



# **2007 Results**

**For the 6 months ended 30 June 2007**

September 14, 2007

# Forward Looking Statement

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to various matters. When used in this document, the words “expects,” “believes,” “anticipates,” “plans,” “may,” “will,” “should” and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by any such statements. Those factors include, but are not limited to, risks or uncertainties described in our publicly filed documents.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

- **Introduction**

**Pierre-François Catte**  
Chief Executive Officer

- **H1 2007 Financial Results**

**Paul Guest**  
Chief Financial Officer

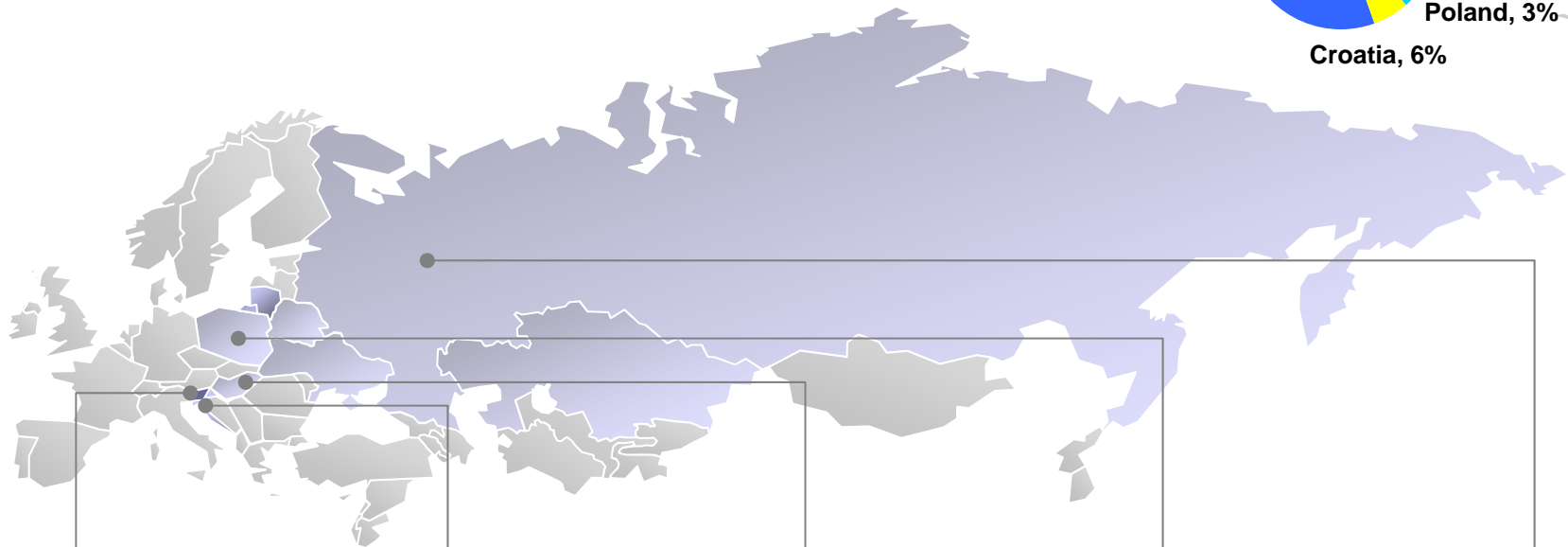
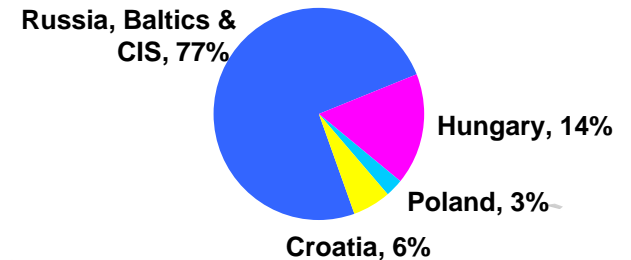
- **CEO Summary**

**Pierre-François Catte**  
Chief Executive Officer

# H1 2007 overview

- Revenue: \$127.6m
- Revenue Organic Growth: +17.4%
- Operating EBITDA Margin: 27.0%

