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Financial results for 2015

Warsaw, 21 March 2016

2015 — executive summary

+46.4%

EBITDA (Adj.) growth

22.9%

EBITDA (Adj.) margin

+7.1 p.p.

EBITDA (Adj.) margin growth

Continued optimisation activities and consistent execution
of a strategy based on organic growth

Beneficial external environment

Significant decrease in financing costs





1. Market situation and major events

2. Financial results for 2015

3. Outlook for 2016

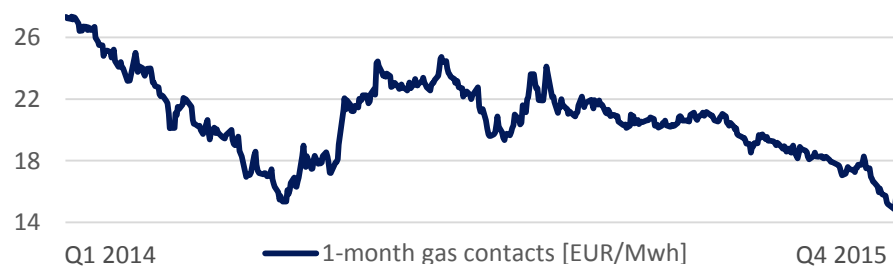
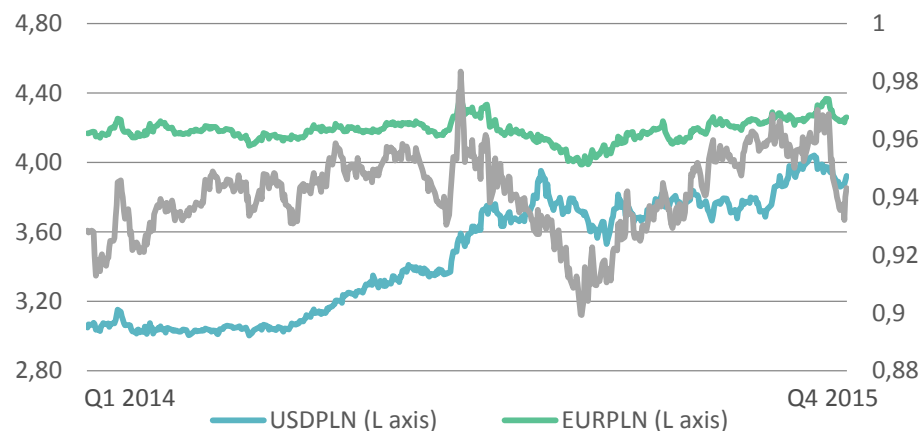
Beneficial external environment

Higher soda prices in Europe
caused mainly by CIECH's successful contracts
and a favourable market situation

Weaker PLN and
RON increased export
revenue



Lower energy and raw material
prices — beneficial contract
with Kompania Węglowa,
lower market prices of gas and coke



Intensive commercial activity

Sale of additional volumes of
soda ash and dry salt
from expanded installations
Entry onto new markets

Increased
efficiency in
CIECH Sarzyna

distribution network, product
portfolio, Chwastox and
Agrosar advertising campaigns



Optimisation of
the CIECH Pianki
portfolio
focusing
on the highest margin
contracts

Significant development investments



Investment
in higher sodium
silicate production
power
thanks to a contract
with Solvay



Soda +200 project

60,000
tonnes

140,000
tonnes

Full use of new
capabilities

Q1 2015

Q1 2016

~ Q2 2016

Modernised salt installation
to intensify dry salt production

Debt refinancing

Significant decrease in financing costs

It was: 9.5% per year

High yield bonds, revolving credit up to PLN 100 million, other loan agreements

Debt amount*: PLN 1.2 billion

Currently: <2% per year

Dual currency loan in PLN and EUR (up to PLN 1.34 million) and revolving loan (up to PLN 250 million)

Debt amount**: PLN 1.6 billion

Influence on Q4 2015 result

Coupon costs: PLN 73 million

Existing unamortized financing costs:
PLN 25 million

Floating rates based on WIBOR/EURIBOR plus margin, which depends on the net debt / EBITDA index

CIRS and IRS transactions for the whole loan amount

Moody's rating:
Ba3 / positive perspective

Standard & Poor's rating:
BB- / stable perspective

The background image is a blue-tinted photograph of an industrial setting. In the upper right, a worker wearing a hard hat and safety glasses is visible, looking down at a task. To the left, a robotic arm with a cylindrical end effector is positioned. The foreground shows various mechanical components, including a large circular metal part with a central hole. The overall scene suggests a manufacturing or engineering environment.

1. Market situation and major events

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Increase in profits and margins on all levels

Soda trading (PLN 166 million)

[PLN million]	2015	2014	YoY	Q4 2015	Q4 2014	YoY
Revenue	3,273	3,244	0.9%	814	786	3.6%
Gross sales profit	874	681	28.3%	205	136	50.2%
Gross sales margin	26.7%	21.0%	5.7 p.p.	25.1%	17.3%	7.8 p.p.
EBIT	490	322	52.2%	109	91	20.0%
EBIT margin	15.0%	9.9%	5.1 p.p.	13.4%	11.6%	1.8 p.p.
EBITDA	708	526	34.4%	165	145	13.8%
EBITDA margin	21.6%	16.2%	5.4 p.p.	20.3%	18.5%	1.8 p.p.
Adjusted EBITDA	748	511	46.4%	169	95	77.9%
Adjusted EBITDA margin	22.9%	15.8%	7.1 p.p.	20.7%	12.1%	8.6 p.p.
Net result	346	166	108.0%	88	112	-21.3%
Net margin	10.6%	5.1%	5.5 p.p.	10.8%	14.2%	-3.4 p.p.

