycyjny Sp. z o.o. , Warsaw (1)	70.0%	-	38	-	7	-	(16)	-
15	Sir Local Sp. z o.o. , Warsaw	78.4%	575	520	-	330	843	(516)	-
16	TV Zone Sp. Z o.o., Warsaw	100.0%	-	24	-	-	-	(27)	-
17	Green Content Sp. z o.o., Warsaw (5)	100.0%	13,545	96	12,192	1,354	-	(6)	-
18	Joy Media Sp. z o.o., Warsaw (5)	100.0%	-	17	-	-	-	(3)	-
19	PTA Sp. z o.o., Warsaw (5)	100.0%	-	17	-	-	-	(3)	-

(1) indirectly through GRA Sp. z o.o.;
(2) indirectly through AMS S.A.;
(3) indirectly through Helios S.A.;
(4) on November 19, 2015, the National Court Register registered the change of the company`s name from Radiowe Doradztwo Reklamowe Sp. z o.o. to Doradztwo Mediowe Sp. z o.o.;
(5) the company fully consolidated from August 17, 2015;
(6) the presented data are before elimination of intergroup transactions.

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		31 December 2014							
			Assets		Liabilities				
	Companies consolidated (6)	% of shares held (effectively)	Non-current	Current	Non-current	Current	Sales	Net result	Other comprehensive income
1	Agora Poligrafia Sp. z o.o., Tychy	100.0%	64,714	20,827	7,761	20,275	74,950	3,957	1
2	AMS S.A., Warsaw	100.0%	179,415	113,303	32,254	53,301	155,818	17,084	43
3	IM 40 Sp. z o.o., Warsaw (1)	72.0%	759	2,869	-	320	4,934	1,731	-
4	GRA Sp. z o.o., Warsaw	100.0%	52,477	24,870	4,788	7,355	43,291	15,307	3
5	Adpol Sp. z o.o., Warsaw (2)	100.0%	36,896	32,531	25	12,997	11,860	1,897	3
6	Inforadio Sp. z o.o., Warsaw (1)	66.1%	3,916	4,588	2,113	1,511	10,015	335	1
7	Agora TC Sp. z o.o., Warsaw	100.0%	125	2,012	15	307	7,559	1,067	1
8	Doradztwo Mediowe Sp. z o.o., Warsaw (1), (4)	100.0%	2,965	25,797	73	34,581	84,157	130	-
9	Trader.com (Polska) Sp. z o.o., Warsaw	100.0%	2,216	2,483	2,219	2,387	12,375	165	5
10	Helios S.A., Lodz	88.1%	214,331	23,883	71,557	65,562	238,292	6,501	42
11	Next Film Sp. z o.o., Lodz (3)	88.1%	46	8,753	-	5,655	20,367	2,102	-
12	AdTaily Sp.z o.o. Cracow	80.4%	399	3,025	52	1,901	9,437	1,067	-
13	Sport4People Sp. z o.o. Cracow	56.5%	315	257	-	97	636	(498)	-
14	Projekt Inwestycyjny Sp. z o.o. , Warsaw (1)	70.0%	-	52	-	6	-	(14)	-
15	Sir Local Sp. z o.o. , Warsaw	78.4%	768	885	-	371	698	(1,038)	-
16	TV Zone Sp. Z o.o., Warsaw (5)	100.0%	-	2	-	1	-	(4)	-

(1) indirectly through GRA Sp. z o.o.;
(2) indirectly through AMS S.A.;
(3) indirectly through Helios S.A.;
(4) on November 19, 2015, the National Court Register registered the change of the company`s name from Radiowe Doradztwo Reklamowe Sp. z o.o. to Doradztwo Mediowe Sp. z o.o.;
(5) the company fully consolidated from September 10, 2014;
(6) the presented data are before elimination of intergroup transactions.

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39. GROUP COMPANIES, CONTINUED

Joint ventures and associates accounted for using the equity method (4)		31 December 2015 % of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Sales	Net result	Other comprehensive income
1	Goldenline Sp. z o.o. Warsaw	36,0%	5,449	5,075	537	4,492	11,774	822	-
2	Online Technologies HR Sp. z o.o., Szczecin	46.2%	766	245	-	482	895	31	-
3	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (1), (5)	40,0%	7,500	900	-	8,750	-	(388)	-
4	Stopklatka S.A., Warsaw	41.0%	18,920	9,701	8,872	20,582	25,657	(2,634)	-
5	Hash.fm Sp. z o.o., Warsaw	49.5%	2	664	-	313	688	(178)	-

Joint ventures and associates accounted for using the equity method (4)		31 December 2014 % of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Sales	Net result	Other comprehensive income
1	Goldenline Sp. z o.o. Warsaw	36,0%	3,818	5,350	623	3,873	10,708	1,081	-
2	Online Technologies HR Sp. z o.o., Szczecin	46.2%	535	95	-	131	483	(340)	-
3	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (1)	40,0%	5,176	1,518	-	6,655	8	(495)	-
4	Stopklatka S.A., Warsaw (2)	41.0%	21,370	4,532	10,695	13,285	14,929	(6,921)	-
5	Hash.fm Sp. z o.o., Warsaw (3)	49.5%	11	683	-	168	61	(189)	-

(1) indirectly through AMS S.A.;
(2) the company within the Agora Group from March 12, 2014, the P&L data for the year 2014 include the period from March 12, 2014;
(3) the company within the Agora Group from July 18, 2014, the P&L data for the year 2014 include the period from August 1, 2014;
(4) the data of companies after consolidation adjustments;
(5) in 2015 the Group did not recognise its share of loss in the company in the amount of PLN 140 thousand, because the Group has no obligation to cover this loss.

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39. GROUP COMPANIES, CONTINUED – CONT.

Stopklatka S.A. and Online Technologies HR Sp. z o.o. are companies classified as joint ventures, due to the fact that, on the basis of the investment agreements and company agreements, decisions about the relevant activities in these companies require the unanimous consent of the both main investors sharing control.

Additional information related to joint venture Stopklatka S.A. are presented below:

	31 December 2015	31 December 2014 *
Cash and cash equivalents	5,734	2,020
Financial liabilites (excluding trade payables)	21,436	14,154
Deprecation and amortisation expense	(8,538)	(3,572)
Interest income	18	30
Interest expense	(236)	(115)
Income tax expense	-	-

** company within Agora Group since 12 March 2014, the P&L data for the year 2014 include the period from March 12, 2014*

As at 31 December 2015, financial liabilities (excluding trade payables) included short-term loans in the amount of PLN 11,501 thousand (2014: PLN 3,266 thousand) and liabilities related to the purchase of broadcasting licence with the book value of PLN 9,935 thousand (2014: PLN 10,888 thousand), out of which the long-term part amounted to PLN 8,869 thousand (2014: PLN 9,931 thousand).

The company Stopklatka S.A. is listed on the Warsaw Stock Exchange. Based on the closing price of shares at the balance sheet date, which reached PLN 9.90 per share, the fair value of the investment in the company amounted to PLN 26,534 thousand.

As at 31 December 2015, based on the investment agreement related to the acquistion of shares in Stopklatka S.A., the Group has unrecognised commitments to contribute additional funding to the company in the amount of PLN 6,000 thousand.

Information concerning the non-controlling interests in subsidiaries is presented in the table below:

	31 December 2015				
Company	% of shares held by non-controlling interests as at 31 December 2015	Accumulated amount of non-controlling interests as at 31 December 2015	Net profit/(loss) allocated to non-controlling interests in 2015	Other comprehensive income allocated to non-controlling interests in 2015	Dividends paid to non-controlling shareholders in 2015
IM 40 Sp. z o.o.	28.0%	864	422	-	484
Inforadio Sp. z o.o.	33.9%	1,870	325	-	113
Helios S.A.	11.5%	13,270	1,557	2	-
Next Film Sp. z o.o.	11.5%	358	87	-	-
AdTaily Sp.z o.o.	14.1%	301	368	-	79
Sport4People Sp. z o.o.	0.0%	-	(58)	-	-
Sir Local Sp. z o.o.	21.6%	27	(87)	-	-
Projekt Inwestycyjny Sp. z o.o.	30.0%	9	(5)	-	-
Total		**16,699**	**2,610**	**2**	**676**

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31 December 2014

Company	% of shares held by non-controlling interests as at 31 December 2014	Accumulated amount of non-controlling interests as at 31 December 2014	Net profit/(loss) allocated to non-controlling interests in 2014	Other comprehensive income allocated to non-controlling interests in 2014	Dividends paid to non-controlling shareholders in 2014
IM 40 Sp. z o.o.	28.0%	926	484	-	416
Inforadio Sp. z o.o.	33.9%	1,657	113	-	170
Helios S.A.	11.9%	12,116	914	5	-
Next Film Sp. z o.o.	11.9%	287	335	-	-
AdTaily Sp.z o.o.	19.6%	170	213	-	-
Sport4People Sp. z o.o.	43.5%	206	(231)	-	-
Sir Local Sp. z o.o.	21.6%	114	(276)	-	-
Projekt Inwestycyjny Sp. z o.o.	30.0%	14	(4)	-	-
Total		**15,490**	**1,548**	**5**	**586**

The effect of transactions with non-controlling interests on the equity attributable to owners of the parent are presented in the table below:

	31 December 2015	31 December 2014
The change in the equity attributable to owners of the parent resulting from:		
- acquistion of additional shares in a subsidiary	27	(3,783)
- increase of share capital in a subsidiary	-	(39)
Net impact on the equity attributable to owners of the parent	**27**	**(3,822)**

40. RELATED-PARTY TRANSACTIONS

Table below presents total investments and the balances with related parties:

	31 December 2015	31 December 2014
Jointly controlled entities		
Shares	7,511	3,345
Current loans granted	5,735	1,618
Trade receivables	135	223
Trade liabilities	393	24
Other liabilities	14	12
Associates		
Shares	12,427	13,058
Current loans granted	3,650	2,585
Trade receivables	31	177
Trade liabilities	29	109
Other liabilities	1	65
Major shareholder		
Other liabilities	75	76

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	31 December 2015	31 December 2014
Management Board of the Company		
Receivables	16	10
Management Boards of group companies		
Receivables	56	92
Liabilities	1	1

Table below presents total transactions with related parties during the year:

	2015	2014
Jointly controlled entities		
Sales	1,128	1,825
Purchases	(1,483)	(1,498)
Other operating revenues	1	-
Interests on loans granted	117	77
Associates		
Sales	48	442
Purchases	(129)	(502)
Interests on loans granted	94	76
Dividends received	-	180
Major shareholder		
Sales	62	72
Other operating revenues	197	156

Following types of transactions occur within the Agora Group:

- advertising and printing services,
- rent of machinery, office and other fixed assets,
- providing various services: legal, financial, administration, trade, sharing market research results, outsorcing,
- grant and repayment of loans and interest revenues and costs,
- dividend distribution,
- cash pooling settlements.

Transactions within the Agora Group are carried out on arm's length basis and are within the normal business activities of companies.

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41. ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and best knowledge of the Group as at the date of the estimation. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities concern impairment tests for goodwill and intangibles with indefinite useful life (magazine titles). In order to determine their recoverable amounts the value in use for the relevant cash generating units was determined.

There are two key assumptions identified, which have the most significant impact on the estimated recoverable amount of the assets:

1) estimated rate of real free cash flow to firm after the period of detailed forecast and

2) pre-tax discount rate.

Basic information about the method applied is summarized below:

	Goodwill related to activities in Trader.com (Polska) - Internet	**Goodwill related to activities in particular magazine titles**	**Goodwill related to radio activities**	**Goodwill related to activities in outdoor segment**	**Goodwill related to activities in cinema market**	**Goodwill allocated to activities in press segment**
Carrying amount as at 31 December 2015	PLN 23,745 thousand	PLN 25,734 thousand	PLN 63,667 thousand	PLN 140,944 thousand	PLN 39,096 thousand	PLN 43,375 thousand
Assumptions	Financial forecasts and projections of the market for next years based on the best knowledge of the market, available market data and expierence.					
Detailed forecast period	5 years	5 years	5 years	5 years	5 years	5 years
Years:	Estimated rate of free cash flow to firm in the period of detailed forecast (pre-tax)					
2016	(31%)	230%	115%	(28%)	590%	27%
2017	0%	31%	29%	5%	4%	(8%)
2018	55%	6%	6%	11%	(22%)	0%
2019	11%	6%	8%	32%	4%	21%
2020	12%	7%	3%	4%	(16%)	4%
	Discount rate for the years (pre-tax)					
2016-2020	6.5%	8.2%	6.9%	6.3%	6.8%	8.1%
	The long-term growth rate after the period covered by the forecast					
	0.5%	0.0%-0.5%	0.5%	0.5%	0.5%	(2.1%)

In 2015 there were no impairment losses connected with the investments mentioned in the table above.

In 2014, according to the impairment tests carried out, the impairment losses on two monthlies published by Agora S.A. were recognized in the amount of PLN 15,127 thousand.

42. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	PLN thousand		EURO thousand	
	2015	2014	2015	2014
Sales	1,189,340	1,102,417	284,205	263,151
Operating profit/(loss)	18,732	(18,297)	4,476	(4,368)
Profit/(loss) before income taxes	16,805	(17,925)	4,016	(4,279)
Net profit/(loss) for the period attributable to equity holders of the parent	12,709	(12,574)	3,037	(3,001)
Net cash from operating activities	111,076	97,820	26,543	23,350
Net cash used in investing activities	(128,976)	(43,007)	(30,820)	(10,266)
Net cash used in financing activities	(3,267)	(102,037)	(781)	(24,357)
Net increase / (decrease) in cash and cash equivalents	(21,167)	(47,224)	(5,058)	(11,273)
Total assets	1,610,213	1,556,499	377,851	365,178
Non-current liabilities	118,589	116,265	27,828	27,278
Current liabilities	321,439	275,155	75,429	64,556
Equity attributable to equity holders of the parent	1,153,486	1,149,589	270,676	269,711
Share capital	47,665	50,937	11,185	11,951
Weighted average number of shares	47,906,531	50,183,961	47,906,531	50,183,961
Earnings per share (in PLN / in EURO)	0.27	(0.25)	0.06	(0.060)
Book value per share (in PLN / in EURO)	24.08	22.91	5.65	5.37

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

- income statement and cash flow statement figures for 2015 (for 2014) using the arithmetic average of exchange rates published by NBP and ruling on the last day of each month for four quarters. For the 2015 EURO 1 = PLN 4,1848 (EURO 1 = 4,1893 PLN).
- balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 31 December 2015 – EURO 1 = 4,2615 PLN; as at 31 December 2014 – EURO 1 = 4,2623 PLN .

43. EVENTS AFTER THE BALANCE SHEET DATE

Acquisition of GoldenLine Sp. z o.o.

On January 25, 2016 Agora S.A. acquired 106 shares in the share capital of GoldenLine Sp. z o.o. ("GoldenLine") with its registered seat in Warsaw, from shareholders of that company, for the total price of PLN 8,480 thousand. Before the conclusion of the above agreement, Agora was already in possession of 72 shares of GoldenLine, which represented 36% of the share capital and gave the right to 72 votes, constituting 36% of the votes at the shareholders meeting of the company, and which were acquired on 29th of December, 2011. As a result of the transaction on January 25, 2016, Agora S.A. currently owns 178 shares in the share capital of GoldenLine, with the nominal value of PLN 1,000 each and the total nominal value of PLN 178 thousand, which represent 89% of the company's share capital and 89% of the votes at the shareholders' meeting.

The minority shareholder of the GoldenLine remains G.C. Geek Code Ltd, controlled by Mariusz Gralewski - the main founder of GoldenLine. G.C. Geek Code Ltd holds 22 shares in GoldenLine, which represents 11% of the share capital and gives the right to 22 votes at the general meeting of shareholders and represents 11% of the votes at the general meeting of shareholders. The sale agreement provides that after the transaction principles of cooperation between Agora and G.C. Geek Code shall be stated. In case there is no agreement in this respect, G.C. Geek Code will be entitled to sell its shares in the share capital of the Company to Agora, within 3 months from the date of the share purchase agreement, the terms and conditions being the same as in the contract of January 25, 2016.

Obtaining control over GoldenLine enables the Group to concentrate its activities in the field of recruitment services and employer branding in that company. Therefore, in the near future Agora plans to dispose of, to GoldenLine Sp. z o.o., Centrum Kompetencyjne Praca being organizationally, functionally and financially separate internal organizational structure of Agora S.A. and a set of tangible and intangible assets (including liabilities) for (i) maintaining the service GazetaPraca.pl and (ii) selling, through an organized, dedicated and deployed in Poland department of sales, recruitment solutions, including sales recruitment advertisements on the internet and in the press, advertising sales recruitment in the media owned by the Company and (iii) services related to building the employer's brand (ie. employer branding activities) on the basis of consent granted by Resolution No. 6 of the Extraordinary General Meeting of Agora S.A. of 24th of November, 2015. With this transaction, Agora will strengthen its market position in the category "Work" and will provide comprehensive solutions in the rapidly growing market of recruitment services. The effective combination of the capability of GazetaPraca.pl addressed to candidates actively seeking employment and recruitment and social capabilities of GoldenLine.pl which specializes in recruiting passive candidates together with the power of advertising of the media of Agora Group, shall in the opinion of the Management Board of Agora S.A. allow the Company to fight to strengthen its position in the attractive and rapidly growing recruitment services market and Employer Branding area, which in the longer term should have a positive impact on revenues generated by the Group.

Business combination accounting

As a result of the above mentioned transaction, the Group has obtained control over the company GoldenLine Sp. z o.o. Since the date of its acquisition the company is fully consolidated. The Group measures the non-controlling interest in the acquired company at the non-controlling interest`s proportionate share of the acquiree`s identifiable net assets.

(all amounts in PLN thousands unless otherwise indicated) translation only

The fair value of acquired assets and assumed liabilities and fair value of consideration transferred as at the acquisition date is as follows:

	Fair value as at the acquisition date
Assets	
Intangible assets (1)	20,940
Property, plant and equipment	535
Trade receivables	1,948
Other receivables and prepayments	22
Cash and cash equivalents	2,276
	25,721
Liabilities	
Deferred tax liabilities	(3,561)
Trade payables	(415)
Other current liabilities	(462)
Income tax liabilities	(18)
Deferred revenues and accruals	(2,763)
	(7,218)
Identificable net assets at fair value	**18,504**
Non-controlling interests	(2,035)
Fair value of pre-existing equity interest in the company	(5,760)
Cash consideration transferred	(8,480)
Goodwill/(bargain purchase) as at the acquisition date	**(2,228)**

(1) According to IFRS 3, the Group measured the acquired intangible assets of GoldenLine Sp. z o.o. at their acquisition-date fair value and recognized three intangible assets, which met the condition of identifiability under IFRS 3, and have been not presented up till now in the balance sheet of the company, that is: the GoldenLine domain, the value of IT software & technology and the user database, whose total fair value amounted to PLN 18,740 thousand.

According to IFRS 3, the Group remeasured its pre-existing 36% equity interest in the company to its fair value as at the acquisition date, which resulted in a loss of PLN 5,537 thousand (being PLN 5,760 thousand less PLN 11,297 thousand carrying amount of the equity-accounted investee at the date of acquisition). The loss on the remeasurement of previously held equity interest will be recognized as finance cost in the consolidated income statement of Agora Group for the first quarter of 2016.

Simultaneously, the identificable net assets measured at fair value as at the acquisition date exceeded the aggregate amount of the fair value of consideration transferred, the fair value of pre-existing equity interest in the company and the value of the non-controlling interests and the Group will recognize the resulting gain on a bargain purchase in the amount of PLN 2,228 thousand, which will be included in other operating income in the consolidated income statement of Agora Group for the first quarter of 2016.

As a result, the total negative impact of the acquisition of the company GoldenLine on the consolidated net result of the Agora Group in the first quarter of 2016 will amount to PLN 3,309 thousand.

The fair value of the acquired trade receivables amounted to PLN 1,948 thousand. The gross contractual amounts of acquired trade receivables is PLN 2,100 thousand, of which PLN 152 thousand is expected to be uncollectible.

The acquisition-related costs of PLN 98 thousand have been expensed and will be included in administrative expenses in the income statement of the Agora Group for the first quarter of 2016.

The right granted to the non-controlling shareholder to sell his remaining equity interest in the company to Agora ("put option") meets the definition of a financial liability under IAS 32 and will be recognised in the consolidated balance sheet of Agora Group at its redemption amount amounting to PLN 1,760 thousand as at the acquisition date. According to the Group accounting policy, at the initial recognition, the value of this liability will decrease the line retained earnings within the Group`s equity.

Other events

On February 5, 2016 Agora S.A. acquired 8 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Cracow from a shareholder of that company for the total price of PLN 115 thousand. As a result of the above transaction, Agora S.A. currently owns 730 shares in the share capital of AdTaily Sp. z o.o. with the nominal value of PLN 50 per share and the total nominal value of PLN 36,500, which represent 86.90% of the company's share capital and 86.90% of votes at the shareholders' meeting.

On February 9, 2016 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register entered into the register of entrepreneurs of the National Court Register the increase of the share capital of Stopklatka S.A. from the amount PLN 6,529,956 to the amount PLN 11,171,260. Agora S.A. currently owns 4,596,203 ordinary bearer shares of the nominal value of PLN 1 per share and the total nominal value of PLN 4,596,203 that represent 41.14% of the company's share capital and 41.14% of the votes at the General Meeting of Stopklatka S.A.

On March 1, 2016, the extraordinary general meeting of shareholders of the company Sport4People Sp. o.o. with its registered office in Warsaw adopted a resolution on dissolution of the company and opening of the liquidation proceedings. As of the date of publication of this report, the above change was not entered into the register of entrepreneurs of the National Court Register.

On 4 March 2016, District Court for the Capital City Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Registerthe company operating under the business name SearchLab Sp. o.o. with its registered office in Warsaw. The sole shareholder of this company is Agora S.A. Agora S.A. holds 100 shares in the share capital of the company SearchLab Sp. o.o., with the nominal value of PLN 50 each share. The shares were taken up in return for a cash contribution in the amount of PLN 5 thousand.

On March 23, 2016, the extraordinary general meeting of shareholders of Green Content Sp. z o.o. adopted the resolution increasing the share capital by 2,000 new shares with nominal value of PLN 50 per share and total nominal value of PLN 100 thousand. Agora S.A. covered 2,000 new shares with PLN 10,000 thousand cash contribution. After the registration, the share capital will amount to PLN 200 thousand and will be divided into 4,000 shares with nominal value of PLN 50 per share. After the registration of the share capital increase, Agora S.A. will hold 4,000 shares representing 100% of the company's share capital and 100% of the votes at shareholders' meeting. As of date of publication of these financial statements, the above change has not been registered with the register of entrepreneurs of the National Court Register.

On March 29, 2016, a minority shareholder of the subsidiary Helios S.A., holding 320 400 shares of Helios S.A., which constitute 2.77% of the share capital of Helios S.A., put a call for the compulsory repurchase of shares pursuant to art. 418 (1) of the Commercial Companies Code Act of 15 September (Journal of Laws No. 94, item. 1037 with later amendments). According to the call, the general meeting of shareholders of Helios S.A. adopting the resolution on shares repurchase shall be held before June 23rd, 2016.

On April 1, 2016, the extraordinary general meeting of shareholders of Goldenline Sp. z o.o. adopted the resolution increasing the share capital by 100 new shares with nominal value of PLN 1,000 per share and total nominal value of PLN 100 thousand. Agora S.A. covered the 100 new shares with a non-cash contribution in a form of Centrum Kompetencyjne Praca, which organisationally, financially and operationally constitutes, within the internal organisational structure of the Company, a separate set of tangible and intangible assets intended for the implementation of specific economic tasks, i.e. (i) the running of the Gazetapraca.pl website; and (ii) the sale of recruitment solutions, and (iii) provision of services connected to the employer branding activities, which is an independent enterprise independently performing these tasks. After the registration, the share capital will amount to PLN 300 thousand and will be divided into 300 shares with nominal value PLN 1000 per share. After the registration of the share capital increase, Agora S.A. will hold 278 shares representing 92,66% of the company's share capital and 92,66% of the votes at shareholders' meeting. As of the date of publication of these financial statements, the above change has not been registered with the register of entrepreneurs of the National Court Register

On April 1, 2016 the extraordinary general meeting of shareholders of Searchlab Sp. z o.o. adopted the resolution increasing the share capital by 1,900 new shares with nominal value of PLN 50 per share and total nominal value PLN 95 thousand. Agora S.A. covered 1,900 new shares with a non-cash contribution in a form of Agencja Reklamy Internetowej "SearchLab", which organisationally, financially and operationally constitutes, within the internal organisational structure of the Company, a separate set of tangible and intangible assets, intended for the implementation of specific economic tasks, i.e. (i) the sale and running of online advertising campaigns on external surfaces of economic entities, with respect to which SearchLab operates as an agent for sales and performance of advertising campaigns; and (ii) provision of advisory services and operation in the field of search engine optimisation (SEO); which is an independent enterprise independently performing these tasks. After the registration, the share capital will amount to PLN 100 thousand and will be divided into 2,000 shares with nominal value PLN 50 per share. After the registration of the share capital increase, Agora S.A. will hold 2,000 shares, representing 100% of the company's share capital and 100% of the votes at shareholders' meeting. As of the date of publication of these financial statements, the above change has not been registered with entrepreneurs of the National Court Register.

Warsaw, April 1, 2016

Bartosz Hojka – President of the Management Board	Signed on the Polish original
Grzegorz Kossakowski – Member of the Management Board	Signed on the Polish original
Robert Musial – Member of the Management Board	Signed on the Polish original
Tomasz Jagiello – Member of the Management Board	Signed on the Polish original

Signature of the person responsible for keeping the accounting records

Ewa Kuzio – Chief Accountant	Signed on the Polish original

TRANSLATION

Agora S.A. Group

Supplementary report on the audit of the consolidated financial statements Financial Year ended 31 December 2015

The supplementary report contains 13 pages
The supplementary report on the audit of the consolidated financial statements for the financial year ended 31 December 2015

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

Contents

1. General

1.1 Identification of the Group

1.1.1 Name of the Group

Agora S.A. Group

1.1.2 Registered office of the Parent Company of the Group

ul. Czerska 8/10
00-732 Warsaw

1.1.3 Registration of the Parent Company in the register of entrepreneurs of the National Court Register

Registration court:	District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Department of the National Court Register
Date:	7 November 2001
Registration number:	KRS 0000059944
Share capital as at the end of reporting period:	PLN 47,665,426.00

1.1.4 Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

As at 31 December 2015, the Management Board of the Parent Company was comprised of the following members:

- Bartosz Hojka – President of the Management Board,
- Grzegorz Kossakowski – Member of the Management Board,
- Robert Musiał – Member of the Management Board,
- Tomasz Jagiełło – Member of the Management Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2015, the following companies were consolidated by the Group:

Parent Company:

- Agora S.A.

