



**EXTENDED CONSOLIDATED
QUARTERLY REPORT
OF THE CIECH GROUP
FOR THE FIRST QUARTER OF 2015**

We are providing a courtesy English translation of our financial statements which were originally written in Polish. We take no responsibility for the accuracy of our translation. For an accurate reading of our financial statements, please refer to the Polish language version of our Extended Consolidated Quarterly Report for the first quarter of 2015 attached hereto.

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I. Condensed Interim Consolidated Financial Statements of the CIECH Group

1. Condensed Consolidated Statement of Profit or Loss of the CIECH Group

PLN'000	01.01-31.03.2015	01.01-31.03.2014
CONTINUING OPERATIONS		
Sales revenues	817,359	844,955
Cost of sales	(607,305)	(670,941)
Gross profit/(loss) on sales	210,054	174,014
Other operating income	12,820	12,143
Selling costs	(45,548)	(54,274)
General and administrative expenses	(28,826)	(34,693)
Other operating expenses	(31,368)	(28,251)
Operating profit/(loss)	117,132	68,939
Financial income	1,033	5,327
Financial expenses	(48,464)	(40,431)
Net financial income/expenses	(47,431)	(35,104)
Share of profit/loss of equity-accounted investees	104	193
Profit/(loss) before tax	69,805	34,028
Income tax	(16,582)	(21,014)
Net profit/(loss) on continuing operations	53,223	13,014
DISCONTINUED OPERATIONS		
Net profit/(loss) on discontinued operations*	-	(7,428)
Net profit / (loss)	53,223	5,586
including:		
Net profit/(loss) attributable to shareholders of the Parent Company	52,209	6,437
Net profit/(loss) attributable to non-controlling interests	1,014	(851)
Earnings/(loss) per share (in PLN):		
Basic	0.99	0.12
Diluted	0.99	0.12
Earnings/(loss) per share (in PLN) from continuing operations:		
Basic	0.99	0.26
Diluted	0.99	0.26

*The detailed information on profit/loss from discontinued operations has been presented in point IV.12 of this Report.

The condensed consolidated statement of profit or loss of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

2. Condensed Consolidated Statement of Other Comprehensive Income of the CIECH Group

<i>PLN'000</i>	01.01-31.03.2015	01.01-31.03.2014
Net profit/(loss) on continuing operations	53,223	13,014
Net profit/(loss) on discontinued operations	-	(7,428)
Net profit/(loss) for the period	53,223	5,586
Other comprehensive income before tax that may be reclassified to profit or loss	39,221	(1,358)
Currency translation differences (foreign companies)	(422)	1,365
Cash flow hedges	39,649	(2,723)
Other	(6)	-
Other comprehensive income before tax that may not be reclassified to profit or loss	-	-
Valuation of actuarial provisions	-	-
Income tax attributable to other comprehensive income	8,850	(701)
Income tax attributable to other comprehensive income that may be reclassified to profit or loss	8,850	(701)
Income tax attributable to other comprehensive income that may not be reclassified to profit or loss	-	-
Other comprehensive income net of tax	30,371	(657)
TOTAL OTHER COMPREHENSIVE INCOME	83,594	4,929
Other comprehensive income including attributable to:	83,594	4,929
Shareholders of the Parent Company	81,469	5,814
Non-controlling interests	2,125	(885)

Detailed information on the components of other comprehensive income has been presented in point IV.9 of this Report.

The condensed consolidated statement of other comprehensive income of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

3. Condensed Consolidated Statement of Financial Position of the CIECH Group

PLN'000	31.03.2015	31.12.2014
ASSETS		
Property, plant and equipment	2,026,452	2,036,738
Right of perpetual usufruct	32,252	32,357
Intangible assets, including:	119,404	116,516
- goodwill	60,465	62,387
Investment property	36,418	42,567
Non-current receivables	70,290	78,264
Investments in associates and jointly-controlled entities measured under the equity method	4,845	4,944
Other long-term investments	46,404	46,404
Deferred income tax assets	111,732	128,282
Total non-current assets	2,447,797	2,486,072
Inventory	261,638	257,770
Short-term investments	2,265	-
Income tax receivables	23,291	25,109
Trade and other receivables	438,741	383,962
Cash and cash equivalents	38,166	49,162
Non-current assets classified as held for sale	3,383	3,622
Total current assets	767,484	719,625
Total assets	3,215,281	3,205,697
EQUITY AND LIABILITIES		
Share capital	287,614	287,614
Share premium	470,844	470,844
Cash flow hedge	3,862	(28,254)
Actuarial gains	(114)	(114)
Other reserve capitals	78,521	78,521
Currency translation reserve	(52,079)	(47,716)
Retained earnings	287,564	233,879
Equity attributable to shareholders of the Parent Company	1,076,212	994,774
Non-controlling interests	(7,556)	(9,300)
Total equity	1,068,656	985,474
Loans, borrowings and other debt instruments	1,136,549	1,176,455
Lease liabilities	17,838	15,825
Other non-current liabilities	80,916	92,819
Employee benefits	12,784	12,720
Provisions (other long-term)	78,456	75,244
Deferred income tax liability	90,633	98,481
Total non-current liabilities	1,417,176	1,471,544
Loans, borrowings and other debt instruments	69,051	27,707
Lease liabilities	3,864	4,190
Trade and other liabilities	549,535	619,639
Income tax liabilities	43,990	34,813
Provisions (short-term provisions for employee benefits and other provisions)	63,009	62,330
Total current liabilities	729,449	748,679
Total liabilities	2,146,625	2,220,223
Total equity and liabilities	3,215,281	3,205,697

The condensed consolidated statement of financial position of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

4. Condensed Consolidated Statement of Cash Flows of the CIECH Group

<i>PLN'000</i>	01.01-31.03.2015	01.01-31.03.2014
Cash flows from operating activities		
Net profit/(loss) for the period	53,223	5,586
Adjustments		
Amortization / depreciation	55,959	50,139
Recognition / (reversal) of impairment allowances	6,040	6,223
Foreign exchange (gain)/loss	21,097	2,323
Investment property revaluation	6,162	-
(Profit) / loss on investment activities	15,806	(7,827)
(Profit) / loss on disposal of property, plant and equipment	(8,195)	(130)
Dividends and interest	24,283	31,933
Income tax	16,582	21,014
(Profit) / loss on the settlement of construction contracts (voids)	(3,103)	(3,527)
Share of (profit) / loss on equity accounted investees	(104)	(193)
Change in liabilities from loan arrangement commission	1,295	1,231
Other adjustments	(485)	(1,005)
Cash from operating activities before changes in working capital and provisions	188,560	105,767
Change in receivables	(39,122)	(47,527)
Change in inventory	(5,186)	(1,239)
Change in current liabilities	(2,306)	41,770
Change in provisions and employee benefits	7,112	(1,773)
Net cash generated from operating activities	149,058	96,998
Interest paid	(998)	(258)
Cash flows from construction contracts (voids)	-	(1,035)
Income tax paid	(3,704)	(10,291)
Net cash from operating activities	144,356	85,414
Cash flows from investment activities		
Inflows	(2,300)	(11,100)
Disposal of a subsidiary*	(3,443)	(11,387)
Disposal of intangible assets and property, plant and equipment	170	208
Disposal of investment property	310	-
Dividends received	118	-
Interest received	545	79
Outflows	(114,009)	(44,830)
Acquisition of intangible assets and property, plant and equipment	(109,480)	(44,452)
Research and development expenditures	(4,163)	(314)
Other investment outflows	(21)	(64)
Net cash from investment activities	(116,309)	(55,930)
Cash flows from financial activities		
Inflows	16,172	-
Proceeds from loans and borrowings	14,542	-
Subsidies received	1,630	-
Outflows	(55,208)	(982)
Repayment of finance lease liabilities	(945)	(982)
Paying off "sleeping shareholders"	(54,263)	-
Net cash from financial activities	(39,036)	(982)
Total net cash flows	(10,989)	28,502
Cash and cash equivalents at the beginning of the period	49,162	105,593
<i>Impact of foreign exchange differences</i>	<i>(7)</i>	<i>(2,019)</i>
Cash and cash equivalents at the end of the period	38,166	132,076

* This item includes also cash and cash equivalents deconsolidated as a result of liquidating CIECH Polsin Pte. Ltd. in first quarter of 2015 and loss of control over Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej (the consequence of the bankruptcy of the company) in first quarter of 2014.

