

**AGORA SA ANNOUNCES INTERIM RESULTS FOR THE FIRST QUARTER 2001
(PRESENTED ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS)**

REVENUES RISE BY 7.1% TO PLN 198.1 MILLION, NET PROFIT REACHES PLN 36.3 MILLION

HIGHLIGHTS

- * Revenues rose by 7.1% to PLN 198.1 million
- * D&A increased by 85.7% to PLN 22.1 million
- * Operating profit amounted to PLN 45.2 million
- * EBITDA margin reached 34.0%
- * Net profit of PLN 36.3 million

Newspaper

- * *Gazeta's* average daily paid circulation fell by 2.8% to 465,000 copies, while the daily press market declined by 6%
- * Advertising revenue up by 6.8% to PLN 146.1 million
- * Print advertising market went up by 12.3% (rate card method, source: *Agora Monitoring*), while its share in overall advertising market declined by 2.7pp
- * Newspaper revenue per ad page up by 17.2% to PLN 5,835

Internet

- * Advertising revenue went up by 93.9% to PLN 0.5 million and total online revenue increased by 75.8%

Radio

- * Ad sales of local radio group fell by 4.7% to PLN 6.4 million

New office building

- Capital expenditures amounted to PLN 9.2 million and totaled PLN 42.1 million since the beginning of the works

Wanda Rapaczynski, President of the Management Board, said:

"As expected, the first quarter was tough. Slower GDP growth brought about a decline of advertising market. Readership of daily newspapers declined as well.

The weak market on top of the usually weaker first quarter affected the newspaper and the radio stations. Agora is showing a 6.8% growth in advertising sales. That's not great compared to previous years, but not bad considering the state of the advertising market.

After the first quarter it is still hard to foresee whether the remaining part of the year will accord with our expectations. This first quarter is not a good basis for forecasting the rest of the year because of seasonal distortions. We should have a better insight into the remainder of the year after we see second quarter results. A lot depends on whether the Polish economy improves in the second part of the year."

OPERATING REVIEW

Gazeta Wyborcza

Paid Circulation

Revenue from copy sales grew by 3.1% to PLN 42.1 million at the average net copy price higher by 9.9%. Revenue from paid circulation account for 21.3% of the Company's revenue.

According to preliminary data from Circulation Audit Office in the first quarter of 2001 total daily newspaper market decreased by 6%

Average daily copy sales reached 465,000 copies - 2.8% less than in the first quarter 2000, i.e. 13,000 copies short of last year's result. Except for very good sales in 2000, the quarter was *Gazeta's* best in terms of average daily copy sales since 1994

Best selling editions of *Gazeta* include: Monday with Employment supplement (up 4.2% in the first quarter), Friday with *TV Guide* (up 1.3%).

Advertising Sales

Gazeta's advertising revenue increased by 6.8% to PLN 146.1 million, accounting for 73.7% of the Company's revenue.

According to rate card data in the first quarter 2001 total ad market in Poland grew by 20.5% and daily newspaper market by 12.3%, with the advertising lineage falling by 4.7%. TV sector experienced the most dynamic growth - revenue increase was 35.2% (rate card data) compared to the first quarter of 2000. Radio and outdoor declined by 3.6% and 9.8%, respectively. It should be noted, however, that rate card data do not reflect the fair picture of the market. The discount policy of public television changed quite dramatically (higher discounts) so the current figures cannot be fairly compared with last year's data.

According to rate card method *Gazeta's* share in advertising revenue in the national market grew by 1.5pp to 62.0%, in the Warsaw market fell to 80.2% (decline of 1.5pp) and in other local markets fell to 24.8% (decline of 1.8pp). *Gazeta's* share, however, in total advertising market went down only by 1pp, whereas share of print advertising in overall advertising market decreased by 2.7pp.

ADVERTISING REVENUE (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
National advertising	78.2	71.5	9.4%
Share in total ad revenue	53.5%	52.2%	
Local advertising (Warsaw excluded)	33.5	32.8	2.1%
Share in total ad revenue	22.9%	24.0%	
Warsaw advertising	34.4	32.5	5.8%
Share in total ad revenue	23.6%	23.8%	
TOTAL	146.1	136.8	6.8%

Revenue growth of *Gazeta* was accompanied by a decrease of advertising lineage: national by 5.6%, Warsaw by 7.8%, other local by 9.5%. The average number of advertising pages printed daily in all national and local editions of *Gazeta* reached 325 (357 in first quarter 2000).