Subsidiaries consolidated on the full consolidation basis:

- Agora Poligrafia Sp. z o.o.,
- AMS S.A.,
- IM 40 Sp. z o.o.,
- Grupa Radiowa Agory Sp. z o.o.,

- Adpol Sp. z o.o.,
- Inforadio Sp. z o.o.,
- Agora TC Sp. z o.o.,
- Doradztwo Mediowe Sp. z o.o. (previously Radiowe Doradztwo Reklamowe Sp. z o.o.),
- Trader.com (Polska) Sp. z o.o.,
- AdTaily Sp. z o.o.,
- Helios S.A.,
- Sport4People Sp. z o.o.,
- Next Film Sp. z o.o.,
- Projekt Inwestycyjny Sp. z o.o.,
- Sir Local Sp. z o.o.,
- TV Zone Sp. z o.o.,
- Green Content Sp. z o.o.,
- Joy Media Sp. z o.o.,
- PTA Sp. z o.o.

The following subsidiaries were consolidated for the first time during the year ended 31 December 2015, as a result of the Parent Company acquiring a controlling interest:

- Green Content Sp. z o.o. – subject to consolidation for the period from 17 August 2015 to 31 December 2015,
- Joy Media Sp. z o.o. – subject to consolidation for the period from 17 August 2015 to 31 December 2015,
- PTA Sp. z o.o. – subject to consolidation for the period from 17 August 2015 to 31 December 2015.

1.2.2 Entities excluded from consolidation

As at 31 December 2015, there were no subsidiaries of the Group that were not consolidated.

1.3 Key Certified Auditor and Audit Firm Information

1.3.1 Key Certified Auditor information

Name and surname:	Zbigniew Libera
Registration number:	90047

1.3.2 Audit Firm information

Name:	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office:	ul. Inflancka 4A, 00-189 Warsaw
Registration number:	KRS 0000339379
Registration court:	District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number:	527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2014 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The consolidated financial statements were approved at the General Meeting of the Parent Entity on 26 June 2015.

The consolidated financial statements were submitted to the Registry Court on 7 July 2015.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of Agora S.A. with its registered office in Warsaw, ul. Czerska 8/10 and relates to the consolidated financial statements comprising: the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements.

The consolidated financial statements were audited in accordance with the contract dated 26 June 2014, concluded on the basis of the resolution of the Supervisory Board dated 3 April 2014 on the appointment of the auditor.

We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance.

We audited the consolidated financial statements at the Group entities during the period from 29 February 2016 to 18 March 2016.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group's activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements.

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

All required statements, explanations and information were provided to us by Management of the Group and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2015, item 1011 with amendments).

1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The unconsolidated financial statements of the Parent Company for the year ended 31 December 2015 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., certified auditor number 3546, and received an unmodified opinion.

1.6.2 Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Agora Poligrafia Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
AMS S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
IM 40 Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Grupa Radiowa Agory Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Adpol Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Doradztwo Mediowe Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Trader.com (Polska) Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Next Film Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Helios S.A.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Projekt Inwestycyjny Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Agora TC Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Inforadio Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
AdTaily Sp. z o.o.	KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.	31 December 2015	untill the date of this report the statutory audit has not been completed
Sport4People Sp. z o.o.	not audited	31 December 2015	not applicable
Sir Local Sp. z o.o.	not audited	31 December 2015	not applicable
TV Zone Sp. z o.o.	not audited	31 December 2015	not applicable
Green Content Sp. z o.o.	not audited	31 December 2015	not applicable
Joy Media Sp. z o.o.	not audited	31 December 2015	not applicable
PTA Sp. z o.o.	not audited	31 December 2015	not applicable

2 Financial analysis of the Group

2.1 Summary analysis of the consolidated financial statements

2.1.1 Consolidated balance sheet

ASSETS	31.12.2015 PLN '000	% of total	31.12.2014 PLN '000	% of total
Non-current assets:				
Intangible assets	448,064	27.8	399,656	25.7
Property, plant and equipment	669,689	41.6	686,411	44.1
Long-term financial assets	98	-	123	-
Investments in equity accounted investees	19,938	1.2	16,403	1.0
Receivables and prepayments	14,179	0.9	33,531	2.2
Deferred tax assets	10,388	0.7	6,678	0.4
	1,162,356	72.2	1,142,802	73.4
Current assets:				
Inventories	29,031	1.8	30,182	1.9
Accounts receivable and prepayments	281,716	17.5	268,742	17.3
Income tax receivable	121	-	327	-
Short-term securities and other financial assets	105,826	6.6	62,116	4.0
Cash and cash equivalents	31,163	1.9	52,330	3.4
	447,857	27.8	413,697	26.6
TOTAL ASSETS	1,610,213	100.0	1,556,499	100.0

EQUITY AND LIABILITIES	31.12.2015 PLN '000	% of total	31.12.2014 PLN '000	% of total
Equity attributable to equity holders of the parent:				
Share capital	47,665	3.0	50,937	3.3
Treasury shares	-	-	(30,060)	1.9
Share premium	147,192	9.1	147,192	9.4
Retained earnings and other reserves	958,629	59.5	981,520	63.0
	1,153,486	71.6	1,149,589	73.8
Non-controlling interest	16,699	1.0	15,490	1.0
Total equity	1,170,185	72.6	1,165,079	74.8
Non-current liabilities:				
Deferred tax liabilities	22,527	1.4	31,430	2.0
Long-term borrowings	60,850	3.8	53,276	3.4
Other financial liabilities	16,575	1.0	22,218	1.4
Retirement severance provision	2,451	0.2	2,363	0.2
Provisions	927	0.1	1,159	0.1
Deferred revenues and accruals	15,259	0.9	5,819	0.4
	118,589	7.4	116,265	7.5
Current liabilities:				
Retirement severance provision	198	-	219	-
Short-term liabilities	165,998	10.3	161,510	10.4
Income tax liabilities	9,463	0.6	3,376	0.2
Short-term borrowings	46,794	2.9	40,090	2.6
Other financial liabilities	4,304	0.3	-	-
Provisions	2,115	0.1	3,532	0.2
Deferred revenues and accruals	92,567	5.8	66,428	4.3
	321,439	20.0	275,155	17.7
TOTAL EQUITY AND LIABILITIES	1,610,213	100.0	1,556,499	100.0

2.1.2 Consolidated income statement

	1.01.2015 - 31.12.2015 PLN '000	% of total sales	1.01.2014 - 31.12.2014 PLN '000	% of total sales
Sales	1,189,340	100.0	1,102,417	100.0
Cost of sales	(795,591)	66.9	(760,363)	69.0
Gross profit	*393,749*	*33.1*	*342,054*	*31.0*
Selling expenses	(260,088)	21.9	(221,953)	20.1
Administrative expenses	(120,619)	10.1	(120,126)	10.9
Other operating income	19,917	1.7	13,239	1.2
Other operating expenses	(14,227)	1.2	(31,511)	2.9
Operating profit/(loss)	*18,732*	*1.6*	*(18,297)*	*1.7*
Finance income	4,109	0.3	10,731	1.0
Finance costs	(5,164)	0.4	(7,472)	0.7
Share of results of equity accounted investees	(872)	0.1	(2,887)	0.2
Profit/(loss) before income taxes	*16,805*	*1.4*	*(17,925)*	*1.6*
Income tax expense	(1,486)	0.1	6,899	0.6
Net profit/(loss) for the period	*15,319*	1.3	(11,026)	1.0

Attributable to:		
Equity holders of the parent	12,709	(12,574)
Non-controlling interest	2,610	1,548
	15,319	(11,026)
Basic/diluted earnings per share (in PLN)	0.27	(0.25)

2.1.3 Consolidated statement of comprehensive income

	1.01.2015 - 31.12.2015 PLN '000	% of profit	1.01.2014 - 31.12.2014 PLN '000	% of profit
Net profit/(loss) for the period	*15,319*	*100.0*	*(11,026)*	*100.0*
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial gains/(losses) on defined benefit plans	293	1.9	276	2.5
Income tax effect	(55)	0.3	(52)	0.5
	238	1.6	224	2.0
Items that will be reclassified to profit or loss				
Other comprehensive income for the period	***238***	***1.6***	***224***	***2.0***
Total comprehensive income for the period	***15,557***	***101.6***	***(10,802)***	***98.0***
Attributable to:				
Shareholders of the parent	12,945	84.5	(12,355)	112.1
Non-controlling interests	2,612	17.1	1,553	14.1
	15,557	101.6	(10,802)	98.0

2.2 Selected financial ratios

	2015	2014	2013
1. Return on sales			
profit for the period x 100% / revenue	1.3%	negative value	0.1%
2. Return on equity			
profit for the period x 100% / equity - profit for the period	1.3%	negative value	0.1%
3. Debtors' days			
average trade receivables (gross) x 365 days / revenue	67 days	70 days	70 days
4. Debt ratio			
liabilities x 100% / equity and liabilities	27.4%	25.1%	26.5%
5. Current ratio			
current assets / current liabilities	1.4	1.5	1.6

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

In view of the fact that not all entities being part of the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company, appropriate adjustments to the financial statements of those entities were made to ensure consistency with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Agora S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 No. 169, item 1327 with amendments).

3.3 Method of consolidation

The method of consolidation is described in note 2 (c) of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 2 (e) of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Agora S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

3.8 Report of the Management Board of the Parent Company on the Group's activities

The report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

....
Zbigniew Libera
Key Certified Auditor
Registration No. 90047
Limited Liability Partner with power of attorney

1 April 2016

AGORA SA

AGORA GROUP

Management Discussion and Analysis for **the year 2015** to the consolidated financial statements

April 1, 2016

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NET PROFIT PLN 15.3 MILLION
EBITDA PLN 120.7 MILLION
OPERATING CASH FLOW PLN 111.1 MILLION

Unless indicated otherwise, all data presented herein represent the period of 2015, while comparisons refer to 2014. All data sources are presented in part IV of this MD&A.

I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP [1]

- In 2015, the Agora Group (the "Group") revenues amounted to PLN 1,189.3 million and increased by 7.9% yoy. This was due to the positive revenue dynamics recorded by Agora Group in every quarter of 2015. The increase in the Group's revenues in 2015 resulted primarily from a 22.0% increase in the inflows of the Movies and Books segment, totalling PLN 345.1 million. Record-high revenues were also recorded by the Internet and Radio segments. In 2015, total revenues of the Internet segment increased by 18.4% yoy, amounting to PLN 150.5 million. Revenues of the Radio segment also increased dynamically — by 23.2% yoy, amounting to PLN 107.7 million. In 2015, revenues of the Outdoor segment went up by 4.2% yoy, totalling PLN 156.1 million. Revenues in the Press and Print segments went down, amounting to PLN 300.8 million and PLN 164.7 million, respectively.
- In 2015, the Group's operating cost increased by 4.5% yoy and amounted to PLN 1,170.6 million. The highest increase in operating cost — up by 19.3% yoy to PLN 321.5 million — was visible in the Movies and Books segment. It was related mainly to the amortisation of the co-production contribution to the game *The Witcher 3: Wild Hunt,* payments to the producer of the game, as well as higher costs of film copy purchase and costs of promotional campaigns for films introduced to cinemas as part of the segment's film activity. In 2015, the operating cost of the Internet segment increased by 18.7% yoy to PLN 126.3 million. This resulted mainly from higher costs related to the brokerage of display advertising of other web publishers, as well as higher staff costs. The increase in the operating cost of the Radio segment up to PLN 94.3 million was mainly related to the cost of advertising services provided in Helios cinemas since 2015, a higher cost of air time purchase in third-party radio stations due to the brokerage activities, as well as an increase in staff cost and promotion and marketing cost. Operating cost decreased in the Press, Print and Outdoor segments. A significant decrease in operating cost visible in the Print segment was associated with a lower yoy volume of orders. In the Outdoor segment, a reduction in operating cost by 3.2% yoy was made possible due to lower yoy system maintenance cost. Lower cost in the Press segment — totalling PLN 283.6 million in 2015 — were related to lower cost of materials, energy, goods and printing services. It should also be noted that in 2014 both the operating cost of the Press segment and its operating result were affected by an impairment loss amounting to PLN 15.1 million, concerning two monthlies published by the Magazines and Free Press division.
- Owing to a systematic improvement of Agora Group's operating results in most quarters of 2015, the Group's EBITDA for 2015 increased to PLN 120.7 million, and the operating profit at the EBIT level went up to PLN 18.7 million. In 2015, the Group recorded a net profit of PLN 15.3 million, while the net profit attributable to the equity holders of the parent company amounted to PLN 12.7 million.

- As at the end of December 2015, the Group's monetary assets amounted to PLN 117.0 million, which comprised cash and cash equivalents in the amount of PLN 31.2 million and PLN 85.8 million invested in short-term securities. Additionally, the Group held cash receivables of PLN 29.6 million deposited by AMS S.A. as cash collateral securing the bank guarantees granted in relation to execution of the concession contract for the construction and modernisation of bus/tram shelters in Warsaw (PLN 10.8 million of which is disclosed in the balance sheet under long-term receivables).
- As at the end of December 2015, the Group's debt amounted to PLN 107.6 million (including external debt of Helios S.A. group [hereinafter "Helios"] consisting of bank loans and finance lease liabilities in the amount of PLN 89.8 million).

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

1. EXTERNAL FACTORS

1.1 Advertising market [3]

According to the Agora S.A. estimates ("Company", "Agora"), based on public data sources, in 2015, total advertising spending in Poland amounted to ca PLN 7.8 billion and increased by 4.5% yoy. At that time, advertisers limited their expenditure only in press. The growth of advertising expenditure was visible in other advertising market segments. The data relating to the changes in the value of advertising expenditure in particular media segments are presented in the table below:

Tab. 1

Total advertising expenditure	Television	Internet	Magazines	Radio	Outdoor	Dailies	Cinema
4.5%	4.5%	10.5%	(8.5%)	7.5%	2.5%	(11.5%)	4.5%

The share of particular media segment in total advertising expenditure, in 2015, is presented in the table below:

Tab. 2

Advertising spendings, in total	Television	Internet	Magazines	Radio	Outdoor	Dailies	Cinema
100.0%	51.5%	23.0%	6.5%	8.0%	6.0%	3.5%	1.5%

1.2 Copy sales of dailies [4]

In 2015 the total paid circulation of dailies in Poland decreased by 7.5% yoy. The largest decrease was observed in regional dailies.

1.3. Cinema admissions [10]

In 2015, the number of tickets sold in Polish cinemas increased by almost 10.5% yoy to almost 44.7 million tickets.

2. INTERNAL FACTORS

2.1. Revenue

Tab. 3

in million PLN	**2015**	**% share**	**2014**	**% share**	***% change yoy***
Total sales (1)	**1,189.3**	***100.0%***	**1,102.4**	***100.0%***	***7.9%***
Advertising revenue	562.4	*47.3%*	533.1	*48.4%*	*5.5%*
Copy sales	144.8	*12.2%*	135.5	*12.3%*	*6.9%*
Ticket sales	162.2	*13.6%*	143.0	*13.0%*	*13.4%*
Printing services	156.2	*13.1%*	165.3	*15.0%*	*(5.5%)*
Other	163.7	*13.8%*	125.5	*11.3%*	*30.4%*

(1) particular sales positions, apart from ticket sales and printing services, include sales of Publishing House and film activities (co-production and distribution in the Movies and Books segment), described in details in point IV.B in this report.

In 2015, the Group's total revenues amounted to PLN 1,189.3 million (up by 7.9% yoy).

In the period since January to December 2015, the Group's **advertising revenues** increased by 5.5% yoy and amounted to PLN 562.4 million. The highest growth in advertising revenues was recorded in the Internet and Radio segments. The advertising revenues in the Outdoor and Movies and Books segments also increased.

The value of **revenues from copy sales** amounted to PLN 144.8 million and increased by 6.9% yoy. This resulted from higher sales generated by Agora's Publishing House, including the sales of the film *Bogowie* on DVD, and a 2.6% increase in copy sales revenue in the Press segment, related mainly to a greater number of issues of the daily available in the dual price offer and a copy price increase introduced in October 2014.

In 2015, the **revenues from tickets sold** in Helios cinemas increased by 13.4% yoy and amounted to PLN 162.2 million. In the reporting period, the number of tickets sold in Helios cinemas amounted to 9.3 million, which meant a yoy increase by 11.2%. In the same period, the overall number of cinema tickets sold in Poland amounted to ca. 44.7 million and increased by 10.5% yoy *[10]*.

Revenues from the sales of printing services in the Group amounted to PLN 156.2 million and decreased by 5.5% yoy.

However, **revenues from other sales**, totalling PLN 163.7 million, went up by 30.4% yoy. The value of this item was positively affected by cinema concession sales and revenues associated with the co-production and distribution of the game *The Witcher 3: Wild Hunt* in the amount of PLN 25.8 million.

2.2. Operating cost

Tab. 4

in million PLN	**2015**	**% share**	**2014**	**% share**	***% change yoy***
Operating cost net, including:	**(1,170.6)**	***100.0%***	**(1,120.7)**	***100.0%***	***4.5%***
External services	(400.6)	*34.2%*	(345.0)	*30.8%*	*16.1%*
Staff cost	(317.3)	*27.1%*	(302.3)	*27.0%*	*5.0%*
Raw materials, energy and consumables	(225.6)	*19.3%*	(239.1)	*21.3%*	*(5.6%)*
D&A	(102.0)	*8.7%*	(96.0)	*8.6%*	*6.3%*
Promotion and marketing	(87.4)	*7.5%*	(72.9)	*6.5%*	*19.9%*
Impairment losses (1)	-	-	(15.1)	*1.3%*	-

(1) the amount in 2014 includes impairment losses of two monthlies published by Agora S.A.

In 2015, **the Group's net operating costs** increased by 4.5% yoy and amounted to PLN 1,170.6 million. When comparing these figures with those for 2014 it should be noted that in the fourth quarter of 2014 the Group's operating cost was affected by impairment loss amounting to PLN 15.1 million, concerning two monthlies published by the Magazines and Free Press division.

The increase in the **cost of external services** recorded in 2015, resulted, among other things, from payments to the producer of the game *The Witcher 3: Wild Hunt,* higher costs of film copy purchase in the Movies and Books segment, increased cost of brokerage services and computer services in the Internet segment, and cost of panel renovation in Outdoor segment.

The Group's staff costs increased by 5.0% yoy to PLN 317.3 million in 2015. This cost item went up in most of the Group's operating segments. In the Radio segment it was connected with the strengthening of the sales force and launching new radio stations, and in the Movies and Books segment — with the expansion of the Helios network. In the Internet segment, an increase in this cost item resulted from higher yoy cost of civil law contracts and remuneration under full-time employment contracts. Additionally, the cost item increased as a result of recognising reserve for the costs of incentive plans in the costs of the Group's individual operating segments. In the Outdoor segment, this value was lower throughout 2015. The reduction of these costs resulted from the group lay-off process carried out by AMS in the second half of 2014.

The Group's headcount as at the end of December 2015 amounted to 3,004 full time employees and decreased by 63 FTEs yoy.

The Group offers varied incentive plans to its employees (for example: cash motivation plans, incentive plans in sales departments, motivation plans for management board members and top managers etc.), whose cost is charged to the staff cost.

The decrease in the cost of materials and energy consumed, and goods and materials sold as compared to 2014, results mainly from a lower volume of printing services.

The Group's cost of promotion and marketing increased in 2015 by 19.9% yoy to PLN 87.4 million. This resulted from intensified promotional activity in all of the Group's segments except for Print segment.

3. PROSPECTS

3.1. Revenue

3.1.1 Advertising market [3]

In 2015 the advertising market in Poland grew by almost 4.5% yoy. Advertisers spent ca PLN 7.8 billion yoy to promote their products and services.

In every quarter of last year, advertisers spent more on promoting their products and services than in the corresponding periods of 2014 (up by 4.5%, 3.0%, 6.0% and almost 4.5%, respectively). As estimated by the Company, in 2016, the value of advertising spending in Poland should increase from 3% to 5% as compared to 2015. Data on specific dynamics of ad spending, in total and broken down by individual media, are presented in the table below:

Tab. 5

Total advertising expenditure	Television	Internet	Magazines	Radio	Outdoor	Dailies	Cinema
3%-5%	4%-6%	8%-10%	(7%)-(10%)	3%-5%	2%-4%	(9%)-(12%)	4%-6%

3.1.2 Copy sales

In 2016, negative trends relating to copy sales of dailies and magazines in their print versions will continue, however, their dynamics should be lower than in previous periods. The Company is working on growing the sales of its digital content. At the beginning of 2014, Agora implemented a new model of access to the digital content of *Gazeta Wyborcza* and a digital subscription offer. As at the end of 2015, the number of paid digital subscriptions to *Gazeta Wyborcza* exceeded 77 thousand. The Company aspires to achieving a base of 90 thousand paid digital subscriptions as at the end of 2016. In the Company's opinion, such activities, together with other factors, should stabilise the Press segment's financial results in the long term.

3.1.3. Ticket sales

The most significant factor affecting attendance in Polish cinemas is the repertoire. Based on the available information, the number of tickets sold in Polish cinemas in 2015 was record-high, amounting to almost 44.7 million, which constitutes an increase by 10.5% yoy *[10]*. The Company's Management Board is of the opinion that it would be difficult to expect a similar growth rate in the sales of cinema tickets in 2016. However, taking into account available repertoire for 2016 it seems possible to maintain a similar level of attendance as in 2015.

3.2 Operating cost

In 2016, the Group is planning to continue its development projects in selected business segments, which may result in an increase in operating cost. Segments with the largest projects to be executed include Outdoor as well as Movies and Books. It should also be noted that the Company will incur costs associated with launching its own TV channel in the second half of 2016. The channel is to be broadcast via digital terrestrial television in multiplex 8.

3.2.1 Costs of external services

The costs of external services will largely depend on the cost of brokerage services (in particular in the Internet and Radio segments), costs of film copy purchase related directly to the level of revenues from cinema ticket sales, and the EUR/PLN exchange rate. In addition, the increase in this cost item will be affected by opening of new cinema facilities planned for the fourth quarter of 2016, fees for film producers related to the Group's film distribution business and execution of other development projects.

3.2.2 Staff cost

Staff costs will increase yoy due to the execution of development projects in the Group. In the Internet segment, the increase in staff costs may be connected mainly with the development of selected web portals of the Gazeta.pl group and mobile applications, and with strengthening the sales force team. In the Radio segment, the increase in this cost item is associated with strengthening the sales force and launching a new radio station under the brand of Radio Pogoda. In the Movies and Books segment, this increase will be connected with the expansion of the Helios network by opening new facilities and with other development activities.

3.2.3 Promotion and marketing cost

In 2016, Agora Group is planning to continue its development activities, which also include promotional activities. The dynamics of changes in individual media, the number of launched development projects, including film co-production and distribution activity, as well as market activities and projects of the Group's competitors may affect the level of these expenses. Considering the above factors, the Company estimates that in 2016 this cost item may increase as compared to 2015.

3.2.4 Cost of raw materials and energy

According to the Company's estimates, the level of this cost position in 2016 will be shaped by similar market trends as in 2015. The Group's Print segment has the largest impact on this cost position, especially the cost of production materials, the volume of production and the EUR/PLN exchange rate.

4. THE GROWTH DIRECTIONS OF THE AGORA GROUP

The primary objective of Agora is the growth in media sector. Agora Group wants to achieve the objective by the growth of revenues and profitability improvement according to the medium term development plans announced in March 2014. The key to success is execution of four main tasks:

1) digital transformation of print media operations,
2) building position in the TV market,
3) profitability improvement of the Group's key business segments,
4) cost optimization of the Group's shared functions and infrastructure.

Due to the implementation of the metered paywall on *Gazeta Wyborcza's* website in February, 2014 the process of digital transformation significantly accelerated in the Agora Group. In order to achieve that goal, the Group supports development of quality journalism and builds necessary technological tools. At the end of 2015, the number of paid digital subscriptions of *Gazeta Wyborcza* amounted to 77.4 thousand. This means that the Company achieved its objective of building a base of approximately 75 thousand paid subscriptions one year earlier than initially estimated.

On March 15, 2014 the Agora Group entered the TV market launching Stopklatka TV - a TV channel created together with Kino Polska TV S.A. Agora's objective is a quick success of the digital film channel and its aspires to build a significant position in the TV thematic channel market in the long term perspective. In 2015, Agora won the concession proceedings and in Autumn 2016 it plans to launch a TV channel broadcast via digital terrestrial platform in signal of eighth multiplex.

Agora develops its other business segments. The Group aims to grow its cinema network Helios and increase the scale of operations in the field of film distribution and co-production. In 2015 Helios network grew by four new cinemas. In the outdoor business Agora wants to strengthen its position in the premium segment – at the end of 2015 895 out of 1,580 bus shelters with citylight panels were visible in the streets of Warsaw. The priority for the Group's online operations is an intensive growth in mobile and video as well as further diversification of revenue streams. The Group's objective in the radio business is to successfully acquire the largest possible number of licences in order to grow technical reach of current radio stations and optimization of music formats. In 2015 the radio business created a new radio stations under the name Radio Pogoda.

The Agora Group undertook optimization initiatives related to the Group's cost of shared functions and infrastructure in order to simplify and unify internal processes. As a result the share of the cost of shared functions and infrastructure decreased.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The consolidated financial statements of the Agora Group for 2015 include: Agora S.A. and 19 subsidiaries, which operate principally in the internet, print, cinema, radio and outdoor segments. Additionally, the Group held shares in jointly controlled entities Stopklatka S.A. (since March 12, 2014) and Online Technologies HR Sp. z o.o. as well as in associated companies: GoldenLine Sp. z o.o., Instytut Badan Outdooru IBO Sp. z o.o. and Hash.fm Sp. z o.o. (since July 18, 2014).

A detailed list of companies of the Agora Group is presented in the point V.B.1 and selected financial data together with translation into EURO are presented in note 42 to the consolidated financial statements in this report.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 6

in PLN million	**2015**	**2014**	*% change yoy*
Total sales (1)	**1,189.3**	**1,102.4**	***7.9%***
Advertising revenue	562.4	533.1	*5.5%*
Copy sales	144.8	135.5	*6.9%*
Ticket sales	162.2	143.0	*13.4%*
Printing services	156.2	165.3	*(5.5%)*
Other	163.7	125.5	*30.4%*
Operating cost net, including:	**(1,170.6)**	**(1,120.7)**	***4.5%***
Raw materials, energy and consumables	(225.6)	(239.1)	*(5.6%)*
D&A	(102.0)	(96.0)	*6.3%*
External services	(400.6)	(345.0)	*16.1%*
Staff cost	(317.3)	(302.3)	*5.0%*
Promotion and marketing	(87.4)	(72.9)	*19.9%*
Impairment losses (2)	-	(15.1)	-
Operating result - EBIT	**18.7**	**(18.3)**	**-**
Finance cost, net, incl.:	**(1.0)**	**3.3**	**-**
Revenue from short-term investment	1.9	4.1	*(53.7%)*
Interest on bank loans, borrowings, finance lease and similar items	(4.3)	(6.8)	*(36.8%)*
Revaluation of put options	0.5	3.6	*(86.1%)*
Share of results of equity accounted investees	**(0.9)**	**(2.9)**	***(69.0%)***
Profit/(loss) before income tax	**16.8**	**(17.9)**	**-**
Income tax	(1.5)	6.9	-
Net profit/(loss) for the period	**15.3**	**(11.0)**	**-**
Attributable to:			
Equity holders of the parent	12.7	(12.5)	-
Non - controlling interest	2.6	1.5	*73.3%*
EBIT margin (EBIT/Sales)	*1.6%*	*(1.7%)*	*3.3pp*
EBITDA	**120.7**	**77.7**	***55.3%***
EBITDA margin (EBITDA/Sales)	*10.1%*	*7.0%*	*3.1pp*

(1) particular sales positions, apart from ticket sales and printing services, include sales of Publishing House division and film activities (co-production and distribution in the Movies and Books segment), described in details in point IV.B in this report.

