

Consolidated year report SA-RS 1999

(according to the § 46 section 8 of the Cabinets Decree as at 22 December 1998 - Dz.U. Nr 163, poz. 1160)

(for the issuer of securities providing production, building, trade or service business)For the year comprising the period from: **1.01.1999** to **31.12.1999**

date 20 April 2000

AGORA Spółka Akcyjna		
(full name of the issuer)		
AGORA SA	INNE	
(short name of the issuer)	(proper classification)	
00-732	WARSZAWA	
(postal code)	(locality)	
	Czerska	8/10
	(street name)	(street numer)
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(NIP)	(REGON)	

KPMG Polska Audyt Sp. z o.o.

date 18 April 2000

(Enterprise entitled to performe audit)

(date of issue)

Consolidated year report contains:

- Consolidated financial statements
- | | |
|---|---|
| <input checked="" type="checkbox"/> Introduction | <input checked="" type="checkbox"/> Schedule of changes in the equity |
| <input checked="" type="checkbox"/> Balance | <input checked="" type="checkbox"/> Cash flow |
| <input checked="" type="checkbox"/> Trade and profit and loss account | <input checked="" type="checkbox"/> Notes |

Appendix

- Appendix 1 - The report of the entitled entity to issue an audit report
- Appendix 2 - Letter of the Management Board President
- Appendix 3 - Management Board's report on the Groups performance
- Appendix 4 - Extract of fianancial statements of the entities excluded from the consolidation

SELECTED FINANCIAL DATA (Current period)	thousand PLN	thousand EURO
I. Net revenue from the sale of finished goods, merchandise and raw materials	689 689	162 866
II. Profit (loss) on operating activities	193 775	45 759
III. Profit before taxation	194 821	46 006
IV. Net profit (loss)	132 649	31 324
V. Assets (as at 31.12.1999)	858 247	205 869
VI. Total liabilities (as at 31.12.1999)	157 635	37 812
- short-term liabilities	78 534	18 838
VII. Equity (as at 31.12.1999)	678 470	162 746
VIII. Share capital (as at 31.12.1999)	56 758	13 615
IX. Number of shares (as at 31.12.1999)	56.757.525	
X. Book value per share (PLN/EURO) (as at 31.12.1999)	11,95	2,87
XI. Net profit per ordinary share (PLN/EURO)	2,34	0,56

Year report according to the law should be passed on to the Securities and Stock Exchange Board,
Stock Exchange of Securities in Warsaw S.A. and Polish Press Agency.

INTRODUCTION

Main activity of the Group is newspaper and periodicals edition - EKD 2212 and advertising services EKD 7440 (press advertisement).

Presented financial statements contain data for the 12 months ended 31 December 1999 with comparative figures for the 12 months ended 31 December 1998.

There were no qualifications on auditor's opinions regarding Group's consolidated financial statements issued in prior years.

There are no entities inside the companies of the Group that prepare their own financial statements.

1. Basis for preparation of consolidated financial statements

Consolidated financial statements include the subsidiaries: Agora Poligrafia Sp. z o.o. and Trans - Serwis SA. Subsidiaries and associates listed in explanatory note number 17, which are not material as ruled by the Accounting Act, were not consolidated as provided in the Decree of the Ministry of Finance of 19 November 1999 regarding stricter from these set in the Accounting Act (art. 56 par. 1-3), criteria for companies listed on the stock exchange or seeking permission to be listed (D.U. no. 99.96.1126). The subsidiaries were consolidated under full method of consolidation.

In the situation when a company was acquired within the year, only the result of operations from the date commencing control over a subsidiary was included in consolidation. Incepted company is assumed as subsidiary when the parent company holds more than half of the voting rights or have significant impact on the entity.

Full consolidation method assumes aggregating respective balance sheet, profit and loss account and cash flow statement items of Agora SA and its subsidiaries with deduction of the following items:

- value of the shares held by the parent company in its subsidiary and part of the net assets of the subsidiary as of the book value at the date of inception,
- inter-company receivables and payables,
- inter-company revenues and costs,
- profits and losses of inter-company transactions included in the consolidated assets and equity and liabilities,
- dividends paid/ received by the subsidiary to/ from the parent company.

Consolidation of the associated entities under the equity method adjust the costs of shares at the date of consolidation for share of parent company in the equity of consolidated associates.

In the two related companies under consolidation, Agora-Poligrafia Sp. z o.o. and Trans-Serwis SA a consolidated goodwill appeared, which constitutes excess of purchase price of the shares over the proportionate part of the net assets of those entities.

Consolidated financial statements of Agora SA (“the Group”) for the period from 1 January 1999 to 31 December 1999 includes financial statements of the following subsidiaries and associated entities:

Subsidiaries:

Agora-Poligrafia Sp. z o.o. (from 1 March 1998)

Trans-Servis SA (from 1 July 1998)

Comparative consolidated financial statements prepared for the period 1 January 1998 till 31 December 1998 did include Telewizyjna Korporacja Partycypacyjna SA (TKP) consolidated under the equity method.

In the current consolidated financial statements prepared for the period from 1 January 1999 till 31 December 1999 TKP has not been consolidated since it is no longer regarded as an associate to the Group. The issue is further discussed in the note 4.

2. Intangible fixed assets

Intangible fixed assets are valued at acquisition price or at development cost and are amortised using the straight line method over the following periods:

Computer software	2-3 years
Perpetual usufruct	10 years
Licences, patents and trademarks	5 years
Goodwill	5 years
Other	5 years

3. Consolidated goodwill, capital reserve from consolidation

Goodwill represents the excess of the cost of an acquisition over the Company’s share of net assets of the acquired entity. Goodwill is presented as a separate position in the consolidated financial statements and amortised using the straight-line method over 5 years.

Capital reserve from consolidation represents the excess of the Company’s share of net assets over the cost of an acquisition. It is reported as a separate position under consolidated equity and written off using the straight line method over 3 years.

4. Tangible fixed assets

Tangible fixed assets are recorded at acquisition price or at the cost of production, reconstruction or improvement. Tangible fixed assets are subject to periodical statutory revaluation in accordance with the regulations of the Ministry of Finance. The most recent revaluation was carried out on 1 January 1995.

Tangible fixed assets are depreciated using the straight-line or reducing balance methods over their estimated useful lives. Depreciation commences from the month following the month in which a fixed asset was acquired or transferred from construction in progress. Until November 1999 tangible fixed assets of value lower than PLN 2,500 were fully depreciated in the month following the month in which a fixed asset was acquired or transferred from construction in progress. Starting from December 1999 they have been depreciated in the same month in which a fixed asset was acquired or transferred from construction in progress.

The principle depreciation rates used are as follows:

Buildings and constructions	2,5-10,0%
Plant and machinery	5,0-60,0%
Vehicles	14,0-20,0%
Other	10,0- 25,0%

4. Tangible fixed assets (continued)

Expenditure on repairs or maintenance of tangible fixed assets which do not improve or extend the useful life of the asset are expensed as incurred; significant improvements are capitalised.

Values added after the statutory revaluation were transferred to revaluation reserve (last statutory revaluation took place on 1 January 1995)

5. Assets under construction

Assets under construction are valued at either the acquisition price or the production cost of the tangible or intangible fixed assets which will be brought into use on completion.

6. Investments

Investments classified as long-term assets are carried at the lower of cost and net realisable value, less amounts provided for to recognise other than temporary diminution in the value of the investment.

Long term loans granted are valued at the actual amounts together with interest accrued to the balance sheet date less provisions.

Purchased loans and debts are valued at purchase cost.

7. Inventory

Inventory is valued at the lower of cost or cost of production which approximates actual cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

Printing-ink is valued at actual prices, finished goods at net realisable value, goods for resale at cost, others on the first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

In the balance sheet inventory is stated net of provisions made for slow moving or obsolete stock.

8. Debtors, claims and creditors

Debtors, claims and creditors denominated in Polish Zloty are recorded at nominal value. At the balance sheet date they are valued at amounts required to be paid.

Debtors, claims and creditors denominated in foreign currencies are translated to Polish Zloty at the average NBP exchange rate at the transaction date unless customs documents (SAD) indicate a different rate. Foreign currency balances are restated at the balance sheet date at the average NBP exchange rate for the respective foreign currency.

Debtors balances at the balance sheet are stated net of provisions for doubtful debts.

9. Short-term securities

Short-term securities are carried at the lower of cost and net realisable value.

10. Cash in hand and at bank

Cash denominated in Polish Zloty is stated at nominal value.

Cash denominated in foreign currencies is translated to Polish Zloty using the average NBP exchange rate for the respective foreign currency at the balance sheet date. Exchange differences are disclosed as financial revenue or costs.

11. Inter-period settlements of costs and deferred income

Inter-period settlements represent prepaid costs concerning future reporting periods. Accruals consist of possible costs of a current period, that an amount or date of the liability are unknown at the year end. Deferred income represents payments received in connection with the future services and positive foreign exchange differences from valuation of assets and liabilities other than cash, shares and securities.

12. Equity

Share capital is disclosed in nominal value of registered shares, resulting from the Parent Company's statute and commercial register. As at 31 December 1999 share capital was PLN 56,757,525 and represented 56,757,525 shares of nominal value of PLN 1 each.

Reserve capital has been created by transfers from net income, reduction of share capital with no payments, reduction of revaluation reserve connected with sale or liquidation of revalued fixed assets and share premium. The creation of reserves is in accordance with the statutes of the Companies of the Group.

13. Provisions

Provisions represent provisions for doubtful debtors that reduce balance of debtors. The Group also recognises a provision for temporary differences relating to corporate income tax, caused by time difference between revenue or costs according to the accounting act and tax regulations. Positive difference is disclosed as an obligatory charge on the net income, i.e. as a provision for a corporate income tax. Negative difference is disclosed as a prepaid expense if there is a possibility of its settlement within the next financial year and the following financial years. In the balance sheet positive and negative differences are presented net as a deferred tax provision or asset. For calculation of positive or negative difference state of settlements as at the year end is taken into consideration.

14. Bank credits and loans

Bank credits and loans denominated in Polish Zloty are carried at their principal amount. Bank credits and loans denominated in foreign currencies are carried at their principal amount translated to Polish Zloty at the average NBP exchange rate for the respective foreign currency at the balance sheet date.

15. Revenues and expenses

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products or services to third parties. Revenues are recognised when the conditions of sale have been met and no significant uncertainties remain regarding the acceptance of the goods and/or services. Sales revenues are stated net of value added tax (VAT). Revenues and matching them costs are recognised on the accrual basis regardless the actual payment date.

The Companies of the Group prepare their profit and loss statement in the both calculative (by function) and comparative (by expenditure) formats.

16. Other operating revenue and expenses

Other operating revenue and expenses are connected with the Group's operation and have influence on the income from operating activities. Revenues represent: revenue from the sale of fixed assets, value of resolved provisions for doubtful debts and economy risk except for provisions connected with financial risk, fines and compensations received and fixed assets received as a contribution. Other operating costs represent: value of fixed assets sold, provisions created for doubtful debts and economy risk except for provisions connected with financial risk, fines and compensations paid, contributions made and adjustments of stocks value.

17. Financial revenue and expenses

Financial revenue and expenses represent interests resulting from bank credits and loans given and received, foreign exchange differences, commissions, revenue and expenses connected

with ownership of shares and other securities including value of created and resolved provisions connected with financial risk, also interest received, results on short-term securities.

18. Foreign exchange differences

Foreign exchange differences arising from the balance sheet date restatement of cash, investments and securities are recorded as follows:

- gains - financial income,
- losses - financial expenses.

The excess of foreign exchange losses over gains resulting from the balance sheet date restatement of assets and liabilities (other than cash, investments and securities) denominated in a specific currency is included in financial expenses. An excess of foreign exchange gains over losses for a particular currency is included in deferred income.

19. Extraordinary gains and losses

Extraordinary gains and losses result from unrepeatable events that are not connected with regular company's operation.

20. Motivation plan for the company's employees

In April 1998 Agora SA introduced an incentive plan (plan) for employees on management positions and non executive high performing employees in the company and the subsidiaries. Employees included in the plan might be rewarded depending on stage of realisation of targets specified in the plan. The rewards will be paid in cash and shares. The company has created a provision for costs resulting from the plan. The amount of the provision has been calculated as an estimated amount of rewards based on the realisation of planned targets.

21. Obligatory charges

An obligatory charge is corporate income tax. The corporate income tax in 1999 amounts to 34% of gross income calculated on base of the accounting regulations and adjusted for non taxable revenue and non tax deductible expenses, deductions allowed as specified in the tax regulations.

22. Investment relief

The fixed assets under the investment relief are depreciated using the rates set in the Group's depreciation plan. The depreciation of the finished assets under the scheme is not tax allowed cost up to the amount of an investment relief taken.

The amount of investment tax relief which is an acceleration of depreciation of tangible fixed assets reduce profit/loss before taxation for calculation of the tax base. The Parent Company creates provisions for corporate income tax connected with the investment relief.

23. Significant differences between the presented financial statements prepared under the Polish Accounting Act (PAA) and financial statements under the International Accounting Standards (IAS)

Actual differences in accounting methods and policies adopted by the Group in preparation of the Accounts under the PAA and IAS.

1. Under IAS unrealised foreign exchange differences are recognised in the income statement of the period when they arise. An excess of foreign exchange gains over losses resulting from the balance sheet date restatement of assets and liabilities (other than cash, investments and securities) denominated in a foreign currency for a particular currency is included in deferred income.
2. In the consolidated financial statements the goodwill on acquisition of Cox's minority interest in ACTV Sp. z o.o. calculated under IAS exceeds value used under PAA by the gross amount of PLN 7,820 thousand.
3. In the IAS financial statements treasury bills are disclosed as cash equivalents while under PAA they are classified as short term investments.
4. In the IAS financial statements computer software is disclosed as tangible fixed assets while under PAA it is classified as intangible fixed assets.
5. Some revenues and expenses classified under PAA as financial which relate directly to the Group's operating activities, for example foreign differences on trade receivables and payables under IAS are classified as the operating expenses or revenues.
6. As a consequence of the above presented differences the difference in the differed tax provision appears, which alters the current years profit and retained earnings.

Reconciliation of the main numbers of the PAA accounts to IAS accounts:

31.12.1999

Net profit under PAA:	132 649
1. Depreciation of fixed assets that have been fully depreciated for PAA	(2 237)
2. Amortisation of the excess of goodwill on acquisition of Cox's minority interest in ACTV Sp. z o.o.	(1 564)
3. Adjusting for PAA unrealised foreign exchange differences	(918)
4. Adjustment to deferred tax provision	(1 784)
5. Release of IAS additional provision for employee incentive plan	300
Net profit under IAS:	126 446
Equity under IAS:	678 470
1. IAS net value as at 1 January 1999 of fixed assets that have been fully depreciated for PAA	6 482
2. IAS net value as at 1 January 1999 of goodwill on acquisition of Cox's minority interest in ACTV Sp. z o.o.	5 997
3. Unrealised foreign exchange gains	3 256
4. Adjustment of deferred tax provision	(191)
5. Adjustment to employees incentive plan provision	(300)
6. Difference between PAA and IAS net profit	(6 203)
Equity under PAA:	687 511

CONSOLIDATED BALANCE SHEET

	Note	31.12.1999	31.12.1998
ASSETS			
I. Fixed assets	-	508 850	309 482
1. Intangible fixed assets	1	40 743	25 379
2. Consolidated goodwill	2	-	-
3. Tangible fixed assets	3	429 778	252 639
4. Financial fixed assets	4	38 329	31 464
- shares in entities consolidated with the equity method	-	-	-
5. Long-term debtors	5	-	-
II. Current assets	-	348 362	104 311
1. Inventory	6	18 479	16 917
2. Short-term debtors	7	84 268	68 861
3. Own shares for sale	8	-	-
4. Short-term securities	9	214 068	11 413
5. Cash and cash equivalents	10	31 547	7 120
III. Prepaid expenses and other assets	11	1 035	2 941
1. Deferred corporate income taxes recoverable	-	-	-
2. Other	-	1 035	2 941
Total assets	-	858 247	416 734
LIABILITIES AND SHAREHOLDERS' EQUITY			
I. Equity	-	678 470	166 065
1. Share capital	12	56 758	44 141
2. Outstanding share capital contributions (negative figure)	-	-	-
3. Reserve capital	13	488 307	128 354
4. Revaluation reserve	-	756	923
5. Other reserve capital	14	-	-
6. Foreign exchange rate differences on overseas branches	-	-	-
7. Foreign exchange rate differences on consolidation	-	-	-
8. Accumulated profit/(loss) from previous years	15	-	-
9. Profit after taxation for the financial year	-	132 649	(7 353)
II. Reserve capital from consolidation	16	-	-
III. Minority interest	17	-	-
II. Provisions	-	9 353	6 876
1. Provisions for deferred tax	18	9 353	6 837
2. Other	19	-	39
III. Liabilities	-	157 635	232 476
1. Long-term liabilities	20	79 101	63 129
2. Short-term liabilities	21	78 534	169 347
IV. Accrued expenses and deferred income	22	12 789	11 317
Total equity and liabilities	-	858 247	416 734
Book value		678 470	166 065
Number of shares		56 757 525	44 140 500
Book value per share in PLN		11,95	3,76
Predicted number of shares		-	56 757 525
Diluted book value per share in PLN		-	9,62

Off balance sheet liabilities

		31.12.1999	31.12.1998
	-		
a) total value of guarantees given		13 000	-
- to subsidiaries		-	-
- to associates		13 000	-
- to parent company		-	-
- to other entities		-	-
b) other		-	-
Total off balance sheet liabilities		13 000	-

In March 1998 the Group provided a pledge on the TKP shares (held at that time) as a security for a bank loan granted to TKP. The pledge is disclosed at zero value since as of 31 December 1999 the balance sheet value of the shares under the pledge equalled zero (see note 4). According to the representation of the bank TKP repaid the loan in full by the December 31, 1999. Therefore the pledge has expired and is now being removed out of a specific register.

PLN 13 000 thousand is a guarantee of a bank loan taken by Inforadio Sp. z o.o.

CONSOLIDATED PROFIT AND LOSS

		1.01.99 till 31.12.99	1.01.98 till 31.12.98
I. Net sales of merchandise and finished products	-	689 689	549 894
1. Net sales of finished products	23	685 810	546 184
2. Net sales of merchandise and materials	24	3 879	3 710
II. Cost of merchandise, finished products sold and materials	-	(330 328)	(279 101)
1. Cost of finished products sold	25	(326 811)	(275 550)
2. Cost of merchandise and materials sold	-	(3 517)	(3 551)
III. Gross profit on sales (I-II)	-	359 361	270 793
IV. Selling expenses	-	(54 060)	(39 727)
V. Administrative and general expenses	-	(97 986)	(66 378)
VI. Profit on sales (III-IV-V)	-	207 315	164 688
VII. Other operating revenues	26	2 913	2 602
VIII. Other operating expenses	27	(16 453)	(44 132)
IX. Profit on operating activities (VI+VII+VIII)	-	193 775	123 158
X. Dividends income	28	288	1
XI. Income from other financial assets	29	-	-
XII. Other financial income	30	59 983	19 198
XIII. Financial expenses	31	(59 225)	(43 182)
XIV. Profit on ordinary activities (IX+X+XI+XII-XIII)	-	194 821	99 175
XV. Extraordinary items (XV.1. - XV.2.)	-	-	31
1. Extraordinary gains	32	14	33
2. Extraordinary losses	33	(14)	(2)
XVI. Goodwill amortisation	-	-	(28 098)
XVII. Consolidated reserve capital amortisation	-	-	-
XVIII. Profit before taxation	-	194 821	71 108
XIX. Corporate income tax	34	(62 172)	(42 410)
XX. Other obligatory charges	35	-	-
XXI. Net earnings from shares in associated entities	-	-	(36 051)
XXII. Minority interest share in profit	-	-	-
XXIII. Profit / (Loss) after taxation	36	132 649	(7 353)

Profit / (Loss) after taxation (for 12 months)	-	132 649	(7 353)
Weighted average number of ordinary shares	-	56 757 525	44 140 500
Net profit per ordinary share in PLN	-	2,34	(0,17)
Weighted average expected number of ordinary shares	-	-	56 757 525
Diluted profit / (loss) after taxation per ordinary share in PLN	-	-	(0,13)

CHANGES IN CONSOLIDATED EQUITY

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
I. Equity opening balance	166 065	177 616
a) changes in the accounting policy	-	-
b) corrections of fundamental errors	-	-
I.a. Opening balance of equity after reconciliation to comparable data	166 065	177 616
1. Share capital opening balance	44 141	44 141
1.1. Changes in share capital	12 617	-
a) additions	12 617	34 975
- issue of shares	12 617	-
- company reorganization	-	34 975
b) disposals	-	34 975
- company reorganization	-	34 975
1.2. Share capital closing balance	56 758	44 141
2. Outstanding share capital contributions as at the beginning of the year	-	-
2.1. Changes in outstanding share capital contributions	-	-
a) additions	-	-
b) disposals	-	-
2.2. Outstanding share capital contributions as at the year end	-	-
3. Reserve capital opening balance	128 354	58 222
3.1. Changes in capital reserves	359 953	70 132
a) additions	359 953	109 323
- share premium from IPO	367 137	-
- net profit appropriation (statutory)	-	-
- net profit appropriation (over statutory minimum value)	(7 353)	74 140
- fixed assets disposals	169	208
- company reorganization	-	34 975
b) disposals	-	(39 191)
- loss coverage of TKP S.A. shares	-	(21 129)
- revaluation of consolidated goodwill for period September 97 - January 98	-	(13 698)
- from merging	-	(3 513)
- adjustment for an error - details in note 3	-	(851)
3.2. Reserve capital closing balance	488 307	128 354
4. Revaluation reserve opening balance	923	1 113
4.1. Changes in revaluation reserves	(167)	(190)
a) additions	-	18
- due to merger of entities	-	10
- due to fixed assets revaluation	-	8
b) disposals	(167)	208
- fixed assets disposals	(167)	208
4.2. Revaluation reserve closing balance	756	923
5. Other capital reserve opening balance	-	-
5.1. Changes in other capital reserves	-	-
a) additions	-	-
b) disposals	-	-
5.2. Other capital reserve closing balance	-	-
6. Foreign exchange rate differences on oversea branches	-	-
7. Foreign exchange rate differences on consolidation	-	-
8. Accumulated profit from previous years, opening balance	(7 353)	74 140
8.1. Accumulated profit from previous years opening balance	-	74 140
- changes in the accounting policy	-	-
- corrections of fundamental errors	-	-
8.2. Opening balance of accumulated profit from previous years after reconciliation to comparable data	-	74 140
a) additions	-	-
- net profit appropriation	-	-
b) disposals	-	74 140
- transfer to capital reserves	-	74 140
8.3. Closing balance of accumulated profit from previous years	-	-
8.4. Opening balance of accumulated loss from the prior year	(7 353)	-
- changes in the accounting policy	-	-
- adjustments of fundamental errors	-	-
8.5. Opening balance of accumulated loss from the prior year after reconciliation to comparable data	(7 353)	-
a) additions	-	-
- transfer of loss to be covered	7 353	-
b) disposals	-	-
8.6. Closing balance of accumulated loss from the prior year	-	-
8.7. Closing balance of accumulated profit/(loss) from the prior year	-	-
9. Net result	132 649	(7 353)
a) net profit	132 649	-
b) net loss	-	(7 353)
II. Closing balance of equity	678 470	166 065

