Summary Document

pursuant to Section 4(2) no. 8 lit. f WpPG

dated 22 August 2016

for admission to trading on the regulated market segment (*Regulierter Markt*)
of the Frankfurt Stock Exchange

of

52,699,909 ordinary bearer shares (entire share capital)
– each such share with a par value of PLN 5 and
carrying full dividend rights as of 1 January 2016 –

– International Securities Identification Number (ISIN): PLCIECH00018 –
– Wertpapierkennnummer (WKN): A0DQSH –
– Common Code: 027505317 –

of

CIECH Spółka Akcyjna

a Polish joint stock company with its registered office in Warsaw (Poland)
– Frankfurt Stock Exchange Symbol: CHX –

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IMPORTANT NOTICE

The following presentation is a summary document ("Summary Document") within the meaning of Section 4(2) no. 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*, "WpPG") for admission to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange ("FSE") of the entire share capital of CIECH Spółka Akcyjna, ul. Wspólna 62, 00-684 Warsaw (Poland) ("CIECH S.A.", "Company" or, together with its consolidated subsidiaries at the time, "CIECH" or "CIECH Group").

This Summary Document is not a securities prospectus within the meaning of Section 3(3) WpPG and has therefore not been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, "BaFin") or any other financial supervisory authority. It should be read in connection with the publications, reports and other information disclosed by the Company to the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*, "PFSA") in connection with its listing on the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*, "WSE") (through the electronic system for WSE-listed issuers, i. e. ESPI, which are also published on the Company's website under http://ciechgroup.com/en/relacje-inwestorskie/reports/) ("Reports").

This Summary Document is being made publicly available for information purposes only. It does not require any action to be taken by shareholders of the Company and no costs are charged to them in this context. This summary document does not constitute an offer or invitation to any person to subscribe for or purchase any securities in the Company. Before deciding to purchase the Company's shares via purchases on a stock exchange, investors should carefully review and consider the information contained in this Summary Document and the Reports. Although the whole text of the Summary Document should be read in conjunction with the Reports, the attention of persons receiving this Summary Document is drawn, in particular, to the discussion of certain risks and other factors that should be considered in connection with an investment in the Company's shares.

This Summary Document contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical or current facts and events and usually contains forward-looking verbs such as "believes," "estimates," "assumes," "anticipates," "expects," "forecasts," "intends," "could, "should" or other wording that can be used to refer to future dates, events, or developments. Forward-looking statements can be found in every place in which this Summary Document contains information about the Company's intentions, plans, beliefs, or current expectations, especially as they pertain to the business of CIECH S.A. and the CIECH Group, its future financial development and earning capacity, plans, liquidity, prospects, growth, strategy and profitability, general and industry-specific market developments and technological advances as well as the general economic and regulatory conditions affecting CIECH S.A. or the CIECH Group. Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. They are subject to risks, uncertainties and other factors that could cause the actual results, including the CIECH Group's cash flows, financial condition and results of operations, to differ materially from, or turn out to be less favorable than, the results expressly or implicitly assumed or described in those statements. CIECH's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or projection to become inaccurate. Accordingly, prospective investors are strongly advised to read the "Summary Risk Factors" section in this Summary Document which includes more detailed descriptions of factors affecting CIECH's business and the markets in which CIECH operates.

In light of these risks, uncertainties and assumptions, it is also possible that the future events mentioned in this Summary Document may not occur. The forward-looking estimates and forecasts reproduced in this Summary Document from third-party studies may also prove inaccurate. Therefore, neither the Company nor its Management Board assumes any liability for the future accuracy of the opinions described in this Summary Document or for the actual occurrence of the projected development.

SUBJECT OF THIS SUMMARY DOCUMENT

Subject of this Summary Document

This Summary Document relates to the total of 52,699,909 ordinary bearer shares (entire share capital of the Company) with a par value of PLN 5 each and carrying full dividend rights as of 1 January 2016 ("CIECH Shares") for purposes of admission to trading on the regulated market segment of the FSE (General Standard sub-segment), which is applied for in addition to the existing admission of CIECH Shares to trading on the regulated market segment of the WSE.

Exemptions from the obligation to publish a prospectus

No securities prospectus will be published for the purpose of admission to trading on the regulated market segment (*Regulierter Markt*) of the FSE. Pursuant to Section 4(2) no. 8 WpPG, the obligation to publish a securities prospectus shall not apply to the admission to trading of securities which are already admitted to trading on another organised market, provided that they meet the following conditions:

a) the securities or securities of the same class have already been admitted to trading for more than 18 months on another organised market,

b) provided that the securities were listed on an exchange for the first time after 30 June 1983 and before 31 December 2003, a prospectus was approved for them pursuant to the provisions of the Exchange Act or pursuant to the law of other Member States of the European Economic Area which has been enacted in accordance with Directive 80/390/EEC of the Council of 17 March 1980 coordinating the requirements for the drawing up, scrutiny and distribution of the prospectus to be published for the admission of securities to official stock exchange listing (OJ EC No. L 100 p. 1), as amended, or in accordance with Directive 2001/34/EC of the European Parliament and of the Council of 28 May 2001 on the admission of securities to official stock exchange listing and on information to be published on those securities (OJ EC No. L 84 p. 1), as amended; if the securities were first admitted to trading on an organised market after 31 December 2003, the admission to trading on that other organised market must have been accompanied by the approval of a prospectus which was published in a manner set forth in Section 14(2) WpPG,

c) the issuer of the securities has met the requirements enacted under the directives of the European Community regarding the admission to trading on the other organised market and the information obligation connected with the said requirements,

d) the applicant for admission to trading prepares a summary document in the German language,

e) the summary document pursuant to lit. d) is published in a manner set forth in Section 14(2) WpPG, and

f) the content of this summary document is equivalent to the key information pursuant to Section 5(2a) WpPG. Furthermore, the document shall state where the most recent prospectus and the financial information published by the issuer pursuant to the applicable disclosure obligations are available.

Upon publication of this Summary Document, the Company meets the requirements for the admission to trading on the regulated market segment (*Regulierter Markt*) of the FSE of the CIECH Shares.

Publication of the Summary Document

An electronic version of this Summary Document will be published on the Company's website at http://www.ciechgroup.com on 22 August 2016. In addition, printed copies will be available free of charge from this date until inclusion of the CIECH Shares into trading on the regulated market segment (*Regulierter Markt*) of the FSE at the Company during regular business hours.

Consent to use of the Summary Document by financial intermediaries

Neither the Company nor other persons responsible for preparing this Summary Document granted consent to the use of the Summary Document for subsequent resale or final placement of securities by financial intermediaries and the Company is not engaging any financial intermediaries for any such resale or placement.

SUMMARY OF RISK FACTORS

The occurrence of one or more of the risks summarized hereunder alone or in combination with other circumstances may have a material adverse effect on the business of CIECH as well as on the cash flows, financial condition and results of operations of CIECH. Additional risks and uncertainties of which the Company may not currently be aware, or which the Company does not currently consider material based on its regular risk assessment, could also adversely affect the business of CIECH and could have material adverse effects on the cash flows, financial condition and results of operations of CIECH. The market price of the shares could fall if any of these risks were to materialize, in which case investors could lose all or part of their investment.

Economic downturns, such as a slowdown in the global and European economy and related credit and financial market problems, could negatively impact CIECH's business.

CIECH's business is largely based on the sales of chemical products used as raw materials and semi-finished products in a wide range of industries, including the glass, food, furniture, manufacturing of detergents, paints and coatings, agriculture, pharmaceutical & cosmetics, healthcare and construction industries. Demand for CIECH's customers' products is affected by general economic conditions and other factors, including conditions in the construction, automobile and packaging industries, labor and energy costs, currency changes, fluctuations in interest rates and other factors beyond CIECH's control. As a result, the volume and profitability of CIECH's sales depend upon these fluctuations, as well as the economic situation in Poland, Europe and worldwide. An economic downturn in the end markets and geographic areas where CIECH sells its products, in particular the glass, construction and automotive industries in Europe, could substantially reduce demand for CIECH's products and result in decreased sales volumes.

The soda and organic industries are cyclical and changes in market demand and prices could negatively affect CIECH's operating margins and cash flows.

CIECH's revenue is primarily attributable to sales of soda and organic products, the prices of which have historically been cyclical and sensitive to relative changes in supply and demand, the availability and price of raw materials and feedstocks, general economic conditions and other factors that are beyond CIECH's control. Across these industries, cycles are generally characterized by periods of increased demand, leading to high operating profits and margins, followed by periods of oversupply resulting primarily from significant production capacity additions, leading in turn to reduced operating profits and lower margins. Accordingly, cyclicality and volatility could affect prices across CIECH's businesses and could negatively impact CIECH's operating margins and cash flows.

CIECH may face increasing competition, which could have a material adverse effect on CIECH's business, results of operations and financial condition.

CIECH may face increased competition from existing and new foreign and domestic producers in the principal markets and industries in which CIECH operates. Competition within the chemicals industry depends on regional market dynamics and varies significantly according to the specific products and applications involved. In addition, competition within the markets for CIECH's products is affected by a variety of factors, including, but not limited to, demand, product prices, reliability of product supply, relevant production capacity, customer service quality, product quality, transportation costs, quality of logistic capabilities and availability to the markets of potential substitute materials. One of CIECH's competitors, Ciner Group, has announced total soda ash production capacities expansion of 3.3 million tonnes/year in Turkey within the next 2-3 years based on mined trona which is subsequently converted into soda ash and sodium bicarbonate. This may result in at least temporary oversupply of the product in the market and decrease in prices which might negatively impact Ciech Group's operations. The impact is expected to vary among geographies (most likely significant impact on the high-margin coastal regions of Western Europe, and on the North African/Middle Eastearn market, while less significant impact on the market in Central and Eastern Europe).

There may also be new market entrants that may increase the level of competition CIECH faces, in particular in the polyurethane foams market, which is typically characterized by lower technical and capital barriers of entry than other products of CIECH's Organic segment. Increased competition from CIECH's competitors or the entrance of new competitors into the markets in which CIECH operates could have a material adverse effect on its business, results of operations and financial condition.

CIECH is dependent on a limited number of suppliers for certain raw materials and CIECH could experience supply disruptions and incur delays or additional costs if these suppliers fail to deliver their products in a timely manner.

CIECH's manufacturing process requires supplies of raw materials to be delivered on a timely basis. For certain raw materials, CIECH has only a limited number of suppliers at its disposal. Soda ash plants need to be located in close proximity of steam (if not sourced internally), limestone and brine suppliers due to the high transportation costs of these raw materials, as compared to their price.

In May 2016, a bankruptcy procedure was initiated with regard to the sole supplier of technological steam to CIECH Soda Romania S.A. ("CSR"), S.C. CET Govora S.A. in Romania ("CET"). On 6 July 2016, the court curator of CET terminated the agreement with CSR for sale of heat energy (supply of technological steam) concluded for a specified period of time, effective on 31 July 2016. On 28 July 2016, the court courator of CET announced that, despite termination of the heat energy sale agreement with CSR, deliveries of technological steam to CSR will continue after 31 July 2016, with a gradual reduction of their scope by 25% per day, until final discontinuation of deliveries. As a result of limitation of deliveries of technological steam to CSR by CET, on 3 August 2016 CSR has suspended its production of soda. As CSR questions the validity of the submitted notice of termination and following legal action before the relevant court, aimed at invalidation of the effectiveness of termination of the agreement, the Ramnicu Valcea Tribunal Court, Romania, announced on 18 August 2016 its decision to suspend the legal consequences of the termination by the court-appointed administrator of CET of the agreement for the supply of process steam to CSR. The decision is binding until the court of the first instance has examined and issued its decision with regard to the action against CET, submitted by CSR, challenging the validity of the termination; as a result of such decision, CET resumed the supply of steam and CSR began to restore its soda production process on 19 August 2016. Notwithstanding the undertaken legal steps, CSR is conducting negotiations with the court curator of CET regarding the determination of new conditions of steam delivery to CSR after 31 July 2016 in the event that the court determines that the termination is effective. In the fiscal year 2015, production generated by CSR represented 12.5% of CIECH's revenue and 13.5% of CIECH's EBIT.

CIECH also obtains limestone and brine for its production facilities in Govora, Romania, from a single supplier, while for other raw materials (e.g., coke, TDI, polyols, ammoniac water, silica sand) CIECH has a limited number of local and foreign suppliers. Any disruption or delay in the supply of raw materials from a particular supplier, or loss of a supplier where CIECH is unable to find a suitable alternative, could force CIECH to limit its production.

The CIECH Group is exposed to risks related to long-term contracts.

Certain raw materials, such as limestone, brine or energy, are purchased under long-term contracts, some of which extend to a period of 25 years. Although the key terms of the supply contracts, such as price and quality, are generally flexible and can be modified under certain circumstances to better reflect current business conditions, there is no guarantee that this flexibility will be sufficient to adapt the contracts to current business conditions in a way acceptable for the Group, which could have negative impact on the CIECH Group's operating activity and financial situation.

CIECH's business could be negatively affected by variances in raw material prices from third-party suppliers and fuel and energy costs.

The prices of many of the raw materials that CIECH purchases from third-party suppliers as well as fuel and energy costs tend to be cyclical and variable, and represent a substantial portion of its operating expenses. The availability and price of these raw materials as well as fuel and energy costs are influenced by various factors that CIECH cannot control. Operational interruptions resulting from supply shortages of key materials, such as TDI, polyols, epichlorohydrine, bisphenol A, styrene can significantly affect CIECH's profitability. If any of CIECH's suppliers is subject to a major production disruption or is unable to meet its obligations under CIECH's existing supply agreements, CIECH may be forced to pay higher prices to obtain the necessary raw materials and CIECH may not be able to increase the prices of its finished products without some or any compensation from its suppliers.

Weather conditions can affect CIECH's sales revenue.

Unfavorable weather conditions can reduce sales of CIECH's crop protection chemicals in CIECH's Organic segment. CIECH's sales of crop protection chemicals and agrochemical products are affected by weather patterns because crop harvests, and decisions about whether to plant crops, vary according to whether the growing season is excessively wet or dry. Undesirable weather conditions lead to smaller harvests and, accordingly, less demand for CIECH's products. The situation in the Soda segment is similar, as the sales of calcium chloride and mixes of chlorine and salt that are used mostly in winter for roads maintenance depend on weather conditions. During mild winters, the demand for de-icing products decreases and revenues from calcium chloride and related products sales may be lower than expected.

CIECH's production facilities are subject to significant operating hazards and shutdowns, due to a variety of force majeure events and the volatile and hazardous nature of CIECH's chemical products, which could have a material adverse effect on its business.

