

RESULTS FOR TWELVE MONTHS TO 31 DECEMBER 1999

REVENUE RISES 26 % TO PLN 694 MILLION, NET PROFIT REACHES PLN 121 MILLION

Highlights

- Agora revenue rose by 26% to PLN 694 million (1998: PLN 551 million)
- Gazeta daily copy sales up 2.6% strengthening its market leading position
- Newspaper advertising revenue-per-page up 16.1%
- Printing plant development programme on schedule
- Operating profit up 13 % to PLN 173 million (1998: PLN 153 million)
- Pretax profit reached PLN 183 million
- Net profit of 121 million PLN
- Announcement of internet strategy

Wanda Rapaczynski, President of the Management Board:

“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.”

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Notes:

These 12-month results are prepared under Polish accounting standards on an unconsolidated 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

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. 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 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.

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 people 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.

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 page count and other technical barriers, as well as automated inserting equipment.

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 unconsolidated 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 10,261,000 and increased by PLN 3,424,000 compared to January 1, 1999.

Litigation

Agora SA 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%).

SA-Q4/99

SELECTED FINANCIAL DATA (current year)	'000 PLN		'000 EURO	
	4th quarter from 1/10/99 to 31/12/99	cumulatively from 1/01/99 to 31/12/99	4th quarter from 1/10/99 to 31/12/99	cumulatively from 1/01/99 to 31/12/99
I. Net Sale Revenue	195 630	694 154	45 382	163 920
II. Operating Profit (Loss)	46 800	173 361	10 857	40 938
III. Profit (Loss) Before Taxes	52 104	183 215	12 087	43 265
IV. Net Profit (Loss)	34 213	120 864	7 937	28 541
V. Assets (as at 31/12/99)	953 569		228 734	
VI. Shareholders' Equity (as at 31/12/99)	772 121		185 210	
VII. Number of Shares (as at 31/12/99)	56 757 525		56 757 525	
VIII. Net Book Value per Share (in PLN) (as at 31/12/99)	13,61		3,26	

Balance Sheets '000 PLN	as at 31/12/98 (prior year)		as at 30/09/98 (prior year)		as at 31/12/99 (current year)		as at 30/09/99 (current year)	
	ASSETS							
I. Fixed Assets	381 712	357 458	577 411	496 176				
1. Intangible assets	16 458	10 410	32 794	34 329				
2. Tangible fixed assets	213 614	199 825	370 712	303 837				
3. Financial fixed assets	151 640	147 223	173 905	157 824				
4. Long-term receivables	-	-	-	186				
II. Current Assets	139 021	126 074	375 217	458 036				
1. Inventories	16 029	12 215	17 201	16 984				
2. Accounts receivable	68 437	60 588	81 495	79 684				
3. Own shares for sale	-	-	-	-				
4. Current marketable securities	47 587	42 035	245 101	203 062				
5. Cash and cash equivalent	6 968	11 236	31 420	158 306				
III. Deferred settlements	2 936	2 728	941	1 751				
1. Deferred tax asset	-	-	-	-				
2. Deferred expenses	2 936	2 728	941	1 751				
Total Assets	523 669	486 260	953 569	955 963				

Balance Sheets '000 PLN	as at 31/12/98 (prior year)		as at 30/09/98 (prior year)		as at 31/12/99 (current year)		as at 30/09/99 (current year)	
	LIABILITIES AND SHAREHOLDERS' EQUITY							
I. Shareholders' Equity	271 501	243 425	772 121	737 908				
1. Share capital	44 141	44 141	56 758	56 758				
2. Not paid-up capital	-	-	-	-				
3. Reserve capital	164 032	163 863	593 743	593 676				
4. Revaluation reserve capital	913	1 082	756	823				
5. Other reserve capital	-	-	-	-				
6. Foreign exchange gains (losses) on foreign branches translation	-	-	-	-				
7. Accumulated profit (loss)	-	-	-	-				
8. Net profit (loss)	62 415	34 339	120 864	86 651				
IV. Reserves	6 876	5 531	10 261	9 603				
1. Accrued income taxes	6 837	5 492	10 261	9 603				
2. Other reserve	39	39	-	-				
V. Liabilities	234 405	228 831	158 890	199 548				
1. Long-term debt	63 129	99 747	79 101	77 358				
2. Current liabilities	171 276	129 084	79 789	122 190				
VI. Accrued expenses and deferred income	10 887	8 473	12 297	8 904				
Total Liabilities and Shareholders' Equity	523 669	486 260	953 569	955 963				