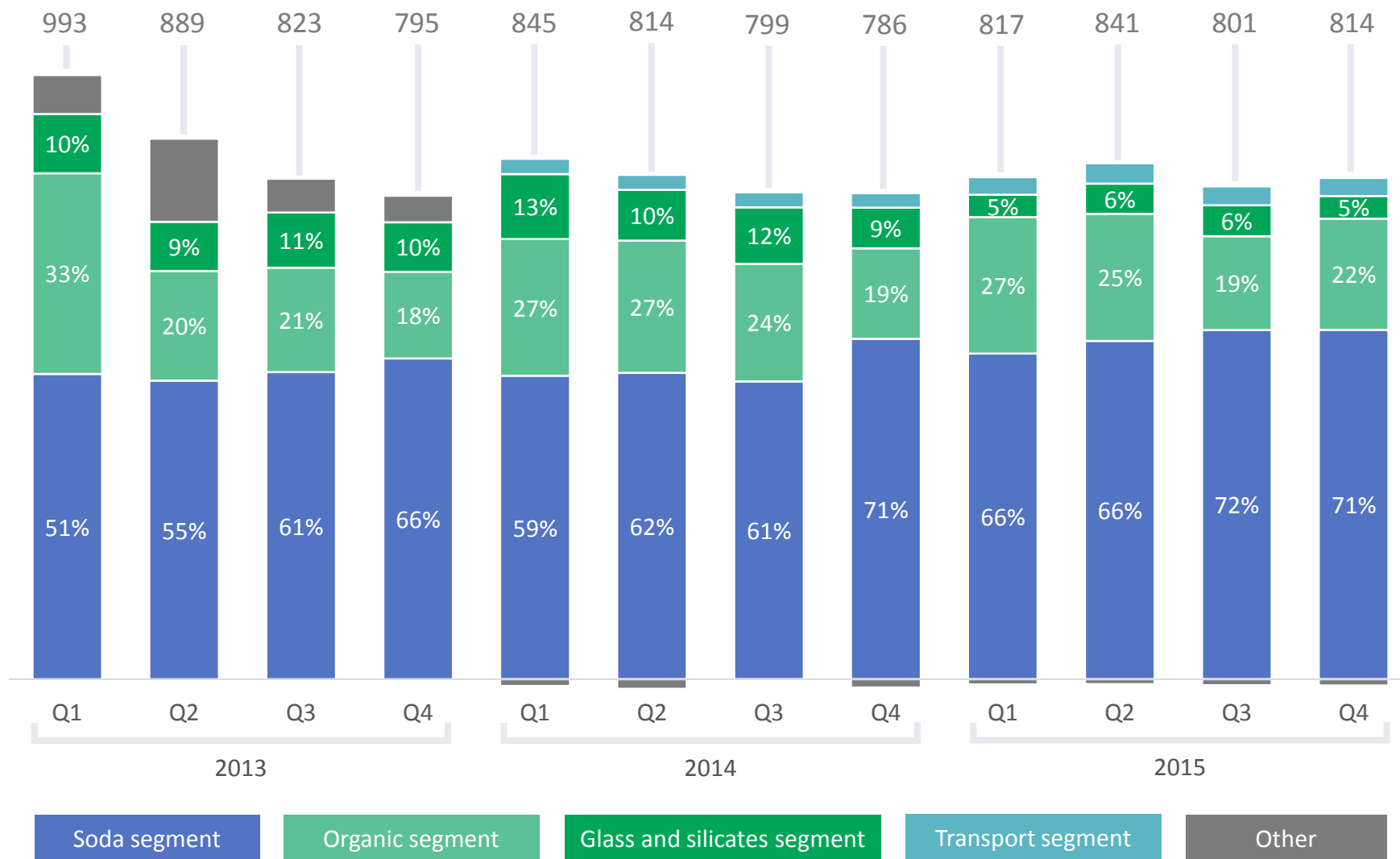
Soda trading (approx. PLN 6.5 million)



