

**AGORA SA ANNOUNCES INTERIM RESULTS FOR NINE MONTHS TO 30 SEPTEMBER 2001
(PRESENTED ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS)**

REVENUES PLN 573.8 MILLION, NET PROFIT PLN 181.5 MILLION

HIGHLIGHTS

- Revenues amounted to PLN 573.8 million (down 3.0%).
- D&A increased by 58.6% to PLN 65.9 million.
- Operating cost before D&A increased by 3.3% to PLN 403.2 million.
- Operating profit before other non-recurring charges amounted to PLN 104.7 million.
- EBITDA margin reached 29.7% while EBITDA margin on newspaper operations was 32.5%.
- Net profit of PLN 181.5 million

Newspaper

In the third quarter, *Gazeta's* average daily paid circulation reached 460,000 copies and was 2.5% higher than in the same period of 2000. Paid circulation fell by 1.1% from January to September 2001.

Advertising revenue for the nine months of 2001 down by 6.2% to PLN 419.5 million y-o-y.

Daily newspaper advertising market (for the period of nine months) declined by 5.5%, while its share in the overall advertising market declined by 1.0pp to 20.9% (according to *Agora Monitoring* estimates corrected for average discount rate and not adjusted for inflation).

Newspaper revenue per ad page up by 13.3% to PLN 5,768 (for the period of nine months).

Internet

Total online revenue in the period of nine months amounted to PLN 2.4 million (incl. advertising revenue of PLN 1.7 million) and increased by 2.3%.

In September 2001, Internet portal www.gazeta.pl recorded 2.9 million visits with 44.4 million page-views (5.9% and 66.3% more than in June 2001, respectively), while www.wyborcza.pl (a part of the Internet portal) recorded 1.3 million visits and 10.1 million page-views (46.9% and 64.1% more than in June 2001, respectively).

Local radio group

Ad sales of local radio group fell by 4.4% to PLN 23.6 million.

Radio advertising market declined by 8.8%, local radio alone by 13.9% (according to *Agora Monitoring* estimates corrected for average discount rate and not adjusted for inflation).

EBITDA reached PLN 1.2 million, with EBITDA margin of 4.6%.

Wanda Rapaczynski, President of the Management Board, said:

"The advertising market continues to decline and is still searching for the bottom. In the context of current economic and world situation a quick improvement is not likely. Agora is going by the book: we are tightening our belt by many notches but selectively, scaling costs to the market, while protecting our market position and growth strategy."

External and internal factors affecting the Group

Polish economic situation and the advertising market

Polish economic growth continues to decline. According to current estimates, in the third quarter GDP grew by a mere 0.9%, flat to the second quarter and down from 2.3% growth in the first quarter. The uncertainty stemming from the current fiscal crisis in Poland and the Sept. 11th attack on the US limit visibility on how the economic situation will develop in the coming quarters. The third quarter decline in industrial production suggests that recovery will be delayed; the new official forecast lowers the GDP growth for 2001 to 1.5%.

The third quarter saw continued shrinkage of the advertising market and the seasonal summer vacation trough was deeper than anticipated. The word from agencies and other advertisers is not to expect an improvement in sentiment in the fourth quarter, usually the strongest period of ad sales.

According to Agora's estimates which take into account rate discounts, the total (nominal) advertising market has shrunk in the third quarter 2001 by 24.8% compared to the second quarter and by 5.6% y-o-y. All segments of the market felt the impact: TV declined by 2.2%, print by 7.9%, and radio and outdoor by 6.4% and 12.8%, respectively.

For the nine months of 2001 total advertising spending declined by 0.9% year-on-year. TV is the only segment showing a gain – of 4% - for the period, reflecting a profound decline in CPM resulting from a radical change in rate policy at the beginning of the year. During the same period, the print market lost 2.4%, the largest declines occurred in the radio segment (8.8%, local radio alone by 13.9%) and outdoor (15.2%).

The advertising classifications which lead the decline continued losing share in the total advertising spending. Within the daily print market, automotives topped the list, with a 24% loss, construction (17%), interior decorating (15%) and employment (12%).

Sales

For the nine months of 2001, revenues from advertising sales in *Gazeta Wyborcza* fell by 6.2% y-o-y and in local radio stations by 4.4%. The good news is that under the adverse market conditions and intense competition for revenues, Agora's share in newspaper revenues was maintained at last year's level, amounting to 46.6% (down 0.7pp.).