## H1 2007 Revenue Breakdown



### Slovenia

Revenue: \$0.2m  
Organic Growth: NA  
EBITDA Margin: 50.0%

### Croatia

Revenue: \$7.2m  
Organic Growth: +10.4%  
EBITDA Margin: 23.6%

### Hungary

Revenue: \$18.1m  
Organic Growth: -9.3%  
EBITDA Margin: 15.5%

### Poland

Revenue: \$3.5m  
Organic Growth: -3.2%  
EBITDA Margin: -2.9%

### Russia, Baltics & CIS

Revenue: \$98.6m  
Organic Growth: +26.2%  
EBITDA Margin: 30.4%

# H1 2007 Financial results

- \$127.6 million of Revenues
- 31.1% revenue growth, of which 17.4 % organic and 5.0% from acquisitions
- Operation EBITDA of \$34.5 million at 27.0% margin
- Group EBITDA of \$28.0 million at 21.9% margin
- Net Income of (\$4.9) million including (\$9.3) million non-recurring expenses
- Free Cash Flow of \$7.2 million at 5.6% of Revenues

# Situation at end of H1 2007

- Moscow Revenues are back to 2005 levels and have delivered organic revenue growth of 14.4%
- Russian regions and CIS continue to show outstanding growth of 35.9%
- Group Internet revenues are +47.0% vs. LY with all countries showing strong growth, driven in particular by Moscow, Poland and Croatia
- Hungary remains disappointing with continued very difficult market conditions
- Croatia showing solid growth above 10% thanks to the verticals
- Poland is negative vs. Last Year due to a tough Vehicle market and change in Business mix. Real Estate is booming both in Print and in Internet
- Current trading performance indicates we will exceed our revenue guidance of 12% to 14% for Full Year 2007

# Situation at end of H1 2007 (Cont'd)

- EBITDA of 27.0% versus 28.4% in H1 2006 partially due to a printing cost increase of 2.2pts of revenues not fully compensated by a slight decrease in relative marketing costs of 0.7pts of revenue
- Interest deductions, as a result of the company's tax structure, are expected to positively impact Net Profit in H2 2007