Results vs. consensus

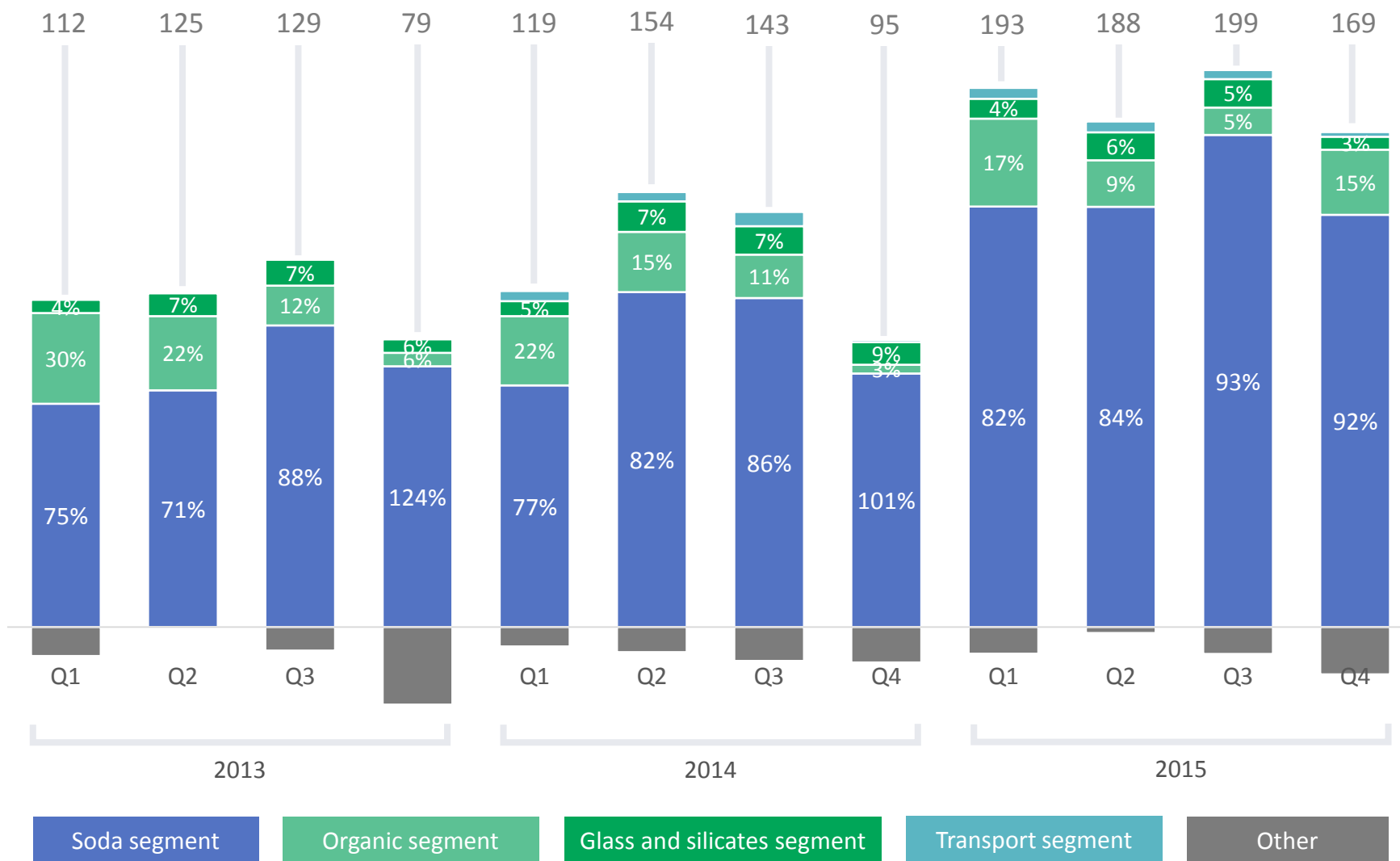
[PLN million]	Q4 2015 results	Q4 2015 consensus	Q4 forecasted range
Revenues	814	801	759.8–856.5
EBIT	109	127	117.0–139.1
EBIT margin	13.4%	15.8%	14.4%–17.6%
EBITDA	165	181	171.1–192.8
EBITDA margin	20.3%	22.5%	21.0%–24.4%
Adjusted EBITDA	169	181	171.1–192.8
Adjusted EBITDA margin	20.7%	22.5%	21.0%–24.4%
Net result	88	14	-12.1–57.1
Net margin	11.0%	1.8%	-1,4%–7,2%

Stable revenue





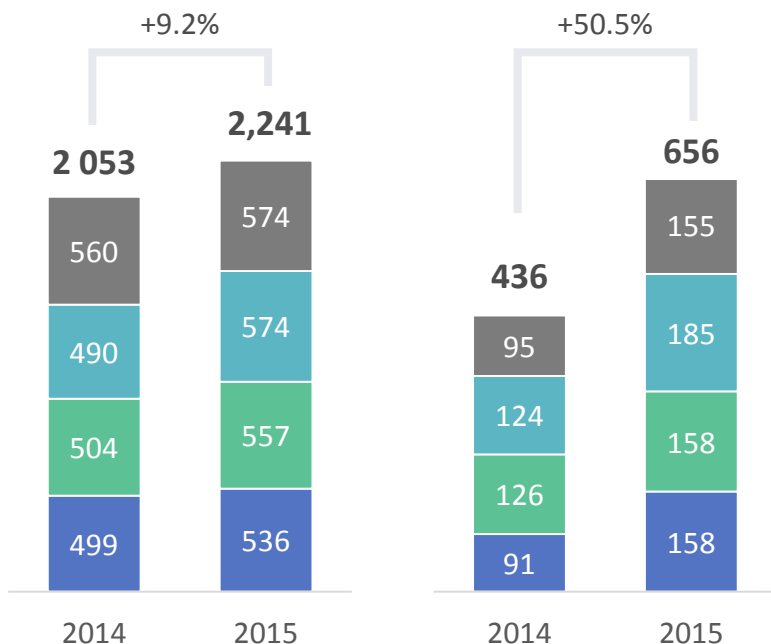
EBITDA (Adj.) increase



Soda segment

Revenue [PLN million]