PROFIT AND LOSS ACCOUNTS	4th quarter from 1/10/98 to 31/12/98	cumulatively from 1/01/98 to 31/12/98	4th quarter from 1/10/99 to 31/12/99	cumulatively from 1/01/99 to 31/12/99
I. Net Sales Revenue	161 319	550 854	195 630	694 154
1. Net sales of products	160 205	546 918	194 464	690 178
2. Net sales of merchandise and materials	1 114	3 936	1 166	3 976
II. Cost of Sales	(88 607)	(285 653)	(99 580)	(357 191)
1. Cost of products sold	(87 561)	(281 929)	(98 617)	(353 674)
2. Cost of merchandise and materials sold	(1 046)	(3 724)	(963)	(3 517)
III. Gross Profit (Loss) on Sales (I-II)	72 712	265 201	96 050	336 963
IV. Selling Expenses	(12 014)	(39 727)	(16 663)	(54 568)
V. General and Administrative Expenses	(19 738)	(65 839)	(27 961)	(97 217)
VI. Profit (Loss) on Sales (III-IV-V)	40 960	159 635	51 426	185 178
VII. Other Operating Income	1 150	2 342	742	2 799
VIII. Other Operating Expenses	(3 428)	(43 518)	(5 368)	(14 616)
IX. Operating Profit (Loss) (VI+VII-VIII)	38 682	118 459	46 800	173 361
X. Equity Income	-	1	-	288
XI. Income on Other Financial Fixed Assets	-	-	-	-
XII. Other Financial Income	5 020	24 167	10 890	62 062
XIII. Financial Expenses	(1 031)	(37 964)	(5 576)	(52 496)
XIV. Gross Profit (Loss) on Business Activities (IX+X+XI+XII-XIII)	42 671	104 663	52 114	183 215
XV. Extraordinary Result (XV.1. - XV.2.)	22	31	(10)	-
1. Extraordinary gain	22	33	3	14
2. Extraordinary loss	-	(2)	(13)	(14)
XVI. Profit (Loss) Before Taxes	42 693	104 694	52 104	183 215
XVII. Corporate Income Tax	(14 617)	(42 279)	(17 891)	(62 351)
XVIII. Other Obligatory Profit Decreases (Loss Increases)	-	-	-	-
XIX. Net Profit (Loss)	28 076	62 415	34 213	120 864
Net Profit (Loss) /for 12 months ended December 31/	62 415		120 864	
Weighted Average Number of Shares	44 140 500		56 757 525	
Net Profit per Share (in PLN)	1,41		2,13	