(2) the amount in 2014 includes impairment losses of two monthlies published by Agora S.A.

2.1. The main products, goods and services of the Agora Group

Major products, goods and services, as well as their volumes are presented in detail in part IV of this MD&A ("Operating review – major segments of the Agora Group"). The table below presents a percentage share in total revenues of the Agora Group.

Tab. 7

in million PLN	**2015**	**% share**	**2014**	**% share**	***% change yoy***
Total sales (1)	**1,189.3**	***100.0%***	**1,102.4**	***100.0%***	***7.9%***
Advertising revenue	562.4	*47.3%*	533.1	*48.4%*	*5.5%*
Copy sales	144.8	*12.2%*	135.5	*12.3%*	*6.9%*
Ticket sales	162.2	*13.6%*	143.0	*13.0%*	*13.4%*
Printing services	156.2	*13.1%*	165.3	*15.0%*	*(5.5%)*
Other	163.7	*13.8%*	125.5	*11.3%*	*30.4%*

(1) particular sales positions, apart from ticket sales and printing services, include sales of Publishing House and film activities (co-production and distribution in the Movies and Books segment), described in details in point IV.B in this report.

2.2. Financial results presented according to major segments of the Agora Group for 2015

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 segments of the Agora Group").

Tab. 8

in PLN million	Press	Movies and Books	Outdoor	Internet	Radio	Print	Reconciling positions (3)	Total (consoli-dated) 2015
Total sales (1)	**300.8**	**345.1**	**156.1**	**150.5**	**107.7**	**164.7**	**(35.6)**	**1,189.3**
% share	25.3%	29.0%	13.1%	12.7%	9.1%	13.8%	(3.0%)	100.0%
Operating cost net (1)	**(283.6)**	**(321.5)**	**(139.0)**	**(126.3)**	**(94.3)**	**(162.4)**	**(43.5)**	**(1,170.6)**
EBIT	**17.2**	**23.6**	**17.1**	**24.2**	**13.4**	**2.3**	**(79.1)**	**18.7**
Finance cost, net								(1.0)
Share of results of equity accounted investees								(0.9)
Income tax								(1.5)
Net profit for the period								**15.3**
Attributable to:								
Equity holders of the parent								12.7
Non-controlling interest								2.6
EBITDA	**27.0**	**60.4**	**30.3**	**29.6**	**16.2**	**18.1**	**(60.9)**	**120.7**
CAPEX (2)	(1.7)	(46.9)	(49.8)	(2.8)	(4.0)	(4.1)	(19.8)	(129.1)

(1) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;

(2) based on invoices booked in the period, the amount in the Movies and Books segment includes also PLN 23.9 million of non-current assets in lease and reconciling positions include, inter alia, an increase by PLN 13.5 million related to granting to Agora's subsidiary Green Content Sp. z o.o., a license to broadcast a television programme via digital terrestrial platform in signal of eighth multiplex.

(3) reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative, finance and HR functions, etc.), new TV channel and the Management Board of Agora S.A., Agora TC Sp. z o.o., intercompany eliminations and other matching adjustments which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

2.3. Sales and markets

Over 90% of the total sales of the Group were related to sales in domestic market. Sales to foreign markets are realized mainly through the sales of printing and advertising services to foreign customers and sales of publications (including foreign subscription).

The Group does not depend on one particular customer. The biggest customers of the Group (in respect of the turnover) are press distributors (companies unrelated to Agora S.A.). In 2015, the value of transactions with none of the distributors exceeded 10% of the Group's total revenues.

2.4. Suppliers

The Group does not depend on one particular supplier. Newsprint and printing services are important cost items of the Group. Newsprint used for printing services for external customers and in order to print the Group's own titles is purchased from several suppliers. In 2015, the value of transactions with none of the suppliers exceeded 10% of the Group's total revenues.

2.5. Finance cost, net

Net financial activities of the Group, in 2015, were influenced mainly by interest from bank deposits as well as cost of commissions and interest on the bank loans and lease liabilities.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 9

in PLN million	**31-12-2015**	**31-12-2014**	***% change to 31-12-2014***
Non-current assets	**1,162.3**	**1,142.8**	**1.7%**
share in balance sheet total	*72.2%*	*73.4%*	*(1.2 pp)*
Current assets	**447.9**	**413.7**	**8.3%**
share in balance sheet total	*27.8%*	*26.6%*	*1.2 pp*
TOTAL ASSETS	**1,610.2**	**1,556.5**	**3.5%**
Equity holders of the parent	**1,153.5**	**1,149.6**	**0.3%**
share in balance sheet total	*71.6%*	*73.9%*	*(2.3 pp)*
Non-controlling interest	**16.7**	**15.5**	**7.7%**
share in balance sheet total	*1.0%*	*1.0%*	-
Non-current liabilities and provisions	**118.6**	**116.3**	**2.0%**
share in balance sheet total	*7.4%*	*7.5%*	*(0.1 pp)*
Current liabilities and provisions	**321.4**	**275.1**	**16.8%**
share in balance sheet total	*20.0%*	*17.6%*	*2.4 pp*
TOTAL LIABILITIES AND EQUITY	**1,610.2**	**1,556.5**	**3.5%**

3.1. Non-current assets

The increase in non-current assets, versus 31 December 2014, resulted mainly from new investments in property, plant and equipment and intangibles, which were, to some extent, compensated by depreciation and amortisation charges and a decrease in long-term receivables, because part of the cash collateral provided by the subsidiary AMS S.A. was reclassified to the short term receivables.

3.2. Current assets

The increase in current assets, versus 31 December 2014, results mainly from the increase in accounts receivable (including trade receivables and short-term receivables related to the cash collateral provided by AMS S.A.) and higher balance of short-term securities, which was, to some extent, compensated by lower balance of cash and cash equivalents.

3.3. Non-current liabilities and provisions

The increase in non-current liabilities and provisions, versus 31 December 2014, stems mainly from the increase in long-term loans and finance lease liabilities as well as an increase in other long-term liabilities resulting from receiving by the subsidiary Green Content Sp. z o.o. a license to broadcast a television programme via digital terrestrial platform in signal of eighth multiplex. The above change was, to some extent, compensated by the decrease in deferred tax liabilities and lower other financial liabilities.

3.4. Current liabilities and provisions

The increase in current liabilities and provisions, versus 31 December 2014, stems mainly from the increase in accounts payable and tax liabilities as well as higher accruals. Moreover, there has been an increase in short-term loans and other financial liabilities.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 10

in PLN million	**2015**	**2014**	*% change yoy*
Net cash from operating activities	111.1	97.8	*13.6%*
Net cash from investment activities	(129.0)	(43.0)	*200.0%*
Net cash from financing activities	(3.3)	(102.0)	*(96.8%)*
Total movement of cash and cash equivalents	**(21.2)**	**(47.2)**	***(55.1%)***
Cash and cash equivalents at the end of period	**31.2**	**52.3**	***(40.3%)***

As at 31 December 2015, the Agora Group had PLN 117.0 million in cash and in short-term monetary assets, out of which PLN 31.2 million was in cash and cash equivalents (cash, bank accounts and bank deposits) and PLN 85.8 million in short-term securities. Additionally, the Group had a cash receivable of PLN 29.6 million deposited by the subsidiary AMS S.A. as a cash collateral securing the bank guarantees issued in relation to the concession contract for construction and utilization of bus shelters in Warsaw (out of which PLN 10.8 million is presented within long-term receivables).

In 2015, Agora S.A. was not engaged in any currency option instruments or other derivatives (used for hedging or speculative purposes).

On the basis of the Annex no. 1 to the multi - purpose credit line agreement signed on 26 May 2015 with Bank Polska Kasa Opieki S.A., Agora S.A. was provided with a time credit of up to PLN 100.0 million, which may be used by 31 May 2016 and with a credit facility in the current account of up to PLN 35.0 million, which may be used by 28 May 2016.

In the first quarter of 2015, the Company repaid the last installment of the credit line used in previous years.

As at the date of this MD&A, considering the cash position, the cash pooling system functioning in the Group and available credit facility, the Agora Group does not anticipate any liquidity problems with regards to its further investment plans (including capital investments).

4.1. Operating activities

The increase in net inflow from operating activities, in 2015, stems mainly from the improvement in the Group's result from the main operating activities.

4.2. Investment activities

Net outflow from investing activities, in 2015, results mainly from expenditure on property, plant and equipment and intangibles as well as acquisition of short-term securities.

4.3. Financing activities

In 2015, the net cash flows from financing activities included mainly repayments of bank loans and financial lease payments as well as expenditure related to the second stage of the share buy-back program. During the discussed period the Group also received inflows from bank loans and factoring.

5. SELECTED FINANCIAL RATIOS [5]

Tab. 11

	2015	**2014**	*% change yoy*
Profitability ratios			
Net profit margin	1.1%	(1.1%)	*2.2pp*
Gross profit margin	33.1%	31.0%	*2.1pp*
Return on equity	1.1%	(1.1%)	*2.2pp*
Efficiency ratios			
Inventory turnover	13 days	13 days	-
Debtors days	65 days	68 days	*(4.4%)*
Creditors days	43 days	41 days	*4.9%*
Liquidity ratio			
Current ratio	1.4	1.5	*(6.7%)*
Financing ratios			
Gearing ratio (1)	-	-	-
Interest cover	5.0	(3.1)	-
Free cash flow interest cover	5.7	4.7	*21.3%*

(1) as at 31 December 2015 and 31 December 2014 the Group had net cash position.

Definitions of financial ratios *[5]* are presented at the end of part IV of this MD&A *("Operating review – major segments of the Agora Group").*

IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP

IV.A. PRESS [1]

The *Press* segment includes the pro-forma consolidated financials of *Gazeta Wyborcza*, Magazines and Free Press division.

Tab. 12

in PLN million	**2015**	**2014**	***% change yoy***
Total sales, including:	**300.8**	**306.4**	***(1.8%)***
Copy sales	130.5	127.2	*2.6%*
incl. Gazeta Wyborcza	*103.1*	*100.8*	*2.3%*
incl. Magazines	*16.2*	*17.6*	*(8.0%)*
Advertising revenue (1)	164.9	175.1	*(5.8%)*
incl. Gazeta Wyborcza (2)	*104.5*	*112.9*	*(7.4%)*
incl. Magazines	*21.8*	*22.7*	*(4.0%)*
incl. Metrocafe.pl (3)	*19.8*	*21.5*	*(7.9%)*
Total operating cost, including (4):	**(283.6)**	**(294.8)**	***(3.8%)***
Raw materials, energy, consumables and printing services	(74.6)	*(79.7)*	*(6.4%)*
Staff cost (5)	(116.8)	*(114.5)*	*2.0%*
D&A	(9.8)	*(10.0)*	*(2.0%)*
Promotion and marketing (1), (5)	(49.6)	*(41.1)*	*20.7%*
Impairment losses (6)	-	*(15.1)*	-
EBIT	**17.2**	**11.6**	***48.3%***
EBIT margin	*5.7%*	*3.8%*	*1.9pp*
EBITDA	**27.0**	**21.6**	***25.0%***
EBITDA margin	*9.0%*	*7.0%*	*2.0pp*

(1) the amounts do not include revenues and total cost of cross-promotion of different media between the Agora Group segments (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation;

(2) the amounts refer to only a portion of total revenues from dual media offers (published both in Gazeta Wyborcza, as well as on GazetaPraca.pl, Domiporta.pl, Komunikaty.pl verticals and Nekrologi.Wyborcza.pl website), which is allocated to the print edition of Gazeta Wyborcza;

(3) the amounts refer to total revenues of the Free Press including revenues from Metrocafe.pl's display advertising (previously Metro), classifieds and inserts as well as from metroBTL services and Metrocafe.pl's special activities;

(4) segment operating costs associated with the production of the Group's own titles are settled on the basis of allocation of direct and indirect cost associated with their production from the Print segment;

(5) the amounts include inter alia the production and promotional cost of gadgets offered with Gazeta Wyborcza and Agora's magazines.

(6) the amount in 2014 is affected by impaiment loss concerning two monthlies published Agorę S.A.

In 2015, the operating result of the Press segment amounted to PLN 17.2 million and increased yoy *[1]*. It should be noted, however, that in the fourth quarter of 2014, the operating result of the Press segment was affected by impairment loss amounting to PLN 15.1 million, concerning two monthlies published by the Magazines and Free Press division.

1. REVENUE

In 2015, total revenues of the Press segment decreased by 1.8% yoy and amounted to PLN 300.8 million. This was mainly due to a 5.8% yoy decrease in advertising revenues. However, the value of the segment's revenues was positively affected by a 2.6% increase in copy sales, mainly owing to higher revenues from copy sales of *Gazeta Wyborcza*.

1.1. Revenue from copy sales

1.1.1. Copy sales and readership of Gazeta Wyborcza [4]

In 2015, *Gazeta Wyborcza* maintained its leading position among the opinion-forming dailies. The average payable distribution of *Gazeta Wyborcza* amounted to 178 thousand copies and decreased by 7.2% yoy. In the analysed period, the revenue from copy sales of *Gazeta Wyborcza* increased by 2.3% yoy, which was possible due to an increase in the basic price of daily issues of *Gazeta Wyborcza* in October of 2014 and a higher number of issues in the dual price offer. In the period under discussion, the weekly readership of *Gazeta Wyborcza* stood at 8.5% (2.6 million readers; CCS, weekly readership index), which placed it as the second daily among nationwide dailies.

1.1.2. Copy sales of Agora's magazines

In 2015, revenues from the sales of magazines decreased by 8.0% yoy and amounted to PLN 16.2 million. This was due to a decrease in the average number of copies sold by Agora's monthlies, which amounted to 308.3 thousand copies (down by 10.0% yoy).

1.2. Advertising sales [3]

1.2.1. Advertising sales of Gazeta Wyborcza

In 2015, *Gazeta Wyborcza*'s net advertising revenue from all of its advertising activity (including display advertising, classifieds, inserts and other advertising services) amounted to PLN 104.5 million (down by 7.4% yoy).

The above figures include a portion of revenues from dual-media advertising offers (published both in the print edition of *Gazeta Wyborcza* and on the *GazetaPraca.pl, Domiporta.pl, Komunikaty.pl* vertical portals and the *Nekrologi.Wyborcza.pl* website), which is allocated to the print edition of *Gazeta Wyborcza*.

In 2015, the ad spending in Polish dailies decreased by ca. 11.5% yoy. In the analysed period, *Gazeta Wyborcza*'s revenue from display advertising decreased by ca. 8.0% yoy, and its estimated share in display ad spending in dailies increased by almost 1.5pp yoy, amounting to almost 37.5%. The joint share of *Gazeta Wyborcza* and *Metrocafe.pl* grew by almost 1.5pp yoy.

In 2015, *Gazeta Wyborcza*'s share in ad spending in national dailies amounted to ca. 46.0% and increased by almost 2.5pp yoy. During this period, *Gazeta Wyborcza* increased its share in ad spending in Warsaw-based dailies' by ca. 1.0pp yoy, while the joint share of *Gazeta Wyborcza* and *Metrocafe.pl* in this expenditure declined by nearly 0.5pp yoy. At the same time, *Gazeta Wyborcza*'s share in ad spending in local dailies (excluding Warsaw) did not change yoy and the joint share of *Gazeta Wyborcza* and *Metrocafe.pl* increased by over 0.5pp yoy.

One should bear in mind that these advertising market estimations may represent some margin of error due to a significant discounting pressure on the part of advertisers. Once the Company has more reliable market data, it may adjust the ad spending share estimations in the consecutive reporting periods.

In 2015, the share of ad pages in *Gazeta Wyborcza*'s total pagecount amounted to ca. 26.6%, while the average number of paid-for ad pages published daily in all local and national editions of *Gazeta Wyborcza* amounted to ca. 91 and was lower by ca. 4.0% yoy.

1.2.2. Advertising sales of Metrocafe.pl [3], [4]

In 2015, *Metrocafe.pl's* total advertising revenues declined by 7.9% yoy, including a display advertising revenue drop by almost 12.0% yoy. At the same time, total display ad spending in all daily newspapers decreased by ca. 11.5% yoy. As a result, *Metrocafe.pl's* share in advertising spending in all dailies decreased slightly and amounted to ca. 6.0%. In the analysed period, *Metrocafe.pl* maintained its share in advertising spending in national dailies, while increasing its share in advertising spending in local dailies by nearly 0.5pp. *Metrocafe.pl* decreased its share in Warsaw-based dailies by over 1.0pp yoy to approx. 26.0%.

1.2.3 Advertising sales of Agora's magazines

In 2015, the advertising sales of Agora's magazines decreased by 4.0% yoy to PLN 21.8 million. At the same time, advertisers limited their expenditure in the magazines by 8.5% yoy. Agora had a 3.3% share in total national magazines advertising spending (based on rate card data) *[7]* and a 6.7% share in monthlies advertising spending (based on rate card data) *[7]*.

2. COST

In 2015 the segment's operating costs declined by 3.8% yoy and amounted to PLN 283.6 million. Lower costs of materials, energy, goods and printing services, and a lower volume of dailies published in the segment contributed to a decrease in the segment's operating costs in 2015. However, promotion and marketing cost was higher yoy mostly due to a higher number of issues of *Gazeta Wyborcza* in the dual price offer, promoting various distribution channels for *Gazeta Wyborcza* and the events organised by the segment, including the *Olsztyn Green Festival* and the *Co Jest Grane* European Music Fair. Staff cost also increased yoy, mainly as a result of new development initiatives in the segment.

It should be noted that in 2014, the operating cost of the segment was affected by impairment cost of two monthlies published by the Magazines and Free Press division, totalling PLN 15.1 million.

3. NEW INITIATIVES

In 2015, *Gazeta Wyborcza* continued to expand its offer, both paper and digital.

In April 2015 *Wysokie Obcasy*, *Gazeta Wyborcza's* Saturday's weekly, changed its layout and format and started cooperation with new writers on the occasion of the weekly's 16th birthday and in response to the needs of readers. Since May, 2015. Wysokieobcasy.pl has a new layout.

On June 2, 2015 the first issue of *Nauka dla każdego*, *Gazeta Wyborcza's* new magazine, was published. The magazine presents the world of science, various trivia, ideas for experiments and answers to readers' questions. On October 1st, Clou - application for iOS devices premiered. It is a new application developed for readers seeking diverse and well-written texts for longer reading. Every morning, seven days a week, they a portion of the most interesting articles from *Gazeta Wyborcza* can be found in a convenient, clear form.

The team of development of digital content sales, appointed within the Press segment, launched in early June, 2015 its own platform to sell content. The solution is built on the basis of advanced technology and sophisticated analytical tools that allow to enrich the offer of digital content of *Gazeta Wyborcza*. As a result of those changes as well as consistently implemented strategy of digitization of *Gazeta Wyborcza*, the daily ended 2015 with more than 77 thousand paid digital subscriptions. Thus, the daily reached the goal of the number of digital subscriptions a year earlier than it was planned. The new target of paid subscriptions at the end of 2016 is set to about 90 thousand paid digital subscriptions of *Gazeta Wyborcza*.

On September 4, 2015 *Metrocafe.pl* appeared on the market. It was a new edition of the biggest Polish free newspaper, which has been issued under the name *Metro*. *Metrocafe.pl* is primarily an inspiring and useful content and news - to read well in spare time. The new version of "Metrocafe.pl" is a continuation of the changes in the Agora's free press area. The first step was the launch in June, 2015 the new version of Internet service *Metrocafe.pl*. A common feature of the print and online editions is qualitative, attractive and practical content. What is more, since October 2015, there is a new version of *Metrocafe.pl's* mobile application for devices with the most popular operating systems. Now the daily's readers can comfortably reach the most interesting texts of the day, presented in a clear form.

Agora's magazines develop their online presence. Since May, 2015 runs Ladnydom.pl - a new service about interior and building. Readers can find there expert advice on the construction and repair home as well as housing, interior

design, and the establishment and maintenance of the garden. The new web platform is a combination of professional services: Ladnydom.pl, Czterykaty.pl, Bryla.pl, Domiwnetrze.pl, Domosfera.pl and E-ogrody.pl.
In August and September, 2015 Logo24.pl and Swiatmotocykli.pl appeared in a new version, based on a responsive homepage. Both sites use Big Data algorithms, whose job is to best fit content to readers' needs.

The Press segment also worked on the development of digital advertising solutions. On June 8th, 2015 *Gazeta Wyborcza* has provided its customers with a new advertising offer for mobile application on iOS, Android and Windows Phone devices. The new offer included four packages: Premium, Smart, thematic packages (culture, economy and sport) and local packages (reaching the readers of 20 local editions of *Gazeta Wyborcza*). Also in 3Q2015, the titles published by Agora focused their activities on increasing the advertising potential through effectively integrating digital advertising offer of more titles to advertising packages prepared by sales division of the segment. In August, 2015 *Wysokie Obcasy* offered a multimedia package to its customers.

IV.B MOVIES AND BOOKS [1]

The Movies and Books segment includes the pro-forma consolidated financials of Helios S.A. and Next Film Sp. z o.o., which form the Helios group and Agora's Special Projects division (including inter alia: Agora's Publishing House and film production activities).

Tab. 13

in PLN million	**2015**	**2014**	***% change yoy***
Total sales, including :	**345.1**	**282.9**	***22.0%***
Tickets sales	162.6	143.0	*13.7%*
Concession sales	59.5	49.0	*21.4%*
Advertising revenue (1)	28.4	26.7	*6.4%*
Revenues from film activities (1), (2)	17.8	17.5	*1.7%*
Revenues from Publishing House	64.3	31.5	*104.1%*
Total operating cost, including:	**(321.5)**	**(269.5)**	***19.3%***
Raw materials, energy and consumables (3)	(28.6)	(25.9)	*10.4%*
External services (3), (4)	(139.4)	(132.6)	*5.1%*
Staff cost (3)	(34.9)	(30.4)	*14.8%*
D&A (3)	(29.1)	(25.5)	*14.1%*
Promotion and marketing (1), (3)	(27.4)	(20.8)	*31.7%*
Costs related to Publishing House (5)	(58.4)	(30.8)	*89.6%*
EBIT	**23.6**	**13.4**	***76.1%***
EBIT margin	*6.8%*	*4.7%*	*2.1pp*
EBITDA (5)	**60.4**	**39.5**	***52.9%***
EBITDA margin	*17.5%*	*14.0%*	*3.5pp*

(1) the amounts do not include 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 a promotion was executed without prior reservation;

(2) the amounts comprise the revenues from film coproduction (executed in Special Projects division) and film distribution in cinemas (executed by NEXT FILM). The comparable data has been modified adequately;

(3) the amounts do not include costs related to Publishing House division;

(4) since the fourth quarter of 2014, external services include settlements relating to the fees paid to the film producers connected with distribution of films performed inter alia by NEXT FILM;

(5) the amounts include D&A cost in Publishing House division, which in 2015 amounted to PLN 7.7 million (in the previous year it amounted to PLN 0.6 million).

In 2015, the segment recorded improved operating results. The operating result at the EBIT level increased by 76.1% yoy and amounted to PLN 23.6 million, while the segment's EBITDA increased by 52.9% yoy and reached PLN 60.4 million *[1].* The improvement of the operating result in 2015 resulted from an increase in attendance in Helios cinemas, which translated into higher ticket sales and higher concession sales. The operating result of the segment was also positively affected by the Publishing House's participation in the co-production and distribution of the game *The Witcher 3: Wild Hunt [1].*

Agora's Publishing House closed 2015 with a result at the EBIT level of PLN 5.9 million. This result was higher by PLN 5.2 million than the one recorded in 2014 *[1].*

1. REVENUE [3]

In 2015, the total sales of the Movies and Books segment increased by 22.0% yoy and amounted to PLN 345.1 million.

During this period, the number of viewers visiting Helios cinemas amounted to 9.3 million people and increased by 11.2% yoy. Higher attendance in Helios cinemas ensured higher revenues from ticket sales in the amount of PLN 162.6 million and higher revenues from concession sales in the amount of PLN 59.5 million.

In 2015, the segment's total revenues from film co-production and distribution amounted to PLN 17.8 million, showing an increase by 1.7% yoy. This increase results from the fact that NEXT FILM released more new productions for cinema distribution in 2015 and rights to film distribution in other channels were sold. In 2014, the level of revenues from film activity was significantly affected by the distribution and co-production of the film *Bogowie.* In 2015, the Special Projects division recorded revenues from the co-production of the following films: *Disco Polo*, *Bogowie*, *Karbala*, *Ziarno Prawdy*, *Drogówka* and *Baby są jakieś inne* in connection with their distribution in cinemas, on DVDs and following the sale of rights to their distribution in other channels.

In 2015 the revenues of Agora's Publishing House amounted to PLN 64.3 million, having more than doubled yoy. The growth of this revenue item was positively affected by participation in the co-production and distribution of the game *The Witcher 3: Wild Hunt* which contributed PLN 25.8 million.

In 2015 Agora's Publishing House issued 53 new books, 13 musical publications and 6 film publications. As a result, during the analysed period, the Publishing House sold approximately 1.0 million books and books with CDs/DVDs.

2. COST

In 2015, the segment's operating costs amounted to PLN 321.5 million and increased by 19.3% yoy.

The increase in the segment's operating costs was affected by the amortisation of the co-production contribution and settlement with the producer of the game *The Witcher 3: Wild Hunt*. Higher cost of film copy purchase and value of goods and materials sold result from higher ticket sales and concession sales in cinemas. The increase in costs of materials and energy and staff costs is related mainly to the expansion of the Helios network. Higher depreciation and amortisation costs resulted from the co-production of the following films: *Karbala*, *Ziarno Prawdy, Disco Polo* and *Obce Niebo,* while higher promotion and marketing costs are related, among other things, to film distribution.

3. NEW INITIATIVES

In 2015 Helios cinema network opened four new cinema locations in: Jelenia Gora, Lodz, Bialystok, and Wroclaw. Thus, Helios operates 37 cinemas with 2016 screens and almost 43 thousand seats, total.

NEXT FILM, a Helios subsidiary, who distributes films, introduced seven new titles this year: *Ziarno prawdy*, *Polskie gowno*, *Disco Polo, Karbala, Krol zycia, Obce niebo* and *Ze wszystkich sil (De toutes nos forces),* first foreign film in NEXT FILM's portfolio. Agora also co-produced *Ziarno prawdy*, *Disco Polo, Karbala* and *Obce niebo*.

The third quarter of 2015 brought the premier of Agora's first own film - *Krol zycia*, directed by Jerzy Zielinski. It is the first Polish film production in Dolby Atmos technology. The film was co-produced by Dentsu Aegis Polska and received co-financing from Polski Instytut Sztuki Filmowej.

IV.C. OUTDOOR (AMS GROUP)

The Outdoor segment consists of the pro-forma consolidated data of companies constituting the AMS group (AMS S.A., Adpol Sp. z o.o.).