Since June, paid circulation of *Gazeta Wyborcza* has been growing again. Thanks to both promotional efforts and increased news flow following Polish and world events, in the third quarter paid circulation grew by 2.5% y-o-y, while revenues from copy sales increased by 13.7%. In effect, for the period of nine months, paid circulation loss now stands at 1.1%, compared to 2.9% after six months of 2001.

Operating expense

Agora has implemented cost reduction programs, as announced earlier. These reductions are selective and protect expenses necessary to maintain market position and implement the Company's growth strategy.

Cost reduction programs are conducted in all operating units of the company, at all levels of the organization. In the third quarter, all operating expense (excluding D&A) were the same as in 2000 and declined by 11.3% (or by PLN 16.3 million) compared to second quarter of this year.

The Management Board is also scrutinizing employment levels. At the end of September, permanent staff declined by 78 compared to June of this year. The Board has frozen salaries, with no annual salary increases anticipated in the 2002 budget.

The Company continues the program of production cost reductions while maintaining *Gazeta Wyborcza*'s appeal to readers and circulation.

For the period January through September, despite 20% increase of newsprint prices in DM, total cost of newsprint used for *Gazeta* was 1.2% lower than in 2000. The cost reflected the PLN 18.4 million saving related to 5.7% decline in production volume achieved by various pagination-saving changes in the structure of the product, as well as the favorable Euro exchange rate.

It should be underscored that, following the completion of the proprietary printing base, production costs are largely fixed. This cost structure, combined with seasonality of advertising sales, results in significant q-on-q variations in EBITDA margins.

OPERATING REVIEW

Gazeta Wyborcza

Paid Circulation

Revenue from copy sales was up 8.0% to PLN 124.8 million, while the average net copy price increased by 10.7%. Revenue from paid circulation accounts for 21.8% of the Company's revenue.

According to preliminary data from Circulation Audit Office, total daily newspaper market decreased by over 5.5% between January and August 2001 (no data available for September 2001).

Average daily copy sales in the period of nine months reached 456,000 copies – 1.1% or 5,000 copies less than in the same period last year.

In the third quarter of 2001, the negative trend in *Gazeta*'s copy sales was reversed – the average paid circulation increased by 2.5% against the third quarter of 2000.

Gazeta constantly enlarges its readership offer – on September 4, 2001 a new educational weekly supplement, *Kujon Polski*, started to come out, and *Gazeta*'s economy section has been extended and diversified since September 24, 2001.

Monday and Friday's editions of *Gazeta* continue to sell well (up 1.7% and 3.0% y-o-y, respectively).

Advertising Sales

Gazeta's advertising revenue amounted to PLN 419.5 million, 6.2% down y-o-y. It accounted for 73.1% of the Company's total revenue.

The third quarter is always the poorest in the year due to market seasonality. Ad sales revenue was lower by 26.8% than in the second quarter (in 2000 the figure was 19.6%). This reflects a steep downward trend of the ad market.

According to Agora-Monitoring estimates, the Polish ad market inched down by 0.9% (figures are not adjusted for inflation), while the daily newspaper market (free press not included) declined by 5.5%. *Gazeta*'s share in the national dailies ad market increased by 1.4pp to 64.5%, while its share in the Warsaw market decreased to 82.1% (by 1.6pp), in other local markets to 23.6% (decline of 0.9pp). *Gazeta*'s share in the whole newspaper ad market edged down by 0.7pp, with the share of newspaper advertising in the whole market down by as much as 1.0pp.

ADVERTISING REVENUE (in PLN million)	3Q'01	3Q'00	%Growth '01/'00	1-3Q01	1-3Q00	%Growth '01/'00
National advertising	53.4	67.5	(20.9%)	219.6	236.2	(7.0%)
Share in total ad revenue	46.2%	48.8%		52.3%	52.8%	
Local advertising (Warsaw excl.)	32.5	35.1	(7.5%)	101.8	106.2	(4.2%)
Share in total ad revenue	28.1%	25.4%		24.3%	23.8%	
Warsaw advertising	29.7	35.7	(16.8%)	98.1	104.7	(6.3%)
Share in total ad revenue	25.7%	25.8%		23.4%	23.4%	
TOTAL	115.6	138.3	(16.4%)	419.5	447.1	(6.2%)

The daily print ad market experienced a decrease in advertising lineage of about 12.4% (source: *Agora-Monitoring*). The lineage in national dailies fell by 14.3%, 11.3% in Warsaw dailies and 12.2% in other local dailies.

