AUDITOR'S REPORT



AUDITOR'S REPORT TO THE SHAREHOLDERS OF BURZA CENNÝCH PAPÍRŮ PRAHA, A.S.

Based upon our audit we issued the following audit report dated March 3, 2000:

We have audited the financial statements of Burza cenných papírů Praha, a.s. for the year ended December 31, 1999. The Board of Directors is responsible for the preparation of the financial statements and for maintaining accounting records in accordance with relevant laws and regulations. Our responsibility is to express an opinion on the financial statements, taken as a whole, based on our audit.

We conducted our audit in accordance with Act No. 524/1992 Coll. on Auditors and the Chamber of Auditors of the Czech Republic, and the auditing standards issued by the Chamber of Auditors. Those standards require that we plan and conduct the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, the accounting records and other evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Company in the preparation of the financial statements, as well as evaluation of the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and equity of Burza cenných papírů Praha, a.s. as of December 31, 1999, and the results of its operations for the year then ended in accordance with Act No. 563/1991 Coll. on Accounting and relevant accounting regulations.

Information included in this annual report on pages 34 to 36 was derived, in compliance with applicable regulations, from the audited financial statements, on which we issued the above audit report.

We have also reviewed other financial information included in this annual report for consistency with the audited financial statements. In our opinion, this information is consistent, in all material respects, with the audited financial statements.

Prague, June 29, 2000

Audit firm:

Deloitte & Touche spol. s r.o.

Deloite à Toule

License no. 79

Statutory auditor:

Karel Hampl

License no. 0005

17 FINANCIAL STATEMENTS OF

BALANCE SHEET (IN FULL FORMAT) AS AT 31 DECEMBER

CZK 000	1999	1998
TOTAL ASSETS	589,700	626,148
Amounts receivable for subscribed capital	0	0
Fixed assets	485,660	555,408
Intangible fixed assets	36,182	38,969
Establishment costs	0	0
Research and development	0	0
Software	28,034	38,926
Valuable rights (patents, licences, know-how)	0	0
Other intangible fixed assets	17	37
Intangible fixed assets not-in-use Prepayments for intangible fixed assets	8,131 0	6 0
Tangible fixed assets	449,378	514,154
Land	71,856	71,856
Buildings, halls and structures	321,445	346,047
Machinery, tools and equipment, vehicles and fixtures	56,077	96,126
Perennial crops	0	0
Breeding and draught animals	0	0
Other tangible fixed assets	0	0
Tangible fixed assets not-in-use	0	75
Prepayments for tangible fixed assets	0	50
Adjustments to acquired assets (goodwill)	0	0
Financial investments Shares and ownership interests in subsidiaries	100 100	2,285 100
Shares and ownership interests in substituaries Shares and ownership interests in associates	0	2,185
Other securities and ownership interests	0	0
Intercompany loans	0	0
Other financial investments	0	0
Current assets	101,232	68,775
Stocks	0	0
Materials	0	0
Work-in-progress and semi-finished products	0	0
Finished products	0	0
Livestock	0	0
Purchased goods for resale	0	0
Advance payments for stocks	0	0
Long-term debtors Trade debtors	13,219 13,219	8,475 0
Receivable from partners and consortium members	0	0
Amounts receivable from subsidiaries	0	0
Amounts receivable from associates	0	0
Other debtors	0	8,475
Short-term debtors	30,407	27,211
Trade debtors	28,624	23,584
Receivables from partners and consortium members	0	0
Social security	0	0
Taxes receivable	1,737	3,579
Deferred tax receivable	0	0
Amounts receivable from subsidiaries Amounts receivable from associates	0	0
Other debtors	46	48
Cash and investments	57,606	33,089
Cash in hand	49	31
Cash at bank	57,557	33,058
Short-term investments	0	0
Other assets - temporary accounts	2,808	1,965
Accruals and deferrals	2,117	1,958
Deferred expenses	1,802	1,916
Accrued income	315	36
Exchange rate losses	0	6
Estimated assets	691	7

Burza cenných papírů Praha, a.s.

CZK 000	1999	1998
LIABILITIES AND EQUITY	589,700	626,148
Equity	437,045	428,999
Registered capital	382,048	384,948
Registered capital	384,948	384,948
Reacquired shares	-2,900	0
Capital funds	35,948	35,948
Share premium	22,769	22,769
Other capital funds	13,179	13,179
Gains or losses from revaluation of assets	0	0
Gains or losses from investments	6,699	2,799
Funds created from profits	6,699	2,799
Legal reserve fund	0	0
Non-distributable fund	0	0
Statutory and other funds	1,404	-9,297
Retained profit (loss) from prior years	1,404	0
Accumulated losses from previous years	0	-9,297
Profit (loss) of current year (+/-)	10,946	14,601
Liabilities	145,959	189,016
Reserves	7,344	4,882
Legal reserves	1,468	0
Reserve for foreign exchange losses	0	6
Other reserves	5,876	4,876
Long-term liabilities	0	2,062
Long-term payables to subsidiaries	0	0
Long-term payables to associates	0	0
Long-term advances received	0	0
Bonds issued	0	0
Long-term bills of exchange to be paid	0	0
Other long-term payables	0	2,062
Short-term liabilities	39,315	23,101
Trade creditors	16,813	6,093
Payables to partners and consortium members	0	0
Payables to employees	1,769	1,793
Social security	1,187	1,242
Taxes payable and subsidies	7,136	3,413
Deferred tax	12,491	10,344
Payables to subsidiaries	0	216
Payables to associates	0	0
Other creditors	219	0
Bank loans and borrowings	99,000	158,971
Long-term bank loans	99,000	158,971
Short-term bank loans	0	0
Short-term borrowings	0	0
Other liabilities - temporary accounts	6,696	8,133
Accruals and deferrals	2,464	2,202
Accrued expenses	1,953	2,017
Deferred income	485	180
Exchange rate gains	26	5
Estimated liabilities	4,232	5,931