CONSOLIDATED CASH FLOW STATEMENT

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method	198 929	93 268
I. Profit after taxation	132 649	(7 353)
II. Total adjustments	66 280	100 621
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)	42 019	46 143
4. Foreign exchange rates (gains) / losses	12 308	6 654
5. Interests and dividends	8 435	(983)
6. (Profit) / Loss on investment activity	8 394	(3 412)
7. Change in other provisions	(39)	-
8. Corporate income tax (disclosed in profit and loss statement)	62 172	42 410
9. Corporate income tax paid	(62 375)	(39 347)
10. Change in inventory position	(1 562)	(8 292)
11. Change in accounts receivable position	(13 264)	(15 898)
12. Change in short-term liabilities (except for bank credits and loans)	11 062	9 148
13. Change in interperiod settlements	2 568	2 643
14. Change in deferred income	(2 503)	3 893
15. Other adjustments	(935)	21 611
B. CASH FLOW FROM INVESTMENT ACTIVITIES (I-II)	(407 083)	(166 935)
I. Cash inflows from investing activities	1 374 550	489 652
1. Sales of intangible fixed assets	-	-
2. Sales of tangible fixed assets	43	415
3. Sales of financial fixed assets including:	-	-
4. Sales of short-term securities	1 347 004	485 588
5. Long-term loans repaid	18 788	893
6. Dividends received	288	1
7. Interest received	27	2 755
8. Other	8 400	-
II. Cash outflows from investing activities	(1 781 633)	(656 587)
1. Purchase of intangible fixed assets	(3 926)	(11 765)
2. Purchase of tangible fixed assets	(143 592)	(118 347)
3. Purchase of financial fixed assets including:	(23 277)	(18 717)
- in subsidiaries	(386)	(18 361)
- in associates	(200)	(356)
- in parent company	-	-
4. Purchase of own shares	-	-
5. Purchase of short-term securities	(1 549 581)	(487 458)
6. Long-term loans granted	(3 749)	(10 230)
7. Dividends paid to minority shareholders	-	-
8. Other expenses	(57 508)	(10 070)
C. CASH FLOW FROM FINANCIAL ACTIVITIES (I-II)	232 581	66 994
I. Inflows from financial activities	379 755	71 189
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	(147 174)	(4 195)
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	(4 493)	(3 868)
12. Other expenditures	(22 249)	(290)
D. NET CASH FLOWS, TOTAL (A+/-B+/-C)	24 427	(6 673)
E. CHANGE OF CASH POSITION IN BALANCE SHEET	24 427	(6 673)
- including change in cash position due to foreign exchange differences	-	(48)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE	7 120	13 793
G. CASH AND CASH EQUIVALENTS AND THE END OF THE FINANCIAL	31 547	7 120

NOTES

Notes on consolidated balance sheet
Note 1.

INTANGIBLE FIXED ASSETS	31.12.1999	31.12.1998
a) Settlement of start-up expenses or organisational expenses of raising additional capital	18 610	140
b) Research and development expenditure	3	4
c) Goodwill	2 416	3 199
d) Concessions, patents, licenses and similar assets	-	-
e) Computer software	8 293	9 260
f) Perpetual usufruct over land acquired	11 336	12 737
g) Other intangible fixed assets	85	39
h) Prepayments for intangible fixed assets	-	-
Total intangible fixed assets	40 743	25 379

TABLE OF INTANGIBLE FIXED ASSETS MOVEMENTS (by type of expenditure)									
	a) start-up expenses or organisational expenses of raising additional capital	b) research and development	c) goodwill	d) concessions, patents, licences and similar assets	e) computer software	f) perpetual usufruct of land	g) othe intangible fixed assets	h) prepayments for intangible fixed assets	Total intangible fixed assets
a) gross value at the beginning of the year	162	5	3 917	12	11 505	14 010	29	-	29 640
b) additions:	21 348	-	-	-	3 816	-	115	-	25 279
- purchases	7	-	-	-	3 813	-	115	-	3 935
- acquisition	21 341	-	-	-	-	-	-	-	21 341
- transfer from assetsw under construction	-	-	-	-	3	-	-	-	3
- transfer	-	-	-	-	-	-	-	-	-
c) disposals	(1)	-	-	(12)	(1 229)	-	-	-	(1 242)
- writing off	(1)	-	-	(12)	-	-	-	-	(13)
- transfer	-	-	-	-	(1 229)	-	-	-	(1 229)
-	-	-	-	-	-	-	-	-	-
d) gross value at the year end	21 509	5	3 917	-	14 092	14 010	144	-	53 677
e) accumulated amortisation at the beginning of the year	21	1	718	3	2 242	1 273	2	-	4 260
f) amortisation for the year	2 878	1	783	(3)	3 557	1 401	57	-	8 674
- planned	2 878	1	783	-	4 783	1 401	57	-	9 903
- writing off	-	-	-	(3)	-	-	-	-	(3)
- transfer	-	-	-	-	(1 229)	-	-	-	(1 229)
-	-	-	-	-	3	-	-	-	3
-	-	-	-	-	-	-	-	-	-
g) accumulated amortisation at the year end	2 899	2	1 501	-	5 799	2 674	59	-	12 934
h) net value at year the end	18 610	3	2 416	-	8 293	11 336	85	-	40 743

Translation

Note 2.

CONSOLIDATED GOODWILL	31.12.1999	31.12.1998
Consolidated goodwill - subsidiary companies	-	-
Consolidated goodwill - associated entities	-	-
Total consolidated goodwill	-	-

CHANGE OF CONSOLIDATED GOODWILL - SUBSIDIARY COMPANIES	31.12.1999	31.12.1998
a) gross value at beginning of the year	457	-
b) additions	-	457
- acquisition of shares in Agora Poligrafia Sp. z o.o.	-	428
- acquisition of shares in Trans Serwis S.A.	-	29
c) disposals	-	-
d) gross value at year end	457	457
e) accumulated depreciation at beginning of the year	457	-
f) depreciation charge for the year	-	457
- related to the consolidation of Agora Poligrafia Sp. z o.o.	-	428
- related to the consolidation of Trans Serwis S.A.	-	29
g) accumulated depreciation at year end	457	457
h) net value at year end	-	-

CHANGE OF CONSOLIDATED GOODWILL - ASSOCIATED ENTITIES	31.12.1999	31.12.1998
a) gross value at beginning of the year	-	136 976
b) additions	-	-
c) disposals	-	95 638
- participation in equity of TKP S.A. at the date of acquiring shares of TKP S.A.	-	38 458
- participation in losses of TKP S.A. for the period of September 97 - January 98	-	21 129
- participation in losses of TKP S.A. for the period of February 98 - December 98	-	36 051
d) gross value at year end	-	41 338
e) accumulated depreciation of goodwill at beginning of the year	-	13 698
f) depreciation charge of goodwill for the year	-	27 640
- unplanned depreciation	-	25 112
- one-off charge for specific types of consolidated goodwill	-	2 528
g) accumulated depreciation of consolidated goodwill at year end	-	41 338
h) net value at year end	-	-

Consolidated goodwill is determined as the surplus of the book value of the shares in the consolidated entity above the value of equity (brought to market value) of the consolidated entity related to these shares.

TKP SA is no longer an associated company to the Group.

CALCULATION OF CONSOLIDATED GOODWILL IN SUBSIDIARY COMPANIES	Agora Poligrafia Sp. z o.o.	Trans Serwis SA
Acquisition date of shares in consolidated companies	01-02-1998	01-06-1998
Percentage of shares in share capital of consolidated companies	100%	100%
1. Book value of shares of Agora S.A. in consolidated companies	72	15 390
2. 100% of equity in consolidated companies at acquisition date	(356)	3 677
3. Revaluation of buildings and construction to market value	-	2 353
4. Revaluation of land (right to usufruct of land) to market value	-	9 331
5. Consolidated goodwill	428	29
Until 31 December 1998 the following appropriations have been performed:	-	-
6. One-off charge of consolidated goodwill in 1998	(428)	(29)
7. Consolidated goodwill at year end	-	-

Translation

CALCULATION OF CONSOLIDATED GOODWILL IN ASSOCIATED ENTITIES		Telewizyjna Korporacja Partycypacyjna SA
Acquisition date of the shares of the consolidated companies:		01-08-1997
Percentage of owned shares in the share capital of the consolidated company		22,47%
1. Book value of Agora S.A. shares in the consolidated company		98 518
2. 22.47% of the equity of the consolidated company at acquisition date		(38 458)
3. Consolidated goodwill		136 976
Until 31 December 1998 the following appropriations have been performed:		
4. Depreciation charge for the period of September 97 - January 98		(13 698)
5. Depreciation charge for the period of February 98 - December 98		(27 640)
6. Equity of TKP S.A. per shares of Agora S.A. at acquisition date		(38 458)
7. Participation of Agora S.A. in TKP losses for the period of Sep 97 - Jan 98		(21 129)
8. Participation of Agora S.A. in TKP losses for the period of Feb 98 - Dec 98		(36 051)
9. Consolidated goodwill for the year end		-

Note 3.

TANGIBLE FIXED ASSETS	31.12.1999	31.12.1998
a) Fixed assets, including:	184 070	185 425
- freehold land	8 989	8 989
- buildings and constructions	62 000	59 497
- equipment and machines	110 271	114 086
- vehicles	1 260	1 391
- other	1 550	1 462
b) Construction in progress	127 880	6 322
c) Prepayments for investments	117 828	60 892
Total tangible fixed assets	429 778	252 639

Opening balances as of 1 January 1999 of buildings and constructions have been adjusted for the effects of an error in classification. Consequently the buildings and constructions opening balance was decreased by PLN 5,226 and 851 thousand (6,077 in total) and the construction in progress opening balance was increased by PLN 5,226 thousand.

The PLN 5,226 thousand is an intercompany interest capitalised by a subsidiary that should have been eliminated out of buildings and constructions instead of construction in progress. The PLN 851 thousand is intercompany interest (charged in 1997) capitalised by a subsidiary that should have been eliminated against buildings and constructions in correspondence with retained earnings. The retained earnings closing balance as of 31 December 1997 has been also decreased by the PLN 851 thousand.

FIXED ASSETS (OWNERSHIP STRUCTURE)	31.12.1999	31.12.1998
a) owned	184 070	185 425
b) utilised on the basis of rental, lease or other agreement of similar nature, including:	-	-
Total fixed assets	184 070	185 425

OFF-BALANCE FIXED ASSETS	31.12.1999	31.12.1998
Utilised on the basis of rental, lease or other agreement of similar nature, including:	-	-
- value of land under perpetual usufruct	-	-
Total off-balance fixed assets	-	-

TABLE OF TANGIBLE FIXED ASSETS MOVEMENTS (by group)						
	- freehold land	- buildings and constructions	- machines and technical equipment	- vehicles	- other fixed assets	fixed assets, Total
a) opening balance of fixed assets, gross value	8 989	63 198	161 002	2 149	6 369	241 707
b) additions:	-	7 384	24 568	234	1 547	33 733
- purchases	-	714	16 238	234	1 347	18 533
- received from acquired companies	-	-	-	-	-	-
- transfers from construction in progress	-	6 670	2 152	-	200	9 022
- donations	-	-	-	-	-	-
- built inhouse	-	-	6 155	-	-	6 155
- others	-	-	23	-	-	23
c) disposals:	-	(2 235)	(4 368)	(94)	(528)	(7 225)
- sale	-	(185)	(4)	(94)	(8)	(291)
- liquidation	-	(360)	(4 164)	-	(498)	(5 022)
- donations	-	(1 690)	(193)	-	-	(1 883)
- found missing	-	-	(7)	-	(3)	(10)
- others	-	-	-	-	(19)	(19)
d) closing balance of fixed assets, gross value	8 989	68 347	181 202	2 289	7 388	268 215
e) opening balance of cumulative depreciation	-	3 701	46 916	758	4 965	56 340
f) amortisation per period:	-	2 646	24 015	271	873	27 805
- planned	-	2 697	27 772	341	1 306	32 116
- liquidation	-	(41)	(3 690)	-	(414)	(4 145)
- donations	-	(5)	(70)	-	-	(75)
- sales	-	(5)	(4)	(70)	(8)	(87)
- found missing	-	-	(5)	-	(3)	(8)
- others	-	-	12	-	(8)	4
g) closing balance of cumulative depreciation	-	6 347	70 931	1 029	5 838	84 145
h) closing balance of fixed assets, net value	8 989	62 000	110 271	1 260	1 550	184 070

Unplanned depreciation write-offs of buildings amounting to PLN 2,004 thousand represent: a donation (net value of PLN 1,685 thousand), given up not completed leasehold improvements (net value of PLN 313 thousand), and fence liquidation (net value of PLN 6 thousand).

Unplanned depreciation write-offs of machines amounting to PLN 599 thousand represent: a donation (net value of PLN 123 thousand), disposing of obsolete computers (net value of PLN 474 thousand, out of it: PLN 192 thousand was charged to profit and loss statement and parts valued at PLN 192 thousand were added to inventory) and of missing fixed assets of PLN 2 thousand. Other unplanned depreciation charges of PLN 15 thousand relate to scrapping of other fixed assets.

Translation

Note 4.

FINANCIAL FIXED ASSETS	31.12.1999	31.12.1998
a) own shares	-	-
b) shares in consolidated companies consolidated by means of the equity method	-	-
- in subsidiaries	-	-
- in associated entities	-	-
c) other shares, including:	33 001	7 855
- in subsidiary companies not consolidated	8 564	6 137
- in associated entities not consolidated	1 852	1 624
d) long term loans granted, including	5 328	23 609
- to subsidiary companies not consolidated	3 131	1 972
- to associated entities not consolidated	1 791	2 971
e) other securities, including:	-	-
- subsidiary companies not consolidated	-	-
- associated entities	-	-
f) other property rights (by kind)	-	-
g) other financial fixed assets	-	-
Total financial fixed assets	38 329	31 464

As of December 31, 1999 the Group's share in capital of Telewizyjna Korporacja Partycypacyjna S.A. ("TKP") amounted to 12.12% of closing net book value totalling PLN 22,492 thousand (purchase cost PLN 121,009 thousand).

As a consequence of the decrease in the Group's stake in TKP and since the Group does not exercise a significant influence over the operations and financial policy of TKP SA, it is no longer treated as an associate, as meant by the Accounting Act dated 24 September 1994, and therefore is no longer consolidated under the equity method.

The closing net book value of investment in TKP (totalling PLN 22,492 thousand) is the most recent value of the investment under the equity consolidation (zero) increased by the cost of the new shares acquired, following the shareholders resolution dated 26 July 1999.

As of 31 December 1998, the carrying value of the 20% Group's investment in TKP was nil (purchase cost PLN 98,518 thousand), the Group had also a loan receivable valued at PLN 18,666 thousands.

Following TKP capital increase dated 8 April 1999 Group's share in TKP diluted to 17.9%.

On the October 25, 1999 TKP repaid the loan in the amount of PLN 22,492 thousand and on the same day the Group paid the same amount of money for the new shares. After the registration the Group's share in TKP decreased to 12.12%. Since the acquisition of the new shares in TKP was effectively a conversion of the long term loan granted to TKP into equity and therefore did not require any additional funds.

In March 1998 the Group provided a pledge on the TKP shares (held at that time) as a security for a bank loan granted to TKP. According to the representation of the bank TKP repaid the loan in full by the December 31, 1999. Therefore the pledge has expired and is now being removed out of a specific register.

CHANGE IN FINANCIAL FIXED ASSETS (DIVIDED INTO GROUPS)								
	a) shares:	- in subsidiaries	- in associated companies	- in parent Company	b) long-term loans granted:	- to subsidiaries	- to associated companies	- to parent Company
a) opening balance	7 855	6 137	1 624	-	23 609	1 972	2 971	-
b) additions	25 146	2 427	228	-	15 272	1 876	3 961	-
- purchases	23 607	888	228	-	-	-	-	-
- loan into shares swap	1 527	1 527	-	-	-	-	-	-
- interest accrued and revaluations	-	-	-	-	3 748	1 090	2 252	-
- loans granted	-	-	-	-	7 695	784	1 709	-
- stamp duty	12	12	-	-	-	-	-	-
- swap of debt into loan	-	-	-	-	2	2	-	-
- released provisions	-	-	-	-	3 827	-	-	-
c) disposals	-	-	-	-	(33 553)	(717)	(5 141)	-
- transfer to short term loan	-	-	-	-	(220)	(220)	-	-
- loans repaid	-	-	-	-	(22 633)	(141)	-	-
- provision for interest and revaluation	-	-	-	-	(6 051)	(356)	(492)	-
- loan into shares swap	-	-	-	-	(249)	-	(249)	-
- provision for a loan to Inforadio Sp. z o.o.	-	-	-	-	(4 400)	-	(4 400)	-
d) closing balance	33 001	8 564	1 852	-	5 328	3 131	1 791	-
Financial fixed assets, Total	33 001	8 564	1 852	-	5 328	3 131	1 791	-

	c) other securities:	- of subsidiaries	- of associated companies	- of a parent Company	d) other equity rights (divided into groups)			e) other financial fixed assets	Financial fixed assets, Total
					-	-	-		
a) opening balance	-	-	-	-	-	-	-	-	31 464
b) additions	-	-	-	-	-	-	-	-	40 418
- purchases	-	-	-	-	-	-	-	-	23 607
- loan into shares swap	-	-	-	-	-	-	-	-	1 527
- interest accrued and revaluations	-	-	-	-	-	-	-	-	3 748
- loans granted	-	-	-	-	-	-	-	-	7 695
- stamp duty	-	-	-	-	-	-	-	-	12
- swap of debt into loan	-	-	-	-	-	-	-	-	2
- released provisions	-	-	-	-	-	-	-	-	3 827
c) disposals	-	-	-	-	-	-	-	-	(33 553)
- transfer to short term loan	-	-	-	-	-	-	-	-	(220)
- loans repaid	-	-	-	-	-	-	-	-	(22 633)
- provision for interest and revaluation	-	-	-	-	-	-	-	-	(6 051)
- loan into shares swap	-	-	-	-	-	-	-	-	(249)
- provision for a loan to Inforadio Sp. z o.o.	-	-	-	-	-	-	-	-	(4 400)
d) closing balance	-	-	-	-	-	-	-	-	38 329

SHARES IN SUBSIDIARIES AND AFFILIATED COMPANIES (INVESTMENTS)

No.	a	b	c	d	e	f	g	h	i	j	k	l
	Company (with its legal status)	location	Company's activity	Kind of relation	consolidation method used	control overtaking/ influence date	shares purchase price	amounts provided for (total)	shares balance sheet value	percentage of share in share capital	percentage of votes on Shareholders meeting	other than in j) or k) kind of domination
1	KKK FM SA	Wroclaw	local radio station	subsidiary	excluded from consolidation	1.02.98	443	-	443	49,0%	49,0%	majority in the Management Board
2	Inforadio Sp. z o.o.	Warszawa	supra-regional radio station	affiliated	excluded from consolidation	1.02.98	2 857	(2 800)	57	29,2%	29,2%	-
3	Elita Sp. z o.o.	Bydgoszcz	local radio station	subsidiary	excluded from consolidation	1.02.98	2 039	-	2 039	98,4%	98,4%	-
4	Radio Trefl Sp. z o.o.	Sopot	local radio station	affiliated	excluded from consolidation	1.02.98	985	-	985	49,0%	49,0%	-
5	Jan Babczyszyn Radio Jazz FM Sp. z o.o.	Poznan	local radio station	affiliated	excluded from consolidation	1.02.98	353	-	353	42,0%	42,0%	-
6	IM 40 Sp. z o.o.	Warszawa	local radio station	subsidiary	excluded from consolidation	1.02.98	1 260	-	1 260	72,0%	72,0%	-
7	Radio Wawel Sp. z o.o.	Kraków	local radio station	subsidiary	excluded from consolidation	1.02.98	2	-	2	50,0%	50,0%	-
8	Lokalne Rozglosnie Radiowe Sp. z o.o.	Warszawa	radio activity	subsidiary	excluded from consolidation	1.02.98	804	-	804	100,0%	100,0%	-
9	O'LE Sp. z o.o.	Opole	local radio station	subsidiary	excluded from consolidation	1.02.98	469	-	469	100,0%	100,0%	-
10	Karolina Sp. z o.o.	Katowice	local radio station	subsidiary	excluded from consolidation	26.03.98	1 499	-	1 499	100,0%	100,0%	-
11	CITY Radio Sp. z o.o.	Czestochowa	local radio station	subsidiary	excluded from consolidation	25.06.98	1 699	-	1 699	100,0%	100,0%	-
12	Biuro Obslugi Radiowej Sp. z o.o.	Poznan	radio, TV, commercial services	affiliated	excluded from consolidation	9.09.98	430	-	430	46,0%	46,0%	-
13	BARYS Sp. z o.o.	Piotrków Trybunalski	radio, TV, commercial, market research services	affiliated	excluded from consolidation	17.12.99	28	-	28	10,2%	10,2%	majority in the Management Board
14	UZNAM Sp z o.o.	Swinoujscie	local radio station	subsidiary	excluded from consolidation	29.12.99	348	-	348	100,0%	100,0%	-

SHARES IN SUBSIDIARIES AND AFFILIATED COMPANIES (INVESTMENTS), cont.