CIECH's manufacturing operations may be disrupted by a variety of risks and hazards that are beyond CIECH's control. Any damage to CIECH's facilities, including its IT systems, causing short-term disruptions or prolonged delays in the operations of the facilities and distribution and logistics services for repairs or other reasons could have a material adverse effect on CIECH's business, results of operations and financial condition.

CIECH uses, manages, processes, manufactures, stores, transports and disposes of substantial quantities of chemicals, hazardous raw materials and liquid and solid wastes at its chemical facilities. Some of these materials are highly volatile and could be harmful if handled or disposed of improperly. Accidents involving these substances, which are often subject to high pressures and temperatures during the production process, storage and transport, could cause severe damage or injury to property, the environment and human health, as well as possible disruptions, restrictions or delays in production. Any injuries or damage to persons, equipment or property or other disruption in the production or distribution of CIECH's products could result in a significant decrease in operating revenue and significant increase in costs to replace or repair and insure CIECH's assets.

CIECH's business is highly regulated and may incur significant costs to maintain compliance with, or address liabilities under, environmental, health and safety laws and regulations applicable to its business, and CIECH could be held liable in connection with pollution.

CIECH's business is highly regulated in all of the jurisdictions in which CIECH operates. Various environmental health and safety ("EHS") laws and regulations govern CIECH's facilities and its operations. Among other EHS laws and regulations, CIECH's business has been affected by the new legal requirements under the directive establishing the EU Greenhouse Gas Emissions Trading System (the "EU ETS"), an EU-wide system for the trading of allowances allocated by Member States to cover industrial greenhouse gas emissions, and the directive on industrial emissions (the "IED"). Further, many of CIECH's operations require permits and controls, including those to monitor or prevent pollution or related to the production and transfer of energy, and these permits could be subject to modification, renewal and revocation by the issuing authorities. Actual or alleged violations of EHS laws or permit requirements could result in restrictions or prohibitions on plant operations, substantial civil or criminal sanctions, as well as, under some environmental laws, strict liability and/or joint and several liability. Certain environmental laws, regulations and court decisions impose liability for contamination on present and former owners, operators or users of facilities and sites, whether on or from such facilities and sites without regard to causation, negligence or knowledge of contamination. At any time, CIECH could be responsible for investigating and remediating contamination that originated at its facilities or was caused by operations at its facilities, which could result in substantial unanticipated costs. CIECH may also become obligated to pay fines if its emissions and/or other activities are in excess of regulatory limits and CIECH has paid such fines in the past.

Provisions for environmental liabilities may be insufficient.

CIECH regularly reviews all of its environmental risks and the provisions made for such risks. A provision is recorded when CIECH has a present obligation as a result of a past event, the amount of the obligation can be reliably estimated, and it is probable that an outflow of resources of economic value will be required to settle the obligation. Provisions are determined based on, among other factors, known events, the type and scope of pollution, site rehabilitation techniques, applicable laws and regulations, and estimated risks, at each balance sheet date and adjusted as needed at subsequent balance sheet dates. Since such determinations are based on a range of factors, many of which may change and are subject to unforeseeable or unpredictable circumstances, CIECH cannot assure that such provisions will be sufficient.

Compliance with increasing regulatory requirements concerning the testing, labeling, registration and safety analysis of CIECH's products may result in significant additional costs for CIECH or may reduce or eliminate the availability and/or marketability of some of the raw materials CIECH uses or its products.

CIECH must comply with a broad range of regulations related to the testing, manufacture, labeling and safety analysis of its products or the products of its suppliers. In some countries, including the EU Member States, these types of regulatory controls and restrictions have become increasingly demanding and CIECH expects this trend to continue. In particular, CIECH's products and raw materials are subject to extensive environmental and industrial hygiene regulations governing the registration and safety analysis of the substances contained in them. The EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006), ("REACH"), imposes significant obligations on the chemicals industry as a whole with respect to the testing, evaluation, assessment and registration of basic chemicals and chemical intermediates. The implementation of REACH requirements is expensive and time-consuming and results in increased production costs and reduced operating margins on chemical products. CIECH estimates that the total expenditures on achieving compliance with REACH will amount to approximately PLN 7.2 million in the years 2015-2019. In other jurisdictions in which CIECH produces or to which CIECH exports substances, such as the United States and Japan, there have been proposals to enhance the requirements to register and analyze the safety of substances and chemicals, such as under the Toxic Substances Control Act of 1976 (the "TSCA"), in the United States. If finalized, these proposals could result in an obligation to demonstrate that the health or environmental risks of CIECH's substances are adequately controlled. Any such laws or regulations that may be adopted in the future could negatively affect the availability and/or marketability of the raw materials CIECH uses and/or CIECH's products, result in a restriction or ban on their purchase or sale, or require CIECH to incur increased costs to comply with notification, labeling or handling requirements. In addition, as some of CIECH's products are sold in markets where the correct classification is of the essence for the legal regime applicable to those substances, CIECH cannot exclude that the competent authorities or third parties could question or contest CIECH's classification.

If CIECH's patents and other intellectual property rights do not adequately protect CIECH's products, CIECH may lose market share to its competitors and may not be able to operate its business profitably.

In order to protect the intellectual property rights regarding its products and the ways in which they are created, developed, manufactured and sold, the CIECH Group holds and uses a number of patents, know-how developed by the CIECH Group, trade secrets, copyrights and trademarks as well as other internal information and employs various methods to protect this proprietary information, including confidentiality agreements/clauses. Such agreements or clauses may, however, be violated by the other party. Governmental agencies or other national or state regulatory bodies may require the disclosure of such information in order for CIECH to have the right to market a product. An agency or regulator may also disclose such information on its own initiative if it should decide that such information is not confidential business or trade secret information. Trade secrets, know-how and other unpatented proprietary technology may also otherwise become known to or be independently developed by CIECH's competitors. Furthermore, CIECH's proprietary rights in intellectual property may be challenged. CIECH has in the past and may in the future become a party to lawsuits involving patents or other intellectual property. Any proceedings before a national patent and/or trademark governmental authority or in a national or state court could result in adverse decisions as to the priority of CIECH's inventions and the narrowing or invalidation of claims in issued or pending patents.

CIECH's products may infringe the intellectual property rights of others, which may cause CIECH to incur unexpected costs or prevent CIECH from selling its products.

Many of CIECH's competitors have a substantial amount of intellectual property that CIECH must continually monitor to avoid infringement. If patents belonging to others already exist that cover CIECH's products, processes, or technologies, or are subsequently issued, it is possible that CIECH could be liable for infringement of such patents and CIECH could be required to take remedial or curative actions to continue CIECH's manufacturing and sales activities with respect to products that are found to be infringing.

Risk related to CIECH's corporate income tax exemption in connection with its operations in a SEZ and the failure to satisfy conditions under which CIECH received or were awarded subsidies.

Three of CIECH's Polish production plants, Nowa Sarzyna, Inowrocław and Janikowo, are located in a Special Economic Zone ("SEZ"). Any income generated from business activity conducted within a SEZ and within the scope of an obtained permit, after meeting certain conditions, will be exempted from corporate income tax. CIECH Group holds four permits for the conduct of business activity within the Nowa Sarzyna SEZ, the Inowrocław SEZ and Janikowo SEZ and is entitled to the corporate income tax exemptions up to the amount of PLN 257 million until end of 2026 (up to date no such aid has been used). No assurance may be given that the permits on the basis of which CIECH conducts its operations within the Nowa Sarzyna SEZ or the Inowrocław SEZ will not be revoked. Should any of CIECH's permits be revoked, CIECH would be required to repay the public aid received in the form of the corporate income tax exemption, and will not be able to use the remaining amount under the exemption. Moreover, since 2009 CIECH was awarded various subsidies in the aggregate of PLN 123.2 million (excluding SEZ, and two other companies which are curently not part of CIECH Group – Infrastructure Kapuściska S.A. (formerly Zachem) and Zakłady Chemiczne Alwernia S.A.) in connection with various investments in CIECH's production plants, primarily related to ensuring compliance with environmental regulations. If CIECH fails to meet the conditions under which CIECH received the subsidies or if CIECH is unable to complete the subsidized project on a timely basis, CIECH may be required to return the subsidies, in full or in part. The introduction of changes to CIECH's corporate income tax exemptions that CIECH enjoys in the SEZs or CIECH's failure to satisfy the conditions regarding the investment subsidies could have a material adverse effect on CIECH's business, results of operations or financial condition.

CIECH is subject to litigation proceedings, including antitrust proceedings that could harm its business if an unfavorable ruling were to be issued.

CIECH has been involved in various lawsuits, claims, proceedings and investigations that are currently pending or have been concluded in the last three years. In accordance with the accounting guidance related to contingencies, CIECH records provisions for such contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. There can be no assurance that there will not be an increase in the scope of the pending matters or that any future lawsuits, claims, proceedings, or investigations will not be material.

CIECH's business, reputation and products may be affected by product liability claims, complaints or adverse publicity in relation to its products.

CIECH's products involve an inherent risk of injury that may result from tampering by unauthorized third parties or from product contamination or degeneration, including through the presence of foreign contaminants, chemicals, substances or other agents or residues during the various stages of the procurement, production, transportation and storage process. CIECH cannot guarantee that its products will not cause any health-related illness or injury in the future or that CIECH will not be subject to claims or lawsuits relating to such matters.

CIECH may not hold valid legal title to some of its properties.

Certain of the Company's subsidiaries, including CIECH Soda Polska S.A., use certain real properties which could have an unclear legal status. In the absence of documents or acknowledgements supporting the title or chain of title in relation to certain real property CIECH owns, CIECH cannot provide assurances with respect to the ownership and legal status, potential title defects or restrictions to dispose that may affect CIECH's rights to the real property.

In the context of the bankruptcy of CIECH's subsidiary, Infrastruktura Kapuściska S.A., CIECH may not be fully protected against Infrastruktura Kapuściska S.A.'s liabilities.

In 2014, the District Court in Bydgoszcz declared the bankruptcy of Infrastruktura Kapuściska S.A. In terms of bankruptcy proceedings, the Company, as a parent company, will not be liable for Infrastruktura Kapuściska S.A.'s liabilities, however, the Company might be obligated to fulfil specific obligations for which the Company provided guarantees to Infrastruktura Kapuściska S.A. Potentially, such obligation may exist with respect to the guarantee provided by the Company in relation to the Sale and Transfer of TDI Assets Agreement to BASF up to a total value of EUR 10 million. This guarantee is valid for a period of two to four years from the transaction settlement date (i.e., from 12 March 2013). Moreover, Polish law enables creditors (including trade creditors) to use legal means directed against third parties (including the parent company), if the third party's actions toward the debtor caused the bankruptcy (actio pauliana). Such actions may be recognized as ineffective in relation to the particular creditor, who may claim satisfaction from the third party's assets in relation to the benefit obtained by that third party from the debtor. In case the court or another relevant authority recognizes a claim as justified, it could have significant impact on CIECH's business, results of operations or financial condition.

CIECH's operations may be subject to work stoppages or other labor disputes.

Due to the high level of unionization of CIECH's employees as well as the large number of labor unions representing their interests, CIECH may be engaged in collective disputes. In 2014, CIECH Sarzyna S.A. and CIECH Soda Polska S.A. experienced labour disputes, both of which ended with a signed agreement between the parties. In 2015, CIECH Sarzyna S.A. and CIECH S.A. signed agreements with the unions on salary policy and wage increases rules based on job description and evaluation. Currently CIECH is not a party to any labour disputes, however CIECH may be engaged in the future in prolonged negotiations with the labor unions or even experience strikes, stoppages or other industrial actions. The strong position of labor unions incurs the risk that payroll costs may increase in the future as a result of renegotiating the collective bargaining agreements or employee understandings currently in place. Furthermore, in the case of layoffs or similar restructuring actions, the companies may be required to make high severance payments to employees.

If CIECH fails to maintain an effective system of internal controls, CIECH may not be able to monitor or manage its business effectively.

Effective internal controls are necessary for CIECH to provide reliable financial reports and to effectively monitor the operations and activities of the Company's subsidiaries. If CIECH has material weaknesses in its control framework, CIECH may not be able to monitor or manage its business effectively, and its business and reputation may be harmed. CIECH cannot be certain that material weaknesses do not exist and that all internal control deficiencies are detected.

CIECH's information technology systems may malfunction or be compromised.

In the course of CIECH's business, CIECH relies on many different IT systems which are subject to system failures and malfunctions. Information technology systems failures, including risks associated with upgrading CIECH's systems, network disruptions and breaches of data security could disrupt its operations by impeding CIECH's operational efficiencies, delaying processing of transactions and inhibiting CIECH's ability to protect customer or internal information.

CIECH's tax burden could increase as a result of on-going and future tax audits and potential changes in applicable tax regulations, and frequent changes in Polish tax regulations could have an adverse effect on CIECH's results of operations and financial condition.

CIECH may be subject to audits by tax authorities in the future in connection with which the tax authorities may disagree with CIECH's tax treatment of certain material items, including past or future acquisitions and/or disposals, and thereby require CIECH to recalculate and potentially increase CIECH's tax liability. In addition, changes in existing laws may also increase CIECH's effective tax rate. Furthermore, the Polish tax regulations are complex and unclear, and they are subject to frequent changes. The tax law practice of the tax authorities is not homogenous and there are significant discrepancies between the judicial decisions issued by administrative courts in tax law matters. CIECH cannot give assurance that the tax authorities will not employ a different interpretation of the tax laws than the one applied by CIECH, which may prove unfavorable to CIECH. Moreover, in relation to the cross-border character of CIECH's business, the double tax treaties, to which Poland is a party also have an effect on CIECH's business. A different interpretation of double tax treaties by the tax authorities as well as changes to these treaties may have a material adverse effect on CIECH's business, results of operations or financial condition.

The related-party transactions carried out by CIECH could be subject to inspection by the tax or fiscal authorities.

CIECH enters into related-party transactions. Due to the specific nature of related-party transactions, the complexity and ambiguity of the legal regulations governing the methods of examining the prices applied, as well as the difficulties in identifying comparable transactions for reference purposes, no assurance can be given that CIECH will not be subject to inspections or other investigative activities undertaken by tax or fiscal control authorities.

Fluctuations in foreign exchange rates could have an adverse effect on CIECH's results of operations, financial condition and cash flows.