Tab. 14

in PLN million	**2015**	**2014**	***% change yoy***
Total sales, including:	**156.1**	**149.8**	***4.2%***
Advertising revenue (1)	153.4	147.4	*4.1%*
Total operating cost, including:	**(139.0)**	**(143.6)**	***(3.2%)***
Execution of campaigns (1)	(23.6)	(23.5)	*0.4%*
Maintenance cost (1)	(63.0)	(65.4)	*(3.7%)*
Staff cost	(20.1)	(20.5)	*(2.0%)*
Promotion and marketing	(5.2)	(4.6)	*13.0%*
D&A	(13.2)	(16.5)	*(20.0%)*
EBIT	**17.1**	**6.2**	***175.8%***
EBIT margin	*11.0%*	*4.1%*	*6.9pp*
EBITDA	**30.3**	**22.7**	***33.5%***
EBITDA margin	*19.4%*	*15.2%*	*4.2pp*
Number of advertising spaces (2)	24 375	23 619	*3.2%*

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

(2) excluding small advertising panels of AMS group installed on bus shelters and in the Warsaw subway, as well as advertising panels on busses and trams.

In 2015 the increase in the segment's revenues by 4.2% yoy and the reduction of its operating cost by 3.2% yoy caused the EBIT of the segment to increase materially to PLN 17.1 million. The segment's EBITDA increased to PLN 30.3 million and the EBITDA margin increased by 4.2pp yoy to 19.4%.

1. REVENUE [8]

In 2015 outdoor advertising spending increased by almost 2.5% yoy. The growth of advertising sales recorded by AMS group in 2015, exceeded the growth dynamics of the outdoor market reported by IGRZ and amounted to 4.1% yoy.

A more dynamic revenue growth for the entire 2015 than that recorded by the market was mainly achieved based on advertisers' spending on *citylight* and *backlight* panels.

2. COST

In 2015 the segment's operating costs declined by 3.2% yoy and amounted to PLN 139.0 million, mainly owing to lower cost of system maintenance as well as depreciation and amortisation. A reduction of system maintenance costs by 3.7% yoy in the analysed period results from effective optimisation consisting in adaptation of the portfolio of advertising panels to the market needs, and a decrease in rental fees for selected groups of panels. Staff costs decreased in 2015 by 2.0% yoy as a result of group lay-offs executed by AMS in the second half of 2014. Depreciation costs, which were lower than in 2014, contributed to a decrease in the segment's operating cost. This decrease results from, among other things, the adjustment of D&A rates to the estimated useful life of certain groups of advertising panels.

3. NEW INITIATIVES

At the beginning of 2015, AMS expanded its offer by exclusive backlight panels. Due to unusual light effects using LED technology it is possible to introduce the image in motion, which further attracts the attention of consumers. In September, 2015, during the celebration of the 25th anniversary of the company, AMS for the first time presented the prototype effect of augmented reality (AR) in a bus shelter. It does not require the use of any application or mobile device. This allows the recipient to have fun with a variety of images that "appear" in the shelter environment and thus "extend" the surrounding reality

In October 2015, AMS expanded its portfolio of premium media. Premium Citylight panels which until now were available only in Warsaw, are now also in Krakow. Thus, AMS launched the execution of the Krakow contract – within 15 years 600 bus shelters with approximately 1,600 advertising pages will be built. Krakow is the second city, after Warsaw, where AMS develops the strategy of premium citylights in bus shelters. Just as in Warsaw, those bus shelters eventually will offer interactivity at different levels, from the QR codes to wifi (gateway gateams.com).

At the same time throughout the whole 2015 AMS realized the process of building shelters in Warsaw, developing Warsaw Premium Citylight offer. By the end of 2015, on the streets of Warsaw there have already 895 shelters been built, and nearly 800 of them were included in AMS’ offer.

IV.D. INTERNET [1],[6]

The Internet segment includes the pro-forma consolidated financials of Agora's Internet Department, Trader.com (Polska) Sp. z o.o., AdTaily Sp. z o.o., Sport4People Sp. z o.o. and Sir Local Sp. z o.o.

Tab. 15

in PLN million	**2015**	**2014**	*% change yoy*
Total sales , including	**150.5**	**127.1**	***18.4%***
Display ad sales (1)	123.8	99.6	*24.3%*
Ad sales in verticals (2)	13.5	14.4	*(6.3%)*
Total operating cost, including	**(126.3)**	**(106.4)**	***18.7%***
External services	(48.1)	(32.6)	*47.5%*
Staff cost	(48.6)	(45.3)	*7.3%*
D&A	(5.4)	(5.1)	*5.9%*
Promotion and marketing (1)	(17.9)	(17.0)	*5.3%*
EBIT	**24.2**	**20.7**	***16.9%***
EBIT margin	*16.1%*	*16.3%*	*(0.2pp)*
EBITDA	**29.6**	**25.8**	***14.7%***
EBITDA margin	*19.7%*	*20.3%*	*(0.6pp)*

(1) the amounts do not include total revenues and cost of cross-promotion of Agora's different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as inter-company sales between Agora's Internet Department, Trader.com (Polska) Sp. z o.o., AdTaily Sp. z o.o., Sport4People Sp. z o.o. and Sir Local Sp. z o.o.;

(2) including, among others, allocated revenues from the dual media offer (i.e. published both in Gazeta Wyborcza, as well as on GazetaPraca.pl, Domiporta.pl, Komunikaty.pl verticals and Nekrologi.Wyborcza.pl website).

In 2015, EBIT of the Internet segment increased by 16.9% yoy, reaching an all-time high, i.e. the amount of PLN 24.2 million. During the same period, EBITDA increased by 14.7% yoy, amounting to PLN 29.6 million *[1].*

1. REVENUE

In 2015 the total revenues of the Internet segment increased by 18.4% yoy, closing at an all-time high of PLN 150.5 million. The increase in revenues was significantly influenced by higher yoy sales of Internet display advertising and services provided by the sales team and the advertising networks of the *Gazeta.pl* group.

In 2015 the inflows from web display advertising sales increased by 24.3% yoy, while the revenues amounted to PLN 123.8 million. The increase in the segment's advertising revenues was significantly influenced by higher yoy sales of web display advertising and services provided by the sales team and the advertising networks of the *Gazeta.pl* group.

In 2015 sales of ads in vertical portals went down by 6.3% yoy. This change was mainly caused by lower sales of ads in recruitment (*GazetaPraca.pl*) and real estate (*Domiporta.pl*) portals. An improvement in revenues from ad sales in verticals was recorded by the automotive portal *Autotrader.pl.*

2. COST

In 2015, the rate of increase in operating cost was 18.7%, up to the amount of PLN 126.3 million. The increase in the operating cost was substantially affected by the growth of the rental cost of advertising space, i.a, in advertising networks and on websites belonging to business partners (e.g. *Kwejk.pl*) reported under external services. Apart from the costs of advertising brokerage, the external services item includes: marketing services costs, costs of Internet links and IT services. The increase in this cost item was compensated by growing revenues from advertising brokerage services which contributed to the growth of the segment's total revenues.

In 2015 staff costs increased by 7.3% yoy. This was mainly due to higher cost in the Epic Makers network and in the Gazeta.pl portal, as well as a higher headcount in AdTaily.

In 2015 promotion and marketing expenditure in the Internet segment increased by 5.3% yoy. The increase in expenditure was mainly affected by outlays on the promotion of the websites forming part of *Gazeta.pl group*, including video and sports websites.

In 2015 the segment's total operating costs were reduced by damages paid to Agora S.A. by Business Insider Inc. in connection with termination of the agreement under which Agora S.A. was to run a business/technology portal, which also contributed to an improved operating result of the segment.

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In December 2015, the reach of the web portals forming part of *Gazeta.pl group* among Polish Internet users (connecting from non-mobile devices) stood at 49.7% and the number of users reached 12.1 million. The total number of non-mobile page views of *Gazeta.pl group* websites reached 459.9 million with an average viewing time of 1 hour and 6 minutes per user *[6]*.

In December 2015, the number of page views generated by mobile devices on the websites of *Gazeta.pl group* reached 278.0 million (up by 57.9% yoy), which made *Gazeta.pl group* the second player on the market according to a Megapanel PBI/Gemius survey. The share of mobile page views on the websites of *Gazeta.pl group* stood at 37.7% and was the highest among Polish horizontal portals *[6]*.

The websites of *Gazeta.pl group* are ranked among top thematic market players. According to Megapanel PBI/Gemius data for December 2015, the websites of *Gazeta.pl group* are ranked first in the category *Forums & discussion groups. Gazeta.pl group* is ranked second in the *Interior furnishing and garden* category (i.a. *Czterykaty.pl*) and third in the following categories: *Sports* (i.a. *Sport.pl*), *Information & journalism — general, Local and regional information,* as well as *Children, family* (*eDziecko.pl*), *Cuisine, cooking (Ugotuj.to)*, *Fashion and beauty (Lula.pl, Avanti24.pl), Blogs (Blox.pl).*

4. NEW INITIATIVES

At the beginning of 2015, portal Gazeta.pl has changed its main page and visual identification. The changes also included the mobile version and the application Gazeta.pl LIVE on most operating systems.

The Internet segment strengthened its position among sports internet services. In the first quarter of 2015, Junior.Sport.pl undergone a total metamorphosis, and in the second quarter of 2015 Sport.pl was the first sport editorial team that uses the Snapchat application. Users of this tool receive snaps from journalists during major sporting events. In October, 2015 Sport.pl introduced another service, new features and content, including video recordings of the goals and the best moments of sporting events. In this way Sport.pl strengthens its leading position in the mobile space of Polish sport, promoting innovative solutions, as well as intensively preparing for the best coverage of major sporting events, which will take place in 2016.

The segment also worked on strengthening its position in the Entertainment and Lifestyle categories. In the first quarter of 2015 Agora's Internet team has prepared a new, modern and elegant layout of Plotek.pl with new logo. In the second quarter of 2015 the Internet segment created Epic Makers, a studio producing video formats with its own YouTube partner network, bringing together the largest number of Polish YouTubers (previously grouped in Agora Internet Artists (AIA)). Epic Makers operates within the Agora Group - is the next step in building Agora's video offer.

The segment strengthened its position in the market of mobile applications. In the first quarter of 2015 the most popular application for mothers available at Google Play - My Pregnancy with eDziecko.pl - appeared in iOS version. In the third quarter of 2015 the Segment has prepared a new application - My Child with eDziecko.pl, available on Android devices. It supports parents in taking care with their baby, showing how growth month after month and explaining doubts about diet or care.

In December 2015 the forces of sales teams were combined, thus expanding AdPlayer video advertising and Glossy Media female advertising network. Since the December 1st, 2015 AdPlayer and Glossy Media teams implement a shared sales offer which combines custom solutions with advertising video and display, and since January 2016, they operate under the name AdPlayer Group.

In January 2016 Agora S.A. acquired majority stake in GoldenLine Sp. o.o. for the amount of PLN 8.48 million. With this transaction, the company significantly strengthened its position in the market of recruitment services, thus creating a comprehensive offer for employers and candidates available on the Polish market.

IV.E. RADIO

The *Radio* segment includes the pro-forma consolidated financials of Agora's Radio Department, all local radio stations and a super-regional radio *TOK FM*, which are parts of the Agora Group. These include: 23 *Golden Hits* (*Zlote Przeboje)* local radio stations, 7 local radio stations *Rock Radio* (since January 31, 2014), 4 local stations broadcasting under the brand *Radio Pogoda* (three of them broadcasting since June 12, 2015 and the fourth one since July 31, 2015) and a super-regional news radio *TOK FM* broadcasting in 19 metropolitan areas.

Tab. 16

in PLN million	**2015**	**2014**	***% change yoy***
Total sales, including :	**107.7**	**87.4**	***23.2%***
Radio advertising revenue (1), (2)	94.4	83.7	*12.8%*
Total operating cost, including: (2)	**(94.3)**	**(78.3)**	***20.4%***
Staff cost	(30.1)	(27.1)	*11.1%*
External services	(42.2)	(31.2)	*35.3%*
D&A	(2.8)	(2.6)	*7.7%*
Promotion and marketing (2)	(12.3)	(10.6)	*16.0%*
EBIT	**13.4**	**9.1**	***47.3%***
EBIT margin	*12.4%*	*10.4%*	*2.0pp*
EBITDA	**16.2**	**11.7**	***38.5%***
EBITDA margin	*15.0%*	*13.4%*	*1.6pp*

(1) advertising revenues include revenues from brokerage services of proprietary and third-party air time;

(2) the amounts do not include 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 a promotion was executed without prior reservation.

In 2015, owing to increased revenues, the Radio segment's results at the EBIT and EBITDA levels were very good (and significantly higher than in 2014), amounting to PLN 13.4 million and PLN 16.2 million, respectively.

1. REVENUE [3]

In 2015, the revenues of the Radio segment increased by 23.2% yoy and amounted to PLN 107.7 million. The increase in the segment's revenues resulted mainly from higher sales of air time in the radio stations of Agora Radio Group, revenues from air time brokerage services in third-party radio stations, as well as sales of advertising services in Helios cinemas. At the same time, in 2015, the total radio advertising expenditure in Poland increased by almost 7.5% yoy.

2. COST

In 2015, the operating costs of the segment increased by 20.4% yoy to PLN 94.3 million. The increase in operating cost resulted mainly from a higher cost of air time purchase in third-party radio stations in connection with the advertising brokerage services provided. The increase in the operating cost was also affected by higher cost associated with the sale of advertising services in Helios cinemas, reported under external services. Apart from the advertising brokerage cost and the cost related to sales of advertising services in Helios cinemas, the external services item also includes rental fees, production services as well as operator fees.

An increase in staff costs was mainly related to a higher headcount in sales departments and with launching a new radio station under the Radio Pogoda brand.

An increase in marketing and promotion cost is related to launching advertising brokerage services in Helios cinemas and to outlays associated with the promotion of a new brand, Radio Pogoda, as well as Rock Radio.

3. AUDIENCE SHARES [9]

Tab. 17

% share in listening	2015	change in pp yoy
Group's music radio stations (*Rock Radio, Golden Hits* and *Radio Pogoda*)	3.8%	-0.2pp
News talk radio station *TOK FM*	1.4%	0.2pp

Data presented in the table above are not fully comparable for both reporting periods. The number of musical radio stations of Agora's Radio Group increased in June 2015 to include three stations broadcasting under the Radio Pogoda brand. In July 2015, another Radio Pogoda station was launched.

4. NEW INITIATIVES

In the first quarter of 2015 the Radio segment created Tandem Media, an advertising brokerage team who sells radio airtime as well as on-screen and off-screen advertisements in Helios cinemas. Since November, 2015 Tandem Media's portfolio expanded by a new sales offer including advertising in Radio Pogoda.

At the end of December, 2014 Radio *Zlote Przeboje* started broadcasting in Jedrzejow near Kielce, and at the turn of the first and second quarter of 2015 - in Tarnów.

In August, 2015 Radio *TOK FM* started broadcasting in Białystok and Częstochowa. This was made possible due to the extension of the concession after winning the National Council for Radio and Television contest in September 2014. In November, 2015. Radio *TOK FM* won the competition announced by the National Council for Radio and Television and will be able to expand the range of broadcast by Bydgoszcz and Rzeszow.

On June 12, 2015 Agora Radio Group (GRA) started broadcasting in Krakow, Poznan and Opole a program under the brand name *Radio Pogoda*. It is the fourth brand in GRA's portfolio (with *Radio TOK FM, Radio Złote Przeboje* and *Rock Radio*). *Radio Pogoda's* program is targeted in particular at people over the age of 50. At the beginning of July, 2015 the portfolio of radio stations was expanded by Radio Nostalgia from Warsaw which at the end of the same month changed its name and is now the fourth radio station broadcasting under the name Radio Pogoda. In January, 2016 National Broadcasting Council agreed to change the names of three radio stations (in Bydgoszcz, Wroclaw and in Silesia) broadcasting under the Rock Radio brand to Radio Pogoda. Rock Radio will continue to present its program in four cities (Warsaw, Poznan, Opole, Krakow).

SVG (Sound Video Graphics) STUDIO which operates within the Radio segment, and whose main scope of activityy is production and creation of audio and video formats, strengthened its account and creative departments. Lately, SVG STUDIO strongly developed its business. It now realizes not only small advertising productions, but also bigger projects, and creates a setting for events and visual identifications of brands. It was also involved in television production.

IV.F. PRINT [1]

The Print segment includes the pro-forma financials of Agora's Print division and Agora Poligrafia Sp. z o.o.

Tab. 18

in PLN million	**2015**	**2014**	***% change yoy***
Total sales, including:	**164.7**	**173.1**	***(4.9%)***
Printing services (1)	156.2	165.3	*(5.5%)*
Total operating cost, including (2):	**(162.4)**	**(172.5)**	***(5.9%)***
Raw materials, energy and production services	(114.5)	(124.2)	*(7.8%)*
Staff cost	(22.1)	(21.2)	*4.2%*
D&A	(15.8)	(16.3)	*(3.1%)*
EBIT	**2.3**	**0.6**	***283.3%***
EBIT margin	*1.4%*	*0.3%*	*1.1pp*
EBITDA	**18.1**	**16.9**	***7.1%***
EBITDA margin	*11.0%*	*9.8%*	*1.2pp*

(1) revenues from services rendered for external customers;

(2) segment operating costs associated with the production of the Group's own titles are settled on the basis of allocation of direct and indirect cost associated with their production to the Press segment.

In 2015 the operating result of the Print segment noted improvement both at the EBIT and EBITDA levels of PLN 2.3 million and PLN 18.1 million respectively *[1].* In 2015 total revenues of the segment decreased to PLN 164.7 million and the operating cost of the segment decreased by 5.9% yoy and amounted to PLN 162.4 million – this is mainly the result of lower yoy cost of production.

NOTES

[1] EBIT and EBITDA of Press, Internet, Movies and Books as well as Print segments are calculated on the basis of cost directly attributable to the appropriate operating segment of the Agora Group and excludes allocations of all Company's overheads (such as: cost of Agora's Management Board and a majority of cost of the Company`s supporting divisions), which are included in reconciling positions.

[2] the data on ticket sales in the cinemas comprising Helios group come from the accounting data of Helios reported in accordance with full calendar periods.

[3] The data refer to advertising expenditures in six media (press, radio, TV, outdoor, Internet, cinema). In this MD&A Agora has corrected the numbers: for cinema advertising market in the third quarter of 2014 and for the first nine months of 2015, for TV advertising market in the third quarter of 2015, for the Internet advertising market in the second quarter of 2015 and for the outdoor advertising in the fourth quarter of 2014.

Unless explicitly stated otherwise, press and radio 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 as well as advertising time and space sell-offs, these figures may not be fully reliable and will be adjusted in the consecutive reporting periods. In case of press, the data include only display advertising, excluding classifieds, inserts and obituaries. The estimates are based on rate card data obtained from the following sources: Kantar Media monitoring, Agora S.A. monitoring.

Presented TV, Internet and cinema figures are based on Starlink media house estimates; TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising forms.

Internet ad spend estimates include display, search engines (Search Engine Marketing), e-mail marketing and video advertising.

Outdoor advertising figures are based on Izba Gospodarcza Reklamy Zewnetrznej estimates prepared in cooperation with Starlink company [8].

The Company would like to stress that one should bear in mind that these advertising market estimations may represent some margin of error due to significant discount pressure on the market and lack of reliable data on the average market discount rates. Once the Company has a more reliable market data in consecutive quarters, it may correct the ad spending estimations in particular media.

[4] The data on the number of copies sold (total paid circulation) 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.

The data on dailies readership are based on PBC General, research carried out by MillwardBrown on a random, nationwide sample of Poles over 15 years of age. The CCS index was used (weekly readership index) - percentage of respondents reading at least one edition of the title within 7 days of the week preceding research. Size of the sample: nationwide PBC General for January-December 2015: N=20,033; data prepared by Agora.

[5] Definition of ratios:

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

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

$$\textit{Return on equity} = \frac{\textit{Net profit / (loss) attributable to equity holders of the parent}}{\textit{(Equity attributable to equity holders of the parent at the beginning of the period + Equity attributable to equity holders of the parent at the end of the period) / 2}}$$

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

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

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

$$\textit{Current ratio I} = \frac{\textit{Current Assets}}{\textit{Current liabilities}}$$

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

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

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

** Free cash flow = Net cash from operating activities + Purchase of property plant and equipment and intangibles.*

[6] Real users, page views and spent time on the basis of Megapanel PBI/Gemius, cover Internet users age 7 years and above, connecting from non-mobile devices to Internet from the territory of Poland and include only Internet domains registered on Agora S.A. in Gemius S.A. Registry of Service Providers. Real users data of the Gazeta.pl group services are audited by Gemius SA.

[7] Average paid circulation of monthlies is based on the Agora's own data. Rate card data on magazines obtained from Kantar Media monitoring; commercial brand advertising and sponsored articles, excluding specialized monthlies; accounted for 121 monthlies and 84 other magazines; in total 205 magazines for the period January-December 2015.

[8] Source: report prepared by Izba Gospodarcza Reklamy Zewnetrznej (IGRZ) in cooperation with Starlink company.

[9] Audience market data referred herein are based on Radio Track surveys, carried out by MillwardBrown SMG/KRC (all places, all days and all quarter) in whole population and in the age group of 15+, from January to December (sample for 2014: 84,290; sample for 2015: 83,940).

[10] The data on cinema ticket sales are estimates of Helios group prepared on the basis of data received from Boxoffice.pl (based on reports submitted by distributors of film copies). Cinema ticket sales are reported for periods, which do not cover a calendar month, quarter or year. The number of tickets sold in the given period is calculated from the first Friday of a given month, quarter or year until the first Thursday of the next reporting month, quarter or year.

V. ADDITIONAL INFORMATION

V.A. INFORMATION CONCERNING SIGNIFICANT CONTRACTS FOR THE ISSUER AND ITS GROUP

1. EXECUTION OF THE ANNEX NO. 1 TO THE AGREEMENT GRANTING AGORA THE MULTI-PURPOSE CREDIT LINE

In a current report dated May 26th, 2015 the Management Board of Agora S.A. informed that on May 26th, 2015 the Company signed an Annex no.1 (“Annex”) to a multi-purpose credit line agreement ("Agreement") with Bank Polska Kasa Opieki S.A. ("Bank). The original Agreement was signed on May 28th, 2014; the Company informed about this fact in a current report no. 10/2014 dated May 28th, 2014.

According to the hitherto provisions of the Agreement, the Company could use the refinancing credit, the credit facility in the current account till May 28th, 2015 and time credit till May 31st, 2015.

In 2014, the Company used refinancing credit of PLN 34,929,342.64. It was provided for payment of credit line "B" which was made available on the basis of the long-term syndicated loan agreement no 2002/3 with Bank Polska Kasa Opieki S.A., executed on April 5, 2002, with later amendments. The Company informed about the long-term syndicated agreement in regulatory filing 9/2002. The Company paid up the above refinancing credit in installments. The last one was paid on March 31st, 2015.

On the day of Annex execution the Company met the conditions necessary for granting the multi-purpose credit line to the Company on the basis of the Agreement. Due to the above and on the basis of the Annex, the Company shall be provided by the Credit Line in the amount of up to PLN 135,000,000 divided into: (i) credit facility in the current account of up to PLN 35,000,000, which can be used by the Company till May 28th, 2016, (ii) time credit of up to PLN 100,000,000, which can be used by the Company till May 31st, 2016.

The possible time credit will be paid in 13 equal quarterly installments, i.e. since June 30, 2017 until June 30, 2020. Interest rate of the credit is defined on the basis of the WIBOR rate for the assumed interest period plus the Bank's margin.

Other significant conditions of the loan agreement remain unchanged.

V.B. CHANGES IN CAPITAL AFFILIATIONS OF THE ISSUER WITH OTHER ENTITIES AND CAPITAL INVESTMENTS OF THE ISSUER AND ITS GROUP AND THE SHAREHOLDERS STRUCTURE

1. THE CAPITAL STRUCTURE OF THE ISSUER AND SUBORDINATED ENTITIES

The list of companies comprising the capital group of Agora:

Tab. 19

		% of shares held (effectively)	
	Subsidiaries consolidated (8)	31 December 2015	31 December 2014
1	Agora Poligrafia Sp. z o.o., Tychy	100.0%	100.0%
2	AMS S.A., Warsaw	100.0%	100.0%
3	IM 40 Sp. z o.o., Warsaw (1)	72.0%	72.0%
4	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
5	Adpol Sp. z o.o., Warsaw (2)	100.0%	100.0%
6	Inforadio Sp. z o.o., Warsaw (1)	66.1%	66.1%
7	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
8	Doradztwo Mediowe Sp. z o.o, Warsaw (1), (4)	100.0%	100.0%
9	Trader.com (Polska) Sp. z o.o., Warsaw	100.0%	100.0%
10	AdTaily Sp. z o.o., Cracow (5)	86.0%	80.4%
11	Helios S.A., Lodz (5)	88.5%	88.1%
12	Next Film Sp. z o.o., Lodz (3),(5)	88.5%	88.1%
13	Sport4People Sp. z o.o., Cracow (5)	100.0%	56.5%
14	Projekt Inwestycyjny Sp. z o.o., Warsaw (1)	70.0%	70.0%
15	Sir Local Sp. z o.o., Warsaw	78.4%	78.4%
16	TV Zone Sp. z o.o., Warsaw	100.0%	100.0%
17	Green Content Sp. z o.o., Warsaw (6)	100.0%	-
18	Joy Media Sp. z o.o., Warsaw (6)	100.0%	-
19	PTA Sp. z o.o., Warsaw (6)	100.0%	-
	Joint ventures and associates accounted for the equity method (8)		
20	GoldenLine Sp. z o.o., Warsaw	36.0%	36.0%
21	Online Technologies HR Sp. z o.o., Szczecin	46.2%	46.2%
22	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (2)	40.0%	40.0%
23	Stopklatka S.A., Warsaw	41.0%	41.0%
24	Hash.fm Sp. z o.o., Warsaw	49.5%	49.5%
	Companies excluded from consolidation and equity accounting		
25	Polskie Badania Internetu Sp. z o.o., Warsaw	15.8%	15.8%
26	Polskie Badania Outdooru in liquidation, Sp. z o.o., Warsaw (7)	-	41.0%

(1) indirectly through GRA Sp. z o.o.;
(2) indirectly through AMS S.A.;
(3) indirectly through Helios S.A;
(4) on November 19, 2015, the National Court Register registered the change of the company`s name from Radiowe Doradztwo Reklamowe Sp. z o.o. to Doradztwo Mediowe Sp. z o.o.;
(5) acquisition of shares from non-controlling shareholders;
(6) companies set up in August 2015;
(7) liquidated on April 13, 2015;
(8) in the consolidated financial statements of the Agora Group.

2. CHANGES IN CAPITAL AFFILIATIONS AND ORGANISATION OF THE CAPITAL GROUP

On January 14, 2015, the extraordinary meeting of shareholders of TV Zone Sp. z o.o. adopted the resolution to increase the share capital by 1,000 new shares with nominal value of PLN 50 per share (in total PLN 50,000). Agora S.A. covered 1,000 new shares with PLN 50,000 contribution. After the registration of the share capital increase it amounts to PLN 55,000 and is divided into 1,100 shares with nominal value of PLN 50 per share. After the registration of the share capital increase, Agora S.A. owns 1,100 shares, which translates into 100% of the company's share capital and 100% of votes at shareholders' meeting. The District Court for Warsaw, XIII KRS Commercial Division, registered the increase of the share capital of TV Zone Sp. z o.o. on February 25, 2015.