INTERNET (with allocations)

In March 2001 there were 95 employees working on the project, of whom 29 in sales. Operating costs reached PLN 4.7 million, which lowered the group's net result by PLN 2.9 million. Capital expenditures (fixed assets, intangible assets and investments-in-progress) amounted to PLN 7.7 million.

RADIO

Radio stations

GROUP OF LOCAL RADIO STATIONS (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Total revenue	6.9	7.2	(3.1%)
EBITDA	(0.4)	(0.4)	-
EBITDA margin	(6.5%)	(5.4%)	(1.1pp)
Number of Agora's local stations	14	13	

In addition, total sales of super-regional news & talk station TOK FM grew by 23.3 %, net loss totaled PLN 2.7 million.

Despite the growing scale of the venture it is still not material from the perspective of Polish accounting standards and thus not consolidated.

Radio Division

Radio Division is a unit within Agora's organizational structure, which supervises radio stations. In the first quarter 2001 the negative contribution of the Radio Division to net result of the Group was PLN 0.4 million.

NEW BUSINESS DEVELOPMENT DIVISION

In the first quarter 2001 (excluding allocations to the Internet Project) operating costs of the division amounted to PLN 0.3 million, which decreased the Group's net result by PLN 0.2 million.

COST STRUCTURE

Operating costs before non-recurring charges (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Raw materials and consumables	47.3	43.2	9.5%
incl. newsprint GW	37.9	36.5	3.9%
Staff costs	46.6	39.6	17.7%
incl. payroll	37.8	32.5	16.3%
D & A	22.1	11.9	85.7%
Other costs	36.9	36.9	0.0%
TOTAL operating costs	152.9	131.6	16.2%
TOTAL operating costs before D&A	130.8	119.7	9.3%

Raw materials and consumables

Newsprint used for *Gazeta Wyborcza* takes 80% of this category of costs. In 2001 the average unit price in DEM grew by 20%. *Gazeta's* production volume was maintained on the level of the first quarter 2000 (5.6 billion printed pages, decrease by 0.3%). Colour pages had a 74.0% share in page count (56.6% in the first quarter 2000). 16,600 tons of newsprint were consumed, 228 tons more than in the first quarter last year (up by 1.4%). The increase resulted mainly from upgrade in grammage of coated paper used for *High Heels* and the supplement's higher page count than in 2000. In spite of higher price in DEM and increased consumption, newsprint cost grew only by 3.9% compared to the first quarter 2000. That was due to low DEM exchange rate and larger stocks of newsprint accumulated by Agora in the fourth quarter 2000 (at the price of 2000).

Staff costs

The average full time employment grew by 18.0% on 1Q 2000. The main factor contributing to the growth was new employment in printing plants. At the end of

March 2001 the Company had over 3,500 employees, representing growth of 15.9% in comparison to 2000 and 3.1% more than at the end of December 2000.

Depreciation and Amortization

Increase in D&A costs is connected with IT and printing investments (the Group completed construction of its three printing plants).

Other costs

Cost of the external printing of *Gazeta Wyborcza* amounted to PLN 5.0 million (decrease by 35.2%). External printing satisfies *Gazeta's* needs for heat-set production (*High Heels*, *colour magazine* and glossy cover of the *TV Guide*). In the first quarter 2001 10.5% of production, i.e. 0.6 billion pages was outsourced. In the first quarter 2000 the outsourced production amounted to 1.1 billion pages but accounted for 19.2% of the total production.

Other significant costs include advertising and representation (PLN 6.3 million, increase by 7.5%).

This category also comprises net of set up and released provisions for bad debt (PLN 2.6 million in the first quarter 2001).

COST STRUCTURE (excluding Internet Project, Radio Division, New Business Development and New Office Building)

Operating costs before non-recurring charges (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Raw materials and consumables	47.2	43.1	9.4%
Staff costs	43.8	38.5	13.8%
incl. payroll	35.8	31.8	12.6%
D & A	21.0	11.8	78.6%
Other costs	35.2	36.1	(2.6%)
TOTAL operating costs	147.2	129.5	13.6%
TOTAL operating costs before D&A	126.2	117.7	7.2%

FINANCIAL OVERVIEW

PROFIT AND LOSS ACCOUNT (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Net revenue	198.1	185.0	7.1%
Operating costs	(152.9)	(131.6)	16.2%
Operating profit before other non-recurring charges	45.2	53.4	(15.3%)
Operating profit after other non-recurring charges	45.2	53.4	(15.3%)
Pretax profit	44.5	59.2	(24.8%)
Corporate income tax	(8.2)	(15.9)	(48.6%)
Net Profit	36.3	43.3	(16.2%)
EPS - net revenue per share in PLN	0.64	0.76	(16.2%)
EBITDA (PLN million)	67.3	67.6	(0.5%)
EBITDA margin	34.0%	36.6%	(2.6pp)

Net of financial activities included primarily interests, dividends, result on sale of commercial securities, FX differences and costs of long-term EURO purchase contracts.