CIECH's consolidated historical financial information is presented in zlotys. The global nature of CIECH's operations exposes CIECH to exchange rate volatility as a result of potential mismatches between the currencies in which sales, purchases and costs are denominated, as a result of transactions undertaken by CIECH (which may be denominated in a currency other than their functional currency), and as a result of the translational effect on CIECH's reported earnings, cash flows and financial condition. As a result of the currency composition of CIECH's purchases of raw materials, product sales, loans and borrowings raised and cash in foreign currencies, CIECH has been and expects to continue to be exposed to foreign exchange rate fluctuations, which could materially affect CIECH's results of operations, assets and liabilities, and cash flows as reported in zlotys.

CIECH's insurance policies may not cover, or fully cover, CIECH against natural disasters, certain business interruption, global conflicts or the inherent hazards of its operations and products.

CIECH has insurance policies relating to certain operating risks. However CIECH cannot guarantee that its insurance covers all the potential risks associated with its business or for which CIECH may otherwise be liable, as it is not possible for companies within the industry to obtain meaningful coverage at reasonable rates for certain types of hazards. For example, CIECH's insurance policies may not cover, or fully cover, CIECH against natural disasters, certain business interruption, global conflicts, environmental risks or the inherent hazards of its operations and products.

CIECH's business may be affected current volatile macroeconomic environment globally and in Poland.

The global economy, the sovereign debt crisis in Europe, the condition of chemical industry and adverse macroeconomic developments in CIECH's primary markets may all significantly influence its performance. CIECH's earning capacity and stability can be affected by the overall economic situation and by the dynamics of the chemical industry.

CIECH generates a significant percentage of its revenue in Poland and, therefore, its results depend in particular on Polish economic conditions which, in turn, are affected by European and global economic trends. Since the October 2015 parliamentary elections in Poland, the new government has initiated a number new legislative measures affecting key institutions in Poland, and introducing new taxes (such as tax on financial institutions and a retailer turnover tax). In connection with these measures, Standard & Poor's downgraded the Polish long-term foreign currency sovereign credit rating from "A-" to "BBB+." and the Polish long-term and short-term local currency sovereign credit ratings from "A/A-1" to "A-/A-2". Also, on 14 May 2016, Moody's Investor Service has changed the outlook on the Government of Poland's A2/P-1 issuer and government bond ratings to negative from stable mostly due to fiscal risks related to a substantial increase in current expenditures and impairments to the investment climate. The above mentioned developments may adversely affect CIECH's business, results of operations or financial condition.

Obligations of the CIECH Group in the scope of debt service may have a significant, unfavourable effect on business, operating results, financial situation or ability to repurchase debt securities.

The CIECH Group has significant debt service obligations. As at 31 December 2015, gross debt amounted to approximately PLN 1,564 million, including finance lease agreements, reverse factoring liabilities and net negative valuation of derivatives and the obligations in the scope of this debt service will exist in the foreseeable future. Debt service obligations restrict the Company in its financial planning and its flexibility to react to situational conditions.

Moreover, part of the Group debts bear interest rates based on the variable rate: WIBOR and EURIBOR. Fluctuations of WIBOR and EURIBOR or occurrence of market disturbances can increase the total interest expense and may have a considerable, negative effect on the possibility to settle the Group's debt. The CIECH Group concludes hedging transactions (IRS and CIRS transactions) in order to limit this risk's impact. With regard to the term loan of the Group, the loan margin depends on the Group's debt ratio. An unfavourable change of the ratio may provoke an increase of the loan margin and of the interest rate expense.

The CIECH Group requires considerable amounts of cash for debt service and to maintain its operating activities. The ability to generate sufficient quantity of cash depends on many factors that are beyond the Group's control.

The ability of the CIECH Group to make scheduled payments to repay the Group's debt as well as to finance working capital and capital expenditures depends on the future operating activities and the ability to generate sufficient amounts of cash.

If the CIECH Group's future cash flows from operating activities and other capital resources prove insufficient to repay liabilities timely or to satisfy liquidity related requirements, the Group may be forced to: limit or postpone business operations and capital expenditures, sell the assets, obtain additional debt or equity financing, or reorganize or refinance all or part of the debt on or before maturity.

Each failure of the CIECH Group to fulfil the obligation to make timely payments related to debt financing would probably negatively affect the ability to contract new debts or the conditions of debt available to the Company. Furthermore, the conditions of the debt, including the term loan, the domestic bonds and the revolving credit facility as well as any future debts, may limit the Group's ability to use any of the aforementioned possibilities.

Despite the current debt level, CIECH S.A. and its subsidiaries may still be able to contract significant amounts of additional debt. This could additionally increase the risk related to the use of the financial leverage to a significant extent.

CIECH S.A. as well as its subsidiaries have, and may have in the future, the possibility to contract significant amounts of additional debt. Conditions of the term loan and revolving credit facility agreement, the domestic bonds agreement as well as agreements regulating other existing debts do not prohibit this completely, nor will they prohibit this in the future. The revolving credit facility agreement stipulates access to the revolving credit, which allows to contract debt periodically. Furthermore, the conditions of the term loan and revolving credit facility agreement and the domestic bonds issue do not prohibit the CIECH Group companies to contract other, non-debt liabilities. Any possible increase in the present level of indebtedness by the amount of a new debt would cause further increase of risk related to the indebtedness, which currently relates both to CIECH S.A. and its subsidiaries.

The CIECH Group is subject to restrictive financing agreement conditions, which can limit its ability to finance future operations and own cash requirements, to implement business opportunities and activities.

The term loan and revolving credit facility agreement limits, among others, the ability of the CIECH Group companies to enter into certain transactions affecting assets of the CIECH Group. This could limit the CIECH Group companies' ability to finance future operations and cash needs to implement possible business opportunities and activities that may be in the interest of individual companies.

The term loan and revolving credit facility terms impose also the maintenance of a predefined net financial leverage ratio. Breaching such covenants of financial contracts and the impossibility to remedy any effects of this breach or failure to obtain a waiver for the obligation to remedy the breach from creditors, would mean the Group's failure to meet the obligations resulting from such contract, which could cause non-performance of other financing contracts and cause the creditors to terminate financing granted on the basis of such contracts and declare all amounts owed to them due and payable.

The CIECH Group's ability to continue its operations depends on future operating results and the ability to generate cash.

If the CIECH Group's future cash flows from operating activities and other capital resources prove insufficient for timely repayment of liabilities or satisfaction of the needs related to liquidity, the Group may have to: limit or postpone business activities and capital expenditures; sell assets; contract additional debt or equity financing; reorganize or refinance all or part of the debt, on or before maturity; or resign from opportunities such as e.g. acquisition of other companies. There is no guarantee that present expectations of cash flows from operating activities, which will depend on many future factors and conditions, many of which are beyond the Group's control, will be accurate. Such forecasts of cash flows are only estimates of future events, while the actual events will probably differ from the present estimates (the difference may be significant). There is no guarantee that any additional sources of financing will be available to the CIECH Group on reasonable commercial terms, if at all.

The acquisition of shares in CIECH by its current majority shareholder is subject to an investigation by the Polish authorities.

CIECH became aware of an investigation in connection with the transaction relating to the acquisition of the majority stake in CIECH by its current majority shareholder, KI Chemistry S. a r. l. which was finalized in 2014. As part of this investigation, representatives of the Polish Central Anti-Corruption Bureau ("CBA") on 6 April 2016 requested CIECH to provide details of this transaction and CIECH has provided the CBA with all the documents and information required by the CBA in this respect. Neither CIECH nor, to its knowledge, its senior management members, its employees or its majority shareholder is a party to or accused in the context of the investigation, and CIECH is not in a position to describe the current status of such investigation or to predict what the outcome will be. In CIECH's view, the acquisition of the majority stake in the company was fully transparent as it was conducted by way of a public tender offer bid announced by KI Chemistry S. a r. l. in accordance with Polish securities laws, in response to which the Polish State Treasury tendered its majority stake in CIECH. Any investigation relating to the acquisition of shares in CIECH by its current majority shareholder is unrelated to the current business operations of CIECH; however, CIECH cannot exclude that the investigation or the results thereof may lead to reputational damage or other indirect effects such as an inability to raise capital.

The rights of shareholders of CIECH S.A. as a Polish corporation could differ from the rights of shareholders of a stock corporation established under the laws of other countries.

The Company is incorporated under Polish law. The rights and responsibilities of the Company's shareholders are, therefore, governed by the Company's articles of association and Polish law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical companies incorporated in Germany. In addition, to the extent that pre-emptive rights are granted, the Company's shareholders in some jurisdictions may have difficulties or may be unable to exercise their pre-emptive rights. If the Company's share capital is increased in the future, the Company's shareholders who will not be able to exercise potential pre-emptive rights (in accordance with the laws of the country where they have their registered office) should take into account that their interest in the Company's share capital may be diluted upon the issuance of the CIECH Shares.

There might be ambiguity as to laws applicable to shareholders of the Company and their rights and obligations.

The Company's shareholders may be subject to the laws and regulations of both Germany and Poland, which may not be coherent. As such, there may be uncertainty or ambiguity when exercising rights or fulfilling obligations related to the CIECH Shares in accordance with the laws of the different jurisdictions. If a shareholder fails to fulfill its obligations or violates any laws or regulations when exercising rights related to the CIECH Shares, it may be fined or sentenced for such non-compliance and/or unable to exercise its rights in respect of the CIECH Shares and/or subject to legal claims.

Shareholders in the Company may not expect the same level of regulatory protection as with regard to shares of other companies listed in the Prime Standard sub-segment of FSE.

Application has been made for the CIECH Shares to be admitted to the regulated market segment of the FSE (General Standard sub-segment). If admitted to the General Standard sub-segment, the Company has not been required to satisfy the eligibility criteria for admission to the Prime Standard sub-segment of the FSE which requires additional post-admission obligations. Admission to the General Standard sub-segment will afford prospective investors a lower level of regulatory protection than that afforded to investors in a company that is admitted to the Prime Standard sub-segment.

It is uncertain if and to what extent the Company will pay dividends in the future.

The Company's ability to pay dividends will depend, among other things, on the Company's financial performance (including the Company's ability to receive sufficient dividends from its subsidiaries), certain restrictions under Polish law, and any restrictions relating to capital in subsidiaries and the availability of distributable profits and reserves and cash available for this purpose.

There is no guarantee as to the future development of the marketablity of the CIECH Shares.

The Company cannot give assurance that following the admission and introduction of the CIECH Shares to trading on the regulated market of the FSE the marketability of the CIECH Shares will improve or remain consistent. The market price of the CIECH Shares may fluctuate widely, depending on many factors which are beyond the Company's control. These factors include, inter alia: actual or anticipated variations in operating results and earnings by CIECH Group and/or its competitors; changes in financial estimates by securities analysts; market conditions in the industry and, in general, the status of the securities market; governmental legislation and regulations; and general economic and market conditions, such as a recession.

The past performance of the CIECH Shares on WSE cannot be treated as indicative of the future development.

The CIECH Shares are listed on the WSE. However, the past performance of the CIECH Shares on the WSE cannot be treated as indicative of the likely future development of the market and future demand for the CIECH Shares. The lack of a liquid public market for the CIECH Shares may have a negative effect on the ability of shareholders to sell their CIECH Shares, or adversely affect the price at which the shareholders are able to sell their CIECH Shares. There can be no assurance as to the liquidity of any trading in the CIECH Shares, or that the CIECH Shares will be actively traded on the WSE or on the FSE in the future.

Transferability of the CIECH Shares between WSE and FSE may be limited.

Dual listing of the CIECH Shares will result in differences in liquidity, settlement and clearing systems, trading currencies, prices and transaction costs between the two exchanges where the CIECH Shares will be listed. These and other factors may hinder the transferability of the CIECH Shares between and on the two exchanges. The price of the CIECH Shares may fluctuate and may at any time be lower on the WSE than the price at which the CIECH Shares are traded on the FSE and vice versa.

Future development of exchange ratios may affect foreign currency equivalent of any dividends paid in PLN in relation to CIECH Shares.

As CIECH Shares are listed on the WSE in PLN, any payments related to them, including in particular any payment of dividends on the CIECH Shares and the CIECH Shares purchase price on the regulated market on the WSE will be in PLN. A depreciation of PLN vis-à-vis other currencies may adversely affect the foreign currency equivalent of any sums paid in relation to CIECH Shares, in particular the payment of dividends on CIECH Shares and the CIECH Shares purchase price on the regulated market on the FSE.

Analyst coverage (and any lack thereof) may affect the market price of the CIECH Shares.

The price and liquidity of the CIECH Shares will be influenced by research and reports published by industry analysts. If no analyst elects to cover the Company and publish research or reports about it, the market for the CIECH Shares could be severely limited and the price of the CIECH Shares could be adversely affected. In addition, if one or more analysts ceases to cover the Company or fails to regularly publish reports on it, the Company could lose visibility in financial markets, which in turn could cause the price or trading volume of the CIECH Shares to decline. If one or more analysts who elect to cover the Company adversely change their recommendation regarding the CIECH Shares, the market price of the CIECH Shares could decline.

GENERAL INFORMATION ON THE COMPANY

Corporate Information

The Company was founded in 1945 as a state-owned corporation under the name "Centrala Importowo-Eksportowa Chemikalii i Aparatury Chemicznej" (Chemical Products and Equipment Import-Export Enterprise). In 1995, the Company was transformed into a joint-stock company under the name "CIECH Spółka Akcyjna"; it may also use the name "CIECH S.A.". The Company was established for an unspecified term.

The Company has its corporate seat in Warsaw (Poland) and is registered with the Polish National Court Register maintained by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, under the KRS number 0000011687. The Company's REGON (statistical number) is 011179878 and NIP (tax identification number) is 1180019377. The Company has branches in Râmnicu Vâlcea (Romania) and Stassfurt (Germany).

The Company's business address is: ul. Wspólna 62, 00-684 Warsaw (Poland). The Company may be reached by telephone at +48 22 639 12 15.

As a joint stock company founded and operating in Poland under Polish law, the Company and the issuance of any shares are subject to the corporate laws of Poland, including in particular the Polish Commercial Companies Code dated 15 September 2000.

The Company's fiscal year is the calendar year.

Principal Business Activities

The Company's principal business activities include wholesale of chemical products and other activities set forth in Section 6 of the Company's articles of association ("Articles of Association").

The Company may form branches and other organizational units, establish companies, join already-existing companies, and participate in any organizational-legal affiliations permitted by law.

The Company may operate in Poland and abroad.

Corporate Bodies

The governing body of the Company is the Management Board while the Supervisory Board exercises regular supervision of the Company's operations in all areas of its activity.

The members of the Company's Management Board and Supervisory Board may be reached at the Company's business address.