The condensed consolidated statement of cash flows of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

5. Condensed Consolidated Statement of Changes in Equity of the CIECH Group

<i>PLN'000</i>	Share capital	Share premium	Cash flow hedge	Other reserve capitals	Actuarial gains	Currency translation reserve	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
Equity as at 01/01/2015	287,614	470,844	(28,254)	78,521	(114)	(47,716)	233,879	994,774	(9,300)	985,474
Transactions with shareholders of the Parent Company recognized in equity	-	-	-	-	-	(1,508)	1,477	(31)	(381)	(412)
Change in the Group's structure	-	-	-	-	-	(1,508)	1,477	(31)	(381)	(412)
Total comprehensive income for the period	-	-	32,116	-	-	(2,855)	52,208	81,469	2,125	83,594
Net profit/(loss)	-	-	-	-	-	-	52,209	52,209	1,014	53,223
Other comprehensive income	-	-	32,116	-	-	(2,855)	(1)	29,260	1,111	30,371
Equity as at 31/03/2015	287,614	470,844	3,862	78,521	(114)	(52,079)	287,564	1,076,212	(7,556)	1,068,656

The condensed consolidated statement of changes in equity of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity of the CIECH Group

<i>PLN'000</i>	Share capital	Share premium	Cash flow hedge	Other reserve capitals	Actuarial gains	Currency translation reserve	Retained earnings	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
Equity as at 01/01/2014	287,614	470,844	(6,395)	78,521	74	(76,951)	157,781	911,488	(14,199)	897,289
Transactions with shareholders of the Parent Company recognized in equity	-	-	-	-	-	-	-	-	79	79
Change in the Group's structure	-	-	-	-	-	-	-	-	79	79
Total comprehensive income for the period	-	-	(2,206)	-	-	1,583	6,437	5,814	(885)	4,929
Net profit/(loss)	-	-	-	-	-	-	6,437	6,437	(851)	5,586
Other comprehensive income	-	-	(2,206)	-	-	1,583	-	(623)	(34)	(657)
Equity as at 31/03/2014	287,614	470,844	(8,601)	78,521	74	(75,368)	164,218	917,302	(15,005)	902,297

The condensed consolidated statement of changes in equity of the CIECH Group should be analysed together with the notes which constitute an integral part of the condensed interim consolidated financial statements.

II. Management Report

1. The most important events in the CIECH Group in the first quarter of 2015

New names of companies in the CIECH Group

In the first quarter of 2015, by decision of the Management Board of CIECH S.A., the names of the Group's members were unified for the marketing and image-building purposes of the CIECH Group.

The changes affected the following companies:

Former name	New name
Soda Polska Ciech S.A.	CIECH Soda Polska S.A.
S.C. Uzinele Sodice Govora Ciech Chemical Group S.A.	CIECH Soda Romania S.A.
Sodawerk Stassfurt GmbH & Co. KG	CIECH Soda Deutschland GmbH & Co. KG
Zakłady Chemiczne "Organika-Sarzyna" S.A.	CIECH Sarzyna S.A.
Vitrosilicon S.A.	CIECH Vitrosilicon S.A.
TRANSODA Sp. z o.o.	CIECH Cargo Sp. z o.o.
TRANSCLEAN Sp. z o.o.	CIECH Transclean Sp. z o.o.
Ciech Trademarks Sp. z o.o.	CIECH R&D Sp. z o.o.

Completion of the first stage of the development of the Inowrocław soda plant production capacity – project SODA +200

Modernization of the production facilities is one of the basic pillars of the CIECH Group's development. The most important project pursued in the first quarter was the development of the production capacity of the soda plant in Inowrocław from 600 to 800 thousand tonnes per year. The first stage of the investment called SODA +200 project resulted in an increase in the plant's annual capacity of 60 thousand tonnes of finished goods. The total value of the SODA +200 programme amounts to approx. PLN 265 million. At the same time, in the near-by plant in Janikowo, an investment aimed at intensifying the production of salt was completed in March 2015. As a result, the production of these goods increased from 1 thousand to 1.7 thousand tonnes per day. This is in response to the market demand, and as a result, the plant in Janikowo will process all brine into high-quality salt. The total value of this investment is over PLN 77 million.

2. Description of the achievements of the CIECH Group in the period from 1 January to 31 March 2015 and description of the factors and events that have a significant impact on the financial result

2.1 Basic financial data

In the first quarter of 2015, the CIECH Group generated a net profit from continuing operations of PLN 53,223 thousand, the net balance of cash and cash equivalents decreased by PLN 10,989 thousand, and the total assets as at the end of the first quarter of 2015 amounted to PLN 3,215,281 thousand.

The table below presents selected financial data and basic financial ratios for the first quarter of 2015 and 2014.

Selected financial data

PLN '000	01.01-31.03.2015	01.01-31.03.2014	Change % 2015/2014	Change 2015/2014
CONTINUING OPERATIONS				
Sales revenues	817,359	844,955	(3.3%)	(27,596)
Cost of sales	(607,305)	(670,941)	9.5%	63,636
Gross profit/(loss) on sales	210,054	174,014	20.7%	36,040
Selling costs	(45,548)	(54,274)	16.1%	8,726
General and administrative expenses	(28,826)	(34,693)	16.9%	5,867
Other operating income/expenses	(18,548)	(16,108)	(15.1%)	(2,440)
Operating profit/(loss)	117,132	68,939	69.9%	48,193
Net financial income/(costs)	(47,431)	(35,104)	(35.1%)	(12,327)
Share of profit/loss of equity-accounted investees	104	193	(46.1%)	(89)
Income tax	(16,582)	(21,014)	21.1%	4,432
Net profit/(loss)	53,223	13,014	309.0%	40,209
DISCONTINUED OPERATIONS				
Net profit/(loss) on discontinued operations	-	(7,428)	-	7,428
Net profit/(loss) for the period	53,223	5,586	852.8%	47,637
<i>including:</i>				
Net profit/(loss) attributable to non-controlling interests	1,014	(851)	-	1,865
Net profit/(loss) attributable to shareholders of the Parent Company	52,209	6,437	711.1%	45,772
EBITDA from continuing operations	173,091	119,078	45.4%	54,013
<i>Normalized EBITDA from continuing operations*</i>	192,758	118,820	62.2%	73,938

*Excluding one-off events, the more important of which are described in point IV.3.

PLN '000	31.03.2015	31.12.2014	31.03.2014	Change % IQ2015 / 2014	Change IQ2015 / 2014
Total assets	3,215,281	3,205,697	3,227,492	0.3%	9,584
Non-current assets	2,447,797	2,486,072	2,192,343	(1.5%)	(38,275)
Current assets, including:	767,484	719,625	1,035,149	6.7%	47,859
- inventory	261,638	257,770	224,280	1.5%	3,868
- short-term receivables	462,032	409,071	625,122	12.9%	52,961
- cash and cash equivalents	38,166	49,162	132,076	(22.4%)	(10,996)
- short-term investments	2,265	-	53,303	-	2,265
- non-current assets classified as held for sale	3,383	3,622	368	(6.6%)	(239)
Total equity	1,068,656	985,474	902,297	8.4%	83,182
Equity attributable to shareholders of the Parent Company	1,076,212	994,774	917,302	8.2%	81,438
Non-controlling interests	(7,556)	(9,300)	(15,005)	18.8%	1,744
Non-current liabilities	1,417,176	1,471,544	1,617,487	(3.7%)	(54,368)
Current liabilities	729,449	748,679	707,708	(2.6%)	(19,230)

PLN '000	01.01-31.03.2015	01.01-31.03.2014	Change % 2015/2014	Change 2015/2014
Net cash flows from operating activities	144,356	85,414	69.0%	58,942
Net cash flows from investing activities	(116,309)	(55,930)	(108.0%)	(60,379)
Net cash flows from financial activities	(39,036)	(982)	(3,875.2%)	(38,054)
Total net cash flows	(10,989)	28,502	-	(39,491)
<i>including free cash flows</i>	28,047	29,484	(4.9%)	(1,437)

	01.01-31.03.2015	01.01-31.03.2014	Change 2015/2014
CONTINUING OPERATIONS			
Earnings per share (in PLN)	0.99	0.26	0.73
Net profitability	6.5%	1.5%	5 p.p.
EBIT %	14.3%	8.2%	6.1 p.p.
EBITDA %	21.2%	14.1%	7.1 p.p.
Normalized EBITDA %*	23.6%	14.1%	9.5 p.p.