EBITDA (Adj.) [PLN million]



Share in total revenue (main products)

Dense soda ash	38.7%
Light soda ash	13.3%
Salt	5.2%
Sodium bicarbonate	4.7%

Q1

Q2

Q3

Q4

Positive:

Higher soda prices on European markets, effective sales negotiations

Higher sales volume due to new production capabilities in Poland and Romania

Stronger USD and EUR, price competitiveness of European manufacturers compared to North American import

Lower prices of energy carriers (coal, gas) and fuels (coke, anthracite)

Increased soda production efficiency, lower energy and raw material consumption

Negative:

Lower demand for light soda among cleaning agent manufacturers

High supply and active competitors in the salt market

Lower electricity prices in Germany

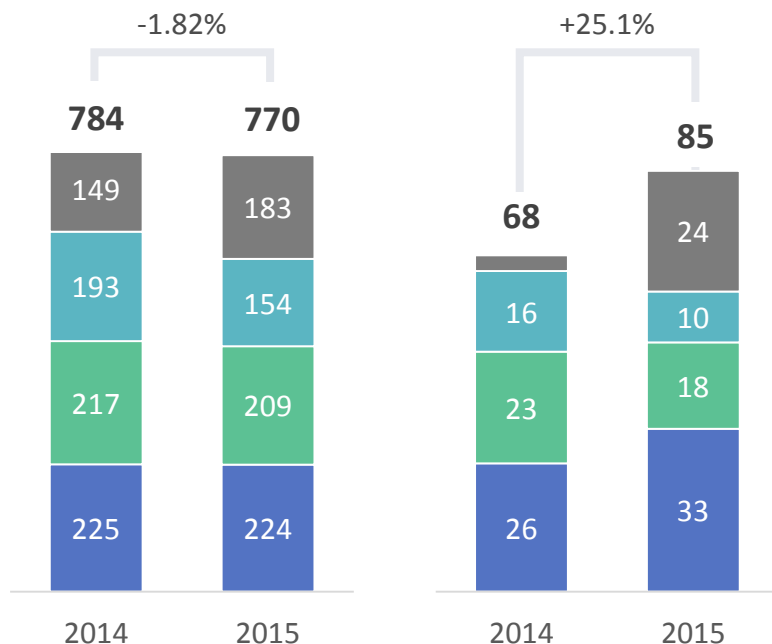
Downturn in the Chinese soda market leading to a decrease in prices and greater activity of Chinese suppliers overseas, in markets where the Group operates

Production capabilities of the salt installation not utilised in full

Organic segment

Revenue [PLN million]

EBITDA (Adj.) [PLN million]



Share in total revenue (main products)

Resins	10.5%
PUR foams	6.7%
Plant protection chemicals	5.9%

Q1

Q2

Q3

Q4

Positive:

Very low oil prices (lower by approx. 30% YoY) resulting in low raw material prices

Epoxy resins — an increase in the sales volume, improved results by selling specialist products (maintaining a favourable ratio between product prices and raw material prices)

Unsaturated polyester resins — expanding sales of profitable products (gel coats and top coats)

PUR foams — optimisation of the client portfolio by focusing on high margin clients

AGRO products — successful preseason sales

Negative:

AGRO products — unfavourable weather conditions, dynamic activities of new distributors, less purchases done by farmers

Epoxy resins and unsaturated polyester resins — a decrease in raw material prices resulting in pressure on prices, continuing oversupply (flow of cheap resins from the Far East)

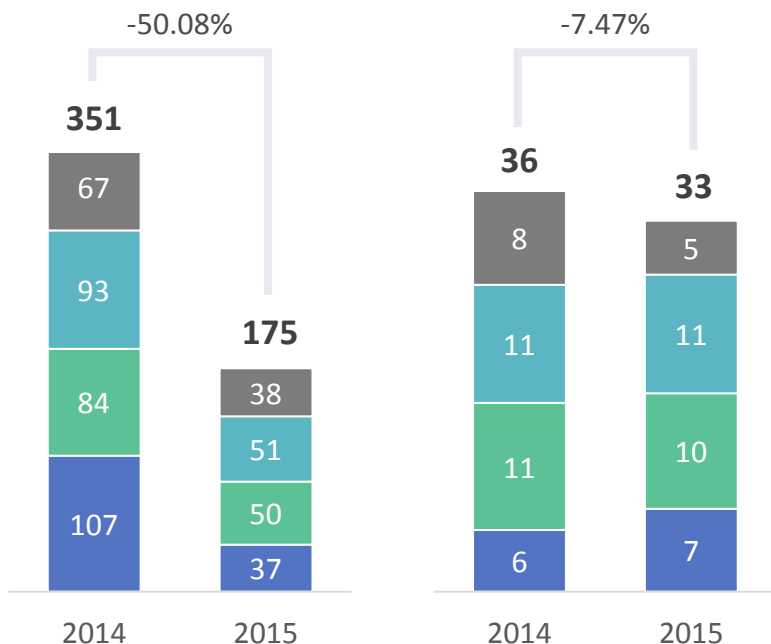
Unsaturated polyester resins — a decrease in the sales volume, intensified price competition due to the low use of capabilities by competitors.