No.	a Company	m share capital of a company :						n Company's liabilities, - long-term	o		p Total Company assets	r Sales revenue	s Outstanding share capital contribution	t dividends/shares in profits for last accounting year received or receivable		
		share capital	capital called but not paid in (a negative figure)	reserve capital	other capital items	unappropriated result from previous years			Company's receivables: - long-term							
						net profit/(loss)										
1	KKK FM S.A.	604	-	-	(1 635)	(1 465)	(170)	1 787	891	469	-	756	2 614	-	-	
2	Inforadio Sp. z o.o.	7 245	-	641	(30 039)	(14 382)	(15 657)	27 842	27 111	851	-	6 149	1 821	-	-	
3	Elita Sp. z o.o.	2 083	-	-	(2 333)	(1 584)	(749)	1 325	832	297	-	1 075	1 121	-	-	
4	Radio Trefl Sp. z o.o.	2 000	-	-	(2 826)	(1 716)	(1 110)	2 212	320	442	-	1 386	1 447	-	-	
5	Jan Babczyszyn Radio Jazz FM Sp. z o.o.	600	-	-	(538)	(429)	(109)	542	-	290	-	604	1 567	-	-	
6	IM 40 Sp. z o.o.	1 000	-	465	2 596	(591)	3 187	1 530	-	2 870	-	5 591	10 946	-	288	
7	Radio Wawel Sp. z o.o.	4	the Company has not started yet activities													
8	Lokalne Rozglosnie Radiowe Sp. z o.o.	804	-	-	25	(4)	29	10	-	111	-	839	1 348	-	-	
9	O'le Sp. z o.o.	464	-	-	-	-	-	986	549	172	-	331	934	-	-	
10	Karolina Sp. z o.o.	1 100	-	-	(994)	(833)	(161)	1 440	904	473	-	1 652	3 192	-	-	
11	City Radio Sp. z o.o.	1 701	-	(28)	(2 392)	(2 097)	(295)	1 119	742	374	-	523	1 177	-	-	
12	Biuro Obslugi Radiowej Sp. z o.o.	935	-	-	(892)	(458)	(434)	1 886	-	1 202	-	1 929	8 653	-	-	
13	BARYS Sp. z o.o.	269	the Company has not started yet activities													
14	UZNAM Sp z o.o.	31	-	212	(236)	-	(286)	37	-	19	-	44	1 347	-	-	

SHARES IN OTHER ENTITIES (INVESTMENTS)								
No.	a Name of entity, legal form	b Location	c Activity	d Book value of shares	e % of share capital	f Share in the total number of votes on shareholders meeting	g Value of shares unpaid by the Company	h Dividends received or due for the last year
1	Telewizyjna Korporacja Partycypacyjna SA	Warszawa	cable TV operator	22 492	12,12%	12,12%	-	-
2	Other	-	-	94	less than 1% in each company	less than 1% in each company	-	-
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-

LONG TERM LOANS GRANTED (CURRENCY STRUCTURE)	31.12.1999	31.12.1998
a) in Polish zloty	5 328	23 609
b) in foreign currencies (by currencies and after translation into PLN)	-	-
b1. other currencies in thousand PLN	-	-
Total long term loans granted	5 328	23 609

Long term loans were granted in Polish zloty (PLN), however, the loan agreements rules to translate the value of loan and due interest according to USD exchange rate binding on the day of loan repayment.

LONG TERM SECURITIES, SHARES AND OTHER PROPERTY RIGHTS (CURRENCY STRUCTURE)	31.12.1999	31.12.1998
a) in Polish zloty	33 001	7 855
b) in foreign currencies (by currencies and after translation into PLN)	-	-
b1. other currencies in thousand PLN	-	-
Total long term securities, shares and property rights	33 001	7 855

LONG TERM SECURITIES, SHARES AND OTHER PROPERTY RIGHTS (BY LIQUIDITY)	31.12.1999	31.12.1998
A. Readily marketable, quoted on the stock exchange (balance sheet value)	-	-
a) shares (balance sheet value):	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
b) bonds (balance sheet value)	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
c) other - grouped by kind (balance sheet value):	-	-
c1 ...	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
...	-	-
B. Readily marketable, quoted on the controlled over the counter market (balance sheet value)	-	-
a) shares (balance sheet value):	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
b) bonds (balance sheet value)	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
c) other - grouped by kind (balance sheet value):	-	-
c1 ...	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
...	-	-
C. Readily marketable, quoted neither on the stock exchange nor on the controlled over the counter markets (balance sheet value)	-	-
a) shares (balance sheet value):	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
b) bonds (balance sheet value)	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
c) other - grouped by kind (balance sheet value):	-	-
c1 ...	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
...	-	-
D. Securities with restricted marketability (balance-sheet value)	33 001	7 855
a) shares (balance sheet value):	33 001	7 855
- adjustments updating the value (balance)	(117 776)	(2 800)
- the value according to purchase price	150 777	10 655
b) bonds (balance sheet value)	-	-
- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
c) other - grouped by kind (balance sheet value):	-	-
c1 ...	-	-

- adjustments updating the value (balance)	-	-
- the value according to purchase price	-	-
...	-	-
Total value per purchase price	150 777	10 655
Total adjustments updating the value (balance)	(117 776)	(2 800)
Total balance sheet value	33 001	7 855

OTHER FINANCIAL ASSETS (BY CURRENCY STRUCTURE)	31.12.1999	31.12.1998
a) in PLN	-	-
b) in foreign currency (per currency translated into PLN)	-	-
b1. unit/currency	-	-
thousand PLN	-	-
b2. unit/currency	-	-
thousand PLN	-	-
b3. unit/currency	-	-
thousand PLN	-	-
.....	-	-
b4. other currency in thousand PLN	-	-
Total other financial assets	-	-

Note 5.

LONG TERM RECEIVABLES	31.12.1999	31.12.1998
a) trade long term receivables, including:	-	-
- from subsidiary companies	-	-
- from associated entities	-	-
- from parent company	-	-
b) other long term receivables, including	-	-
- from subsidiary companies	-	-
- from associated entities	-	-
- from parent company	-	-
Net long term receivables	-	-
c) provision for receivables (positive value)	-	-
Gross long term receivables	-	-

CHANGE IN LONG TERM RECEIVABLES	31.12.1999	31.12.1998
a) value as at the beginning of the period	-	-
b) additions:	-	-
c) disposals:	-	-
Long term receivables as at the end of the period	-	-

CHANGE IN PROVISION FOR LONG TERM RECEIVABLES	31.12.1999	31.12.1998
a) value as at the beginning of the period	-	-
b) additions:	-	-
c) disposal	-	-
d) writing down	-	-
Provision for long term receivables as at the end of the period	-	-

LONG TERM RECEIVABLES (BY CURRENCY STRUCTURE)	31.12.1999	31.12.1998
a) in Polish currency	-	-
b) in foreign currency (per currency translated into PLN)	-	-
b1. unit/currency	-	-
thousand PLN	-	-
b2. unit/currency	-	-
thousand PLN	-	-
b3. unit/currency	-	-
thousand PLN	-	-
....	-	-
b4. other currency in thousand PLN	-	-
Total long term receivables	-	-

Note 6.

INVENTORY	31.12.1999	31.12.1998
a) Raw materials	17 723	16 424
b) Semi-products and work in progress	-	-
c) Finished products	-	96
d) Merchandise	684	225
e) Prepayments for inventory	72	172
Total inventory	18 479	16 917

Note 7.

CURRENT DEBTORS	31.12.1999	31.12.1998
a) Trade debtors	63 105	56 417
- subsidiary companies	1 509	652
- associated entities	577	455
- parent company	-	-
b) Other debtors - subsidiary companies	-	154
c) Other debtors - associated entities	-	216
d) Other debtors - parent company	-	-
e) Taxation, subsidy and social security debtors	13 661	5 035
f) Dividends and other participation in earnings	-	-
g) Other debtors	7 502	7 038
h) Debtors subject to legal proceedings for which provision was not created	-	1
Net current debtors	84 268	68 861
i) Provision for doubtful debt (positive figure)	25 151	17 321
Current debtors, gross value	109 419	86 182

MOVEMENTS IN PROVISION FOR SHORT TERM DEBTS	31.12.1999	31.12.1998
a) Balance at the beginning of the year	17 321	10 865
b) Additions	13 995	10 336
- provision for debts subject to legal proceedings	4 672	1 924
- provision for outstanding interest	-	372
- provision for doubtful debts	9 323	8 040
c) Utilisation	(2 748)	916
- debts written-off	(1 376)	916
- penalty interest written-off	(1 372)	-
d) Release	(3 417)	2 964
- settlement of payments provided for	(2 974)	2 964
- reclassification to long term	(443)	-
Debt provision closing balance	25 151	17 321

DEBTORS (BY CURRENCY)	31.12.1999	31.12.1998
a) in Polish currency	108 261	85 587
b) in foreign currencies	1 158	595
b1. unit/currency thousand USD	202	117
thousand PLN	837	244
b2. unit/currency thousand DEM	78	224
thousand PLN	171	140
b3. unit/currency thousand GBP	-	14
thousand PLN	-	83
b4. unit/currency thousand CAD	-	10
thousand PLN	-	23
b5. unit/currency thousand FRF	59	-
thousand PLN	38	-
b6. other currencies (translated) into thousand PLN	112	105
Total short term debtors	109 419	86 182

AGEING OF TRADE DEBTORS (NOMINAL VALUE) AS AT THE YEAR END	31.12.1999	31.12.1998
a. Due within 1 month	37 343	38 805
b. Due between 1 and 3 months	829	2 739
c. Due between 3 and 6 months	392	78
d. Due between 6 months and 1 year	671	22
e. Due after 1 year	174	-
f. Overdue trade debtors	46 119	27 490
Total trade debtors (nominal value)	85 528	69 134
g. Provision for doubtful debts (negative figure)	(22 423)	(12 717)
Total trade debtors (net)	63 105	56 417

Trade debtors turnover related to regular sales cycle is:

- advertisements 7 - 21 days
- newspapers 7 - 25 days

AGEING OF OVERDUE TRADE DEBTORS (NOMINAL VALUE) AS AT THE YEAR END - UNSETTLED WITHIN:	31.12.1999	31.12.1998
a. 1 month	16 910	7 553
b. between 1 and 3 months	9 098	6 733
c. between 3 and 6 months	4 543	3 836
d. between 6 months and 1 year	6 186	3 571
e. after 1 year	9 382	5 797
Total overdue trade debtors (nominal value)	46 119	27 490
f. Provision for doubtful debts (negative figure)	(22 287)	(12 270)
Total overdue trade debtors (net)	23 832	15 220

Out of the total value of debtors of PLN 109,419 thousand the overdue debtors are:

- trade debtors of PLN 48,214 thousand, including PLN 25,927 thousand not provided for,
- receivables from the state budget of PLN 2.180 thousand, fully provided for.

As at 31 December 1999 disputed debtors amounted to PLN 2,490 thousand and were fully provided for.

Note 8.

OWN SHARES FOR SALE				
Amount	Amount	Purchase price	Purpose for purchasing	Purpose
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
SHARES OF AGORA SA IN POSSESSION OF RELATED COMPANIES				
Company name, location	Amount	Acquisition price	Balance sheet value	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Note 9.

SHORT-TERM SECURITIES, SHARES AND OTHER PROPERTY RIGHTS	31.12.1999	31.12.1998
a) Shares	-	-
- in subsidiary companies	-	-
- in associated entities	-	-

- in parent company	-	-
b) Other short-term securities	214 068	1 290
- in subsidiary companies	-	635
- in associated entities	665	655
- in parent company	-	-
c) Other securities and property rights	-	10 123
- treasury bills	-	10 123
Total short-term securities, shares and property rights	214 068	11 413

SHORT-TERM SECURITIES, SHARES AND PROPERTY RIGHTS (BY CURRENCY)	31.12.1999	31.12.1998
a) in PLN currency	214 068	11 413
b) Denominated in foreign currencies	-	-
b1. unit/currency thousand USD	-	-
thousand PLN	-	-
b2. unit/currency	-	-
thousand PLN	-	-
b3. unit/currency	-	-
thousand PLN	-	-
.....	-	-
b4. other currencies translated in thousand PLN	-	-
Total short-term securities, shares and property rights	214 068	11 413

SHORT-TERM SECURITIES, SHARES AND PROPERTY RIGHTS (BY LIQUIDITY)	31.12.1999	31.12.1998
A. Readily marketable securities, quoted on stock exchanges (balance-sheet value)	56 252	-
a) shares (balance-sheet value)	-	-
- market value (net)	-	-
- purchase cost	-	-
b) bonds (balance-sheet value)	56 252	-
- market value (net)	56 252	-
- purchase cost	54 831	-
c) other (balance-sheet value)	-	-
B. Readily marketable securities, quoted on regulated, over-the counter-market (balance-sheet value)	10 099	-
a) shares (balance-sheet value)	-	-
- market value (net)	-	-
- purchase cost	-	-
b) bonds (balance-sheet value)	10 099	-
- market value (net)	10 099	-
- purchase cost	10 252	-
c) other (balance-sheet value)	-	-
C. Readily marketable securities, not quoted on stock exchanges or regulated over-the-counter market (balance-sheet value)	146 717	11 413
a) shares (balance-sheet value)	-	-
- market value (net)	-	-
- purchase cost	-	-
b) bonds (balance-sheet value)	-	-
- market value (net)	-	-
- purchase cost	-	-
c) other, including participation unit (balance-sheet value)	146 717	11 413
c1 corporate bonds (balance sheet value)	141 907	1 290
- market value (net)	141 907	1 290
- purchase cost	137 349	1 184
c2 treasury bills (balance sheet bonds)	4 810	10 123
- market value (net)	4 810	10 123
- purchase cost	4 685	9 922
c3 depositary certificates	-	-
- market value (net)	-	-
- purchase cost	-	-
c4 shares in an investment funds	1 000	-
- market value (net)	1 000	-
- purchase cost	1 000	-
...	-	-
D. Securities with restricted marketability (balance-sheet value)	-	-
a) shares (balance-sheet value)	-	-
- estimated market value (net)	-	-
- purchase cost	-	-
b) bonds (balance-sheet value)	-	-
- estimated market value (net)	-	-
- purchase cost	-	-
c) other (balance-sheet value)	-	-
Total purchase / aquisition cost	208 117	11 106
Total valuation adjustment (net)	5 951	307
Total market value	214 068	11 413
Total book value	214 068	11 413

Note 10.

CASH AND CASH EQUIVALENTS	31.12.1999	31.12.1998
a. Cash in hand	262	313
b. Cash at bank	31 078	6 561
c. Other	207	246
Total cash and cash equivalents	31 547	7 120

CASH AND CASH EQUIVALENTS (BY CURRENCY)	31.12.1999	31.12.1998
a) PLN currency	29 332	6 358
b) in foreign currencies	2 215	762
b1. unit/currency thousand USD	135	213

thousand PLN	562	746
b2. unit/currency thousand DEM	9	6
thousand PLN	20	13
b3. unit/currency thousand EURO	389	1
thousand PLN	1 620	3
b4. other currencies in thousand PLN	13	-
Total cash and cash equivalents	31 547	7 120

Note 11.

MOVEMENT IN DEFFERED TAX ASSETS	31.12.1999	31.12.1998
Deferred tax asset at beginning of period	-	-
a) increases	-	-
b) decreases	-	-
Deferred tax asset at the end of period	-	-

OTHER PREPAID EXPENSES	31.12.1999	31.12.1998
a) prepaid expenses, incl.:	1 035	2 941
- Social Fund	-	-
- rents	325	235
- insurance	75	63
- bank loan fee	-	30
- preparation of prospectus	-	2 580
- advertising	-	-
- import services	171	-
- press subscription	72	-
- computer services	195	-
b) other prepaid expenses, incl.:	-	-
Total prepaid expenses	1 035	2 941

Note 12.

EQUITY							
Nominal value of one share = 1,00 PLN							
Series/ issue	Type of shares	Type of preference	Number of shares	Value of series/ issue in nominal	Origin of capital	Registration date	Right to dividend (from date)
A	Registered	5 votes per share	4 281 600	4 282	conversion	1.04.98	1.01.97
B	Registered	none	39 108 900	39 109	conversion	1.04.98	1.01.97
C	Registered	5 votes per share	750 000	750	conversion	1.04.98	1.01.97
D	Registered	none	2 267 025	2 267	issued	29.03.99	1.01.98
E	ordinary shares	none	9 000 000	9 000	issued	29.03.99	1.01.98
F	ordinary shares	none	1 350 000	1 350	issued	29.03.99	1.01.98
Total number of shares			56 757 525				
Total equity				56 758			

Share capital comprises of 56,757,525 A, B, C, D, E and F series shares of 1 PLN face value each. :

4.281.600	Registered	series A
39.108.900	Registered	series B
750.000	Registered	series C
2.267.025	Registered	series D
9.000.000	Registered	series E
1.350.000	Registered	series F

A, B, C series of registered shares were distributed to the shareholders of the Company on transformation into the public company.

On the 29 March 1999 Agora SA increased share capital from the amount of 44,140,500 PLN to 56,757,525 PLN by issuing shares of D, E, F series.

Issue price of D series shares was 1 PLN per share, price of E and F series shares was 36 PLN per share.

New shares participate in dividends from 1 January 1998 onwards.

Shareholders who have at least 5% of total voting rights on General Shareholders Meeting (GSM), at the 31 January 1999:

- AGORA-HOLDING Sp. z o.o., based in Warszawa - 47,8 % of total voting rights on GSM,
- COX Poland Investments, Inc., based in Wilmington, USA - 12,2 % of total voting rights on GSM,
- Bankers Trust Company, based in New York City, USA - 9% of total voting rights on GSM.

Note 13.

RESERVE CAPITAL	31.12.1999	31.12.1998
a) Share premium	367 138	-
b) Statutory reserves	-	-
c) Capital reserves established in accordance with the statute / (deed), in excess of legal requirements	119 581	127 316
d) Additional capital contributions from shareholders	1 038	1 038
e) Other	550	-
Total reserve capital	488 307	128 354

Note 14.

OTHER RESERVE CAPITAL (BY APPROPRIATION)	31.12.1999	31.12.1998
-	-	-
Total other reserve capital	-	-

Note 15.

ACCUMULATED PROFIT / (LOSS) FROM PREVIOUS YEARS	31.12.1999	31.12.1998
a) Accumulated profit (positive figure)	-	-
b) Accumulated loss (negative figure)	-	-
Accumulated profit / (loss) from previous years	-	-

Note 16.

CONSOLIDATED RESERVE CAPITAL	31.12.1999	31.12.1998
a) Consolidated reserve capital - subsidiary companies	-	-
b) Consolidated reserve capital - associated companies	-	-
Total consolidated reserve capital	-	-

MOVEMENT ON CONSOLIDATED RESERVE CAPITAL - SUBSIDIARY COMPANIES	31.12.1999	31.12.1998
a) gross value at the beginning of the year	-	-
b) additions:	-	-
c) disposals:	-	-
d) gross value at year end	-	-
e) appropriation of consolidated reserve capital at the beginning of the year	-	-
f) appropriation of consolidated reserve capital for the year	-	-
g) appropriation of consolidated reserve capital at year end	-	-
h) net value at year end	-	-

MOVEMENT ON CONSOLIDATED RESERVE CAPITAL - ASSOCIATED COMPANIES	31.12.1999	31.12.1998
a) gross value at the beginning of the year	-	-
b) additions:	-	-
c) disposals:	-	-
d) gross value at year end	-	-
e) appropriation of consolidated reserve capital at the beginning of the year	-	-
f) appropriation of consolidated reserve capital for the year	-	-
g) appropriation of consolidated reserve capital at year end	-	-
h) net value at year end	-	-

Note 17.

MOVEMENT ON SHARE CAPITAL OF MINORITY SHAREHOLDERS	31.12.1999	31.12.1998
a) Balance at the beginning of the year	-	-
b) additions:	-	-
c) disposals:	-	-
d) Balance at year end	-	-

Note 18.

MOVEMENTS IN DEFERRED TAX PROVISION	31.12.1999	31.12.1998
Balance at beginning of year	6 837	3 775
a) additions:	17 200	9 962
- investment relief	6 784	7 331
- tax on valuation of bonds and t-bills	2 778	1 468
- tax on interest and revaluation of TKP loan	-	410
- tax on realised foreign exchange losses	4 840	2
- tax on realised interest on loans and credits	588	130
- provision contributed by merged companies	-	621
- tax on unrealised foreign exchange gains	-	-
- tax on salaries	603	-
- tax on a difference between tax and accounting depreciation	1 587	-
- other	20	-
b) decreases:	(14 684)	6 900
- tax on depreciation of assets under an investment relief	(1 464)	1 509
- tax on prior year revaluation of bonds sold in current year	(1 274)	646
- tax on created provisions	(1 590)	786
- tax on accrued interest on loans and credits	(2 035)	2 065
- tax on unrealised negative foreign exchange rate differences	(7 039)	1 610
- change in tax rate	(1 249)	284
- tax on salaries	-	-
- other	(33)	-
Balance at the end of year	9 353	6 837

Note 19.