In the first quarter 2001 the result on short-term financial investments (sale of commercial securities, forwards) amounted to PLN 7.0 million (including revenue accrued on commercial securities as of 31 March, 2001 of PLN 1.0 million). The average return on investments in securities was 18% p.a.

As it was already described in the annual report for 2000, in January 2001 the Group terminated one EURO purchase contract. Moreover, another EURO purchase contract was suspended for the period from January 2001 till July 2002. Withdrawal from the contract incurred a cost of PLN 7.3 million (including PLN 1.4 million of provision for the contract payment due in 2002).

Profit and loss account (excluding Internet Project, Radio Division, New Business and New Office Building)

(in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Profit after other non-recurring charges	50.1	54.7	(8.4%)
Pretax profit	49.3	60.4	(18.4%)
Net Profit	39.8	44.2	(10.0%)
EPS - net revenue per share in PLN	0.70	0.78	(10.0%)
EBITDA (PLN million)	71.1	68.8	3.3%
EBITDA margin	36.0%	37.3%	(1.3pp)

BALANCE SHEET (PLN million) (in PLN million)	31.03.2001	31.03.2000	% Growth 2001/2000
TOTAL ASSETS	1,072.5	927.3	15.7%
Current assets	319.6	345.4	(7.5%)
Share in balance sheet total	29.8%	37.2%	
Fixed Assets	752.9	581.9	29.4%
Share in balance sheet total	70.2%	62.8%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,072.5	927.3	15.7%
Current liabilities	183.9	123.0	49.4%
Share in balance sheet total	17.2%	13.3%	
Long term liabilities	7.9	86.8	(90.8%)
Share in balance sheet total	0.7%	9.4%	
Equity	880.7	717.5	22.7%
Share in balance sheet total	82.1%	77.4%	

Following the exchange of a loan from Cox for 49% of Agora's shares in TKP S.A. (described more extensively in Additional Information), the loan received from Cox, which had been presented as a long term liability, as of 31st March 2001 is shown as a current liability (PLN 83.6 million).

CASH FLOW STATEMENTS (in PLN million)	IQ'01	IQ'00	% Growth IQ'01/IQ'00
Net cash from operating activities	55.1	43.3	27.4%
Net cash from investing activities	7.9	(36.6)	-
Net cash from financing	(13.5)	0.0	-
Total movement of cash and cash equivalents	49.5	6.7	639.0%
At the end of period	96.8	43.1	124.9%

At the end of the period, the Company had PLN 96.8 million in cash and PLN 79.8 million in short-term securities.

Net cash from investing activities mainly include capital expenditure (PLN 60.3 million) and net revenue from sales of commercial securities (PLN 67.9 million).