On April 3, 2015, Grupa Radiowa Agory Sp. z o.o. ("GRA"), Agora's subsidiary, concluded share sales agreement on the basis of which GRA acquired 3,000 shares of BDM MEDIA Sp. z o.o. with its registered seat in Cracow ("BDM MEDIA") from four shareholders of BDM MEDIA at the total price of PLN 936,500. As a result of the above transaction, GRA owns 3,000 shares, which translates into 100% of the company's share capital and 100% of votes at shareholders' meeting. Additionally, on April 3, 2015 GRA – as an assignee – concluded assignment of claim agreement with shareholdres of BDM MEDIA – as assignora at the total price of PLN 1,903,500. BDM MEDIA owns a radio licence on a radio channel KRK FM in Cracow. KRK FM radio channel joined the portfolio of GRA.

On April 13, 2015, the District Court for Warsaw, XIII KRS Commercial Division, registered deletion from a register of Polskie Badania Outdooru Sp. z o.o. in liquidaton, the company in which AMS S.A. owned 41% of the company's share capital.

On June 25, 2015 the District Court for Szczecin – Centrum in Szczecin, XIII KRS Commercial Division of the National Court Register, registered the increase of the share capital of Online Technologies HR Sp. z o.o. adopted by the General Meeting of Shareholders of Online Technologies HR Sp. z o.o., as a result of which Agora S.A. owns 48 shares that represent 46.15% of the company's share capital and 46.15% of votes at the shareholders' meeting.

On July 2, 2015, Grupa Radiowa Agory Sp. z o.o. ("GRA"), a subsidiary of Agora S.A., acquired 100 shares in the share capital of Fonia Sp. z o.o. with its registered seat in Sieradz, from four shareholders of that company for the total price of PLN 5,569,300. As a result of the above transaction, GRA owns 100 shares in the company's share capital, which represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. Additionally, on July 2, 2015, GRA – as an assignee – concluded the receivables assignment agreement with the shareholders of Fonia Sp. z o.o.– as the assignors, for the total price of PLN 180,700. Fonia Sp. z o.o. holds a license to broadcast Radio Nostalgia in Warsaw, which joined the portfolio of GRA. Moreover, National Braodcasting Council granted its permission to change the station's name to Radio Pogoda.

On July 9, 2015, Agora S.A. received a call for acquisition of 44,000 shares of Helios S.A. with its registered seat in Lodz, from a non-controlling shareholder, pursuant to the provisions of the Guarantee Agreement - Option Agreement dated 29 October 2010, for a price resulting from the provisions of the Agreement.

On July 16, 2015, Agora S.A. acquired 87 shares in the share capital of Sport4People Sp. z o.o. with its registered seat in Cracow ("S4P") from two shareholders of that company for the total price of PLN 8,700. As a result of the above transaction, Agora S.A. owns 180 shares of the nominal value of PLN 100 each and the total nominal value of PLN 18,000, which represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. On the same day, prior to the acquisition by Agora S.A. of the above mentioned shares, an agreement terminating the Investment Agreement dated 25 November 2011 was concluded between S4P, non-controlling shareholders of S4P and Agora S.A.

On July 27, 2015, Agora S.A. acquired 9 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Warsaw from a shareholder of that company for the total price of PLN 129 thousand. As a result of the above transaction, Agora S.A. currently owns 684 shares in the share capital of the company, which represent 81.43% of the company's share capital and 81.43% of the votes at the shareholders' meeting.

On August 17, 2015 Agora S.A., concluded, as the sole shareholder, the Articles of Association of Green Content Sp. z o.o. On August 19, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 2,000 shares in the share capital of Green Content Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 100,000. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 17, 2015 Agora S.A., concluded, as the sole shareholder, the Articles of Association of Joy Media Sp. z o.o. On August 19, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 400 shares in the share capital of Joy Media Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 20,000. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 17, 2015, Agora S.A., concluded, as the sole shareholder, the Articles of Association of PTA Sp. z o.o. On August 19, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered the abovementioned company into the register of entrepreneurs of the National Court Register. Agora S.A. currently owns 400 shares in the share capital of PTA Sp. z o.o., with the nominal value of PLN 50 each share, which were taken up by Agora S.A. in return for a cash contribution in the amount of PLN 20,000. Shares held by Agora S.A. represent 100% of the company's share capital and 100% of the votes at the shareholders' meeting. The company was established in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex.

On August 27, 2015, the District Court for Lodz – Srodmiescie in Lodz, XX Commercial Division of the National Court Register, registered the increase of the share capital of Helios S.A. from PLN 1,021,346.40 to PLN 1,156,346.40. As a result of the abovementioned registration, Agora S.A. owned 88.12% of the company's share capital and 88.12% of votes at the shareholders' meeting.

On September 7, 2015, in performance of the call for acquisition, received by Agora S.A. on July 9, 2015, Agora S.A. and a non – controlling shareholder of Helios S.A. signed the Promised Share Purchase Agreement. As a result of the abovementioned transaction Agora S.A. purchased 44,000 shares of that company, i.e. registered shares of B series numbered from 112265 to 156264, with the nominal value of PLN 0.10 each, for the total price of PLN 618,640. Shares held by Agora S.A. currently represent 88.50% of the company's share capital and 88.50% of the voting rights at the shareholders' meeting.

On November 19, 2015 the District Court for Cracow–Srodmiescie in Cracow, XI Commercial Division of the National Court Register, registered the increase of the share capital of Sport4People Sp. z o.o. adopted by the General Meeting of Shareholders, from the amount of PLN 18,000 to the amount of PLN 20,000, as a result of which Agora S.A. owns 200 shares in the share capital of Sport4People Sp. z o.o. with the nominal value of PLN 100 per share and the total nominal value of PLN 20,000, that represent 100% of the company's share capital and 100% of votes at the shareholders' meeting.

On November 19, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered the change of the name of the company Radiowe Doradztwo Reklamowe Sp. z o. o. with its registered seat in Warsaw to Doradztwo Mediowe Sp. z o.o.

On December 11, 2015 Agora S.A. acquired 38 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Cracow from two shareholders of that company for the total price of PLN 546 thousand. As a result of the above transaction, Agora S.A. currently owns 722 shares in the share capital of the AdTaily Sp. z o.o. with the nominal value of PLN 50 per share and the total nominal value of PLN 36,100, which represent 85.95% of the company's share capital and 85.95% of the votes at the shareholders' meeting.

On December 31, 2015 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Register the merger of Grupa Radiowa Agory Sp. z o.o. with its registered seat in Warsaw, with its two subsidiaries. The merger was executed by transferring all the assets of the company "Fonia" Sp. z o.o. with its registered seat in Warsaw and the company BDM Media Sp. z o.o. with its registered seat in Warsaw ("Acquired Companies") to Grupa Radiowa

Agory Sp. z o.o. Before the merger, Grupa Radiowa Agory Sp. z o.o. was the sole shareholder of the Acquired Companies, therefore the merger was effected without the increase of its share capital.

On December 31, 2015 Agora S.A. made the basic and additional subscription for shares of the company Stopklatka S.A. with its registered seat in Warsaw, in connection with the public offering of 4,641,304 series E ordinary bearer shares of the company Stopklatka S.A., with the nominal value of PLN 1.00 each, offered to the shareholders who enjoy the preemptive right. The issue price for one share was PLN 2.30. The public offering has been executed on the basis of resolution no. 4 of the Extraordinary General Meeting of Shareholders of Stopklatka S.A. dated December 7, 2015. Information Memorandum of Stopklatka S.A. prepared in connection with the aforementioned public offering, has been made available to the public on December 17, 2015. On January 18, 2016, the following financial instruments were assigned to the Company: (i) as a result of the basic subscription : 1,902,907, (ii) as a result of the additional subscription: 13,144, which were paid for in the total amount of PLN 4,407 thousand. The remaining, unused amount of cash paid by the Company in connection with the subscription for shares of Stopklatka S.A., amounting to PLN 10,645 thousand, was returned to the Company on January 21, 2016. On February 9, 2016 the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register entered into the register of entrepreneurs of the National Court Register the increase of the share capital of Stopklatka S.A. from the amount PLN 6,529,956 to the amount PLN 11,171,260. Agora S.A. currently owns 4,596,203 ordinary bearer shares of the nominal value of PLN 1 per share and the total nominal value of PLN 4,596,203 that represent 41.14% of the company's share capital and 41.14% of the votes at the General Meeting of Stopklatka S.A.

On January 25, 2016 Agora S.A. acquired 106 shares in the share capital of GoldenLine Sp. z o.o. with its registered seat in Warsaw, from shareholders of that company, for the total price of PLN 8,480 thousand. As a result of the above transaction, Agora S.A. currently owns 178 shares in the share capital of GoldenLine Sp. z o.o., with the nominal value of PLN 1,000 each and the total nominal value of PLN 178 thousand, which represent 89% of the company's share capital and 89% of the votes at the shareholders' meeting. The minority shareholder of the GoldenLine remains G.C. Geek Code Ltd, controlled by Mariusz Gralewski - the main founder of GoldenLine Sp. z o.o. G.C. Geek Code Ltd holds 22 shares in GoldenLine, which represent 11% of the share capital and give the right to 22 votes at the general meeting of shareholders and represent 11% of the votes at the general meeting of shareholders. According to the sale agreement after the transaction principles of cooperation between Agora and G.C. Geek Code shall be stated. In case there is no agreement in this respect, G.C. Geek Code will be entitled to sell its shares in the share capital of the Company to Agora, within 3 months from the date of the share purchase agreement, the terms and conditions being the same as in the contract of 25 January 2016.

On February 5, 2016 Agora S.A. acquired 8 shares in the share capital of AdTaily Sp. z o.o. with its registered seat in Cracow from a shareholder of that company for the total price of PLN 115 thousand. As a result of the above transaction, Agora S.A. currently owns 730 shares in the share capital of AdTaily Sp. z o.o. with the nominal value of PLN 50 per share and the total nominal value of PLN 36,500, which represent 86.90% of the company's share capital and 86.90% of votes at the shareholders' meeting.

On March 1, 2016, the extraordinary general meeting of shareholders of the company Sport4People Sp. o.o. with its registered office in Warsaw adopted a resolution on dissolution of the company and opening of the liquidation proceedings. As of the date of publication of this report, the above change was not entered into the register of entrepreneurs of the National Court Register.

On March 4, 2016, District Court for the Capital City Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Register the company operating under the business name SearchLab Sp. o.o. with its registered office in Warsaw. The sole shareholder of this company is Agora S.A. Agora S.A. holds 100 shares in the share capital of the company SearchLab Sp. o.o., with the nominal value of PLN 50 each share. The shares were taken up in return for a cash contribution in the amount of PLN 5,000.

On March 23, 2016, the extraordinary general meeting of shareholders of Green Content Sp. z o.o. adopted the resolution increasing the share capital by 2,000 new shares with nominal value of PLN 50 per share and total nominal value of PLN 100 thousand. Agora S.A. covered 2,000 new shares with PLN 10,000 thousand cash contribution. After the registration, the share capital will amount to PLN 200 thousand and will be divided into 4,000 shares with nominal value of PLN 50 per share. After the registration of the share capital increase, Agora S.A. will hold 4,000 shares representing 100% of the company's share capital and 100% of the votes at shareholders' meeting. As of date of publication of this report, the above change has not been registered with the register of entrepreneurs of the National Court Register.

On April 1, 2016, the extraordinary general meeting of shareholders of Goldenline Sp. z o.o. adopted the resolution increasing the share capital by 100 new shares with nominal value of PLN 1,000 per share and total nominal value of PLN 100 thousand. Agora S.A. covered the 100 new shares with a non-cash contribution in a form of Centrum Kompetencyjne Praca, which organisationally, financially and operationally constitutes, within the internal organisational structure of the Company, a separate set of tangible and intangible assets intended for the implementation of specific economic tasks, i.e. (i) the running of the Gazetapraca.pl website; and (ii) the sale of recruitment solutions, and (iii) provision of services connected to the employer branding activities, which is an independent enterprise independently performing these tasks. After the registration, the share capital will amount to PLN 300 thousand and will be divided into 300 shares with nominal value PLN 1,000 per share. After the registration of the share capital increase, Agora S.A. will hold 278 shares representing 92,66% of the company's share capital and 92,66% of the votes at shareholders' meeting. As of the date of publication of this report, the above change has not been registered with the register of entrepreneurs of the National Court Register

On April 1, 2016 the extraordinary general meeting of shareholders of Searchlab Sp. z o.o. adopted the resolution increasing the share capital by 1,900 new shares with nominal value of PLN 50 per share and total nominal value PLN 95 thousand. Agora S.A. covered 1,900 new shares with a non-cash contribution in a form of Agencja Reklamy Internetowej "SearchLab", which organisationally, financially and operationally constitutes, within the internal organisational structure of the Company, a separate set of tangible and intangible assets, intended for the implementation of specific economic tasks, i.e. (i) the sale and running of online advertising campaigns on external surfaces of economic entities, with respect to which SearchLab operates as an agent for sales and performance of advertising campaigns; and (ii) provision of advisory services and operation in the field of search engine optimisation (SEO); which is an independent enterprise independently performing these tasks. After the registration, the share capital will amount to PLN 100 thousand and will be divided into 2,000 shares with nominal value PLN 50 per share. After the registration of the share capital increase, Agora S.A. will hold 2,000 shares, representing 100% of the company's share capital and 100% of the votes at shareholders' meeting. As of the date of publication of this report, the above change has not been registered with entrepreneurs of the National Court Register.

3. PARTICIPATION IN BUSINESS ORGANIZATION, HOME AND FOREIGN

The Agora Group wants to actively influence the environment it operates in. Therefore, its related companies are active members and participants of organizations involving business specialists in fields important for Company's activities. Group's representatives participate in the activities, inter alia, of the following major organizations:

- Polish:
    - Confederation of Private Employers „Lewiatan",
    - Polish Association of Stock Exchange Issuers,
    - Press Publishers Chamber,
    - National Circulation Audit Office (ZKDP),
    - Polish Internet Survey,
    - Internet Advertising Bureau Polska,
    - IGRZ – Outdoor Advertising Economic Chamber,
    - ReproPol (Association),
    - Polish Cinemas Association,
    - Polish New Cinemas Association,
    - Creative Poland Asscociation,
    - International Advertising Asscociation, Poland.
- Foreign:
    - WAN – IFRA World Association of Newspapers and News Publishers,
    - INMA – International Newsmedia Marketing Association,
    - EPC – European Publishers Council.

Moreover, the Company is active in social and charitable activities, inter alia, through Agora Foundation.

4. MAJOR DOMESTIC AND FOREIGN INVESTMENTS

In 2015 carrying amounts of intangible assets of the Group (magazine titles, licenses and patents, other) increased by PLN 48.4 million, (cost increased by PLN 69.3 million, amortisation and impairment losses for the period increased by PLN 20.9 million). Detailed information on intangible assets is included in note 3 to the consolidated financial statements.

In 2015 carrying amounts of property, plant and equipment of the Group decreased by PLN 16.7 million (cost increased by PLN 21.3 million, depreciation and impairment losses for the period increased by PLN 38.0 million). Detailed information on property, plant and equipment is included in note 4 to the consolidated financial statements.

In 2015 the Group purchased shares in two companies operating in the radio segment: BDM Media Sp. z o.o. and Fonia Sp. z o.o. (both companies were fully consolidated and on 31 December 2015 merged with Grupa Radiowa Agory Sp. z o.o.) as described in point V.B.2 of this MD&A. Moreover, the Group set up three subsidaries (Green Content Sp. z o.o., Joy Media Sp. z o.o. and PTA Sp. z o.o.) in order to apply for a license for digital terrestrial distribution of a television program at eighth multiplex and made a subscription for shares of Stopklatka S.A. in connection with the public offering described in point V.B.2 of this MD&A. In 2015, the Group also granted new loans to Stopklatka S.A. and Instytut Badan Outdooru IBO Sp. z o.o. as described in point V.C.8 of this MD&A.

The capital investments (shares, contribution to capital, loans) made outside the Agora Group (including companies excluded from consolidation and equity accounting) did not changed significantly. Detailed information includes note 5 to the consolidated financial statements.

The above mentioned investments were financed from own funds, except for capital expenditure on property, plant and equipment related to new cinema equipment and fit-out works, which were partially financed by means of bank loans and finance lease arrangements.

In 2015, the Group invested its free cash outside its capital group mainly in short-term securities and bank deposits. As at the end of 2015, the amount of such investments was equal to PLN 90.8 million. Moreover, as at 31 December 2015, the Group had cash on hand and on bank accounts in the amount of PLN 23,2 million and had a deposit receivable in the amount of PLN 29.6 million related to a cash deposit provided by the subsidiary AMS S.A. securing the bank guarantees issued in relation to the concession contract for construction of bus shelters in Warsaw.

5. CHANGES IN THE SHAREHOLDERS' STRUCTURE OF THE COMPANY

According to the formal notifications received from the Company's shareholders, particularly on the basis of art. 69 of Act on Public Offer and the Conditions of Introducing Financial Instruments to the Organized Trading System and on Public Companies dated July 29, 2005, as of the day of publication of annual report for 2014 the following shareholders were entitled to exercise over 5% of voting rights at the General Meeting of Shareholders of the Company:

Tab. 20

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o. *(in accordance with the last notification obtained on January 4, 2013)*	5,401,852	10.60	22,528,252	33.10
Powszechne Towarzystwo Emerytalne PZU S.A. (Otwarty Fundusz Emerytalny PZU Zlota Jesien oraz Dobrowolny Fundusz Emerytalny PZU) *(in accordance with the last notification obtained on December 27, 2012.)*	7,594,611	14.91	7,594,611	11.16
Including: Otwarty Fundusz Emerytalny PZU Zlota Jesien *(in accordance with the last notification obtained on December 27, 2012.)*	7,585,661	14.89	7,585,661	11.14

	no. of shares	% of share capital	no. of votes	% of voting rights
ING Otwarty Fundusz Emerytalny *(in accordance with the last notification obtained on September 17, 2014)*	6,359,086	12.48	6,359,086	9.34

On August 7, 2015 the Management Board of Agora S.A. announced that the Company obtained a notification from Nationale-Nederlanden Powszechne Towarzystwo Emerytalne SA with its registered seat in Warsaw at 12 Topiel Street, acting on behalf of Nationale-Nederlanden Otwarty Fundusz Emerytalny (before: ING Otwarty Fundusz Emerytalny) ("OFE") and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (before: ING Dobrowolny Fundusz Emerytalny) ("DFE") that as a result of share purchase transactions on Warsaw Stock Exchange, settled on August 4, 2015 OFE and DFE increased their shareholding in the Company, exceeding 10% of the votes at the General Meeting of Shareholders of the Company.

Before the purchase of shares OFE and DFE held 6,763,404 shares of Agora SA constituting 13.28% of the share capital of the Company and giving the right to 6,763,404 votes, constituting 9.94% of the total voting rights during the General Meeting of Shareholders of the Company. On August 7, 2015 OFE and DFE hold on their securities account 6,806,704 Company's shares, constituting 13.36% of the Company's share capital. These shares entitled OFE and DFE to 6,806,704 votes during the General Meeting of Shareholders of Agora SA, constituting 10.00% of the total number of votes.

On September 25, 2015, the Management Board of Agora S.A. informed that on September 24,2015 the Company obtained a notification from Agora Holding Sp. z o.o. with its registered seat in Warsaw, that, as a result of redemption of 3,271,960 of the Company's ordinary bearer shares and registration by the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, of the decrease of the Company's share capital to the amount of PLN 47,665,426, Agora Holding Sp. z o.o. increased its share in the total number of votes at Company’s shareholders’ meeting by more than 1%. As a result of the abovementioned events, Agora Holding sp. z o.o. currently owns 5,401,852 shares of the Company, constituting 11.33% of the share capital of the Company. Shares held by Agora Holding sp. z o.o.currently represent 22,528,252 votes at the Company’s shareholders’ meeting, which represent 34.77% of the total numbers of votes at the general meeting of the Company.
The indicated 5,401,852 shares consists of: (i) 4,281,600 preference shares, constituting 8.98% of the share capital of the Company, representing 21,408,000 votes at the Company’s shareholders’ meeting and 33.04% of the total number of votes at the Company’s shareholders’ meeting and (ii) 1,120,252 ordinary shares, constituting 2.35% of the share capital of the Company, representing 1,120,252 votes at the Company’s shareholders’ meeting and 1.73% of the total number of votes at the Company’s shareholders meeting. Moreover, according to the received notification, there are no persons referred to in Article 87 section 1 point 3) letter c) of the Polish Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005.

On December 7, 2015 the Management Board of Agora S.A. announced that on December 7, 2015 the Company obtained a notification from Aegon Powszechne Towarzystwo Emerytalne S.A., that as a result of share purchase transaction executed on December 1, 2015 on Warsaw Stock Exchange and settled on December 3, 2015, Aegon Otwarty Fundusz Emerytalny (the "Fund") became the owner of the shares entitling it to over 5% of votes during a general meeting of shareholders of the Company.

Before the transaction the Fund held 3,183,154 shares of the Company, constituting 6.678% of the Company’s share capital and was entitled to 3,183,154 votes during a general meeting of shareholders of the Company, constituting 4.913% of total number of votes at the general meeting of shareholders.

As of December 3, 2015 the Fund held on its securities account 3,283,154 Company's shares, constituting 6.888% of the Company's share capital. These shares entitled the Fund to 3,283,154 votes at the general meeting of shareholders of Company, constituting 5.067% of the total number of votes at the general meeting of shareholders.

According to the formal notifications received from the Company's shareholders, particularly on the basis of art. 69 of Act on Public Offer and the Conditions of Introducing Financial Instruments to the Organized Trading System and on Public Companies dated July 29, 2005, as of the day of publication of this annual report, the following shareholders are entitled to exercise over 5% of voting rights at the General Meeting of Shareholders of the Company:

Tab. 21

	No. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o. o. *(in accordance with the last notification obtained on September 24, 2015)*	5,401,852	11.33	22,528,252	34.77
Powszechne Towarzystwo Emerytalne PZU S.A. (Otwarty Fundusz Emerytalny PZU Zlota Jesien and Dobrowolny Fundusz Emerytalny PZU) *(in accordance with the last notification obtained on December 27, 2012) (1)*	7,594,611	15.93	7,594,611	11.72
Including: Otwarty Fundusz Emerytalny PZU Zlota Jesien *(in accordance with the last notification obtained on December 27, 2012) (1)*	7,585,661	15.91	7,585,661	11.71
Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A. (Nationale – Nederlanden Otwarty Fundusz Emerytalny and Nationale – Nederlanden Dobrowolny Fundusz Emerytalny) *(in accordance with the last notification obtained on August 7, 2015) (2)*	6,806,704	14.28	6,806,704	10.51
Aegon Powszechne Towarzystwo Emerytalne S.A. (Aegon Otwarty Fundusz Emerytalny) *(in accordance with the last notification obtained on December 7, 2015)*	3,283,154	6.89	3,283,154	5.07

(1) number of shares according to the shareholder's notification – as of the December 27, 2012; proportion of voting rights and percentage of share capital were recalculated by the Company after registration of redemption of Company's share capital.

(2) number of shares according to the shareholder's notification – as of the August 7, 2015; proportion of voting rights and percentage of share capital were recalculated by the Company after registration of redemption of Company's share capital.

The Management Board of Agora SA does not have any information about contracts, which may result in future changes in the proportions of shares held by existing shareholders.

V.C. OTHER SUPPLEMENTARY INFORMATION

1. TRANSACTIONS WITH RELATED PARTIES

Following types of transactions are witnessed within the Agora Group:

- advertising and printing services,
- rent of machinery, office and other fixed assets,
- providing various services: legal, financial, administration, trade, sharing market research results, outsourcing,
- grant and repayment of loans and interest revenues and costs connected with them,
- dividend distribution,

- settlements within cash pooling agreement.

The above transactions within the Agora Group are carried out on arm's length basis and are within the normal business activities of companies. Detailed information on transactions with related parties is disclosed in note 40 to the consolidated financial statements.

2. AGREEMENTS BETWEEN THE COMPANY AND MANAGEMENT BOARD'S MEMBERS ON COMPENSATION IN CASE OF RESIGNATION OR DISMISSAL

The Management Board members' employment contracts, which are currently in force, state that during the period of 18 months starting from the day, when the right of the shareholders holding preferred series A shares to exclusively nominate candidates to the Management Board, is removed from the Company's Statute or the day on which one entity or group of entities acting in concert exceeds the 50% threshold of the total number of votes at the General Meeting of Shareholders, should any of these contracts be terminated by the Company, the Management Board member will receive a compensation payment in the total amount consisting of: the sum of a special compensation payment and the amount of remuneration for the notice period (for six months) which in total will be equal to the monthly remuneration of the given Management Board member multiplied by twelve. The redundancy payment mentioned above is not available in case when the employment contract is dissolved as a result of art.52 § 1 of the Labour Code.

3. REMUNERATION, BONUSES AND BENEFITS OF THE ISSUER'S MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS AND MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF ITS SUBSIDIARIES

The remuneration paid by Agora S.A. to Management Board members in 2015 amounted to PLN 2,885 thousand (in 2014: PLN 2,657 thousand).

The remuneration paid by Agora S.A. to Supervisory Board members in 2015 amounted to PLN 468 thousand (in 2014: PLN 407 thousand).

Tomasz Jagiello, member of the Management Board, received also remuneration as the President of the Management Board of subsidiary Helios S.A. in the amount of PLN 352 thousand (in 2014: PLN 351 thousand). The other members of Agora's Management and Supervisory Board did not receive any remuneration for serving as board members in subsidiaries, joint ventures and associates.

Detailed information concerning remuneration of the Management Board and Supervisory Board Members is presented in note 26 to the consolidated financial statements.

In 2015 the remuneration of Management and Supervisory Board Members in subsidiaries amounted to PLN 4,877 thousand (in 2014: PLN 4,026 thousand).

The Agora Group also executed an incentive program based on financial instruments, in which Management Board members of Agora S.A. participated. Detailed information concerning this plan is presented in note 27 to the consolidated financial statements.

To the best of the Company's knowledge, the Management and Supervisory Board Members of the companies comprising the Agora Group have not been entitled to remuneration, monetary awards and benefits, other than described above, paid out, due or potentially due.

4. THE SHARES IN AGORA S.A. AND ITS RELATED PARTIES OWNED BY MEMBERS OF THE MANAGEMENT BOARD

In the described periods, the members of the management boards of subsidiaries of Agora S.A. or members of the Management Board of Agora S.A. did not hold shares or any other rights to shares (e.g. options) except for described below.

4.1. Shares in Agora S.A.

Tab. 22

	as of December 31, 2015 (no. of shares)	*Nominal value (PLN)*
Bartosz Hojka	2,900	2,900
Tomasz Jagiello	0	0
Grzegorz Kossakowski	44,451	44,451
Robert Musial	1,233	1,233

4.2 Shares in related parties

The status of ownership of shares in subsidiaries and associates by the members of the boards of subsidiaries and associates to Agora S.A. as of December 31, 2015 presents the table below.