Silicates and glass segment

Revenue [PLN million]

EBITDA (Adj.) [PLN million]



Share in total revenue (main products)

Glass blocks and packaging	2.6%
Sodium silicate cullets	1.6%
Sodium water glass	0.9%

Q1

Q2

Q3

Q4

Positive:

Packaging glass — good sales results

Improved production efficiency (lower gas consumption, lower number of production losses)

Negative:

No trading sales of sulphur (supply contract with Grupa Azoty has ended)

Lower sales of potassium silicates

Higher competition on the domestic glass packaging market

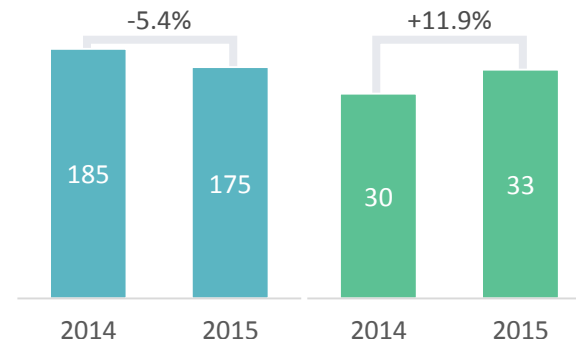
Revenue [PLN million]

EBITDA [PLN million]

After adjusting for soda trading in 2014:

Revenue:
PLN 166 million

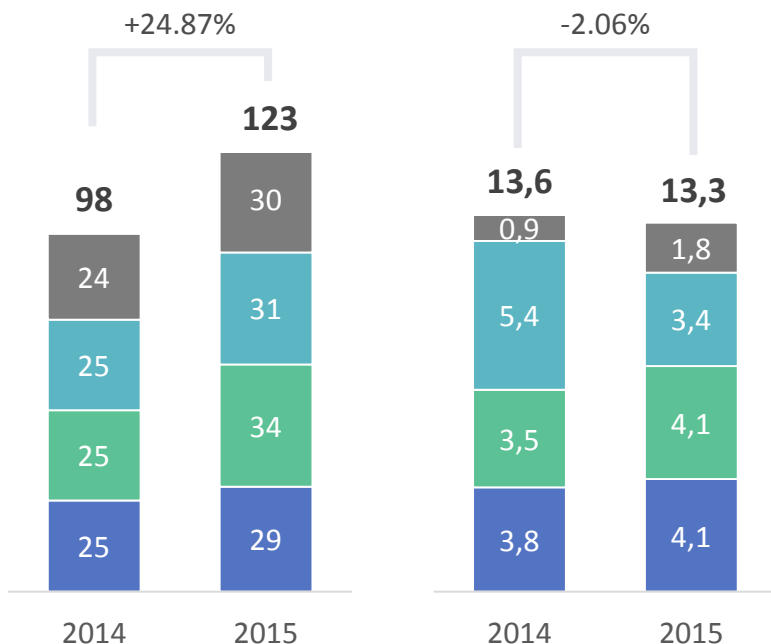
EBITDA:
approx. PLN 6.5 million



Transport segment

Revenue [PLN million]

EBITDA (Adj.) [PLN million]



Q1 Q2 Q3 Q4

Positive:

Increase in transport and logistics services provided for external clients

Fine coal and coke deliveries for CIECH Soda Polska taken over from external contractors

Railway siding management in CIECH Sarzyna taken over from external contractors

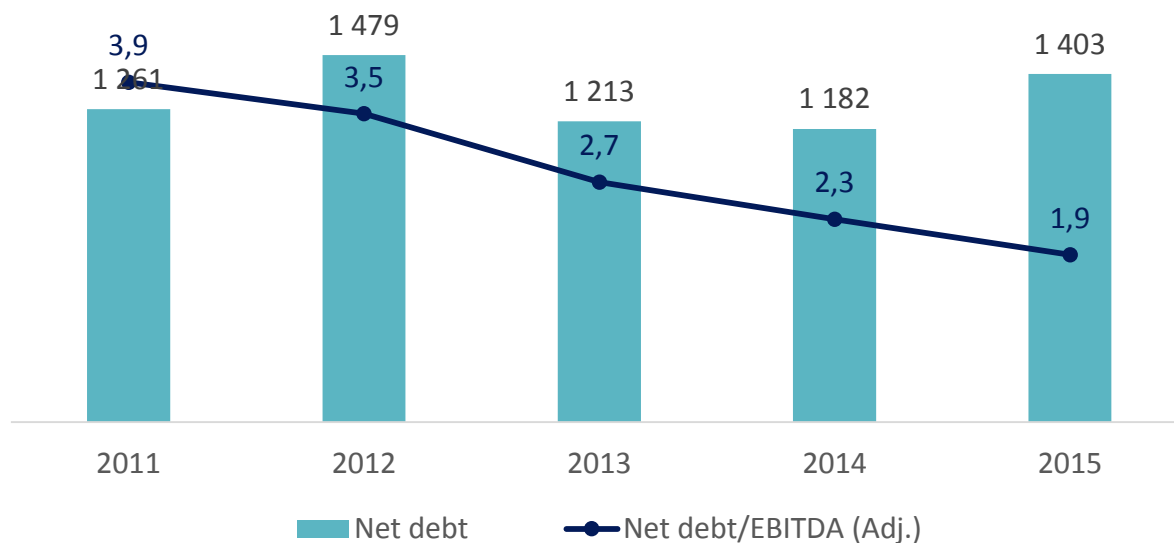
Successful intensification of restructuring activities

Taking over management of carriage for raw material purchases

Negative:

Development of transport activities hindered by maintenance works on Polish State Railway lines

Debt



The Group's debt is consistently decreasing. At the end of 2015, the ratio of net debt to EBITDA (Adj.) was 1.9. The Group's strategy is to lower the ratio to below 1 in 2019.