In comparison, *Gazeta*'s national advertising lineage over the same period decreased by 16.6%, Warsaw by 14.9%, other local by 17.9%.

The average number of advertising pages printed daily in all national and local editions of *Gazeta* reached 319 versus 383 in the same period last year.

Cost of newsprint and printing of *Gazeta Wyborcza*

Gazeta's production volume decreased by 5.7% against the same period of 2000 (a total of 16.3 billion pages were printed). The share of color pages reached 80.7% (61.2% in the corresponding period of 2000).

Gazeta Wyborcza's newsprint cost was PLN 111.9 million, and accounts for 27.7% of total operating costs before D&A. A total of 48.5 thousand tons of newsprint were used, 2,820 tons less than last year (a decrease of 5.5%). In spite of the increase of newsprint price in DM by about 20%, the total newsprint cost was around the level of 2000 (a decrease of 1.2%), due to low EURO exchange rate and lower production volume.

External printing cost of *Gazeta* reached PLN 15.3 million (a decrease of 38.4%). External printing plants satisfy *Agora*'s needs for heat-set technology (*High Heels*, *Color Magazine* and glossy cover of *TV Guide*). In the first three quarters of 2001, 1.8 billion pages or 10.8% of the total production volume were printed externally (19.6% and 3.4 billion pages, respectively in 2000).

Cost of in-house printing (includes production in Białoleka, Piła, *Agora Poligrafia* printing plants) reached PLN 70.8 million, of which almost 85% was fixed cost.

COST OF IN-HOUSE PRINTING (in PLN million)	3Q'01	3Q'00	%Growth '01/'00	%Growth		
				1- 3Q01	1-3Q00 '01/'00	
Total Fixed Costs	19.4	17.3	12.2%	60.0	42.1	42.5%
Staff costs	6.5	5.9	11.0%	20.3	16.2	25.3%
Average employment	687	644	6.6%	726	581	25.1%
D&A	9.7	7.4	31.4%	28.6	13.7	108.6%
Other Operating Costs	3.2	4.0	(21.2%)	11.1	12.2	(9.0%)
Variable Costs	3.4	3.5	(1.2%)	10.8	10.3	4.2%
TOTAL Fixed and Variable Costs	22.8	20.8	9.9%	70.8	52.4	34.9%

In the second half of 2000, the Company completed the construction of its three plants. D&A of the building in Białoleka and of printing presses in Białoleka, and Tychy started from August 2000. In December 2000, the company began to depreciate the building and printing presses of the Piła plant. These caused D&A to surge by about 108%.

The decrease in other operating costs has been caused by lower cost of inserting of newspaper sections (as of 2001 inserting is automated).

The plants have been selling their surplus production capacity. In the third quarter, printing sales amounted to PLN 0.6 million.

Total newsprint and printing cost (for both in-house and external plants) before D&A reached PLN 169.3 million for the first three quarters of 2001 and was lower than in 2000 by 4.3%.

INTERNET (with allocations)

In September 2001, there were 105 employees working on the project, including 4 allocations. Operating costs reached PLN 21.4 million, incl. D&A of PLN 7.1 million and an advertising campaign of PLN 3.8 million. The Internet Project contributed negatively to the Company's net result by PLN 13.7 million. Capital expenditures (fixed assets, intangible assets and investments-in-progress) amounted to PLN 14.6 million.

In November 2000, as part of its internet activities *Agora SA*, along with *ComputerLand S.A.*, set up a joint venture: *Centrum Handlu Internetowego Sp. z o.o. (CHI)*. On September 26, 2001, CHI's commercial activities began by the launch of its e-shopping mall *vendi.pl*, intended for B2C retail on the internet. Over 50 retail outlets already registered in the mall before the launch date.

| *The Centrum Handlu Internetowego Sp. z o.o. is not subject to consolidation.*

RADIO

Radio stations

GROUP OF LOCAL RADIO STATIONS (in PLN million)	%Growth			%Growth		
	3Q'01	3Q'00	'01/'00	1-3Q01	1-3Q00	'01/'00
Total revenue (*)	8.4	8.6	(1.7%)	25.7	26.4	(2.5%)
<i>incl. ad revenue (*)</i>	7.5	8.1	(6.8%)	23.6	24.7	(4.4%)
EBITDA	(0.1)	0.3	-	1.2	2.2	(45.3%)
EBITDA margin	(1.2%)	3.5%	(4.7pp)	4.6%	8.2%	(3.6pp)
Number of stations	17	13		17	13	