*Excluding one-off events, the more important of which are described in point IV.3.

Source: CIECH S.A.

Calculation principles (as per data for continuing activities):

Earnings per share – net profit or (loss) / weighted average number of ordinary shares outstanding for a given period (in accordance with the definition of IAS 33 'Earnings per share')

Net profitability – net profit or (loss) for a given period / net revenues from sales of products, services, goods and materials in a given period,

EBIT% – operating profit for a given period / net revenues from sales of products, services, goods and materials in a given period,

EBITDA% – (operating profit + amortization/depreciation for a given period) / net revenues from sales of products, services, goods and materials for a given period,

Normalized EBITDA % – EBITDA excluding one-off events the more important of which are described in point IV.3 / net revenues from sales of products, services, goods and materials for a given period.

2.2 Sales revenues

Consolidated sales revenues from continued operations of the CIECH Group for the first quarter of 2015 amounted to PLN 817,359 thousand. In comparison to the same period of the previous year, sales revenues decreased by PLN 27,596 thousand, i.e. by 3.3%. The decrease was mainly due to the factors.

The positive contributors to the presented sales revenues were as follows:

- increase in the prices of soda and salt, reinforcement of USD, in comparison to PLN and RON, competitive prices of European manufacturers in relation to the import from North America;
- increase in the volume of sale of epoxy resins and the volume of sales of saturated polyester resins, increase in sales prices of unsaturated polyester resins as a result of the strengthening of the USD against the EUR (lower price competitiveness and decrease in demand for import from the Far East);
- stable demand for polyurethane foams, increased volumes of sale and moderate increase in the sale prices.

The negative contributors to the presented sales revenues were as follows:

- high supply and intensive activities of competitors on the salt market, pressure on reducing prices;
- decrease in electricity prices in Germany;
- decrease in the sale prices of epoxy and saturated polyester resins related to the low level of prices of raw materials, strong competition on the plant protection products market, intensive activities of new distributors, low purchasing activity of farmers (unfavourable weather conditions);
- no trading sales of sulphur (completion of the contract with the Azoty Group for supplies of the product)

Due to the change in the presentation of operating segments in the CIECH Group, the activity of the Group in the first quarter of 2015 concentrated on four business segments: soda, organic, silicates and glass, and on the transport segment. These segments generate in total more than 90% of the Group's sales revenues. The structure of sales revenues by business segment has not changed significantly in comparison with the same period of 2014. Invariably, the greatest share in the revenue was attributed to the sales of soda segment products, i.e. 65.3%.

Sales revenues – business segments

PLN '000	1st quarter of 2015	1st quarter of 2014*	Change	Change %	% of total revenues in 2015	% of total revenues in 2014
Soda segment, including:	535,571	499,174	36,397	7.3%	65.3%	59.1%
Dense soda ash	298,546	276,624	21,922	7.9%	36.4%	32.7%
Light soda ash	109,084	91,792	17,292	18.8%	13.3%	10.9%
Salt	43,301	42,059	1,242	3.0%	5.3%	5.0%
Baking soda	40,248	37,873	2,375	6.3%	4.9%	4.5%
Energy	26,055	23,477	2,578	11.0%	3.2%	2.8%
Gas**	490	14,085	(13,595)	(96.5%)	0.1%	1.7%
Calcium chloride	4,205	6,376	(2,171)	(34.0%)	0.5%	0.8%
Other products	5,492	675	4,817	713.6%	0.7%	0.1%
Revenues from inter-segment transactions	8,150	6,213	1,937	31.2%	1.0%	0.7%
Organic segment, including:	224,364	224,768	(404)	(0.2%)	27.4%	26.6%
Resins	58,944	88,296	(29,352)	(33.2%)	7.2%	10.4%
Polyurethane foams	61,325	58,881	2,444	4.2%	7.5%	7.0%
Plant protection chemicals	70,323	73,944	(3,621)	(4.9%)	8.6%	8.8%
Plastics	-	73	(73)	(100.0%)	0.0%	0.0%
Other	33,396	3,565	29,831	836.8%	4.1%	0.4%
Revenues from inter-segment transactions	376	9	367	4,077.8%	0.0%	0.0%
Silicates and Glass segment, including:	36,815	106,722	(69,907)	(65.5%)	4.5%	12.6%
Sulphur	-	59,397	(59,397)	(100.0%)	0.0%	7.0%
Glass blocks and packaging – lanterns and jars	17,555	21,794	(4,239)	(19.5%)	2.1%	2.6%
Sodium silicate in lumps	11,517	15,715	(4,198)	(26.7%)	1.4%	1.9%
Sodium water glass	6,283	5,834	449	7.7%	0.8%	0.7%
Other	1,358	3,270	(1,912)	(58.5%)	0.2%	0.4%
Revenues from inter-segment transactions	102	712	(610)	(85.7%)	0.0%	0.1%
Transport segment, including:	28,842	25,065	3,777	15.1%	3.5%	3.0%
Transport services	3,685	2,879	806	28.0%	0.4%	0.3%
Revenues from inter-segment transactions	25,157	22,186	2,971	13.4%	3.1%	2.6%
Other operations segment	30,951	22,818	8,133	35.6%	3.7%	2.7%
Revenues from third parties	25,552	18,346	7,206	39.3%	3.1%	2.2%
Revenues from inter-segment transactions	5,399	4,472	927	20.7%	0.7%	0.5%
Consolidation adjustments	(39,184)	(33,592)	(5,592)	16.6%	(4.8%)	(4.0%)
TOTAL	817,359	844,955	(31,373)	(3.3%)	99.7%	100.0%

*Restated

**Resale of surpluses of the gas purchased.

Source: CIECH S.A.

2.3 Profit/(Loss) on sale and Operating Profit/(Loss)

After the first quarter of 2015, gross profit on sales amounted to PLN 210,054 thousand, whereas in the same period of the previous year it amounted to PLN 174,014 thousand. The operating profit amounted to PLN 117,132 thousand, in the comparable period it amounted to PLN 68,939 thousand.

The positive contributors to the presented profits were as follows:

- Maintaining positive growth dynamics in the domestic chemical industry. In the period from January to March 2015 in comparison to the same period of the previous year, an increase in sales of 3.3% in the case of chemicals and chemical products, and of 5.6% in respect of rubber and plastic products (in fixed prices) was recorded.
- Increase in domestic sales of construction and assembly production of 3.5% during the 3 months of 2015 in comparison to the same period of the previous year (chemical industry produces many raw materials and semi-finished products used in this production).
- Increase in prices of soda ash on European markets from the beginning of 2015, in comparison to the previous year.
- Balancing the European soda ash market (balancing supply and demand).

- Maintaining oil prices at a low level (2 times lower than in the previous year), and consequently low prices of raw materials for the organic industry, which improved the effectiveness of the CIECH Group's operations in the organic segment.
- Economic recovery in the European Union.

The negative contributors to the presented profits were as follows:

- Decrease in the prices of epoxy resins on the European market (by a few percent during the first quarter of 2015).
- Reinforcement of the Polish currency against the EUR which makes export of the CIECH Group less profitable.
- Weakening of the Polish currency against the USD which is unfavourable for purchases of raw materials from outside the European Union.

