



FOR IMMEDIATE RELEASE

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METRO ENTERS INTO FRANCHISE AGREEMENT IN CROATIA

Metro International S.A. ("Metro"), the international newspaper group, today announced that it has entered into a franchise agreement in Croatia with Europapress Holding (EPH), which is the leading newspaper publisher in Croatia, to launch new editions of Metro in the country. German publisher Westdeutsche Allgemeine Zeitung (WAZ) owns 50% of EPH. This is Metro's 3rd franchise agreement in 2006 (after the Canary Islands and Mexico), and follows the first introduction of the franchise model in 2002 with Metro Seoul.

Metro will receive a franchise fee based on net turnover in return for the granting of a licence to EPH and the contribution of Metro's management expertise and experience. The commission stream will be booked as revenues in the Group's 'Headquarters' reporting segment. Metro has a nominal shareholding in the new operation and has the option to increase its minority ownership up to 50% in the future.

Over 260,000 copies of Metro have been distributed today under the name Metro Express, immediately establishing Metro as Croatia's highest circulation daily newspaper. Metro Croatia has adopted Metro's universal Compact format and layout style, with four editions being distributed by hand and from racks in high density commuter zones in the country's four largest cities or population areas - Zagreb, Istria, Dalmatia and the Northern region.

Croatia has a population of 4.4 million people, of which approximately 75% live or work in Metro's distribution areas. Total annual advertising media spend increased by 9% year on year in 2005 to approximately US\$663 million, of which newspaper advertising accounted for 26 % or US\$172 million.

Pelle Törnberg, CEO of Metro International commented: "Today's launch in Croatia builds on our established presence in Central and Eastern Europe, where Metro editions are already published in Poland, the Czech Republic, Hungary and Russia. Croatia has a growing economy with increasing GDP and advertising spend per capita, and Metro has

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immediately become the largest newspaper in the country. EPH is the market leader and a strong partner for Metro.

“Franchise agreements such as today’s provide an efficient and low cost means of penetrating new markets and increasing Metro’s regional footprint, in order to provide enhanced reach for advertisers. We have invested our time and energy to ensure that the new editions are modelled on our existing and successful global format, delivering a characteristic blend of local, national and international news and information that attracts a consistent audience profile of young, active, well-educated, metropolitan readers.”

For further information, please visit www.metro.lu, or contact:

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ABOUT METRO INTERNATIONAL

Metro is the largest and fastest growing international newspaper in the world. 68 Metro editions are published in 92 major cities in 20 countries in 19 languages across Europe, North & South America and Asia. Metro has a unique global reach - attracting a young, active, well-educated, metropolitan audience of over 18.5 million daily readers and more than 37 million weekly readers. Metro has an equal number of male and female readers and 70% are under the age of 45. Metro’s advertising sales have grown at a compound annual rate of 44% since the launch of the first edition in 1995.

Metro International S.A. ‘A’ and ‘B’ shares are listed on the Stockholmsbörsen ‘O-List’ under the symbols MTROA and MTROB.

ABOUT EUROPAPRESS HOLDING

Europapress Holding (EPH), jointly owned by German WAZ and Croatian Com.Com, is the largest and fastest growing private media company in South East Europe. EPH publishes three daily newspapers and 20 different weekly, bimonthly and monthly magazines. It also has strong national and international operations and is involved in printed media distribution media production and tourism.

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