CASH FLOW STATEMENTS	4th quarter from 1/10/98 to 31/12/98	cumulatively from 1/01/98 to 31/12/98	4th quarter from 1/10/99 to 31/12/99	cumulatively from 1/01/99 to 31/12/99
A. Net Cash Flow from Operating Activities	25 943	95 520	33 264	178 828
I. Net Profit (Loss)	28 076	62 415	34 213	120 864
II. Total Adjustments	(2 133)	33 105	(949)	57 964
1. Depreciation	5 565	17 025	10 996	39 754
2. Foreign exchange (gains)/losses	3 194	6 654	(7 115)	12 308
3. Interest and dividends (collected) and paid	(323)	(709)	1 932	8 435
4. (Profit)/Loss on sale and liquidation of investment activities	(1 222)	(4 056)	(3 097)	4 402
5. Other provisions	(1 200)	-	-	(39)
6. Corporate income tax charged on profit before taxation	14 617	42 279	17 891	62 351
7. Corporate income tax paid	(20 063)	(39 216)	(30 090)	(61 072)
8. Change in inventories	(3 815)	(7 438)	(217)	(1 172)
9. Change in accounts receivable	(4 176)	(17 506)	4 142	(11 400)
10. Change in current liabilities (except for loans and bank credits) including special funds	5 441	14 362	4 048	11 858
11. Change in accruals and prepayments	1 293	826	4 387	2 491
12. Change in deferred income	913	3 949	(325)	(2 398)
13. Other items	(2 357)	16 935	(3 501)	(7 554)
B. Net Cash Flow from Investing Activities	(28 472)	(167 796)	(113 368)	(386 957)
I. Cash Provided by Investing Activities	80 152	506 753	92 131	1 415 632
1. Sale of intangible assets	-	-	-	-
2. Sale of tangible fixed assets	17	212	1	43
3. Sale of shares and other securities, including those in:	-	-	-	-
- subsidiary companies	-	-	-	-
- associated companies	-	-	-	-
- the parent company	-	-	-	-
4. Sale of current marketable securities	79 625	502 987	65 089	1 388 087
5. Long-term loans collected	119	893	18 665	18 787
6. Dividends collected	-	1	-	288
7. Interest received	391	2 660	3	27
8. Other income	-	-	8 373	8 400
II. Cash Used in Investing Activities	(108 624)	(674 549)	(205 499)	(1 802 589)
1. Purchase of intangible assets	(6 716)	(11 739)	(1 055)	(3 925)
2. Purchase of tangible fixed assets	(11 092)	(102 604)	(67 474)	(122 447)
3. Purchase of shares and other securities, including those in:	(738)	(19 713)	(22 806)	(23 277)
- subsidiary companies	(738)	(19 357)	(314)	(585)
- associated companies	-	(356)	-	(200)
- the parent company	-	-	-	-
4. Purchase of own shares (other securities)	-	-	-	-
5. Purchase of current marketable securities	(83 981)	(520 193)	(100 116)	(1 580 997)
6. Long-term loans extended	(3 122)	(10 230)	(566)	(3 748)
7. Other expenses	(2 975)	(10 070)	(13 482)	(68 195)
C. Net Cash Flow from Financing Activities	(1 739)	66 490	(46 782)	232 581
I. Cash Provided by Financing Activities	35	71 010	-	379 755
1. Long-term bank credits and loans raised	-	1 731	-	-
2. Bonds and other long-term securities issued	-	-	-	-
3. Current bank credits and loans raised	-	64 166	-	-
4. Commercial papers issued	-	-	-	-
5. Shares issued	-	-	-	379 755
6. Additional paid-in capital	-	-	-	-
7. Other income	35	5 113	-	-
II. Cash Used in Financing Activities	(1 774)	(4 520)	(46 782)	(147 174)
1. Long-term bank credits and loans repaid	-	-	-	-
2. Bonds and other long-term securities redeemed	-	-	-	-
3. Current bank credits and loans repaid	-	-	(32 972)	(101 054)
4. Commercial papers redeemed	-	-	-	-
5. Expenses connected with share issue	-	-	-	(18 761)
6. Write down of share value	-	-	-	-

7. Dividends and other payments made to shareholders	-	-	-	-
8. Remuneration of supervisory board	-	-	-	-
9. Charitable contributions	(140)	(362)	(133)	(615)
10. Payment of liabilities related to finance lease agreements	-	-	-	-
11. Interest paid	(1 344)	(3 868)	(762)	(4 494)
12. Other expenses	(290)	(290)	(12 915)	(22 250)
D. Net Change in Cash and Cash Equivalents (A+/-B+/-C)	(4 268)	(5 786)	(126 886)	24 452
E. Balance Sheet Change in Cash and Cash Equivalents, including:	(4 268)	(5 786)	(126 886)	24 452
- change in cash related to foreign exchange results	(13)	(48)	(8 112)	(54)
F. Balance at Beginning of Year	11 236	12 754	158 306	6 968
G. Balance at End of Year (F+/- D)	6 968	6 968	31 420	31 420

CONTINGENT LIABILITIES	as at 31/12/98 (prior year)	as at 30/09/98 (prior year)	as at 31/12/99 (current year)	as at 30/09/99 (current year)
Contingent Liabilities	-	-	-	-
a) Total value of guarantees extended, including those to:	98 518,0	98 518,0	13 000,0	-
- subsidiary companies	-	-	-	-
- associated companies	98 518,0	98 518,0	13 000,0	-
- the parent company	-	-	-	-
b) Other contingent liabilities, specifically:	-	-	98 518,0	98 518,0
- guarantees extended	-	-	98 518,0	98 518,0
-	-	-	-	-
-	-	-	-	-
Total Contingent Liabilities	98 518,0	98 518,0	111 518,0	98 518,0

**Signatures of persons authorised
to act on behalf of the Company**

Wanda Rapaczynski - President of the Management Board
Piotr Niemczycki - Vice President of the Management Board
Helena Łuczywo - member of the Management Board
Jezry Thieme - member of the Management Board

14 February 2000

Signature of Chief Accountant

Hanna Kossowska

14 February 2000