Income Statement (in full format) for the year ended 31 December

Sales of goods purchased for resale 0	CZK 000	1999	1998
Cost of goods old 0 0 0 0 0 0 0 20,435 238,048 238,048 238,048 238,048 238,048 238,048 238,048 229,435 238,048 238,048 Change in finished poods and work-in-progress 0 <t< td=""><td>Sales of goods purchased for resale</td><td>0</td><td>0</td></t<>	Sales of goods purchased for resale	0	0
Gross margin 0 0 320,435 238,044 Sale of own products or services 220,435 238,044 Change in finished goods and work-in-progress 0 0 Own work capitalised 0 0 Own work capitalised 0 0 Consumables 36,966 0,909 Consumables 36,477 10,135 Services 63,477 10,135 Staff cost 33,346 96,668 Wages and salaries 33,346 96,668 Remuneration of board members 3,338 2,339 Social benefits 2,127 2,036 Social search 11,628 39,712 Social contract 12,127 2,036 Social contract 12,127 2,036 Social benefits 2,127 2,036 Social benefits 2,127 2,036 Social benefits 2,127 2,036 Social fishered 3,138 2,009 Stack of Securities and material sold 2,127 <th< td=""><td>* *</td><td>0</td><td>0</td></th<>	* *	0	0
Sale of own products or services 20,435 23,040 Change in finished goods and work-in-progress 0 0 Own work capitalised 0 0 Urchaed consumbles and services 69,668 69,809 Services 63,471 7,813 Services 63,047 7,81,151 Services 33,346 39,666 Staff cost 33,346 39,666 Remuneration of board members 3,338 2,330 Social benefits 12,127 2,036 Social benefits 2,127 2,036 Alexes and charges 1,136 9,712 Depociation of intangible and tangible fixed asests 61,436 99,712 Stale of fixed assets and material 22,22 2,059 Net book value of fixed assets and material sold 21,319 2,709 Net book value of fixed assets and material sold 21,319 2,709 Net book value of fixed assets and material sold 21,319 2,709 Net book value of fixed assets and material sold 21,319 2,709 Net actio	*	0	0
Change in finished goods and work-in-progress 0 0 Own work capitalised 90,668 90,898 Consumables 1,621 1,759 Services 30,417 1,613 Services 30,437 1,61,131 Adder Value 150,767 180,154 Wags and salaries 30,233 1,000 Remuneration of board members 3,338 2,339 Social Insurance 12,008 141,54 Social benefits 12,207 2,036 Taxes and charges 153 200 Depreciation of intangible and tangible fixed assets 61,63 59,712 Sol of fixed assets and material 22,24 2,059 Net book value of fixed assets and material sold 21,159 2,703 Net book value of fixed assets and material sold 21,159 2,703 Orasing of reserves, additions to complex deferred expenses 0 36 Orasing of reserves, additions to complex deferred expenses 2,0 30 Orasing of reserves, additions to complex deferred expenses 2,0 30 <tr< td=""><td>Production</td><td>220,435</td><td>238,044</td></tr<>	Production	220,435	238,044
Own work capitalised 0 0 Purchisace consumables and services 69,686 80,989 Consumables 1,621 1,759 Services 68,047 61,151 Services 68,047 10,151 Scal Toots 33,346 39,660 Wages and salaries 33,333 2,330 Remuneration of board members 3,333 2,330 Social benefits 2,127 2,036 Social benefits 2,127 2,036 Social benefits 2,127 2,036 Takes and charges 16,136 59,712 Depociation of intangible and tangible fixed assets 61,436 59,712 Relace if fixed assets and material sold 21,519 2,703 Relace if fixed assets and material sold 21,519 2,703 Relace if fixed assets and material sold 21,519 2,703 Relace if fixed assets and material sold 21,519 2,703 Relace if fixed assets and material sold 21,519 2,703 Relace if fixed assets and material sold 21,519 <td>Sale of own products or services</td> <td>220,435</td> <td>238,044</td>	Sale of own products or services	220,435	238,044
Purchased consumables and services 09.06% 1.021 1.75 Consumables 1.021 1.75 Services 68.047 168.131 Added value 150.767 168.154 Staff costs 33.286 39.066 Wages and salaries 12.098 14.156 Remuneration of board members 3.333 2.303 Social Insurance 12.098 14.152 Social benefits 1.133 2006 Taxes and charges 1.133 2006 Depreciation of intangible and tangible fixed assets 1.133 2006 Stee for fixed assets and material 22.224 2.050 Sel of fixed assets and material 22.224 2.050 Sel of fixed assets and material sold 21.519 2.07 Ste box value of fixed assets and material sold 21.519 2.00 Park box value of fixed assets and material sold 13.50 1.00 Drawing of preserves, selflement of complex deferred expenses 0 0 Oberating profisit (loss) 2.1468 1.000 <	Change in finished goods and work-in-progress	0	0
Consumables 1,021 3,138 Services 68,047 68,131 Added value 150,767 168,154 Staff costs 33,364 30,060 Wages and salaries 3,238 2,339 Wages and salaries 12,098 14,154 Social insurance 12,127 2,036 Social insurance 133 206 Social insurance 133 206 Depreciation of intangible and tangble fixed assets 61,486 39,712 Sale of fixed assets and material 22,224 2,059 Sele of fixed assets and material sold 21,519 2,703 Drawing of provisions and depreciation of negative godwill 33 11 Creation of provisions and depreciation of negative godwill 3,39 5,00 Drawing of provisions and depreciation of negative godwill 3,59 5,00 Other operating income 3,59 5,00 Creation of provisions and depreciation of godwill 2,70 3,03 Other operating income 3,59 5,00 Tansfer of operating i	Own work capitalised	0	0
Services 68,017 168,151 Added value 150,767 168,156 Staff costs 35,286 39,666 Wages and salaries 36,233 41,000 Social benefits 12,098 14,158 Social benefits 113 206 Taces and charges 113 206 Obepreciation of intangible and tangible fixed assets 16,486 59,712 Sele of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,059 Net book value of fixed assets and material sold 22,249 2,059 Net book value of fixed assets and material sold 22,159 33 Orbaning of prossions and depreciation of complex deferred expenses 2,468 1,000 Additions to reserves, settlement of complex deferred expenses 2,468 1,000 Orbaning of prossions and depreciation of goodwill 23 33 Creation of provisions and depreciation of goodwill 33 112 Creation of provisions and depreciation of goodwill 2,769 30 Tansifer of	Purchased consumables and services	69,668	69,890
