

PRAGUE STOCK EXCHANGE
ANNUAL REPORT 1995



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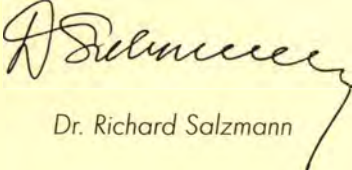




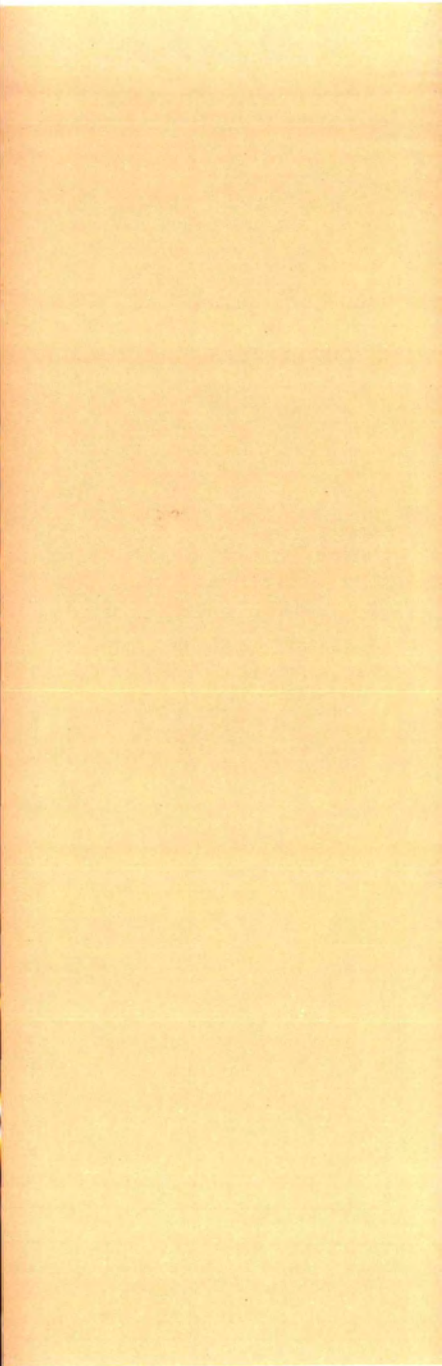
Introduction by Chairman of the Stock Exchange Chamber

The year 1995 was the most successful year ever in the modern history of the Prague Stock Exchange. Its key event became the introduction to the public markets of a large group of stock issues resulting from the Second Wave of the Voucher Privatisation. The Exchange had successfully managed this challenging task without any hesitation and started off the trading with additional 674 new companies within a single day. It was also their merit that the trade value tripled in comparison with the preceding year. The increase in the trade value was accompanied by further expansion of services provided in connection with the securities buying and selling and settlement of exchange trades as well. The new segmentation of the exchange market into three segments, i. e. Main, Secondary and Free Markets, and categorisation of stock issues into three trading groups, have further improved transparency of transactions. Information flow from the Prague Stock Exchange to both domestic and foreign investors has improved significantly. The range of PSE members has substantially expanded. Their number increased more than by one third at the year-end against the beginning of the year.

All these can only be taken as a brief, sketchy look at what the Prague Stock Exchange passed through in 1995. The third year of its existence has confirmed both its vitality and viability, progressing maturation, preparedness and readiness to honestly perform the appropriate role in the Czech capital markets. During the past three years, the PSE managed to successfully meet all the fundamental requirements arising from the process of the reconstruction, restructuring and stabilisation. Simultaneously, it has prepared a suitable platform necessary for a successful accomplishment of the standardisation process under which, in the nearest years to come, it would like to join the stabilised exchanges operating in developed market economies.



Dr. Richard Salzmann



DEVELOPMENT OF THE EXCHANGE WITHIN THE CZECH CAPITAL MARKET

In 1995, the Exchange continued its steep development having tripled the trade value in comparison with the previous year. New services were introduced, security and reliability of its operations were increased and preparations for introduction of trading in derivatives were initiated together with the preparations for a complete replacement of the existing trading and information systems which are going to be substituted with substantially more efficient and capable ones. As far as the Exchange markets is concerned, the most significant event became the opening of the trading in new securities issues which emerged from the Second Wave of the voucher privatisation.

Total number of trading sessions held in 1995 was 234, while this number was affected by a couple of breaks in the Securities Centre's (SC) operations. With the aim to further improve the existing transparency standard, the Exchange restructured its markets by classifying them into the Main, Secondary, and Free Markets and by introducing three trading groups classified by trading frequency. The Exchange being construed as an electronic exchange succeeded during the year in connecting all its members to the on-line trading system. The use of the floor was transferred to the area of simulations and training; the floor became a working facility reserved for an eventual failure of communications. Membership of the Exchange increased by one third roughly. Automated input of direct and block trades, development of local networks equipped with more terminals, installation of a back-up computer, introduction for direct trades of an option to select number of days for settlement and introduction of a generally new settlement system for transfer of securities, all these actions led to a further improvement of the trading comfort for the members.

Four basic types of exchange trades were available in 1995: trading at a fixed price - fixing, continuous trading at a fixed price - additional or supplementary orders, direct trades in blocks of securities, and automated trades in blocks of securities.

The Prague Exchange increased number of indices to the current 22 indices. The structure of indicators quoted (announced) is currently providing profiles of individual segments of the PSE markets. Initiated by the Exchange, the previously introduced official PX 50 Index was joined by the PXL Index to monitor movements in prices of shares in the Main and Secondary Markets. This Index automatically includes all issues except for those of investment funds. Then there is the PX GLOB Index reflecting the price development for all registered share issues (those of investment funds inclusive) and units (of unit trust funds) and finally there are 19 more sector indices.

In conjunction with the new trading-related services, information service provided by the Exchange were expanded as well. Beginning the second half-year, it was possible to start the distribution of the necessary portion of the trading results in-real time. Thus the basis was created for a gradual standardisation of the Exchange marketplace based on the European and world parameters.

Favourable prerequisites for further development of the Exchange were created at the end of 1995 upon having moved the Exchange to its new headquarters - Burzovní palác (Exchange Palace).



TRADE VALUE BY MARKET AND SECURITY TYPE

		BONDS		SHARES		TRUST UNITS		TOTAL	
		value	volume	value	volume	value	volume	value	volume
		(CZK billion)	('000 pieces)	(CZK billion)	('000 pieces)	(CZK billion)	('000 pieces)	(CZK billion)	('000 pieces)
MAIN MARKET	CM	0.098	30	9.901	12,031	0.000	0	9.999	12,062
	DT	56.353	4,905	51.974	49,525	0.000	0	108.327	54,430
	BT	1.524	142	16.840	20,708	0.000	0	18.364	20,849
	Σ	57.974	5,077	78.715	82,264	0.000	0	136.690	87,341
SECONDARY MARKET	CM	0.000	0	0.082	262	0.000	0	0.082	262
	DT	0.000	0	0.111	336	0.000	0	0.111	336
	BT	0.000	0	0.021	34	0.000	0	0.021	34
	Σ	0.000	0	0.214	632	0.000	0	0.214	632
FREE MARKET	CM	0.055	3	11.437	26,768	0.411	3,466	11.904	30,238
	DT	11.064	994	26.880	38,846	0.326	1,768	38.270	41,607
	BT	0.670	65	7.657	10,410	0.003	4	8.329	10,479
	Σ	11.789	1,062	45.974	76,024	0.740	5,238	58.503	82,323
TOTAL	CM	0.154	34	21.420	39,061	0.411	3,466	21.985	42,561
	DT	67.417	5,899	78.965	88,707	0.326	1,768	146.708	96,373
	BT	2.193	207	24.518	31,151	0.003	4	26.714	31,362
	Σ	69.764	6,139	124.903	158,919	0.740	5,238	195.407	170,296

CM - central market, DT - direct trades, BT - block trades, Σ - total



BASIC DATA ON THE TRADING FOR 1995

The trading started on January 5 with 1,056 issues and ended Dec. 15 when the Exchange had registered 1,764 titles for trading which represented an annual increment of 708 issues. The total value of trades reached CZK 194.407 billion which means a rise of 215 % as against 1994. Securities for CZK 21.985 billion were bought and sold in the pricing Central Market (CM) with the average per day trading value of CZK 835.1 million and the previous year's average beaten by CZK 116.8 million. The summary value of the exchange transactions was shared as follows: direct trades 75 %, block trades 13.7 %, and the CM took 11.3 %. The percentage achieved by the CM declined if compared with the previous year, despite its absolute value increased by 37.2 %.

