

RESULTS FOR TWELVE MONTHS TO 31 DECEMBER 1999

REVENUE RISES 25.4 % TO PLN 689.7 MILLION, NET PROFIT REACHES 132.8 MILLION

Highlights

- Agora revenue rose by 25.4% to PLN 689.7 million (1998: PLN 549.9 million)
- Gazeta daily copy sales up 2.6% strengthening its market leading position
- Newspaper advertising revenue-per-page up 16.1%
- Local radio group ahead of expectations; sales increase to PLN 32 million (1998: PLN 13.6 million)
- Printing plant development programme on schedule
- Operating profit up 23.7 % to PLN 195.3 million (1998: PLN 157.9 million)
- Pretax profit of PLN 196.3 million
- Net profit of PLN 132.8 million
- Announcement of internet strategy

Wanda Rapaczynski, President of the Management Board said:

„We are delighted with this strong set of results. Gazeta Wyborcza continues to consolidate its position as Poland's leading newspaper publication. We have rapidly established a national radio presence, and we fully expect to mirror the successes of our existing media business when we launch our internet offering later this year.

We are also proud to have been elected as one of the Emerging Market Leaders by the World Economic Forum (Davos 2000) and to be one of the eight corporations from around the world to receive the Institutional Shareholder Services Award for Excellence Corporate Governance 2000. Finally, Agora's IPO was listed by Institutional Investor as one of the most noteworthy financings of 1999.”

Notes:

These 12-month results are prepared under Polish accounting standards on a consolidated basis. All financial comparisons exclude extraordinary expenses of PLN 34.7 million booked in April 1998, as well as PLN 19 million of non-cash redemption of shares connected with restructuring of the Company.

OVERVIEW

Despite a slowdown in Poland's economic growth, in the second half of 1999 the newspaper advertising market was still growing at a healthy year-on-year rate. Cumulated four quarters advertising sales revenue performed in line with our expectations.

With both increasing advertising revenues and increasing circulation, Gazeta continued to strengthen its position as the No. 1 newspaper group in Poland. Agora's radio interests also grow strongly. Agora's audience share, in its target group of local music stations, increased to 9.7% making it the largest player in Poland's local radio market. In January 2000, Agora announced its strategy for the internet. Agora will leverage the group's existing strengths of rich content, extensive readership base and leading advertising position to create a powerful and exciting internet proposition. The internet is a top priority for Agora and the company is securing the best management and committing significant resource to ensure its successful development. In 2000, Agora will launch a national portal and several local portals and build lifestyle verticals in key consumer areas. It will also seek to create business to business opportunities.

OPERATING REVIEW

Gazeta Wyborcza

Gazeta has strengthened its position as Poland's number 1 newspaper both in terms of circulation and revenues. Average daily circulation rose by 2.6 % to 560,108 and the average number of copies sold daily in 1999 rose 2.6% to 447,208. Average pagecount was 126 pages with an average cover price of 1,48 PLN.

Average number of advertising pages published daily in all national and local editions was 382 (354 in 1998). Revenue per ad page was 4,502 PLN (including classifieds), a 16.1 % increase from 1998. The growth in revenues was driven by the national market (up 27.8%) followed by Warsaw (up 24.8%). The local markets rose 18.5%. Gazeta also experienced a significant growth in revenues from inserts reaching more than PLN 14 million, which translates into 55.4% growth in comparison to last year.

In April 1999 readers of Gazeta received an enriched offer via a new Saturday magazine (High Heels) targeted at women readers and the beauty and fashion ad segment. The performance of this glossy-style magazine was a great success, ahead of budget in terms of both advertising revenues and copy sales.

To leverage Friday potential, in November 1999 Gazeta re-designed its Friday supplement TV Guide.

Gazeta on-line now offers very rich content provided by the main section, all local sections, classifieds, as well as each of the thematic supplements, increasingly enriched by audiovisual materials. Agora sells banner advertising, as well as access to the newspaper's archives.

In December 1999 Gazeta-on line had 3.5 million page views and 500,000 visits; the latter figure grew to 650,000 in January 2000.

Gazeta's printing capacity expansion is continuing on schedule and will be completed by the end of 2000. It will also give the paper greater production flexibility and automate its inserting capacity, as well as control over its printing cost base.