Management Board

According to Section 23(1) of the Articles of Association, the Management Board consists of at least two members, including the President of the Management Board, appointed and dismissed by the Supervisory Board. The Management Board members are appointed for a joint three-year term. The Company is represented by two Management Board members acting jointly or one Management Board member and a holder of a commercial power of attorney (*prokurent*) acting jointly.

Currently, the members of the Company's Management Board are as follows:

Name	Member since	Responsibilities
Artur Janusz Osuchowski	2 April 2008	▪ Project Management and Entities Supervision ▪ Marketing and Communication Department ▪ European Funds Department ▪ SALES DIVISION, including: – Soda Ash Sales Department – Baking Soda Sales Department – Salt Sales Department – Sales Logistics and Administration Department – Sales Analysis Support Department – Business Development Position ▪ Independent positions, including: Representative of the Management Board of CIECH S.A. for Integrated Quality Management System and Information Security; Coordinator for Integrated Management Systems in the Group, Representative of the Management Board of CIECH S.A.; Information Security Administrator in CIECH S.A.
Maciej Tybura .... (President of the Management Board)	13 October 2014, President since 22 July 2015	▪ Group Management Office ▪ Strategy Department ▪ Human Resources Department ▪ Audit and Control Department ▪ Legal Counsel Team ▪ IT Department ▪ Assets Management Department ▪ PURCHASE DIVISION, including: – Raw Materials Purchase Department – Investment and Technical Purchases Department Administrative and IT Purchase Team ▪ Finance and Accounting Division including: – Accounting Department – Finance Management Department – Controlling Department – Branch in Inowrocław – Branch in Nowa Sarzyna
Artur Józef Król	26 October 2015	▪ PRODUCTION DIVISION, including: – Production Department – Facilities Maintenance Department ▪ Power Engineering Department ▪ Environmental Department ▪ Investment Management Department ▪ Department of Continuous Improvement of the Group Systems

Artur Janusz Osuchowski is a graduate of the Private Higher School of Business and Administration in Warsaw, Faculty of Economics in Finance and Banking. He completed professional courses related to business value management, valuations of companies on the capital market, restructuring of companies' activities. He participated in a young leaders study group sponsored by “Die Zeit”, Dreager Foundation and American Council on Germany. In the years 1996-1997, he worked in Raiffeisen Bank Polska as the analyst in the Management Accounting Department. From 1998 to 2001, he was senior consultant in the Corporate Finance Department of Ernst & Young (responsible for projects of mergers and acquisitions on the capital market and strategic projects related to restructuring and reorganization of the companies' operations). In 2001-2003, he was senior consultant in the Corporate Finance Department in Capgemini. Responsible for projects of mergers and acquisitions on the capital market and strategic projects related to restructuring and reorganization of the companies' operations. In 2003-2008, he served as a manager in KPMG Advisory in the Economic Consulting Department. Responsible for development of services within strategic projects, reorganization of companies' operations as well as projects related to financing of operations and support for direct investments. Currently, he is a member of the Management Board of Mediacap S.A. and a member of the Chamber of Polska Izba Przemysłu Chemicznego, member of the Supervisory Board of Benefit Systems S.A.

Maciej Tybura graduated from Poznań University of Economics with a specialization in Corporate Finance and Accounting. In addition, he is a graduate of postgraduate studies MBA (Wrocław University of Economics) and Cost Management (Wrocław School of Economics).

At the beginning of his career, he was related with the Hochtief Group and Wrozamet (1997-2002), where he worked on strategic planning, investment projects and controlling. Then, he served several management functions in companies from the KGHM group, including the position of Vice President of the Management Board of KGHM Polska Miedź S.A. (2008-2012). He used to be a member of numerous Supervisory Boards, including in the following companies: PCC Exol S.A., Telefonia Dialog S.A., Pol-Miedź Trans sp. z o.o., Walcownia Metali Nieżelaznych, Tauron Polska Energia S.A., Mercus Logistyka sp. z o.o., KGHM Towarzystwo Funduszy Inwestycyjnych S.A. and PIGO S.A. Currently, he is a shareholder of Wintech Production Group sp. z o.o. and Wintech Production sp. z o.o.

Artur Józef Król graduated from the Wrocław University of Technology, Faculty of Computer Science and Management in Marketing and Management. He is also a graduate of postgraduate studies at Warsaw School of Economics – “Value Based Management”.

From the beginning of his career, he was related with KGHM Polska Miedź S.A. Group. He started working in the Ownership Supervision Department, then he was Head of the Implementation Department (later Marketing and Development Department) in Fundusz Inwestycji Kapitałowych KGHM Metale S.A. In the period 2006-2008, he worked in Wałbrzyskie Zakłady Koksownicze “Victoria” S.A. on the position of Investment and Development Director. In 2008-2012, he was the creator and General Director of the Central Purchase Departament in KGHM Polska Miedź S.A. He also served as the President of the Management Board in Przedsiębiorstwo Budowy Pieców Przemysłowych “PIEC-BUD” Sp. z o.o. (2013-2014). In the years 2014-2015, he was the General Director of the Branch of Huta Miedzi “Głogów”. Artur Król used to be a member of several Supervisory Boards, including in the following companies: KGHM Ecoren S.A., KGHM Shanghai Copper Trading Co. Ltd and Mercus Logistyka sp. z o.o.

Supervisory Board

According to Section 20 of the Articles of Association, the Supervisory Board consists of five to nine members appointed and dismissed by the Shareholders’ Meeting. The chairman of the Supervisory Board, as well as his deputy and a secretary, if necessary, are elected from among the Supervisory Board members. The Supervisory Board members are appointed for a joint three-year term. The Supervisory Board may appoint committees (including the Audit Committee) from among its members.

Currently, the members of the Company’s Supervisory Board are as follows:

Name	Member since	Seats currently held on other supervisory boards or comparable governing bodies of Polish and foreign commercial enterprises
Tomasz Mikołajczak .... (Deputy Chairman of the Supervisory Board)	7 July 2014	Member of the Supervisory Boards of: Polenergia S.A., Polenergia Holding S.à r.l., International Investment Group S.A., Kulczyk Investments S.A. and Kulczyk Holding S.A. Member of: Audit Committee of the Polish Business Round Table (*Polska Rada Biznesu*)

Name	Member since	Seats currently held on other supervisory boards or comparable governing bodies of Polish and foreign commercial enterprises
Mariusz Nowak	7 July 2014	Member of Supervisory Boards of: Autostrada Wielkopolska S.A., Autostrada Wielkopolska II S.A., Polenergia S.A., Polenergia Holding S.à r.l., Kulczyk Pon Investment B.V., AWSA Holand I B.V., AWSA Holand II B.V., SCT-Broker sp. z o.o. and Phenomind Ventures S.A.
Artur Olech	7 July 2014	–
Piotr Augustyniak	7 July 2014	Member of the Supervisory Boards of: PZ Cormay S.A., MERCOR S.A., Asseco Poland S.A. and Asseco Data Systems S.A.
Sebastian Tomasz Kulczyk (Chairman of the Supervisory Board)	26 August 2015 (Chairman since 8 October 2015)	Member of the Supervisory Boards of: Autostrada Wielkopolska S.A., Autostrada Wielkopolska II S.A., Polenergia Holding S.à r.l., AWSA Holand II B.V. Chairman of the Founders Board of: Kulczyk Foundation, Stanusch Technologies S.A. and Destineo sp. z o.o.
Dominik Libicki	7 March 2016	Member of the Supervisory Boards of: Autostrada Eksploatacja S.A., Polenergia S.A., Polenergia Holding S.à r.l. and Insignis Towarzystwo Funduszy Inwestycyjnych S.A. Foundation Board Member of: Fundacja Polsat

Tomasz Mikołajczak has a technical education. He has been a private investor since 1980, operating mainly through the holding company Towarzystwo Inwestycji Kapitałowych S.A. Through this company, he completes short- and medium-term private equity investments. Tomasz Mikołajczak invests mainly in property, teleinformatics, construction and industry automation industries and companies that specialise in the design and building of infrastructure. Since the beginning of his activities, he has completed several privatisation processes. As a strategic investor, he also participated in the acquisition of many businesses and their restructuring processes. Currently, he is a President of the Management Boards of Towarzystwo Inwestycji Kapitałowych S.A. and Syrma sp. z o.o. He is also a shareholder of Przedsiębiorstwo Handlowo-Produkcyjne Acrona sp. z o.o. and West Punkt spółka z ograniczoną odpowiedzialnością sp.k.

Mariusz Nowak is a manager, strategist and financial director. He is an expert in corporate finance and business management. Since 2012 he s appointed CFO and Board Member of Kulczyk Investments SA, he has also been working for Kulczyk Holding SA. Prior to that, since March 2010, he served as Chief Financial Officer at Kulczyk Pon Investments SA and Chief Executive Officer at Magro International. In 1991-2010, he had worked for the Wavin Group where he held several positions, primarily in the corporate finance, to become the Managing Director of Wavin Ekoplastik in 2007.

He graduated from the Faculty of Economics at the University of Szczecin and the Faculty of Cybernetics and IT. He holds an MBA degree of Ecole Nationale des Ponts et Chaussees in Paris. Currently, he is a shareholder of Viwid sp. z o.o.

Artur Olech is a graduate of the University of Warsaw, the Faculty of Law and Administration, and the Warsaw School of Economics, the Faculty of Finance and Banking. He completed numerous trainings for top management, including training at the Harvard Business School, Kellogg School of Management and Chicago GSB. In 2012, he was granted the personal award for Top Manager in insurance industry (by the Wprost weekly). Responsible for the project "Exit processes in transitional economy" on behalf of the World Bank, executed under CASE Consulting (Fundacja Centrum Analiz Społeczno-Ekonomicznych) under the supervision of Professor Leszek Balcerowicz.

From October 1998 to February 2014, he was related with the Generali Group in Poland. In 2003 – 2014 he was a member of the management board. In 2008-2010, he was the vice president the management board, responsible for life and pension insurance, in 2010-2014, he was the president of the management board. In 1997-1998, he was a director of Volkswagen Bank Polska/Volkswagen Leasing Polska-Warszawa. In 1996-1997, he was employed as an analyst in the Polish Institute of Management (PIM sp. z o.o.). In 1994-1997, he was employed on the position of a Foundation Project Manager in CASE Consulting (Fundacja Centrum Analiz Społeczno-Ekonomicznych) in Warsaw.

Till July 2016, he was a president of the management board of Postal Insurance Companies (Pocztowe Towarzystwo Ubezpieczeń Wzajemnych and Pocztowe Towarzystwo Ubezpieczeń na Życie S.A).

Piotr Augustyniak is a graduate of the University of Warsaw where he majored in English (1990) and management (1994).

Currently he conducts his own business activity (financial advisory services). In years 1994-2011, he was employed in Enterprise Investors (EI), as analyst, investment director, vice president, in 2006-2011, he was a partner. As a partner of EI, he was responsible for monitoring, entry of companies into the WSE, transactions of sale of significant blocks of shares in companies from the EI portfolio on the public and private market. He took part in more than 40 transactions related to EI companies, in particular sales on the private market of controling block of shares. In the period June-December 2001, he served as president of the management board of Energoaparatura S.A., delegated there while working at EI in order to conduct the restructuring of that company. In 1993-1994, he was employed in the Ministry of Ownership Transformation as project manager and privatization team manager. In 1992-1993, he was employed as an assistant of the financial officer in the Ownership Transformation Foundation at the Ministry of Ownership Transformation. In 1991-1992, he worked in New York Times (Warsaw) as a translator.

Sebastian Tomasz Kulczyk is a manager. He has worked for Kulczyk Investments since 2010 and was appointed CEO in December 2013. He graduated from the Adam Mickiewicz University in Poznań majoring in management and marketing. He also studied at the London School of Economics. In 2009-2010 he worked for Lazard in London. He has also worked at the digital media unit for SonyBMG in New York. For many years, he has also invested and developed high-tech ventures and projects. Currently, he is a shareholder of Strada KP sp. z o.o., SK Consulting sp. z o.o., Shiraz sp. z o.o., Nenya Capital spółka z ograniczoną odpowiedzialnością sp.k., MyPlace Development sp. z o.o., Fotigo.pl sp. z o.o., Fibaro Injection and Tooling sp. z o.o., Beyond Warszawa sp. z o.o. and Andromeda Film sp. z o.o. He is a President of the Management Board of Phenomind Ventures S.A., E24 sp. z o.o. and Beyond Warszawa sp. z o.o., and a member of the Management Board of Andromeda Film sp. z o.o. He also acts as a liquidator in Kulczyk Agentur sp. z o.o. w likwidacji and as a proxy (*prokurent*) in Isens sp. z o.o. and Beyond.pl sp. z o.o.

Dominik Libicki is a graduate from the Faculty of Environmental Protection at the Wrocław University of Technology.

In 2001-2015, he served the function of the President of the Management Board of Cyfrowy Polsat S.A. He was also a Vice President of the Management Board of Polkomtel sp. z o.o. and a member of the Supervisory Board of Telewizja Polsat sp. z o.o. In 2005-2006, he was a member, and in 2006–2008, a Vice Chairman of the Supervisory Board of Polska Telefonia Cyfrowa sp. z o.o. (operator of the Era mobile network, currently T-Mobile). In 1999-2011, he was a member of the Supervisory Board of Polskie Media S.A., which was a broadcaster of TV4 and TV6 channels. He was the President of Private Media Employer Union operating within the framework of the Polish Confederation of Private Employers, "Lewiatan".

Publications

The most recent securities prospectus of the Company was approved by the PFSA on 18 January 2011 and was made available on the Company's and the offering agents' websites. Electronic copies of the prospectus can currently be obtained, e. g., from the website http://bossa.pl/_gAllery/aid21238/Prospekt_emisyjny_Ciech_SA.pdf.

The financial information published by the Company pursuant to the applicable disclosure obligations is available for inspection at the corporate seat of the Company at ul. Wspólna 62, 00-684 Warsaw (Poland), during regular business hours and is available for download in electronic form on the Company's website at http://www.ciechgroup.com.

All of the Company's future annual and interim reports will also be available at the corporate seat of the Company and will be available for download in electronic form on the Company's website at http://www.ciechgroup.com.

BUSINESS

Business Activities

Business Overview

CIECH S.A. is one of the leading chemicals companies in Poland (*source:* Lista 500, Rzeczpospolita). Its main products are soda ash, sodium bicarbonate (sometimes referred to as baking soda, which is only one of several applications of this product), salt, epoxy and polyester resins, crop protection chemicals, silicates, glass products, and other chemical products. CIECH's products are used in a diverse range of end markets, including the glass, food, furniture, manufacturing of detergents, paints and coatings, agriculture, pharmaceutical & cosmetics, healthcare and construction industries.