Regarding the year-to-year comparison, there was practically no change in proportion taken by the listed market (Main and Secondary Markets) from the total value of trades. While this proportion represented 69.9 % for 1994, it reached 70.1 % in 1995. Share of bonds in the total value of trades rose slightly from 31.3 % to 35.7 %, as far as the year-to-year comparison is concerned. On the contrary, the proportion of shares and units decreased from 68.7 % to 64.3 % respectively.

The most successful sector in the CM was represented by investment funds, as anticipated, having taken 30.35 % of the traded value. Issues from the finance/banking sector reached 14 %, energy/power generation 10.9 %, transport and communications 9.9 %. From viewpoint of total value of trades, the investor gave preference to the sector of energy/power generation with its 20 % over the finance/banking sector with 17.9 %, transport and communications with 13.5 %, and investment funds that took 11.1 % from the exchange transactions.

If the development for the shares and units is to be evaluated from market capitalisation point of view, the entry of share issues (that had emerged from the Second Wave of the Voucher Privatisation) in the exchange market has to be reflected in an increase of the market capitalisation from CZK 353.1 billion at the beginning of the year to CZK 478.6 billion at the end of the year. Market capitalisation for bonds, measured on year-to-year basis, increased from CZK 50 billion to CZK 87.8 billion.

The price level movement was characterised by the movements in the PX 50 Index which lost 23.56 % during the year. The most radical decline was recorded in Jan. and Feb. that is before the issues from the Second Wave entered the Exchange markets. The year's maximum for this indicator, at 586.6 points, was recorded on Jan. 9, having then dropped to its year's minimum at the last session of 1995 upon reaching the value of 387.2 points, while its value at the latest session of 1995 was 425.9 points. Only three of 19 sector indices recorded increments during the year (companies of the wood and wooden products sector by 11.07 %, agriculture by 5.18 % and investment funds by 4.47 %). The highest losses were suffered by issues included in sectors such as the chemicals, pharmaceuticals and rubber, the indicator of which lost 53.47 %. Prices of companies from sectors such as the mining and processing of minerals and ores dropped by 52.52 %. The metallurgy and metal processing sector dropped by 47.6 %. The year-to-year movement was clearly illustrated by the average PX 50 Index's value which indicated 762.3 points in 1994 dropping later to 436.1 points. Taking into account the total trade value of the market for shares and units, the first place, like in the previous year, was taken by the ČEZ company with its 13.94 % followed by the SPT Telecom company with its 11.05 %, Komerční banka 10.25 %, Česká spořitelna 4.46 %, and Sepap 2.84 %.



MONTHLY DATA IN SUMMARY (MARKET FOR SHARES AND UNITS)

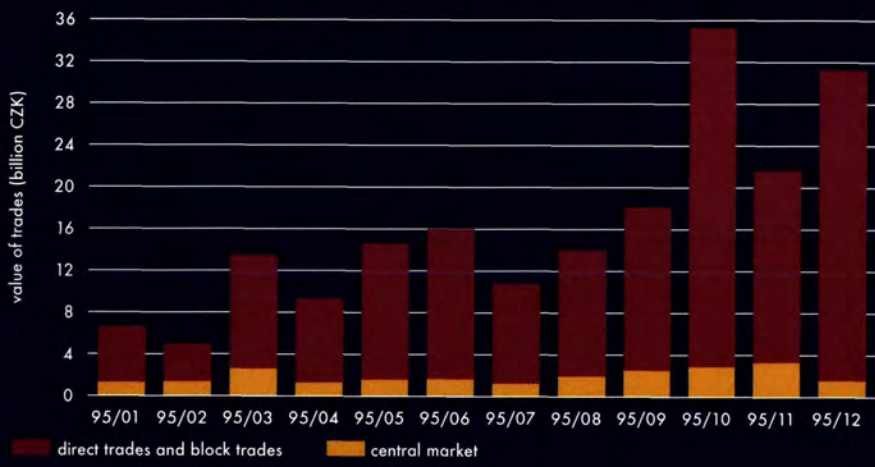
Month	01/1995	02/1995	03/1995	04/1995	05/1995
MAIN AND SECONDARY MARKETS					
No. of Issues	40	40	43	43	48
Market Capital. (mil. CZK)	171,871.21	174,194.17	164,225.34	161,443.43	170,103.59
Trade Value (mil. CZK)	2,035.01	2,789.40	3,356.41	3,899.32	5,016.00
Trade Volume (mil. pieces)	1.565	2.281	2.952	3.647	4.802
No. of Trading Days	19	13	23	19	21
Index PX 50	495.1	479.0	422.9	415.7	413.4
Market P/E	11.22	11.31	10.07	9.84	9.30
Market Price / Nominal Value	1.35	1.34	1.22	1.20	1.21
Market Dividend Yield (%)	1.89	1.93	2.44	2.48	2.60
No. of New Issues	6	0	3	0	5
Market Cap. for New Issues (mil. CZK)	10,757.57	0	9,027.86	0	7,563.53
FREE MARKET					
No. of Issues	988	994	1,665	1,661	1,656
Market Capital. (mil. CZK)	156,166.5	152,181.2	302,060.1	288,561.73	276,705.59
Trade Value (mil. CZK)	998.3	587.3	3,957.1	2,101.21	4,179.04
Trade Volume (mil. pieces)	1.473	0.788	5.350	3.526	4.632



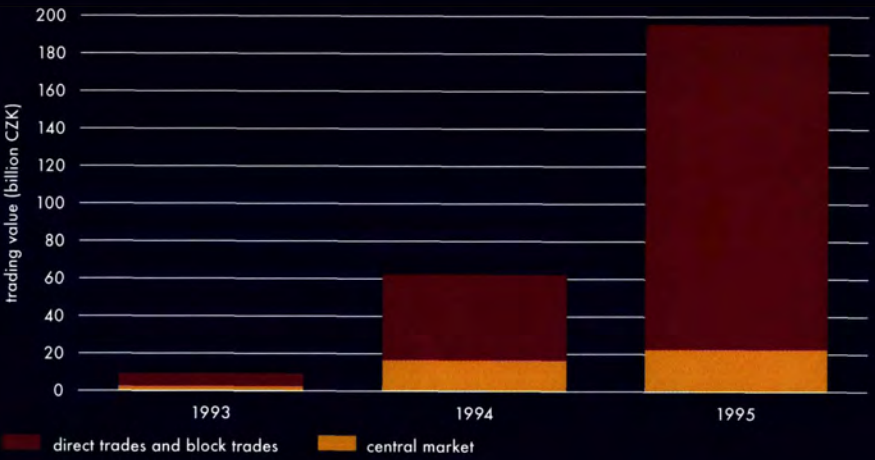
06/1995	07/1995	08/1995	09/1995	10/1995	11/1995	12/1995
52	54	54	58	62	66	68
220,628.60	232,383.50	242,822.66	265,159.87	265,342.83	263,530.58	275,998.81
5,762.80	4,582.33	4,603.07	6,592.27	17,065.64	7,592.28	15,634.47
4.461	3.880	4.138	5.840	19.656	7.991	21.680
22	18	23	21	22	22	11
389.0	405.1	426.2	453.8	442.8	417.7	425.9
10.10	9.83	10.21	10.74	10.48	10.19	10.40
1.27	1.30	1.36	1.42	1.39	1.27	1.28
2.09	1.98	1.90	1.84	1.87	1.95	1.88
4	2	0	4	4	4	2
65,359.74	5,097.98	0	11,200.29	4,246.28	12,678.27	4,264.06
1,652	1,654	1,658	1,657	1,653	1,650	1,648
195,494.83	199,703.91	214,833.95	225,399.90	229,270.32	205,514.73	201,314.10
3,204.64	1,303.96	2,173.01	4,324.42	10,112.72	6,914.85	6,857.34
4.660	2.386	4.498	7.333	22.429	13.504	10.683