In the 1st quarter of 2015, the EBIT margin amounted to 14.3% (8.2% in the prior year), and the EBITDA margin amounted to 21.2% (14.1% in the prior year). In the 1st quarter of 2015, the EBIT margin without one-off events amounted to 16.7% (8.1% in the prior year), and the EBITDA margin without one-off events amounted to 23.6% (14.1% in the prior year).

2.4 Financing activities and net result

Financial income after the first quarter of 2015 amounted to PLN 1,033 thousand and decreased compared to the corresponding period of the previous year when it amounted to PLN 5,327 thousand.

Financial expenses after the first quarter of 2015 amounted to PLN 48,464 thousand and increased compared to the corresponding period of the previous year when it amounted to PLN 40,431 thousand.

The positive contributors in the area of financing activities included primarily interest on loans and borrowings granted and on deposits and bank accounts.

The negative contributors in the area of financing activities included continuous substantial costs of servicing external debt - interest on bonds - which is associated with high external debt (a decrease compared to the corresponding period of the previous year) and foreign exchange losses (in contrast to foreign exchange gains in the first quarter of 2014).

The consolidated net result from continued operations after the first quarter of 2015 amounted to PLN 53,223 thousand (including net profit attributable to shareholders of the Parent Company in the amount of PLN 52,209 thousand as well as net loss attributable to non-controlling interests in the amount of PLN 1,014 thousand). This profit was mainly influenced by profit on sales, partly levelled by the negative result from financing activities (the most negative influence resulted from the costs of servicing external debt, mainly interest on bonds and overdraft facilities). The Group's net profit was also significantly affected by the current income tax of PLN 15,026 thousand.

Financial result achieved in different types of activities

PLN '000	01.01-31.03.2015	01.01-31.03.2014	Change % 2015/2014	Change 2015/2014
CONTINUING OPERATIONS				
1. Operating profit/(loss)	117,132	68,939	69.9%	48,193
2. Net financial income/(expenses)	(47,431)	(35,104)	(35.1%)	(12,327)
3. Share of profit/loss of equity-accounted investees	104	193	(46.1%)	(89)
4. Income tax	(16,582)	(21,014)	21.1%	4,432
5. Net profit/(loss) (1+2+3+4) on continuing operations	53,223	13,014	309.0%	40,209
6. Net profit/(loss) on continuing operations attributable to non-controlling interests	1,014	(851)	-	1,865
7. Net profit/(loss) on continuing operations attributable to owners of the Company (5-6)	52,209	13,865	276.6%	38,344
8. Net profit/(loss) on discontinued operations	-	(7,428)	-	7,428
9. Net profit/(loss) for the year (5+8)	53,223	5,586	852.8%	47,637

Source: CIECH S.A.

2.5 Assets

As at the end of March 2015, the Group's non-current assets amounted to PLN 2,447,797 thousand. As compared to the balance as at 31 December 2014 the value of non-current assets decreased by PLN 38,275 thousand. The change is mainly related to the decrease in fair value of investment properties, a decrease in the receivables from construction services contracts, recognition of a write-down on the client base in the CIECH Soda Deutschland Group and dissolution of a part of the deferred tax asset.

As at 31 March 2015, the Group's current assets amounted to PLN 767,484 thousand. The current assets comprised mainly: trade receivables and other receivables which accounted for 57.2%, inventories which accounted for 34.1%, and cash and cash equivalents which accounted for 5.0% of total current assets. Compared with the end of December 2014, the value of current assets increased by PLN 47,859 thousand. The increase is mainly related to an increase in trade receivables (seasonal increase in sale of plant protection chemicals in CIECH Sarzyna S.A. and an increase in the soda segment in CIECH S.A.)

2.6 Liabilities

As at 31 March 2015, the CIECH Group's liabilities (non-current and current) amounted to PLN 2,146,625 thousand, which accounts for a decrease in comparison with the end of December 2014 of PLN 73,598 thousand (i.e. of 3.3%). The decrease in liabilities results mainly from the return of capital contributions in the total amount of EUR 12 million together with remuneration due on the basis of the silent partners' agreement. As at 31 March 2015, the total debt ratio (current and non-current liabilities / total assets) was 66.8% (69.3% as at the end of December 2014). The consolidated net debt of the Group calculated as the sum of non-current and current liabilities due to loans, borrowings and other debt instruments (bonds + finance lease + derivatives liabilities) decreased by cash and cash equivalents amounted to PLN 1,195,001 thousand as at 31 March 2014 and increased in comparison with the balance as at the end of December 2014 by PLN 12,919 thousand.

Information on the liquidity ratios was included in point II.2.8 of this report 'Information on the CIECH Group's financial standing'.

2.7 Cash flows

Total net cash flows in the first quarter of 2015 was negative and amounted to PLN -10,989 thousand. As compared to the same period of the previous year the Group generated cash flows which were PLN 39,491 thousand lower. Cash flows from operating activities amounted to PLN 144,356 thousand and were PLN 58,942 thousand higher than those generated in the comparable period of 2014.

In the first quarter of 2015 the net cash from investment activities was negative. The surplus of investment outflows over inflows amounted to PLN -116,309 thousand. The balance of cash flows from investment activities was mainly influenced by the acquisitions of property, plant and equipment in the Group companies.

Net cash from financial activities was negative and amounted to PLN -39,036 thousand. In relation to the corresponding period of 2014, it was PLN 38,054 thousand lower. The negative balance of cash flows from financial activities was mainly influenced by the return of capital contributions totalling EUR 12 million together with remuneration due on the basis of the silent partners' agreement, made by KWG GmbH in January 2015, partly levelled by cash inflows from current loans drawn.

2.8 Information on the CIECH Group's financial standing

Profitability after the first quarter of 2015

In the first quarter of 2015, the return ratios of the CIECH Group in respect of the continuing operations were at a higher level than after the first quarter of 2014.

The CIECH Group's return ratios

	01.01-31.03.2015	01.01-31.03.2014
CONTINUING OPERATIONS		
Gross return on sales	25.7%	20.6%
Return on sales	16.6%	10.1%
EBIT margin	14.3%	8.2%
EBITDA margin	21.2%	14.1%
Operating profit margin (normalized*)	16.7%	8.1%
Normalized EBITDA margin*	23.6%	14.1%
Net return on sales (ROS)	6.5%	1.5%
Return on assets (ROA)	1.7%	0.4%
Return on equity (ROE)	5.0%	1.4%

*Excluding one-off events, the more important of which are described in point IV.3.

Calculation principles (as per data for continuing activities):

gross return on sales – gross profit on sales for a given period / net revenues from sales of products, services, goods and materials for a given period;

return on sales – profit on sales for a given period / net revenues from sales of products, services, goods and materials for a given period;

EBIT margin – operating profit for a given period / net revenues from sales of products, services, goods and materials for a given period;

EBITDA margin – (operating profit + amortization/depreciation for a given period) / net revenues from sales of products, services, goods and materials for a given period;

normalized EBIT margin – EBIT for a given period excluding one-off events the more important of which are described in point IV.3 / net revenues from sales of products, services, goods and materials for a given period;