(*) Revenue not scaled against Agora's share

In July 2001, Agora SA increased its stake in ROM Sp. z o.o., the broadcaster of Klasyka 103.7 FM radio station in Warsaw, to 100%; the Company also increased its stake in Radio Trefl Sp. z o.o. by 41pp to 99.96% of its share capital.

In August 2001, on the basis of share purchase agreement, Agora became the owner of the stake constituting 90% of the share capital of Agencja Reklamowa Jowisz. Agencja Reklamowa Jowisz owns 77% of the share capital in the Twoje Radio Sp. z o.o., which broadcasts in Wałbrzych.

Also in August 2001, Agora SA purchased shares constituting 18,99% of the share capital of Radio Mazowsze Sp. z o.o. based in Lomianki on the outskirts of Warsaw and broadcasting locally.

In the super-regional station TOK FM, in which Agora SA owns 41.6% stake, total sales revenue went up by 32.2% to PLN 2.0 million, and net loss amounted to PLN 8.1 million.

The radio venture is still not material from the perspective of Polish accounting standards and thus is not consolidated.

Radio Division

Radio Division's role in Agora SA structure is to supervise the radio operations.

In sum, the cost of Radio Division, taking into account set-up provisions, dividends, interests due on loans given to the radio stations (specified below in *Profit and Loss Account* section), the radio operations lowered the Group's net result by PLN 9.8 million.

NEW BUSINESS DEVELOPMENT DIVISION

In the first three quarters of 2001, operating costs of the division were PLN 1.7 million (including legal and audit services of PLN 0.8 million), which decreased the Group's net result by PLN 1.2 million.

COST STRUCTURE

Operating costs (in PLN million)	%Growth			%Growth		
	3Q'01	3Q'00	'01/'00	1-3Q01	1-3Q00	'01/'00
Raw materials and consumables	41.5	44.2	(6.1%)	135.5	136.0	(0.3%)
<i>incl. newsprint GW</i>	35.2	36.5	(3.6%)	111.9	113.3	(1.2%)
Staff costs	48.3	44.1	9.6%	144.8	130.8	10.7%
<i>incl. payroll</i>	40.5	36.5	10.9%	119.0	107.9	10.3%
D & A	22.6	16.5	37.2%	65.9	41.5	58.6%
Other costs	38.3	39.4	(3.0%)	122.9	123.7	(0.6%)
TOTAL operating costs	150.7	144.2	4.5%	469.1	432.0	8.6%
TOTAL operating costs before D&A	128.1	127.7	0.3%	403.2	390.4	3.3%

Raw materials and consumables

Newsprint used for *Gazeta Wyborcza* accounts for 82.6% of this category of costs.

Staff costs

The average full time employment in the first three quarters rose by 11.2% y-o-y. The main factor contributing to the growth was employment increase in printing plants in the second half of 2000. At the end of September 2001, the Company had over 3,426 employees (3,503 at the end of June 2001).

Depreciation and Amortization

The increase in D&A costs results mainly from printing investments which were completed in the second half of 2000.

Other costs include: advertising and representation expenses (PLN 22.0 million), external printing of *Gazeta Wyborcza* (PLN 15.3 million), rental fees (PLN 10.9 million), telecommunication (PLN 9.8 million), IT services (PLN 8.7 million), legal services (PLN 5.2 million), newspaper transportation (PLN 4.8 million).

This category also comprises set up provisions for bad debt (PLN 7.7 million from January to September).