## **2007 Half Year Results**

Paul Guest  
Chief Financial Officer

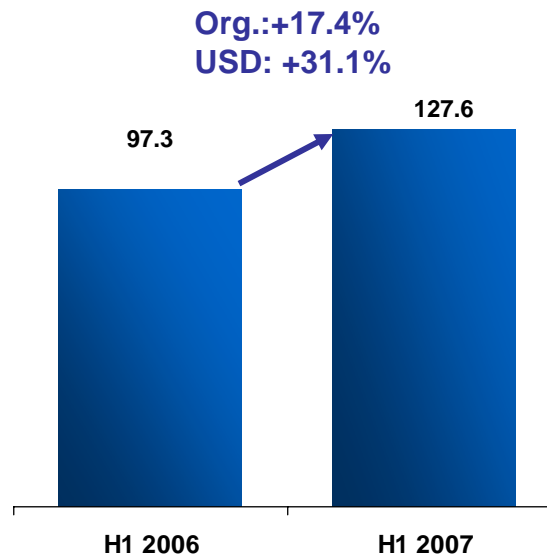




# Operation Financials

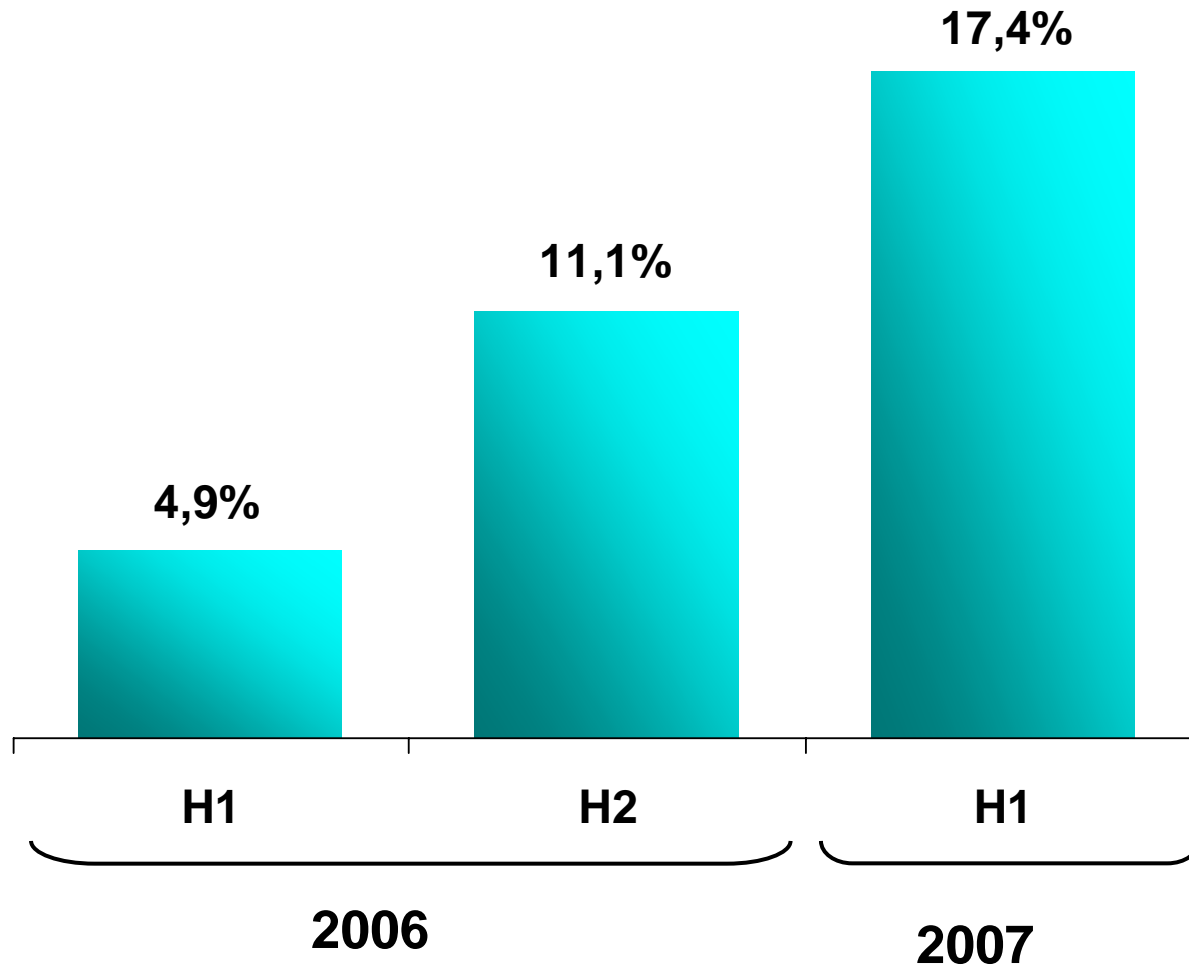
# Revenue Growth

## Growth (in USD million)



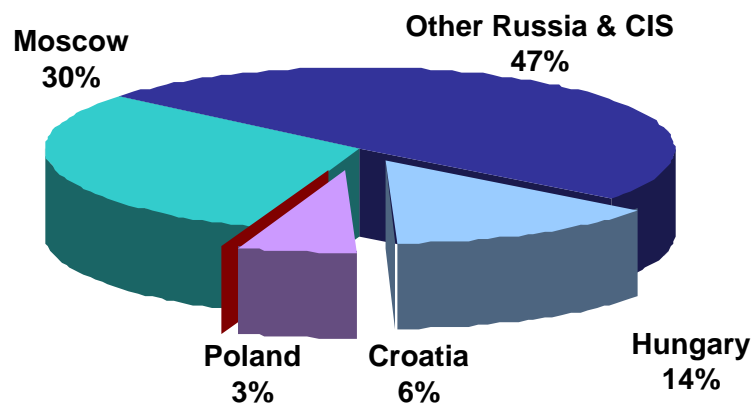
	H1 2006	H1 2007
<b>Organic revenue growth %</b>	+ 4.9%	+ 17.4%
<b>Acquisition Impact %</b>	+ 0.0%	+ 5.0%
<b>Growth %</b> (at constant exchange rate)	+ 4.9%	+ 22.4%
<b>Currency Impact %</b>	- 1.3%	+ 8.7%
<b>Growth %</b>	+ 3.6%	+ 31.1%