CIECH's product offering is categorized into four main segments: Soda, Organic, Silicates & Glass and Transportation. CIECH's primary focus is the production of soda ash. CIECH currently operates four soda ash production facilities: two in Poland and one in each of Germany and Romania. CIECH's current total soda ash production capacity is about 2.6 million tons per year. CIECH continuously seeks to improve the cost- and energy efficiency of its processes and technologies through research, innovation and development initiatives. In line with its business strategy, CIECH concentrates on the diversification within and between its main segments.

CIECH's consolidated sales revenue were PLN 826.5 million for the three months ended 31 March 2016 and PLN 3,273.0 million for the fiscal year ended 31 December 2015.

Business Segments

CIECH's core business segment is the Soda segment. CIECH also operates in two other main business segments: Organic and Silicates & Glass segments. CIECH is also engaged in transport services and other operations.

Soda Segment

CIECH produces and sells light and dense synthetic soda ash, vacuum salt, sodium bicarbonate and calcium chloride. Soda ash is mainly supplied to the glass and detergent industries, as well as to the metallurgical and chemicals industries. CIECH's Soda segment generated sales revenue of PLN 589.5 million (accounting for 71.3% of CIECH's total sales revenue), EBITDA of PLN 179.7 million (accounting for 88.3% of CIECH's total EBITDA) for the three months ended 31 March 2016 and sales revenue of PLN 2,241.2 million (accounting for 68.5% of CIECH's total sales revenue), EBITDA of PLN 629.9 million (accounting for 89.0% of CIECH's total EBITDA) for the fiscal year ended 31 December 2015.

Organic Segment

CIECH produces and sells a number of organic chemicals including crop protection chemicals (used in agriculture), epoxy resins and polyester resins, flexible polyurethane foams, as well as other organic products, which are used in the furniture, construction, automotive and electronic industries. CIECH's Organic segment generated sales revenue of PLN 185.1 million (accounting for 22.4% of CIECH's total sales revenue), EBITDA of PLN 18.8 million (accounting for 9.2% of CIECH's total EBITDA) for the three months ended 31 March 2016 and sales revenue of PLN 769.9 million (accounting for 23.5% of CIECH's total sales revenue), EBITDA of PLN 85.7 million (accounting for 12.1% of CIECH's total EBITDA) for the fiscal year ended 31 December 2015.

Silicates & Glass Segment

CIECH's Silicates & Glass segment is engaged in the trading of glass packaging, sodium and potassium silicates and other goods as well as the production of glass packaging (lanterns and glass jars) and sodium and potassium silicates. The glass products are mainly used in the food industry and for the production of headstone lamps. CIECH's Silicates & Glass segment generated sales revenue of PLN 37.5 million (accounting for 4.5% of CIECH's total sales revenue), EBITDA of PLN 6.3 million (accounting for 3.1% of CIECH's total EBITDA) for the three months ended 31 March 2016 and sales revenue of PLN 175.0 million (accounting for 5.3% of CIECH's total sales revenue), EBITDA of PLN 33.6 million (accounting for 4.7% of CIECH's total EBITDA) for the fiscal year ended 31 December 2015.

Transportation Segment

CIECH's Transportation segment covers primarily transport services, dedicated mainly to the service of railway transport within the CIECH Group. CIECH's Transportation segment generated sales revenue of PLN 32.3 million (accounting for 3.9% of CIECH's total sales revenue), EBITDA of PLN 4.3 million (accounting for 2.1% of CIECH's total EBITDA) for the three months ended 31 March 2016 and sales revenue of PLN 122.6 million (accounting for 3.7% of CIECH's total sales revenue), EBITDA of PLN 16.2 million (accounting for 2.3% of CIECH's total EBITDA) for the fiscal year ended 31 December 2015.

Other Operations Segment

The Other Operations segment consists of other operations segment, corporate functions and consolidation adjustments. CIECH's Other operations segment generated sales revenue of PLN 31.6 million (accounting for 3.8% of CIECH's total sales revenue), EBITDA of PLN 5.7 million (accounting for 2.8% of CIECH's total EBITDA) for the three months ended 31 March 2016 and sales revenue of PLN 146.7 million (accounting for 4.5% of CIECH's total sales revenue), EBITDA of PLN 0.3 million (accounting for 0.04% of CIECH's total EBITDA) for the fiscal year ended 31 December 2015.

Employees

As of 31 December 2015, CIECH employed 3,719 permanent employees (in full time equivalents), including the members of the Management Board (31 December 2014: 3,475; 31 December 2013: 3,859). CIECH employs only a small number of part-time workers.

The number of employees has not changed materially since 31 December 2015.

Market and Competition

Industry and Market Overview

CIECH operates primarily in the Central European ("CE"), German and Scandinavian soda ash markets, which CIECH believes offer attractive opportunities due to such markets' high margins and barriers to entry, CIECH's relatively low energy, raw materials and labor costs as well as the growth prospects for the soda ash. CIECH's two remaining core segments, the Organics and the Silicates & Glass segments, should benefit from continued growth. The growth in the Organics segment is primarily driven by additional crop protection chemicals and new resin products, while the growth in the Silicates & Glass segment is expected to be driven by higher demand for sodium silicates.

Soda ash

Soda ash is one of the most important raw materials for glass (in particular, packaging and flat glass), soaps and detergents, and chemicals manufacturing. It is used in various applications to control pH levels, to reduce melting temperatures and for deodorization. The glass industry is the largest market for soda ash and accounted for approximately 70% of the Western European and 65% of the Central European soda ash market in 2015 and is expected to continue dominating demand (*source:* Soda Ash World Analysis, 2016 Edition, IHS Chemical). The glass industry can be broken down into several end-use segments including packaging glass, flat glass, fiber glass and miscellaneous glass such as tableware and light bulbs. In Europe, the largest end-use segment within the glass industry is packaging glass. Key end-users of packaging glass are the food, beverages, and pharmaceutical & cosmetics industries. The second largest end-use segment is flat glass, which is mainly used to produce windows, glazing products for automotive applications and in furniture and other interior applications, used in the construction and automotive industries. In Western and Central Europe, manufactured glass (particularly packaging glass and flat glass), along with soap and detergents and chemicals, are the most important applications of soda ash, however, the share of each end-user segment differs between Western and Central Europe, with glass representing approximately 70% and 65% respectively (packaging glass: 40%/27%; flat glass: 23%/38%; other glass: 7%/5%), and soap, detergent and chemicals representing 17%/23% in 2015 (*source:* Soda Ash World Analysis 2016 Edition, IHS Chemical).

There are currently no economically viable substitutes for soda ash in any of its key markets, including the glass manufacturing and the soaps and detergents industry. The use of alternative materials in glass manufacturing either tends to increase production costs through higher energy consumption, or directly increase raw material costs as alternative materials are more expensive than soda ash (*source:* World Soda Ash Conference, 2010). The soap and solid detergents market is similarly reliant upon soda ash, as chemical alternatives to soda ash are unstable, hazardous to handle, and too dangerous to use in domestic applications. In developed markets liquid detergents have been gaining popularity in the last few years as an alternative to solid detergents which are produced from soda ash (liquid detergents do not need soda ash or need much less soda ash in the production process), however, solid detergents are still widely used in the growing developing markets, such as India.

The CE market benefits from fast and stable growth. Soda ash consumption in CE has remained strong, as it has been supported by growth in regional end-markets, in particular the glass industry. In CE, soda ash consumption growth is expected to continue during the 2015-2020 period at a CAGR of approximately 2.5%, with demand from the glass industry growing at 2.3% and soap and detergents at 2.5% (*source:* Soda Ash World Analysis 2016 Edition, IHS Chemical). Growth drivers in the demand for soda ash in Central Europe include the construction of new buildings, architectural trends towards increased use of glass in domestic and commercial construction, energy legislation promoting the use of triple glazed glass and solar panels, as well as increased consumption of glass packaging in consumer markets (e.g. in premium and ecological/natural products).

Soda ash producers benefit from logistical barriers to entry. Soda ash production remains a regional business due to high transportation costs relative to selling prices. The location of a plant is critical since it is typically not profitable to deliver soda ash over distances exceeding 500 kilometers particularly by land. Therefore, most companies supply soda ash within a radius of 300 to 500 kilometers from their plant. In addition, prices for soda ash in Central and Eastern Europe, in particular in Poland, tend to be lower than prices in the rest of Europe due to lower production costs. This makes it less attractive for a foreign producer to sell soda ash to the Central and Eastern European markets, given the high costs associated with the transportation of soda ash and the long distances involved. CIECH believes these factors provide strong logistical barriers to entry to CIECH's potential competitors. While there have been expansions and announcements of significant additional natural soda ash capacity in Turkey, Turkish exports tend to be limited to European coastal markets, where soda ash can be more easily shipped by vessel to keep costs down. In addition, natural soda ash (as opposed to synthetic soda ash) cannot be used in some complex industrial applications that require a high-quality light soda ash (as opposed to dense soda ash). Therefore, CIECH believes that its existing operations should not be directly and significantly affected in its core markets by the increased natural soda ash capacity in Turkey.

Ciner Group has announced total soda ash production capacities expansion of 3.3 million tonnes/year in Turkey within the next 2-3 years based on mined trona which is subsequently converted into soda ash and sodium bicarbonate. This may result in temporary oversupply of the product in the market and decrease in prices which might negatively impact Ciech Group's operations, however the impact is expected to vary among geographies (most likely significant impact on the high-margin coastal regions of Western Europe, and on the North African/Middle Eastearn market, while less significant impact on the market in Central and Eastern Europe).

Sodium bicarbonate

In Europe, sodium bicarbonate is used mostly in the production of animal feed and exhaust gas purification (approximately 30% each). Other important segments are food production and sodium bicarbonate dedicated used in the haemodialysis process. In the following years, due to growing requirements of environmental protection, a major increase in usage of sodium bicarbonate for fumes desulphurization is expected. Above average dynamics can also be expected within the scope of haemodialysis due to an increase in incidence of illnesses (primarily kidney diseases caused by diabetes) which are partially caused by the change in lifestyles both in developed and developing countries.

The sodium bicarbonate market is divided into the segments of low, high and very high quality. The high quality segment includes food and pharmaceutical industries. Very high quality is required for specific medical purposes – e.g. in haemodialysis.

As in the case of the soda ash markets, Polish and European sodium bicarbonate markets are mature markets, not subject to rapid changes, with yearly average growth rates of a few percent per year, however, they are slightly higher than in the soda ash market, especially in the high quality segments. As a result, European producers of sodium bicarbonate continue to work towards intensification of production of sodium bicarbonate at the expense of soda ash.

The animal feed industry is usually the most vulnerable to economic shifts among the end-use sectors. In Poland however, this sector is less vulnerable than in most markets in Europe. Decreases in consumptions in Poland are less severe than elsewhere in Europe.

Sales in low quality sodium bicarbonate segment are expected to increase in the future as a result of higher demand from flue gas desulphurization sector.

Average yearly consumption of sodium bicarbonate in Europe in the following years is expected to grow by at least 3%. However, there may be variations depending on the segment of the market and the region of Europe. The animal feed, food and detergent segments should experience an increase equal to the GDP growth, while the growth of the haemodialysis and desulphurization segments should be much higher.

Globally, within the next five years the yearly average growth rate should not exceed 4%.

Vacuum salt

Salt is mostly present in the European market in three forms: solar salt, rock salt and vacuum salt. Due to advantages of vacuum salt with regards to quality parameters, it is widely used in the chemical industry (electrolysis, detergent and dye production) as well as water treatment and softening. It is also used in the food industry (mostly in baking, fruit and vegetable processing and meat industry). Vacuum salt of pharmacological purity grade is also used in pharmaceutical industry. Rock salt (not present in CIECH Group's portfolio) is presently used primarily in highway maintenance for winter de-icing and solar salt is mainly used in food industry.

In Europe, most of the salt is used in chlorine-alkali industry. Other main end-user segments are production of soda ash and in highway maintenance.

The prospects for the salt market development in Europe, including Poland, are stable. The possible quantitative increases will mostly depend on sales dynamics in the sector of highly processed products, e.g. for water treatment systems. Because of the dominating position of rock salt (used mainly in road maintenance) in the total salt market, salt sales will still be largely dependent on atmospheric conditions and can be subject to significant periodic fluctuations. Such events do not influence table salt segment and salt used for chemical industry. The growth rate of salt consumption in Europe and in Poland over the next couple of years is estimated at ca.1.5%.

Crop protection chemicals

More than 40% of sales of global crop protection chemicals is attributable to herbicides. Insecticides correspond to nearly one third, while fungicides – approximately one fourth of the value of the global market.

In 2015, the world market was still dominated by six main global producers, i.e. Syngenta, Bayer CropScience, BASF, Dow AgroScience, Monsanto and DuPont with a total of 75% market share. These companies are also the main players to the world markets because they significantly influence directions of the industry development, including: development of new technologies, introduction of innovative products to the market as well as shaping of the world legislation. As a result of merger of Dow Chemical and DuPont, in 2016, the number of leading players was reduced to five, while Syngenta is likely to be acquired by ChemiChina. Further industry consolidation among the former “big six” is expected with some merger/acquisition processes ongoing as of writing, e.g. recent news about potential acquisition of Monsanto by Bayer.

In Europe, the largest crop protection markets are France, Germany, Italy, Spain, the UK and Russia.

The Polish market (as many other marklets) is dominated by foreign suppliers (80% of market share) with a very wide range of products. There are only a few Polish players, which are mostly generic producers with a relatively narrow product portfolio compared to the large R&D companies (i.e. the “big six”).

Significantly more herbicides and fungicides are used in Poland compared to the average world consumption because of high percentage share of grains in the arable land and considerable importance of gardening. Insecticides are used in much smaller quantities.

The Polish market of crop protection chemicals should dynamically grow over the next several years. Unit consumption of products per 1 ha is still much lower in Poland than in Western European countries. Moreover, economic situation of Polish farmers should improve due to direct subsidies received from the European Union. Additionally, controversies concerning genetically modified organisms (GMO) should effectively influence the higher demand level for crop protection chemicals from no-GMO segment.

The average yearly growth rate of the global crop protection market (by value) should reach 5-6% in the next few years. The most dynamically growing markets will be Latin American and Asia. The growth rate in Europe should reach 2-3%, however the market in Poland should grow in line with world average (ca. 5-6%).

Optimistic market forecasts concerning crop protection chemicals are based on the assumption of decreasing arable land area on the global scale and the resulting necessity of constant yield increase.