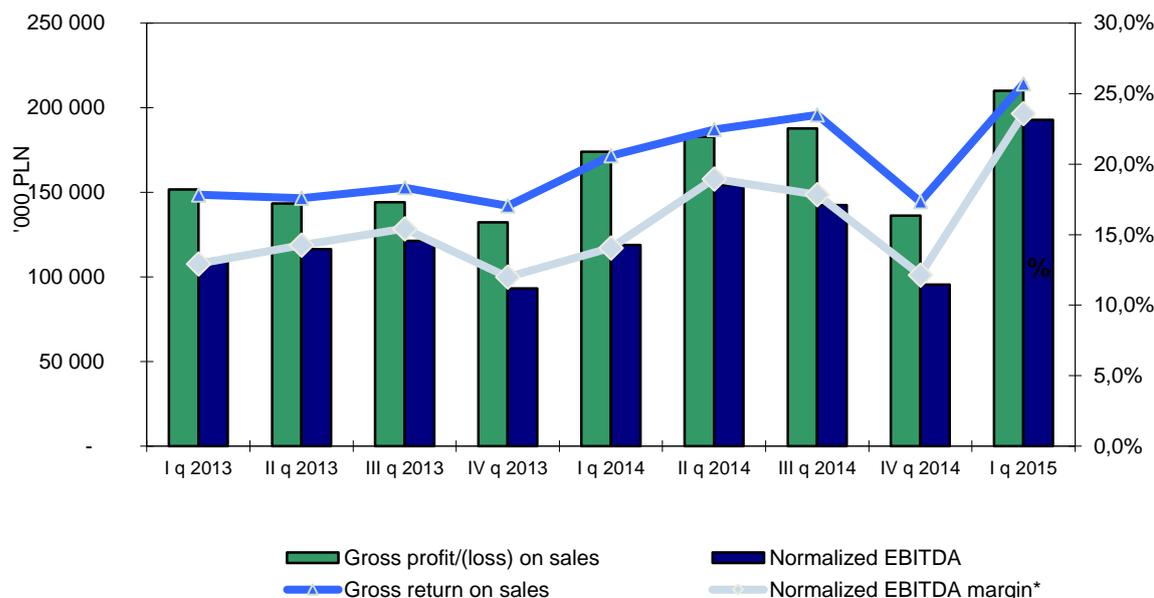
normalized EBITDA margin – EBITDA excluding one-off events the more important of which are described in point IV.3. / net revenues from sales of products, services, goods and materials for a given period;

net return on sales (ROS) – net profit for a given period / net revenues from sales of products, services, goods and materials for a given period;

return on assets (ROA) – net profit for a given period / total assets at the end of a given period;

return on equity (ROE) – net profit for a given period / total equity at the end of a given period.

The CIECH Group's return levels



*Normalized EBITDA - excluding one-off events described in particular quarters

Source: CIECH S.A.

Liquidity of the Group and working capital

Liquidity ratios as of the end of March 2015 increased in comparison with 31 December 2014. The current ratio, calculated as the ratio of total current assets to total current liabilities, amounted to 1.05 as at 31 March 2015, while the quick ratio amounted to 0.69.

The CIECH Group's liquidity ratios

	31.03.2015	31.12.2014	31.03.2014
Current ratio	1.05	0.96	1.46
Quick ratio	0.69	0.62	1.15

Calculation principles:

current ratio – the ratio of current assets to current liabilities at the end of a given period; measures a company's ability to cover current liabilities using current assets.

quick ratio – the ratio of current assets less inventory to current liabilities at the end of a given period; measures a company's ability to use its near cash assets to retire its current liabilities immediately.

Ability to generate cash flows

PLN '000	01.01-31.03.2015	01.01-31.03.2014
Financial surplus (net profit + amortization/depreciation)	109,182	55,725
Other adjustments to net profit	74,676	38,458
Adjusted financial surplus	183,858	94,183
Change in working capital	(39,502)	(8,769)
Cash flows from operating activities	144,356	85,414
Cash flows from investment activities	(116,309)	(55,930)
Free cash flows	28,047	29,484

In the first quarter of 2015, the CIECH Group generated positive free cash flows, i.e. it was able to finance its investment expenditure with cash flows generated within its operating activities. The adjusted financial surplus reached the required level so as to allow for generating positive free cash flows.

As at the end of March 2015, working capital, defined as the difference between current assets and current liabilities adjusted by appropriate balance sheet items (cash and cash equivalents and short-term loans), amounted to PLN 73,052 thousand, which is an increase of PLN 114,816 thousand compared to the end of 2014.

The CIECH Group's working capital

PLN '000	31.03.2015	31.12.2014	31.03.2014
1. Current assets, including:	767,484	719,625	1,035,149
<i>Inventory</i>	261,638	257,770	224,280
<i>Trade receivables</i>	309,648	268,020	469,506
2. Cash, cash equivalents and other short-term investments	40,431	49,162	185,379
3. Adjusted current assets (1-2)	727,053	670,463	849,770
4. Current liabilities, including	729,449	748,679	707,708
<i>Trade liabilities</i>	333,389	322,179	381,359
5. Short-term loans and other current financial liabilities*	75,448	36,452	42,692
6. Adjusted current liabilities (4-5)	654,001	712,227	665,016
7. Working capital including short-term loans (1-4)	38,035	(29,054)	327,441
8. Working capital (3-6)	73,052	(41,764)	184,754

*Other current financial liabilities include current finance lease liabilities + short-term derivatives liabilities + sale-and-lease-back liabilities.

Indebtedness

The debt ratio decreased compared with December 2014 and amounts to 66.8%. At the same time, the relative net debt level (net debt divided by EBITDA) improved compared to the level achieved in March 2014 (in 2013 the Group recognized significant impairment allowances of property, plant and equipment in the companies comprising the CIECH Group, which negatively affected annualized EBITDA). The ratio adjusted by one-off events remains at a lower level compared to the previous year (net debt divided by normalized EBITDA).

The CIECH Group's debt ratios

	31.03.2015	31.12.2014	31.03.2014
Debt ratio	66.8%	69.3%	72.0%
Long-term debt ratio	44.1%	45.9%	50.1%
Debt to equity ratio	200.9%	225.3%	257.7%
Equity to assets ratio	33.2%	30.7%	28.0%
Debt	1,233,168	1,231,244	1,356,789
Net debt	1,195,001	1,182,082	1,224,713
EBITDA annualized	580,316	526,303	398,590
Normalized EBITDA (annualized)	585,064	511,126	449,531
Net debt / EBITDA annualized	2.1	2.2	3.1
Net debt / Normalized EBITDA (annualized)*	2.0	2.3	2.7
Debt / EBITDA annualized	2.1	2.3	3.4
Debt / Normalized EBITDA (annualized)*	2.1	2.4	3.0

Excluding one-off events, the more important of which are described in point IV.3.

Calculation principles (as per data for continuing activities):

debt ratio – the ratio of current and non-current liabilities to total assets; measures the share of external funds in financing of a company's activity;

long-term debt ratio – the ratio of non-current liabilities to total assets; measures the share of non-current liabilities in financing of a company's activity;

debt to equity ratio – the ratio of total liabilities to equity;

equity to assets ratio – the ratio of equity to total assets; measures the share of equity in financing of a company's activity;

net debt – liabilities on incurred loans and borrowings (plus overdraft) and other debt instruments (finance lease + derivatives liabilities) less cash and cash equivalents;

debt – liabilities on incurred loans and borrowings (plus overdraft) and other debt instruments (finance lease + derivatives liabilities).

Debt financing of the CIECH Group

Debt financing of the CIECH Group in the form of bonds and loans is obtained mainly through:

- Bonds issued by Ciech Group Financing AB (publ) – as at 31 March 2015 the nominal debt amounted to EUR 245 million (i.e. PLN 1,001,805 thousand).
- Bonds issued by CIECH S.A. – as at 31 March 2015 the nominal net debt amounted to PLN 160 million.
- Loan provided to CIECH S.A. under the revolving loan agreement of 9 August 2013 in an amount of up to PLN 100 million – as at 31 March 2015 the debt amounted to PLN 0.
- Overdraft facilities totalling EUR 20 million (including the facilities provided to CIECH S.A. of EUR 15 million and a facility provided to Sodawerk Stassfurt GmbH & Co. KG of EUR 5 million) – as at 31 March 2015 the debt amounted to EUR 8,852 thousand (i.e. PLN 36,199 thousand).

As at 31 March 2015, the fair value of bonds presented in the consolidated financial statements amounted to PLN 1,282,022 thousand. The fair value of foreign bonds is calculated on the basis of quotations on the Luxembourg Stock Exchange, where these bonds were listed. The fair value of Polish bonds corresponds to their nominal value.

Detailed information concerning the conditions of the issue of bonds, the revolving loan agreement and the established collaterals were disclosed in the Consolidated Annual Report of the CIECH Group for 2014 in point I.8, published on 23 March 2015.