Tab. 23

	as of December 31, 2015 (no. of shares)	*Nominal value (PLN)*
Members of the Management Board of Agora SA holding shares in the company Agora - Holding Sp. o.o.		
Bartosz Hojka	1	10,427.84
Members of the Board of Helios SA holding shares in the company Helios S.A.		
Tomasz Jagiello	809,000	80,900
Katarzyna Borkowska	68,264	6,826
Grzegorz Komorowski	44,000	4,400
Members of the Board of AdTaily sp. z o.o. holding shares in the company AdTaily sp. z o.o.		
Marcin Ekiert	98	4,900
Members of the Board of Hash.fm Sp. z o.o. holding shares in the company Hash.fm Sp. z o.o.		
Konrad Traczyk	4,600	230,000
Members of the Board of Online Technologies HR sp. z o.o. holding shares in the company Online Technologies HR Sp. z o.o.		
Arkadiusz Kuchto	54	4,320

5. THE SHARES IN AGORA S.A. AND ITS RELATED PARTIES OWNED BY MEMBERS OF THE SUPERVISORY BOARD

In the described periods, the members of the supervisory board of Agora S.A. or members of the supervisory boards of its subsidiaries did not hold shares or any other rights to shares (e.g. options) except for described in section 5.2 below.

5.1. Shares in Agora S.A.

Tab. 24

	as of December 31, 2015 (no. of shares)	*Nominal value (PLN)*
Andrzej Szlezak	0	0
Wanda Rapaczynski	882,990	882,990
Dariusz Formela	0	0
Slawomir S.Sikora	0	0
Tomasz Sielicki	33	33
Pawel Mazur	0	0

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

5.2. Shares in related company Agora Holding Sp. z o.o.

Tab. 25

	as of December 31, 2015 (no. of shares)	*Nominal value (PLN)*
Wanda Rapaczynski	1	10,427.84

6. CHANGES IN BASIC MANAGEMENT RULES IN THE ENTERPRISE OF THE ISSUER AND ITS CAPITAL GROUP

No changes in 2015.

7. INFORMATION ON CREDIT AND LOAN AGREEMENTS TAKEN/TERMINATED IN 2015 AND GUARANTEES RECEIVED BY AGORA S.A. OR ITS SUBSIDIARIES.

In 2015 no credit or loan agreements were terminated for the Company or its subsidiaries and also nor the Company or its subsidiaries terminated any credit or loan agreements.

a) Agora S.A.

As at December 31, 2015 the Company had an open credit line described below (according to the Annex no. 1 signed on 26 May 2015):

Tab. 26

Creditor	Amount of the credit line	Currency	Interest rate (%)	Agreement date	Termination (or payment) date
Bank Polska Kasa Opieki S.A.	PLN 135 million	PLN	WIBOR 1M or 3M + bank margin	26 May 2015	time credit - ready to use: if used - quarterly 13 instalments from June 30, 2017 to June 30, 2020; credit facility in the current account which may be used by May 28, 2016

On the basis of the Annex no. 1 to the multi - purpose credit line agreement signed on 26 May 2015 with Bank Polska Kasa Opieki S.A., Agora S.A. was provided with a time credit of up to PLN 100.0 million, which may be used by 31 May 2016 and with a credit facility in the current account of up to PLN 35.0 million, which may be used by 28 May 2016.

In the first quarter of 2015, the Company repaid the last installment of the credit line used in previous years. As at 31 December 2015, the outstanding amount of the credit facility in the current account amounted to PLN 17,878 thousand.

b) subsidiaries

Helios S.A. – new agreements in 2015

Tab. 27

Creditor	Amount of the loan (in PLN thousand)	Currency	Interest rate (%)	Agreement date	Termination (or payment) date
Bank Zachodni WBK S.A.	4,000	PLN	WIBOR1M + bank margin	25/06/2015	24/06/2020
Bank Zachodni WBK S.A.	7,300	PLN	WIBOR1M + bank margin	08/05/2015	07/05/2020
Bank Zachodni WBK S.A.	3,000	PLN	WIBOR1M + bank margin	30/01/2015	30/01/2020
Bank Zachodni WBK S.A.	1,000	PLN	WIBOR1M + bank margin	30/01/2015	30/01/2017

AMS S.A. – new agreements in 2015

Tab. 28

Creditor	Amount of the loan (in PLN thousand)	Currency	Interest rate (%)	Agreement date	Termination (or payment) date
mBank S.A.	8,000	PLN	WIBOR O/N + bank margin	21/12/2015	credit facility in the current account which may be used from 05/01/2016 until 29/11/2016

More detailed information concerning loans, including amounts outstanding as at 31 December 2015, is presented in note 14 to the consolidated financial statements.

Moreover, as at 31 December 2015, the company AMS S.A. was a beneficiary of a bank warranty concerning construction of citylight panels in the amount of PLN 347 thousand with an expiry date of December 31, 2020.

8. INFORMATION ON LOANS GRANTED IN 2015 AND GUARANTEES OR OTHER OFF-BALANCE SHEET ITEMS

Agora S.A. guaranteed PLN 17,089 thousand to the Bank Polska Kasa Opieki S.A. (including PLN 289 thouand in connection with its employees' loans on equipment purchased by them and PLN 16,800 thousand in connection to securing its subsidaries liabilities arising from cash pooling agreement). As at balance sheet date, the outstanding amount of bills of exchange issued by AMS S.A. and Adpol Sp. z o.o. amounted to PLN 3,054 thousand. Additionally, Helios S.A. issued bills of exchange as collaterals of bank loans and finance lease and guarantees of rental agreements.

Moreover, as at 31 December 2015 AMS S.A. was a party of a guarantee provided by Adpol Sp. z o.o. in the amount of PLN 44,400 thousand and provided to the bank a cash deposit in the amount of PLN 29,600 thousand as a cash collateral securing the bank guarantee issued for the benefit of Ströer Polska Sp. z o.o. and the Capital City of Warsaw in relation to the concession contract for the construction of bus shelters in Warsaw. As at 31 December 2015, AMS S.A. also provided a guarantee to Tejbrant Polska Sp. z o.o. in the amount of PLN 3,000 thousand.

More detailed information on granted guarantees and issued bills of exchange is presented in note 37 to the consolidated financial statements.

Information on loans granted Agora S.A. or by its subsidiaries in 2015 is described in the table below (according to the agreements, which were in force as at December 31, 2015):

Tab. 29

No.	Company name	Amount of loan (in PLN thousand)	Currency	Interest rate (%)	Agreement date	Termination date
1	Stopklatka S.A.	2,000	PLN	Wibor 3M+1,5%	15.01.2015	29.02.2016*
2	Stopklatka S.A.	2,000	PLN	Wibor 3M+1,5%	14.12.2015	31.12.2016
3	Instytut Badań Outdooru IBO Sp. z o.o.	970	PLN	Wibor 3M+1,5%	05.11.2013**	30.07.2016***

** termination date according to the annex to the loan agreement signed on 15 December 2015*
*** amount of loan includes tranches paid out in 2015*
**** termination date according to the annex to the loan agreement signed on 28 July 2015*

9. THE SYSTEM OF CONTROL OF EMPLOYEE SHARE SCHEMES

In 2015 there was not any employee share scheme.

10. INFORMATION ABOUT THE SELECTION AND AGREEMENTS SIGNED WITH AN AUDITOR ENTITLED TO AUDIT FINANCIAL REPORTS

On April 3, 2014, the Supervisory Board appointed KPMG Audyt Spolka z ograniczona odpowiedzialnoscia spolka komandytowa as a certified auditor to audit Company's financial statements for fiscal years 2014, 2015 and 2016. The agreement related to audit and review of financial statements was signed for the above mentioned periods and relate to audit and review of financial statements for a given financial year.

Information about the agreements and the values from those agreements concluded with the certified auditor is disclosed below (net amounts):

Tab. 30

in PLN thousand	Financial year ended 31 December 2015	Financial year ended 31 December 2014
Remuneration for audit (1)	102.6	102.6
Other certifying services, including remuneration for review (1)	68.4	68.4

(1) Remuneration includes the amounts paid and due for professional services related to audit and review of unconsolidated and consolidated financial statements of the Company for a particular year (data based on agreement dated June 26, 2014).

11. INFORMATION ABOUT FINANCIAL INSTRUMENTS

Information about financial statements in respect of:

- risk: price risk, credit risk, material disruptions to cash flow and risk of liquidity problems, on which the Group is exposed and
- objectives and methods of financial risk management

is disclosed in notes 34 and 35 to the consolidated financial statements.

12. THE DESCRIPTION OF BASIC HAZARDS AND RISK

- **Macroeconomic risk**

Advertising revenues strictly depend on the general economic situation in Poland and in Europe. They grow in the periods of economic upswing and are marked by considerable decrease in time of the economic slowdown. According to the Company's estimations in 2015, advertisers spent almost 4.5% yoy more on advertising. Advertisers increased their expenditure in almost all advertising market segments. The erosion of advertising expenditure was observed only in press.

It should be noted that the level of advertising revenues is dependent on both the ad volume as well as prices of media purchase which hinders estimations regarding the development of the situation at the particular segments of ad market.

Polish economy is sensitive to coutries political situation and looping risk of abrupt legislative chcanges, whose full impact on the conditions of running business activity in Poland is hard to foresee.

- **Seasonality of advertising spending**

The Group sales revenues are marked by seasonal variation. The Group's advertising revenues in the first and third quarter are usually lower than in the second and fourth quarter of a given financial year.

Cinema revenues are subject to seasonality – revenues earned in the second and third quarters are usually lower than in the first and fourth quarters.

- **Advertising market structure and the position of individual media in readership, TV and radio audience market**

The Group's advertising revenues are generated by the following media: dailies, outdoor advertising, radio stations, magazines, internet and cinemas. As a result of structural changes and media convergence particular media in the Agora Group's portfolio compete both with their business competitors and with television broadcasters - constituting over half of the advertising market expenditure (51.5%) in 2015. The next largest segment of advertising market – Internet held 23.0% share in total ad spend. Ad expenditure in magazines and dailies constituted 6.5% and 3.5% share of total ad spend, respectively. Outdoor advertising held, in 2015, 6.0% of the advertising market share and radio ad spend constituted 8.0% of total ad expenditure. Cinema advertising in Poland constituted 1.5% of all advertising expenditure. Bearing in mind the dynamics of particular and the current Company's estimates of advertising market growth in 2015 there is a risk that the share of particular media in the advertising market will change. This may influence the Group's position and its revenues.

Additionally, as a result of the changes in media described above and consolidation on the advertising market the competition between media grows and it may influence Group's advertising revenues. Moreover, due to those changes and technological progress there is no certainty that the Group will be able to react to them in a proper time and manner, which may negatively influence the Group's position and financial results.

Advertising revenues depend also on the readership figures and shares in radio and television audience. Media market changes dynamically – some sectors can take advantage of the current changes while other can lose its position on the market. There is no certainty that the Group's position in the particular media sectors will remain unchanged.

Abrupt changes to law regulations in particular business areas may affect not only macroeconomic situation in Poland but also the propensity and the way advertisers (including state owned companies) spend advertising budgets.

- **Press**

Presently paid press experiences a worldwide trend of copy sales decrease and shrinking of advertising expenditure. Press titles, published by the Group and its competitors, are not resistant to the changes taking place on the press market. The process of classifieds migration from press to Internet is taking its place. The dynamics of the above mentioned processes may have a negative impact on dailies copy sales and the revenues of the Group. At the same time, the Group digitalizes its content and on February 4, 2014 the Company introduced system of metered paywall on websites related to *Gazeta Wyborcza*. Nowadays, it is hard to evaluate the impact of new access system on the Group's revenue. The Group also publishes a free daily – *Metrocafe.pl.* We cannot predict how the global changes occurring on the press market will influence the free press position and consequently, the position and the results of the Group.

- **Press distribution**

The main channel of press distribution, used by every press publisher in Poland, is networks of kiosks situated in places of intense traffic. Distribution market in Poland is highly concentrated – two main distributors control over 80% of press distribution market. Therefore, significant financial or operational problems of either of them may have a negative impact on copy sales and the results of the Group.

- **Internet**

Polish Internet advertising market is highly competitive and influenced by consolidation processes. Number of internet users in Poland is not growing so fast as in the past. Internet business is highly dependent on technology progress and number of Internet users and maintaining a strong position on that market is possible by means of investment in modern and innovative technology. In this segment of advertising market the Group competes with local and international players. There is no guarantee, that on such a competitive market, the Group's position and ad revenues will be unchanged. Additionally, online advertising market is undergoing transformation. Search advertising, dominated in Poland by one player, is becoming more popular among advertisers. The Group's main source of Internet advertising revenue is display advertising. Video and mobile advertising are growing their share.

Maintenance of the strong position in rapidly changing market requires investment in advanced technological solutions. Due to that fact there is no guarantee that the Group will be able to compete with national and foreign players with larger financial resources.

- **Outdoor**

Outdoor advertising market in Poland is highly competitive. AMS S.A. competes with Polish companies as well as big international concerns. Outdoor advertising market is of high legal risk due to the possible changes in the rules regarding the use of public space and introduction of new limitations in the centers of large urban areas, as well as rules on fees and tax rates related to this business activity. The factors mentioned above may have an impact on the Group's result.

On September 11, 2015 selected regulations on strengthening landscape protection changed. On its basis the local governments acquired rights to regulate the distribution of visual advertisement and small architecture in public space and charging adequate fees. It is really hard to estimate the impact of this regulation on the Agora Group's results. Till the day of this publication no local government introduced new rules of charging fees.

In 2014, execution of the contract to construct of 1,580 bus shelters in Warsaw commenced. The investment process shall last 3 years. The estimated cost of the bus shelters' construction amounts to ca PLN 80 million. The duration of the contract is nearly 9 years. The timely execution of the contract carries risk related to the necessity of acquiring a number of approvals and administration decisions. Additionally, in such a competitive and changing environment the macroeconomic and market assumptions necessary for the project success may not materialize.

- **Cinema**

Helios opens new cinemas in shopping and entertainment centres. Therefore, further development of the cinema network is dependent upon the construction of new shopping and entertainment galleries in Poland and ability to compete with other cinema operators for new space lease contracts. The pace of polish infrastructure development and the situation on the Polish real estate market (i.e. cost of space rent) may influence the results of cinema operators.

Additionally, the available repertoire affects results of cinema business. Lack of interesting movies, abilities to promote movies or the quality of movies may negatively affect cinema admissions. Moreover, economic downturn may translate into lower expenditure on entertainment which may result in lower revenues from ticket sales and willingness to buy food and beverages in cinema bars.

Moreover, the cinema operators compete with other technologies of film screening, inter alia, in Internet.

- **Risks of running licensed business**

The Group has been running its activities in radio market for years and since 2014 it started to operate in TV market. Radio and TV operations are licensed activity in Poland. The license entries determine the scope and form of business during the time for which the license is granted.

There is a risk that demand, from radio and TV audience, for a certain radio or TV format may decrease, while the Group will not be able to adjust to the market requirements due to the obligation to respect program entries stated in the license.

- **Radio stations**

Polish radio ad market is highly competitive. Agora Group's radio stations compete with other radio broadcasters, with national reach, as well as other media – TV, press, internet and outdoor advertising. To maintain audience share it is important to have a demanded radio format. There is no certainty that the Group's current position in the radio audience market will be unchanged. Competing for ad revenue, radio stations (also belonging to different media concerns), create joint advertising offers. The popularity of these offers may significantly influence the shares of particular radio broadcasters in radio ad market.

- **Television**

Due to the purchase of 41.04% stake in Stopklatka S.A. by Agora on March 12, 2014 the Group entered television market. Our television channel competes with existing television broadcasters and potential new market entrants.

Among Stopklatka TV competitors there are larger broadcasters with better brand recognition and financial resources than us. The increasing success in Poland of DTH, cable and DTT providers will likely result in the increasing fragmentation of Polish TV viewing audiences, which may make it more difficult for us to persuade advertisers to purchase airtime in Stopklatka TV. The results of Stopklatka are consolidated on the equity basis.

In 2015, a subsidiary company of Agora S.A. – Green Content won a concession proceedings for broadcasting a TV channel via digital terrestrial platform in signal of eighth multiplex. The probable time of TV channel launch is said to be Autumn 2016. There is no certainty that the programme offer of our new TV channel will be attractive for a sufficient number of viewers. A proper share in TV audience is a key parameter taken into account in the process of allocating advertising budgets of the largest advertisers.

- **Movie business**

Movie distribution and co-production is of project nature, which may result in volatitility of its results – it may also impact the Group's results. The majority of costs incurred, especially those related to movie co-production, burdens the Group results long before the profits related to that fields of operations. The impact of this activity on the Group's results depends also on the popularity of given film production.

- **Impairment tests**

Inline with the *International Financial Reporting Standards*, the Group runs impairment tests. In the past and in the current period, some of the tests resulted in impairment loss which was reflected in the income statement (unconsolidated and/or consolidated). There is no certainty that the tests run in the future will give positive effects.

- **Currency risk**

The Group's revenues are expressed in Polish zlotys. Part of the operating cost, connected mainly with cinema activities, the production materials and services and IT services, is related to the currency exchange rates. The volatility of currency exchange rates may have influence on the level of Group's operating cost and its financial results.

- **Interest rate risk**

The changes in interest rates may influence the level of the Group's financial cost related to the Group's debt.

- **Risk of losing key employees**

The Group's success is dependent on the involvement and qualifications of its key employees who contributed immensely to Group's development and effective optimization of the Group's operating processes. Due to the market competition for highly qualified specialists there is no guarantee the Group will be able to preserve all valuable employees.

- **The risk of collective dispute**

On December 12, 2011 an Inter-union trade organization *NSZZ Soldarnosc* AGORA S.A i INFORADIO SP. Z O.O. ("OM") was created. The trade unions operate in Agora S.A., Inforadio Sp. z o.o., Agora Poligrafia Sp. z o.o., AMS S.A., Trader.com (Polska) Sp. z o.o. and Grupa Radiowa Agory Sp. z o.o. According to the law requirements the managment boards of the companies in which trade unions operate consult or negotiate with them decisions in legally determined cases.
The Group tries to maintain good relations with its employees and solve any problems as they appear, however it can not be excluded that in the future the Group may experience a collective dispute in law determined cases.

13. FACTORS AND UNUSUAL EVENTS WHICH HAD INFLUENCE ON THE RESULTS OF BUSINNESS ACTIVITIES FOR 2015 WITH THE ESTIMATION OF THEIR INFLUENCE

A positive impact on the Agora Group results had co-operation with the producer of the game *Witcher 3: The Wild Hunt*. It brought Agora Group PLN 25.8 million revenues and had a positive impact on Group's operating result.

Further limitation of ad expenditure in press in 2015 had a negative impact on the Group's results. As a result the ad revenues of Press segment decreased by PLN 10.2 million yoy.

14. LEGAL ACTIONS CONCERNING LIABILITIES OR DEBTS OF THE ISSUER OR ITS SUBSIDIARIES, WHICH AMOUNT IN SINGLE OR IN TOTAL TO AT LEAST 10% OF THE AGORA'S SHARE CAPITAL

In 2015, there were no legal actions against Agora S.A. or its subsidiaries related to their liabilities or debts whose total value would amount to at least 10% of Agora's share capital in a single or in all legal proceedings.

15. DIVISIONS OF THE COMPANY AND OF ITS SUBSIDIARIES

Agora S.A. has 19 divisions and the major headquarters in Warsaw. Other companies from the Group do not have local divisions.

16. THE MANAGEMENT BOARD'S STATEMENT OF THE REALIZATION OF FORECASTS

The Management Board did not publish any forecasts of the Group's financial results and because of that this report does not present any Management Board's statement of the realization of them, as well as any differences between actual and forecasted financial results.

17. ISSUING OF SECURITIES

In 2015 the Company did not issue any securities.

18. OTHER INFORMATION

- **Significant events for Company's business activities**

On September 18, 2015, PTA Sp. z o.o., Green Content Sp. z o.o., Joy Media Sp. z o.o. and TV Zone Sp. z o.o., subsidiaries of Agora S.A., filed applications for licenses for digital terrestrial distribution of television programs at eighth multiplex, referred to in the announcements of the Chairman of the National Broadcasting Council published in the Official Journal of the Republic of Poland "Monitor Polski" on August 4, 2015, numbered respectively 666, 667, 668 and 669.

On October 1, 2015 the Management Board of Agora S.A. informed that on September 30, 2015, the issuer's animator services agreement for the Company's shares listed on the Warsaw Stock Exchange in Warsaw was concluded by and between the Company and Dom Maklerski BDM S.A. with its registered seat in Bielsko-Biala. According to the agreement, the animator shall permanently place, on its own behalf, purchase and sales orders for the Company's shares on the Warsaw Stock Exchange in Warsaw, according to the regulations of the Warsaw Stock Exchange as well as the terms and conditions provided for in the agreement.

On October 7, 2015 the Management Board of Agora S.A. informed that on October 6, 2015, the Warsaw Stock Exchange in Warsaw informed in its notification about execution of the issuer's animator services agreement between the member of the stock exchange, Dom Maklerski BDM S.A., and the Company.

On November 5, 2015 the Management Board of Agora S.A. announced that it obtained information about the adoption by the National Broadcasting Council ("KRRiT") of a resolution on granting Agora's subsidiary, operating under the business name Green Content Sp. z o.o ("Green Content"), a license to transmit via digital terrestrial broadcast a television program of universal character, promoting active development of people, comprising programs about healthy lifestyle, professional and social development and popularizing physical activity ("License"). Agora S.A. is the sole shareholder of Green Content and holds 100% shares in its share capital.

Green Content will begin broadcasting program no later than within five months from the date of obtaining the License. Confirmation of obtaining the License by Green Content will be the issuance of a decision to grant the License by the Chairman of the National Broadcasting Council, after prior approval of the technical part of documentation by the President of the Office of Electronic Communications. The fee for granting License for 10 years is PLN 13.5 million. This sum will be paid in 10 installments and will be increased by a prolongation fee.

As the sole shareholder of Green Content, Agora S.A. had guaranteed the funds necessary to finance and maintain television program in case of granting the License to Green Content. Financing investment needs related to the business activity covered by the License shall be carried out in the form of share capital increases of Green Content or other forms optimal from the point of view of the objectives and schedule of activities covered by the License. Agora S.A. is obliged to provide the first funding in the amount of PLN 10 million within 14 working days from the date of obtaining by Green Content the final decision to grant the License, as well as to finance further company's activities covered by the License, provided for in the annual budgets approved by the shareholders' meeting of Green Content.

On December 29, 2015 the Management Board of Agora S.A. informed that on December 29, 2015 it obtained information that the Company's subsidiary, operating under the name Green Content Sp. z o.o., received the decision of the President of the National Broadcasting Council on granting a license to broadcast a television via digital terrestrial platform in signal of eighth multiplex.

- **The Annual General Meeting of Shareholders of Agora SA convened for June 26, 2015**

On June 26, 2015, in the Company's registered seat in Warsaw, the General Meeting was held, which adopted resolutions regarding: (i) redemption of the own shares, (ii) decrease of the Company's share capital and (iii) change of the Company's Statute and adoption of the unified text of the Company's Statute.

On the same day, the Management Board of Agora S.A.:
- announced the resolutions adopted by the General Meeting;
- informed that the following shareholders held more than 5% of the total number of votes at the General Meeting of Shareholders held on June 26th, 2015:

  - Agora - Holding Sp. z o.o. with its registered seat in Warsaw: 22,528,252 votes, i.e. 53.27% votes at the General Meeting and 33.10% of the total number of votes.

  - Otwarty Fundusz Emerytalny PZU "Zlota Jesien": 8,400,000 votes i.e. 19.86% votes at the General Meeting and 12.34% of the total number of votes.

  - ING Otwarty Fundusz Emerytalny: 6,200,000 votes, i.e. 14.66% at the General Meeting and 9.11% of the total number of votes.

- **The Extraordinary General Meeting of Shareholders of Agora SA convened on November 24, 2015**

On November 24, 2015 in the Company's registered seat in Warsaw, the General Meeting was held, which adopted resolutions regarding: (i) amendments to the Statute, (ii) adoption of the unified text of the Company's Statute (iii) and granting consent to the disposal of the organised parts of the enterprise, i.e. "Centrum Kompetencyjne Praca" and "Agencja SearchLab".

On the same day, the Management Board of Agora S.A. :
- announced the resolutions adopted by the General Meeting;
- informed that the following shareholders held more than 5% of the total number of votes at the General Meeting of Shareholders held on November 24, 2015:

  - Agora-Holding Sp. z o.o. with its registered seat in Warsaw: 21,679,949 votes, i.e. 47.86% votes during the General Meeting and 33.46% of the total number of votes.

  - Otwarty Fundusz Emerytalny PZU "Zlota Jesien": 8,400,000 votes i.e. 18.54% votes during the General Meeting and 12.96% of the total number of votes.

  - Nationale Nederlanden Powszechne Towarzystwo Emerytalne S.A.: 7,483,155 votes, i.e. 16.52% votes during the General Meeting and 11.55% of the total number of votes,

- AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK: 2,475,000 votes, i.e. 5.46% votes during the General Meeting and 3.82% of the total number of votes.

Register of amendments to the Statute of the Company

On September 22, 2015, the Management Board of Agora S.A. informed that the District Court for the capital city of Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Register a change of the paragraph 7 of the Company's Statute, adopted by the resolution no. 8 of the General Meeting of Shareholders of Agora S.A. held on June 26, 2015. The Management Board of Agora S.A. announced the unified text of the Statute of Agora S.A., adopted by the resolution no. 9 of the General Meeting of Agora S.A. held on June 26, 2015, came into force on September 22, 2015.

On December 30, 2015 the Management Board of Agora S.A. informed that on December 29, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, entered into the register of entrepreneurs of the National Court Register a change of the Company's Statute includes a change of § 5. 1 point 76)-77), § 7, § 10, § 15, § 16, § 17, § 18, § 19, § 20, § 21, § 22, § 23, § 26, § 28, § 31, § 32, § 34, § 38, § 39, § 40, title of section III of Company's Statute, and the repeal of § 8, § 11a, § 24, § 25 of the Company's Statute adopted by the resolution no. 4 of the Extraordinary General Meeting of Shareholders of Agora S.A. held on November 24, 2015. In connection with the above, the Management Board announced the unified text of the Statute of Agora S.A., reflecting the above amendments, adopted by the resolution no. 5 of the Extraordinary General Meeting of Agora S.A. held on November 24, 2015.

Shares buy-back program

On April 1, 2015, the Management Board of Agora S.A. announced the offer to buy back shares of the Company ("Offer"). All shareholders of the Company were entitled to participate in the Offer. Within the Offer, the Company offered to purchase no more than 1,138,380 shares ("Shares"), constituting no more than 2.23% of the Company's share capital, however no more than 771,960 bearer shares traded on Warsaw Stock Exchange and no more than 366,420 registered shares. The offered price for the Share was PLN 12.00. The sale offers were accepted since April 7th, 2015 till April 17th, 2015. The entity intermediating in the execution and settlement of the Offer was Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK.

On April 24, 2015, the Management Board of Agora S.A. announced that, as a result of the Offer the Company purchased a total number of 771,960 own shares outside of the regulated market, via the brokerage house from Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK. All purchased shares were ordinary bearer shares quoted on Warsaw Stock Exchange, each with a nominal value of PLN 1.00, which in total represented 1.52% of the Company's share capital and 771,960 votes at the general meeting of the Company, which represented 1.13% of the votes at the general meeting of the company ("the Purchased Shares"). The purchase price was PLN 12.00 per one Purchased Share and PLN 9,263,520 for all the Purchased Shares. The Purchased Shares were acquired with the aim of being redeemed.