OTHER PROVISIONS	31.12.1999	31.12.1998
- provisions for certain and probable losses	-	39
-	-	-
Total other provisions	-	39

MOVEMENTS IN OTHER PROVISIONS (EXCLUSIVE OF RECEIVABLES PROVISION)					
	Provision against certain and probable losses	-	-	-	Total other provisions
a) Balance of other provisions at the beginning of the year	39	-	-	-	39
b) additions	-	-	-	-	-
c) utilisation	(26)	-	-	-	(26)
- reimbursements received	(26)	-	-	-	(26)
d) released	(13)	-	-	-	(13)
e) Balance of other provisions at year end	-	-	-	-	-

Note 20.

LONG-TERM LIABILITIES	31.12.1999	31.12.1998
a) long-term bank credits, incl.:	-	-
- from parent company	-	-
b) long-term loans, incl.:	79 101	63 129
- from subsidiaries	-	-
- from associated entities	-	-
- from parent company	-	-
c) liabilities relating to long-term debt securities issued	-	-
d) liabilities relating to other securities	-	-
e) finance lease commitments	-	-
f) other long-term liabilities	-	-
Total long-term liabilities	79 101	63 129

AGEING OF LONG TERM LIABILITIES	31.12.1999	31.12.1998
a) between 1 and 3 years	-	-
b) between 3 and 5 years	-	-
c) after 5 years	79 101	63 129
Total long-term liabilities	79 101	63 129

LONG-TERM LIABILITIES (BY CURRENCY)	31.12.1999	31.12.1998
a) long-term liabilities in Polish currency	-	-
b) long-term liabilities in foreign currencies (translated into Polish currency)	79 101	63 129
b1. unit/currency thousands/ USD	19 068	18 016
thousands PLN	79 101	63 129
b2. other currencies in thousands PLN	-	-
Total long-term liabilities	79 101	63 129

Note 21.

SHORT-TERM LIABILITIES	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) bank credits, incl.:	-	73 203
- from subsidiaries	-	-
- from associated entities	-	-
- from parent company	-	-
b) loans, incl.:	-	-
- from subsidiaries	-	-
- from associated entities	-	-
- from parent company	-	-
c) liabilities relating to short-term debt securities issued	-	-
d) liabilities relating to other short-term debt securities issued	-	-
e) trade payables, to:	67 923	43 659
- subsidiaries	-	8
- associated entities	162	-
- parent company	-	-
f) advance payments received	-	4
g) bills of exchange payable	-	-
h) taxation, customs, social security payable	4 973	7 292
i) dividends payable	-	-
j) payables to employees	218	335
k) current portion of long-term liabilities, incl.:	-	39 245
- bank credits and loans	-	39 245
-	-	-
-	-	-
-	-	-
l) special funds	4 786	3 539
m) other short-term liabilities, incl.:	634	2 070
- interest on loans and credits	-	1 125
- payables to employees	130	-
Total short-term liabilities	78 534	169 347

SHORT-TERM LIABILITIES (BY CURRENCY)	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) in Polish currency	55 905	38 183
b) in foreign currencies (translated into Polish currency)	22 629	131 164
b1. unit/currency thousands/ DEM	9 859	42 782
thousands PLN	21 769	89 480
b2. unit/currency thousands/ USD	203	11 548
thousands PLN	841	40 466
b3. unit/currency thousands/ CHF	-	217
thousands PLN	-	553
b4. other currencies in thousands PLN	19	665
Total short-term liabilities	78 534	169 347

SPECIAL FUND (BY APPROPRIATION)	1.01.99 till 31.12.99	1.01.98 till 31.12.98
- Social Fund	4 789	3 458
- Others	(3)	81
-	-	-
Total special funds	4 786	3 539

Note 22.

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
ACCRUED EXPENSES AND DEFERRED INCOME		
a) accrued expenses, including:	6 991	3 748
- holiday pay accrual	4 488	2 248
- accrual for employee incentive plan	1 526	1 500
- December'99 salaries paid in January	977	-
b) deferred income, including:	5 798	7 569
- unrealised foreign exchange rate differences	2 338	3 256
- prepayments received for advertisements and subscriptions	2 634	3 127
- court costs to be recovered	397	253
- repaid Radio City debts	-	388
- negative goodwill	318	-
Total accrued expenses and deferred income	12 789	11 317

Additional balance sheet note**Calculation of book value per share and diluted book value:**

Book value per share has been calculated by dividing share capital (at balance sheet date) by the number of shares

having subscription right at the balance sheet date.

Diluted book value per share has not been calculated since the Group is not planning any new shares issue.

YEAR 1998

Number of registered shares, having the subscription right as at 31 December 1998 amounted to 44,140,500. On 8 May 1998 Extraordinary Shareholders' Meeting took resolution on issuance of new shares of the following series:

D - 2.267.025 shares,

E - 9.000.000 shares,

F - 1.350.000 shares.

Total: 12.617.025 shares. Issue of new shares took place. On 29 March 1999 the Registry Court registered increase of the share capital by shares of D, E i F series. New shares have right to dividend with effect from 1 January 1998. Accordingly, the anticipated number of shares having the right to subscription amounts to: 44.140.500+12.617.025= 56.757.525 shares.

Share capital (as at 30 June 1998)	166 065
Increase in share capital - shares classes D, E, F (as at 31 March 1999)	12 617
Share premium (as at 31 March 1999)	367 138
Equity total:	545 820

Diluted book value PLN as at 31 December 1998

9,62

Note 23.

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
NET SALES OF FINISHED PRODUCTS (BY TYPE OF PRODUCTS)		
- sale of advertising	540 178	432 176
- sale of publications	137 297	108 416
- sale of services of auxiliary activity	6 244	3 293
- other sale	2 091	2 299
Total net sales of finished products	685 810	546 184

Starting 1999 the Company changed the presentation of sales revenue. Now sales of advertising contain in addition to sales of press advertisements also revenue from other advertising.

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
NET SALES OF FINISHED PRODUCTS (BY GEOGRAPHIC AREA)		
a. Domestic sales	685 403	545 975
b. Export sales	407	209
Total net sales of finished products	685 810	546 184

Note 24.

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
NET SALES OF MERCHANDISE AND MATERIALS (BY TYPE OF ACTIVITY)		
- sales of materials	1 254	1 939
- sales of reinforcements and merchandise	2 439	73
- sales of albums	186	1 698
- other sales	-	-
Total net sales of merchandise and materials	3 879	3 710

	1.01.99 till 31.12.99	1.01.98 till 31.12.98
NET SALES OF MERCHANDISE AND MATERIALS (BY GEOGRAPHIC AREA)		
a. Domestic sales	3 879	3 710
b. Export sales	-	-
Total net sales of merchandise and materials	3 879	3 710

Note 25.

COST BY TYPE OF EXPENDITURE	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) materials and energy	168 288	139 621
b) external services	101 142	93 928
c) taxes and charges	2 207	2 279
d) payroll	116 299	75 386
e) social security on employee payroll	23 034	35 318
f) depreciation	42 019	18 046
g) other	25 772	17 152
Total cost by type of expenditure	478 761	381 730
Changes in stock and prepaid and accrued expenses	96	(75)
Selling costs (negative number)	(54 060)	(39 727)
Administrative and general expenses (negative number)	(97 986)	(66 378)
Cost of products sold	326 811	275 550

Note 26.

OTHER OPERATING INCOME	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) revenue from sales of fixed assets	43	415
b) subsidies	-	-
c) provision reversal	2 315	1 590
- payment of debts provided for	2 294	1 567
- reversal of provision for future losses	8	23
- of provision against certain and probable losses	13	-
d) other, including:	555	597
- donations obtained	128	118
- received contractual fines	9	130
- adjustment of prior period financial costs	2	107
- court fees returned	123	91
- liabilities written - off	85	9
- written - off debts repaid	-	-
Total other operating income	2 913	2 602

Note 27.

OTHER OPERATING EXPENSES	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) net book value of fixed assets sold	332	338
b) valuation adjustment to stock	-	-
c) unplanned depreciation charges	2 369	483
d) provisions created for:	9 698	7 077
- overdue debts	9 698	7 077
- state receivables	-	-
e) other, including:	4 054	36 234
- donations	866	741
- receivables written-off	910	51
- legal charges and suit costs	396	199
- cost of agreement with COX Poland Investment, Inc.	-	34 743
Total other operating expenses	16 453	44 132

Unplanned depreciation charges amounting to PLN 2,369 thousand resulted from:

1) donations	1 808
2) given up not completed leasehold improvements	313
3) liquidation of fixed assets	223
4) given up fixed assets construction	23
5) missing fixed assets	2
TOTAL	2 369

Note 28.

INCOME FROM SHARES IN OTHER ENTITIES	1.01.99 till 31.12.99	1.01.98 till 31.12.98
Income from shares in other entities, including:	288	1
1. from subsidiaries	288	-
2. from associates	-	-
3. from parent company	-	-
Total income from shares in other entities	288	1

Note 29.

INCOME FROM OTHER FINANCIAL FIXED ASSETS	1.01.99 till 31.12.99	1.01.98 till 31.12.98
Income from other financial fixed assets, including:	-	-
1. from subsidiaries	-	-
2. from associates	-	-
3. from parent company	-	-
Total income from other financial fixed assets	-	-

Note 30.

OTHER FINANCIAL INCOME	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) interest on loans granted, including:	6 124	3 072
- from subsidiaries	310	227
- from associates	584	1 917
- from parent company	-	-
b) other interest, including:	10 952	5 165
- from subsidiaries	-	-
- from associates	-	-
- from parent company	-	-
c) profit on sale of securities	-	1 565
d) gain on the revaluation of financial fixed assets and short term securities	5 951	1 080
e) foreign exchange gains	26 363	2 611
f) provision reversal, including:	4 492	4 748
- interest paid on outstanding debts	666	346
- reversal of revaluation of securities	-	4 402
- foreign exchange on TKP loan repaid	3 826	-
g) other, including:	6 101	957
- net income on forex forwards and future interest rate contracts	4 547	-
- others	1 554	-
Total other financial income	59 983	19 198

Note 31.

FINANCIAL EXPENSES	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) interest on loans and credits, including:	8 751	5 257
- from subsidiaries	-	-
- from associates	-	-
- from parent company	-	-
b) other interest, including:	1	2 234
- from subsidiaries	-	-
- from associates	-	-
- from parent company	-	-
c) loss on sale of financial fixed assets and short term securities	5 872	-
d) loss on the revaluation of financial fixed assets and short term securities	-	2 800
e) foreign exchange losses	29 306	5 336
- realised	19 128	1 534
- unrealised	10 178	3 802
f) created provisions, including:	14 298	6 355
- for accrued interest on short term securities	-	2 671
- for interest accrued	4 707	3 684
- for loans granted to related companies	9 591	-
g) other financial expenses, including:	997	21 200
- cost of credit service	896	-
- shares in Agora Holding Sp. z o.o. written-off	-	19 070
- penalty interest on budget payables	2	-
Total financial expenses	59 225	43 182

Note 32.

EXTRAORDINARY GAINS	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) random effects	14	27
b) from the sale of shares in subsidiary companies	-	-
c) from the sale of shares in associated companies	-	-
d) other, including:	-	6
Total extraordinary gains	14	33

Note 33.

EXTRAORDINARY LOSSES	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) random effects	5	2
b) from the sale of shares in subsidiary companies	-	-
c) from the sale of shares in associated companies	-	-
d) other, including:	9	-
Total extraordinary losses	14	2

Note 34.

CORPORATE INCOME TAX	1.01.99 till 31.12.99	1.01.98 till 31.12.98
1. Profit before taxation	194 821	71 108
2. Consolidation adjustments	7 725	10 918
3. Permanent differences between profit (loss) before taxation and taxable income	(7 576)	50 448
4. Temporary differences between profit (loss) before taxation and taxable income	(10 466)	(8 016)
5. Other differences between profit (loss) before taxation and taxable income, including:	(83)	(387)
- prior period losses	(232)	(63)
6. Tax base	184 421	124 071
7. Corporate income tax according to rate 34%, 36% in 1998	62 703	44 665
8. Abandonment, exemption, deduction and reduction of tax	(3 047)	(4 696)
9. Corporate income tax payable	59 656	39 969
10. Deferred tax liability	-	-
- opening balance	11 866	5 004
- additions	11 171	9 465
- disposals	(5 126)	(2 603)
- closing balance	17 911	11 866
11. Deferred tax asset	-	-
- opening balance	5 029	1 229
- additions	10 701	4 496
- disposals	(7 172)	(696)
- closing balance	8 558	5 029
12. Difference between the increase of deferred tax liability and deferred tax asset	2 516	2 441
13. Corporate income tax commensurate with profit (loss) before taxation, presented in consolidate profit and loss account	62 172	42 410

Differences between corporate income tax presented in profit and loss statement and tax calculated from taxable income	1.01.99 till 31.12.99	1.01.98 till 31.12.98
---	----------------------------------	----------------------------------

Tax calculated from taxable income	62 703	44 665
1. Investment bonus	7 778	5 989
- tax from investment bonus	(2 645)	(2 156)
2. Donations	1 181	978
- tax relief on donations	(402)	(352)
3. Adjustment of tax from previous financial periods	-	(193)
4. Tax in merged companies	-	(218)
5. Tax exemption of Agora-Poligrafia based on the Act of special economical zones (*)	-	(1 777)
6. Future corporate income tax liabilities (34% of tax base in 1999), including:	8 432	6 643
- due to investment relief	5 321	5 822
- due to revaluation of securities held for resale	1 504	821
- due to the difference between tax and accounting depreciation	1 587	-
- others	20	-
7. Future corporate income tax receivables (34% of tax base in 1999), including:	(4 667)	(3 918)
- due to foreign exchange losses	(2 220)	(1 608)
- due to creation/release of provision for unused holiday pay and salaries	(988)	(376)
- due to accrued interest on loans and credits	(1 447)	(1 934)
8. Change in deferred taxation due to change in tax rates	(1 249)	(437)
- deferred tax liability	-	(437)
- deferred tax asset	60 940	-
9. Deferred tax assets written off as not recoverable	-	153
Corporate income tax presented in profit and loss account	62 172	42 410

Corporate income tax on extraordinary events is calculated according to tax rates binding in the respective year.

(*) In 1999 income of Agora Poligrafia Sp. z o.o. was not included in to the consolidated taxable income.

	Agora SA	Agora Poligrafia Sp. z o.o.	Trans Serwis SA	Total
Gross profit after consolidation adjustments	175 016	18 603	1 202	194 821
Consolidation adjustments	(6 674)	-	(1 051)	(7 725)
Net profit	181 690	18 603	2 253	202 546
Permanent differences	10 192	(17 768)	-	(7 576)
Temporary differences	(11 120)	768	(114)	(10 466)
Other differences between gross profit and taxable profit including, loss from prior years	-	(232)	149	(83)
	-	(232)	-	(232)
Taxable income	180 762	1 371	2 288	184 421
Corporate tax at 34% rate	61 459	466	778	62 703
Corporate tax forgiven, exempted, reduced and settled down	(3 047)	-	-	(3 047)
Corporate tax receivable	58 412	466	778	59 656
Deferred tax liability	-	-	-	-
- balance at the beginning of the period	11 866	-	-	11 866
- additions	11 169	2	-	11 171
- disposals	(5 124)	(2)	-	(5 126)
- balance at the end of the period	17 911	-	-	17 911
Deferred tax asset	-	-	-	-
- balance at the beginning of the period	5 029	-	-	5 029
- additions	10 687	14	-	10 701
- disposals	(7 170)	(2)	-	(7 172)
- balance at the end of the period	8 546	12	-	8 558
Difference between the increase of deferred tax liability and deferred tax asset	2 528	(12)	-	2 516

liability and deferred tax asset	2 528	(12)	-	2 516
Corporate tax commensurable to gross profit	60 940	454	778	62 172

Note 35.

OTHER OBLIGATORY REDUCTIONS OF PROFIT (LOSS), DUE TO:	1.01.99 till 31.12.99	1.01.98 till 31.12.98
-	-	-
Total other obligatory reductions of profit (loss)	-	-

Calculation of profit per share and diluted profit per share

Profit per share was calculated by dividing the net profit for 1999 by the weighted average number of shares that participate in dividends.

Diluted profit per share is calculated by dividing the net profit for the year by the predicted weighted average number of shares that participate in dividends (not applicable in 1999 - no new shares issue).

YEAR 1998

Number of registered shares, having the subscription right as at 31 December 1998 amounted to 44.140.500.

On 8 May 1998 Extraordinary Shareholders' Meeting took resolution on issuance of new shares of the following series:

D - 2.267.025 shares,

E - 9.000.000 shares,

F - 1.350.000 shares.

Total: 12.617.025 shares.

Issue of new shares took was registered on 29 March 1999. New shares have right to dividend with effect from 1 January 1998.

Accordingly, the anticipated number of shares having the right to subscription amounts to: 44.140.500+12.617.025= 56.757.525 shares.

	1 999	1 998
Diluted profit per share:	-	(0,13)

Proposed distribution of net profits of companies of the Group (PLN thousands):

Parent company: Agora SA:

The Management Board proposes to distribute the 1999 profit as follows:

For retained earnings: 120 746

For special funds 3

Subsidiaries:

The Management Boards of Agora Poligrafia Sp. oho. and Trans-Serwis SA propose to transfer the profits of 1999 amounting to PLN 18 149 thousand and PLN 1 475 thousand respectively to retained earnings.

Note 36.

NET PROFIT (LOSS)	1.01.99 till 31.12.99	1.01.98 till 31.12.98
a) net profit (loss) of the parent company (after consolidation adjustments)	114 076	36 020
b) net profit (loss) of the subsidiary companies (after consolidation adjustments)	18 573	(7 322)
c) net profit (loss) of the associated entities (after consolidation adjustments)	-	(36 051)
Net profit (loss)	132 649	(7 353)

Notes to the consolidated cash flow

THE STRUCTURE OF CASH IN THE STATEMENT OF CASH FLOW	1.01.99 till 31.12.99	1.01.98 till 31.12.98
Cash on hand	262	314
Cash at bank	22 585	4 595
Bank deposits	8 493	1 966
Bills of exchange, cheques received	69	20
Cash in transit	138	225
Total cash	31 547	7 120

The classification of capital group activity by operating, investing and financing activities in the statements of cash flow is as follows.

I. Cash flow from operating activities includes:

- 1) Inflow from sales of merchandise, finished products and services
- 2) Inflow included in "other operating revenue" excluding revenue from the sale of fixed assets, which are disclosed in cash flow from investing activities
- 3) Any expenses regarding costs of basic activity, such as: cost of merchandise sold, cost of finished products sold, selling expenses, administrative and general expenses
- 4) Expenses regarding costs included in "other operating expenses" excluding cost of fixed assets sold and cost of unplanned depreciation

II. Cash flow from investing activities includes:

- 1) Inflow from sales of:
 - fixed assets
 - shares and other financial fixed assets
 - short-term securities
- 2) Expenses regarding the purchase of:
 - fixed assets
 - shares and other financial fixed assets
 - short-term securities
- 3) Inflow from payment of short and long term loans granted by the Company to other entities as well as payment of interest on those loans
- 4) Expenses regarding the granting of long term loans to other entities
- 5) Inflow of dividends received
- 6) Interest received on bank deposits

III. Cash flow from financing activities includes:

- 1) Inflow of short and long term credits and loans received
- 2) Expenses regarding:
 - service of loans and credits received
 - payment of loans and credits
 - payment of interest on loans and credits received
- 3) Inflow from own share issues
- 4) Expenses regarding costs of own share issues
- 5) Expenses regarding payment of dividends and other payments to owners
- 6) Any inflow regarding "other financial revenue" except for interest on loans granted, interest on bank deposits and profit from sale of securities held for resale, which are disclosed in investing activities.
- 7) Any expenses regarding "other financial expenses" except for the loss on the sale of securities held for resale, which are disclosed in investing activities

Explanatory notes to selected items of cash flow statement**1. Change in receivables:**

change in opening and closing balance sheet balances	(15 406)
debt to shares swap	(1 528)
adjustment for change in income tax receivable	2 630
transfer from long term to short term debt	220
adjustment for investing expences	572
debt to shares swap (not yet registered by the court)	249
others	(1)
Amount per cash flow statement	(13 264)

2. Change in payables

change in opening and closing balance sheet balances	21 635
adjustment for change in income tax payable	-
shares purchased but not paid for	-
transfer of interest paid to financial activities	971
adjustment for increase in investing payables	(11 291)
others	(253)
Amount per cash flow statement	11 062

3. Change in accruals and prepayments

change in opening and closing balance of prepayments	1 906
change in opening and closing balance of accruals	3 243
intangibles purchases	(2 581)
others	-
Amount per cash flow statement	2 568

4. Change in deferred income

change in opening and closing balances	(1 771)
adjustment for revaluation of loans granted showed in investing activities	(1 625)
adjustment for foreign exchange differences on loans taken	893
others	-
Amount per cash flow statement	(2 503)

5. Long term loans taken

change in opening and closing balances	15 972
adjustment for foreign exchange revaluation	(10 744)
adjustment for interest accrued	(5 228)
others	-
Amount per cash flow statement	-

6. Repayment of short term loans and borrowings

change in opening and closing balances	(112 448)
Forex paid transferred to other expenses	11 392
others	-
Amount per cash flow statement	(101 056)

7. Long term investments purchased

change in opening and closing balances	(25 146)
debt to shares swap	1 528
shares purchased but not paid for	341
others	-
Amount per cash flow statement	(23 277)

8. Loans granted

change in opening and closing balances	18 281
adjustment for foreign exchange differences revaluation	1 644
provision for loan to Inforadio	(4 400)

repayment of loans	(18 666)
reclassification to long term loans	(220)
debt to shares swap	(249)
others	(139)
Amount per cash flow statement	(3 749)
9. Cash from the initial public offering	
cash equivalent to nominal shares value	12 617
share premium	367 138
others	-
Amount per cash flow statement	379 755
10. "Other adjustments" in cash from operating activities	
revaluation of short term securities	(5 951)
provision for loan to Inforadio	4 400
others	616
Amount per cash flow statement	(935)
11. "Others" in cash inflows from investing activities	
forex on loans repaid	3 853
net incme on futures and forwards	4 547
others	-
Amount per cash flow statement	8 400
12. "Others" in cash outflows from investing activities	
change in opening and closing balances of prepayments for investments	(56 936)
purchase of shares	(572)
others	-
Amount per cash flow statement	(57 508)
13. "Other expenditure" in cash from financing activities	
forex on loans reapid	(22 249)

thousands

Translation

ADDITIONAL EXPLANATORY NOTES

1. As at 31 December 1999 the Group had:

- open foreign currency forwards

currency date	CHF amount	purchase price CHF/PLN
10.01.2000	2 037 445,00	2,5998
01.02.2000	1 691 043,00	2,6238
02.05.2000	1 000 000,00	2,7164

- open future rate agreements contracts - protecting liabilities

amount (in PLN)	settlement date	closing date	contracted rate
5 000 000,00	26.01.2000	26.07.2000	17,10%
10 000 000,00	26.04.2000	26.06.2000	15,20%
20 000 000,00	25.05.2000	27.11.2000	15,40%
10 000 000,00	17.01.2000	17.07.2000	12,89%

The transactions were entered into to hedge against foreign currency exposure and as a short term investments in case of future rate agreements contracts.