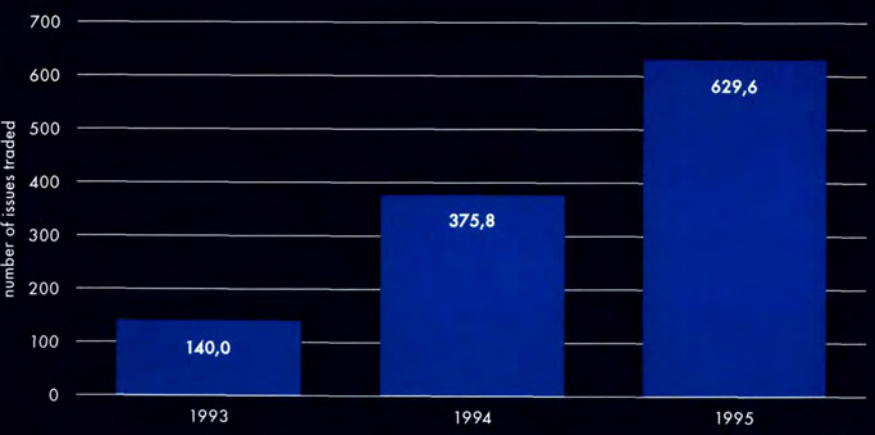
TOTAL VALUE OF TRADES - MONTHLY DEVELOPMENTS IN 1995



YEARLY TRADING VALUE DEVELOPMENT 1993 - 1995



PER SESSION AVERAGE NUMBER OF SECURITIES ISSUES TRADED IN 1993 - 1995



STRUCTURE OF THE MARKET FOR SECURITIES

At the beginning of the year, the markets of the Prague Exchange were divided into two principal parts: the Listed and Unlisted Markets. A radical increase in the number of issues registered for trading in the Exchange markets led to a new restructuring of the exchange markets. The Listed Market was divided into the Main Market and Secondary Market as of September and issues from the Unlisted Market were transferred to the Free Market. Only first class securities were gradually included in the two prestigious markets, after having been discussed in the Listing Committee, while these only differ one from another by issue size and information obligation vis-a-vis the Exchange. The new segmentation of the exchange markets is bringing an improvement of transparency of the trading in the hundreds of securities and is preparing a ground for a future rationalisation of the exchange market. As a supplementary classification has been qualified the division into the three trading groups. The first of the groups is prepared for the trading under the continual exchange system (regime); the second group comprises securities from all the three markets if included in the daily fixing according to their liquidity ratios; and the third group includes securities from the Free Market that are traded twice a week.

Of 1,764 issues of securities registered for trading with the Prague Stock Exchange at the end of the year, a total of 62 share issues and 20 bond issues were included in the Main Market, 6 share issues in the Secondary Market and 1,648 share issues including units and 28 bond issues in the Free Market.

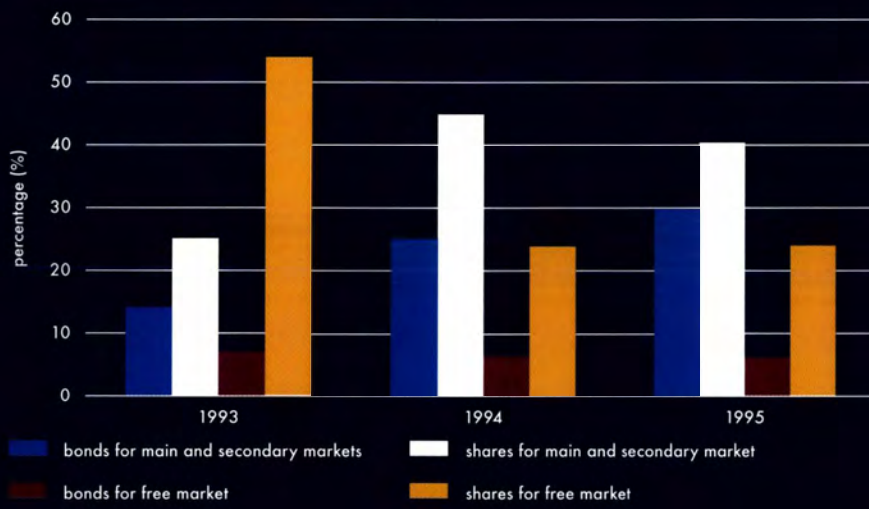
SETTLEMENT OF THE STOCK EXCHANGE TRADES

In 1995, the Stock Exchange Register of Securities (SERS) settled trades for 93 traders for whom it opened 2,023 own accounts and 36,647 client accounts, on which 99,356,708 securities were held altogether (measured in units of trading). Issues of securities from the Second Wave of the Voucher Privatisation represented a significant proportion of the total number of 2,731,548 cleared transfers. Number of transfers executed in the Central Market was doubled and the total number of transfers increased as much as four-times since this type of trades was started off. The financial side of settlement of the exchange trades was provided by the SERS through the Czech National Bank's Clearing Centre. Transfers of securities titles were executed through the Securities Centre (SC). Number of transfers effected in the Central Market reached figure of 1,371,289 of which 11,426 were direct trading transfers and 1,416 were transfers under the block trading. Over 200 million securities were transferred through settlement of exchange trades during the year.

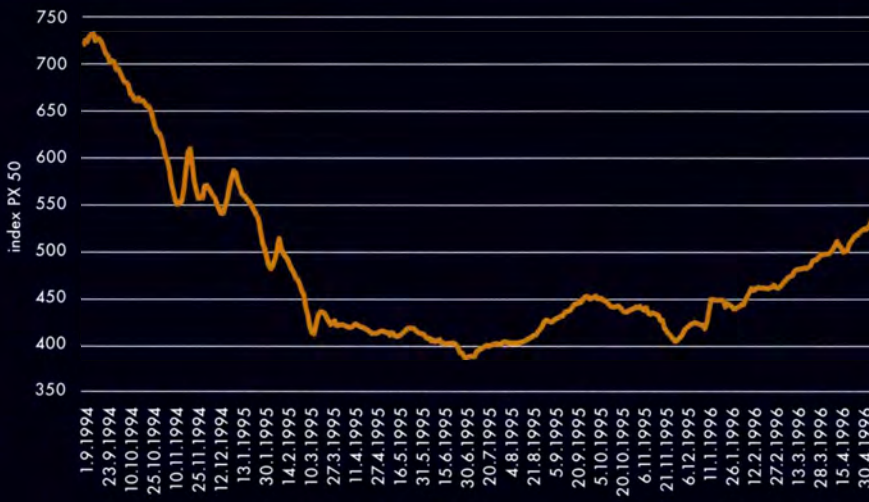
Other activities performed by the SERS included the administration and management of the Guarantee Fund, maintenance of records on certificated securities deposited with the Central Depository (Depot) of the Komerční banka, administration of security deposits (collateral) related to block trading, execution of intervention purchases (buying-in), stock events and corrective transfers (adjustments). The administration of 26 issues of certificated securities was directly related to the payment of yields (earnings) and repayment of amounts due on bonds. In 1995, the SERS began to provide settlement of OTC trades for its members.



STRUCTURE OF THE EXCHANGE TRADES



PX 50 INDEX , DEVELOPMENT FROM SEP. 9, 1994 TO APR. 30, 1996



A demonstration of efforts aimed at further improvement of the process of exchange trade settlement, especially the respect for "delivery versus payment" principle, was the change to a new method of trade settlement which began on December 6. This method of settlement created the necessary prerequisites required for trading in securities recorded in several single holder's accounts.

A particular attention was paid by the SERS also to the preparation of projects on securities lending/borrowing, settlement of continuous trades at a variable price and settlement of trades in foreign securities.