On 30 June 2014, the subsidiary KWG GmbH received from STW (Stadtwerke Stassfurt GmbH) and EMS (Erdgas Mittelsachsen GmbH) a termination notice concerning the silent partners' agreement dated 2 December 2011 effective from 31 December 2014. Due to termination of the agreement, KWG GmbH repaid capital contributions amounting to EUR 12 million together with the remuneration due on the basis of the silent partners' agreement within the agreed deadline, i.e. on 22 January 2015.

3. Seasonality and cyclicity of the operations of CIECH S.A. and the CIECH Group

Information on the seasonality and cyclicity of the operations of CIECH S.A. and the CIECH Group was included in point IV.16 of this Report.

4. Fulfilment of profit forecasts previously published for a given year in the light of the results disclosed in the quarterly report against the forecast results

The CIECH Group did not publish any forecasts for 2015.

5. Factors that influence the CIECH Group's results with particular focus on the next quarter

External factors affecting the Group's results

Situation in industries being recipients of the CIECH Group's products in Poland

Poland is the biggest selling market for the CIECH Group. The largest domestic direct recipients of the Group's products include: the glass industry, chemical industry, plastics industry, furniture industry, agriculture and food industry.

The development in these economic sectors depends on the economic situation in Poland. Sold industrial production in fixed prices during the period of three months of 2015 increased by 5.3% compared to the corresponding period of the previous year (it increased by 4.8% in 2014, respectively). At the same time, the dynamics of the chemical industry indicated an increase of 3.3% in the production of chemicals and chemical products (excluding pharmacy) and a more significant increase of 5.6% in the production of rubber products and plastics.

After a slow-down in Polish economic growth in 2012 – 2013 (with an annual GDP growth of 1.7%-1.8%) a visible economic revival was noted in the current year (GDP growth of 3.3%). An improvement in the economic situation should also be observed in 2015-2016 (projected growth of GDP in these years of more than 3.5%). A similar tendency should be expected in the chemical industry, which usually develops in line with the whole economy.

Economic situation in Europe and around the world

The Group's business is largely based on the sales of chemical products on foreign markets. The volume and profitability of sales depend on the global economic situation in Europe and around the world. A global economic slump usually affects the demand for raw materials on international markets, thus reducing the Group's export revenue. In 2015 the largest countries in Asia (China, India and ASEAN countries with GDP growth of 6.8%, 7.5% and 5.2%, respectively). An above-average economic growth is also expected in Sub-Saharan Africa (GDP of 4.5%). According to the forecasts of the International Monetary Fund, the global GDP will grow in the current year by 3.5% (i.e. slightly more than in 2013-2014 when the growth rate was 3.4%). Among the largest economies, the worst economic conditions are expected in Russia (a decrease of GDP of 3.8%) and in Brazil (a decrease of 1.0%). Forecasts for the European Union assume slight growth of GDP dynamics to 1.8% (from 1.4% in 2014, according to the IMF).

As far as the chemical sector is concerned, the American Chemistry Council (ACC) estimates that after a moderate increase in the global production of chemicals in the years 2013 – 2014 (of 2.7% and 2.8% respectively), the next years will bring a significant increase in this sector: of 3.6% in 2015 and 3.9% in 2016. On the other hand, the European Chemical Industry Council (CEFIC) assumes that in the European Union, in 2015, the EU chemical production will grow only 1% (due to the stagnation in prior years: plus 0.2% in 2014 and minus 0.2% in 2013).

Financial situation of agriculture

A portion of the CIECH Group's revenues covering plant protection chemicals (products manufactured by the Group and merchandise) is generated by sales to the agricultural sector. In the Group's opinion, in the long-term, the demand for agrochemicals in Poland and Central and Eastern Europe should continue to grow. The material factors favouring an increase in the consumption of agrochemicals in Poland and thus the demand for the Group's products and merchandise are processes improving the financial situation and profitability of agricultural production, including: production quoting and direct subsidies. The above should result in a growth in the Group's revenue. On the other hand, the lack of significant improvement in the purchasing capacity of the agricultural sector may be the reason for stagnation in the demand for plant protection chemicals and as a result for a stagnation of the Group's revenues related to agrochemical products.

According to the data supplied by Poland's Institute of Agricultural and Food Economics (IERiGZ), the market conditions affecting domestic agriculture production in the period from January to March 2015 were worse than a year ago (slight drop in demand for foodstuffs). The synthetic index of the economic situation in agriculture (SWKR) fluctuated slightly (in March 2015 it reached the level of 99.7, which is the same as the year before). In the near term, market conditions for agriculture should improve slightly (an increase in retail sales of foodstuffs and revival in the export to markets other than Russia).

Economic situation on the raw material market

The import of raw chemicals to Poland constitutes a significant part of the Group's commercial turnover. Raw material markets are characterized by great cyclicity connected with fluctuations of the world's economic situation. Rising prices of raw materials cause, on the one hand, a reduction in the margins of commercial intermediaries and weakening demand at the recipients. On the other hand, decreasing prices are most often a sign of weakening demand and the beginning of a recession. The maintenance of a stable rate of economic growth and stable prices of chemical raw materials will have a positive impact on the Group's commercial activity in respect of the import of raw materials. Significant demand and price fluctuations may be caused by economic changes resulting from rapid economic growth or economic stagnation. Strong fluctuations may have an adverse impact on the trade in raw chemicals by the CIECH Group.

REACH implementation

In accordance with the REACH regulation, Group companies selling substances in quantities exceeding 1 tonne p.a. have completed or will complete full registration of these substances by defined deadlines which will allow them continue their operations in the current scope. To date 20 substances have been registered in the CIECH Group in a volume of 100 - 1000 Mg/y. In the 3rd stage, i.e. by 31 May 2018, the plan is to register 12 substances being introduced to the market in a volume of 1 – 100 Mg/y.

Emission trading system

In the Group, 4 companies are covered by the emission trading system:

- CIECH Soda Polska S.A. which has 2 electricity and heat generation installations and 2 installations for soda production
- CIECH Soda Soda Deutschland Group which has 1 electricity and heat generation installation and 1 installation for soda production
- CIECH Soda Romania S.A. which has 1 installation for soda production
- CIECH Vitrosilicon S.A. which has 2 installation for glass production

The internal analyses carried out by the CIECH Group companies show that the quantity of free allowances for CO₂ emissions in the EU ETS III (2013-2020) will not be sufficient to cover the actual need for these types of units of account. The resulting deficit of allowances to emit carbon dioxide will be possible to balance by using one or more of the following actions:

- purchase of missing allowances in the auction, on the stock exchange or OTC transactions;
- capital investments aimed at reducing the emissions of generated heat, emissivity of the processes, increase of energy efficiency;
- using raw materials and fuels that result in lower emission.

In addition to the direct costs associated with the purchase of rights to emit carbon dioxide, all CIECH Group companies will incur higher costs of purchasing power due to the fact that the costs of purchase of emission rights will be transferred to them by manufacturers.

EUR/PLN and USD/PLN exchange rates

The CIECH Group's export sale is settled mostly in EUR and USD. A strong EUR and USD increase the profitability of exports for the Group. Furthermore, it increases volumes of turnover carried out by the Group for other manufacturers. As a result, the EUR/PLN and USD/PLN exchange rates influence the profitability of sales revenues in the Group.

If the Polish zloty becomes stronger against the EUR and USD, the profitability of exports declines, and the Group's export volumes decrease.

Internal factors affecting the Group's results

Maintaining cost and quality effectiveness

The Group's competitiveness results from the main market factors, such as costs, quality, resources (both assets and staff), marketing activities and market position. The most crucial ones are:

- cost competitiveness which is based on the effects of production scale, specialization, standardization and impact of experience;
- quality leadership and quality management systems;
- competition based on the market strength of the enterprise (market leader);
- cost leadership and diversification.

Quality and stability of the management and staff

The market position of the CIECH is predominantly due to the high quality of the management staff and mid-tier employees. The Group's human capital policy guarantees that employees have opportunities for professional growth and to constantly enhance their skills.