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

Operating costs (in PLN million)	3Q'01	3Q'00	%Growth '01/'00	1- 3Q01	1-3Q00	%Growth '01/'00
Raw materials and consumables	41.5	44.2	(6.1%)	135.3	135.8	(0.3%)
Staff costs	45.4	41.9	8.3%	136.3	125.6	8.5%
<i>incl. payroll</i>	38.1	34.8	9.4%	112.2	104.0	7.9%
D & A	19.1	16.1	18.4%	58.7	40.8	43.7%
Other costs	36.0	38.0	(5.3%)	113.6	120.3	(5.6%)
TOTAL operating costs	142.0	140.2	1.3%	443.9	422.5	5.0%
TOTAL operating costs before D&A	122.9	124.1	(1.0%)	385.2	381.7	0.9%

FINANCIAL OVERVIEW

PROFIT AND LOSS ACCOUNT (in PLN million)	3Q'01	3Q'00	%Growth '01/'00	1-3Q01	1-3Q00	%Growth '01/'00
Net revenue	167.3	184.9	(9.5%)	573.8	591.8	(3.0%)
Operating costs	(150.7)	(144.2)	4.5%	(469.1)	(432.0)	8.6%
Operating profit before other non-recurring charges	16.6	40.7	(59.2%)	104.7	159.8	(34.5%)
Other non-recurring charges	(2.0)	-	-	(2.0)	-	-
Operating profit after other non-recurring charges	14.6	40.7	(64.1%)	102.7	159.8	(35.7%)
Profit on disposal of TKP shares	-	-	-	104.0	-	-
Provision set-up for Inforadio Sp. z o.o.	(0.3)	-	-	(12.4)	(0.6)	-
Profit after associated undertakings and other charges	14.3	40.7	(64.8%)	194.3	159.2	22.1%
Pretax profit	31.5	38.0	(17.1%)	211.3	169.6	24.6%
Corporate income tax	(7.8)	(8.8)	(12.2%)	(29.8)	(44.4)	(32.7%)
Net Profit	23.7	29.2	(18.6%)	181.5	125.2	44.9%
EPS - net revenue per share (in PLN)	0.42	0.51	(18.6%)	3.20	2.21	44.9%
EBITDA (PLN million)	39.3	58.1	(32.3%)	170.4	204.5	(16.7%)
EBITDA margin	23.5%	31.4%	(7.9pp)	29.7%	34.6%	(4.9pp)

Other non-recurring charges – In the third quarter, the Company set up a provision for lost value of its old disassembled printing press for the amount of PLN 2.0 million.

Profit on disposal of 12.12% stake in Telewizyjna Korporacja Partycypacyjna S.A. (TKP) was PLN 104.0 million - described more extensively in the report for the second quarter of 2001.

The sale of TKP shares increased the Company's net result by PLN 101.9 million (calculated as of September 30, 2001). This impact may change during the year since TKP transactions affect tax credits settlements (which depend on the financial result for the whole 2001).

Provisions set up for a repayment of a bank loan granted to the affiliated entity, Inforadio Sp. z o.o., and guaranteed by Agora in the amount of PLN 9.6 million and for shares and loans in the amount of PLN 2.8 million.

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

In the first three quarters of 2001, the revenue on short-term financial investments (sale of commercial securities, forwards and bank deposits) amounted to PLN 27.4 million (including revenue accrued on commercial securities as of September 30, 2001 of PLN 5.4 million). The average return on investments in securities was 17.6% p.a.

Closing one of its three EURO purchase contracts and restructuring another one incurred a cost of PLN 7.3 million (including PLN 1.4 million of provision for the contract payment due in 2002). Also, following the execution of the remaining contract, in the first three quarters of 2001, the Company incurred a realized loss amounting to PLN 6.4 million and booked a non-realized gain on FX differences in the amount of PLN 0.5 million (this amount results from a revaluation of all EURO purchases to be executed on the basis of the contract, made as of September 30, 2001 at the exchange rate of that day of PLN 3.8810 to 1 EURO).

The dividend received from the Warsaw-based *Pogoda* radio amounted to PLN 2.4 million, from the Katowice-based *Karolina* radio amounted to PLN 0.4 million.

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

(in PLN million)	3Q'01	3Q'00	%Growth '01/'00	1-3Q01	1-3Q00	%Growth '01/'00
Operating profit before other non-recurring charges	24.3	43.0	(43.3%)	127.3	165.0	(22.9%)
Pretax profit	39.1	40.2	(2.9%)	138.6	173.0	(19.9%)
Net Profit	29.0	30.7	(5.6%)	104.3	127.0	(17.8%)
EPS - net revenue per share in PLN	0.51	0.54	(5.6%)	1.84	2.24	(17.8%)
EBITDA (PLN million)	43.6	60.0	(27.4%)	185.7	208.9	(11.1%)
EBITDA margin	26.2%	32.7%	(6.5pp)	32.5%	35.6%	(3.1pp)