DISSEMINATION OF INFORMATION

Information services the Exchange was offering in 1995 were, apart from the basic offer, oriented primarily towards a comprehensive data transmission (transfer) from in-real time trading. Available was the information on continuous trading at a fixed price and, following the end of each trading session, also were the final results. BBS station was used by the Exchange for transmission of the data, the number of clients using the data stabilised at the figure of about 160 users. Apart from the trading results, this form was as well used for dissemination of general information on the Exchange in the Czech and English languages.

In all, the exchange information was transmitted by 7 famous agencies.

In an effort to also provide retail investors with access to the exchange data the data transmission continued through teletext of the Czech television. Those demanding more information had at their disposal another charged service.

For the entire year, the Exchange instantly co-operated with mass media opening thus itself to the general public. Using the form of press conferences and other methods, it continued providing the information on important events of its operations and daily life.

An important tool of dissemination of the exchange information was the publishing activity of the PSE, periodical BURZA, Prague Stock Exchange and the Exchange from A to Z. The official Price-List printed in the periodical BURZA was in its second year of regular publishing. This periodical was gradually turned into a platform for a specialised capital weekly making an appendix (insert) to Friday's issues Price-Lists. English monthly the "Prague Stock Exchange" expanded substantially, bringing not only summary reviews on the trading but paying also attention to the topical events taking place within the exchange business. A compact and comprehensive source of information designed for the public was the brochure the "Exchange from A to Z" published in two editions opening thus a regular updating to this publication. Apart from the Annual Report this was the most important document from which additional structured publication activities would be also derived.

The Czech capital information agency ČEKIA, a subsidiary company of the Prague Exchange, was taking an extensive preparatory work for the dissemination of economic information while forming the basic mechanisms of data



dissemination. The Exchange together with the Komerční banka and Česká spořitelna initiated the creation of the agency in the interests of improving the transparency of the Czech capital markets with the objective to contribute to the emergence of a standard information institution providing services for a wide spectrum of investors. Using the technological background and support of a Swiss company TELEKURS that is the second largest shareholder of the agency (with its 30 %, while the PSE being the first with its 50 % interest), the essential platform was developed for launching ČEKIA's activities as soon as the next year.

INTERNATIONAL RELATIONS AND PRESENTATION

The international activities derived from the general standard achieved in the development of the Prague Exchange. The decisive motivation was to accelerate the process of the PSE's maturing while exploiting the experience of foreign exchanges. The interest in creating as soon as possible the standard conditions and environment that is common for exchanges operating under stable market economies was as well expressed by the efforts aimed simultaneously at the improvement of the PSE's transparency on an international scale.

Further deepening of contacts with international exchange-type of institutions represented the decisive orientation of developing foreign activities by the PSE. The primary interest was to focus these activities on the Federation of European Exchanges which implied especially from the geographical location of the PSE as well as from the natural desire to establish a stronger relationship with partner organisations over the European continent. Relations with the World Federation of Exchanges also produced new impulses over the sea. Business trips abroad became a significant instrument useful in the process of improving the qualification standards of professional staff providing both conceptual and technological services within all trading segments of the exchange. This particularly referred to the innovations under preparation that are associated with the new trading system or with derivatives trading.

A significant contribution to the international relationship in the third year of the PSE's operation became the establishment of new contacts and relations with world-known exchanges, further development of the existing co-operation particularly with European exchanges and participation of the PSE's staff in a number of international events.

The Prague Exchange took also part in presenting itself in fairs and exhibitions both at home and abroad. Specialised seminars were organised by the Prague Exchange for professionals of member firms and representatives of investment funds during the year, where the participants were properly informed about its new services as well as services provided by the SERS.



PROSPECTS OF FURTHER DEVELOPMENT

The Prague Exchange has been dynamically implementing its development program and sensitively responding to impulses flowing in from the capital markets. It is the task firmly encoded in its program to act in the interests of further development and strengthening of a transparent, efficient, safe and liquid marketplace possessing confidence of domestic as well as foreign investors. Therefore, it has been progressing in the process of modernisation of its technological equipment, further improving quality of its services, preparing new products, taking steps aimed at further advancement of its system of exchange trade settlement and improving the transparency of the capital market, while acting based on the fact that the potentials of the existing trading system have been exhausted and the pressure of the traders demanding further development of services requires a purchase of a new trading system. This was also the reason why the continual trading system currently under preparations has been considered a pre-stage via which the PSE is trying to meet the requirements of the market and because of which it is exploiting the existing opportunities.

The following dominant tasks have been included in the development program:

- to prepare, introduce and implement the continual trading and trading in derivatives,
- to push through for implementation of a stricter supervision over the capital market,
- to improve quality of the existing own controlling mechanisms,
- to further improve technological conditions and environment for the trading,
- to update the existing legislation governing the exchange business.

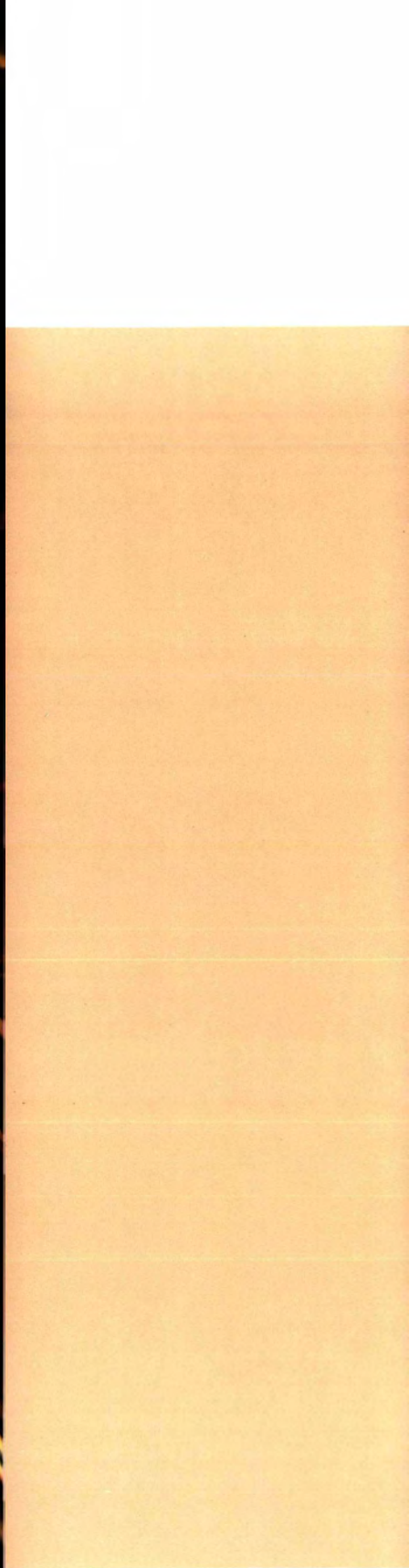
The pivotal objectives further include the creation of conditions suitable for the admission of foreign securities to the PSE markets, further improvement and expansion of information service for investors, development of the "securities lending/borrowing" project and further advancement towards the creation of a universal centre for trade settlement.

Implementation of the key objectives together with the standardisation of the Czech capital market should create the prerequisites necessary to enable the Prague Exchange, within a two-year horizon, to reach the level of the European exchanges operating under stable market economies.









Report of the Supervisory Board

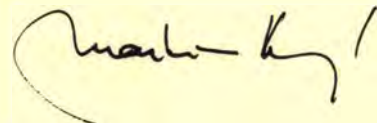
The Supervisory Board held 5 meetings in 1995, the first one in February followed by those in April, May, August and in December. When exercising its supervisory function, it followed the relevant provisions of the Law, by-laws (statutes) of the Exchange and instructions issued and decisions made by the Annual General Meetings of shareholders. At its meetings, it regularly discussed financial position of the Exchange including the status of its assets, provided information on the decisions both those under preparation and those already adopted by the Exchange Chamber and on new exchange regulations as well. The Supervisory Board also discussed suggestions received from the Exchange Chamber, shareholders and members of the Exchange, Exchange Commissioner and from other persons as well.