Addred value 150.767 168.154 Staff costs 33,846 39,060 Wages and salaries 36,233 41,000 Remuneration of board members 3,338 2,336 Social Instrance 12,127 2,036 Social benefits 2,127 2,036 Taxes and charges 153 206 Bepreciation of intangible and tangible fixed assets 61,486 59,712 Sale of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,703 Net book value of fixed assets and material sold 21,519 2,070 Additions to reserves, settlement of complex deferred expenses 0 3 Net book value of fixed assets and material sold 13 1,000 Drawing of reserves, additions to complex deferred expenses 2,468 1,000 Oberating provisions and depreciation of goodwill 33 1,000 Drawing of provisions and depreciation of goodwill 33 90 Other operating expenses 1,455 20 Tansfer of operating expenses	Consumables	1,621	1,759
Stuff costs 53,346 59,600 Remuneration of board members 36,383 4,000 Remuneration of board members 3,336 2,300 Social Insurance 12,008 14,136 Social Insurance 153 200 Case and charges 16,486 59,712 Sele of fixed assets and material 22,224 20,503 Net book value of fixed assets and material sold 21,519 2,703 Drawing of reserves, settlement of complex deferred expenses 0 36 Additions to reserves, settlement of complex deferred expenses 2,66 3,00 Creation of provisions and depreciation of negative goodwill 33 112 Creation of provisions and depreciation of goodwill 35,90 5,001 Other operating income 3,50 5,00 Other operating expenses 1 45 2,20 Operating expenses 0 0 0 Operating profit (loss) 2,50 0 0 Os of securities and ownership interests 2,50 0 0 Cost of se	Services	68,047	68,131
Wages and salaries 3.238 2.380 Remumeration of board members 3.338 2.380 Social insurance 12.098 14.154 Social benefits 2.127 2.036 Taxes and charges 153 206 Sale of fixed assets and material 22.224 2.059 Stale of fixed assets and material sold 21.519 2.703 Drawing of reserves, additions to complex deferred expenses 2.408 1.000 Additions to reserves, suttlement of complex deferred expenses 2.408 1.000 Drawing of provisions and depreciation of negative goodwill 83 112 Creation of provisions and depreciation of goodwill 83 112 Creation of provisions and depreciation of goodwill 83 112 Creation of provisions and depreciation of goodwill 83 112 Creation of provisions and depreciation of goodwill 83 112 Creation of provisions and depreciation of goodwill 83 12 Tansfer of operating income 0 0 0 Transfer of operating income 1 45 2	Added value	150,767	168,154
Remuneration of board members 3,338 2,380 Social insurance 12,098 1,145 Social insurance 2,127 2,036 Taxes and charges 15,3 200 Depreciation of intangible and tangible fixed assets 61,486 59,712 Sel of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,003 Net book value of fixed assets and material sold 3,0 3,60 Additions to reserves, selflement of complex deferred expenses 2,468 1,000 Drawing of prostions and depreciation of geodylid 3,3 112 Creation of provisions and depreciation of geodylid 3,50 5,001 Other operating income 3,50 5,001 Other operating expenses 1,455 226 Transfer of operating income 3,50 0 Operating expenses 1,55 226 Proceeds from sale of securities and ownership interests 2,0 0 Proceeds from sale of securities and ownership interests 0 0 Income from investm			
Social Insurance 12,008 14,154 Social Isenefits 2,027 2,036 Taxes and charges 153 2006 Depreciation of intangible and tangible fixed assets 61,486 59,712 Sale of fixed assets and material 22,224 2,605 Net book value of fixed assets and material sold 21,519 2,703 Drawing of reserves, additions to complex deferred expenses 0 36 Additions to reserves, settlement of complex deferred expenses 2,468 1,000 Drawing of provisions and depreciation of agative goodwill 2,709 3,333 Oberating provisions and depreciation of agative goodwill 2,600 3,000 Creation of provisions and depreciation of agative goodwill 2,000 3,000 Other operating income 3,500 0,00 Transfer of operating income 0 0 Transfer of operating income 3,500 0 Proceds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 3,500 0 Income from intercompany securities and ownership interests <td></td> <td></td> <td>*</td>			*
Social benefits 2.127 2.036 Taxes and charges 153 206 Depreciation of intangible and tangible fixed assets 16,486 59,712 Sale of fixed assets and material 22,224 0.205 Net book value of fixed assets and material sold 21,519 2,003 Net book value of fixed assets and material sold 21,519 2,003 Net book value of fixed assets and material sold 21,619 3.60 Additions to reserves, settlement of complex deferred expenses 2,608 1,000 Additions to reserves, settlement of complex deferred expenses 2,608 1,000 Oreating provisions and depreciation of negative goodwill 2,609 5,003 Other operating income 0 0 0 Other operating income 0 0 0 Transfer of operating expenses 1 4,552 226 Operating profit (Loss) 32,908 47,922 2 Proceeds from sale of securities and ownership interests 2,500 0 0 Cost of securities and ownership interests 0 0 0			
Taxes and charges 153 206 Depreciation of intangible and tangible fixed assets 61,486 59,712 Sale of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,703 Drawing of reserves, additions to complex deferred expenses 2,668 1,000 Drawing of provisions and depreciation of negative goodwill 2,769 3,333 Other operating properties 1,355 2226 Creation of provisions and depreciation of goodwill 3,590 5,001 Other operating income 0 0 Other operating income 0 0 Transfer of operating income 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests 2,500 0 Income from intercompany securities and ownership interests 0 0 Income from other investments 0 0 Income from other securities and ownership interests 0 0			
