

Annual report

Dear visitors, business friends and shareholders,

Year 1999 was a year of extraordinary working exertion and large commitment. The work on reconstruction and completion of Prague Congress Centre were in full swing and the time-consuming schedule of the course of project realization was strictly watched not only by the general public, but also by high-position representatives of the state and the city. One of the most important investments in Prague was gradually getting its definitive shape, in which it will welcome, already in June 2000, the first congress participants and guests of cultural events. In September of the same year, its readiness will be verified by such important and large events as the International Money Fund and World Bank Group Annual Meeting is.

I believe that we will acquit ourselves with credit and will prove that Prague and its congress centre will become one of the most sought-after destinations of the congress industry.

Ing. František Dušek

Chairman of the Board of the Board of Directors and CEO of KCP, a.s.

Economic results:

Balance of company's assets and liabilities (in thousands CZK)

I. ASSETS

tangible investment property	7 508 896
intangible investment property	2 038
inventory	22 695
claims	73 964
financial assets	766 349
other assets	38 978

Total assets 8 412 920

II. LIABILITIES

registered capital	7 138 000
other capital funds	-868
economic result of previous years	-486 144
economic result 1999	-510 615
reserves	1 582
long-term liabilities	2 106 000
short-term liabilities	68 506
other liabilities	96 459
Total liabilities	8 412 920

Economic result (in thousands CZK)

I. REVENUES

sales revenues	11
performance	74 348
interests	32 333
other operational revenues	5 318
other financial revenues	59 135
extraordinary revenues	1 845
Total revenues	172 990

II. EXPENSES

Expenses incurred on sold goods	11
performance consumption	45 419
personal expenses	47 065
taxes and fees	573
depreciation of tang. and intang. inv. property	466 466
other operational expenses	40 385
other financial expenses	82 675
extraordinary expenses	1 011
Total expenses	683 605

III. ECONOMIC RESULT **-510 615**