Radio

National audience share in Agora's target group of local music stations group increased to 9.7 %, making it the largest player in the local radio market in Poland. Nearly all stations achieved top ratings due to tight formatting. Several stations beat big national commercial stations in this category. The aggregate revenue of local stations group increased to PLN 32 million from PLN 13.6 million for the same period in 1998.

The local radio group became EBITDA positive in March of 1999 and net income positive ahead of management expectations. EBITDA was PLN 4.0 million compared with a loss of 2.8 million in 1998.

Since the year end, Agora has continued to expand its radio interests. In January 2000, the company acquired stakes in 3 additional local radio stations and received one license.

The radio group results are not consolidated at this time.

TV

Agora owns a 12.12 % stake in TKP, the holding company which houses an analogue and digital channel, Canal + and a digital platform Cyfra +. Figures for 1999 show deep appetite in the Polish market for digital services. By the end of 1999 Cyfra +'s digital subscriber portfolio reached approximately 300,000.

Internet

Agora intends to leverage its internet position off the group's existing strengths, namely well-recognized and powerful newspaper brand, extensive readership base, rich local and national content and a leading advertising market position both in display and advertising. The development of the internet business is a key priority of Agora and the company is devoting the best management and resources to the project. The internet business is

being headed by Helena Luczywo, a member of the management board and the driving force behind the newspaper content.

Later in 2000, Agora will launch a national portal and several local portals. The company will build lifestyle verticals focused on the most hot consumer areas and seek to create business to business products. Revenue will come from advertising (broadly targeted at the level of the portal and directed to specific audience and clients via lifestyle verticals) and overtime e-commerce.

FINANCIAL HIGHLIGHTS

Revenues rose 25.4 % to PLN 689.7 million (1998: PLN 549.8 million) as a result of rising newspaper sales and the strong growth in advertising revenues. Operating profit rose 23.7% to PLN 195.3 million (1998: PLN 157.9 million) and pretax profit increased to PLN 196.3 million and net profit reached PLN 132.8 million.

Operating costs were up by 26.0 % to PLN 497.3 million and before Depreciation & Amortisation (D&A) rose by 21.1 % to PLN 456 million. Operating margins before D&A (EBITDA) rose to 34.3% from 32.0% and operating margins post D&A (EBIT) fell to 28.3 % from 28.7%. The falling EBIT margin resulted from an increase in D&A to PLN 41.1 million from PLN 18 million reflecting investments in printing capacity and IT.

Net operating cashflow increased to PLN 198 million compared to PLN 93 million for 1998.

OUTLOOK

Strong advertising growth is expected to continue, fuelled by both secular trends associated with GDP growth and structural changes in the Polish economy, such as: deregulation of fixed line telephony, new GSM & DCS licenses, increased competition in the automotive market, financial services and increasing demand for white goods and growing home/ construction business. Completion of the new printing plants in 2000 will deliver significant benefits including an improved advertising package based on increased colour capacity and the removal of constraints on Gazeta's pagecount and other technical barriers, as well as automated inserting equipment.

Whilst Gazeta remains Agora's core business and a stepping stone to future expansion, the management is now focusing on potential growth in related media, assisted by a clean balance sheet.

As announced in January 2000, Agora intends to launch an internet offering later this year. Agora believes the group's existing strengths of a powerful newspaper brand, rich content and leading advertising position provide a strong and compelling platform for a very successful internet business.

NOTES TO THE ACCOUNTS

Basis of preparation

Presented consolidated financial statements for the twelve months of 1999 have been prepared under Polish accounting principles accepted by the Agora SA Group for the purposes of preparation of the accounts on the balance sheet date which are set out in the Group's 1998 statutory accounts.

Provisions

In the period from 1 January, 1999 to 31 December, 1999 there was an increase in provisions resulting from:

- increase in provisions for substandard receivables in the amount of PLN 7,827,000;
- increase in provision for interest on long-term loans in the amount of PLN 2,222,000;

As at December 31, 1999 provision for deferred income taxes amounted to PLN 10,249,000 and increased by PLN 3,412,000 compared to January 1, 1999.

Litigation

The Agora SA Group has not entered into litigation or have been litigated for claims or liabilities that in total exceed 10% of the Company's equity.

5% shareholdings

According to the best knowledge of the Company the following shareholders hold more than 5% votes at the general Meeting of Shareholders (in parentheses share in the total number of votes at the end of 4th quarter 1999):

Agora-Holding Sp. z o.o. – 47.8% (47.8%);
Cox Poland Investment, Inc. – 12.19% (12.19%);
Bankers Trust Company – 9.67% (9.57%).