Depreciation of intangible and tangible fixed assets 61,486 59,712 Sale of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,708 Drawing of reserves, additions to complex deferred expenses 2,66 1,00 Additions to reserves, settlement of complex deferred expenses 2,66 1,00 Additions to reserves, settlement of complex deferred expenses 2,769 3,933 Creation of provisions and depreciation of negative goodwill 3.83 112 Creation of provisions and depreciation of goodwill in group in come 3,900 5,000 Other operating income 3,900 5,000 Other operating income 1,00 0 Transfer of operating expenses 2,00 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests 2,500 0 Income from intercompany securities and ownership interests 0 0 Income from intercompany securities and ownership interests 0 0			
Sale of fixed assets and material 22,224 2,059 Net book value of fixed assets and material sold 21,519 2,703 Drawing of reserves, additions to complex deferred expenses 2,468 1,000 Additions to reserves, settlement of complex deferred expenses 2,468 1,000 Drawing of provisions and depreciation of goodwill 3,350 5,031 Creation of provisions and depreciation of goodwill 3,590 5,001 Other operating income 1,655 226 Transfer of operating expenses 0 0 Operating expenses 2,500 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from other investments 0 0 Income from other investments 0 0 Income f	The state of the s		
Net book value of fixed assets and material sold 2,703 Drawing of reserves, additions to complex deferred expenses 2,68 1,000 Additions to reserves, selditions to complex deferred expenses 2,68 1,000 Drawing of provisions and depreciation of negative goodwill 33 112 Creation of provisions and depreciation of goodwill 3,590 5,001 Other operating income 1,455 226 Other operating expenses 1,455 226 Transfer of operating income 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests 0 0 Income from investments 0 0 Income from other investments 0 0 <td></td> <td></td> <td>,</td>			,
Drawing of reserves, additions to complex deferred expenses 2,468 1,000 Additions to reserves, settlement of complex deferred expenses 2,468 1,000 Drawing of provisions and depreciation of negative goodwill 2,769 3,933 Other operating income 3,590 5,001 Other operating expenses 1,455 226 Transfer of operating income 0 0 Transfer of operating income 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests 2,500 0 Cost of securities and ownership interests 0 0 Income from sale of securities and ownership interests 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from other investments 0 0 Income from other investments 0 0 <td></td> <td></td> <td></td>			
Additions to reserves, settlement of complex deferred expenses 2,466 1,000 Drawing of provisions and depreciation of negative goodwill 2,769 3,933 Other operating income 3,590 5,001 Other operating expenses 1,455 22,66 Transfer of operating income 0 0 Operating expenses 0 0 Transfer of operating expenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,50 0 Cost oscurities and ownership interests 0 0 Income from investments 0 0 Income from investments 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from short-term i			
Drawing of provisions and depreciation of negative goodwill 33 112 Creation of provisions and depreciation of goodwill 2,769 3,933 Other operating income 3,590 5,001 Other operating expenses 1,455 226 Transfer of operating income 0 0 Transfer of operating expenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities 0 0 Income from other securities 0 0 Drawing of financi			
Creation of provisions and depreciation of goodwill 2,709 3,038 Other operating income 3,509 5,000 Other operating expenses 1,455 2,226 Transfer of operating income 0 0 Operating expenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other rescurities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 11,650 0 <			
Other operating income 3,590 5,001 Other operating expenses 1,155 226 Transfer of operating income 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from other investments 0 0 Income from other investments 0 0 Income from scherterm investments 0 0 Additions to dijustments 1 0 Additions to dijustments 0 0 Interest expense 15,543 30,901 Interest expens			
Other operating expenses 1,455 226 Transfer of operating income 0 0 Transfer of operating syenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 1 0 Income from other securities and ownership interests		,	
Transfer of operating income 0 0 Transfer of operating expenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from short-term investments 0 0 Income from other investments 0 0 Income from short-investments 1 0 Income from short-term investments 1 0 Income tax on dijustments 1 1 3 Inter	•		
Transfer of operating expenses 0 0 Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,500 0 Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from other securities and ownership interests 0 0 Everage from Short-term investments 0 0 Everage from Short-term investments 0 0 Income tac			
Operating profit (loss) 32,968 47,922 Proceeds from sale of securities and ownership interests 2,500 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Additions to adjustments 11,365 0 Interest expense 15,440 3,356 Interest expense 2,636 11,633 Transfer of financial expenses	• •		
Proceeds from sale of securities and ownership interests sold 13,550 0 Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Additions to adjustments 11,365 0 0 Income tax of financial reserves 2,366 11,633 30,901 Interest expense	Transfer of operating expenses	0	0
Cost of securities and ownership interests sold 13,550 0 Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from short-term investments 0 0 Drawing of financial reserves 6 111 Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest expense 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial expenses 2,036 11,633 Transfer of financial expenses 3 7 Income tax on ordinary activities 3,671 3,2337 Income tax on ordinary activities 3,671 3,235 edferred 2,147	Operating profit (loss)		47,922