Along with that, in the past year, the Supervisory Board took a check upon the activities of the Stock Exchange Committee on Exchange Trades. No significant shortcomings in the Committee's work were disclosed during the check. Based on Secretary General's report on the break that occurred in the trading during the last June and July, the Supervisory Board and the executive management of the Exchange discussed a package of measures taken in that respect.

In accordance with Article 32 of the PSE's Articles of Incorporation, the Supervisory Board reviewed the audited and verified closing statement of accounts of the Exchange and took note of the Auditor's Report. In addition, the Supervisory Board reviewed the proposal made by the Exchange Chamber on appropriation of profit for 1995 and expressed its approval with the suggested payment of royalties including the proposal to pay no dividends.

On the basis of its own verification, the Supervisory Board recommended to the General Meeting the approval of the annual closing statements of accounts covering the Exchange's operations in 1995 including the 1995 profit appropriation in the wording in which the proposal was prepared by the Exchange Chamber and submitted to the General Meeting.

In Prague, June 13, 1996



JUDr. Martin Kryl
Chairman of the Supervisory Board



PROFIT/LOSS STATEMENT AT DEC. 31, 1995 (CZK '000)

Revenues from sales of services	147,673
Sales-related consumption	79,092
Value added	68,581
Personnel expenses	41,168
Depreciation (amortisation) of tangible and intangible fixed assets	43,093
Accounting for reserves, adjustments and accruals to operating revenues	58
Creation of reserves, adjustments and accruals to operating expenses	4,047
Other operating revenues	61,507
Other operating expenses	3,532
Operating profit	38,306
Financial revenues	3,635
Financial expenses including income tax on ordinary activities	35,111
Accounting for reserves, adjustments and accruals to financial revenues	1
Creation of reserves, adjustments and accruals to financial expenses	64
Loss from financial operations including income tax on ordinary activities	(31,539)
Ordinary income	6,767
Extraordinary revenues	182
Extraordinary expenses	523
Extraordinary loss	(341)
Profit of current accounting period	6,426

PROFIT APPROPRIATION (CZK '000)

Profit of current year	6,426
Allocation to the legal reserve fund	1,000
Royalties payment	543
Retained profit	4,883

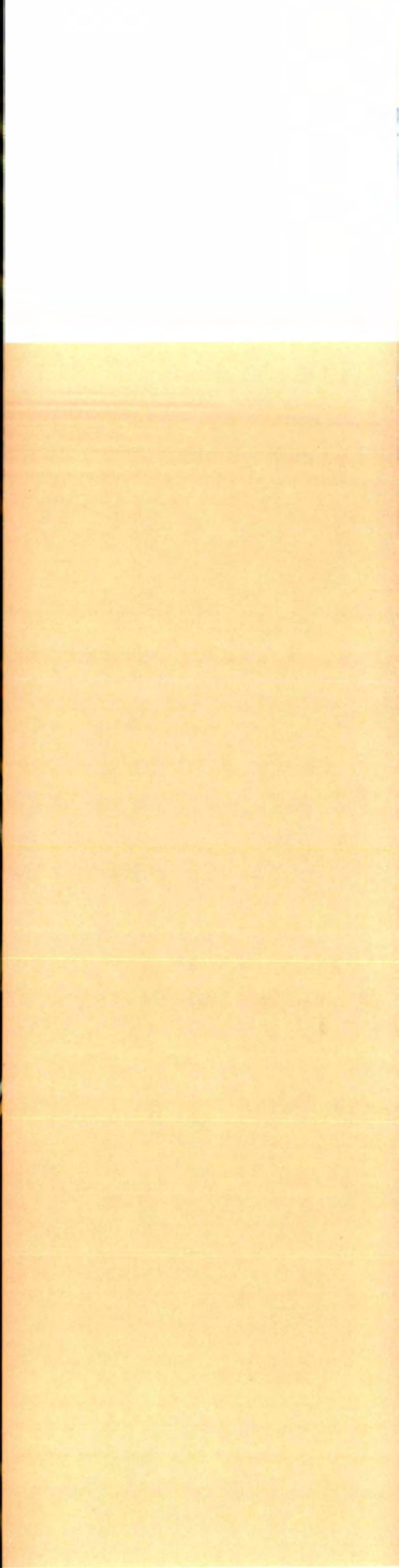


BALANCE SHEET - ASSETS (CZK '000)

	Jan. 1, 1995	Dec. 31, 1995
Receivables for subscriptions (for own equity capital)	0	35,435
Fixed assets	138,897	593,605
Intangible fixed assets	12,050	19,774
Tangible fixed assets	125,867	197,246
Financial investments	980	376,585
Current assets	64,533	94,043
Inventory stock	0	94
Short-term receivables	15,291	34,903
Financial assets	49,242	59,046
Other assets	1,427	3,128
Total assets	204,857	726,211

BALANCE SHEET - LIABILITIES (CZK '000)

	Jan. 1, 1995	Dec. 31, 1995
Equity (own)	191,311	428,976
Registered capital	153,716	384,948
Capital funds	35,941	35,948
Legal reserve fund	760	799
Profit of previous years	245	855
Profit of current accounting period	649	6,426
External liabilities	9,039	294,592
Other reserves	1	4,064
Short-term liabilities (payables)	9,038	59,528
Bank credits and assistance	0	231,000
Other liabilities	4,507	2,643
Total liabilities	204,857	726,211



AUDITOR'S REPORT

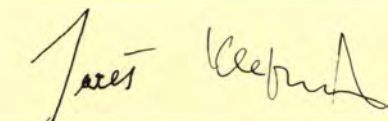
In accordance with the Act No. 524/1992, Coll., on "Auditors and Chamber of Auditors of the Czech Republic", based on international directives on auditorship, we have duly examined the enclosed Closing Statement of Accounts for the year ending December 31, 1995, covering operations of the joint stock company Prague Stock Exchange, Co. ID (IČO) No: 47115629 with its registered address at: Na Můstku 3, Praha 1.

The Stock Exchange Management is fully responsible for the compiling of the statements of accounts and maintaining the book-keeping in the manner ensuring that the accounting records are complete, providing conclusive evidence and correct information and complying with the applicable statutory acts and relevant legal regulations. Our responsibility is to give our opinion on the statements of the accounts as a whole based on the audit performed.

Our audit was planned and performed with the aim to get a sufficient degree of assurance that the statement of accounts contains no significant irregularities. The audit includes the accounting documents verification carried out by means of examination of the selected accounting data and other information proving the appropriateness of the data contained in the statement of the accounts, review and evaluation of the accounting procedures applied by the Company to the compilation of the accounts statement. Based on the results of the auditing procedures applied, we have disclosed no facts which might indicate that the accounting records of the Company could have failed to comply with the statutory acts and relevant legal regulations. We believe that the audit hereby performed constitutes a sufficient basis for us to give this verdict regarding our statement on the Closing Statement of the Accounts.

In our opinion the accounts of the Company give in their all substantial aspects a true and fair view of the assets, liabilities, equity and financial position of the Company for the accounting period ending December 31, 1995, and that these fully comply with the Accounting Act, No. 563/1991, Coll. as well as with other relevant statutory regulations.

In Prague, April 17, 1996


HZ Praha, s.r.o.
auditor - licence KAČR č. 31





Dr. Richard SALZMANN
Chairman
of the SE Chamber



Ing. Pavel KAVÁNEK
Vice-Chairman
of the SE Chamber



Zdenek BAKALA
Member of the SE Chamber
Chairman of the SE
Committee for Preparation of
Trades in Derivatives



Ing. Aleš BARABAS
Member of the SE Chamber
Chairman of the SE Securities
Listing Committee



Ing. Jaroslav KLAPAL
Member of the SE Chamber
Chairman of the SE
Membership Committee



doc. Ing. Vladislav PAVLÁT, CSc.
Member of the SE Chamber
Chairman of SE Committee
on Exchange Trades



JUDr. Marie BEDNÁŘOVÁ
Member of the SE Chamber



doc. Ing. Jaroslav DAŇHEL, CSc.
Member of the SE Chamber



Ing. Pavel JANDA
Member of the SE Chamber



Ing. Tomáš JEŽEK, CSc.
Member of the SE Chamber



Ing. Miroslav KUČERA
Member of the SE Chamber



Ing. Petr MATĚJČEK
Member of the SE Chamber



Ing. Libor PROCHÁZKA
Member of the SE Chamber



Ing. Lubomír PUŽEJ
Member of the SE Chamber



Ing. Michal VĚTROVSKÝ
Member of the SE Chamber



Ing. Petra WENDELOVÁ, CSc.
Member of the SE Chamber

STOCK EXCHANGE CHAMBER

Members of the Stock Exchange Chamber through November 14, 1995

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Vice-Chairman

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Ing. Miroslav ADÁMEK, Ekoagrobanka, a.s.