2. In March 1998 the Company provided a pledge on the owned shares of Telewizyjna Korporacja Partycypacyjna SA (TKP SA), which it owns as of the balance sheet date, as a security for the bank loan taken by TKP SA in the amount of DEM 129,375 thousand. According to the representation of the bank TKP repaid the loan in full by the December 31, 1999. Therefore the pledge has expired and is now being removed out of a specific register.

TKP is involved in the arbitration of a dispute with @ Entertainment, Inc. relating to the termination of a letter of intent to merge the operation of @ Entertainment in Poland with those of TKP. Should the dispute be judged in a manner adverse to TKP, the Company may become liable for 22,5 per cent of any judgement awarded against TKP, (the total amount of which is limited to USD 10 million) which TKP fails to satisfy. Management of the Company believes that @ Entertainment has no basis for its claim against TKP and therefore no provision has been made in respect of this matter in the consolidated financial statements. The matter has been submitted to an arbitrator it is expected that the decision may be rendered in the mid of 2000.

3. The Group does not have any liability to the State, neither to local authorities on acquired buildings.
4. Until 31 December 1999 the companies comprising the Group has not terminated any activity and does not anticipate any termination in the current year.
5. The Group produced in-house for its own use microcomputers of the carrying value amounting to PLN 2 235 thousand, and improved existing for an amount of PLN 3 920 thousand, (in total PLN 6 155 thousand).
6. In the 12 months ended 31 December 1999 the Group spent PLN 205 million for capital expenditure, with no expenditures for environmental care. Till 31 December 2000 the Group plans to invest further PLN 271 million, including:
- building and equipping printing plant in Warsaw PLN 84 million,
 - building and equipping printing plant in Pile PLN 64 million,
 - extension of printing plant (building and machine) in Tychy PLN 62 million,
 - building the Company's head office building in Warsaw PLN 36 million.

There are no plans to spend for environmental care in the year 2000.

7. All transactions made with related parties in the year 1999 are of a regular business nature, the material are listed below:
- printing services of Agora Poligrafia to Agora SA totalling PLN 37 129 thousand,
 - printing machinery lease (Agora SA leases to Agora Poligrafia), with rent totalling PLN 4 046 thousand,
 - office space rental (Trans-Serwis lets to Agora SA), with rent totalling PLN 2 774 thousand,
 - loans granted by Agora SA to related companies, PLN 3 342 thousand in total, including:
 - PLN 244 thousand to Radio Trefl Sp. z o.o., (swap into shares)

thousands

Translation

- PLN 560 thousand to Elita Sp. z o.o.
- PLN 430 thousand to Radio O'le Sp. z o.o.
- PLN 100 thousand to City Radio Sp. z o.o.
- PLN 2 008 thousand to Inforadio Sp. z o.o.
- Agora SA purchased commercial papers issued by the related companies totalling PLN 36 522 thousand, including amounts of:
 - PLN 35 337 thousand purchased from Agora Poligrafia Sp. z o.o.
 - PLN 417 thousand purchased from Radio Trefl Sp. z o.o.
 - PLN 166 thousand purchased from Radio Jazz Sp. z o.o.
 - PLN 601 thousand purchased from IM-40 Sp. z o.o.
- The related companies repurchased commercial papers from Agora SA totalling PLN 42 483 thousand, including amounts of:
 - PLN 41 083 thousand repurchased by Agora Poligrafia Sp. z o.o.
 - PLN 500 thousand repurchased by Radio Trefl Sp. z o.o.
 - PLN 200 thousand repurchased by Radio Jazz Sp. z o.o.
 - PLN 700 thousand repurchased by IM-40 Sp. z o.o.

Additionally in 1999 Agora SA went into the two following transaction with a related party:

- in March 1999 Agora SA signed a bank loan agreement (amount granted PLN 150 million) with Bank Rozwoju Eksportu SA (former Agora's Supervisory Board Member is the bank's President)

All balances of settlements of debtors, creditors and loans as at 31 December 1999 in PLN thousand:

Company	% of owned capital	share of votes in %	Receivables	Liabilities	Loans granted	Commercial papers
Agora_Holding Sp. z o.o.	-	-	-	-	-	-
KKK FM SA	49%	49%	179	-	1 188	-
Jan Babczyszyn Radio Jazz FM Sp. z o.o.	42%	42%	1	-	-	190
IM 40 Sp. z o.o.	72%	72%	764	-	-	-
Radio Trefl Sp. z o.o.	49%	49%	213	8	-	475
Elita Sp. z o.o.	98%	98%	71	4	1 113	-
O'LE Sp. z o.o.	100%	100%	349	15	565	-
Inforadio Sp. z o.o.	29%	29%	32	-	9 378	-
Karolina Sp. z o.o.	100%	100%	123	-	904	-
Lokalne Rozg³oœenie Radiowe Sp. z o.o.	100%	100%	-	-	-	-
CITY Radio Sp. z o.o.	100%	100%	155	45	354	-
Biuro Obs³ugi Radiowej Sp. z o.o.	46%	46%	146	32	-	-
Radio Wawel Sp. z o.o.	50%	50%	-	-	-	-
Barys Sp. z o.o.	10%	10%	-	-	-	-
Uznam Sp. z o.o.	100%	100%	-	-	-	-
TOTAL			2 033	104	13 502	665

thousands

Translation

Revenue related to transactions with related parties between 01.01.99 to 31.12.1999 in PLN thousand:

Company	Sales of products and services	Sales of merchandise and materials	Interest received	Other income
Agora Holding	9	-	-	-
KKK FM SA	157	2	70	-
Jan Babczyszyn Radio Jazz FM Sp. z o.o.	15	-	-	15
IM 40 Sp. z o.o.	936	-	-	65
Radio Trefl Sp. z o.o.	139	1	5	30
Elita Sp. z o.o.	139	3	57	-
O`LE Sp. z o.o.	194	-	31	-
Inforadio Sp. z o.o.	1 016	-	572	-
Karolina Sp. z o.o.	313	4	60	-
Lokalne Rozg³oœenie Radiowe Sp. z o.o.	9	-	6	-
CITY Radio Sp. z o.o.	136	-	85	-
Biuro Obs³ugi Radiowej Sp. z o.o.	338	-	7	-
Radio Wawel Sp. z o.o.	-	-	-	-
Barys Sp. z o.o.	-	-	-	-
Uznam Sp. z o.o.	-	-	-	-
TOTAL	3 401	10	893	110

The Company created a provision for the interest received amounting to PLN 876 thousand.

Costs related to transactions with related parties in the period from 1 January 1999 till 31 December 1999 in PLN thousand.

Company	Purchases of products and services	Purchases of merchandise and materials	Interest paid	Other costs
Agora_Holding Sp. z o.o.	-	-	-	-
KKK FM SA	60	2	-	-
Jan Babczyszyn Radio Jazz FM Sp. z o.o.	4	-	-	-
IM 40 Sp. z o.o.	106	-	-	-
Radio Trefl Sp. z o.o.	8	1	-	-
Elita Sp. z o.o.	4	3	-	-
O`LE Sp. z o.o.	12	-	-	-
Inforadio Sp. z o.o.	-	-	-	-
Karolina Sp. z o.o.	92	3	-	-
Lokalne Rozg³oœenie Radiowe Sp. z o.o.	-	-	-	-
CITY Radio Sp. z o.o.	31	-	-	-
Biuro Obs³ugi Radiowej Sp. z o.o.	81	-	-	-
Radio Wawel Sp. z o.o.	-	-	-	-
Barys Sp. z o.o.	-	-	-	-
Uznam Sp. z o.o.	-	-	-	-
TOTAL	398	9	-	-

8. The Group was not engaged in joint ventures that are not consolidated fully or under the equity method.

thousands

Translation

9. Employment:

The average number of employees in total:	2 766
including: - blue collars	327
- white collars	2 439
including: journalists	713

10. Salaries paid by the Company in the 12 months ended 31 December 1999 to:

Members of Board of Directors	PLN 1 915 thousand,
Supervisory Board Members	PLN 139 thousand

The members of the Board of Directors and the members of the Supervisory Board did not receive any salary from the subsidiary companies nor the associated entities.

11. In the 12 months ended 31 December 1999 the Company did not grant any guarantees or advances to the Board of Directors and Supervisory Board members.

Subsidiary and associated Companies during the 1999 did not grant any advances, loans or guarantee to managers and supervisors of the issuing company.

12. In the financial statements for the 12 months ended 31 December 1999 no events regarding previous years have been included.

13. Significant post balance sheet events that took place.

- On the 10 January 2000 Agora SA purchased 49% stake in ROM Sp. z o.o., totalling to 6,705 shares, giving 49% of votes for the price of PLN 636 thousand. ROM Sp. z o.o. is the broadcaster of a local radio now named Klasyka FM.
- In February 2000 Agora SA purchased 80% stake in BARYS Sp. z o.o., totalling to 2,415 shares, for the price of PLN 500 thousand. After that transaction the Company has in total 90% of shares and votes of BARYS Sp. z o.o., which is providing services (including advertising) for local radio stations.
- According to the strategy publicly announced in January 2000 Agora SA intends to launch internet portals by the end of the current year. Management of Agora believes it that its existing strengths being the Gazeta Wyborcza newspaper brand and extensive readership base, rich local and national content and a leading advertising market position, both in display and classifieds, will provide an appropriate base from which its internet strategy can be leveraged.

14. Legal predecessor of Agora SA was Agora-Gazeta Sp. z o.o transferred on 1 April 1998 from limited liability company into public company. Closing balance of the limited liability company Agora-Gazeta Sp. z o.o as of 31 March 1998 is also an opening balance of the public company Agora SA as of 1 April 1998.

15. In 1999 inflation ratio was lower than 20% and accordingly financial statements are not inflation adjusted.

16. The Group did not changed its accounting policies or the methods of preparation of the financial statements in comparison to the previous year.

thousands

Translation

17. The Company changed the financial statements presentation of an advertising revenue as described in the note 20.

As explained in note 3 TKP is no longer an associate to the Group, and therefore the comparative information for 1998 have been adequately amended.

There have been no other than described above differences between the financial information disclosed in the financial statements and the comparative figures in comparison to previously published financial statements.

18 The Parent Company excluded from the consolidation the following subsidiary and associated companies as not significant based on the Accounting Act from 29 September 1994 article 56 point 2.

Until the date of completing of the financial statements only financial statements for 1999 of IM-40 Sp. z o.o. have been audited and the auditor issued a clean opinion. Audits of other companies excluded from consolidation have not been completed.

Numbers are in PLN thousand

	Company	Balance sheet total	Net sales revenues and financial income	% of Agora's balance sheet total	% of Agora's net sales revenues and financial income
1	Inforadio Sp. z o.o.	6 149	2 281	0.65 %	0.30 %
2	Elita Sp. z o.o.	1 075	1 130	0.11 %	0.15 %
3	KKK FM SA.	756	2 621	0.08 %	0.35 %
4	Radio Trefl Sp. z o.o.	1 386	1 453	0.15 %	0.19 %
5	Jan Babczyszyn Radio Jazz FM Sp. z o.o.	604	1 567	0.06 %	0.21 %
6	IM-40 Sp. z o.o.	5 591	11 103	0.59 %	1.47 %
7	O'le Sp. z o.o.	331	938	0.03 %	0.12 %
8	Lokalne Rozg³oszenie Radiowe Sp. z o.o.	839	1 431	0.09 %	0.19 %
9	Karolina Sp. z o.o.	1 652	3 218	0.17 %	0.43 %
10	City Radio Sp. z o.o.	523	1 178	0.05 %	0.16 %
11	Biuro Obs³ugi Radiowej Sp. z o.o.	1 929	8 660	0.20 %	1.14 %
12	Wawel Sp. z o.o.	-	-	-	-
13	Barys Sp. z o.o.	-	-	-	-
14	Uznam Sp. z o.o.	44	1 669	0.00 %	0.22 %
	Total	20 879	37 249	2.19 %	4.92 %
	Agora SA	952 459	756 504	100.00 %	100.00 %

19. The Year 2000 problem did not cause any problems to the Company' operations.

20. On the 28 June 1999 the General Shareholders Meeting of Agora SA decided to merge with Tran-Serwis SA, and on the 16 September 1999 the General Shareholders Meeting of Tran-Serwis SA decided to merge with Agora SA. Consequently Agora SA (the parent company) legally merged with its associate TRANS-SERWIS SA effective 1 January 2000. Since the economic materiality of the Trans-Serwis's operations is very small comparing to Agora, and the Company owns 100% of the Trans-Serwis SA the merger took place by transferring all of the assets of Trans-Serwis to Agora (as ruled in art. 463 point 1 of the Polish Commercial Code)and with no increase in the Company's capital (as provided by art. 464 § 3 of the Commercial Code).

thousands

Translation

Trans-Serwis was a 100% controlled subsidiary of Agora SA, which owned a land with a building in Czerska Street in Warsaw where the Gazeta Wyborcza is edited. on that site and one a second one owned by Agora SA, the Company plans to build a new building that would gather inside all Company's departments at present located at several different places in Warsaw.

The purpose of the merger is to simplify the organisation of the construction project and to make its financing transparent to the shareholders.

Below is disclosed a balance sheet of Agora SA as at 1 January 2000 after the merger with the Tran-Serwis SA.

Auditors' opinion
to
the shareholders of AGORA SA Group

We have audited the accompanying financial statements of Agora SA Group. These consolidated financial statements consist of: the introduction, the consolidated balance sheet as at 31 December 1999 with total assets of and total liabilities and equity of PLN 858,247 thousand ; the consolidated profit and loss account for the period then ended with a net profit of PLN 132,649 thousand, the schedule of changes in consolidated shareholders' equity with an increase of PLN 512,405 thousand, the statement of cash flows for the period then ended with an increase in cash of PLN 24,427 thousand and the supplementary notes.

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with International Standards on Auditing, section 7 of the Polish Accounting Act dated 29 September 1994 (Official Journal no.121, item 591 with subsequent amendments) and the professional norms established by the Polish National Council of the Chartered Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of the Holding company, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these consolidated financial statements have been prepared from properly maintained accounting books and present fairly, in all material respects, the financial position of Agora SA Group as at 31 December 1999 and the results in accordance with the accounting standards applied in Poland as set out in the Polish Accounting Act dated 29 September 1994 which have been applied on a consistent basis as well as with additional requirements concerning issuers of securities allowed for public circulation.

As required under the Polish Accounting Act dated 29 September 1994 we also report that the information given in the directors' comment on the Group activities is consistent with the audited consolidated financial statements.

Chartered Accountant No. 796/1670
Bogdan Debicki, Partner

On behalf of KPMG Polska Audyt Sp. z o.o.
Robert Novakowski, Partner

Warsaw, 18 April 2000

AGORA SA GROUP

**AUDIT REPORT
ON THE CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1999**

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I General

1. Introduction

This report prepared for Agora SA Group concerns to consolidated financial statements of the Company comprising:

- 1) introduction;
- 2) the consolidated balance sheet as at 31 December 1999 with total assets and total equity and liabilities of PLN 858,247 thousand;
- 3) the consolidated profit and loss statement for the period from 1 January 1999 to 31 December 1999 with a net profit of PLN 132,649 thousand;
- 4) the schedule of changes in consolidated shareholders' equity with an increase of PLN 512,405 thousand;
- 5) the consolidated statement of cash flows for the period from 1 January 1999 to 31 December 1999 with a net increase in cash of PLN 24,427 thousand; and
- 6) supplementary notes.

We have audited the consolidated financial statements of the Company in accordance with the contract dated 12 October 1999.

We conducted the audit in accordance with International Standards on Auditing, section 7 of the Polish Accounting Act dated 29 September 1994 (Official Journal no.121, item 591 with subsequent amendments) and the professional norms established by the Polish National Council of the Chartered Accountants.

On April 18, 2000 the Company's directors submitted a representation letter as to the completeness, fairness and accuracy of the consolidated financial statements presented for audit and, amongst other things, confirmed that there were no undisclosed matters significantly influencing the information presented in the consolidated financial statements for the year ended 31 December 1999.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled by the Holding company.

KPMG Polska Audyt Sp. z o.o. is independent of the Group company and the scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Polska Audyt Sp. z o.o.

2. The entities making up the Group

The group consists of:

Holding Company:
Agora SA

Subsidiaries:

Agora-Poligrafia Sp. z o.o.
KKK FM SA
Elita Sp. z o.o.
IM 40 Sp. z o.o.
Radio Wawel Sp. z o.o.
Lokalne Rozglosnie Radiowe Sp. z o.o.
O'le Sp. z o.o.
Karolina Sp. z o.o.
City Radio Sp. z o.o.
Trans-Serwis SA
Uznam Sp. z o.o.

Associated entities:

Inforadio Sp. z o.o.
Radio Trefl Sp. z o.o.
Jan Babczyszyn Radio Jazz FM Sp. z o.o.
Biuro Obslugi Radiowej Sp. z o.o.
Barys Sp. z o.o.

3. General information on the Holding Company

3.1 Company name

Agora SA

3.2 Registered office

ul. Czerska 8/10
00-732 Warszawa

3.3 Commercial registration

Seat of the court: Warsaw
Date: 1 April 1998
Registration number: RHB 53260

3.4 Tax Office and Provincial Statistical Office registration

NIP: 526-030-56-44
REGON: 011559486

3.5 Share capital

The share capital of the Holding Company as at 31 December 1999 amounts to PLN 56,757,525 divided into 56,757,525 shares with a nominal value of PLN 1 each.

On 29 March 1999 the share capital of the Company was increased by PLN 12,617,025 from PLN 44,140,500 to PLN 56,757,525 by issuing of new shares.

The details concerning the above mentioned increase of share capital are described in the note No. 12 of the attached consolidated financial statements.

3.6 Scope of activities

The Holding Company's Statute lists its business activities as follows:

- editing, publishing and sale of newspapers and magazines, books, brochures and special non-periodic items, printing posters, reproductions, artistic works, including foreign publishing,
- printing, including printing of newspapers and other items, editing and bookbinding;
- selling, marketing, advertising and promotion, including production and sale of television and radio advertisements,
- production, co-production, publishing and broadcasting of films and phonographic records,
- production, broadcasting in order to publish whole and unchanged items, distribution of television and radio programmes, including services such as "paid television films", "video at wish", thematic channels and other forms of paid television,
- IT services including network management,
- rendering of telecommunication services including data transfer by telecommunications networks,
- consulting, marketing research and other services for mass media companies,
- organisation and running of fairs, lotteries, auctions and sport meetings,
- rendering of office and accounting services including bookkeeping,
- management, distribution, renting and installation of equipment for transmission and receipt of TV and radio signal, management of subscriber's services,
- arrangement of works for the needs of broadcasting, including interpreting, improving, adaptation and purchasing and selling copyrights (intangible property rights) connected with publishing and broadcasting activity,
- real estate management including real estate renting, including owned and rented properties,
- investment activity including securities and activity connected with operation of pension and social funds for the Company and related parties,
- collecting and storing information of all means, rendering information services for mass media and other forms of selling information,

- agency and representation services for domestic and foreign clients as well as sales of products to domestic and foreign entities.

3.7 Board of Directors in Holding Company

At 31 December 1999, the Board of Directors of the Holding Company is comprised of the following members:

- Wanda Rapaczynski - the President
- Piotr Niemczycki - the Vice-President
- Helena Luczywo - the Member of the Board
- Jerzy Thieme - the Member of the Board since 3 September 1999

4. Auditor information

KPMG Polska Audyt Sp. z o. o.
Al. Jerozolimskie 65/79
00-697 Warsaw

KPMG Polska Audyt Sp. z o.o. is registered as a company authorised to audit financial statements (number 458).

TRANSLATION

5. General information on subsidiaries and associated entities

Name and location of the entity	% of shares held	Degree of involvement in management (% of voting rights)	Value of shares held by Group
Agora-Poligrafia Sp. z o.o. * ul. Towarowa 1, Tychy	100,0	100,0	
Trans-Serwis S.A. * Warszawa, ul. Czerska 8/10	100,0	100,0	
KKK FM S.A. ** Wroclaw, ul. Sw. Mikolaja 81	49,0	49,0	443,3
Inforadio Sp. z o.o. ** Warszawa, ul. Wspólna 61	29,2	29,2	2.857,0 ***
Elita Sp. z o.o. ** Bydgoszcz, ul. Piekna 15	98,4	98,4	2.039,0
Radio Trefl Sp. z o.o. ** Sopot, ul. Armii Krajowej 137/139	49,0	49,0	985,5
Jan Babczyszyn Radio Jazz FM Sp. z o.o. ** Poznan, ul. Sw. Marcina 80/82	42,0	42,0	352,7
IM 40 Sp. z o.o. ** Warszawa, ul. Migdalowa 91	72,0	72,0	1.260,0
Radio Wawel Sp. z o.o.** Kraków, ul. Szewska 5	50,0	50,0	2,0
Lokalne Rozglosnie Radiowe Sp. z o.o. ** Warszawa, ul. Czerska 8/10	100,0	100,0	804,0
O'le Sp. z o.o. ** Opole, ul. Zielonogórska 3	100,0	100,0	468,6
Karolina Sp. z o.o. ** Katowice, ul. Towarowa 4	100,0	100,0	1.449,0
City Radio Sp. z o.o. ** Czestochowa, ul. Dekabrystów 41	100,0	100,0	1.699,0
Biuro Obsługi Radiowej Sp. z o.o. ** Poznan, ul. Sw. Marcina 80/82	46,0	46,0	430,0
Barys Sp. z o.o. ** Piotrków Trybunalski, ul. J. Slowackiego 10	10,2	10,2	28,0
Uznam Sp. z o.o.** Swinoujscie, ul. Wojska Polskiego 93	100,0	100,0	348,0

* the companies consolidated by means of the full consolidation method

** the companies not consolidated

*** a provision of PLN 2.800 thousand was set up for the shares

6. Audit of financial statement of consolidated entities

The financial statements of the parent Company, Agora SA, and its subsidiaries Agora Poligrafia Sp. z o.o. and Trans -Serwis SA were audited by KPMG Polska Audyt Sp. z o.o. registered as a company authorised to audit financial statements (number 458).