Epoxy and saturated polyester resins

In Europe, epoxy resins are used primarily (more than 50%) in the production of powder paints and varnishes (chemically resistant, insulation and electrical insulation). The second largest end-user segment is the construction sector (screeds, sealants, fillers, binders, coatings, wall coverings), while over 10% of epoxy resins is consumed in the production of composites and about 10% in the production of electrical insulators. Only in Central Europe the share of the powder paints and varnishes is exceptionally high, reaching 2/3.

In the long term, the global demand is expected to grow by 3-4% yearly on average. Similar growth rate is expected to be in Asia and slightly lower in North America. In Europe, the Western European market is expected to grow at a CAGR of 2–3%, while the smaller Central and Eastern European market is expected to grow a at CAGR of at least 5%.

The main expected growth drivers of consumption of epoxy resins in the following years will be glues and composites for aviation and wind power plants (in North America and Europe) as well as electronics and powder paints (in the Far East and in South-East Asia region).

In the powder paint segment, important substitutes for epoxy resins are saturated polyester resins. Saturated polyester resins are used primarily for production of solvent-free powder paints. The European market for these products is developing at the rate of 2-3% on average per year.

Unsaturated polyester resins

The majority of unsaturated polyester resins in Europe is used in the construction and transport industries. These two sectors account for more than 60% of the market. The construction industry (pipelines, tanks, structural elements, synthetic marble, etc.) is expected to have the most significant impact on resins sales on the European market in the coming years. Also the automotive industry will be an important end-user segment (substitution of metal parts with parts made of resins). However, both end-user segment are expected to be experience only low single digit growth rates. A moderate growth rate is expected for this market in Western Europe in the upcoming years (at the level of 2%). Increases in the Central and East European regions should be significantly bigger (even at the level of 3-4%).

On the other hand, exceptionally fast demand increase is expected from currently not very important segment of wind power plants. This will mainly depend on the level of support for the development of renewable energy sources by the European governments.

Flexible polyurethane foams (PUR foams)

Flexible polyurethane foams are used mainly in the production of furniture and sleeping mattresses, which amount to about 75% of consumption of this material. Another 20% is used in automotive industry for the production of seats and interiors. As a result, demand for foams is very sensitive to economic cycles.

Because of physical properties (low specific gravity) PUR foams are sold only on local markets. Therefore, production facilities develop close to potential buyers.

The demand for foams depends on the situation in the industries that are the biggest consumers of the product i.e. furniture and automotive industries. The Polish furniture industry has been developing rapidly since 2013, and 2015 was another year with high growth rates, above the average growth rates recorded in many other industries in Poland. Economic results and the financial position of the furniture industry (mainly export-oriented) depend greatly on the economic situation on foreign markets and on the exchange rates of the Polish currency. Due to high price competitiveness of the Polish furniture industry it was able to improve its position on foreign markets. The Western European polyurethane foams market is expected to grow in the next few years at a CAGR of 2%, while the market in Central and Eastern Europe is expected to grow at a CAGR of 5%. The growth in Poland is mainly driven by the strong position of Polish furniture manufacturers on international markets (Poland is currently the fourth largest exporter in the world).

Sodium silicates

Sodium silicates are manufactured in solid form (glassy sodium silicate) and in liquid form (sodium water glass usually obtained by dissolving glassy sodium silicate in water). Sodium silicates are used in the production of precipitated silica (about 40% of consumption in Europe), used mainly in the tyre production and beauty product (e.g. toothpaste), detergents (about 20%), paper production, zeolites and in a few other industries.

Sodium silicates production facilities are present worldwide, however, globally they are traded only in solid form, while liquid sodium silicates are traded locally, due to their relatively low price and high logistic costs (high content of water).

The yearly average growth rate in the sodium silicates industry in Europe for the next few years is expected to reach 1–2%. This is mainlydue to maturity of the market. The largest end-user segment of sodium silicates, with also one of the highest growth rates (CAGR 3-4%) is precipitated silica, which is one of the key materials used in the production process of "green" tyres.

Glass products (decorative lanterns, jars)

<u>Decorative lanterns</u>

Decorative lanterns are used mainly in Poland and in some Central European countries. The demand is related to the tradition of visiting cemeteries, and decorative lanterns are sold mainly around 1 November every year. In general, the market is a relatively stable and mature, with limited growth dynamics (1% per year on average, taking into account the volume in long-term perspective).

<u>Jars</u>

Jars offered by the CIECH Group are mainly used in the food processing industry (fruits and vegetables, meat, fish, production of mustard, mayonnaise and honey). CIECH Vitrosilicon S.A. specialises in the manufacture of DZK jars with glass lids and fastening clasps, which are used in niche markets, e.g. for storage of bulk products and products that do not require pasteurisation.

Competition

In the Soda segment CIECH competes with major European soda ash producers including Solvay, Tata, Novacarb and Soda Sanayii. CIECH is the second-largest player in the European soda ash market in terms of 2015 sales revenue and volumes and the only manufacturer of soda ash in Poland. CIECH is also the leading supplier in the Polish domestic markets of soda ash, sodium bicarbonate and vacuum salt, with 96%, 44% and 60% market shares in 2015, respectively (*source:* CEH – Marketing Research Report, Roskill, internal sources). In the European soda ash market, CIECH is the largest producer after Solvay, with an annual production capacity of about 2.6 million tonnes per year compared to Solvay's production of approximately 5.0 million tonnes per year. On the global market, the leading producers include: Solvay (7.9 million tonnes per year); Tata Chemicals (4.4 million tonnes per year); Tronox – former FMC Corp. (3.7 million tonnes per year) and Shandong Haihua (2.9 million tonnes per year). CIECH's share of European soda ash production capacity (Western and Central Europe) is approximately 28% (*source:* internal estimates based on IHS Chemical).

In the Organic segment CIECH is the only producer of epoxy resins in Poland, one of the producers of polyester resins and the largest Polish producer of crop protection products (in terms of 2015 sales revenue and volumes). CIECH competes with major suppliers globally. Most of CIECH's competitors in the Organic segment are companies with a global reach and that have high production capacities. CIECH is the second-largest epoxy resin producer in Central Europe with 14% market share (in terms of 2015 volume). In Europe, CIECH's main competitors are Hexion (previously Momentive), Huntsman, Spolchemie and Dow Chemical. CIECH is the largest Polish producer of crop protection chemicals (in terms of 2015 sales revenue and volumes). CIECH is a regional player in the crop protection chemicals market. CIECH's main competitors include Nufarm, Bayer, BASF, Syngenta (ChemChina), DOW AgroScience, DuPont, Adama (ChemChina), Monsanto.

In the Silicates & Glass segment CIECH's main competitors are Sława Kielce for glass lanterns, ZCh (Chemical Plants) Rudniki for sodium silicates, BASF for potassium silicates and Owens Illinois for glass jars.

History

The Company was founded in 1945 as a state-owned corporation under the name "Centrala Importowo-Eksportowa Chemikalii i Aparatury Chemicznej" (Chemical Products and Equipment Import-Export Enterprise). The Company began as a trading company exporting soda ash, calcium carbide and white zinc. In the early 1960s, a new name, "Centrala Handlu Zagranicznego Ciech," was introduced, where "Ciech" was an abbreviation of the full name "Centrala Importowo-Eksportowa Chemikaliów."

During the 1960s and 1970s, the Company began to export nitrogenous fertilizers, pharmacy and cosmetics products, as well as paints and varnishes, and by 1976, it exported almost 95% of all Polish chemical products. Throughout the 1980s, the Company held a monopoly with respect to the exportation of chemicals in Poland (until 1989). The Company moved from a trade company to a production company by acquiring a majority stake in the domestic fertilizer manufacturer GZNF Fosfory in 1995.

In 1995, the Company underwent a change of status to become a joint-stock company under the name "CIECH Spółka Akcyjna". By 2000, CIECH Group included eight well-known manufacturers of chemicals in Poland, nine foreign companies and eight representatives for sales and distribution.

In 2005, the Company completed a successful initial public offering and got its shares listed on the WSE. The issue proceeds in the amount of PLN 192 million were used to support the expansion of the group. The subsequent acquisition in 2006 of two organic chemicals companies, Organika Sarzyna and Infrastruktura Kapuściska S.A (declared bankrupt in 2014) in Poland, and the soda plant in Romania doubled the size of CIECH Group. The Company continued its expansion in 2007 with the acquisition of Sodawerk Staßfurt, a German manufacturer of soda ash and sodium bicarbonate. In 2011, the Company completed a rights issue, raising PLN 442 million.

In 2011 CIECH sold its shareholding in Polfa sp. z o.o., which engaged in trading of pharmaceuticals. In 2012 CIECH divested its toluene diisocyanate (TDI) assets and discontinued its activities in the production and sale of TDI.

In July 2013 CIECH sold its shares in Zakłady Chemiczne Alwernia S.A., which produced chromium compounds and agrochemical products.

In June 2014, KI Chemistry (a company from the Kulczyk Investments Capital Group) purchased shares in the Company from the State Treasury and certain other shareholders during a public tender offer that it announced for CIECH Shares and since then has been the Company's majority shareholder.

In June 2014, CIECH also redeemed PLN 160 million of its domestic bonds due 2017.

In October 2015, CIECH S.A. signed a loan agreement under which a synthetic term loan in PLN and EUR up to the total amount of PLN 1,340 million for various refinancing purposes as well as the financing of general corporate goals of CIECH S.A. became available (term loan) together with a revolving loan in PLN up to the total amount of PLN 250 million for the financing of general corporate goals and working capital of the CIECH Group, excluding acquisitions and prepayment of the aforementioned term loan.

In November 2014, the Supervisory Board of CIECH S.A. adopted a resolution approving the “Strategy of the CIECH Chemical Group for 2014-2019” presented by the Company’s Management Board. According to the adopted document, the strategic goals of the CIECH Group are:

– Increase in revenues in the Soda segment

– Doubling the share in the Polish market of crop protection chemicals

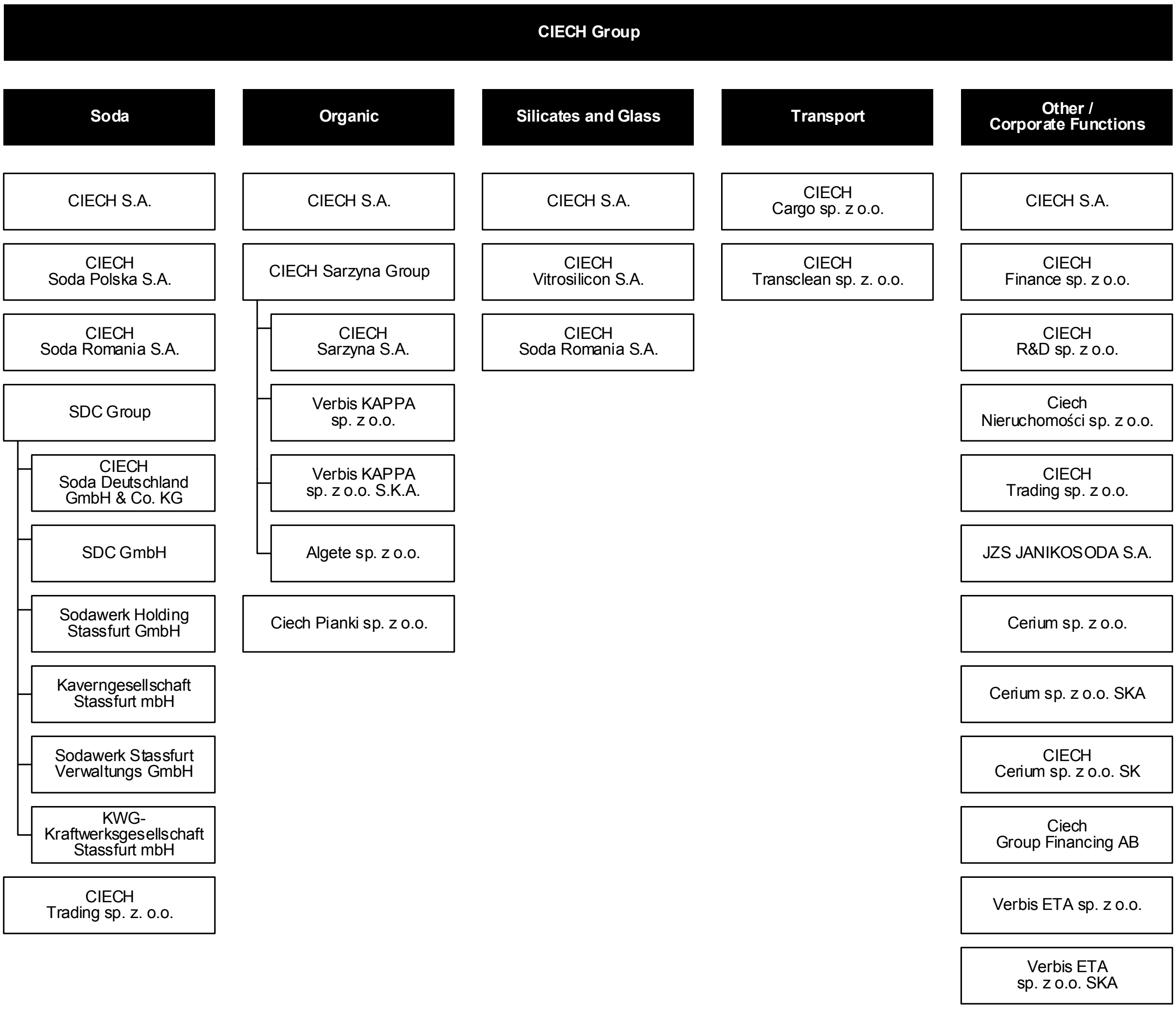
– Normalized growth of EBITDA

– Increase in the Equity Value

Organizational Structure

CIECH S.A. is the ultimate parent company of the CIECH Group, which it runs following a matrix business model where heads of particular areas in the Company are responsible for their due operations in the whole CIECH Group.

The following chart provides an overview of the Group’s basic organizational structure as of 31 March 2016, but does not show all companies and investments of CIECH. The entities indicated in the chart are either fully consolidated or accounted for under the equity method.