Zdenek BAKALA, Patria Finance, a.s.

Ing. Aleš BARABAS, Živnostenská banka, a.s.

JUDr. Marie BEDNÁŘOVÁ, VÚB Bratislava, a.s.

- Prague Branch

Ing. Pavel JANDA, Agrobanka, a.s.

Ing. Jaroslav KLAPAL, Česká spořitelna, a.s.

Ing. Arnošt KLESLA

Ing. Miroslav KUČERA, Česká národní banka

Ing. Jan KURKA, Pragobanka, a.s.

Ing. Pavel LUBOJACKÝ, ČEZ, a.s.

doc. Ing. Vladislav PAVLÁT, CSc., Iceberg, a.s.

Ing. Libor PROCHÁZKA, Investiční a Poštovní banka, a.s.

Ing. Ivan RAJDA, Efekta, a.s.

Ing. Jaroslav SNÁŠEL, Zemská banka, a.s.

Ing. Jaroslav ŠUBERT, Interbanka, a.s.

Ing. Michal VĚTROVSKÝ, Creditanstalt investiční společnost, a.s.

Members of the Stock Exchange Chamber as of November 14, 1995

Chairman

Dr. Richard SALZMANN, Komerční banka, a.s.

Vice-Chairman

Ing. Pavel KAVÁNEK, ČSOB, a.s.

Zdenek BAKALA, Patria Finance, a.s.

Ing. Aleš BARABAS, Živnostenská banka, a.s.

JUDr. Marie BEDNÁŘOVÁ, VÚB Bratislava, a.s.

- Prague Branch

doc. Ing. Jaroslav DAŇHEL, CSc., Česká pojišťovna, a.s.

Ing. Pavel JANDA, Agrobanka, a.s.

Ing. Tomáš JEŽEK, CSc., PS Parlamentu ČR

Ing. Jaroslav KLAPAL, Česká spořitelna, a.s.

Ing. Miroslav KUČERA, Česká národní banka

Ing. Petr MATĚJČEK, Ekoagrobanka, a.s.

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Ing. Libor PROCHÁZKA, Investiční a Poštovní banka, a.s.

Ing. Lubomír PUŽEJ, Harvardská burzovní společnost, a.s.

Ing. Michal VĚTROVSKÝ, Creditanstalt investiční

společnost, a.s.

Ing. Petra WENDELOVÁ, CSc., CS First Boston (Praha), a.s.





JUDr. Martin KRYL

Chairman
of the Supervisory Board



Ing. Vladimír HOFFMANN

Member
of the Supervisory Board



Dr. Radko RESCH

Member
of the Supervisory Board



Ing. Jan STRUŽ

Member
of the Supervisory Board



Ing. František VEJMOLA

Member
of the Supervisory Board



Ing. Jiří Franc

General Secretary



SUPERVISORY BOARD

Members of the Supervisory Board through November 14, 1995

Chairman

JUDr. Martin KRYL, Živnostenská banka, a.s.

Ing. Ctibor LUSK, Creditanstalt Securities, a.s.

Ing. Ladislav PATLICH, Finop, a.s.

Ing. František VEJMOLA, Komerční banka, a.s.

Ing. Jaroslav ŽÁK, Agrobanka, a.s.

Members of the Supervisory Board as of November 14, 1995

Chairman

JUDr. Martin KRYL, Živnostenská banka, a.s.

Ing. Vladimír HOFFMANN, BH Securities, a.s.

Dr. Radko RESCH, Harvardská burzovní společnost, a.s.

Ing. Jan STRUŽ, ING Baring Capital Markets (C.R.), a.s.

Ing. František VEJMOLA, Komerční banka, a.s.

GENERAL SECRETARY

Ing. Jiří Franc

STOCK EXCHANGE COMMITTEES

Stock Exchange Committee on Exchange Trades

Chairman

doc. Ing. Vladislav PAVLÁT, CSc.

Stock Exchange Securities Listing Committee

Chairman

Ing. Aleš BARABAS

Stock Exchange Membership Committee

Chairman

Ing. Jaroslav KLAPAL

Stock Exchange Committee for Preparation of Trades in Derivatives

Chairman

Zdenek BAKALA

CONSTITUENTS OF THE ORGANISATIONAL STRUCTURE

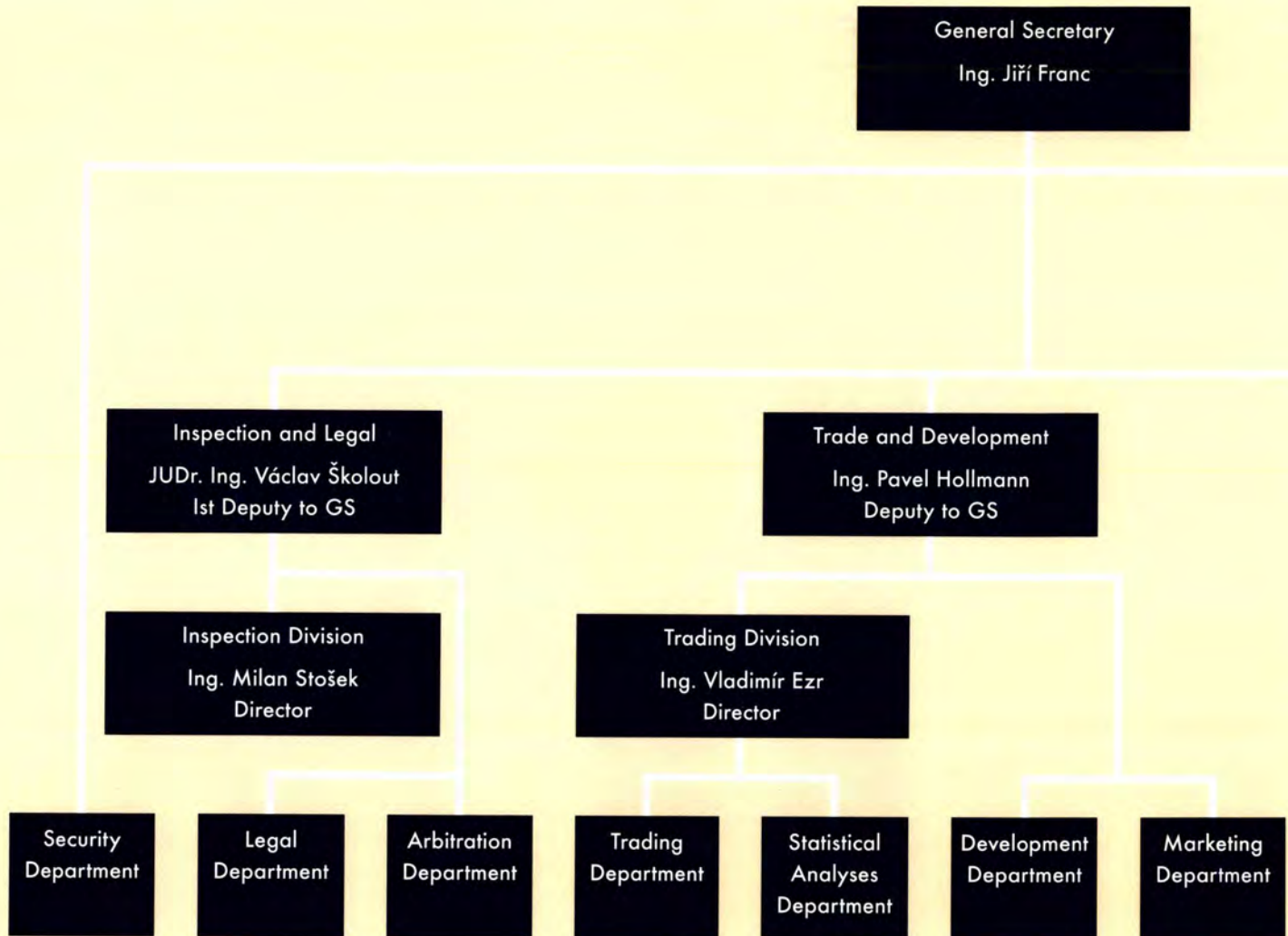
Stock Exchange Guarantee Fund Association