# Organic Revenue Growth by Half Year



# Revenue Growth by Region

## Split by Region

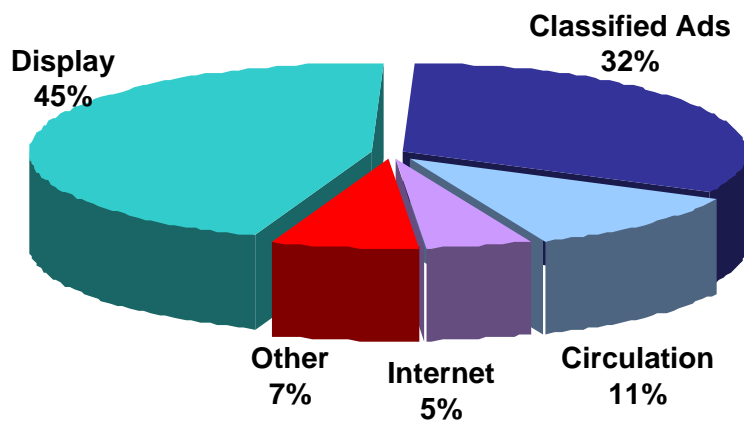


Organic Growth vs Previous Year (1)	H1 2006	H1 2007
<b>Russia &amp; the CIS</b>	+ 7.8%	+ 26.2%
- Moscow	-9.7%	+ 14.4%
- Other Regions	+ 28.1%	+ 35.9%
<b>Hungary</b>	- 7.9%	- 9.3%
<b>Poland</b>	+2.8%	- 3.2%
<b>Croatia</b>	+ 16.1%	+ 10.4%
<b>TOTAL</b>	<b>+ 4.9%</b>	<b>+ 17.4%</b>

(1) Excluding exchange rate impact and the results of acquisitions and disposals for the first 12 months

# Revenue Growth by Segment

## Split by Segment



Organic Growth vs Previous Year (1)	H1 2006	H1 2007
Display Advertising	+ 4.3%	+ 17.5%
Classified Ads	+1.6%	+ 16.9%
Circulation	- 3.8%	+ 6.9%
<b>TOTAL PRINT</b>	<b>+ 3.3%</b>	<b>+ 16.1%</b>
Internet	+ 60.0%	+ 47.0%
<b>TOTAL</b>	<b>+ 4.9%</b>	<b>+ 17.4%</b>

(1) Excluding exchange rate impact and the results of acquisitions and disposals for the first 12 months

# Operation EBITDA

(in \$ million)	H1 2006	H1 2007	Growth %
<b>Total Operation EBITDA</b>	27.6	34.5	+25.0%
Margin %	28.4%	27.0%	
<b>Of which</b>			
<b>- Print</b>	26.0	32.6	+25.4%
Margin %	27.9%	27.0%	
<b>- Online</b>	1.6	1.9	+18.8 %
Margin %	40.0%	27.5%	

# Operation EBITDA Margin by Region

Operation EBITDA Margin	H1 2006	H1 2007
Russia & the CIS	30.9%	30.4%
Hungary	21.7%	15.5%
Poland	9.1%	-2.9%
Croatia	28.8%	23.6%
Slovenia	-	50.0%
<b>TOTAL</b>	<b>28.4%</b>	<b>27.0%</b>

- Russia:

- Moscow experienced strong growth of +14.4% driven both by print (+9.8%) and internet (+141.6%) reflecting the impact of revenue operation initiatives in direct sales, distribution and agency management
- Regions outside of Moscow showed outstanding growth of +35.9% and now represent 61.0% of total Russia and CIS revenues.
- Operational costs have increased marginally in Moscow as a result of continued investment in the sales organization and additional costs of full color printing.
- Russia regions operate at lower margins than Moscow (+/- 25%) and as the regions become a large proportion of Russia & CIS business the overall margin is impacted

- Hungary:

- Declining revenue from both private ad and agency business arising from difficult market conditions puts strain on the Hungarian cost structure, but we are not losing market share
- Management actions to adjust to underperformance include: reduction in headcount, sublease of office space, lowering of contract services and the appointment of a new general manager

- Croatia:

- Launch of new verticals in both Print and Internet



# Operational Cost Structure

Cost Structure	% of Revenues	
	H1 2006	H1 2007
<b>Selling</b>	17.9%	18.0%
<b>Marketing</b>	5.1%	4.5%
<b>Production</b>	28.6%	30.3%
<b>G&amp;A</b>	20.0%	20.1%
<b>Restructuring</b>	–	0.1%
<b>Total Operational Costs</b>	<b>71.6%</b>	<b>73.0%</b>