The audit opinion on the non-consolidated financial statements of the parent Company for the year ended 31 December 1999 included a qualification with regard to not providing for permanent impairment in value of certain investments. The above mentioned provisions has been made in the attached consolidated financial statements.

The audit opinion on the financial statements of the consolidated subsidiaries are unqualified.

7. Prior period consolidated financial statements

The consolidated financial statements of Agora SA Group for the period from 1 January 1998 to 31 December 1998 were audited by KPMG Polska Audyt Sp. z o.o. and received an unqualified opinion.

The consolidated financial statements were approved at the shareholders' meeting on 28 June 1999.

The closing balances as at 31 December 1998 have been properly recorded as the opening balances as at 1 January 1999.

The financial statements were published in "Monitor Polski" No. B-514 of 4 October 1999.

II. Financial analysis of the Group

1. Summary of the consolidated financial statements

1.1 Consolidated Balance Sheet (in thousand PLN)

ASSETS	<u>31.12.1999</u>	% of total	<u>31.12.1998</u>	% of total
Fixed assets				
Intangible fixed assets	40,743	4.7%	25,379	6.1%
Tangible fixed assets	429,778	50.1%	252,639	60.6%
Financial fixed assets	<u>38,329</u>	4.5%	<u>31,464</u>	7.6%
	508,850	59.3%	309,482	74.3%
Current assets				
Inventories	18,479	2.2%	16,917	4.1%
Accounts receivable and claims	84,268	9.8%	68,861	16.5%
Short term securities	214,068	24.9%	11,413	2.7%
Cash	<u>31,547</u>	3.7%	<u>7,120</u>	1.7%
	348,362	40.6%	104,311	25.0%
Interperiod settlements	1,035	0.1%	2,941	0.7%
TOTAL ASSETS	<u><u>858,247</u></u>	100%	<u><u>416,734</u></u>	100%
EQUITY AND LIABILITIES				
Equity				
Share capital	56,758	6.6%	44,141	10.6%
Reserve capital	488,307	56.9%	128,354	30.8%
Revaluation reserve	756	0.1%	923	0.2%
Profit or loss after taxation for the financial year	<u>132,649</u>	15.5%	<u>(7,353)</u>	1.8%
	678,470	79.1%	166,065	39.8%
Provisions	9,353	1.1%	6,876	1.6%
Long term liabilities	79,101	9.2%	63,129	15.1%
Short term liabilities and special funds				
Short term liabilities	73,748	8.6%	165,808	39.8%
Special funds	<u>4,786</u>	0.6%	<u>3,539</u>	0.8%
	78,534	9.2%	169,347	40.6%
Accruals and deferred income	12,789	1.5%	11,317	2.7%
TOTAL EQUITY AND LIABILITIES	<u><u>858,247</u></u>	100%	<u><u>416,734</u></u>	100%

TRANSLATION

1.2 Profit and loss account (in thousand PLN)

	<u>1.01.1999</u> <u>31.12.1999</u>	% of total sales	<u>1.01.1998</u> <u>31.12.1998</u>	% of total sales
Sales of merchandise and products				
Sales of merchandise and raw materials	3,879	0.6%	3,710	0.7%
Sales of finished products	<u>685,810</u>	99.4%	<u>546,184</u>	99.3%
	689,689	100.0%	549,894	100.0%
Cost of sold merchandise and finished products				
Cost of merchandise and raw materials sold	(3,517)	0.5%	(3,551)	0.6%
Cost of finished products sold	<u>(326,811)</u>	47.4%	<u>(275,550)</u>	50.1%
	<u>(330,328)</u>	47.9%	<u>(279,101)</u>	50.8%
Gross profit on sales	359,361	52.1%	270,793	49.2%
Selling expenses	(54,060)	7.8%	(39,727)	7.2%
Administrative and general expenses	<u>(97,986)</u>	14.2%	<u>(66,378)</u>	12.1%
Profit on sales	207,315	30.1%	164,688	29.9%
Other operating revenues				
Revenue from the sale of fixed assets	43	0.0%	415	0.1%
Subsidies	<u>2,870</u>	0.4%	<u>2,187</u>	0.4%
Other	2,913	0.4%	2,602	0.5%
Other operating expenses				
Cost of fixed assets sold	(332)	0.0%	(338)	0.1%
Other	<u>(16,121)</u>	2.3%	<u>(43,794)</u>	8.0%
	<u>(16,453)</u>	2.4%	<u>(44,132)</u>	8.0%
Operating profit	193,775	28.1%	123,158	22.4%
Financial revenue				
Dividends received	288	0.0%	1	0.0%
Interest	17,076	2.5%	8,237	1.5%
Other	<u>42,907</u>	6.2%	<u>10,961</u>	2.0%
	60,271	8.7%	19,199	3.5%
Financial expenses				
Loss on the revaluation of financial fixed assets and short term securities	0	0.0%	(2,800)	0.5%
Interest	(8,752)	1.3%	(7,491)	1.4%
Other	<u>(50,473)</u>	7.3%	<u>(32,891)</u>	6.0%
	<u>(59,225)</u>	8.6%	<u>(43,182)</u>	7.9%
Gross profit on business activities	194,821	28.2%	99,175	18.0%
Extraordinary gains	14	0.0%	33	0.0%
Extraordinary losses	(14)	0.0%	(2)	0.0%
Loss on the goodwill of consolidated entity	0	0.0%	(28,098)	5.1%
Profit before taxation	<u>1,046</u>	0.2%	<u>(52,050)</u>	9.5%
Obligatory charges to the financial result				
Corporate income tax	(62,172)	9.0%	(42,410)	7.7%
Share in losses of the consolidated entities	0	0.0%	(36,051)	6.6%
Net profit	<u><u>132,649</u></u>	19.2%	<u><u>(7,353)</u></u>	1.3%

TRANSLATION

2. Selected financial ratios of the Group

	1999	1998
1. Return on sales		
<u>net profit</u> sales	19.2%	negative value
2. Debtors turnover		
<u>trade receivables x 365 days</u> sales	45 days	46 days
3. Debt ratio		
<u>total liabilities x 100%</u> total liabilities and equity	20.9%	60.0%
4. Current ratio		
<u>current assets</u> current liabilities	4.4	0.6
5. Return on equity		
<u>net profit x 100%</u> shareholders' equity	19.6%	negative value

Interpretation of selected financial ratio

Return on sales and return on equity

The improvement of the these ratios compared to 1998 is mainly the result of recording in 1998 two events connected with the capital restructuring of Agora Group. As a result of this restructuring the Holding company wrote off shares in Agora Holding amounting to PLN 19,070 thousand which was recorded in financial costs and a payment to Cox Poland Investment Inc. amounting to PLN 34,743 thousand which was recorded in other operating costs.

The return on sales ratio of the Holding Company amounts to 17.4% in 1999 and in 1998 this ratio accounted for 11.3%.

The return on equity ratio for Holding Company decreased mainly as a result of the increase of share capital of the Holding Company by PLN 12,617 thousand as the result of issuing new shares (see note No 12 to the attached consolidated financial statement) and by the increase of reserve capital due to sales of shares over their nominal value amounting to PLN 367,138 thousand.

Debtors turnover ratio

This ratio remains at a similar level as in the previous year.

Debt ratio and current ratio

Debt ratio as well as current ratio significantly improved as compared with the previous year mainly due to significant funds received from the issue of shares, which were also used to pay off bank loans and to purchase securities.

III. Detailed report

1. Accounting principles

The Group adopted a uniformed accounting principles.

2. Rules of drawing up the consolidated financial statements of the Group

The consolidated financial statements of the Agora SA Group were prepared according to the requirements for Group financial statements included in Polish Accounting Act dated 29 September 1994 (Official Journal no.121, item 591 with subsequent amendments) as well as with additional requirements concerning issuers of securities allowed for public circulation.

The financial statements of the consolidated entities were prepared as at 31 December 1999.

The consolidated financial statements are prepared on the basis of consolidation documentation, which includes:

- financial statements of the entities making up the group;
- adjustments necessary for consolidation purposes;
- calculation of the consolidated goodwill and related amortisation;
- establishing the equity of minority shareholders;
- exclusions for consolidation purposes.

3. Consolidation methods

Consolidation of the subsidiaries is based on the full consolidation method.

4. Goodwill arising on consolidation

Goodwill arising on consolidation is an excess of the acquisition price of shares in the Subsidiaries over the market value of their net assets purchase by the Holding Company.

5. Supplementary notes

All information included in the supplementary notes to the consolidated financial statements are presented accurately and completely by the Holding Company when read in conjunction with the consolidated financial statements taken as a whole.

6. Consolidated cash flow statement

The consolidated statement of cash flows has been properly prepared and is consistent with the consolidated balance sheet and profit and loss account.

7. Directors' comment

The information presented in the directors' comment on the Group's activities is consistent with the consolidated financial statements.

8. Information on the Auditors' opinion

Based on our audit of the consolidated financial statements of Agora SA Group as of and for the year ended 31 December 1999 we have issued an unqualified opinion.

Chartered Accountant No.796/670
Bogdan Debicki, Partner

On behalf of KPMG Polska Audyt Sp. z o.o.
Robert Novakowski, Partner

Warsaw, 18 April 2000

To Agora Shareholders:

In May of 1999 Agora and *Gazeta Wyborcza* celebrated their tenth anniversary. We held an *al fresco* party for approximately 10,000 people and an international discussion panel attended by key politicians who had sat on the opposite sides of negotiating tables during democratic transitions in Spain, Chile and Poland. The panel culminated with an award of *Gazeta's* "Man of the Decade" prize to Vaclav Havel, President of the Czech Republic, and a dinner given in his (and our) honor by the President of Poland.

The anniversary was an occasion to look back at the last ten years, to wax sentimental about the beginnings of *Gazeta* in the nursery school premises at Iwicka Street in Warsaw, to take great pride in the accomplishments of the team which, in the memorable Spring of 1989, set out to publish the first independent newspaper in Poland in nearly 50 years, over the following decade built an innovative newspaper and a formidable company and which, in a defining moment in the spring of 1999, took it public, making most of the employees shareholders in the process.

In reflecting on this success, we asked the inevitable questions: where we are now? where do we go from here? where do we want to be a decade hence?

Where are we today? Our core businesses – newspaper publishing and radio - are in excellent shape. *Gazeta* goes from strength to strength, with circulation expanding annually thanks to a combination of editorial excellence, unique national/local market approach, breadth of product array augmented by new title introductions and a focused promotion strategy. *Gazeta* continues to improve its overwhelming advertising share advantage in the national and the Warsaw markets and can boast of new victories in local markets outside of Warsaw where we are making significant investments to challenge entrenched competitors. New printing and automated inserting equipment capacity which will come on line this year will liberate *Gazeta* from constraints on production, enabling it to further consolidate its position and take full advantage of the growth of Poland's advertising market.

Our radio business, although small compared to *Gazeta*, is turning out to be a winner. Several years ago we took a bet on Poland's local radio market and on a strategy of formatted stations. Today, as we become a leading radio player, it is clear that the bet is paying off. The business is expanding, with ratings and revenues growing strongly, and profitability well ahead of schedule. Our task for the future is straightforward: continue executing the strategy and keep expanding the radio group to achieve operating scale. Unlike print, broadcast media are heavily regulated in Poland and our ability to achieve expansion goals hinges to some extent on the attitude of the Broadcast Council.

In addition, our investment in pay TV, a 12.12% stake in TKP S.A. (Canal+ Polska and Cyfra+) is performing well, ending March 2000 with 320,000 digital subscribers.

We have a terrific team, well respected in Poland and abroad – hardworking, with courage to innovate, market and business savvy, tremendous dedication to the company and an appetite for new challenges. Our culture of flat management structure, direct communication and investment in staff makes us an attractive place to work for both old and new employees. And we have made sure that the compensation they receive is competitive in the Polish labor market. Shared ownership and stock incentive plans for the over 300 top managers and other star performers ensure that the team's pride as well as its self-interest are firmly tied with the growth of Agora's value.

The company has financial resources necessary for expansion. Though Polish economic growth slowed in 1999, Agora's revenue increased strongly by 26% and we expect growth to continue over

our three year planning horizon. The publishing business is very profitable, with 35% EBITDA margin in 1999. The company has cash, open lines of credit and, given its clean balance sheet, a significant additional borrowing capacity. The listing of the company opened up a host of other funding options and gave us currency in the form of stock.

Where do we go from here? First, keep growing our core businesses. The newspaper – with its successful ubiquitous market strategy, combining national and local presence on the one hand, and, on the other hand, general and thematic or sectoral approach – is not only the main cash contributor but also the main springboard for the success in new media. Hence, we intend to continue the battle for the local markets – both to improve *Gazeta*'s position and to widen the addressable market for our on-line offering. Second, expand the business in Poland and, over time, internationally. In order to identify and implement new business opportunities we are currently building a business development team which will bring new, specialized skills. In the first decade, the company primarily grew organically by developing its core business. The strategy built a solid foundation on which we can now superimpose much faster growth through partnerships and acquisitions.

For a media company like Agora, internet presents a unique and exciting opportunity for business expansion. We can get closer to the consumer online than in print, with customized information, interactive decision tools and enablement to instantly act on those decisions. We can get closer to the advertiser with an expanded offer of tailored marketing products and lead generation for online transactions. And in the process we can expand revenue sources – from broadly cast advertising in print to targeted advertising, direct marketing and transactional income online.

We anticipate that the Polish internet market will grow rapidly and as of the beginning of this year we made internet our number one developmental priority. For about three years, we have had an electronic edition of our newspaper (www.gazeta.pl); it has attracted a strong following, making it the number three site in Poland. In preparation for expansion of our internet presence we have examined carefully what Western publishers have done on line in order to build our own business model. It follows the European approach of leveraging content, content gathering and content presentation advantages to build useful, easy to use thematic services under a common brand umbrella. The goal of these services is to provide users with tailored, actionable information and, at the same time, to deliver to advertisers targeted users interested in purchase.

The project is underway, with dedicated staff and funding and launch expected later this year. The success of our on line project hinges, on one hand, on the speed and excellence of execution of content and technology, sales and marketing strategy, and, on the other hand, on wise alliances with partners who have complementary assets and skills. Building such alliances is an important task of the project team.

A little over a year ago Agora became a public company. Being public raised the profile of the company and brought it unanticipated – though certainly welcome – recognition. Our IPO was named one the most notable financings of 1999 by Institutional Investor, Agora was elected an Emerging Market Leader by World Economic Forum and one of the eight companies worldwide to win the Institutional Shareholder Services 2000 Award for Excellence in Corporate Governance. Throughout the year, we built and implemented procedures to help us make good on our promises of quality information, transparency and communications with shareholders. In this spirit, we launched our corporate website (www.agora.pl) intended to give our shareholders quick updates at a glance and to facilitate their interaction with the company.

We have come a long way from Iwicka Street. Agora is today Poland's leading media company. Management vision and the quality of execution brought us this far and position us well to rise to the challenge of globalization ahead of us. In a few years Poland will become a member of the European

Union. It is our job to ensure that by then Agora achieves sufficient stature to become an active player in the European media consolidation.

Management Board :

Wanda Rapaczynski

Piotr Niemczycki

Helena Luczywo

Jerzy Thieme

Warsaw, April 18th, 2000.

TRANSLATION

AGORA SA

Management Board's Report to the Consolidated Financial Statements for the year ended
31 December, 1999

Accounting principles applied by Agora Group are based on provisions of Accounting Law dated September 29, 1994 and are described in detail in the annual consolidated report. In the opinion of the Management Board, these principles give an accurate and fair description of the Group's fixed and financial assets and its operating results and profitability.

The Group's consolidated report includes Agora SA, Agora Poligrafia sp. z o. o., and Trans-Serwis SA which are consolidated using the full consolidation method. Other subsidiaries which are not material were excluded from consolidation. 1998 comparable data include TKP (consolidated using the equity method) which was no longer an associate in 1999.

These financial statements represent the second consolidated report of the Agora Group since its creation in 1998. Since the primary source of Group's revenue is *Gazeta Wyborcza* the detailed information about this venture was presented in the unconsolidated financial statements of Agora SA.

FINANCIAL RESULTS

1999 was an important year for the Group. Agora's public offering and listing on the stock exchanges in Warsaw and in London was very successful and yielded a significant injection of cash. The Group continued its growth which was reflected in PLN 132.6 million net profit.

There was no negative impact of TKP S.A., an associated company, on the results of the Group in 1999 as losses from this investment were recognized in 1998 and 1997. In 1999 Agora's stake in TKP was reduced to 12.12%; accordingly, TKP ceased to be an associate. The repayment by TKP of Agora's shareholder loan in the amount of US\$ 5.46 million and the simultaneous increase of TKP capital by the same amount (accompanied by parallel actions by other shareholders of TKP) meant that Agora's financial investment in TKP remained unchanged.

PROFIT AND LOSS ACCOUNT

Revenues and operating expense of the Company are primarily related to the publication of *Gazeta Wyborcza*, i.e. to the operations of Agora SA, described in detail in the management discussion to non-consolidated annual report, and of Agora Poligrafia, sp. z o. o. Agora Poligrafia, a wholly owned subsidiary of Agora SA, is engaged in printing operations in the Special Economic Zone in Tychy. Those operations began in 1998, after construction and start-up of the Tychy printing plant was completed. Revenues and expenses of the Group reflect largely revenues and expenses of Agora SA, the parent company. Agora-Poligrafia prints *Gazeta Wyborcza* (28.9% of circulation in 1999) for Agora on printing presses leased from Agora. Printing fees paid by Agora constitute its chief revenue source and leasing fees paid to Agora its main expense item. Both of these positions are eliminated in the process of consolidation. Since July 14, 1998, i.e. from the date on which it was acquired by Agora SA, Trans-Serwis has conducted very limited business activities. Thus in effect the structure and scope of revenue and expense of Agora SA, described in non-consolidated report, well reflect the structure and scope of revenues and expense in the Group.

In 1999 the Group's revenue totalled PLN 689.7 million and net profit reached PLN 132.6 million.

TRANSLATION

Main items of profit and loss account (PLN million)	1998	1999	% change 1999 to 1998
Net revenues from the sale of finished goods.	549.9	689.7	25.4%
Profit on sales	164.7	207.3	25.9%
Profit on other operating activities	(41.5)	(13.5)	-
Profit on operating activities	123.2	193.8	57.3%
Profit on financing activities	(24.0)	1	-
Profit on ordinary activities	99.2	194.8	96.4%
Net of extraordinary items	0.0	0.0	-
Goodwill write off	(28.1)	0.0	-
Pretax profit	71.1	194.8	174.0%
Corporate income tax	(42.4)	(62.2)	46.6%
Share in profits (losses) in consolidated entities	(36.1)	0.0	-
Net profit	(7.4)	132.6	-
EPS	(0.17)	2.34	-
EBITDA	175.9	235.8	34.0%
EBITDA margin	32.0%	34.2%	2.2 p.p.

NET REVENUE FROM SALES OF FINISHED GOODS, MERCHANDISE AND RAW MATERIALS

In 1999 net sales were PLN 689.7 million, 25.4% above year previous, at the average annual inflation rate of 7.3 %. Net sales accounted for 99.4% of total revenue and had the following structure:

Net revenues from the sale of finished goods and merchandise (PLN million)	1998	1999	% change 1999 to 1998
Advertising sales	432.2	540.2	25.0%
<i>share</i>	78.6%	78.3%	
Copy sales	108.5	137.3	26.6%
<i>share</i>	19.7%	19.9%	
Other sales	5.5	8.3	51.8%
<i>share</i>	1.0%	1.2%	
Net revenue from sales	546.2	685.8	25.6%
<i>share</i>	99.3%	99.4%	

Such impressive results were accomplished by a parent company, the publisher of *Gazeta Wyborcza* - number one newspaper in Poland, the activities of which were described in non-consolidated annual report.

Advertising revenue reached PLN 540.2 million, 25% more than in 1998. The most significant part are revenues from sales of advertising space in *Gazeta Wyborcza* which accounted for 96.6% of total advertising sales.

TRANSLATION

Additional 3.4% of advertising revenues came from other advertising services, mainly sales of pre-printed inserts and sales of ads on mobile billboards (PLN 18.2 million as compared to PLN 13.3 million in 1998).

The average daily copy sales of *Gazeta* grew to 447 208 copies, 2.6% above year previous. Total revenues from copy sales amounted to PLN 137.3 million (revenue for *Gazeta Wyborcza* reached PLN 135.4 million), 26.6% more than in 1998 year and constituted, as in the preceding year, 19.9% share of total revenues.

Other sales include the revenue from related parties which are excluded from consolidation (i.e. fees for accounting services for radio companies), as well as royalties, sales of digital archives and sales of materials and products to staff (cafeterias).