Debt ratio is lower than in December 2014 and equals 65.7%.

[PLN million]

	2015	2014	YoY
Debt ratio	65.7%	69.3%	-3.6 p.p.
Long-term debt ratio	46.1%	45.9%	0.2 p.p.
Debt to equity ratio	191.5%	225.3%	-33.8 p.p.
Gross financial liabilities (PLN million)	1,605	1,232	30.3%
Net financial liabilities (PLN million)	1,403	1,183	18.6%

Cash flow

[PLN million]	2015	2014
EBITDA	708	526
Working capital	-97	96
Interest paid	-127	-114
Taxes paid	-21	-19
Other	-6	-46
Cash flow from operating activities	457	443
CAPEX	-504	-289
Other	18	5
Cash flow from investment activities	-486	-284
Free cash flow	-29	159
Debt financing	180	-153
Dividends	0	-60
Other	3	0
Cash flow from financial activities	183	-213
Total net flow	154	-54
Closing balance of cash	203	49

An aerial, high-angle photograph of an industrial facility, likely a water treatment plant or refinery. The image shows several large, circular, metallic tanks with radial supports on their tops. A dense network of pipes, valves, and metal walkways crisscrosses the area. In the background, a multi-story building with a series of windows is visible. The overall scene is industrial and complex.

1. Market situation and major events

2. Financial results for 2015

3. Outlook for 2016

Market environment — challenges



Macroeconomic context,
including the economic situation
in China

Prices of energy
sources



Soda market — supply and prices

Further development of the soda segment

Sales of additional soda volumes
from expanded installations

Entry to new markets

Optimisation
of the salt
products
portfolio

Higher quality of products and a focus on highly
processed products

Higher share of dry salt in revenue,
lower exposure to weather conditions



Dynamic development of the organic segment



Developing the plant protection chemicals portfolio, including the ZIEMOVIT product line

Higher efficiency of AGRO sector in CIECH Sarzyna

Expanding abroad
focusing on most promising directions



Developing foams portfolio
Focusing on high margin products

Other investments and projects



Increased innovation
through new R&D projects

Continued construction of a fume
treatment installation to remove
nitrogen and sulphur oxides



Modernisation
and expansion of
the sodium
silicate furnace

Transport services
for external clients



Why CIECH?

Innovative approach
to business

Modernised
plants

Diversification, also within segments

Extending the portfolio based on recent
consumer trends

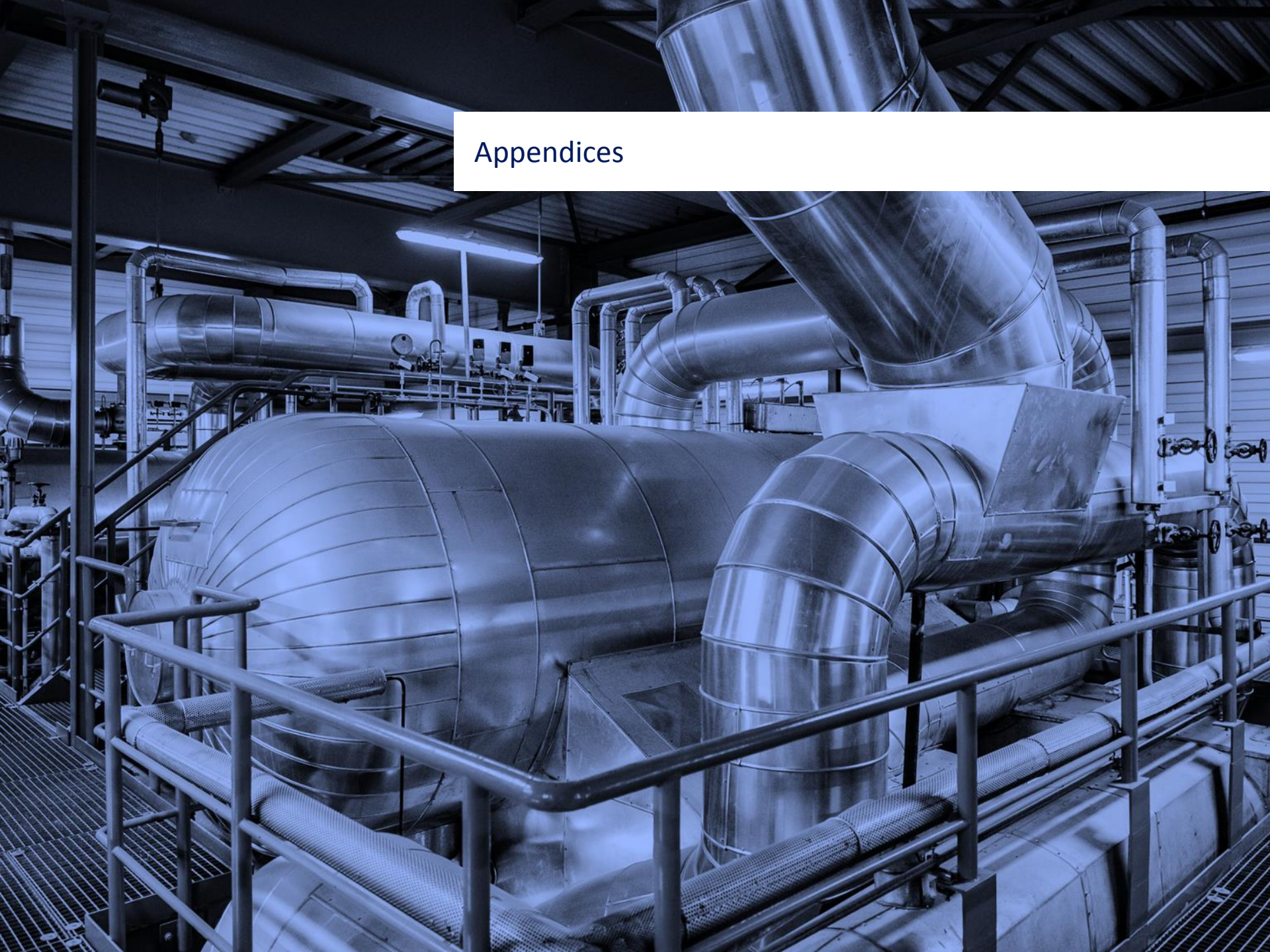
Dynamic development of the organic segment
and increasing its share in the Group's revenue

