

Agora SA

Consolidated balance sheets as at 30 June 1999 and 1998

(all amounts in PLN thousands unless otherwise indicated)

	As of 30 June	
	1999	1998
Assets		
Current assets:		
Cash and cash equivalents	31 528	25 378
Short-term securities	305 967	1 347
Accounts receivable and prepayments	79 462	92 710
Inventories	15 260	9 545
	<u>432 217</u>	<u>128 980</u>
Long-term assets:		
Property, plant and equipment	314 702	173 712
Intangible assets	40 904	11 366
Investments	33 952	70 390
	<u>389 558</u>	<u>255 468</u>
Total assets	<u>821 775</u>	<u>384 448</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued charges	79 889	52 657
Short-term borrowings	44 013	57 855
	<u>123 902</u>	<u>110 512</u>
Long-term liabilities:		
Long-term borrowings	72 848	95 372
Deferred income taxes	7 507	4 849
	<u>80 355</u>	<u>100 221</u>
Shareholders' equity:		
Ordinary shares	56 758	44 141
Retained earnings and other reserves	560 760	129 574
	<u>617 518</u>	<u>173 715</u>
Total liabilities and shareholders' equity	<u>821 775</u>	<u>384 448</u>

Starting 30 June 1999 the Group changed balance sheet presentation with respect to treasury bills. In order to conform with the treatment in IAS 7, Cash Flow Statements, they are now being presented under the "Cash and cash equivalents" caption of the balance sheet. The comparative balance sheet as of 30 June 1998 has been restated to conform to the changed presentation. The effect of the change is an increase of the Cash and cash equivalents and decrease of Short - term securities by an amount of 20,971 KPLN as at 30 June 1999 and 16,278 KPLN as at 30 June 1998.

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Consolidated income statements for the six months ended 30 June 1999 and 1998

(all amounts in PLN thousands unless otherwise indicated)

	6 months ended 30 June	
	1999	1998
Sales	335 129	261 622
Operating costs	(239 056)	(186 347)
Operating profit before associated undertakings and other charges	96 073	75 275
Other charges		(34 743)
Share of losses in associated undertakings	-	(16 853)
Amortisation of goodwill in associated undertakings	-	(13 698)
Provision for losses on other investments	(2 400)	-
Profit after associated undertakings and other charges	93 673	9 981
Interest and financial items	(1 973)	1 329
Profit (loss) before income taxes and minority interests	91 700	11 310
Income taxes	(30 358)	(15 571)
Profit after (loss) income taxes	61 342	(4 261)
Minority interests	-	-
Net profit (loss) for the period	61 342	(4 261)
Earnings per share (in PLN)	1,08	(0,10)

Starting 30 June 1999 the Group changed income statement presentation with respect to financial income and costs (mainly: interest, foreign exchange differences) related to financing activities (bank loans and other borrowings), short term investments and loans granted and items classified as cash and cash equivalents. They are now being presented under the Interest and financial items caption of the income statement instead of Operating costs caption.

The comparative income statement for the 6 months ended 30 June 1998 has been restated to conform to the changed presentation.

The effect of the change is an decrease of the Operating costs (from the previous amount of (188,404) to current (186.347)) and decrease of Interest and financial items (from previous amount of 3,386 to current 1,329) by an amount of 2,057 KPLN in the income statement for the 6 months ended 30 June 1998.

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Consolidated cash flow statements for the six months ended 30 June 1999 and 1998

(all amounts in PLN thousands unless otherwise indicated)

	6 months ended 30 June	
	1999	1998
Operating activities		
Net cash inflow before interest and tax	128 711	30 361
Interest received	22	244
Interest paid	(2 998)	(1 936)
Income from short-term securities	(226 734)	4 389
Tax paid	(19 925)	(15 091)
Net cash from operating activities	(120 924)	17 967
Investing activities		
Capital expenditure, net	(63 615)	(66 129)
Acquisition of subsidiary undertaking, net of cash acquired	(421)	-
Acquisition of minority interests	-	-
Acquisition of long-term investments, net	(1 735)	(7 749)
Redemption/(acquisition) of short-term commercial papers	(82 885)	3 558
Dividends received	288	-
Net cash used in investing activities	(148 368)	(70 320)
Financing activities		
Increase in borrowings	(77 418)	52 955
Additional capital contributions	379 755	-
Dividends paid	-	-
Public offering expenditure	(18 760)	-
Net cash from financing activities	283 577	52 955
Change in cash and cash equivalents	14 285	602
Movements in cash and cash equivalents		
At start of period	17 243	24 776
Increase	14 285	602
At end of period	31 528	25 378