As a result of the execution of two stages of the own shares purchase program, to which the Management Board of Agora S.A. was authorized in resolution no. 7 of the Annual General Meeting of Shareholders dated June 24, 2014 and after the settlement of the Offer, the Company holds in total 3,271,960 own shares, each with a nominal value of PLN 1.00, which (as at the date of this report) in the aggregate represented 6.42% of the Company's share capital and 3,271,960 votes at the general meeting of shareholders of the Company, which represented 4.81% of total votes at the general meeting of the Company. In accordance with applicable laws, the Company did not exercise the shareholder's rights attached to own shares.

On June 26, 2015, General Meeting of Shareholders of Agora S.A. adopted the resolutions on redemption of the own shares and decrease of the share capital of the Company by the amount of PLN 3,271,960.

On September 23, 2015, the Management Board of Agora S.A. informed that on September 22, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered the decrease of the Company's share capital by the amount of PLN 3,271,960, i.e. from PLN 50,937,386 to PLN 47,665,426. The decrease of the Company's share capital resulted from the redemption of 3,271,960 of the Company's bearer shares with a nominal value of PLN 1 per share, entitling to 3,271,960 votes at the General Meeting of Shareholders of the Company, purchased by the Company in two stages of the Shares Buy - back Program executed from August 25, 2014 till September 5, 2014 and from April 7, 2015 till April 17, 2015, on the basis of the resolution no. 7 of the General Meeting of Shareholders of Agora S.A. held on June 24, 2014. The shares were redeemed by the Company, upon the consent of the shareholders, on the basis of the resolution no. 6 of the General Meeting of Shareholders of Agora S.A. held on June 26, 2015.

- **Assumption of shares in a related company by the President of the Management Board**

On November 2, 2015, the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered the increase of the share capital of Agora-Holding Sp. z o.o., as a result of which Mr. Bartosz Hojka, the President of the Management Board of Agora S.A., became a shareholder of Agora-Holding Sp. z o.o. holding 1 share of the value of PLN 10.427,84 in the share capital of Agora-Holding Sp. z o.o.

- **Call for the repurchase of shares in a subsidiary**

On March 29, 2016, a minority shareholder of the subsidiary Helios S.A., holding 320 400 shares of Helios S.A., which constitute 2.77% of the share capital of Helios S.A., put a call for the compulsory repurchase of shares pursuant to art. 418 (1) of the Commercial Companies Code Act of 15 September (Journal of Laws No. 94, item. 1037 with later amendments). According to the call, the general meeting of shareholders of Helios S.A. adopting the resolution on shares repurchase shall be held before June 23rd, 2016.

VI. REPORT AND DECLARATION RELATING TO AGORA S.A. COMPLIANCE WITH THE CORPORATE GOVERANCE RULES IN 2015

Agora S.A. complies with the corporate governance rules as described in the attachment to the resolution No. 19/1307/2012 dated November 21, 2012. These rules are disclosed on the web site https://static.gpw.pl/pub/files/PDF/dobre_praktyki/dobre_praktyki_16_11_2012.pdf

1. LISTING OF THE CORPORATE GOVERNANCE RULES THAT WERE NOT OBSERVED BY THE ISSUER INCLUDING THE CIRCUMSTANCES AND REASONS FOR THEIR REJECTIONS AS WELL AS THE REMEDY FOR ITS POSSIBLE EFFECTS AND THE WAY THE COMPANY IS TO ELIMINATE RISK OF NOT APPLYING THE RULE OR MEASURES AND THE STEPS THE COMPANY IS TO TAKE IN ORDER TO REDUCE RISK OF NOT APPLYING THE RULE IN THE FUTURE.

In 2015, the Company complied with all Corporate Governance Rules. The rule regarding providing shareholders with the possibility to participate in the meeting of shareholders by electronic means of communication as far as providing shareholders with the possibility of real-time bilateral communication enabling them to take the floor during the meeting from a location other than the general meeting of shareholders was fulfilled by means of dedicated e-mail address.

I. RECOMMENDATIONS FOR BEST PRACTICE FOR LISTED COMPANIES

As far as the recommendation regarding the Company's pursue for a transparent and effective information policy with the use of modern technologies as well as latest communication tools ensuring fast, secure and effective access to information the Company runs mobile website for its investor relations and press office sections and since March, 2014 the Company has its Twitter account.

The Company puts a lot of effort to ensure adequate communication between the Company and the shareholders and participants of the financial markets by means of the direct access to investor relations team and the representatives of the Management Board. The Company offers also a subscription to the newsletter on selected information regarding corporate events or press releases. Moreover, the Company provides additional information on different media segments to people who expressed their willingness to receive such information.

As far as the recommendation regarding general meeting of shareholders is concerned, the Company puts a lot of effort to make it possible for as many as possible Company's shareholders to participate in the meeting. The Company instantly informs about the changes in the agenda of the meeting, including the organizational details concerning the meeting.

All shareholders have the same rights as far as the transactions and contracts executed between the Company and its shareholders or related entities are concerned.

Currently all shares issued by Agora are traded solely on the Warsaw Stock Exchange, therefore all shareholders of the Company acquire their rights at the same time in accordance with Polish law.

As far as recommendation regarding remuneration policy is concerned the rules regarding remuneration of Agora's employees are based on internal regulations. This rule does not apply to the members of the Supervisory Board and Management Board. The remuneration of the Management Board members is set by the by Supervisory Board on the basis of the recommendation prepared by the Human Resources and Remuneration Committee – an advisory body within Supervisory Board. Supervisory Board sets objectives and bonus criteria for individual Management Board members in a given year or for three – year periods. In December 2015, the Company adopted and published on its corporate website Remuneration policy for the Agora Group's Key Managers.

The Group offers Three – Year – Long Incentive Plans for the members of the Management Board based on achieving operating EBITDA objective at Group level and the degree of the Company's share price increase. The rules, objectives and conditions of settlement the Three – Year – Long Incentive Plan for the members of the Management Board were set by the Supervisory Board by means of adequate resolutions. The detailed description of the actual Three – Year – Long Incentive Plans can be found in a note to the financial statements for 2015.

The Company offers its employees other incentive plans (for example: cash motivation plans, incentive plans in sales departments etc.), which cost is charged to the staff cost.

The remuneration and other benefits due to the Management and Supervisory Board members are reported in the Annual Financial Statements.

The remuneration of the Supervisory Board is set by the General Meeting of Shareholders of Agora S.A.

As far as recommendation for balanced proportion of men and women in the governing bodies of the companies is concerned, the Management Board of Agora S.A. wishes to draw attention to the fact that candidates for the Supervisory Board members may be presented only by shareholders holding preferred series A shares and shareholders who documented their entitlement to not less than 5% of the votes at the last Shareholders Meeting before the candidates were nominated and who at the time of making the nomination hold not less than 5% of the share capital of the Company, provided that in order to ensure a proper nomination, it is necessary for the shareholder making such nomination to prove his right to at least 5% of the votes at the Shareholders Meeting where such nomination shall be voted on (§21 sec.1 letter a of the Statutes). According to § 30 of the Statutes of Agora S.A. candidates for the Management Board shall be nominated exclusively by shareholders holding preferred series A shares, and following the expiry of the preferred status of all such shares, by the Supervisory Board. In the event that the persons authorised to determine the number of members of the Management Board and to nominate candidates for such members do not exercise one or both of the above rights, the number of members of the Management Board elected by the General Shareholders Meeting shall be determined by such Shareholders Meeting, while each shareholder during such Shareholders Meeting shall be able to nominate candidates for such members.

Moreover, the Management Board of Agora S.A. wishes to stress that the main criteria for selection of proper candidates for all managerial positions, remaining in the competencies of the Management Board, include knowledge, experience and abilities necessary to perform given function. The Management Board believes that applying these criteria to all employees in the Company and in the Group, ensures efficient operation and overcoming new business challenges. Almost half managerial positions in the Company is held by women, which fully reflects the employment structure in Agora S.A. The Management Board of Agora S.A. adopted also a Diversity policy in the Agora Group which was published on the Company's corporate website.

As far as the recommendation concerning the members of the Supervisory Board is concerned, it should be stressed that Agora's Supervisory Board members represent diversified fields of expertise and long professional experience allowing them to look at the Company and its Capital Group from the broader perspective. The members of the Supervisory Board receive all necessary information regarding the Company's and Group's operations. Moreover, if there is a need to provide any additional information or clarification to the Supervisory Board members the Company does it instantly.

Agora Group has a diversified portfolio of media and each of them as part of its operations undertakes cultural, sports and educational projects. These activities constitute a part of segments' or brands' development within the Agora Group. The most important information regarding these projects can be found on the Company's website. Actions undertaken by Agora's media are of serial or ad hoc nature as an answer to a specific social problem or event. To the actions of cyclical character one can include the action *Rodzić po ludzku* (Humane birth), *Polska Biega* (Poland runs), *Długowieczni* or *Szpital przyjazny rodzicom* organized by *Gazeta Wyborcza*. In 2013, AMS S.A. created Foundation Akademia Integracji. Praca. Edukacja. Sport, which continues mission of the project *AMS dla Integracji*. AMS also runs actions dedicated to local society as part of it cyclical activities: *Galeria Plakatu* and *Bramy Kraju.*

Media comprising Agora Group undertake effort to help their recipients face the challenges of the modern Word. In 2015, *Gazeta Wyborcza* launched a consecutive edition of the action *Po stronie klienta*, which explained issues related to safety online. The journalists of *Gazeta Wyborcza* explicated why our personal data is so valuable, how the theft of data takes place online and how to protect against it. The journalists tried to advise how to protect children against danger they can face online and how parents can react when they come across data phishing from their children.

Media from the Agora Group tried to persuade people to Take active part in the parliamentary elections. The editorial team of *Gazeta Wyborcza* launched the action *Nakręć się na wybory!*, in which it encouraged people to express their opinions on the country and themselves. The action resulted in a huge number of video portrets of people from around Poland who shortly presented themselves and also their opinion on what they like in Poland, what they oppose but also on what they expect from politicians. Each of them also said whether they are going to vote during parliamentary elections – many of them justified their decision.

Radio TOK FM ran the action *Usłysz swojego posła*, during which the radio team visited 14 Polish cities and ran 14 debates with candidates for members of parliament. Additionally, the radio station encouraged citizens of the largest Polish cities to express their opinions and learn about views of candidates for members of parliaments in a given constituency.

Helios is the only cinema network participating in *Kultura Dostępna* program since 2015. This is the initiative of the Ministry of Culture and National Heritage whose objective is to level out the competence and financial barriers, especially in the groups with the risk of exclusion. Thanks to that project a large number of people has the opportunity to acquaint themselves with the Polish cinematography. Each Thursday, at 6:00 p.m. the cinemas screen a Polish movie – tickets are priced at PLN 10.0

Media from the Agora Group are engaged in actions to help those in need in other parts of the world. *Gazeta Wyborcza* and Agora's radio stations: Radio TOK FM, Radio Złote Przeboje and Rock Radio participated in 2015 in a unique charity initiative undertook by Polish media #SOS Nepal initiated by Program Trzeci Polskiego Radia in cooperation with The Polish Humanitarian Action. Over 30 editorial teams of TV stations, radio stations and newspapers took part in actions to help children who lost their houses in the earthquake in Nepal. Gazeta Wyborcza and Agora's Foundation encouraged to help refugees camping in Hungary and organized collection of sleeping bags and foam mattresses. The collected goods were passed to Hungarian organization MigSzol - Migrant Solidarity Group of Hungary which distributed the things among those in need. Apart from that *Gazeta Wyborcza* widely commented the refugee crisis in Europe presenting in its paper, digital and online editions on Wyborcza.pl, Wyborcza.biz and Biqdata.pl – i.a. stories from countries to which refugees go, analyses as well as social and economic reports. *Gazeta Wyborcza* was the initiator of special publication entitled Więcej wiedzy - mniej strachu - uchodźcy w Polsce – prepared under the patronage of the Office for Foreigners, which was published by over 40 different Polish media. The largest dailies, portals and websites of opinion forming weeklies, as well as radio stations and TV stations wanted to present together a problem of refugees in a reliable way and acquaint million of Poles with the issue.

Gazeta.pl and Polish Humanitarian Action launched together website Pomagamy.pl/Syria, which enables everyone to participate in the action SOS Syria. Razem pomagamy lepiej. The objective of the action is to help the inhabitants of Idlib and Hama provences in Syria suffering for the last four years from the civil war. The website allows each user to choose from the six help packages to which he would like to donate money directly to the account of Polish Humanitarian Action.

As far as the recommendation concerning the due care for the quality of reporting practice by means of communication expressed on the Company's corporate website with regard to untrue information on the Company, the Management Board of Agora S.A. shall make a decision to take their position in each case separately.

Below one can find the way Agora S.A. observed the aforementioned rules of corporate governance.

II. BEST PRACTICE FOR THE MANAGEMENT BOARDS OF LISTED COMPANIES

According to the corporate governance rules of the companies listed on Warsaw Stock Exchange, the Company operates its corporate website in Polish and English. Apart from legally required information Agora's corporate website offers basic corporate documents as its Statutes and by-laws of its governing and supervising bodies. Additionally, the website presents the professional biographies of the members of the Management and Supervisory Board. According to the requirements, the Company publishes on its website financial statements and regulatory filings as well as information on the participation of women and men in Company's governing bodies. Moreover, to facilitate the analyses of the financial information, the Company provides presentations with the quarterly financial reports and audio-video recordings from the teleconferences during which members of the Management Board discussed the Group's financial results in a given period of time.

According to the requirements, on the website one can also find the part dedicated to general meetings of shareholders, which traditionally take place in the Company's headquarters in Warsaw. On the website, one can find all the documents relating to a general meeting of shareholders, including announcement on convening the general meeting, the candidates to the managing or supervising bodies together with their professional biographies as soon as the Company receives them from the entitled entities. Here, one can also find all organizational information as a break in general meeting of shareholders or changes in the agenda of the meeting.

On June 26, 2015 the General Meeting of Shareholders of Agora S.A. took place in its headquaters in Warsaw and all the documents relating to that Meeting were published on the Company's website, including audio-video real-time broadcast. The General Meeting took place in accordance with Commercial Companies Code and the By-laws of General Meeting. The Members of the Management Board and Supervisory Board as well as the representatives of the Company's Auditor were present during the General Meeting of Shareholders and were ready to answer all the questions according to their competencies and law. In case of questions from shareholders and answers to those questions during the general meeting of shareholders they are available for everyone due to the fact that the Company offers real-time online audio-video broadcast and records the meetings of shareholders. Additionally, whenever necessary, the Company prepares the list of questions and answers relating to a given meeting of shareholders if they appear before and during meeting of shareholders. The answers are given by the Management Board and Supervisory Board members present during the meeting.

Here, one can also find the documents relating to the dividend, for example the Management Board recommendation on profit distribution, draft resolutions and final resolutions.

The Company publishes on its website reports relating to its compliance with corporate governance rules and information relating to the rule on changing the auditor examining the Group's financial statements. The Company, every year, in its quarterly report published on its website provides information on the cost of motivation plans in the Company.

In the section relating to the Supervisory Board, the Company provides information on one member of the Supervisory Board related to the shareholder entitled to more than 5% of votes during general meeting of shareholders. Here one can find the Supervisory Board reports together with the evaluation of the Company's internal risk control system and risk management system.

III. BEST PRACTICE FOR SUPERVISORY BOARD MEMBERS

The Supervisory Board of Agora S.A. complies with all the requirements of the corporate governance rules.

As part of its duties the Supervisory Board prepares the concise evaluation of the Company together with the evaluation of internal control system and risk management system. This evaluation is published on the corporate website together with all the documents relating to general meeting of shareholders.

Additionally, the Supervisory Board examines and gives its opinion on all issues being the subject of the general meeting of shareholders. The representatives of the Supervisory Board participate in the general meeting in the composition enabling them answering possible questions voiced by shareholders. In 2015, the Supervisory Board was represented by its President Andrzej Szlezak.

In case of relation between a Supervisory Board member and the shareholder entitled to more than 5% of votes during the general meeting of shareholders this person informs about that fact the Management Board of the Company and other members of the Supervisory Board. Similar situation takes place in case of conflict of interests or possibility that such a conflict of interests may arise.

IV. BEST PRACTICE OF SHAREHOLDERS

Agora S.A., as a public company, allows the representatives of media to participate in its general meeting of shareholders. Also, during the last General Meeting of Shareholders held on June 26, 2015 and the Extraordinary General Meeting of Shareholders held on November 24, 2015, the representatives of media were invited to participate. In case the Company plans to introduce the changes in the by-laws of general meeting of shareholders it tries to inform about it in advance to make it possible for shareholders to execute their rights.

During the General Meeting of Shareholders and Extraordinary General Meeting of Shareholders there were no changes introduced in the by-laws of the general meeting. In 2015 the general meetings did not resolve on share issue. The General Meeting resolved on loss coverage and not paying the dividend for the fiscal year 2014. In the years in which company resolves on profit distribution it complies with the term – of no longer than 15 working days between the date setting the right to dividend and the day of dividend payment. The General Meeting did not resolve on conditional dividend or division of nominal value of the Company's shares.

The Annual General Meeting resolved on the changes in the Company's Statutes related to share capital decrease of the Company. This change resulted from the buyback program executed by the Company and redemption of 3,271,960 Company's shares.

The Annual General Meeting approved also the election of Mr. Paweł Mazur to the Company's Supervisory Board, which took place on November 6, 2014 by means of co-optation.

The Extraordinary General Meeting resolved on the changes in the Company's Statutes. Some of them were of technical and ordinal nature. The objective of the changes introduced to §§ 18-26 of the Company's Statute was especially adoption of regulations relating to the functioning of Supervisory Board to market standards resulting from the statutes of companies noted on Warsaw Stock Exchange. Additionally, the wording of the Company's Statute (§ 19 and § 23) was complemented with the competencies of Supervisory Board coming from the Code of Commercial Companies and the description of the mode in which Supervisory Board works within those competencies. The introduced regulations are to set the rules of execution of the Supervisory Board its competencies. The changes to the Statute include also the possibility to increase the number of Supervisory Board members without the necessity to change the § 18 item 1 of the Statute.

Additionally, the Extraordinary General Meeting of Shareholders approved the disposal of organized parts of the enterprises - Centrum Kompetencyjnego Praca and SearchLab Agency to an existing or a newly established subsidiary company of Agora S.A. The aim of the planned actions is to enhance the operational flexibility and to further develop the business activity of the SearchLab Agency and Centrum Kompetencyjne Praca.

For several years, the Company has provided real-life broadcast of the general meeting of shareholders in Polish and in English. During the General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders held in 2015, the Company provided the shareholders with the possibility of bilateral communication by electronic communication means where shareholders could have taken the floor during the Meeting from a location other than the General by means of the dedicated e-mail address.

2. DESCRIPTION OF THE GENERAL MEETING OF SHAREHOLDERS AND ITS FUNDAMENTAL AUTHORIZATIONS AS WELL AS THE RIGHTS OF SHAREHOLDERS AND THEIR EXECUTION

The general meeting of shareholders of Agora S.A. acts in compliance with the Commercial Companies Code and the Statutes of Agora S.A. The Statutes of the Company stipulates adoption by the General Meeting of Shareholders regulations defining its functioning (§ 16 item 2 of the Statutes). Adopting, amending or rejecting the regulations requires three quarters of votes cast. Such regulations were adopted and can be found at the following URL address: http://www.agora.pl/agora_eng/1,67052,1659254.html. The general meeting of shareholders is convened in compliance with the Commercial Companies Code.

Unless the provisions of the Commercial Companies Code and the Company's Statutes provide otherwise, the resolutions of the general meeting of shareholders are adopted by an absolute majority of votes cast. According to the § 15 item 2 of the Statutes, resolutions concerning merger of the Company with another entity, other forms of consolidation and division of the Company that are or will be permitted by law are adopted by the absolute majority of three quarters of votes cast. The same rule applies to settlements concerning the remuneration of the Supervisory Board members, including individual remuneration of those members who were elected to a continuous supervisory. The absolute majority of three quarters of votes cast in the presence of shareholders representing at least 50% of the Company's share capital, is required for resolutions concerning removal of matters from the agenda of the general meeting of shareholders. When the aforementioned motion for removal is submitted by the Management Board of the Company an absolute majority of votes cast shall be required to adopt such a resolution. Purchase and sale of property, perpetuity or share in property shall not require a resolution of the general meeting of shareholders.

In accordance with § 15 item 4 of the Company's Statutes, removal of any matters from the agenda of the general meeting of shareholders on request placed on the basis of Article 400 or 401 of the Commercial Companies Code by a shareholder, representing at least such percentage of the Company's share capital that is indicated in these rules, shall require consent of the shareholder who made such request. Adoption of resolution relating to shareholder's responsibility to the Company, no matter the reason, shall require an absolute majority of three quarters of votes cast in the presence of shareholders representing at least 50% of all Company's shares entitling to adoption of such resolution.

In accordance with § 17 item 1 of the Company's Statutes none of the shareholders may exercise more than 20% of the overall number of votes at the general meeting of shareholders. The above mentioned restriction is not effective when establishing obligations of purchasers of substantial stakes, stipulated in the Public Offer of Financial Instruments Act. The aforementioned restriction shall also not apply to:

- shareholders holding the preference A shares;

- the depository bank which, on the basis of the agreement with the Company, issued depository receipts based on the Company shares, when such an entity exercises voting rights attached to shares which constituted the basis for the issue of depository receipts;
- a shareholder who, having no more than 20% of the overall number of votes at the general meeting of shareholders, announced a tender for subscription for the sale or exchange of all the shares of the Company in compliance with the Public Offer of Financial Instruments Act. The restriction does not apply if as a result of the transaction described above, the number of shares owned by him, including the previously held Company's shares, authorizes him to exercise at least 75% of the overall number of votes at the general meeting of shareholders. When calculating a shareholder's share in the aforementioned overall number of votes at the general meeting of shareholders (the 20% share - mentioned in the sentence above) the restriction of the voting rights does not exist.

In accordance with § 17 item 5 of the Company's Statutes, percentage of votes at the General Meeting of Shareholders of foreign entities and entities controlled by them may not exceed 49%. The limit shall not refer to entities with their registered seats or residence in a member state of the European Economic Area.

Each share, whether preference or not, entitles its holders to one vote when passing a resolution regarding the withdrawal of the Company's shares from public trading.

According to § 7 item 1 of the Company's Statutes, apart from the registered series A shares, the share capital also comprises ordinary shares series BiD, bearer and registered. The registered shares of preference series A entitle their holders to five votes at the general meeting of shareholders, provided for restrictions described above.

According to § 11 item 1 of the Company's Statutes, sale or conversion of preference A shares into bearer shares require written consent of shareholders holding at least 50% of the preference A shares registered in the share register on the date of filing of an appropriate application. Within 14 days from the date of receipt of the request to sell or convert preference A shares, the Management Board is obliged to deliver a copy of that request to each holder of preference A shares, to the address disclosed in the share register.

Candidates to the Supervisory Board can be nominated by shareholders holding preference A shares. The same right is attributed to shareholders with formally documented entitlement to not less than 5% of the votes at the General Meeting of Shareholders preceding the nomination of candidates and who at the time of submitting the nomination hold not less than 5% of the share capital of the Company (§ 21 point 1 letter a of the Statutes). Should a Supervisory Board member's mandate expire due to his or her resignation the other Supervisory Board members may appoint a new member by means of co-optation, who shall perform his/her functions until the general meeting appoints a Supervisory Board member, however not longer than until the end of the term of its predecessor. Dismissal (removal) of the Supervisory Board member, prior to the end of his term of office, may be effected by a resolution of the general meeting of shareholders adopted by a simple majority of votes cast, provided that until the expiry of the preference status of the A series, 80% of votes attached to all preference A shares are cast in favour of such resolution.

Information on further rights and obligations of general meeting of shareholders and shareholders in relation to appointment and dismissal of the Management Board Members are included in consecutive parts of the present report.

Bearer shares cannot be converted into preference shares.

Rights of the Company's shareholders, including minority shareholders are performed in compliance with the provisions of the Commercial Companies Code.

Implementing transparency and effective information policy, as well as trying to ensure all shareholders equal access to information on the Company Agora has been providing real-life broadcast of its general meetings of shareholders (in English and Polish) via Internet.

Agora's general meeting of shareholders is always attended by the representatives of the Management Board, Supervisory Board and the Company's statutory auditor.

3. THE COMPOSITION AND RULES OF FUNCTIONING OF THE COMPANY'S GOVERNING BODIES AND OF THE SUPERVISORY BOARD' S COMMITTEES

3.1. The Management Board

The Management Board of the Company acts in compliance with the provisions of the Commercial Companies Code and the Statutes of the Company. According to the Statutes of the Company, the Management Board shall consist of three to six members. The exact number is determined by shareholders holding the majority of preference A shares and after the expiration of such preference status - by the Supervisory Board (§ 28 of the Company's Statutes).

As of the day of publishing the report, the Company's Management Board is represented by:

- Bartosz Hojka - the President of the Management Board,
- Tomasz Jagiello - the Member of the Management Board,
- Grzegorz Kossakowski - the Member of the Management Board,
- Robert Musial - the Member of the Management Board.

Bartosz Hojka

Agora's Management Board member since June 28, 2013. Since 2005, member of the Board and Managing Director of Agora Radio Group Ltd. ("GRA"), including Złote Przeboje radio, Rock radio and TOK FM radio, where GRA is the majority shareholder. He restructured Agora's radio operations which resulted in improvement of the segment's profitability. Under his leadership, TOK FM radio has become one of the most quality media in Poland. At that time, GRA expanded its operations and developed, under the brand names Tuba.FM and Tuba.TV, innovative products dedicated to online, mobile devices and Smart TV users. Furthermore, GRA founded the Doradztwo Mediowe - the market leader in radio and cinema brokerage services, and has expanded into new areas, such as activities of SVG Studio.

He started his work in Agora in 1998. From the very beginning of his professional career he was connected with the electronic media, including working as an editor in Radio Katowice TOP and TVP regional center in Katowice.

Born in 1974, graduate of journalism faculty at the University of Silesia. Since 2010, lecturer at the Department of Radio and Television at the University of Silesia.

Tomasz Jagiello

Agora's Management Board member since June 28, 2013. Tomasz Jagiello is the founder and chairman of the management board of Helios S.A., the largest cinema operator in Poland as far as the number of cinemas is concerned. Co-founder of the company's success, from the beginning responsible for its development and strategy. He represented the company during the acquisition of five cinemas from the Kinoplex network in 2007 and during the acquisition of a majority stake in Helios by Agora S.A. in 2010. He was one of the initiators of establishing the company Next Film Sp. z o.o., so that Helios has expanded its activities into film distribution market.

Since October 2011, the Secretary of the Polish Film Institute, formerly longtime board member of the Association of Polish Cinemas.

Born in 1967, graduated from the Faculty of Law at the University of Lodz and the Faculty of Law at the University of Edinburgh.

Grzegorz Kossakowski

Agora's Management Board member since January 8, 2009. Employed in the Company since November 2000, initially as the transaction manager in the New Business Development Division, then in the years 2009 - 2012 he served as CFO of the Company.