**Modern and diversified chemical group
on a stable progress path**

Stable increase in profits and margins since 2013 and potential for further
effective growth in all segments

Financial backing from a strong dominant shareholder

Appendices



One-off adjustments

[PLN thousand]	2015	2014
EBITDA	707,538	526,302
One-off events, including:	(40,884)	15,176
Impairment write-offs (a)	(2,119)	17,791
Cash items (b)	(1,143)	625
Non-cash items (excluding impairment write-offs) (c)	(37,622)	(3,239)
Adjusted EBITDA	748,422	511,126

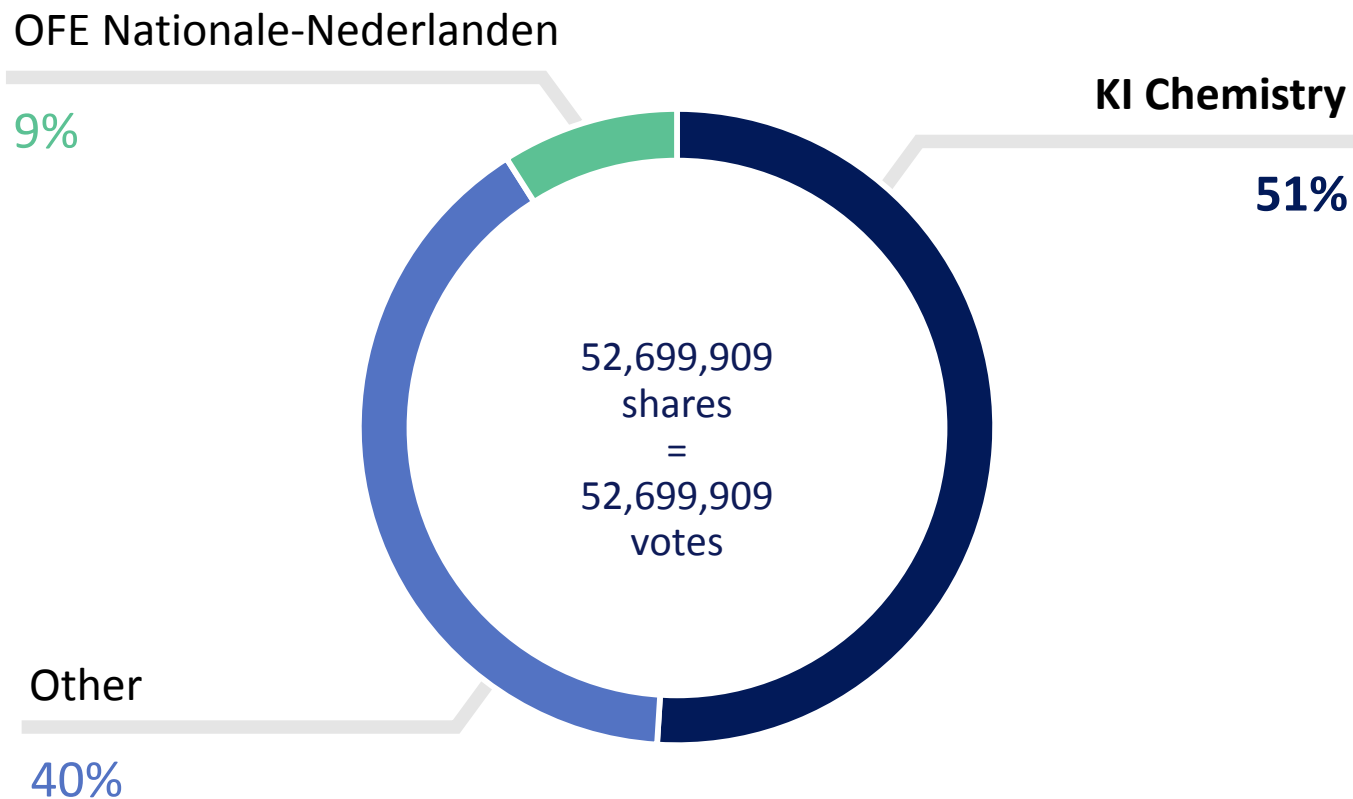
(a) Impairment write-offs refer to creating/reversing write-offs of assets.