6. Significant changes in risk factors

The most significant risk factors to which the CIECH Group is exposed have been presented in detail in the Consolidated Annual Report of the CIECH Group for 2014 in point I.4, published on 23 March 2015.

During the first quarter of 2015, no new risks occurred, and the previously identified factors have not changed, except for a reduction in the risk associated with the unions initiating a collective labour dispute in the CIECH Soda Deutschland Group in relation to the arrangement introducing new remuneration and bonus regulations, signed on 23 April 2015.

7. Changes in the number of shares of CIECH S.A. held by Members of the Management Board and Supervisory Board

According to the declarations submitted by the management and supervisory persons, it appears that:

- as at 31 March 2015:
 - ✓ Mr Dariusz Krawczyk – President of the Management Board, held 163,500 shares in CIECH S.A.
 - ✓ Mr Artur Osuchowski – Member of the Management Board, held 65,195 shares in CIECH S.A.
- as at the date of publishing of the foregoing report:
 - ✓ Mr Dariusz Krawczyk – President of the Management Board, held 163,500 shares in CIECH S.A.
 - ✓ Mr Artur Osuchowski – Member of the Management Board, held 65,195 shares in CIECH S.A.

Managerial persons did not hold any shares or holdings in related entities.

Dr Jan Kulczyk - Chairman of the Supervisory Board has indirectly 26,952,052 shares in Ciech S.A. via KI Chemistry s. à r. l. seated in Luxembourg.

Other supervisory persons did not hold any shares in CIECH S.A. nor shares or holdings in related entities.

8. CIECH S.A.'s shareholders holding at least 5% of shares/votes at the General Meeting of Shareholders

CIECH S.A.'s shares are listed on the Warsaw Stock Exchange. The share capital of CIECH S.A. is PLN 263,500,965 and is divided into 52,699,909 shares with a face value of PLN 5 each including:

- 20,816 series A ordinary bearer shares;
- 19,775,200 series B ordinary bearer shares;
- 8,203,984 series C ordinary bearer shares;
- 23,000,000 series D ordinary bearer shares;
- 1,699,909 series E ordinary bearer shares.

SHAREHOLDERS

As of the date of publishing the previous report (i.e. from the date of publication of the Consolidated Annual Report of the CIECH Group for 2014, announced on 23 March 2015), CIECH S.A. has not received any information from the shareholders about increasing or decreasing the interests of any of them in the total number of shares. To the knowledge of the Company CIECH S.A., as at 31 March 2015 there were 2 shareholders holding a significant stake (at

least 5%) of CIECH S.A.'s shares: KI Chemistry s. à r. l., with its registered office in Luxembourg, and ING Open Pension Fund.

Shareholder	Type of shares	Number of shares	Number of votes at GSM	Share in total number of votes at GSM	Share in share capital (%)
KI Chemistry s. à r. l. with its registered office in Luxembourg*	Ordinary bearer shares	26,952,052	26,952,052	51.14%	51.14%
ING Otworthy Fundusz Emerytalny**	Ordinary bearer shares	5,000,000	5,000,000	9.49%	9.49%
Other	Ordinary bearer shares	20,747,857	20,747,857	39.37%	39.37%

* according to the information of 9 June 2014 given by the Shareholder under art. 77 item 7 and art. 69 item 1 p. 1 of the Public Offering Act of 29 July 2005 (...) (Cr 26/2014)

** based on the list of shareholders holding at least 5% of votes at the Extraordinary General Meeting of Shareholders of CIECH S.A. on 7 July 2014, Cr 51/2014 prepared and published based on art. 70 item 3 of the Public Offering Act (...)

9. Information on the issue, redemption and repayment of debt securities and equity securities in the CIECH Group

The information has been presented in point IV.17 of this Report.

10. Information on dividends paid (or declared), in total and per share, broken down into ordinary shares and preference shares

On 23 March 2015, the Management Board of CIECH S.A. adopted a resolution on the proposed appropriation of the net profit earned by CIECH S.A. in 2014, recommending to the Ordinary General Shareholders' Meeting to earmark the Company's net profit for 2014 of PLN 92,129 thousand for the Company's supplementary capital.

By virtue of a resolution of 23 May 2014, the Ordinary General Shareholders' Meeting of CIECH S.A. decided to pay a dividend of PLN 59,551 thousand (PLN 1.13 per share). The dividend date was set on 29 May 2014. The dividend payment date was set on 28 November 2014. 52,699,909 shares were entitled to dividend payment.

11. Description of organization and identification of the effects of changes in the structure of the CIECH Group

The description of the CIECH Group's organization as well as information on the effects of changes in the organizational structure have been presented in points IV.1 and IV.2 of this Report.

12. Procedures pending in courts, in arbitration proceedings or in front of public administration bodies

The information has been presented in point IV.11 of this Report.

13. Information on non-standard and non-routine transactions with related entities concluded by CIECH S.A. or its subsidiaries

The information has been presented in point IV.6 of this Report.

14. Information on loan and borrowing sureties or guarantees granted by CIECH S.A. or its subsidiaries

The information has been presented in point IV.7 of this Report.

III. Information on the presentation principles for the Condensed Interim Consolidated Financial Statements of the CIECH Group for the first quarter of 2015

1. Basis for preparation of the condensed interim consolidated financial statements of the CIECH Group

The presented condensed interim consolidated financial statements for the period from 1 January to 31 March 2015, were approved by the Management Board of CIECH S.A. on 15 May 2015 to be published on 15 May 2015.

The presented consolidated financial statements have been prepared on a going concern basis.

These consolidated financial statements cover the financial statements of CIECH S.A., the parent company, and its subsidiaries (jointly referred to as the "CIECH Group"; the "Group"), as well as the Group's interests in associates.

The presented interim consolidated financial statements were drawn up in compliance with IAS 34 "Interim Financial Reporting" as approved by the European Union and the Regulation of the Minister of Finance dated 19 February 2009, with amendments, on current and periodic information published by issuers of securities and the conditions of recognizing as equivalent the information required by the legal provisions of a country which is not a member state (Journal of Laws No. 33, item 259 from 2009).

The preparation of financial statements in compliance with International Financial Reporting Standards ("IFRS") requires the Management Board to exercise professional judgement, estimates and assumptions that impact the adopted accounting principles and the value of assets, liabilities, income and expenses presented. All estimates and related assumptions are based on historical experience and various other factors considered reasonable under the given circumstances, and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which does not result directly from other sources. Actual results may differ from these estimates.

The estimates and related assumptions are subject to regular verification. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if such revisions apply solely to that period, or in the current period and future periods, if such revisions apply both to the current and future periods.

The Management Board's professional judgements, which have a significant impact on the consolidated financial statements, and the estimates bearing a risk of significant changes in future periods, have been presented in points IV.8 and IV.11 of this Report. During the current interim period there were no significant revisions to the estimated values presented in the previous reporting periods.

The Management Board of the Parent Company used its best judgement in selecting and interpreting the applicable standards, as well as in the selection of measurement methods and principles for particular items of the CIECH Group's consolidated financial statements as at 31 March 2015. Due diligence was exercised in preparing the tables and notes presented below. The financial statements as at 31 March 2015 present truly and fairly the financial position and the financial performance of the CIECH Group. The financial statements as at 31 March 2015 present truly and fairly the financial position and the financial performance of the CIECH Group.

2. Adopted accounting principles

The CIECH Group's accounting principles are described in the Consolidated Annual Report of the CIECH Group for the year 2014, published on 23 March 2015. The aforementioned Report includes detailed information regarding the principles and methods of valuation of assets and liabilities and measurement of the financial result, as well as the method of preparing the financial statements and comparative information. These principles have been applied on a continuous basis with relation to currently published data, the last annual financial statements and comparative data, except for changes described below.