ADDITIONAL INFORMATION

- On March 26, 2001 Agora announced a tender offer for the acquisition of shares in Art Marketing Syndicate SA ("AMS") at a price of PLN 60 per share in cash. The tender offer started on April 2, 2001 and closed on April 11, 2001. The tender has been announced in order to acquire shares constituting 24.99% of the total number of votes at the Shareholders' Meeting of AMS at the price of PLN 60 per share. After the price was increased twice, to PLN 63 and PLN 70 shares entitling to 17.95% of the total number of votes at the Shareholders' Meeting were tendered. On April 13, 2001 the Management Board of Agora SA decided not to accept the shares of AMS that have been tendered as insufficient shares were tendered to reach the minimum acceptance threshold specified in the tender offer.
- On April 11, 2001 pursuant to the terms and conditions of the Exchangeable Loan Agreement of 11 September, 1997 with later amendments between Agora and Cox Poland Investments Inc. (Cox), Agora transferred to Cox 9,158 series A registered shares and 15,445 series B registered shares of TKP. The shares transferred to Cox constitute 5.94% of TKP share capital and are entitled to 5.94% of votes at the TKP General Meeting of Shareholders. The shares were transferred to Cox in exchange for and in complete satisfaction of the principal and accrued interest under the Exchangeable Loan Agreement. As a result of the transfer, Agora's stake in TKP decreased from 12.12% to 6.18%.
On 20 April, 2001 Agora and Cox sold all their shares of TKP to PolCom Invest SA. Agora received EURO 11.5 million for the sale of its shares in TKP. Also on 20 April, 2001 Agora was repaid USD 0.9 million representing the accrued interest due on the loan granted pursuant to the loan agreement between AC TV and TKP dated 17 September, 1997, with later amendments. After obtaining the foreign exchange permit Agora will transfer 49% of this amount to Cox in fulfillment of the Strategic Alliance Agreement of 5 December, 1997, with later amendments.
As the net book value of 12,12% stake in TKP in Agora's balance sheet amounted to PLN 22.5 million, and as Agora made provisions against the investment in the amount of PLN 98.5 million, the net financial profit from the above mentioned transactions will reach PLN 102.9 million, additional tax benefit will amount to PLN 6.2 million. At the same time, Agora has therefore repaid its loan to Cox amounting PLN 83.5 million as of 31 March 2001, and long-term investments have decreased by PLN 22.5 million, which is the book value of TKP shares. Interest paid by TKP, net of repayment of Cox's share, will create net financial profit of PLN 1.8 million
- Ownership of Agora's shares and rights to these shares by members of the Management Board

a. shares

	Ownership at 31/12/2000	Change	Ownership at 31/03/2001
Wanda Rapaczynski	1,377,340	0	1,377,340
Piotr Niemczycki	1,832,930	0	1,832,930
Helena Łuczywo	1,375,144	(1,750)	1,373,394

b. Conditional right to purchase shares (under the condition of signing a lock-up agreement)

	Ownership at 31/12/2000	Change	Ownership at 31/03/2001
Wanda Rapaczynski	479	0	479
Piotr Niemczycki	472	0	472
Helena Łuczywo	472	0	472

- Ownership of Agora's shares and rights to these shares. (Members of the Supervisory Board)

	Ownership at 31/12/2000	Change	Ownership at 31/03/2001
Henryka Bochniarz	0	0	0
Dean Eisner	0	0	0
Tomasz Sielicki	33	0	33
Stanisław Sołtysiński*	-	-	-
Louis Zachary	0	0	0

* Stanisław Sołtysiński invests in a Blind Trust fund.

- Shareholders entitled to execute more than 5% of the votes at the General Shareholder Meeting

	Ownership at 31/12/2000	Change	Ownership at 31/03/2001
Agora-Holding Sp. z o.o.	44.3%	0.0pp	44.3%
Cox Poland Investment, Inc.	12.2%	0.0pp	12.2%
Bankers Trust Company	10.0%	0.0pp	10.0%

NOTES TO THE ACCOUNTS

Provisions

In the period from 1 January 2001 to 31 March 2001 there were the following changes in provisions:

- (i) increase in provisions for bad debts in the amount of PLN 3,060 thousand;
- (ii) increase in provision for interest on long-term and short-term loans in the amount of PLN 370 thousand.

As at 31 March 2001 provision for deferred income taxes amounted to PLN 6,576 thousand and decreased by PLN 499 thousand compared to 1 January 2001.

In the three months ended 31 March 2001 Agora set up a provision amounting to PLN 1,375 thousand for a payment for suspending a EURO purchasing contract due in 2002.

Litigation

As at 31 March 2001 the Group has not entered into litigation or have been litigated for claims or liabilities that in total exceed 10% of the Group's equity.

Changes in comparative figures

Effective 31 December 2000 the Company changed its policy regarding the costs of an initial public offering of its shares that took place in 1999 as described in the annual financials for 2000. Therefore the comparative financial figures as at 31 March 2000 and 31 December 1999 have been adequately changed. The changes include decreasing of the: intangible fixed assets and the share premium by the amounts of PLN 18,502 thousand and PLN 13,492 thousand respectively and reducing the deferred tax provision by PLN 5,010 thousand.