Income from investments 0 0 Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from short-term investments 0 0 Additions to financial reserves 6 11 Settlement of adjustments 0 0 Settlement of adjustments 0 0 Interest income 4,040 3,356 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial expenses 3,671 3,671 3,674 Income tax on ordinary activities 3,671 3,664 -4 - deferred 2,771 <td>•</td> <td>,</td> <td></td>	•	,	
Income from intercompany securities and ownership interests 0 0 Income from other securities and ownership interests 0 0 Income from other investments 0 0 Income from short-term investments 0 0 Drawing of financial reserves 6 111 Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest capanse 15,543 30,901 Interest expense 761 6,836 Other financial income 761 6,836 Other financial income 0 0 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Fin an cial profit (loss) -13,057 -32,337 Income tax on ordinary activities 3,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Futraordinary expenses 265 91 Income tax on extr	•		
Income from other securities and ownership interests 0			
Income from other investments 0 0 Income from short-term investments 0 0 Drawing of financial reserves 6 11 Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial income 0 0 Other financial income 0 0 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 3,674 3,664 - due 6,524 2,238 Profit (loss) from ordinary activities 2,91 3,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0<			
Income from short-term investments 0 0 Drawing of financial reserves 6 11 Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 2,147 1,426 Profit (loss) mordinary activities 265 91 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 <td>•</td> <td></td> <td></td>	•		
Drawing of financial reserves 6 11 Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Transfer of financial expenses 8 0 0 Transfer of financial verposes 8,671 3,664 0 Income tax on ordinary activities 8,671 3,664 2,233 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary expenses 2 2,771 Extraordinary expenses 0 0 Income tax on extraordinary activities 0 0 - due 0 0			
Additions to financial reserves 0 6 Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,336 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 3,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income 265 91 Income tax on extraordinary activities 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - due 0 0 - due 0 0 <t< td=""><td></td><td></td><td></td></t<>			
Settlement of adjustments 11,365 0 Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,635 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Tran	C .		
Additions to adjustments 0 0 Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,644 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 0 0 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Financial profit (loss) of partnership to partnersh 0 0 - deferred 0 0 <td< td=""><td></td><td></td><td></td></td<>			
Interest income 4,040 3,356 Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Extraordinary profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	•		
Interest expense 15,543 30,901 Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -0 0 - deferred 0 0 Extraordinary profit (loss) of partnership to partners 294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,460 <td>· ·</td> <td></td> <td></td>	· ·		
Other financial income 761 6,836 Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - due 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Extraordinary profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Other financial expenses 2,636 11,633 Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) 0 0 Extraordinary profit (loss) of partnership to partners 20 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	•		
Transfer of financial income 0 0 Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) 0 0 Extraordinary profit (loss) 2,248 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Transfer of financial expenses 0 0 Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 - Extraordinary profit (loss) 294 2,680 Extraordinary profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Financial profit (loss) -13,057 -32,337 Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Income tax on ordinary activities 8,671 3,664 - due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income - 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) - 294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	•		
- due 6,524 2,238 - deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income - 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	• •		. ,
- deferred 2,147 1,426 Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income -29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	·	*	
Profit (loss) from ordinary activities 11,240 11,921 Extraordinary income - 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Extraordinary income - 29 2,771 Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Extraordinary expenses 265 91 Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	•		
Income tax on extraordinary activities 0 0 - due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601	·		
- due 0 0 - deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
- deferred 0 0 Extraordinary profit (loss) -294 2,680 Transfer of shares on profit (loss) of partnership to partners 0 0 Profit (loss) of current year 10,946 14,601			
Transfer of shares on profit (loss) of partnership to partners 0 10,946 14,601			
Profit (loss) of current year 10,946 14,601	Extraordinary profit (loss)	-294	2,680
	Transfer of shares on profit (loss) of partnership to partners	0	0
Profit (loss) of current year before taxation 19,617 18,265	Profit (loss) of current year	10,946	14,601
	Profit (loss) of current year before taxation	19,617	18,265