Together with CIECH S.A., the following (fully consolidated direct and indirect) subsidiaries of CIECH S.A. comprised the CIECH Group as of 31 March 2016:

Company	Corporate Seat (Jurisdiction)	Equity Interest (in %)	
		Direct	Indirect
Ciech FINANCE sp. z o.o.	Warsaw (Poland)	100.00	–
Janikowskie Zakłady Sodowe JANIKOSODA S.A.	Warsaw (Poland)	–	100.00
Ciech Nieruchomości S.A.	Warsaw (Poland)	100.00	–
CIECH Soda Polska S.A.	Inowrocław (Poland)	100.00	–
CIECH Cargo sp. z o.o.	Inowrocław (Poland)	–	100.00
Cerium sp. z o.o.	Warsaw (Poland)	–	100.00
SDC GmbH	Stassfurt (Germany)	100.00	–
Sodawerk Holding Stassfurt GmbH	Stassfurt (Germany)	–	100.00
Sodawerk Stassfurt Verwaltungs GmbH	Stassfurt (Germany)	–	100.00
CIECH Soda Deutschland GmbH & Co. KG	Stassfurt (Germany)	–	100.00
KWG – Kraftwerksgesellschaft Stassfurt GmbH	Stassfurt (Germany)	–	100.00
Kaverngesellschaft Stassfurt mbH [1]	Stassfurt (Germany)	–	50.00
Ciech Pianki sp. z o.o.	Bydgoszcz (Poland)	100.00	–
CIECH Sarzyna S.A.	Nowa Sarzyna (Poland)	100.00	–
Verbis KAPPA sp. z o.o	Nowa Sarzyna (Poland)	–	100.00
Verbis KAPPA spółka z ograniczoną odpowiedzialnością S.K.A	Nowa Sarzyna (Poland)	–	100.00
Algete sp. z o.o.	Nowa Sarzyna (Poland)	–	100.00
CIECH Vitrosilicon S.A.	Iłowa (Poland)	83.03	16.97
CIECH Transclean sp. z o.o.	Bydgoszcz (Poland)	100.00	–
CIECH Group Finacing AB	Stockholm (Sweden)	100.00	–
CIECH Trading S.A.	Warsaw (Poland)	100.00	–
Verbis ETA sp. z o.o.	Warsaw (Poland)	100.00	–
Verbis ETA spółka z ograniczoną odpowiedzialnością S.K.A	Warsaw (Poland)	100.00	–
Cerium spółka z ograniczoną odpowiedzialnością S.K.A	Warsaw (Poland)	–	100.00
CIECH R&D sp. z o.o.	Warsaw (Poland)	100.00	–
CIECH Soda Romania S.A.	Ramnicu Valcea (Romania)	98.74	–
CIECH Cerium spółka z ograniczoną odpowiedzialnością sp.k.	Warsaw (Poland)	–	100.00

[1] Associate accounted for under the equity method.

CAPITAL STRUCTURE AND INFORMATION RELATED TO LISTING ON STOCK EXCHANGE

Capital Structure

Current Share Capital

The Company's share capital totals PLN 263,500,965.00. It is divided into 52,699,909 ordinary bearer shares with a par value of PLN 5 each, including:

– 20,816 ordinary bearer shares of series A,

– 19,775,200 ordinary bearer shares of series B,

– 8,203,984 ordinary bearer shares of series C,

– 23,000,000 ordinary bearer shares of series D,

– 1,699,909 ordinary bearer shares of series E.

All of the CIECH Shares are fully interchangeable with each other.

The share capital of PLN 263,500,965.00 has been fully paid up.

Authorized Capital

The Company has no authorized capital.

Conditional Capital

The Company has no conditional capital.

Treasury Shares

The Company does not hold treasury shares.

Voting Rights

Each share entitles the holder to one vote at shareholders' meetings. There are no restrictions on the voting rights. There are no different classes of voting rights for the Company's shareholders.

Shareholder Structure

As CIECH S.A. is a public company, having its bearer shares listed on the regulated market segment of the WSE, the Company does not have detailed information on all of its shareholders. The Company receives information on its significant shareholders only if these shareholders comply with the notification requirements prescribed by Polish law.

The following table sets forth the most recent information available to the Company concerning the Company's significant shareholders, based on the list of shareholders holding at least 5% of votes at the General Meeting of Shareholders of CIECH S.A. held on 16 June 2016 who have registered their shares for the purpose of participation in the General Meeting of Shareholders. The list was prepared by the Company in accordance with Article 70, item 3 of the Polish Act of 29 July 2005 on Public

Offering and Terms and Conditions of Trade of Financial Instruments in the Organized Trading System and on Public Companies (“Offering Act”) and published by the Company on its website in the current report No. 22/2016:

Principal Shareholder	Shares	Total Votes (%)
KI Chemistry S. a r.l.	26,952,052	51.14
Nationale-Nederlanden Otwarty Fundusz Emerytalny[1]	3,000,000	5.69
Other	22,747,857	43.17
Total	**52,699,909**	**100.00**

1 Polish pension fund.

Based on data available to the Company (e.g. voting rights notifications, attendees at the last shareholders’ meeting held on 16 June 2016, information provided by the National Deposit for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*, “NDS”), as well as information published by The Bloomberg Professional in a period between 31 December 2015 and 18 August 2016) the Company has more than 100 shareholders, and more than 20% of the Company’s shares are held by the shareholders in the European Union/European Economic Area holding less than 5% of votes at the General Meeting of Shareholders of the Company (free float).

Stock Exchange Listing

At present, all of the 52,699,909 shares of the Company are admitted to trading on the regulated market segment of the WSE.

The Company has met the requirements enacted under the directives of the European Community regarding the admission to trading on the WSE and the disclosure obligations connected with the said requirements.

Admission to trading on the regulated market segment of the FSE (General Standard sub-segment) of the CIECH Shares has been applied for on 12 August 2016. The corresponding admission decision is expected to be issued and announced on or about 22 August 2016. Currently, trading on the FSE is expected to commence on or about 23 August 2016.

Securities Identification Numbers

The CIECH Shares are indicated by the following securities identification numbers/codes which will remain unchanged following the admission to trading in the regulated market segment of the FSE:

International Securities Identification Number (ISIN)	PLCIECH00018
(German) Securities Identification Number (Wertpapierkennnummer)	A0DQSH
Common Code	027505317
Warsaw Stock Exchange Symbol	CIE
Frankfurt Stock Exchange Symbol	CHX

Certification of the Company’s Shares

Pursuant to applicable law, the shares admitted to trading in a regulated market in Poland must be dematerialized (i.e., they exist in book-entry form). Accordingly, the Company’s shares have been registered and dematerialized in the NDS which acts as the home depository for the Company’s shares. As a consequence, the Company’s shares do not exist in physical form.

Transferability of the Company's Shares

The CIECH Shares may be freely transferred in accordance with the statutory regulations for the transfer of bearer shares.

Designated Sponsor

Currently, the Company does not have appointed a financial institution as designated sponsor for its shares to be traded on the Frankfurt Stock Exchange. One of the tasks of designated sponsors would be to enter prices for binding offers to buy or sell a Company's shares in the electronic trading system of the FSE during daily trading hours so as to provide higher liquidity for the trading of the shares.

FINANCIAL INFORMATION

Auditors

The auditor and group auditor for CIECH S.A. for the fiscal years 2014 and 2013 was KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., with its registered office at ul. Chłodna 51, 00-867 Warsaw (Poland) ("KPMG"). KPMG has audited the consolidated financial statements for the fiscal years 2014 and 2013 and issued unqualified opinions with respect thereto. The audits of the consolidated financial statement for the fiscal years 2014 and 2013 were conducted on behalf of KPMG by Zbigniew Libera (certified auditor no. 90047).

The auditor and group auditor for CIECH S.A. for the fiscal year 2015 was PricewaterhouseCoopers sp. z o.o., with its registered office at Al. Armii Ludowej 14, 00-638, Warsaw (Poland) ("PwC"). PwC has audited the consolidated financial statements for the fiscal year 2015 and issued an unqualified opinion with respect thereto. The audit of the consolidated financial statements for the fiscal year 2015 was conducted on behalf of PwC by Piotr Wyszogrodzki (certified auditor no. 90091).

The interim condensed consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial reporting as adopted by the European Union (the "EU"). The interim condensed consolidated financial statements were not audited.

PwC was appointed as the auditor and group auditor for the fiscal years 2015-2017.

Selected Financial Information

The following summary of financial information has been derived from the CIECH Group's audited consolidated financial statements for the fiscal years ended 31 December 2013 ("fiscal year 2013"), 31 December 2014 ("fiscal year 2014") and 31 December 2015 ("fiscal year 2015"), the unaudited interim condensed consolidated financial statements of CIECH S.A. for the three month period ended 31 March 2016 ("first three months of 2016") ("Financial Statements") as well as additional internal Company documents.

The consolidated financial statements have been prepared based on individual financial statements of the CIECH Group's parent company and its subsidiaries, prepared from the accounting ledgers maintained in accordance with the applicable accounting principles of their respective countries of operation. For the purpose of the consolidated financial statements, adjustments have been made to the accounting policies used in the preparation of the abovementioned individual financial statements for them to be aligned with IFRS approved by the EU and related interpretations issued by the European Commission in the form of Regulations.

The following summary of financial information should be analysed together with the notes which constitute an integral part of the respective consolidated financial statements and which are published on the Company's website under http://ciechgroup.com/en/relacje-inwestorskie/reports/.

The financial condition and operating results have not changed significantly during or since the periods covered by the financial statements which this Summary Documents is based on.

In the consolidated financial statements of the CIECH Group for the year ended 31 December 2015, the presentation of discontinued operations was changed and its results are presented in aggregate as "Net profit (loss) from discontinued operations" in the Consolidated Statement of Profit or Loss, both for the year ended 31 December 2015 and with respect to the corresponding figures for the year ended 31 December 2014. For the purpose of this Summary Document the respective comparatives for 2013 were restated accordingly.

Moreover, the CIECH Group made a change in presenting subsidies in the statement of cash flows– until 2015 they were presented within financing activities while currently they are presented as investing activities. The corresponding figures for 2014 and 2013 were aligned to the new presentation for the purpose of this Summary Document.

Where financial data provided in this Summary Document have been designated as "unaudited," this means that they have not been derived from audited financial statements.

Consolidated Statement of Profit or Loss

	1 January – 31 March		1 January – 31 December		
	2016	**2015** [1]	**2015**	**2014** [2]	**2013** [3]
	in thousand PLN (except as otherwise indicated)				
	(unaudited)		(audited)		
CONTINUING OPERATIONS					
Sales revenues	**826,469**	**817,359**	**3,273,014**	**3,243,900**	**3,229,700**
Cost of sales	(582,921)	(603,787)	(2,398,910)	(2,563,050)	(2,658,053)
Gross profit/(loss) on sales	**243,548**	**213,572**	**874,104**	**680,850**	**571,647**
Other operating income	12,026	12,820	52,927	95,161	87,528
Selling costs	(52,576)	(43,074)	(192,855)	(214,267)	(202,618)
General and administrative expenses	(37,979)	(34,818)	(155,784)	(150,377)	(147,146)
Other operating expenses	(14,566)	(31,368)	(88,576)	(89,552)	(128,130)
Operating profit/(loss)	**150,453**	**117,132**	**489,816**	**321,815**	**181,281**
Financial income	1,488	1,033	6,406	8,371	31,539
Financial expenses	(20,182)	(48,464)	(219,003)	(151,364)	(166,323)
Net financial income/expenses	**(18,694)**	**(47,431)**	**(212,597)**	**(142,993)**	**(134,784)**
Share of profit / (loss) of equity-accounted investees	383	104	163	251	354
Profit/(loss) before tax	**132,142**	**69,805**	**277,382**	**179,073**	**46,851**
Income tax	(29,904)	(16,582)	68,623	(45,291)	95,654
Net profit/(loss) on continuing operations	**102,238**	**53,223**	**346,005**	**133,782**	**142,505**
DISCONTINUED OPERATIONS					
Net profit/(loss) on discontinued operations	**-**	**-**	**–**	**32,571**	**(102,945)**
Net profit / (loss)	**102,238**	**53,223**	**346,005**	**166,353**	**39,560**
including:					
Net profit/(loss) attributable to shareholders of the parent company	102,068	52,209	342,987	167,116	49,447
Net profit/(loss) attributed to non-controlling interest	170	1,014	3,018	(763)	(9,887)
Earnings per share (in PLN) [4]					
Basic	1.94	0.99	6.51	3.17	0.94
Diluted	1.94	0.99	6.51	3.17	0.94
Earnings/(loss) per share (in PLN) from continuing operations [4]					
Basic	1.94	0.99	6.51	2.55	2.87
Diluted	1.94	0.99	6.51	2.55	2.87

1 The figures for the three month period ended 31 March 2015 were derived from the unaudited interim condensed consolidated financial statements of the CIECH Group for the three month period ended on 31 March 2016. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.2 of the unaudited interim condensed consolidated financial statements of the CIECH Group for the three month period ended on 31 March 2016 and, therefore, differ from the figures presented in the unaudited interim condensed consolidated financial statements of the CIECH Group for the three month period ended 31 March 2015.

2 The figures for the fiscal year 2014 were derived from the consolidated financial statements of the CIECH Group for the fiscal year 2015. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2014.

3 The figures for the fiscal year 2013 were derived from the consolidated financial statements of the CIECH Group for the fiscal year 2013 but presented in line with the presentation adopted in the consolidated financial statements of the CIECH Group for the fiscal year 2015. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2013.

4 Information per share based on the current number of shares of the Company outstanding (52,699,909 bearer shares with a par value of PLN 5 each).

Consolidated Statement of Other Comprehensive Income

	1 January – 31 March		1 January – 31 December		
	2016	**2015**	**2015**	**2014** [1]	**2013** [2]
	in thousand PLN (except as otherwise indicated)				
	(unaudited)		(audited)		
Net profit/loss for the fiscal year	**102,238**	**53,223**	**346,005**	**166,353**	**39,560**
Other comprehensive income before tax that may be reclassified to profit or loss	**1,436**	**39,221**	**11,809**	**3,087**	**(25,610)**
Currency translation differences (foreign companies)	1,555	(422)	(3,368)	29,973	(14,354)
Cash flow hedge	(119)	39,649	15,124	(26,986)	(11,256)
Other components of other comprehensive income	–	(6)	53	100	–
Other comprehensive income before tax that may not be reclassified to profit or loss	**–**	**–**	**676**	**(256)**	**74**
Valuation of actuarial provisions	–	–	676	(256)	74
Income tax attributable to other comprehensive income	**114**	**(8,850)**	**(3,052)**	**6,071**	**2,186**
Income tax attributable to other comprehensive income that may be reclassified to profit or loss	114	(8,850)	(2,924)	6,003	2,186
Income tax attributable to other comprehensive income that may not be reclassified to profit or loss	–	–	(128)	68	–
Other comprehensive income net of tax	**1,550**	**30,371**	**9,433**	**8,902**	**(23,350)**
TOTAL COMPREHENSIVE INCOME	**103,788**	**83,594**	**355,438**	**175,255**	**16,210**
Total comprehensive income including attributable to:	**103,788**	**83,594**	**355,438**	**175,255**	**16,210**
Shareholders of the parent company	103,514	81,469	351,693	174,404	25,475
Non-controlling interest	274	2,125	3,745	851	(9,265)

1 The figures for the fiscal year 2014 were derived from the consolidated financial statements of the CIECH Group. for the fiscal year 2015. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2014.