BALANCE SHEET (in PLN million)	30.09.2001	30.09.2000	%Growth '01/'00
TOTAL ASSETS	1,148.2	1,028.9	11.6%
Current assets	349.5	321.0	8.9%
Share in balance sheet total	30.4%	31.2%	
Fixed Assets	798.7	707.9	12.8%
Share in balance sheet total	69.6%	68.8%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,148.2	1,028.9	11.6%
Current liabilities	98.1	131.4	(25.4%)
Share in balance sheet total	8.6%	12.8%	
Long term liabilities	24.3	98.1	(75.2%)
Share in balance sheet total	2.1%	9.5%	
Equity	1,025.8	799.4	28.3%
Share in balance sheet total	89.3%	77.7%	

Current liabilities, compared to September 30, 2000, decreased by 25.4%. That was mainly caused by reduction in capex liabilities by PLN 23.7 million.

On the other hand, there was an increase in provisions as compared to September 30, 2000. This resulted from provisions set up for cost of closing long-term foreign currency contracts (PLN 1.4 million), and for the repayment of 63.63% of the bank loan granted to the affiliated company, Inforadio Sp. z o.o., guaranteed by Agora in the amount of PLN 9.6 million.

Long-term liabilities, as of September 30, 2000, decreased by the amount of a loan received from Cox along with interest following the exchange of a loan from Cox for 49% of Agora's shares in TKP S.A. (described in detail in the report for the second quarter of 2001).

On September 30, 2001, the Company did not have any long-term debt, excluding liabilities related to long-term foreign currency contracts (PLN 2.9 million).

Moreover, provision for deferred income tax increased by PLN 15,9 million on the back of the settlement of the sale of TKP and exchange of the Cox loan transactions (up by PLN 9.1 million) as well as increasing difference between the depreciation expense and tax allowable depreciation.

CASH FLOW STATEMENTS (in PLN million)	3Q'01	3Q'00	%Growth '01/'00	1-3Q01	1-3Q00	%Growth '01/'00
Net cash from operating activities	48.7	52.6	(7.3%)	168.6	159.7	5.6%
Net cash from investing activities	(5.0)	(58.6)	-	(24.4)	(140.6)	-
Net cash from financing activities	(1.4)	(2.4)	-	(16.8)	(2.4)	-
Total movement of cash and cash equivalents	42.3	(8.4)	-	127.4	16.7	662.2%
At the end of period	174.8	53.1	229.3%	174.8	53.1	229.3%

At the end of the period, the Company had PLN 174.8 million in cash and PLN 46.4 million in short-term securities.

Net cash from investment activities include capital expenditure of PLN 151.7 million (PLN 46.8 million for the development of new office building, PLN 14.6 million for the internet project, PLN 27.1 million for IT and telecommunication investments, PLN 43.0 million for printing base investments), and net revenue from sales of commercial securities (PLN 109.9 million). Net cash from financing activities in the period of January to September results mainly from the EURO purchase contracts.

ADDITIONAL INFORMATION

On July 12, 2001, a total of 2,870,845 additional common bearer shares of Agora SA were listed on the Warsaw Stock Exchange. These shares constitute 16% of the Company's free float. Of these 2.5 million shares are in possession of shareholders who acquired the shares as a result of the Company's transformation into the joint stock company in 1998. The remaining shares constitute those acquired as a result of incentive plans implemented by Agora. On July 1, 2001, the lock-up on those shares has expired in accordance with the principles disclosed in the international offering circular.

On July 6, 2001, on the basis of conditional share purchase agreement Agora has become an owner of shares in ROM Sp. z o.o. constituting 51% of the share capital of the company, which broadcasts Warsaw local radio Klasyka 103.7 FM. Together with previously owned shares Agora owns 100% of the share capital and is entitled to 100% votes on the General Shareholders Meeting. The purchase price amounted to PLN 779 thousand.

According to the purchase agreement of July 25, 2001, Agora has become an owner of further shares in Trefl Sp. z o.o. constituting 41% of the share capital of the company. Together with previously owned shares Agora now owns 99,96% of the share capital in Trefl Sp. z o.o. and is entitled to 99,96% votes at the General Shareholders' Meeting. The purchase price amounted to PLN 3.2 million.