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying consolidated balance sheet of Burza cenných papírů Praha, a.s. as of December 31, 1999, and the related consolidated statement of income for the year then ended. These consolidated financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. 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 management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements were prepared under International Accounting Standards for the first time as of December 31, 1999 and do not include comparative information or a statement of cash flow.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Burza cenných papírů Praha, a.s. as of December 31, 1999, and the results of its operations for the year then ended in conformity with International Accounting Standards, except for the omission of comparative information and the statement of cash flows, which are required by International Accounting Standards.

Prague, April 3, 2000

DELOITTE & TOUCHE

Deloite à Toule

CONSOLIDATED BALANCE SHEET

(CZK 000)	Note	31 December 1999
CURRENT ASSETS		
Cash		72,696
Investments	4	186,629
Receivables (net)	5	37,330
Advances provided and other current assets		2,524
Total current assetsm		299,179
FIXED ASSETS		
Tangible fixed assets (net)	6	451,736
Intangible fixed assets (net)	7	36,182
Long-term receivables	8	13,434
Total fixed assets		501,352
TOTAL ASSETS		800,531
SHAREHOLDERS'EQUITY AND LIABILITIES		
SHORT-TERM LIABILITIES		
Liabilities	9	211,603
Short-term credits	10	33,000
Accrued expenses		7,945
Taxes due	11	7,318
Total short-term liabilities		259,866
LONG-TERM LIABILITIES		
Long-term credits	10	66,000
Taxes deferred		10,582
Other long-term liabilities		2,583
Reserves and other liabilities	12	7,344
Total long-term liabilities		86,509
Total liabilities		346,375
SHAREHOLDERS' EQUITY		
Registered capital		391,948
Capital funds		46,575
Retained earnings		15,633
Total shareholders' equity	13	454,156
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		800,531

CONSOLIDATED INCOME STATEMENT

(CZK 000)	Note	31 December 1999
Revenues	14	248,543
Services		-76,016
Personnel expenses		-72,352
Depreciation		-62,965
Other operating expenses/revenues	15	6,180
Profit on operating activities		43,390
Other financial expenses/revenues		-2,265
Interest expense/revenue		-10,501
Other expenses/revenues		-10,419
Profit before tax		20,205
Income tax	11	-8,815
Net profit for the year		11,390
Undistributed profit as at 31 December 1998		4,242
Profit of current period		11,390
Undistributed profit as at 31 December 1999		15,633

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 1999

(CZK 000)	Registered capital	Own shares	Capital funds	Undistributed profit	Total
Balance as at 1 January 1999	394,848	0	42,634	8,184	445,666
Allocations from undistributed profit	0	0	3,941	-3,941	0
Own shares	0	-2,900	0	0	-2,900
Net profit	0	0	0	11,390	11,390
Balance as at 31 December 1999	394,848	-2,900	46,575	15,633	454,156