Stock Exchange Court of Arbitration

Stock Exchange Register of Securities



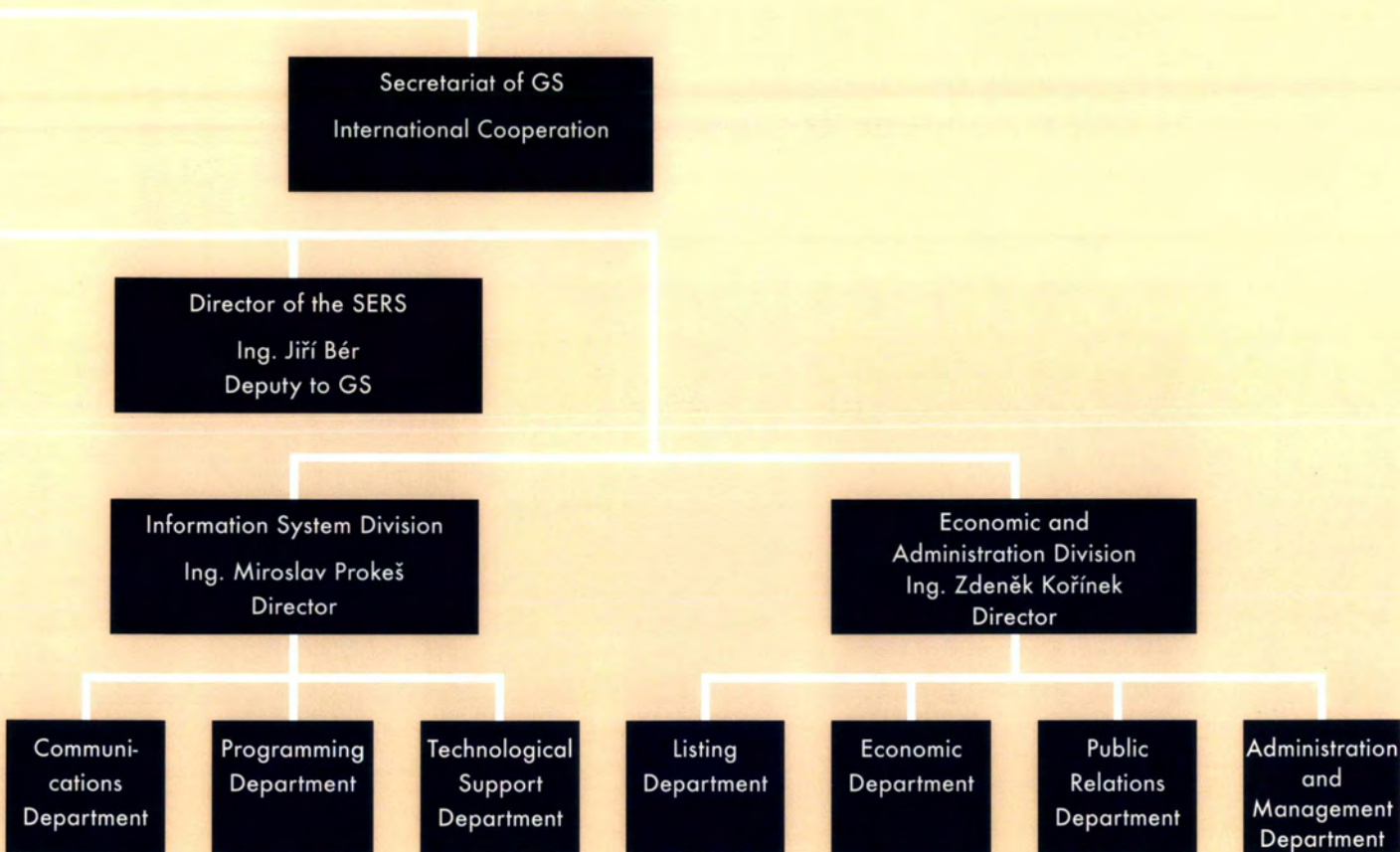
Organisation Chart of the PSE



STOCK EXCHANGE REGISTER OF SECURITIES
a limited liability subsidiary company of the PSE

THE CZECH CAPITAL INFORMATION AGENCY
a subsidiary company of the PSE





HOLAN CENTER
a limited liability subsidiary company of the PSE





The Prague Stock Exchange had registered 101 members at December 31, 1995, of which 40 were its shareholders and 3 more shareholders did not possess membership status.

FOUNDING SHAREHOLDERS

AGROBANKA, a.s., Hyberská 18, 110 00 PRAHA 1
BANKA BOHEMIA, a.s., Senovážné nám. 7, 110 00 PRAHA 1 (non-member of the PSE)
CREDITANSTALT SECURITIES, a.s., Krakovská 9, 110 00 PRAHA 1
C.S.-FIRST BOSTON (Praha), a.s., Staroměstské nám. 15, 110 00 PRAHA 1
ČESKÁ SPOŘITELNA, a.s., Olbrachtova 62, 140 00 PRAHA 4
ČESKOSLOVENSKÁ OBCHODNÍ BANKA, a.s., Na Příkopě 14, 115 20 PRAHA
EASTBROKERS, a.s., 28. října 13, 110 00 PRAHA 1
EFEKTA FINANCE, a.s., Kladská 5, 120 00 PRAHA 2
EKOAGROBANKA, a.s., Dvořákova 2, 400 21 ÚSTÍ nad LABEM
ICEBERG, a.s., U Okrouhlíku 3, 150 00 PRAHA 5
INTERBANKA, a.s., Václavské nám. 40, 110 00 PRAHA 1
INVESTIČNÍ A POŠTOVNÍ BANKA, a.s., Senovážné nám. 32, 114 03 PRAHA 1
KOMERČNÍ BANKA, a.s., Na Příkopě 33, 114 07 PRAHA 1
VŠEOBECNÁ ÚVEROVÁ BANKA, a.s., nám. SNP 19, 818 56 BRATISLAVA
ZEMSKÁ BANKA, a.s., Krapkova 4, 772 26 OLOMOUC
ŽIVNOSTENSKÁ BANKA, a.s., Politických vězňů 5, 110 03 PRAHA 1

OTHER SHAREHOLDERS

AB BANKA, a.s., Pivovarská 113, 293 80 MLADÁ BOLESLAV (non-member of the PSE)
ATLANTA SAFE, a.s., Štěpánská 57/630, 110 00 PRAHA 1
BH SECURITIES, a.s., Na Florenci 35, 110 00 PRAHA 1
BODY INTERNATIONAL BROKERS, a.s., Senovážné nám. 3, 110 00 PRAHA 1
BRNĚNSKÉ VELETRHY A VÝSTAVY, a.s., Výstaviště 1, 660 91 BRNO
CITIBANK, a.s., Evropská 178, 166 40 PRAHA 6
COOP BANKA, a.s., Benešova 14-16, 601 78 BRNO
ČESKÁ BANKA, a.s., Karolíny Světlé 8, 110 00 PRAHA 1 (non-member of the PSE)
EB BROKERS, a.s., U šesté baterie 86/17, 162 00 PRAHA 6
FIO, burzovní společnost, a.s., Senovážné nám. 24, 116 47 PRAHA 1
FOND NÁRODNÍHO MAJETKU ČR, Rašínovo nábřeží 42, 128 00 PRAHA 2
HARVARDSKÁ BURZOVNÍ SPOLEČNOST, a.s., Nám. hrdinů 4, 140 00 PRAHA 4
HYPO-BANK CZ, a.s., Štěpánská 33, 110 00 PRAHA 1
IC BANKA, a.s., Pobřežní 3, 186 00 PRAHA 8 - Karlín