On August 8, 2001, according to the share purchase agreement, Agora became the owner of shares constituting 90% of the share capital of Agencja Reklamowa Jowisz, which entitle Agora to 90% of all votes at the General Meeting of Shareholders. On the same day, the Management Board of Agora decided to contribute to assets of that company in the form of receivables resulting from the loan granted to the Jowisz Association, based in Walbrzych.

Agencja Reklamowa Jowisz owns 77% of the share capital in the Twoje Radio Sp. z o.o., which broadcasts a local radio in Walbrzych.

The book value of assets contributed to Agencja Reklamowa Jowisz amounted to PLN 103.800. This value was calculated as the difference between the loan's principal with accrued interest and liabilities to the Jowisz Association.

Ownership of Agora's shares and rights to these shares by members of the Management Board

a. shares

	Ownership at 30/06/2001	Change	Ownership at 30/09/2001
Wanda Rapaczynski	1,377,340	0	1,377,340
Piotr Niemczycki	1,832,930	0	1,832,930
Helena Łuczywo	1,372,644	(10,000)	1,362,644
Zbigniew Bąk	0	0	0

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

	Ownership at 30/06/2001	Change	Ownership at 30/09/2001
Wanda Rapaczynski	49,083	0	49,083
Piotr Niemczycki	48,370	0	48,370
Helena Łuczywo	44,685	0	44,685
Zbigniew Bąk	18,901	0	18,901

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

	Ownership at 30/06/2001	Change	Ownership at 30/09/2001
Henryka Bochniarz	0	0	0
Dean Eisner	0	0	0
Tomasz Sielicki	33	0	33
Stanisław Sołtysiński*	-	0	-
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

	votes at 30/06/2001	Change	votes at 30/09/2001
Agora-Holding Sp. z o.o.	44.6%	0.0pp	44.6%
Cox Poland Investment, Inc.	10.3%	0.0pp	10.3%
Bankers Trust Company	8.1%	0.0pp	8.1%

POST BALANCE SHEET EVENTS

- Since October 2001, *City Magazine* (a free-of-charge monthly published by CITY MAGAZINE Sp. z o.o., where Agora SA owns 100% of shares), which is distributed in Warsaw, Kraków, Poznań, and Gdańsk, Gdynia and Sopot, started to come out also in Wrocław, Łódź and Katowice.
- On October 15, 2001, Agora SA published the first issue of a free-of-charge newspaper *Metro*, which is to be distributed twice week in Warsaw's districts of Ursynów and Mokotów with a total circulation of 50,000 copies. Entering the free-of-charge press sector, Agora SA wants to reinforce its position in the ad market as well as strengthen *Gazeta Wyborcza* in Warsaw.

NOTES TO THE ACCOUNTS

Provisions

In the period from January 1, 2001 to September 30, 2001, there were the following changes in provisions (in brackets figures for the third quarter of 2001 alone):

- increase in provisions for bad debt in the amount of PLN 8,223 thousand (increase of PLN 163 thousand);
- decrease in provision for interest on long-term and short-term loans in the amount of PLN 2,504 thousand (increase of PLN 666 thousand);
- increase in provisions for shares and loans in the associated company in the amount of PLN 2,798 thousand (increase of PLN 301 thousand);
- decrease in provisions for shares in Telewizyjna Korporacja Partycypacyjna S.A. (TKP) in the amount of PLN 98,518 thousand (no change).

As at September 30, 2001, the provision for deferred income taxes amounted to PLN 21,441 thousand and increased by PLN 15,364 thousand compared to January 1, 2001.

In the period of nine months ended September 30, 2001, Agora set up a provision amounting to PLN 1,374 thousand for a payment for suspending a EURO purchasing contract due in 2002 and set up provision for the guarantee given to a bank regarding the repayment of the bank loan taken by the affiliated company in the amount of PLN 9,600 thousand.

In the period from January 1, 2001 to September 30, 2001, the Company set up a provision for its old disassembled printing press for the amount of PLN 2,000 thousand. The book value of the press amounts to PLN 5,927 thousand (includes PLN 4,778 thousand net book value of the press and services associated with its disassembly to PLN 1,149 thousand).

Litigation

As at September 30, 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 as of December 31, 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 September 30, 2000 have been adequately changed. The changes, among others, decrease intangible fixed assets and the share premium by the amounts of PLN 18,502 thousand and PLN 13,492 thousand respectively and reduce the deferred tax provisions by PLN 5,010 thousand.