THE EXCHANGE'S SHAREHOLDERS AND MEMBERS

THE PRAGUE STOCK EXCHANGE'S SHAREHOLDERS AT 31 DECEMBER 1999

Shareholder	No. of	Percentage
	shares	of registered
		capital
AB Banka, a.s. v likvidaci *)	4,500	1.17%
ATLANTA SAFE, a.s.	3,000	0.78%
ATLANTIK finanční trhy, s.r.o.	1,000	0.26%
BBG Finance a.s.	100	0.03%
BH Securities, a.s.	3,749	0.97%
BODY INTERNATIONAL BROKERS a.s.	28,607	7.43%
Böhm & partner a.s.	2,499	0.65%
Brněnská obchodní, a.s. *) **)		
CA IB Securities, a.s.	4,612	1.20%
CITICORP SECURITIES (CR), s.r.o.	1,000	0.26%
COOP BANKA, a.s. v likvidaci *)	2,000	0.52%
Credit Suisse First Boston (Praha) a.s.	2,997	0.78%
C.S. Brokers burzovní, a.s.	120	0.03%
Česká pojišťovna a.s. *)	20,000	5.20%
Česká spořitelna, a.s.	33,408	8.68%
Československá obchodní banka, a.s.	25,901	6.73%
DISISOFT, a.s. v likvidaci *)	100	0.03%
Dynamic Capital Invest, a.s. *)	100	0.03%
EASTBROKERS, akciová společnost *)	1,166	0.30%
EB Brokers, a.s. *) **)		
Expandia Banka, a.s.	7,640	1.98%
FIO, burzovní společnost, a.s.	100	0.03%
Fond národního majetku České republiky	4,500	1.17%
GE Capital Bank, a.s. *)	17,388	4.52%
GES INVEST, a.s.	1,000	0.26%
Global Brokers, spol. s r.o.	1,500	0.39%
Harvardská burzovní společnost, a.s.	48,470	12.59%
HypoVereinsbank CZ a.s.	3,000	0.78%
ICEBERG A.S. *)	14,066	3.65%
imAGe 1, a.s. *)	1,000	0.26%
ING Bank N.V., organizační složka	3,000	0.78%
Interbanka, akciová společnost	6,400	1.66%
INVESTIČNÍ A POŠTOVNÍ BANKA, a.s.	38,000	9.87%
INVESTKONZULT, a.s.	1,000	0.26%
KIS a.s. kapitálová investiční společnost České pojišťovny *)	2,000	0.52%
Komerční banka, a.s.	30,429	7.90%
KOMERIO, brokerský dům Konečný, a.s.	50	0.01%
KOMERO s.r.o. *) **)		
LIFOX a.s. *)	666	0.17%
MERX, a.s. *)	1,000	0.26%
Moravia Banka, a.s. *)	500	0.13%
Moravskočeská, a.s. *) **)		
NEWTON STOCK INVESTMENT, a.s. *)	500	0.13%

OESTERREICHER & spol., s.r.o.	1,000	0.26%
Patria Finance, a.s.	3,000	0.78%
Plzeňská kapitálová společnost, a.s. *)	100	0.03%
Pragobanka, a.s. *)	1,996	0.52%
Pražská brokerská a.s. *) **)		
Procap Securities, a.s. *)	1,000	0.26%
Sati, spol. s r.o.	100	0.03%
SLOVENSKÁ SPORITEĽŇA, a.s. *)	1,000	0.26%
SOCIÉTÉ GÉNÉRALE, pobočka Praha	100	0.03%
Stratego Invest a.s.	1,000	0.26%
Union banka, a.s.	15,000	3.90%
UNIVERSAL BANKA, a.s. *) **)		
Všeobecná úverová banka, a.s.	22,169	5.76%
Wood & Company, s.r.o.	1,000	0.26%
Živnostenská banka, a.s.	14,355	3.73%
Burza cenných papírů Praha, a.s.	2,900	0.75%

OTHER MEMBERS OF THE PRAGUE STOCK EXCHANGE AT 31 DECEMBER 1998

Baader Securities, a.s. Burzovní společnost pro kapitálový trh, a.s. CAPITAL PARTNERS, a.s. CAUTUS FINANCE, s.r.o. CONSEQ FINANCE, spol. s r.o. ČESKÁ NÁRODNÍ BANKA ČESKOMORAVSKÁ ZÁRUČNÍ A ROZVOJOVÁ BANKA, a.s. DELTA SECURITIES, a.s. DEUTSCHE BANK AG, pobočka Praha EPIC Securities, a.s. Erste Bank Sparkassen (ČR) a.s. FINNEX Securities, a.s. Gutmann & Cie Praha a.s. J & T Securities s.r.o. J. F. WORLD BROKERS s.r.o. OFT BROKERS spol. s r.o. P & P BROKERS, a.s.

RAIFFEISEN CAPITAL and INVESTMENT PRAHA, s.r.o.

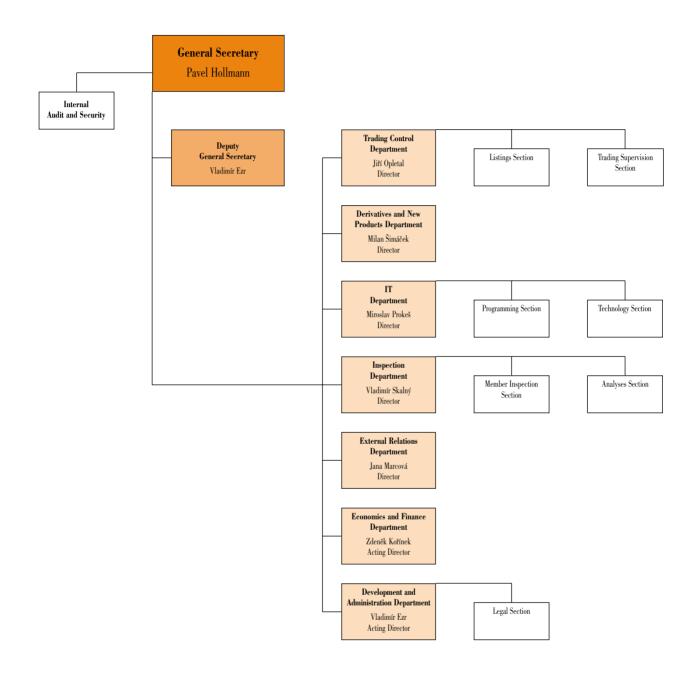
PPF burzovní společnost, a.s.