OPERATING COSTS

The operating cost structure reflects the business of parent company:

Operating costs (PLN million)	1998	1999	% change 1999 to 1998
Raw materials	139.6	168.3	20.5%
<i>newsprint</i>	<i>121.7</i>	<i>143.1</i>	<i>17.6%</i>
Third party services	93.9	101.1	7.7%
<i>outside printing of Gazeta Wyborcza</i>	<i>36.8</i>	<i>30.9</i>	<i>-16.1%</i>
Staff costs	110.7	139.3	25.9%
<i>payroll and fringe</i>	<i>106.9</i>	<i>134.6</i>	<i>25.9%</i>
Depreciation and Amortisation	18.0	42.0	132.8%
Other costs	19.5	28.1	44.0%
Total operating costs	381.7	478.8	25.4%

In 1999 Agora's most significant expense items by category were raw materials and energy (35.2% of all operating expenses, i.e. PLN 168,3 million). Among raw materials, the most significant position is newsprint which amounted to PLN 143.1 million, representing the growth of 17.6% compared to 1998. There were two factors influencing such growth of newsprint costs, an increase in production volume which translates into higher usage of newsprint to 63 thousand metric tones in 1999 as compared to 58 thousand metric tones in 1998 (9.3% growth) and the increase in newsprint unit price by 7.5%. 95% of newsprint used in production of *Gazeta Wyborcza* is imported from abroad, chiefly from Germany and Finland.

Staff costs amounted to PLN 139.3 million and were 25.9% higher than in 1998 at the average permanent headcount growth of 14%. At year end the Company had 2847 permanent employees (2615 at the end of 1998) which translates into growth by 8.8%.

Third party services amounted to PLN 101.1 million, including mainly outside printing costs of *Gazeta Wyborcza* (PLN 30.9 million or 30.5% share of total third party services). Today over 21% of production is still outsourced as compared to 43.4% in 1998.

In 1999 total number of printed pages reached 21,5 billion (8.74% more than in 1998 year), of which 55.2% were in colour (40.7% in 1998).

Other third party services. The most significant positions in this group are rents (PLN 11 million or 10.9% share), computer services (PLN 11.3 million or 11.2% share), telecommunication services

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(PLN 9.4 million or 9.2 % share), other production related services such as telecom links and inserting of newspaper's sections (PLN 6.5 million or 6.4% share), transport of press (PLN 6.1 million or 6.0 % share), legal services (PLN 4.1 million 4.1 % share), inserting of pre-printed materials (PLN 3.4 million or 3.4 % share).

Increase in D&A by 132.8% compared to previous year reflected investments in printing and IT.

Other costs amounted to PLN 28.1 million, and grew by PLN 8.5 or 44.0 % compared to 1998 (representation and promotion costs grew by PLN 7 million). The most significant positions in this group are advertising, promotion and representation costs (17.7 million or 63.2% share in total other costs), business trips (5.4 million or 19.3% share) and fees and taxes (2.2 million) or 7.9% share).

PROFIT ON SALES in 1999 reached PLN 207.3 million, 25.9% more than in 1998.

OTHER OPERATING RESULTS

Net of other operating revenue and expenses amounted to a negative PLN 13.5 million in 1999 and consisted mainly of gifts, changes in provisions. In the year previous other operating revenue and expense amounted to negative PLN 41.1 million due to one time payment of PLN 34.7 million to Cox pursuant to Strategic Alliance Agreement.

Net of financial revenue and expenses reached PLN 1 million and consisted mainly of interest paid and received, result on sale of marketable securities and foreign exchange differences, netted in 1998 a negative PLN 24 million. This amount includes financial costs of PLN 19.1 million of non-cash redemption of shares due to the Group's restructuring and provision in the amount of PLN 5.4 million for Inforadio. In 1999 The company made a provision for Inforadio in the amount of PLN 4.4 million.

FINANCIAL RESULTS

Pretax profit in 1999 reached PLN 194.8 million which translates into 174.0% growth in relation to 1998. However, after excluding non-recurring items in 1998, i.e. negative impact of PLN 28.1 million (TKP), one time payment of 34.7 million zł for Cox Poland Investments, Inc. and non-cash redemption of shares of PLN 19.1 million, pretax profit would represent a 27.3% growth in relation to preceding year.

Corporate income tax in 1999 amounted to PLN 62.2 million which represented an effective income tax rate of 31.9% compared to statutory rate of 34%. Agora-Poligrafia which operates in Special Economic Zone is released from income tax.

Net profit in 1999 amounted to PLN 132.6 million as compared to loss of PLN 7.4 million in 1998. The previous year's net profit was, however, influenced by the non-recurring items mentioned above. Net profit in 1999, compared to net profit for 1998 adjusted for these non-recurring items, grew nearly 35%.

BALANCE SHEET

TRANSLATION

Main positions of the Group's balance sheet (PLN million)	31.12.199 8	31.12.199 9	% change 1999 to 1998
TOTAL ASSETS	416.7	858.2	105.9%
<i>share in total asset</i>	<i>100%</i>	<i>100%</i>	
Fixed assets	309.5	508.9	64.4%
<i>share in total asset</i>	<i>74.3%</i>	<i>59.3%</i>	
Current assets	107.2	349.3	225.8%
<i>share in total asset</i>	<i>25.7%</i>	<i>40.7%</i>	
LIABILITIES AND SHAREHOLDER'S EQUITY	416.7	858.2	105.9%
<i>share in total liabilities</i>	<i>100%</i>	<i>100%</i>	
Equity and provisions	172.9	687.8	297.7%
<i>share in total liabilities</i>	<i>41.5%</i>	<i>80.1%</i>	
Short-term liabilities and accrued expenses	243.8	170.4	-30.1%
<i>share in total liabilities</i>	<i>58.5%</i>	<i>19.9%</i>	

1999 brought an increase in total assets as well as significant changes in the structure of the balance sheet. The main factor was Agora's IPO, which resulted in an increase of the total balance sheet to PLN 858.2 million, or by 105.9% in relation to 1998. The decrease in short-term liabilities was connected with the repayment of the Company's two loans outstanding debt (CSFB and RCB). At the end of the year the Company had no bank debt.

CASHFLOW STATEMENTS

Main positions (PLN million)	1998	1999	% change 1999 /1998
Net cash from operating activities	93.3	198.9	113.3%
Net cash from investing activities	(166.9)	(407.1)	143.9%
Net cash from financing activities	67.0	232.6	247.2%
Total movements of cash and cash equivalents	(6.7)	24.4	-
At end of period	7.1	31.5	343.1%

The Group's cash position was excellent owing to a large inflow of proceeds from the IPO and good operating results. For the end of the period the Group had PLN 31.5 million in cash and PLN 214.1 million in short-term securities (purchase and sale of such securities is shown in investment activities positions). Uses of funds comprised primarily capital spending (PLN 204.5 million) and placement of proceeds from the IPO in short-term securities (PLN 202.6 million). Financial activities positions reflect inflow from share offering, costs related to the IPO and repayment of bank debt.

SUPPLEMENTARY INFORMATION

Unconsolidated entities. The Group systematically expanded its radio activities and at the beginning of 2000 held stakes (varying from 42 to 100%) in 13 local stations and a 29% stake in a super regional station. Despite its growing scale radio operations are not material in relation to the Group's activities as a whole and are therefore not consolidated. Net revenues from sale of goods and services and from financial operations in 1999 amounted to PLN 37.2 million (compared to PLN 15.8 million in 1998) and represented 4.92% of such revenues of Agora SA, while balance sheet total was

TRANSLATION

PLN 20.9 million and represented 2.19% of such figure for Agora SA. The Group continues to make investments into radio stations, primarily in the form of loans for working capital since most of the stations have not yet reached profitability. However, it should be underscored that the stations in aggregate produced in 1999 a positive EBITDA in the amount of PLN 3.1 million. The superregional station TOK FM which began broadcasting in March 1998 is gradually building market position as a first of its kind news/talk station. The shareholders of TOK FM made the decision to change how the station is funded: in 1999 TOK FM signed a loan agreement for PLN 13 million, guaranteed by its shareholders. Because of significant indebtedness of TOK FM, Agora made a provision in its financial statements in the amount of PLN 4.4 million.

Detailed information concerning radio investments are included in Note 4 and Additional Notes to annual report.

Investments. In October 1999 TKP, the company operating pay TV Canal+ Polska repaid shareholder loans, with repayment to Agora in the amount of US\$ 5.46 million, and simultaneously shareholders increased the company's capital. As a result, Agora's current stake in TKP is 12.12%. The amount of Agora's investment in TKP remained unchanged pursuant to the above operations.

In 2000 Agora acquired shares in three more radio stations increasing the size of the group to 13 and received one broadcasting license. The Group continues to finance these stations primarily in the form of shareholder loans.

Capital expenditures. In 1999 the Group made further investments to develop its printing infrastructure (executed contracts with Poz-Building for construction of printing plant facilities, new agreements with Ferag for mailroom equipment for the Group's printing plants in Bialoleka and Pila, and payments for previously contracted printing presses and other equipment) in the amount of PLN 164.1 million and representing 80.2% of all capital spending.

Expenditures related to IT and telecommunications improvement in 1999 amounted to PLN 21.7 million and represented another 10.6% of all capital expenditure.

In addition, in 1999 Agora made improvements and repairs on both owned and leased buildings. Together with the preliminary expense related to the preparation of documentation for the Agora SA new building, the total spending in this area was PLN 11.8 million or 5.8% of capital spending.

Practically all of the above investments and expenditures were financed from Agora's funds. The last draw-down on the CSFB loan in the amount of DEM 5 million was used to prepay printing presses contracted; however, the entire loan was repaid in April 1999. In sum, in 1999 the Group spent PLN 204.5 million for these assets, PLN 194.5 from own funds and PLN 10 million from proceeds from bank loans.

Related party transactions are described in detail in Additional Note no 7 of consolidated annual report.

Information about loans granted and received are described in detail in Notes 4 and 20 to the annual report and in the position "off balance sheet liabilities".

Funding. The Group finances its activities primarily from cash from operations and from proceeds of issuance of stock. In 1999 cash from operations amounted to PLN 198.9 million and was

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used to fund capital asset projects. In 1999 such projects (including all expenditures for fixed assets, intangible assets and investments in progress) absorbed PLN 204.5 million, compared to PLN 140.2 million in 1998. The Group's long term debt as of December 31, 1999 amounted to PLN 79.1 million and consists entirely of an exchangeable loan to Cox Poland Investments, Inc. As of December 31, 1999 the Group had PLN 31.5 million in cash and PLN 214.1 million in short-term securities.

Liquidity ratio (measured by current assets divided by short-term liabilities) for the close of 1999 was equal to 4.4, compared to 0.6 in 1998. The change is accounted for by the significant influx of cash (from the public offering of shares) and by repayment of debt. The Group is implementing a rich program of development and investments (completion of printing projects, construction of facility in Warsaw, development of the internet offering) which will absorb the excess of cash.

The Group did not encounter in 1999 any difficulties in meeting its financial obligations and does not anticipate such difficulties in the future. It has sufficient means to complete its three year investment program. The most important elements of the program include completion of the printing infrastructure expansion, development of the internet offering, construction of the Group's facility in Warsaw and further computerization. Within the next three years these projects will cost the total of PLN 540 million.

5. Extraordinary events and factors

In accordance with earlier agreements, on December 31, 1999 Trans-Serwis S.A. (a company acquired by Agora SA in 1998) was deleted from the commercial register and as of January 1, 2000 incorporated into Agora by transfer of all its assets without simultaneous increase in the Company's capital.

Financial transactions with members of governing bodies. Detailed information on this subject is included in Notes 9 and 10 of the annual report.

Significant contract entered into by the Group are described in detail in the commentary to unconsolidated financial report.

Shareholding structure of the Group as of December 31, 1999 and as of the date of the preparation of the commentary to the annual report is presented in Note 12 of the consolidated financial statements.

5.1.1 GROWTH OF THE COMPANY

Further growth of the company is contingent on the continued improvement of market and financial results of *Gazeta Wyborcza*, radio group and successful launch of its Internet offering. The Company's growth depends, in turn, on several important factors.

(i) Political and economic situation in Poland. Optimistic GDP growth forecasts and declining inflation lead to better financial position of individual households and companies and thus to growth in consumption which translates directly into growth of advertising spending. Additionally, structural changes in the economy, i.e. pension fund reform, privatisations and increased competition in such market segments as telecommunications and financial services will generate new advertising budgets.

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The company anticipates further growth of the advertising market in the next three years of 23%, 17% and 15%, respectively. 1999.

(ii) World newsprint and paper prices. Newsprint and paper account for about a third of the company's cost base and changes in unit prices have a direct impact on the Company's profit margins. Historically, newsprint prices are cyclical and high price cycles affect adversely all publishers. 1998 witnessed relatively low newsprint prices (the last high price phase of the cycle took place in 1994-1996). In 1999 the real (euro-denominated) prices remained stable. In 2000 the industry expectation is for about 4% increase in unit price.

(iii) Currency exchange rates. The Company generates revenues in Polish zloty. Production materials, and most importantly newsprint, are contracted mostly in euro, as are deliveries of equipment for the printing plants. Significant and long lasting weakening of the zloty could have a negative impact on operating profits by causing an increase in the zloty newsprint expense. Weak zloty could also lead to an increase in actual expenditure for capital projects (printing expansion). The recent floating of zloty may mean a broader range of its volatility in relationship to other currencies in the future. Heretofore, zloty was kept within +/- 15% range to parity. Currently, the currency may fluctuate without limit. The Group is exploring the possibility of long-term hedging of the cost of newsprint to limit currency exposure.

(iv) Operating effectiveness and safety. Daily process of *Gazeta's* preparation and production. requires careful planning, disciplined management systems and effective work organisation. The company constantly searches for way to improve effectiveness and reliability of key production processes via automation and implementation of modern technologies for pre-press, printing, advertising sales, and distribution of *Gazeta*, as well as of financial planning and management and communications between various operating units and branches of the Company.

(v) Production technology and capacity. Provision of sufficient production capacity and modern colour capabilities is a condition sine qua non for leveraging *Gazeta's* growth opportunities and thus the Company's investment priority. At the beginning of 2001 the Company will complete its expansion of printing facilities. Once implemented, these changes will result in the entire offset production being executed in-house. As a result the Company will be able to fully control its cost base and configure its advertising offer in a flexible way.

(vi) Growth of the radio activities of the Group depends on the rate of growth of advertising market and its development in the relevant local markets. The radio business needs operating scale which, in turn, depends on the speed with which new radio stations can be added to the group. The Group is growing the radio operation by acquiring shares in existing radio stations and applying to the Broadcast Council for new licences. The attitude of the Broadcast Council is an important factor affecting the growth of the radio operations.

(vii) The internet expansion requires expenditures and will dilute earnings. The success of the Group's Internet offering depends to a large extent on the development of Poland's internet market, including removal of the technological and logistics barriers, such as access or ennoblement of on line transactions.

(viii) The Company's team. In the eleven years of its existence the company has hired and trained extremely valuable staff. Maintaining their job satisfaction and loyalty to the company and their further professional growth are key goals of the company. To this end, the company has implemented several programs which broaden stockholding among company's employees, including incentive plans for managers and non-executive star performers and an employee stock purchase program.

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6. Growth perspectives

The Group's Strategy includes further development of *Gazeta Wyborcza*, of the radio business, development & launch of the Internet offering and expansion into related media. The Company will grow organically by expanding existing business and by forming alliances and equity relationships with other Polish companies and, over time, internationally.

In addition the Group's long-term expansion strategy may be implemented by means of M&A transactions. The future price of Agora's stock may have impact in the context of such transactions.

Governing bodies and agreements which affect future structure of ownership were described in detail in the Management Board's report to the unconsolidated financial statements of the Company.

Warsaw, 18 April 2000

.....
Wanda Rapaczynski
President

.....
Piotr Niemczycki
Vice-president

.....
Helena Luczywo
Member of the Board

.....
Jerzy Thieme
Member of the Board

INFORADIO Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	4 733	5 920
I. Intangible assets	867	1 143
II. Tangible fixed assets	3 862	4 773
III. Financial fixed assets	4	4
IV. Long term debtors	-	-
B CURRENT ASSETS	1 300	3 440
I. Stock	-	31
II. Short-term debtors	851	1 124
III. Short-term securities	-	2 175
IV. Cash and cash equivalents	449	110
C PREPAID EXPENSES AND OTHER ASSETS	117	485
Total assets	6 150	9 845

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(22 153)	(6 496)
I. Share capital	7 245	7 245
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	641	641
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(14 382)	(2 115)
VII. Profit / (loss) after taxation for the financial year	(15 657)	(12 267)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	27 111	14 127
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	731	2 026
I. Short-term liabilities	700	2 017
II. Social Fund	31	9
E ACCRUED EXPENSES AND DEFERRED INCOME	461	188
TOTAL EQUITY AND LIABILITIES	6 150	9 845

INFORADIO Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 820	1 186
I. Net sales of finished products	2 102	1 004
II. Change in inventory position (increase positive value, decrease negative value)	(282)	182
III. Net sales of merchandise and raw materials	-	-
IV. Cost of production for internal purposes	-	-
B Operating expense	12 828	12 886
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	293	338
III. External services	3 245	2 514
IV. Taxes and charges	148	75
V. Payroll	2 969	2 796
VI. Social Security costs	467	965
VII. Depreciation	1 393	1 171
VIII Other	4 313	5 027
C Gross profit / (loss) on sales (A-B)	(11 008)	(11 700)
D Other operating income	-	467
I. Revenue from sales of fixed assets	-	442
II. Subsidies	-	-
III. Other operating income	-	25
E Other operating expenses	24	450
I. Net book value of fixed assets sold	-	449
II. Other operating expenses	24	1
F Profit / (loss) on operating activities	(11 032)	(11 683)
G Financial income	461	162
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	135	93
III. Others	326	69
H Financial expenses	5 086	746
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	1 569	592
- for subsidiaries and associates	-	-
III. Other	3 517	154
I Profit / (loss) on ordinary activities (F+G-H)	(15 657)	(12 267)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(15 657)	(12 267)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(15 657)	(12 267)

ELITA Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	709	749
I. Intangible assets	60	74
II. Tangible fixed assets	649	675
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	362	243
I. Stock	-	-
II. Short-term debtors	297	226
III. Short-term securities	-	-
IV. Cash and cash equivalents	65	17
C PREPAID EXPENSES AND OTHER ASSETS	4	-
Total assets	1 075	992

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(250)	500
I. Share capital	2 083	2 083
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(1 584)	(728)
VII. Profit / (loss) after taxation for the financial year	(749)	(855)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	832	372
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	493	120
I. Short-term liabilities	493	120
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	1 075	992

ELITA Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 121	557
I. Net sales of finished products	1 109	555
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	12	2
IV. Cost of production for internal purposes	-	-
B Operating expense	1 695	1 401
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	36	57
III. External services	351	391
IV. Taxes and charges	11	17
V. Payroll	692	450
VI. Social Security costs	150	179
VII. Depreciation	98	116
VIII Other	357	191
C Gross profit / (loss) on sales (A-B)	(574)	(844)
D Other operating income	2	7
I. Revenue from sales of fixed assets	1	-
II. Subsidies	-	-
III. Other operating income	1	7
E Other operating expenses	14	1
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	14	1
F Profit / (loss) on operating activities	(586)	(838)
G Financial income	9	5
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	9	5
III. Others	-	-
H Financial expenses	172	22
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	57	9
- for subsidiaries and associates	57	9
III. Other	115	13
I Profit / (loss) on ordinary activities (F+G-H)	(749)	(855)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(749)	(855)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(749)	(855)

KKK FM SA

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	184	214
I. Intangible assets	15	39
II. Tangible fixed assets	169	175
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	562	295
I. Stock	2	7
II. Short-term debtors	469	258
III. Short-term securities	-	-
IV. Cash and cash equivalents	91	30
C PREPAID EXPENSES AND OTHER ASSETS	10	13
Total assets	756	522

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(1 031)	(861)
I. Share capital	604	604
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(1 465)	(1 475)
VII. Profit / (loss) after taxation for the financial year	(170)	10
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	891	871
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	896	512
I. Short-term liabilities	876	492
II. Social Fund	20	20
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	756	522

KKK FM SA

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	2 614	1 837
I. Net sales of finished products	2 501	1 671
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	113	166
IV. Cost of production for internal purposes	-	-
B Operating expense	2 551	1 734
I. Cost of merchandise and raw materials sold	95	164
II. Materials and energy	34	30
III. External services	825	700
IV. Taxes and charges	5	14
V. Payroll	671	472
VI. Social Security costs	121	178
VII. Depreciation	70	64
VIII Other	730	112
C Gross profit / (loss) on sales (A-B)	63	103
D Other operating income	11	-
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	11	-
E Other operating expenses	12	28
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	12	28
F Profit / (loss) on operating activities	62	75
G Financial income	7	17
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	7	1
III. Others	-	16
H Financial expenses	236	82
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	73	67
- for subsidiaries and associates	-	-
III. Other	163	15
I Profit / (loss) on ordinary activities (F+G-H)	(167)	10
J Extraordinary gains	-	-
K Extraordinary losses	3	-
L Profit / (loss) before taxation	(170)	10
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(170)	10

CASH FLOW STATEMENT

in PLN thousand

	1999 31 December	1998 31 December
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method		
I. Profit / (loss) after taxation	(170)	10
II. Total adjustments	266	7
1. Depreciation	70	64
2. Foreign exchange (gains) losses	160	(2)
3. Interests and dividends	67	67
4. Bad debt provisions	2	15
5. Other provisions	-	-
6. Corporate income tax (disclosed in profit and loss statement)	-	-
7. Corporate income tax paid	-	-
8. Profit/loss on investment activities	1	-
9. Change in inventory position	5	-
10. Change in accounts receivable	(213)	(157)
11. Change in short-term liabilities (except for bank credits and loans)	170	61
12. Change in interperiod settlements position	3	(2)
13. Change in deferred income position	1	(39)
14. Other adjustments	-	-
III. NET CASH FLOW FROM OPERATING ACTIVITIES	96	17
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
I. Purchase/sales of intangible fixed assets	-	(7)
II. Purchase/sales of tangible fixed assets	(41)	(64)
III. Purchase/sales of financial fixed assets in subsidiaries	-	-
IV. Purchase/sales of financial fixed associates in associated	-	-
V. Purchase/sales of other shares and securitis (including securities for resale)	-	-
VI. Loans (advanced)	-	-
VII. Dividends received/paid	-	-
VIII. Interest received	-	-
IX. Other	-	-
X. NET CASH FLOW FROM INVESTMENT ACTIVITIES	(41)	(71)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
I. Raised/repaid long-term bank credits and loans received	-	-
II. Raised/repaid long-term loans	-	182
III. Raised/repaid short-term bank credits	-	-
IV. Raised/repaid short-term loans, issue of bonds and other short-term debt securities	-	(113)
V. Dividends and other payments to shareholders	-	-
VI. Payments of liabilities related to finance lease agreements	-	-
VII. Inflows from own shares issued	-	-
VIII. Paid/repaid interest	6	-
IX. Other	-	-
X. NET CASH FLOW FROM FINANCIAL ACTIVITIES	6	69
D. CHANGE OF CASH POSITION IN BALANCE SHEET (A +/- B +/- C)	61	15
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	30	15
F. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (F +/- D)	91	30

