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**PRESS RELEASE****A BILLION-FORINT INSTITUTIONAL INVESTOR AT EST MEDIA**

*Swiss GEM join the institutional investors of EST MEDIA*

**Budapest, 13 March 2012. Following last September's share capital increase Switzerland-based GEM join the institutional investors of EST MEDIA. The investment firm of \$3.4 billion have undertaken an obligation to invest one billion forints in the next three years, furthermore it received an option to subscribe three million shares at a price of 280 forints.**

EST MEDIA Plc, a company listed on the Budapest Stock Exchange (BSE, ESTMEDIA), GEM Global Yield Fund Limited ("GEM") and GEM Investments America LLC have signed agreements on \_\_ March 2012 in the subject of a capital investment of one billion Hungarian forints and the acquisition of three million EST MEDIA Plc ordinary shares by GEM.

On the basis of the agreements GEM undertakes to invest a maximum amount of one billion Hungarian forints into the Company within a period of three years. The exact date of the capital investment(s) will be determined by the Company. The subscription price of the shares to be issued during the capital investment(s) – in exchange of a contribution in money – will be defined on the basis of and in an amount of ninety per cent of the average closing bid prices on the Budapest Stock Exchange for fifteen consecutive trading days beginning on the date indicated by the Company to GEM. The number of shares to be issued may be determined by the Company in a maximum of seven hundred per cent of the average daily trading volume during the fifteen trading days preceding the date of the notice on the requisition of capital investment. This number determined by the Company may be accepted by GEM in a minimum of sixty-five and a maximum of one hundred and thirty per cent of the number of shares indicated by the Company.

In addition to the capital investment of one billion Hungarian forints written hereabove GEM will be entitled, at its sole discretion, to elect to subscribe for three million ordinary shares within five years. The exact date of the subscription will be determined by GEM. The subscription price of these shares will be two hundred and eighty Hungarian forints, subject to adjustment annually, depending on the price of EST MEDIA Plc shares on the Budapest Stock Exchange.

The condition of the agreements entering into force is the resolution of the Company's general meeting – which will be on the agenda of the annual general meeting – furthermore an agreement with a financial or investment service provider who provides for the clearing services, which conditions must be met until 10 May 2012.

“The agreement with GEM may be considered as a milestone securing the background of reaching our business aims, and it also confirms the success of the reorganization process of the preceding one year. Due to the investment agreements, and following last year's share capital increase, we may obtain further significant and institutional source. This may assist, in the short term, the refinancing of the EST MEDIA group of companies, in the middle term the development of the Company's international out-of-home media activity and its – possible further geographical – expansion, furthermore to realize related investments which may enhance effectiveness and efficiency.” – Pankotai Csaba, CEO of EST MEDIA Plc said of the transaction.

**BACKGROUND INFORMATION**

**EST MEDIA Nyrt.** is a middle-sized Hungarian company, having media market in its focus, the only company representing the international media sector on the Budapest Stock Exchange. The media group's portfolio in Hungary includes magazines Pesti Est, Est Lapok and EXIT, moreover portals freeblog.hu, est.hu and many more print and online publications, in Romania the Șapte Seri product line, the portal sapteseri.ro and other print and online publications, in Bulgaria the

Programata product line, the portal programata.bg and other print and online publications, furthermore the Company is the majority owner of the market-leading Hungarian festival organizing company, Sziget Ltd. The share capital of EST MEDIA, by the means of the share capital increase closed at the beginning of November 2011, increased from 1.37 billion Hungarian forints to 3.96 billion Hungarian forints, its revenues – with consolidating the revenues of Sziget Ltd – exceeded 8 billion Hungarian forints in 2010.

Global Emerging Markets Limited, [www.gemny.com](http://www.gemny.com), was founded in 1991. GEM is a \$3.4b investment group having completed 305 transactions in 65 countries. The firm is an alternative investment group that manages a diverse set of investment vehicles across the world. GEM's funds include: CITIC/GEM Fund; VC Bank/GEM Mena Fund\*; Kinderhook; GEM Global Yield Fund; GEM India Advisors, BLOM GEM Opportunities Fund and GEM Brazil PE Fund.

\*GEM exited both its LP and GP stakes in Q1 2010.

**FURTHER INFORMATION:**

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