ABN AMRO Bank N.V.

^{*)} not a PSE member

^{**)} company did not agree to publish its share in the PSE registered capital

ORGANISATIONAL STRUCTURE



RESOLUTION OF THE 8TH GENERAL MEETING



On the 8th Ordinary General Meeting of the Prague Stock Exchange held on 25 May 1999 the shareholders discussed and approved:

1. THE REPORT ON THE EXCHANGE'S BUSINESS ACTIVITIES AND ITS ASSETS FOR THE YEAR 1999

2. Financial statements for the year 1999 and the decision on the distribution of profit

The General Meeting has approved the 1999 financial statements and the proposal for distribution of profit. In 1999, the Prague Stock Exchange generated profit of CZK 10,946,000 after tax. The following distribution of profit was approved:

profit/loss of the current year
allocation to the reserve fund
undistributed profit/loss of the current year
dividends paid
retained earnings after dividend payout

CZK 1,0946,000
CZK 1,000,000
CZK 9,946,000
CZK 9,551,000
CZK 395,000

The General Meeting has approved to pay the dividend of 2.5% on a share with a nominal value of CZK 1,000. The dividend is due as at 31 July 2000 on a shareholder's account. The shareholders entered in the List of Shareholders as at 3 July 2000, are entitled to obtain a dividend.

3. Report of the Supervisory Board, including the Auditor's Report

4. Principles for the Exchange's operations in 2000

In agreement with the recommendations of the Securities Commission, the Stock Exchange will focus particularly on the supervision of trading and on extending disclosure obligations of members and issuers.

5. The results expected for 2000

The General Meeting has approved principles of efficient management for 2000 which anticipate the profit of CZK 3.1 million before tax and maintaining the revenues and costs of the Exchange's activities at the 1999 level.

6. THE EXCHANGE REGULATIONS

With effect from 1 July 2000, the General Meeting has approved partial amendments to the Exchange Regulations. The new regulations stress the trading supervision and extend the disclosure obligations of issuers, including their checking.

ABBREVIATIONS AND TERMS USED

Central market (CM) A pricing market, it includes the results of trading from fixing, additional orders, KOBOS and

SPAD

Financial derivatives Term contracts concluded on various financial asset bases

Fixing Trading at fixed prices - a trading segment based on the processing of purchase and sale

orders at a determined time

KOBOS Continuous trading at variable prices (in Czech, "Kontinuální burzovní obchodní systém")

MAOS Modernised automatic trading system (in Czech, "Modernizovaný automatizovaný obchodní

systém")

Market maker An Exchange member who has closed a contract with the Exchange authorizing him to act as

a market maker and who must, on a continuous basis, quote prices on all the securities for

which he acts as a market maker

Prompt market A securities market in which securities are supplied for payment, and which is

counterbalanced by the derivatives market

PX-D Index An index formed on the basis of SPAD issues, which will also serve as the underlying asset

for derivatives trading

PX- GLOB Index A global index based on all registered issues of shares, including those issued by investment

funds, and units, where the price was fixed no later than at the preceding session

PX 50 Index The Exchange's official index, which is based on 50 issues selected on the basis of market

capitalisation and liquidity and takes into account their sectoral classification, but excludes

investment fund issues

SPAD A share and bond market trading system - a trading segment based on the prices quoted

by market makers

Suspended trade A transaction whict was not property settled

UNIVYC, a.s. Universal Settlement Centre - a subsidiary of the Exchange

CONTACT INFORMATION



ADDRESS

Rybná 14 P. O. BOX 49 110 05 Praha 1 Czech Republic

WWW SERVER

http://www.pse.cz

FTP SERVER

ftp://ftp.pse.cz

Company Identification No. (IČO): 47115629 Tax Identification No. (DIČ): 001-47115629

Bank: Komerční banka, a. s., Prague branch, A/c No. 57008-011/0100

Management

Pavel Hollmann

General Secretary

Tel.: ++420/2/2183 2204 Fax: ++420/2/2183 3040

Vladimír Ezr

Deputy General Secretary Tel.: ++420/2/2183 2133 Fax: ++420/2/2183 3036

Jiří Opletal

Director of the Trading Control Department

Tel.: ++420/2/2183 2135 Fax: ++420/2/2183 3010

Miroslav Prokeš

Director of the IT Department Tel.: ++420/2/2183 2815 Fax: ++420/2/2183 3040

Jana Marcová

Director of the External Relations Department

Tel.: ++420/2/2183 2260 Fax: ++420/2/2183 3040

Zdeněk Kořínek

Acting Director of the Economics and Finance Department Tel.: ++420/2/2183 2811 Fax: ++420/2/2183 3031

Vladimír Skalný

Director of the Inspection Department

Tel.: ++420/2/2183 2198 Fax: ++420/2/2183 3036

Milan Šimáček

Director of the Derivatives and New Products Department Tel.: ++420/2/2183 2203

Fax: ++420/2/2481 6831