Agora SA

Consolidated balance sheets as at 31 March 2001 and 2000

(all amounts in PLN thousands unless otherwise indicated)

	As of 31 March	
	2 001	2 000
Assets		
Current assets:		
Cash and cash equivalents	96 849	43 054
Short-term securities	79 763	180 246
Accounts receivable and prepayments	114 141	104 116
Inventories	28 895	17 978
	<u>319 648</u>	<u>345 394</u>
Long-term assets:		
Property, plant and equipment	689 003	524 247
Intangible assets	13 688	15 740
Investments	50 173	41 921
	<u>752 864</u>	<u>581 908</u>
Total assets	<u>1 072 512</u>	<u>927 302</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued charges	100 321	123 049
Short-term borrowings	83 570	-
	<u>183 891</u>	<u>123 049</u>
Long-term liabilities:		
Long-term borrowings	1 393	80 083
Deferred income taxes	6 576	6 698
	<u>7 969</u>	<u>86 781</u>
Shareholders' equity:		
Share capital	56 758	56 758
Share premium	353 646	353 646
Retained earnings and other reserves	470 248	307 068
	<u>880 652</u>	<u>717 472</u>
Total liabilities and shareholders' equity	<u>1 072 512</u>	<u>927 302</u>

Agora SA

Consolidated income statements for three months ended 31 March 2001 and 2000

(all amounts in PLN thousands unless otherwise indicated)

	3 months ended 31 March	
	<u>2 001</u>	<u>2 000</u>
Sales	198 087	184 961
Operating costs	<u>(152 874)</u>	<u>(131 561)</u>
Operating profit before other non-recurring charges	45 213	53 400
Interest and financial items	(737)	5 742
Dividends received	<u>-</u>	<u>31</u>
Profit before income taxes	44 476	59 173
Income taxes	<u>(8 142)</u>	<u>(15 834)</u>
Net profit for the period	<u>36 334</u>	<u>43 339</u>
Earnings per share (in PLN)	<u>0,64</u>	<u>0,76</u>

Agora SA

Consolidated cash flow statements for the three months ended 31 March, 2000 and 1999

(all amounts in PLN thousands unless otherwise indicated)

	3 months ended 31 March	
	2 001	2 000
Operating activities		
Operating profit before associated undertakings and other charges	45 213	53 400
Depreciation of plant, property and equipment	21 131	9 925
Amortisation of intangible assets	945	1 961
(Profit)/loss on disposal of plant, property and equipment	(19)	2 348
	<u>67 270</u>	<u>67 634</u>
Movement in operating working capital	(10 457)	(19 438)
Net cash inflow before interest and tax	<u>56 813</u>	<u>48 196</u>
Interest received	1 503	1 545
Interest paid	(88)	(38)
Foreign exchange result	226	(1 145)
Tax paid	(3 361)	(5 300)
Net cash from operating activities	<u>55 093</u>	<u>43 258</u>
Investing activities		
Capital expenditure, net	(60 197)	(68 561)
Increase of long-term investments, net	(1 242)	(3 405)
Redemption/(acquisition) of short-term securities	67 875	34 522
Result on foreign exchange forwards, future interest rate contracts	1 447	852
Dividends received	-	31
Net cash used in investing activities	<u>7 883</u>	<u>(36 561)</u>
Financing activities		
Net cash from foreign currency SWAP contracts	(13 485)	-
Net cash from financing activities	<u>(13 485)</u>	<u>-</u>
Change in cash and cash equivalents	<u>49 491</u>	<u>6 697</u>
Movements in cash and cash equivalents		
At start of period	47 358	36 357
Increase	<u>49 491</u>	<u>6 697</u>
At end of period	<u><u>96 849</u></u>	<u><u>43 054</u></u>

Agora SA

Consolidated statement of changes in shareholders' equity for three months ended 31 March 2001

(all amounts in PLN thousands unless otherwise indicated)

	Share capital	Share premium	Retained earnings	Other	Total
At 31 December 1998	44 141	-	128 543	8 625	181 309
Issue of ordinary shares	12 617	-	-	-	12 617
Other movements	-	-	7 587	(7 586)	1
Net profit for the year	-	-	126 446	-	126 446
Share premium from initial public offering	-	367 138	-	-	367 138
					-
At 31 December 1999 as previously reported	56 758	367 138	262 576	1 039	687 511
Changes in accounting policy	-	(13 492)	-	-	(13 492)
At 31 December 1999 restated	56 758	353 646	262 576	1 039	674 019
Net profit for the period	-	-	170 191	-	170 191
Other movements	-	-	-	108	108
At 31 December 2000	56 758	353 646	432 767	1 147	844 318
Net profit for the period	-	-	36 334	-	36 334
Other movements	-	-	-	-	-
At 31 March 2001	56 758	353 646	469 101	1 147	880 652