# Group EBITDA

(in \$ million)	H1 2006	H1 2007	% Growth
<b>Operation EBITDA</b>	27.6	34.5	+25.0%
% of Revenues	28.4%	27.0%	
<b>Corporate Costs</b>	(3.2)	(6.5)	+103.1%
% of Revenues	(3.3%)	(5.1%)	
<b>Consolidated EBITDA</b>	24.4	28.0	14.8%
% of Revenues	25.1%	21.9%	
<b>Corporate Costs</b>	(3.2)	(6.5)	
of which recurring		(5.1)	
of which non-recurring		(1.4)	



# Summary Group Financials

# Income Statement (US GAAP)

(in \$ million)	H1 2006	H1 2007	% Growth	% of Revenue H1 2007
<b>Revenue</b>	97.3	127.6	+31.1%	
<b>Operation EBITDA</b>	27.6	34.5	+25.0%	27.0%
<b>Corporate Costs</b>	(3.2)	(6.5)	+103.1%	(5.1%)
<b>Consolidated EBITDA</b>	24.4	28.0	14.8%	21.9%
<b>Depreciation &amp; Amortization</b>	(2.9)	(4.0)		
<b>Other operating costs</b>	-	(4.4)		
<b>EBIT</b>	21.5	19.6	(8.8%)	15.4%
<b>Stock-based compensation expense</b>	(1.4)	(3.5)		
<b>Interest expense</b>	(5.8)	(7.1)		
<b>Foreign exchange gain (loss) and other</b>	1.0	0.1		
<b>Profit before Taxes and Minority Interest</b>	15.3	9.1	(40.5%)	7.1%
<b>Taxes</b>	(7.7)	(10.7)		
<b>Minority Interest</b>	(1.9)	(3.3)		
<b>Net loss from discontinued operations (Kisokos)</b>	(0.9)	-		
<b><u>Net Income</u></b>	4.8	(4.9)		

# Cash Flow

(in US\$ million)	H1 2006	H1 2007	% of H1 2007 Revenue
<b>Operating Cash Flow</b>	<b>26.8</b>	<b>31.0</b>	24.3%
Less Interest	(4.7)	(7.0)	
Less Tax	(7.6)	(10.7)	
<b>After Tax Cash Flow</b>	<b>14.5</b>	<b>13.3</b>	10.4%
Capex	(2.5)	(6.1)	
% of Revenue	2.8%	4.8%	
<b>Free Cash Flow</b>	<b>12.0</b>	<b>7.2</b>	5.6%

# Summarized Consolidated Balance Sheet as at 30 June 2007

(in US\$ million)	June 2006	June 2007
<b>Current assets</b>	58.9	62.9
<b>Long Term assets</b>	266.6	279.1
<b>Current liabilities</b>	47.5	38.7
<b>Long term liabilities</b>	158.2	177.4
<b><u>Net Assets</u></b>	<b><u>119.8</u></b>	<b><u>125.9</u></b>
<b>Shareholders equity</b>	116.9	121.9
<b>Minority Interests</b>	2.9	4.0
<b><u>TOTAL</u></b>	<b><u>119.8</u></b>	<b><u>125.9</u></b>

# Financial Structure

(in US\$ million)	H1 2007
<b>Free Cashflow generated</b>	<b>7.2</b>
Payment for Acquisitions	(4.4)
Financing Fees	(3.6)
Distributions to minority interests and other	(2.9)
<b>Net Debt Change 2006 → 2007</b>	<b>(3.7)</b>

(in US\$ million)	H1 2007
Cash	28.4
Gross Debt	145.1
<b>Net Debt</b>	<b>116.7</b>
<b>Net Debt / EBITDA (leverage ratio – LTM)</b>	<b>1.9</b>



## **CEO Summary**



- Strong revenue performance with 17.4% organic revenue growth
  - Outstanding performance in Russia & CIS
  - Continued good internet growth
- Acquisition growth of 5.0%
- Operation EBITDA at expected levels of 27.0%, slightly lower than H1 2006 due to geographic mix, production cost shifts and increased internet investments.
- Group EBITDA, impacted by non-recurring corporate expenses, is 21.9%, a good growth of 14.8%
- Negative Net Income arises from non-recurring, restructuring and stock option compensation expenses of \$9.3 million
- Current trading performance indicates we will exceed our revenue guidance of 12% to 14% for Full Year 2007 with operating margins maintained at present levels
- Future efficiency improvements will come from the move of Paris corporate offices to other TME locations in the next 6 months