(b) Cash items include, but are not limited to, profit/loss from the sale of fixed tangible assets and other items (including costs of abandoned activities, penalties and compensation received or paid).

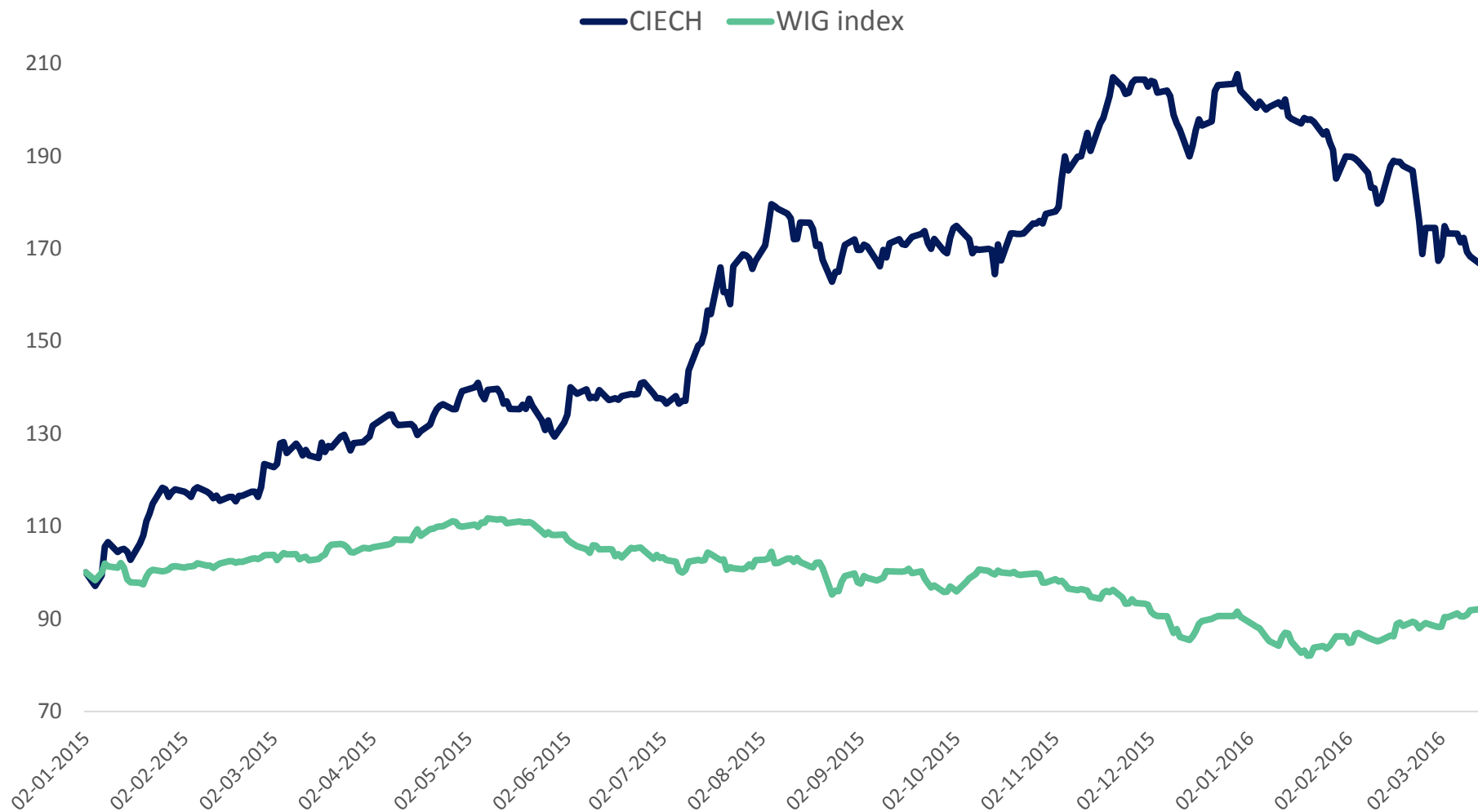
(c) Non-cash items include, but are not limited to, fair value of investment properties, costs of liquidating inventory and fixed tangible assets, costs of suspended investments, environmental provisions, liability and compensation provisions, costs of unused production capabilities and other items (including extraordinary costs and other provisions).

Shareholders

Since 9 July 2014 **KI Chemistry** (company belonging to the Kulczyk Investments group) is a major shareholder of CIECH



CIECH's share price on the market



CIECH group — business segments

Soda segment



CIECH Soda Polska
CIECH Soda Deutschland
CIECH Soda Romania

Transport segment



CIECH Cargo

Organic segment



CIECH Sarzyna
CIECH Pianki

Glass and silicates segment



CIECH Vitrosilicon





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