TREFL Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	791	819
I. Intangible assets	123	111
II. Tangible fixed assets	668	708
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	553	510
I. Stock	55	62
II. Short-term debtors	442	419
III. Short-term securities	-	-
IV. Cash and cash equivalents	56	29
C PREPAID EXPENSES AND OTHER ASSETS	42	133
Total assets	1 386	1 462

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(826)	284
I. Share capital	2 000	2 000
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(1 716)	(781)
VII. Profit / (loss) after taxation for the financial year	(1 110)	(935)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	320	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	1 892	1 168
I. Short-term liabilities	1 892	1 168
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	10
TOTAL EQUITY AND LIABILITIES	1 386	1 462

TREFL Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 447	939
I. Net sales of finished products	1 447	936
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	3
IV. Cost of production for internal purposes	-	-
B Operating expense	2 381	1 831
I. Cost of merchandise and raw materials sold	-	5
II. Materials and energy	47	65
III. External services	465	364
IV. Taxes and charges	9	16
V. Payroll	868	594
VI. Social Security costs	163	252
VII. Depreciation	120	180
VIII Other	709	355
C Gross profit / (loss) on sales (A-B)	(934)	(892)
D Other operating income	19	-
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	19	-
E Other operating expenses	-	48
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	-	48
F Profit / (loss) on operating activities	(915)	(940)
G Financial income	6	5
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	6	5
III. Others	-	-
H Financial expenses	201	-
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	184	-
- for subsidiaries and associates	-	-
III. Other	17	-
I Profit / (loss) on ordinary activities (F+G-H)	(1 110)	(935)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(1 110)	(935)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(1 110)	(935)

JAN BABCZYSZYN RADIO JAZZ FM Sp z o. o.**BALANCE SHEET-ASSETS**

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	263	334
I. Intangible assets	94	118
II. Tangible fixed assets	169	216
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	293	492
I. Stock	-	-
II. Short-term debtors	290	455
III. Short-term securities	-	-
IV. Cash and cash equivalents	3	37
C PREPAID EXPENSES AND OTHER ASSETS	48	47
Total assets	604	873

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	62	171
I. Share capital	600	600
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(429)	(364)
VII. Profit / (loss) after taxation for the financial year	(109)	(65)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	-	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	542	702
I. Short-term liabilities	542	702
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	604	873

JAN BABCZYSZYN RADIO JAZZ FM Sp z o. o.**PROFIT AND LOSS**

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 567	1 996
I. Net sales of finished products	1 567	1 994
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	2
IV. Cost of production for internal purposes	-	-
B Operating expense	1 559	1 958
I. Cost of merchandise and raw materials sold	-	2
II. Materials and energy	13	66
III. External services	893	905
IV. Taxes and charges	2	14
V. Payroll	-	231
VI. Social Security costs	-	31
VII. Depreciation	72	77
VIII Other	579	632
C Gross profit / (loss) on sales (A-B)	8	38
D Other operating income	-	48
I. Revenue from sales of fixed assets	-	48
II. Subsidies	-	-
III. Other operating income	-	-
E Other operating expenses	55	64
I. Net book value of fixed assets sold	-	48
II. Other operating expenses	55	16
F Profit / (loss) on operating activities	(47)	22
G Financial income	-	13
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	-	13
III. Others	-	-
H Financial expenses	62	100
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	62	-
- for subsidiaries and associates	-	-
III. Other	-	100
I Profit / (loss) on ordinary activities (F+G-H)	(109)	(65)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(109)	(65)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(109)	(65)

"IM 40" Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	726	936
I. Intangible assets	408	574
II. Tangible fixed assets	318	362
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	4 862	1 660
I. Stock	30	15
II. Short-term debtors	2 870	1 374
III. Short-term securities	-	-
IV. Cash and cash equivalents	1 962	271
C PREPAID EXPENSES AND OTHER ASSETS	3	70
Total assets	5 591	2 666

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	4 061	1 274
I. Share capital	1 000	1 000
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	465	465
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(591)	(958)
VII. Profit / (loss) after taxation for the financial year	3 187	767
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	-	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	1 530	1 362
I. Short-term liabilities	1 527	1 362
II. Social Fund	3	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	30
TOTAL EQUITY AND LIABILITIES	5 591	2 666

"IM 40" Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	10 946	4 750
I. Net sales of finished products	10 939	4 746
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	7	4
IV. Cost of production for internal purposes	-	-
B Operating expense	6 372	3 538
I. Cost of merchandise and raw materials sold	7	4
II. Materials and energy	70	56
III. External services	1 485	659
IV. Taxes and charges	54	28
V. Payroll	2 289	1 174
VI. Social Security costs	371	473
VII. Depreciation	296	295
VIII Other	1 800	849
C Gross profit / (loss) on sales (A-B)	4 574	1 212
D Other operating income	1	5
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	1	5
E Other operating expenses	4	16
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	4	16
F Profit / (loss) on operating activities	4 571	1 201
G Financial income	157	31
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	157	31
III. Others	-	-
H Financial expenses	66	170
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	-	-
- for subsidiaries and associates	-	-
III. Other	66	170
I Profit / (loss) on ordinary activities (F+G-H)	4 662	1 062
J Extraordinary gains	-	-
K Extraordinary losses	-	2
L Profit / (loss) before taxation	4 662	1 060
M Obligatory charges	1 475	293
I. Corporate income tax	1 475	293
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	3 187	767

OLE Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	90	114
I. Intangible assets	25	27
II. Tangible fixed assets	65	87
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	240	169
I. Stock	1	2
II. Short-term debtors	172	116
III. Short-term securities	-	-
IV. Cash and cash equivalents	67	51
C PREPAID EXPENSES AND OTHER ASSETS	1	-
Total assets	331	283

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(655)	13
I. Share capital	464	464
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(451)	-
VII. Profit / (loss) after taxation for the financial year	(668)	(451)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	549	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	437	270
I. Short-term liabilities	437	270
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	331	283

OLE Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	934	822
I. Net sales of finished products	933	820
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	1	2
IV. Cost of production for internal purposes	-	-
B Operating expense	1 482	1 258
I. Cost of merchandise and raw materials sold	-	2
II. Materials and energy	49	33
III. External services	592	505
IV. Taxes and charges	10	17
V. Payroll	460	299
VI. Social Security costs	101	135
VII. Depreciation	48	51
VIII Other	222	216
C Gross profit / (loss) on sales (A-B)	(548)	(436)
D Other operating income	16	1
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	16	1
E Other operating expenses	53	14
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	53	14
F Profit / (loss) on operating activities	(585)	(449)
G Financial income	4	4
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	4	3
III. Others	-	1
H Financial expenses	87	6
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	32	6
- for subsidiaries and associates	31	-
III. Other	55	-
I Profit / (loss) on ordinary activities (F+G-H)	(668)	(451)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(668)	(451)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(668)	(451)

CASH FLOW STATEMENT

in PLN thousand

	1999 31 December	1998 31 December
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method		
I. Profit / (loss) after taxation	(668)	(451)
II. Total adjustments	164	156
1. Depreciation	48	51
2. Foreign exchange (gains) losses	(55)	(1)
3. Interests and dividends	28	3
4. Bad debt provisions	35	14
5. Other provisions	-	-
6. Corporate income tax (disclosed in profit and loss statement)	-	-
7. Corporate income tax paid	-	-
8. Profit/loss on investment activities	-	-
9. Change in inventory position	1	(2)
10. Change in accounts receivable	(91)	(130)
11. Change in short-term liabilities (except for bank credits and loans)	199	221
12. Change in interperiod settlements position	-	-
13. Change in deferred income position	(1)	-
14. Other adjustments	-	-
III. NET CASH FLOW FROM OPERATING ACTIVITIES	(504)	(295)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
I. Purchase/sales of intangible fixed assets	(12)	(42)
II. Purchase/sales of tangible fixed assets	(12)	(123)
III. Purchase/sales of financial fixed assets in subsidiaries	-	-
IV. Purchase/sales of financial fixed associates in associated	-	-
V. Purchase/sales of other shares and securities (including securities for resale)	-	-
VI. Loans (advanced)	-	-
VII. Dividends received/paid	-	-
VIII. Interest received	-	-
IX. Other	-	-
X. NET CASH FLOW FROM INVESTMENT ACTIVITIES	(24)	(165)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
I. Raised/repaid long-term bank credits and loans received	-	-
II. Raised/repaid long-term loans	548	-
III. Raised/repaid short-term bank credits	-	-
IV. Raised/repaid short-term loans, issue of bonds and other short-term debt securities	(32)	49
V. Dividends and other payments to shareholders	-	-
VI. Payments of liabilities related to finance lease agreements	-	-
VII. Inflows from own shares issued	-	464
VIII. Paid/repaid interest	(28)	(3)
IX. Other	55	1
X. NET CASH FLOW FROM FINANCIAL ACTIVITIES	543	511
D. CHANGE OF CASH POSITION IN BALANCE SHEET (A +/- B +/- X)	15	51
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	51	-
F. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (F +/- D)	66	51

LOKALNE RADIOSTACJE RADIOWE Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	91	108
I. Intangible assets	91	108
II. Tangible fixed assets	-	-
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	748	836
I. Stock	-	-
II. Short-term debtors	111	16
III. Short-term securities	-	-
IV. Cash and cash equivalents	637	820
C PREPAID EXPENSES AND OTHER ASSETS	-	-
Total assets	839	944

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	829	800
I. Share capital	804	804
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(4)	-
VII. Profit / (loss) after taxation for the financial year	29	(4)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	-	124
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	10	20
I. Short-term liabilities	-	20
II. Social Fund	10	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	839	944

LOKALNE RADIOSTACJE RADIOWE Sp. z o.o.
PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 348	197
I. Net sales of finished products	1 348	197
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	-
IV. Cost of production for internal purposes	-	-
B Operating expense	1 373	229
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	-	-
III. External services	-	-
IV. Taxes and charges	-	-
V. Payroll	69	8
VI. Social Security costs	-	-
VII. Depreciation	17	17
VIII Other	1 287	204
C Gross profit / (loss) on sales (A-B)	(25)	(32)
D Other operating income	-	-
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	-	-
E Other operating expenses	-	-
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	-	-
F Profit / (loss) on operating activities	(25)	(32)
G Financial income	83	37
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	83	37
III. Others	-	-
H Financial expenses	23	9
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	23	-
- for subsidiaries and associates	-	9
III. Other	-	-
I Profit / (loss) on ordinary activities (F+G-H)	35	(4)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	35	(4)
M Obligatory charges	6	-
I. Corporate income tax	6	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	29	(4)

KAROLINA Sp. z o.o.**BALANCE SHEET-ASSETS**

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	791	921
I. Intangible assets	208	273
II. Tangible fixed assets	583	648
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	860	554
I. Stock	-	-
II. Short-term debtors	473	227
III. Short-term securities	-	-
IV. Cash and cash equivalents	387	327
C PREPAID EXPENSES AND OTHER ASSETS	1	-
Total assets	1 652	1 475

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	106	267
I. Share capital	1 100	1 100
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(833)	-
VII. Profit / (loss) after taxation for the financial year	(161)	(833)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	904	713
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	536	470
I. Short-term liabilities	529	470
II. Social Fund	7	-
E ACCRUED EXPENSES AND DEFERRED INCOME	106	25
TOTAL EQUITY AND LIABILITIES	1 652	1 475

KAROLINA Sp. z o.o.**PROFIT AND LOSS**

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	3 192	277
I. Net sales of finished products	3 192	277
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	-
IV. Cost of production for internal purposes	-	-
B Operating expense	3 127	1 142
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	52	20
III. External services	905	288
IV. Taxes and charges	25	26
V. Payroll	903	207
VI. Social Security costs	167	77
VII. Depreciation	231	114
VIII Other	844	410
C Gross profit / (loss) on sales (A-B)	65	(865)
D Other operating income	2	-
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	2	-
E Other operating expenses	62	-
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	62	-
F Profit / (loss) on operating activities	5	(865)
G Financial income	26	50
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	26	50
III. Others	-	-
H Financial expenses	192	18
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	-	-
- for subsidiaries and associates	60	5
III. Other	132	13
I Profit / (loss) on ordinary activities (F+G-H)	(161)	(833)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(161)	(833)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(161)	(833)

CASH FLOW STATEMENT

in PLN thousand

	1999 31 December	1998 31 December
A. CASH FLOW FROM OPERATING ACTIVITIES (I+/-II) - indirect method		
I. Profit / (loss) after taxation	(161)	(833)
II. Total adjustments	280	311
1. Depreciation	231	114
2. Foreign exchange (gains) losses	131	-
3. Interests and dividends	37	(50)
4. Bad debt provisions	55	-
5. Other provisions	-	-
6. Corporate income tax (disclosed in profit and loss statement)	-	-
7. Corporate income tax paid	-	-
8. Profit/loss on investment activities	-	-
9. Change in inventory position	-	-
10. Change in accounts receivable	(306)	(222)
11. Change in short-term liabilities (except for bank credits and loans)	51	444
12. Change in interperiod settlements position	(1)	-
13. Change in deferred income position	82	25
14. Other adjustments	-	-
III. NET CASH FLOW FROM OPERATING ACTIVITIES	119	(522)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
I. Purchase/sales of intangible fixed assets	(5)	(153)
II. Purchase/sales of tangible fixed assets	(77)	(744)
III. Purchase/sales of financial fixed assets in subsidiaries	-	-
IV. Purchase/sales of financial fixed associates in associated	-	-
V. Purchase/sales of other shares and securities (including securities for resale)	-	-
VI. Loans (advanced)	-	-
VII. Dividends received/paid	-	-
VIII. Interest received	-	-
IX. Other	-	-
X. NET CASH FLOW FROM INVESTMENT ACTIVITIES	(82)	(897)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
I. Raised/repaid long-term bank credits and loans received	-	-
II. Raised/repaid long-term loans	-	700
III. Raised/repaid short-term bank credits	-	-
IV. Raised/repaid short-term loans, issue of bonds and other short-term debt securities	-	-
V. Dividends and other payments to shareholders	-	-
VI. Payments of liabilities related to finance lease agreements	-	-
VII. Inflows from own shares issued	5	996
VIII. Paid/repaid interest	18	50
IX. Other	-	-
X. NET CASH FLOW FROM FINANCIAL ACTIVITIES	23	1 746
D. CHANGE OF CASH POSITION IN BALANCE SHEET (A +/- B +/- X)	60	327
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	327	-
F. CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (F +/- D)	387	327

CITY RADIO Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	122	67
I. Intangible assets	16	9
II. Tangible fixed assets	106	58
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	393	241
I. Stock	-	-
II. Short-term debtors	374	212
III. Short-term securities	-	-
IV. Cash and cash equivalents	19	29
C PREPAID EXPENSES AND OTHER ASSETS	8	-
Total assets	523	308

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	(719)	(2 121)
I. Share capital	1 701	4
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	(28)	15
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(2 097)	(676)
VII. Profit / (loss) after taxation for the financial year	(295)	(1 464)
B PROVISIONS	123	124
C LONG-TERM LIABILITIES	742	552
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	377	1 753
I. Short-term liabilities	377	1 753
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	523	308

CITY RADIO Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 177	728
I. Net sales of finished products	1 177	723
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	5
IV. Cost of production for internal purposes	-	-
B Operating expense	1 359	1 668
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	47	58
III. External services	302	608
IV. Taxes and charges	8	41
V. Payroll	600	483
VI. Social Security costs	144	142
VII. Depreciation	38	29
VIII Other	220	307
C Gross profit / (loss) on sales (A-B)	(182)	(940)
D Other operating income	4	4
I. Revenue from sales of fixed assets	-	4
II. Subsidies	-	-
III. Other operating income	4	-
E Other operating expenses	19	556
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	19	556
F Profit / (loss) on operating activities	(197)	(1 492)
G Financial income	1	136
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	-	-
III. Others	1	136
H Financial expenses	99	108
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	9	-
- for subsidiaries and associates	-	-
III. Other	90	108
I Profit / (loss) on ordinary activities (F+G-H)	(295)	(1 464)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(295)	(1 464)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(295)	(1 464)

BIURO OBSLUGI RADIOWEJ

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	615	583
I. Intangible assets	86	11
II. Tangible fixed assets	529	572
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	1 314	1 289
I. Stock	90	-
II. Short-term debtors	1 202	962
III. Short-term securities	-	-
IV. Cash and cash equivalents	22	327
C PREPAID EXPENSES AND OTHER ASSETS	-	-
Total assets	1 929	1 872

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	43	42
I. Share capital	935	500
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	-	-
IV. Revaluation reserve	-	-
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	(458)	-
VII. Profit / (loss) after taxation for the financial year	(434)	(458)
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	-	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	1 886	1 828
I. Short-term liabilities	1 886	1 828
II. Social Fund	-	-
E ACCRUED EXPENSES AND DEFERRED INCOME	-	2
TOTAL EQUITY AND LIABILITIES	1 929	1 872

BIURO OBSLUGI RADIOWEJ

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	8 653	1 488
I. Net sales of finished products	8 653	1 488
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	-
IV. Cost of production for internal purposes	-	-
B Operating expense	9 017	1 956
I. Cost of merchandise and raw materials sold	-	48
II. Materials and energy	426	923
III. External services	6 123	-
IV. Taxes and charges	12	11
V. Payroll	559	147
VI. Social Security costs	32	14
VII. Depreciation	221	46
VIII Other	1 644	767
C Gross profit / (loss) on sales (A-B)	(364)	(468)
D Other operating income	-	-
I. Revenue from sales of fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	-	-
E Other operating expenses	21	-
I. Net book value of fixed assets sold	-	-
II. Other operating expenses	21	-
F Profit / (loss) on operating activities	(385)	(468)
G Financial income	7	10
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	7	10
III. Others	-	-
H Financial expenses	56	-
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	56	-
- for subsidiaries and associates	-	-
III. Other	-	-
I Profit / (loss) on ordinary activities (F+G-H)	(434)	(458)
J Extraordinary gains	-	-
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(434)	(458)
M Obligatory charges	-	-
I. Corporate income tax	-	-
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(434)	(458)

UZNAM Sp. z o.o.

BALANCE SHEET-ASSETS

in PLN thousand

	1999 31 December	1998 31 December
A LONG-TERM ASSETS	19	501
I. Intangible assets	1	222
II. Tangible fixed assets	18	279
III. Financial fixed assets	-	-
IV. Long term debtors	-	-
B CURRENT ASSETS	25	297
I. Stock	-	4
II. Short-term debtors	19	270
III. Short-term securities	-	-
IV. Cash and cash equivalents	6	23
C PREPAID EXPENSES AND OTHER ASSETS	-	140
Total assets	44	938

BALANCE SHEET-LIABILITIES

in PLN thousand

A EQUITY	7	293
I. Share capital	31	31
II. Outstanding share capital contributions (negative figure)	-	-
III. Reserve capital	212	121
IV. Revaluation reserve	50	50
V. Other reserve capital	-	-
VI. Undistributed profit/(loss) from previous years	-	46
VII. Profit / (loss) after taxation for the financial year	(286)	45
B PROVISIONS	-	-
C LONG-TERM LIABILITIES	-	-
D SHORT-TERM LIABILITIES AND SPECIAL FUNDS	37	645
I. Short-term liabilities	37	636
II. Social Fund	-	9
E ACCRUED EXPENSES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	44	938

UZNAM Sp. z o.o.

PROFIT AND LOSS

in PLN thousand

	01.01.1999 do 31.12.1999	01.01.1998 do 31.12.1998
A Net sales of merchandise and finished products	1 347	2 037
I. Net sales of finished products	1 347	2 037
II. Change in inventory position (increase positive value, decrease negative value)	-	-
III. Net sales of merchandise and raw materials	-	-
IV. Cost of production for internal purposes	-	-
B Operating expense	1 527	1 950
I. Cost of merchandise and raw materials sold	-	-
II. Materials and energy	54	84
III. External services	914	139
IV. Taxes and charges	48	4
V. Payroll	288	331
VI. Social Security costs	51	140
VII. Depreciation	59	108
VIII Other	113	1 144
C Gross profit / (loss) on sales (A-B)	(180)	87
D Other operating income	381	33
I. Revenue from sales of fixed assets	377	27
II. Subsidies	-	-
III. Other operating income	4	6
E Other operating expenses	475	19
I. Net book value of fixed assets sold	428	-
II. Other operating expenses	47	19
F Profit / (loss) on operating activities	(274)	101
G Financial income	322	47
I. Dividends received:	-	-
- from subsidiaries and associates	-	-
II. Interest	54	47
III. Others	268	-
H Financial expenses	334	69
I. Loss on sales of financial fixed assets and short term securities	-	-
II. Interest	-	-
- for subsidiaries and associates	-	-
III. Other	334	69
I Profit / (loss) on ordinary activities (F+G-H)	(286)	79
J Extraordinary gains	-	1
K Extraordinary losses	-	-
L Profit / (loss) before taxation	(286)	80
M Obligatory charges	-	35
I. Corporate income tax	-	35
II. Other obligatory charges	-	-
N Profit / (loss) after taxation	(286)	45