Agora SA

Consolidated balance sheets as at 30 September 2001 and 2000

(all amounts in PLN thousands unless otherwise indicated)

	As at 30 September	
	2 001	2 000
Assets		
Current assets:		
Cash and cash equivalents	174 801	53 078
Short-term securities	46 380	143 786
Accounts receivable and prepayments	106 412	104 585
Inventories	21 852	19 501
	<u>349 445</u>	<u>320 950</u>
Long-term assets:		
Property, plant and equipment	741 417	651 292
Intangible assets	11 782	12 158
Investments	45 517	44 456
	<u>798 716</u>	<u>707 906</u>
Total assets	<u>1 148 161</u>	<u>1 028 856</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued charges	98 056	131 383
Short-term borrowings	-	-
	<u>98 056</u>	<u>131 383</u>
Long-term liabilities:		
Long-term borrowings	2 870	92 549
Deferred income taxes	21 441	5 556
	<u>24 311</u>	<u>98 105</u>
Shareholders' equity:		
Share capital	56 758	56 758
Share premium	353 646	353 646
Retained earnings and other reserves	615 390	388 964
	<u>1 025 794</u>	<u>799 368</u>
Total liabilities and shareholders' equity	<u>1 148 161</u>	<u>1 028 856</u>

Agora SA

Consolidated income statements nine months ended 30 September 2001 and 2000

(all amounts in PLN thousands unless otherwise indicated)

	9 months ended 30 September	
	2 001	2 000
Sales	573 868	591 761
Operating costs	<u>(469 140)</u>	<u>(431 968)</u>
Operating profit before other non-recurring charges	104 728	159 793
Other non-recurring charges	<u>(2 000)</u>	<u>-</u>
Operating profit after other non-recurring charges	102 728	159 793
Gain on disposal of long term investements	104 026	-
Provision for losses on associated investments	<u>(12 398)</u>	<u>(600)</u>
Profit after associated undertakings and other charges	194 356	159 193
Interest and financial items	14 171	5 694
Dividends received	<u>2 809</u>	<u>4 697</u>
Profit before income taxes	211 336	169 584
Income taxes	<u>(29 860)</u>	<u>(44 345)</u>
Net profit for the period	<u>181 476</u>	<u>125 239</u>
Earnings per share (in PLN)	<u>3,20</u>	<u>2,21</u>

Agora SA

Consolidated cash flow statements for the nine months ended 30 September, 2001 and 2000

(all amounts in PLN thousands unless otherwise indicated)

	9 months ended 30 September	
	2 001	2 000
Operating activities		
Operating profit before associated undertakings and other charges	104 728	159 793
Depreciation of plant, property and equipment	63 065	35 509
Amortisation of intangible assets	2 836	6 038
(Profit)/loss on disposal of plant, property and equipment	(209)	3 145
	<u>170 420</u>	<u>204 485</u>
Movement in operating working capital	(2 669)	(12 725)
Net cash inflow before interest and tax	<u>167 751</u>	<u>191 760</u>
Interest received and paid	15 007	3 716
Foreign exchange result	(474)	(2 734)
Tax paid	(13 659)	(33 059)
Net cash from operating activities	<u>168 625</u>	<u>159 683</u>
Investing activities		
Capital expenditure, net	(151 174)	(223 765)
Net cash on sale and purchase of long-term investments	11 792	(6 212)
Redemption/(acquisition) of short-term securities	109 875	85 230
Result on foreign exchange forwards, future interest rate contracts	2 264	805
Dividends received	2 809	3 384
Net cash used in investing activities	<u>(24 434)</u>	<u>(140 558)</u>
Financing activities		
Increase / (decrease) in borrowings	-	-
Public offering equity contributions	-	-
Public offering expenditure	-	-
Net cash from foreign currency SWAP contracts	(16 748)	(2 404)
Net cash from financing activities	<u>(16 748)</u>	<u>(2 404)</u>
Change in cash and cash equivalents	<u>127 443</u>	<u>16 721</u>
Movements in cash and cash equivalents		
At start of period	47 358	36 357
Increase	127 443	16 721
At end of period	<u>174 801</u>	<u>53 078</u>

Agora SA

Consolidated statement of changes in shareholders' equity for nine months ended 30 September 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	-	-	181 476	-	181 476
At 30 September 2001	56 758	353 646	614 243	1 147	1 025 794