2 The figures for the fiscal year 2013 were derived from the consolidated financial statements of the CIECH Group for the fiscal year 2013 but presented in line with the presentation adopted in the consolidated financial statements of the CIECH Group for the fiscal year 2015.

The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2013.

Consolidated Statement of Financial Position

	31 March	**31 December**		
	2016	**2015**	**2014**	**2013**
	in thousand PLN			
	(unaudited)	(audited)		
ASSETS				
Property, plant and equipment	2,364,982	2,305,005	2,036,738	1,863,012
Right of perpetual usufruct	31,124	31,409	32,357	47,083
Intangible assets	142,997	140,875	116,516	134,190
including:				
Goodwill	62,454	62,378	62,387	61,110
Investment property	34,308	34,308	42,567	91,497
Non-current receivables	91,891	89,612	78,264	69,728
Investments in associates and jointly-controlled entities measured under the equity method	5,301	4,918	4,944	4,769
Other long-term investments	61,843	40,471	46,404	12,415
Deferred income tax assets	201,950	213,749	128,282	77,622
Total non-current assets	**2,934,396**	**2,860,347**	**2,486,072**	**2,300,316**
Inventory	308,001	293,631	257,770	217,338
Short-term investments	59,566	50,781	–	621
Income tax receivables	20,129	29,544	25,109	17,590
Trade and other receivables	571,155	469,652	383,962	566,562
Cash and cash equivalents	132,378	202,935	49,162	105,593
Non-current assets held for sale	3,383	3,383	3,622	2,708
Total current assets	**1,094,612**	**1,049,926**	**719,625**	**910,412**
Total assets	**4,029,008**	**3,910,273**	**3,205,697**	**3,210,728**
EQUITY AND LIABILITIES				
Share capital	287,614	287,614	287,614	287,614
Share premium	470,844	470,844	470,844	470,844
Cash flow hedge	(16,100)	(16,004)	(28,254)	(6,395)
Actuarial gains	434	434	(114)	74
Other reserve capitals	78,521	78,521	78,521	78,521
Currency translation reserve	(51,550)	(53,092)	(47,716)	(76,951)
Retained earnings	679,327	577,259	233,879	157,781
Equity attributable to shareholders of the parent	**1,449,090**	**1,345,576**	**994,774**	**911,488**
Non-controlling interest	(3,798)	(4,072)	(9,300)	(14,199)
Total equity	**1,445,292**	**1,341,504**	**985,474**	**897,289**
Loans, borrowings and other debt instruments	1,495,658	1,494,775	1,176,455	1,303,154
Finance lease liabilities	23,097	21,884	15,825	4,840

	31 March	31 December		
	2016	2015	2014	2013
	in thousand PLN			
	(unaudited)	(audited)		
Other non-current liabilities	145,339	113,485	92,819	160,728
Employee benefits	12,565	12,829	12,720	18,743
Provisions (other long-term)	75,028	74,704	75,244	44,785
Deferred income tax liability	89,567	84,634	98,481	84,578
Total non-current liabilities	**1,841,254**	**1,802,311**	**1,471,544**	**1,616,828**
Loans, borrowings and other debt instruments	33,401	19,809	27,707	7,388
Finance sale-and-lease-back liabilities	-	–	–	929
Finance lease liabilities	3,912	4,999	4,190	2,805
Trade and other liabilities	557,304	585,935	619,639	562,297
Reverse factoring liabilities	16,949	18,998	–	–
Income tax liabilities	46,682	55,020	34,813	24,605
Provisions (short-term provisions for employee benefits and other provisions)	84,214	81,697	62,330	98,587
Total current liabilities	**742,462**	**766,458**	**748,679**	**696,611**
Total liabilities	**2,583,716**	**2,568,769**	**2,220,223**	**2,313,439**
Total equity and liabilities	**4,029,008**	**3,910,273**	**3,205,697**	**3,210,728**

Consolidated Statement of Cash Flows

	1 January – 31 March		1 January – 31 December		
	2016	2015 [1]	2015	2014 [2]	2013 [3]
	in thousand PLN				
	(unaudited)		(audited)		
Net cash from operating activities	65,796	144,356	457,090	442,576	291,021
Net cash from investment activities	(134,550)	(114,679)	(486,100)	(283,666)	672
Net cash from financial activities	(1,842)	(40,666)	182,887	(212,580)	(278,678)
Total net cash flows	**(70,596)**	**(10,989)**	**153,877**	**(53,670)**	**13,015**
Cash and cash equivalents as at the beginning of the period	202,935	49,162	49,162	105,593	90,917
Impact of foreign exchange differences	39	(7)	(104)	(2,761)	1,661
Cash and cash equivalents as at the end of the period	132,378	38,166	202,935	49,162	105,593

1 The figures for the three month period ended 31 March 2015 were derived from the unaudited interim condensed consolidated financial statements of the CIECH Group for the three month period ended 31 March 2016. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3 of the consolidated financial statements of the CIECH Group for the fiscal year 2015, and therefore, differ from the figures presented in the unaudited interim condensed consolidated financial statements of the CIECH Group for the three month period ended on 31 March 2015.

2 The figures for the fiscal year 2014 were derived from the consolidated financial statements of the CIECH Group for the fiscal year 2015. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2014.

3 The figures for the fiscal year 2013 were derived from the consolidated financial statements of the CIECH Group for the fiscal year 2013 but presented in line with the presentation adopted in the consolidated financial statements of the CIECH Group for the fiscal year 2015. The figures identified by the footnote have been restated following changes in accounting policies and the scope of disclosures as described in more detail in section II.3.3. of the consolidated financial statements of the CIECH Group for the fiscal year 2015 and, therefore, differ from the figures presented in the consolidated financial statements of the CIECH Group for the fiscal year 2013.

Key indicators

	1 January – 31 March		1 January – 31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	in thousand PLN				
	(unaudited)				
LTM [1] EBITDA	738,028	580,315	707,538	526,302	390,255
Normalised LTM [1] EBITDA	761,927	585,064	748,422	511,126	440,827
Capital expenditures	(136,326)	(109,825)	(494,745)	(285,755)	(216,232)
Cash and cash equivalents	132,378	38,166	202,935	49,162	105,593
Gross debt [2]	1,579,104	1,233,168	1,564,247	1,231,244	1,318,187
Net debt [3]	1,446,726	1,195,002	1,361,312	1,182,082	1,212,594
Net debt [3] / Normalised LTM [1] EBITDA	1.9	2.0	1.8	2.3	2.8

1 Last twelve months, i.e. value from the preceding 12 months, ended on the respective balance sheet date;

2 gross debt – liabilities from loans, bonds and borrowings (plus overdraft) and other debt instruments (finance lease + negative net valuation of derivatives accounted on every instrument separately + liabilities resulting from reverse factoring).

3 net debt – liabilities from loans, bonds and borrowings (plus overdraft) and other debt instruments (finance lease + negative net valuation of derivatives accounted on every instrument separately + liabilities resulting from reverse factoring) less cash and cash equivalents;

	31 March		31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	in thousand PLN				
	(unaudited)				
Loans, borrowings and other debt instruments	1,529,059	1,205,600	1,514,584	1,204,162	1,310,542
Finance lease liabilities	27,009	21,702	26,883	20,015	7,645
Reverse factoring liabilities	16,949	-	18,998	-	-
Net negative valuation of derivatives	6,087	5,866	3,782	7,067	-
Gross debt	**1,579,104**	**1,233,168**	**1,564,247**	**1,231,244**	**1,318,187**
Cash and cash equivalents	132,378	38,166	202,935	49,162	105,593
Net debt	**1,446,726**	**1,195,002**	**1,361,312**	**1,182,082**	**1,212,594**

EBITDA is net profit /loss on continuing operations plus income tax plus share of profit / (loss) of equity-accounted investees plus financial expense/income plus depreciation and amortization. EBITDA is not ratio of liquidity or operating results calculated in accordance with IFRS.

	12 months ended 31 March		1 January – 31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	in thousand PLN				
	(unaudited)				
Net profit/(loss) on continuing operations	395,020	173,991	346,005	133,782	142,505

	12 months ended 31 March		1 January – 31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	in thousand PLN				
	(unaudited)				
Income tax	(55,301)	40,859	(68,623)	45,291	(95,654)
Share of profit / (loss) of equity-accounted investees	(442)	(162)	(163)	(251)	(354)
Financial expenses	190,721	159,397	219,003	151,364	166,323
Financial income	(6,861)	(4,077)	(6,406)	(8,371)	(31,539)
Amortisation/depreciation	214,891	210,307	217,722	204,487	208,974
LTM EBITDA	**738,028**	**580,315**	**707,538**	**526,302**	**390,255**

Normalized EBITDA is an additional ratio of operating results. Normalized EBITDA is EBITDA adjusted by costs/revenues, which were considered by the management as one-time. Normalized EBITDA is a significant ratio during estimation and measurement of recurring operating results of the Group. Normalized EBITDA is not a measure of financial results in accordance with IFRS.

	12 months ended 31 March		1 January – 31 December		
	2016	**2015**	**2015**	**2014**	**2013**
	in thousand PLN				
	(unaudited)				
LTM EBITDA	738,028	580,315	707,538	526,302	390,255
One-offs:	23,899	4,749	40,884	(15,176)	50,572
Impairment loss [1]	(3,960)	(12,304)	2,119	(17,791)	34,468
Cash items [2]	(2,670)	2,871	1,143	(625)	(8,332)
Non-cash items (without impairment loss) [3]	30,529	14,182	37,622	3,240	24,436
Normalised LTM EBITDA	**761,927**	**585,064**	**748,422**	**511,126**	**440,827**

1 Impairment losses are associated with the creation/reversal of impairment write-downs of assets value.

2 Cash items include, among others, profit/loss on the sale of property, plant and equipment and other items (including costs associated with discontinued operations, fees and compensations).

3 Non-cash items include: fair value measurement of investment properties, profit/loss on discontinued operations, costs of liquidation of inventories and property, plant and equipment, the costs of suspended investment environmental provisions, provisions for liabilities and expected losses, costs of unused production capacity and other items (including extraordinary costs and other provisions).

The above non-IFRS financial measures are not measures of financial performance under IFRS, should not be considered as an alternative to cash flow from operating activities or operating profit, or any other IFRS measure, and may not be comparable to similarly titled measures of other companies, because the above non-IFRS financial measures are not uniformly defined and other companies may calculate them in a different manner, limiting their usefulness for comparison purposes. Accordingly, undue reliance should not be placed on any of the non-IFRS financial measures contained in this document. The non-IFRS financial measures should not be considered in isolation from, or as a substitute for, the analysis of the CIECH Group’s results of operations and financial condition under IFRS.

The above non-IFRS measures have been presented in the Summary Document, as the Company's Management Board believes that these are important alternative measures which enable the investors to assess the CIECH Group's perfromance.

RECENT DEVELOPMENTS AND OUTLOOK

Recent Developments

After 31 March 2016, the following developments took place:

In May 2016, a bankruptcy procedure was initiated with regard to the sole supplier of technological steam to CSR, CET. On 6 July 2016, the court curator of CET terminated the agreement with CSR for sale of heat energy (supply of technological steam) concluded for a specified period of time, effective on 31 July 2016. On 28 July 2016, the court courator of CET announced that, despite termination of the heat energy sale agreement with CSR, deliveries of technological steam to CSR will continue after 31 July 2016, with a gradual reduction of their scope by 25% per day, until final discontinuation of deliveries. As a result of limitation of deliveries of technological steam to CSR by CET, on 3 August 2016 CSR has suspended its production of soda. As CSR questions the validity of the submitted notice of termination and following legal action before the relevant court, aimed at invalidation of the effectiveness of termination of the agreement, the Ramnicu Valcea Tribunal Court, Romania, announced on 18 August 2016 its decision to suspend the legal consequences of the termination by the court-appointed administrator of CET of the agreement for the supply of process steam to CSR. The decision is binding until the court of the first instance has examined and issued its decision with regard to the action against CET, submitted by CSR, challenging the validity of the termination; as a result of such decision, CET resumed the supply of steam and CSR began to restore its soda production process on 19 August 2016. Notwithstanding the undertaken legal steps, CSR is conducting negotiations with the court curator of CET regarding the determination of new conditions of steam delivery to CSR after 31 July 2016 in the event that the court determines that the termination is effective.

On 16 June 2016, the General Meeting of CIECH S.A. passed the resolution on distribution of net profit for 2015 in the amount of PLN 331,579 thousand in the following way:

- PLN 150,195 thousand for the payment of dividends to shareholders of CIECH S.A., it is a dividend per share of PLN 2.85; the dividend record date was set for 30 June 2016 year, and the dividend payment date on 16 August 2016 year.
- the amount of PLN 181,384 thousand for reserve capital CIECH S.A. The number of shares covered by the dividend amounts to 52,699,909.

Outlook

The first three months of 2016 were successful for CIECH. The consolidated sales revenue and net profit for this period amounted, respectively, to PLN 826.5 and PLN 102.2 million compared to, respectively, PLN 817.4 million and PLN 53.2 million for the first three months of 2015. In the first quarter of 2016 the CIECH Group achieved EBITDA of PLN 203.6 million (compared to PLN 173.1 million in the same period of 2015), which was historically the highest quarterly EBITDA achieved by the Group.

The Management Board believes that the following trends have and will continue to have an impact on the activities of CIECH in the coming quarters:

- Sales of additional soda volumes from expanded installations (Soda +200 Project)
- Entry to new markets in the Soda and Organic segment
- Continuation of raising quality of products and focus on highly processed products, particularly in the Soda segment
- Continuation of expansion in the Organic segment, particularly by (1) developing the plant protection chemicals portfolio, including the ZIEMOVIT product line, (2) expansion abroad

focusing on most promising directions (3) developing foams portfolio and (4) raising efficiency of AGRO sector.

- Low level of the energy resources prices (coal, gas, coke)
- Global economic situation, in particular, the direction of the Chinese economy GDP's changes being difficult to foresee

DEFINITIONS

The numbers provided refer to the page(s) on which the respective term is defined.