CONSOLIDATED BALANCE SHEET		
	as at 31 December 1998	as at 31 December 1999
ASSETS		
I. Fixed assets	310	510
	333	535
1. Intangible fixed assets	25	40
	379	743
2. Consolidated goodwill	-	-
3. Tangible fixed assets	253	431
	490	463
4. Financial fixed assets	31	38
	464	329
- shares in entities consolidated using the equity method	-	-
5. Long-term debtors	-	-
II. Current assets	104	347
	311	786
1. Stocks	16	18
	917	479
2. Short-term debtors	68	83
	861	692
3. Own shares for sale	-	-
4. Short-term securities	11	214
	413	068
5. Cash and cash equivalents	7	31
	120	547
III. Prepaid expenses and other assets	2	1
	941	035
1. Deferred corporate income taxes recoverable	-	-
2. Other	2	1
	941	035
Total assets	417	859
	585	356
LIABILITIES		
I. Equity	166	678
	916	584
1. Share capital	44	56
	141	758
2. Outstanding share capital contributions (negative figure)	-	-
3. Reserve capital	129	488
	205	307
4. Revaluation reserve		
	923	756
5. Other reserve capital	-	-
6. Foreign exchange rate differences on overseas branches	-	-
7. Foreign exchange rate differences on consolidation	-	-
8. Accumulated profit/(loss) from previous years	-	-
9. Loss after taxation for the financial year	(7	132
	353)	763
II. Reserve capital from consolidation	-	-
III. Minority interest	-	-

IV. Provisions	6	10
	876	249
1. Provisions for corporate income taxes payable	6	10
	837	249
2. Other		-
	39	
V. Liabilities	232	157
	476	734
1. Long-term liabilities	63	79
	129	101
2. Short-term liabilities	169	78
	347	633
VI. Accrued expenses and deferred income	11	12
	317	789
Total equity and liabilities	417	859
	585	356
CONSOLIDATED PROFIT AND LOSS		
	For the period of 1 January - 31 December 1998	For the period of 1 January - 31 December 1999
I. Net sales of merchandise and finished products	549	689
	894	689
1. Net sales of finished products	546	685
	184	810
2. Net sales of merchandise and materials	3	3
	710	879
II. Cost of merchandise, finished products sold and materials	(279)	(330)
	101)	328)
1. Cost of finished products sold	(275)	(326)
	550)	811)
2. Cost of merchandise and materials sold	(3	(3
	551)	517)
III. Gross profit on sales (I-II)	270	359
	793	361
IV. Selling expenses	(39	(54
	727)	060)
V. Administrative and general expenses	(66	(98
	378)	145)
VI. Profit on sales (III-IV-V)	164	207
	688	156
VII. Other operating revenues	2	2
	602	913
VIII. Other operating expenses	(44	(14
	132)	769)
IX. Profit on operating activities (VI+VII+VIII)	123	195
	158	300
X. Dividend income		
	1	288
XI. Income from other financial assets	-	-
XII. Other financial income	19	59
	198	983
XIII. Financial expenses	(43	(59
	182)	225)
XIV. Profit on ordinary activities (IX+X+XI+XII-XIII)	99	196
	175	346
XV. Extraordinary items (XV.1. - XV.2.)		
	31	-

1. Extraordinary gains	33	14
2. Extraordinary losses	(2)	(14)
XVI. Write-back of negative goodwill	(28 098)	-
XVII. Write-back of consolidated reserve capital	-	-
XVIII. Profit before taxation	71 108	196 346
XIX. Corporate income tax	(42 410)	(63 583)
XX. Other obligatory charges	-	-
XXI. Net earnings from shares in associated entities	(36 051)	-
XXII. Minority interest share in profit	-	-
XXIII. Profit after taxation	(7 353)	132 763
Profit (Loss) after taxation (for 12 months)	(7 353)	132 763
Weighted average number of ordinary shares	44 140 500	56 757 525
Net profit per ordinary share in PLN	(0,17)	2,34
Weighted average expected number of ordinary shares	56 757 525	-
Diluted profit / (loss) after taxation per ordinary share in PLN	(0,13)	-
CONSOLIDATED CASH FLOW STATEMENT		
	For the period of 1 January - 31 December 1998	For the period of 1 January - 31 December 1998
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method	93 268	198 049
I. Profit after taxation	(7 353)	132 763
II. Total adjustments	100 621	65 286
1. Profit (loss) of minority shareholders	-	-
2. Share in profit of consolidated companies, using equity method	36 051	-
3. Depreciation (including goodwill revaluation or capital reserve on consolidation)	46 143	41 138
4. Foreign exchange rates (gains) / losses	6 654	12 308
5. Interests and dividends	(983)	8 435
6. (Profit) / Loss on investment activity	(3 412)	6 710
7. Change in other provisions	-	(39)
8. Corporate income tax (disclosed in profit and loss statement)	42 410	63 583
9. Corporate income tax paid	(39)	(62)