In the years 1996 - 2000, he worked for a consulting firm Arthur Andersen in the investment advisory department (Corporate Finance) where he led a number of consulting investment projects, including acquiring capital mainly for the companies from TMT sector.

Born in 1972, graduated from the University of Economics in Poznan ("Summa Cum Laude" diploma) and the Manchester Business School (MBA with honors). Participant of the post-graduate program for executives (Advanced Executive Program) at Northwestern University and the Kellogg School of Management.

Robert Musial

Agora's Management Board member since June 28, 2013. Director of Agora's printing division since 2001, since July 2003 member of the Management Board of Agora Poligrafia Sp. z o.o. He oversaw the operation of Agora's three printing houses - most modern press printing houses in Poland printing in coldset and heatset technology.

He started work in Agora in 1994. He was s responsible for the utilization of machinery capacity and the expansion of the Company's printing business into new markets. In the years 2005 - 2008, he served as the President of the Polish Chamber of Printing.

Born in 1970, graduated from the Warsaw University of Technology - Faculty of Geodesy and Cartography - specialty printing and post-graduate management studies at the School of Economics in Warsaw.

The Management Board members are elected for five years (§ 29 section 1 of the Company's Statutes). Remuneration and other benefits of the Management Board are set by the Supervisory Board, after consulting them with the President of the Management Board. According to § 27 of the Company's Statutes the Management Board shall manage the Company's affairs and represent the Company in dealings with the third parties. The responsibilities of the Management Board include all matters related to conducting the Company's affairs, provided they were not reserved for the competence of other governing bodies. The resolutions of the Management Board are adopted by a simple majority of votes cast (§ 34 section 1 of the Company's Statutes). Each member of the Management Board shall be authorized to make binding statements with respect to Company's proprietary rights and obligations and to sign on behalf of the Company. The Management Board determined its rules of conduct in its special regulations.

According to § 35 of the Company's Statutes, the Members of the Management Board shall be bound by a non-competition clause. In particular they cannot engage in any competitive business or be a participant, a shareholder or member of governing bodies of such business. The above restriction does not pertain to the participation in supervisory and managing bodies of competing entities in which the Company, directly or indirectly, holds any shares. The restriction also does not apply to the acquisition by members of the Management Board of no more than 1% of the shares in competing public companies.

3.2. The Supervisory Board

The Supervisory Board acts in compliance with the provisions of the Commercial Companies Code and the Statutes of the Company. In accordance with §18 section 1 of the Company's Statutes, the Supervisory Board shall be composed of not less than six and no more than ten members. The Chairman of the Supervisory board is chosen by the General Meeting of Shareholders. Members of the Supervisory Board may elect from among themselves a deputy of the chairman or persons performing other functions (§18 section 2 of the Company's Statutes).

The members of the Supervisory Board are elected for the common three - year - term of office. Due to that, the term of office of the current Supervisory Board member shall expire on the day the general meeting of shareholders resolves on the adoption of the financial statements for 2015.

As of the day of publication of this report, the Company's Supervisory Board consists of:

- Andrzej Szlezak - the Chairman,
- Dariusz Formela - the Member of the Supervisory Board,
- Paweł Mazur - the Member of the Supervisory Board,
- Wanda Rapaczynski - the Member of the Supervisory Board,

- Tomasz Sielicki - the Member of the Supervisory Board,
- Slawomir S. Sikora - the Member of the Supervisory Board.

Andrzej Szlezak

Andrzej Szlezak joined SK&S shortly after its founding in 1991, in 1993 he became a partner and in 1996 a senior partner. In SK&S he was engaged in legal services in a number of privatizations and restructuring processes of various sectors of Polish industry and banking. He supervised numerous merger and acquisition projects, participated in greenfield projects, prepared a large number of transaction documents, and was the author of numerous legal opinions from the field of civil and commercial law. He is an arbitrator of the Court of Arbitration at the Polish Chamber of Commerce and Vice-President of the Council of Arbitration and was frequently appointed as an arbitrator in disputes brought before the ICC International Court of Arbitration in Paris. Dr. hab. Andrzej Szlezak is the author of numerous publications, including foreign ones, in the field of civil and commercial law.

Andrzej Szlezak received his master's degrees in Law and English Philology at the at the Adam Mickiewicz University (AMU) in Poznan. In the years 1979-1981 he was a trainee judge at the Regional Court in Poznan. Since 1979, he was a research worker in the Institute of Civil Law AMU, where he received his doctorate and habilitation degree in the field of civil law. In 1994, he was appointed professor of AMU until his departure from the University in 1996. Dr hab. A. Szlezak was a scholarship holder of a number of foreign universities, including the universities of Oxford and Michigan. Currently, dr hab. A. Szlezak is a professor of the University of Social Sciences and Humanities (SWPS) in Warsaw. Andrzej Szlezak has extensive knowledge of the law, in particular company and commercial law which is extremely useful at the post of the Supervisory Board Member of Agora S.A.

Annual General Meeting of Shareholders appointed Andrzej Szlezak to the position of the Chairman of the Supervisory Board.

Andrzej Szlezak is a member of the Human Resources and Nomination Commission in Agora's Supervisory Board.

The independence of Supervisory Board Members and the Committees operating in the Supervisory Board are described in separate section of the report.

Dariusz Formela

Since 2012, the president of PKM DUDA responsible for development and implementation of the company's strategy. In the years 2009 - 2012, he was a member of the board of PKM DUDA and CEO of CM Makton. In the years 1998 - 2008, he worked for the ORLEN Capital Group, where he was also a member of the Management Board of PKN ORLEN and Mazeiki Nafta responsible, inter alia, for the oversight of the companies of the group and the integration of capital assets. He was also responsible for development and implementation of the restructuring plan in the ORLEN Capital Group. Dariusz Formela is a member of the Audit Committee of the company Avia Solutions Group SA.

Dariusz Formela is a graduate of the Law and Administration Faculty at the University of Gdansk. He also obtained an MBA diploma from the University of Bradford and Kozminski University.

Dariusz Formela is a member of the Audit Committee in Agora's Supervisory Board.

Paweł Mazur

Attorney, partner in Wardynski & Partners. He joined Wardynski & Partners in 2010 and since 2013 he heads the branch in Cracow. His practises are litigation and arbitration, specializes in commercial law, foreign investments, aviation and sports law. He is a member of International Bar Association. Between 2008 and 2011 he was a Member of the Supervisory Board of LOT Polish Airlines and the Chairman of Fleet Committee. Between 1996 and 1997 he was a Vice -chairman of the Supervisory Board in C.Hartwing Gdynia SA in Katowice. Paweł Mazur graduated with honours from the Faculty of Law at Jagiellonian University in Krakow. He also completed courses on commercial law at the University of London and international protection of human rights at DePaul University in Chicago. He has gained professional experience in secondments to well-known foreign law firms.

He began practising as an attorney in 1993. Between 2000 and 2010 he was the managing partner of Cabała Mazur Grochowska, based in Nowy Sacz with branches in Cracow and Gorlice.

Paweł Mazur is a member of the Audit Committee in Agora's Supervisory Board.

Wanda Rapaczynski

Associated with the company almost since its inception. In 1998-2007 and between June 28, 2013 and March 12, 2014 served as the CEO of the Management Board. Under her leadership, Agora grew into one of the largest and most well-known media companies in Central and Eastern Europe. After resignation from the function of the Company's CEO she remained associated with Agora, as an advisor to the Supervisory Board until her appointment to the supervisory body. Member of the Supervisory Board of Agora in 2009 – 2013.

She represented Agora in the European Publishers Council and the Polish Confederation of Private Employers, where she was a member of the main board and a member of the supervisory board of the Polish Private Media and Advertising Employers Confederation.

In 1984-1992, she was the head of new product development in Citibank NA in New York. Previously, for two years she was the director of a research project at the Faculty of Psychology at Yale University, and in 1977-1979 research worker at Educational Testing Service in Princeton, New Jersey. Her professional career began as a psychology lecturer at universities in New York and Connecticut. She is a member of the supervisory board of Adecco SA since 2008, a Swiss company operating internationally, specialized in recruiting activities, where she chairs the Corporate Governance Committee.

For years she was a member of the Council of the Central European University in Budapest, where she chaired its Audit Committee. She was also a member of the International Advisory Council at the Brookings Institution in Washington for many years. Since 2002 she is a member of Polish Group in the Trilateral Commission. The above activity is not of competitive nature to Agora’s business.

She was born in 1947. In 1977 she received a Ph.D. in Psychology from City University of New York. A graduate of Yale University, School of Organization and Management, where in 1984 she received a Master of Private & Public Management.

Wanda Rapaczynski is a member of the Human Resources and Nomination Commission in Agora’s Supervisory Board.

Tomasz Sielicki

President of the Supervisory Board of Sygnity SA. Moreover, he is ,inter alia, a member of General Council of the Polish Confederation of Private Employers LEWIATAN, Trilateral Commission, a Council member of United Way Foundation, a member of Program Council of Leslaw Paga Academy of Capital Market Leaders as well as a board member of Public Affairs Institute and a board member of the Polish Olympics Committee.

He worked in the Sygnity SA (formerly ComputerLand SA) since the company's inception in 1991, and from 1992 to 2005, he served as the President of the Management Board, later for two years he served as the President of the Sygnity Group (formerly ComputerLand Group). He is widely considered to be the founder of the company's success. Since 2007, he is a member of the Supervisory Board of the company.

Tomasz Sielicki is a member of the Audit Committee in Agora’s Supervisory Board.

Slawomir S. Sikora

Slawomir S. Sikora is the President of the Management Board of Bank Handlowy in Warsaw. Since March 2005, he has been Chief Executive Officer and Citigroup Country Officer, responsible for the Citigroup's operations in Poland. In the years 2005 - 2008 he was a member of the Citigroup Management Committee in New York. He is a Vice President of the Polish Confederation of Private Employers, as well as a member of the Emerging Markets Advisory Council at the International Institute of Finance in Washington.

He graduated from the Central School of Planning and Statistics (currently Warsaw School of Economics). In 1989, he studied at University of Cologne during doctoral programme organized by Konrad Adenauer Foundation.

Sławomir S. Sikora has a unique professional experience in the management of large business organizations which is especially useful in the performance of the Supervisory Board member function.

Slawomir S. Sikora is a member of the Human Resources and Nomination Commission in Agora's Supervisory Board.

According to §20 section 4 of the Company's Statutes at least half of the appointed members of the Supervisory Board are independent members. Currently, the majority of the Supervisory Board members are independent. The Supervisory Board is responsible for the evaluation of the Management Board's report on the Company's activities, financial reports, Management Board's motions on profit distribution on loss coverage, setting, in agreement with the President of the Management Board, remuneration for the Management Board members, selection of the auditor and approving of the conditions concerning significant transactions with the affiliates. According to § 23 section 8 of the Statutes, the Supervisory Board Meetings are convened at least once in a quarter. The Chairman convenes the meeting on the request of the member of the Management Board expressed in the form of the resolution and on the request of each of the Supervisory Board members. The meetings of the Supervisory Board may be held by distance means of communication in a manner allowing communication among all members taking part in such meeting. The place of the meeting held in this form is determined by the place of the person who chairs the meeting.

According to § 23 section 5 of the Company's Statutes, the resolutions of the Supervisory Board shall be adopted by an absolute majority of votes cast in the presence of at least half of the appointed members of the Supervisory Board.

3.3. Committee and Commission acting within the Supervisory Board

There is one Committee and one Commission operating within the Supervisory Board: the Audit Committee and Human Resources and Remuneration Commission created in compliance with the Company's Statutes performing advisory role to Supervisory Board. The course and scope of action of were set in By-laws of both bodies accepted by means of Supervisory Board resolutions.

On the date of the report publication the members of the committees are:

(i) The Audit Committee:

- Tomasz Sielicki – the active Chairperson of the Audit Committee,

- Paweł Mazur,

- Dariusz Formela.

The objective of the Audit Committee is to supervise the Management Board in terms of: monitoring of the Company's and the Group's financial reporting and financial revision, monitoring of internal control systems and internal audit as well as monitoring of risk management and independence of external auditor.

The Audit Committee, within the scope of its authority, may request Company to submit information on accounting, financials, internal audit and risk management necessary to perform duties of Audit Committee and review the Company's account books.

The meetings of the Audit Committee are convened at least four times a year.

The meetings of the Audit Committee are convened by its Chairperson on its own or by an Audit Committee member's motion. It can be also convened on the motion submitted by the Company's Management Board, internal and external auditor. These meetings can be also convened by the Chairman of Supervisory Board.

The Audit Committee presents to the Supervisory Board its conclusions, standpoints and recommendations according to the timeline enabling the Supervisory Board adoption of appropriate measures, as well as annual and semi – annual reports in a current financial year on its activities and the Company's evaluation in the scope related to its competencies.

On the basis of the Supervisory Board's resolution dated April 3, 2014 and in accordance with the stipulations of the Statutes, the company KPMG Audyt Spolka z ograniczona odpowiedzialnoscia spolka komandytowa with its registered seat in Warsaw at Inflancka 4A, registered under the number 3546 as an entity entitled to audit financial reports, was elected for the auditor of the Company that is to audit financial reports of the Company for the years 2014, 2015 and 2016.

(ii) The Human Resources and Remuneration Commission:

- Sławomir S. Sikora – the Chairperson of the Human Resources and Remuneration Commission,

- Wanda Rapaczynski,

- Andrzej Szlezak.

In accordance with the By – laws of the Human Resources and Remuneration Commission the objectives of the Human Resources and Remuneration Commission are to review the principles of remuneration of the Management Board and provide the Supervisory Board with appropriate recommendations in that respect, drafting a proposal for the remuneration of the individual Management Board members and additional benefits, for the purpose of their consideration by the Supervisory Board.

The Commission should specify in such a recommendation all forms of remuneration, especially salary, motivation plans and severance pay. Additionally, the Human Resources and Remuneration Commission advises the Supervisory Board on: selection criteria and appointment procedures for the Management Board members in the cases stated in the Company's Statutes, procedures to secure adequate succession of the Management Board members in cases stated in the Company's Statutes.

The meetings of the Human Resources and Remuneration Commission are convened as often as it is required for its proper functioning, at least once a year.

The Commission meetings are convened by its Chairperson on its own or other Commission member's motion. The meeting can be also convened on the motion submits by the President of the Management Board or Supervisory Board member. These meetings can be also convened by the Chairman of Supervisory Board.

The Commission presents to Supervisory Board its conclusions, standpoints and recommendations according to the timeline enabling Supervisory Board adoption of appropriate measures, as well as annual reports on its activities and Company's evaluation in the scope related to its competencies.

4. DESCRIPTION OF THE BASIC CHARACTERISTICS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS APPLIED BY THE COMPANY IN TERMS OF PREPARATION OF ITS SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

The management boards of the companies from the Agora Group are responsible for the internal control system and its effectiveness in the process of drawing up financial statements and current reports prepared in accordance with the Regulation of the Minister of Finance dated February 19, 2009 with subsequent amendments on current and periodic information published by issuers of securities and on the conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state.

The factual process of drawing up financial statements is supervised in subsidiaries adequately by the Financial Director of the parent company or the financial director/board member of the subsidiary. The process of drawing up annual and interim financial reports is coordinated by the Reporting Department functioning within the Finance and Administration Department, as well as financial departments of all companies from the Group. The Company, on a current basis, monitors amendments required by the law provisions and external regulations concerning the requirements of the reporting and also prepares in advance to their introduction.

Each month, after the financial books closure, the reports, with the information analyzing key financial data and operational ratios of business segments, are distributed among the Management Board members and the Group's directors. Once a month the meetings of the Management Board with the directors are convened in order to discuss the results of each segment and department of the Company and the Group.

The financial data that constitutes the basis of the financial statements and interim reports stem from the accounting - financial system which registers all transactions in compliance with the accounting standards of the Company and the Group (accepted by the Management Board) and based on International Financial Reporting

Standards. Agora has prepared financial statements in compliance with International Financial Reporting Standards (previously International Accounting Standards) since 1992.

The unconsolidated and consolidated financial statements of the Company, as well as the Group are conveyed, for the purpose of verification, to the Financial Director and then to the Management Board for the final verification. The unconsolidated and consolidated financial statements before publication are also submitted to the members of the Audit Committee.

The Supervisory Board meetings are held at least once a quarter. During these meetings, depending on the questions posed by the Supervisory Board, the Management Board presents key financial data and operational ratios of the business segments.

Annual and semi-annual unconsolidated and consolidated financial statements are audited and reviewed by the Company's auditor. The results of the audit and review are presented to the management of financial division (including the Financial Director of the parent company) during the sum up meetings and are also published in statutory auditor's report.

Conclusions from the audit and review of unconsolidated and consolidated financial statements are submitted to the Audit Committee. During the closed-door meetings with the auditors the representatives of the Audit Committee analyze the results of the review (also without the presence of the Management Board).

Additionally the statutory auditor submits to the Audit Committee recommendation concerning improvements of the internal control system in the Company that were identified during the audit of the financial statements.

The Company has its own Internal Audit Department. Its main task is to identify weaknesses and risks within the internal controls. The Audit Committee during its meetings discusses the results of the work performed by the Internal Audit Department with the Head of the Internal Audit, also without the presence of the Management Board.

The auditor's and Internal Audit’s recommendations are discussed by the Audit Committee with the Company's Management Board.

5. SHAREHOLDERS WITH A SUBSTANTIAL HOLDING IN THE COMPANY

To the best of the Company’s knowledge as of the day of publication of the this report, the following shareholders were entitled to exercise over 5% of voting rights at the General Meeting of Shareholders of the Company:

	no. of shares	*% of share capital*	No. of votes	*% of voting rights*
Agora-Holding Sp. z o.o. *(in accordance with the last notification obtained on September 24, 2015)*	5,401,852	*11.33*	22,528,252	*34.77*
Powszechne Towarzystwo Emerytalne PZU S.A. (Otwarty Fundusz Emerytalny PZU Zlota Jesien and Dobrowolny Fundusz Emerytalny PZU) *(in accordance with the last notification obtained on December 27, 2012) (1)*	7,594,611	*15.93*	7,594,611	*11.72*
including: Otwarty Fundusz Emerytalny PZU Zlota Jesien *(in accordance with the last notification obtained on December 27, 2012) (1)*	7,585,661	*15.91*	7,585,661	*11.71*
Nationale - Nederlanden Powszechne Towarzystwo Emerytalne S.A. (Nationale – Nederlanden Otwarty Fundusz Emerytalny and Nationale – Nederlanden Dobrowolny Fundusz Emerytalny) *(in accordance with the last notification obtained on August 7, 2015) (2)*	6,806,704	*14.28*	6,806,704	*10.51*

	no. of shares	% of share capital	No. of votes	% of voting rights
Aegon Powszechne Towarzystwo Emerytalne S.A. (Aegon Otwarty Fundusz Emerytalny) *(in accordance with the last notification obtained on December 7, 2015)*	3,283,154	*6.89*	3,283,154	*5.07*

(1) number of shares according to the shareholder's notification – as of the December 27, 2012; proportion of voting rights and percentage of share capital were recalculated by the Company after registration of redemption of Company's share capital.
(2) number of shares according to the shareholder's notification – as of the August 7, 2015; proportion of voting rights and percentage of share capital were recalculated by the Company after registration of redemption of Company's share capital.

6. THE RULES GOVERNING ELECTION AND DISMISSAL OF MANAGEMENT BOARD MEMBERS AND THEIR RIGHTS, INCLUDING THE RIGHT TO DECIDE ABOUT SHARE BUYBACK OR ISSUE PROGRAM

6.1. Election/ nomination

According to § 28 of the Statutes the Management Board is elected by the general meeting of shareholders, except for provisions regarding election by co – option.

With the exception of the situation when co – option of additional members of the Management Board takes place, the Management Board is composed of from three to six members with the exact number determined by the shareholders holding the majority of preferred series A shares, and following the expiration of such preferred status of all series A shares, by the Supervisory Board.

During the term of its office the Management Board may elect by co-option not more than two additional members; the co-option of additional members is effected by a resolution of the Management Board. In case a member of the Board is appointed by way of co-option, the Management Board is obliged to include in the agenda of the nearest general meeting of shareholders an item concerning confirmation of appointment of a new member of the Board by way of co-option and propose an appropriate draft resolution. Should the general meeting of shareholders not accept the appointment of the new member of the Board by way of co-option, such Management Board member's mandate expires on conclusion of the general shareholders meeting.

According to the Company's Statutes, the majority of members of the Management Board shall be Polish citizens residing in Poland.

According to the § 30 of the Company's Statutes candidates for the Management Board shall be nominated exclusively by shareholders holding preferred series A shares, and following the expiry of the preferred status of all such shares, by the Supervisory Board.

In the event that the persons authorized to determine the number of members of the Management Board and to nominate candidates for such members do not exercise one or both of the above rights, the number of members of the Management Board elected by the general shareholders meeting shall be determined by such shareholders meeting, while each shareholder during such shareholders meeting shall be able to nominate candidates for such members.

6.2. Dismissal

According to § 31 of the Statutes individual or all members of the Management Board may be dismissed (removed), due to important reasons, prior to the end of their term of office on the basis of the resolution adopted by the general meeting of shareholders adopted by a simple majority of votes, provided that until the expiry of the preferred status of series A shares 80% of voting rights attached to all outstanding series A shares are cast in favor of such resolution. A resolution on dismissal (removal) of Management Board members should state the reasons for which such dismissal is made.

Members of the Management Board elected by co-option may be dismissed in the manner referred to above or by the resolution of the Management Board but the persons concerned can not vote in this case.

In the event that some members of the Management Board are dismissed or their mandate expires during the term of office for other reasons, supplementary elections shall be held only at such time as when the number of members of the Management Board performing their functions is less than three or when the composition of the Management Board does not comply with the requirement of the majority of members of the Management Board being Polish citizens residing in Poland.

If the number of members of the Management Board is even less than that required in the previous Section, the Management Board shall be obligated to immediately convene an extraordinary general meeting of shareholders in order to hold supplementary elections. Supplementary elections may take place also during the ordinary general meeting of shareholders if, in accordance with provisions of law, such meeting must be convened within a short period of time, while convening an extraordinary general meeting of shareholders would not be appropriate in such case.

In the event of supplementary elections, provisions regarding the election of members of the Management Board for their full term shall apply.

According to § 33 section 1 of the Statutes members of the Management Board may elect the chairman or persons performing other functions among themselves.

6.3. The rights of the Management Board

According to § 27 of the Statutes, the Management Board manages the Company’s affairs and represents the Company in dealings with third parties.

The responsibilities of the Management Board include all matters related to conducting the Company’s affairs, provided they were not delegated otherwise.

Only the general meeting of shareholders has the right to decide about share issue or share buyback.

7. HOLDERS OF ALL SECURITIES WHICH GRANT SPECIAL CONTROL RIGHTS IN RELATION TO THE ISSUER

Series A shares

Agora Holding Sp. z o.o. is the only holder of registered preferred series A shares. The series A shares carry preferences regarding the number of votes per one share and right to define a number of Management Board members and to propose candidates for the Management and Supervisory Board members, to dismiss the members of the Management and Supervisory Board, and to grant the consent to dispose the series A shares or convert them into bearer shares. Each series A share entitles its holder to 5 votes at the general meeting of shareholders.

The shareholder holding series A shares has the exclusive right to present candidacies for the Management Board. They also belong to the limited number of entities with the exclusive right to present candidates for the Supervisory Board, as well as are able to define the exact number of the Management Board Members.

Further preferences carried by series A shares include the right to dismiss the member of the Management or Supervisory Board prior to the end of his/her term of office. The dismissal can be made on the basis of the resolution adopted by the general meeting of the shareholders adopted by a simple majority of votes, provided that until the expiry of the preferred status of series A shares 80% of voting rights attached to all outstanding series A shares are cast in favour of such resolution.

The Company’s Statutes contains provision that none of the shareholders may exercise more than 20% of the overall number of votes at general meeting of shareholders, provided that for the purposes of establishing obligations of purchasers of material blocks of shares as provided in the Law on Public Trading of Securities such restriction of the voting rights does not exist. The restriction of the voting rights referred to above does not apply to the shareholders holding series A shares.

Each share, whether preferred or not, entitles its holder to one vote in connection with passing a resolution regarding the withdrawal of the Company's shares from public trading.

8. LIMITATIONS REGARDING THE TRANSFER OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES

According to the Statutes of Agora S.A. the sale or conversion of preferred series A shares into bearer shares requires the written consent of shareholders holding at least 50% of the preferred series A shares registered in the share register on the date of filing the written request for such consent.

9. REGULATIONS CONCERNING RESTRICTION OF THE VOTING RIGHTS

According to Company's Statutes stipulations, none of the shareholders may exercise more than 20% of the overall number of votes at general meeting of shareholders. For the purposes of establishing obligations of purchasers of material blocks of shares as provided in the Law on Public Trading of Securities such restriction of the voting rights does not exist. The restriction of the voting rights referred to the sentence above shall not apply to:

a) shareholders holding the preferred series A shares;

b) a shareholder who, while having no more than 20% of the overall number of votes at the General Meeting of the Shareholders, announced a tender for subscription for the sale or exchange of all the shares of the Company and in result of such tender purchased shares which, including the previously held Company shares, authorize it to exercise at least 75% of the overall number of votes at general meeting of shareholders. For the purposes of calculating a shareholder's share in the overall number of votes at general meeting of shareholders referred to above it is assumed that the restriction of the voting rights provided in § 17 section 1 of the Company's Statutes does not exist.

Percentage of votes at general meeting of shareholders of foreign entities and entities controlled by them may not exceed 49%. The limit shall not refer to entities with their registered seats or residence in a member state of the European Economic Area.

Each share, whether preference or not, entitles its holders to one vote when passing a resolution regarding the withdrawal of the Company's shares from public trading.

10. RULES OF INTRODUCING CHANGES INTO COMPANY'S STATUTES

The Company's Statutes does not contain stipulations different from the Commercial Companies Code stipulations regarding introducing changes into Company's Statutes.

VII. MANAGEMENT BOARD'S REPRESENTATIONS

1. REPRESENTATION CONCERNING ACCOUNTING POLICIES

Management Board of Agora confirms that, to the best knowledge, the annual consolidated financial statements together with comparative figures, have been prepared according to all applicable accounting standards and give a true and fair view of the state of affairs and the financial results of the Issuer's Capital Group for the period.

The Management Discussion and Analysis of Group's business activities shows true view of the state of affairs of the Issuer's Capital Group, including evaluation of risks and dangers.

2. REPRESENTATION CONCERNING ELECTION OF THE COMPANY'S AUDITOR FOR THE ANNUAL AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management Board of Agora confirms that the Company's auditor chosen the audit of annual consolidated financial statements has been elected according to applicable rules and that the company auditing Agora's accounts as well as certified auditors engaged in the audit of this financial statements met objectives to present an objective and independent opinion about an audited annual consolidated financial statements in accordance with legal regulations and professional rules.

Warsaw, 1 April 2016

Bartosz Hojka - President of the Management Board	*Signed on the Polish original*
Grzegorz Kossakowski - Member of the Management Board	*Signed on the Polish original*
Robert Musial - Member of the Management Board	*Signed on the Polish original*
Tomasz Jagiello - Member of the Management Board	*Signed on the Polish original*