List of Shareholders and Members of the PSE

imAGe 1, a.s., Jandova 3, 190 00 PRAHA 9
INVESTKONZULT, s.r.o., Osadní 26, 170 00 PRAHA 7
INVESTIČNÍ A ROZVOJOVÁ BANKA, a.s., Štúrova 5, 818 55 BRATISLAVA
KAPITÁLOVÁ INVESTIČNÍ SPOLEČNOST ČESKÉ POJIŠŤOVNY, a.s., Týnská 3, 110 00 PRAHA 1
KOMERO, s.r.o., Fügnerovo nám. 3, 120 00 PRAHA 2
KREDITNÍ BANKA, a.s., Skrétova 8, 306 08 PLZEŇ
LIFOX, a.s., Novodvorská 1010/14, 150 00 PRAHA 4
MERX, a.s., Českomoravská 23, 190 56 PRAHA 9
MORAVIA BROKER, spol.s r.o., Ztracená 36, 771 00 OLMOUC
OESTERREICHER a spol, s.r.o., V jámě 12, 110 00 PRAHA 1
PATRIA FINANCE, a.s., Husova 5, 110 00 PRAHA 1
PRAGOBANKA, a.s., Štefánikova 50, 150 00 PRAHA 5
SLOVENSKÁ SPORITEL'ŇA, a.s., Zelená 2, 816 07 BRATISLAVA

OTHER MEMBERS

ABN AMRO Bank N.V. , pobočka Praha, Revoluční 1, 110 00 PRAHA 1
AKRO CAPITAL, a.s., Malá Štěpánská 9, 120 00 PRAHA 2
ALPHA BROKER, a.s., Brokerská společnost České pojišťovny, Italská 2, 120 00 PRAHA 2
ATLANTIK FINANČNÍ TRHY, s.r.o. , Hilleho 6, 602 00 BRNO
BALLMAIER A SCHULTZ CZ, s.r.o., Husova 5, 110 00 PRAHA 1
BANKOVNÍ DŮM SKALA, a.s., Seifertova 9, 130 00 PRAHA 3
BAYERISCHE VEREINSBANK AG, Prague branch, Italská 24, 121 49 PRAHA 2
BRNO BROKER GROUP, a.s., Rašínova 2, 602 00 BRNO
BURZOVNÍ SPOLEČNOST PRO KAPITÁLOVÝ TRH, a.s., Masarykovo nábř. 28, 110 00 PRAHA 1
CAPITAL PARTNERS, a.s., Masarykova 210/120, 400 01 ÚSTÍ nad LABEM
CAUTUS FINANCE, s.r.o., Stodolní 2, 710 00 OSTRAVA 1
CIMEX TRADING, a.s., T.G. Masaryka 18, 360 01 KARLOVY VARY
CONSUS - družstvo, Václavské nám. 43, 110 00 PRAHA 1
CRASSUS, s.r.o., Čermákova 7, 120 00 PRAHA 2
C.S. BROKERS , a.s., Perlová 1, 111 01 PRAHA 1
ČESKÁ NÁRODNÍ BANKA, Na Příkopě 28, 110 03 PRAHA 1
ČESKOMORAVSKÁ ZÁRUČNÍ A ROZVOJOVÁ BANKA, a.s., Jeruzalémská 4, 110 00 PRAHA 1
DEUTSCHE BANK AG, Prague branch, Jungmannova 34, 111 21 PRAHA 1
EPIC SECURITIES, a.s., Karlovo náměstí 24, 110 00 PRAHA 1
EURO PROGRES, a.s., Ostrovského 3, 150 00 PRAHA 5
EVROBANKA, a.s., Strossmayerovo nám. 1, 170 01 PRAHA 7
EXPANDIA FINANCE, a.s., Kodaňská 46, 100 10 PRAHA 10
FINTRANS, a.s., 4. května 175, 755 01 VSETÍN



GLOBAL BROKERS, spol.s r.o., Konviktská 12, 111 00 PRAHA 1
GOLDIES, a.s., Ve Smečkách 33, 110 00 PRAHA 1
IB AUSTRIA SECURITIES PRAHA, a.s., Václavské nám. 56, 110 00 PRAHA 1
I.M.C. BURZOVNÍ SPOLEČNOST, a.s., Jankovcova 2, 170 00 PRAHA 7
ING BARING CAPITAL MARKETS (C.R.), a.s., Pobřežní 3, 186 00 PRAHA 8
J.F. WORLD BROKERS, s.r.o., Ohradní 1370, 140 00 PRAHA 4
KATNEK SECURITIES, a.s., U Demartinky 2561/1, 150 00 PRAHA 5
KRÁLOVÉHRADECKÁ BROKERSKÁ, a.s., Škroupova 9, 500 02 HRADEC KRÁLOVÉ
MORAVIA BANKA, a.s., Palackého 133, 738 02 FRÝDEK MÍSTEK
MORAVSKOČESKÁ BURZOVNÍ SPOLEČNOST, s.r.o., Masná 1, 700 39 OSTRAVA 1
MOTOINVEST, a.s., Nad Krocínkou 55, 190 00 PRAHA 9
OFT BROKERS, spol.s r.o., Nad Pahorkem 403/24, 141 00 PRAHA 4
PODNIKATELSKÁ BANKA, a.s., Roháčova 79, 130 00 PRAHA 3
PPF burzovní společnost, a.s., Oldřichova 15, 128 00 PRAHA 2
PRAŽSKÁ BROKERSKÁ, a.s., nám. Míru 341/15, 120 00 PRAHA 2
PRO ANO, spol.s r.o., Na Pankráci 11, 140 00 PRAHA 4
ProFin, a.s., Kobližná 2, 602 00 BRNO
PROCAP SECURITIES, spol.s r.o., Rybná 14, 110 05 PRAHA 1
PROSPER FINANCE, a.s., Stodolní 21, 702 00 OSTRAVA 1
PRVNÍ MĚSTSKÁ BANKA, a.s., Malé nám. 11, 110 05 PRAHA 1
RAIFFEISEN CAPITAL and INVESTMENT PRAHA, s.r.o., Vodičkova 38, 118 00 PRAHA 1
RAXER, s.r.o., V jámě 1, 111 91 PRAHA 1
REALITBANKA, a.s., Antala Staška 32, 146 20 PRAHA 4
RENTIA CAPITAL, spol.s r.o., Kotlářská 53, 658 90 BRNO
SATI, spol.s r.o., Na Parukářce 12, 130 00 PRAHA 3
SILAS BROKER, s.r.o., Vítkovická 1, 701 00 Moravská Ostrava
SLOVENSKÁ POĽNOHOSPODÁRSKA BANKA, ú.s., Vajnorská 21, 832 65 BRATISLAVA
SOCIETE GENERALE BANKA, a.s., Pobřežní 3, 180 00 PRAHA 8
STOCK INVESTMENT, a.s., Kolovratská 110/4, 100 00 PRAHA 10
STRATEGO INVEST, a.s., Jindřišská 27, 110 00 PRAHA 1
STŘEDOEVROPSKÁ BURZOVNÍ SPOLEČNOST, a.s., Odborů 3/281, 120 00 PRAHA 2
TEG, a.s., Chlumčanského 5, 180 00 PRAHA 8
TIPAINVESTING, spol.s r.o., U Obůrky 5, 674 01 TŘEBÍČ
UNION BANKA, a.s., ul. 30. dubna 35, 702 00 OSTRAVA
UNIVERSAL BANKA, a.s., Velká Hradební 484/2, 400 01 ÚSTÍ nad LABEM
VELKOMORAVSKÁ BANKA, a.s., Prague head office, Opletalova 19, 110 00 PRAHA 1
WOOD AND CO., s.r.o., Martinská 4, 110 00 PRAHA 1
ZVĚŘINA A BĚLOHLÁVEK, s.r.o., Na Sadech 26, 370 00 České Budějovice



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