	347)	375)
10. Change in inventory position	(8	(1
	292)	562)
11. Change in accounts receivable position	(15	(13
	898)	203)
12. Change in short-term liabilities (except for bank credits and loans)	9	11
	148	161
13. Change in interperiod settlements	2	2
	643	568
14. Change in deferred income	3	(2
	893	503)
15. Other adjustments	21	
	611	(935)
B. CASH FLOW FROM INVESTMENT ACTIVITIES (I-II)	(166	(406
	935)	203)
I. Cash inflows from investing activities	489	1 374
	652	550
1. Sales of intangible fixed assets	-	-
2. Sales of tangible fixed assets		
	415	43
3. Sales of financial fixed assets including:	-	-
- in subsidiaries	-	-
- in associates	-	-
- in parent company	-	-
	-	-
4. Sales of short-term securities	485	1 347
	588	004
5. Long-term loans repaid		18
	893	788
6. Dividends received		
	1	288
7. Interest received	2	
	755	27
8. Other	-	8
		400
II. Cash outflows from investing activities	(656	(1 780
	587)	753)
1. Purchase of intangible fixed assets	(11	(2
	765)	993)
2. Purchase of tangible fixed assets	(118	(143
	347)	645)
3. Purchase of financial fixed assets including:	(18	(23
	717)	277)
- in subsidiaries	(18	
	361)	(386)
- in associates		
	(356)	(200)
- in parent company	-	-
4. purchase of own shares	-	-
5. Purchase of short-term securities	(487	(1 549
	458)	581)
6. Long-term loans granted	(10	(3
	230)	749)
7. Dividends paid to minority shareholders	-	-
8. Other expenses	(10	(57
	070)	508)

C. CASH FLOW FROM FINANCIAL ACTIVITIES (I-II)	66	232
	994	581
I. Inflows from financial activities	71	379
	189	755
1. Long-term bank credits and loans received	1	-
	731	-
2. Issue of bonds and other long-term debt securities	-	-
3. Short-term bank credits and loans received	64	-
	166	-
4. Issue of bonds and other short-term debt securities	-	-
5. Inflows from own shares issued	-	379
	-	755
6. Capital payments	-	-
7. Other	5	-
	292	-
II. Cash outflows from financing activities	(4	(147
	195)	174)
1. Long-term bank credits and loans repaid	-	-
2. Redemption of bonds and other long-term securities	-	-
3. Short-term bank credits and loans repaid	-	(101
	-	056)
4. Redemption of bonds and other short-term debt securities	-	-
5. Expenses related to shares and bonds issues	-	(18
	-	760)
6. Redemption of shares	-	-
7. Dividends and other payments to shareholders	-	-
	(37)	-
8. Payments to members of the Company's governing bodies	-	-
9. Charitable contributions	-	(616)
10. Payments of liabilities related to finance lease agreements	-	-
11. Interest paid	(3	(4
	868)	493)
12. Other expenditures	-	(22
	(290)	249)
D. NET CASH FLOWS, TOTAL (A+/-B+/-C)	(6	24
	673)	427
E. CHANGE OF CASH POSITION IN BALANCE SHEET	(6	24
	673)	427
- including change in cash position due to foreign exchange differences		
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	13	7
	793	120
G. CASH AND CASH EQUIVALENTS AND THE END OF THE FINANCIAL YEAR (F+/- D)	7	31
	120	547
Signatures of persons authorised to act on behalf of the Company	Signature of Chief Accountant	
Wanda Rapaczynski - President of the Management Board		
Piotr Niemczycki - Vice President of the Management Board	Hanna Kossowska	
Helena Łuczywo - member of the Management Board		
Jezry Thieme - member of the Management Board		
14 February 2000	14 February 2000	