In the first quarter of 2015, the CIECH Group organized its assets in line with their current operating activity. From 1 January 2015, the CIECH Group introduced a new classification of its companies into reporting segments – a new transport segment was identified which includes two companies dedicated to road and rail transport in the CIECH Group – CIECH Cargo Sp. z o.o. and CIECH Transclean Sp. z o.o. So far, the results and assets of these companies were presented in the Soda Segment (CIECH Cargo Sp. z o.o.) and the Organic Segment (CIECH Transclean Sp. z o.o.). Additionally, 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.

The CIECH Group has changed the respective comparatives. The accounting principles applied in segment reporting are in line with the Group's accounting policy based on the IFRS.

The amendments to the IFRS which came into force from 1 January 2015 have had no significant impact on the consolidated financial statements of the CIECH Group.

The Group intends to adopt amendments to the IFRS that are published but not effective as at the date of publication of these consolidated financial statements in accordance with their effective date. The estimated impact of amendments to the IFRS on the CIECH Group's future consolidated financial statements was presented in note II.3.3 of the

consolidated financial statements of the CIECH Group for the year 2014 published on 23 March 2015. In the assessment of the Group, amendments to the IFRS that came into force between the date of publication of the consolidated financial statements for the year 2014 and the date of publication of this Report will not have a significant impact on the financial statements.

3. Functional and presentation currency and conversion principles

The Polish zloty (PLN) shall be the reporting currency of these consolidated financial statements. Unless indicated otherwise, the information in the consolidated financial statements has been presented in thousands of PLN (PLN '000). The functional currency of the parent company CIECH S.A. is the Polish zloty.

The functional currencies for significant foreign subsidiaries are:

- Soda Deutschland CIECH Group and Ciech Group Financing AB – functional currency – EUR; presentation currency in the CIECH Group consolidated financial statements – PLN
 - EUR exchange rate as at the balance sheet date 31 March 2015: 4.0890 PLN (31 March 2014: 4.1713 PLN);
 - EUR average exchange rate (calculated as the arithmetic average of the average EUR exchange rates determined by the National Bank of Poland as at the last day of every month, i.e. from January to March) for the period from 1 January to 31 March 2015: 4.1489 PLN (comparable period: 4.1894 PLN).
- CIECH Soda Romania S.A. – functional currency - RON; presentation currency in the CIECH Group consolidated financial statements – PLN
 - RON exchange rate as at the balance sheet date 31 March 2015: 0.9277 PLN (31 March 2014: 0.9355 PLN);
 - RON average exchange rate (calculated as the arithmetic average of the average RON exchange rates determined by the National Bank of Poland as at the last day of every month, i.e. from January to March) for the period from 1 January to 31 March 2015: 0.9368 PLN (comparable period: 0.9338 PLN).

IV. Notes to the Condensed Interim Consolidated Financial Statements of the CIECH Group

1. Consolidated entities

Description of the organization of the CIECH Group

The parent of the CIECH Group is CIECH Spółka Akcyjna, with its registered office in Warsaw, ul. Puławska 182, registered under number 0000011687 at the Regional Court for the capital city of Warsaw in Warsaw, XIII Commercial Department of the National Court Register.

The CIECH Group is a group of domestic and foreign manufacturing, distribution and trade companies operating in the chemical industry. As at 31 March 2015, it was composed of 36 business entities, including:

- the parent company CIECH S.A.;
- 30 subsidiaries, including:
 - 21 domestic subsidiaries;
 - 9 foreign subsidiaries;
- 2 domestic associates;
- 2 foreign associates;
- 1 foreign jointly-controlled entity.

The parent company has a branch in Ramnicu Valcea, Romania and conducts operations through its offices in Inowrocław and Nowa Sarzyna. Ciech Trading S.A. subsidiary has a branch in Bydgoszcz.

The Ciech Group is composed of direct subsidiaries and associates, for which CIECH S.A. is the parent entity, as well as indirect subsidiaries and associates, whose parent entities are direct subsidiaries of CIECH S.A.

The actual core business of the CIECH Group comprises the production of chemical products and sales of chemical products manufactured by the CIECH Group. Apart from that, the CIECH Group sells chemical products acquired outside the Group.

Commercial activities are primarily conducted by CIECH S.A. and domestic and foreign commercial companies, which are CIECH S.A.'s subsidiaries while manufacturing activities are carried out by manufacturing plants which are CIECH S.A.'s subsidiaries.

In preparing the consolidated financial statements for the first quarter of 2015, the following companies were consolidated.

List of consolidated companies and companies measured under the equity method in the first quarter of 2015 and in the comparable period

Company/Group name	Consolidation method as at 31.03.2015 and CIECH S.A.'s control	Consolidation method as at 31.03.2014 and CIECH S.A.'s control	Share in equity as at 31.03.2015	Share in equity as at 31.03.2014	Business
1) CIECH S.A.	Parent	Parent	-	-	<ul style="list-style-type: none"> - the actual core business of the parent entity is sales of chemical products manufactured within the CIECH Group; - apart from that CIECH S.A. sells chemical products acquired outside the Group; - additionally, CIECH S.A. as a Parent Company conducts holding activity, manages a portfolio of subsidiaries, provides support services (in the area of sales, purchases, finance, IT) for selected companies in the Group, as well as conducts financial activity in the form of direct lending to the companies in the Group;
2) CIECH FINANCE Sp. z o.o.	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	100%	100%	<ul style="list-style-type: none"> - implementing divestment projects concerning obsolete fixed assets (property) and financial assets (shares in companies);
3) CIECH R&D Sp. z o.o. (until 31 March 2015 under the name Ciech Trademarks Sp. z o.o.)	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	100%	100%	<ul style="list-style-type: none"> - granting licence to the CIECH Group companies to use the trademarks: 'Ciech', 'Ciech Trading' and 'Sól Kujawska naturalna czysta' for business activity purposes;
4) CIECH NIERUCHOMOŚCI S.A. (until 18 June 2014 under the name Inowrocławskie Zakłady Chemiczne SODA MĄTWY S.A.)	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	<ul style="list-style-type: none"> - real property agency, real property management, public relations and communications, service activity related to office support other 'out-of-school' forms of education, not elsewhere classified;

Company/Group name	Consolidation method as at 31.03.2015 and CIECH S.A.'s control	Consolidation method as at 31.03.2014 and CIECH S.A.'s control	Share in equity as at 31.03.2015	Share in equity as at 31.03.2014	Business
Ciech Trading Group					
5) Ciech Trading S.A.	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	100%	100%	<ul style="list-style-type: none"> – wholesale and distribution of solid inorganic and organic chemicals; – wholesale and distribution of raw materials for household chemicals; – wholesale and distribution of raw materials for cosmetic and pharmaceutical products; – wholesale and distribution of fillers, pigments, raw materials for paints and varnishes; – wholesale and distribution of food and feed additives; – wholesale and distribution of acids, bases and other liquid chemicals;
5.1) Janikowskie Zakłady Sodowe JANIKOSODA S.A.	Indirect subsidiary of CIECH S.A. - fully consolidated on the level of the CIECH Group	Indirect subsidiary of CIECH S.A. - fully consolidated on the level of the CIECH Group	100%	100%	<ul style="list-style-type: none"> – real property agency, real property management, public relations and communications, service activity related to office support other 'out-of-school' forms of education, not elsewhere classified;
5.1.1) CIECH Soda Romania S.A. (until 28 April 2015 under the name S.C. Uzinele Sodice Govora – Ciech Chemical Group S.A.)	Indirect subsidiary of CIECH S.A. - fully consolidated on the level of the CIECH Group	Indirect subsidiary of CIECH S.A. - fully consolidated on the level of the CIECH Group	93.76%	92.91%	<ul style="list-style-type: none"> – production of other basic inorganic chemicals; – wholesale of chemical products;
CIECH Soda Polska Group					
6) CIECH Soda Polska S.A. (until 20 April 2015 under the name Soda Polska Ciech S.A.)	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	Subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	100%	100%	<ul style="list-style-type: none"> – production of other basic inorganic chemicals; – wholesale of chemical products; – power generation and distribution;

Company/Group name	Consolidation method as at 31.03.2015 and CIECH S.A.'s control	Consolidation method as at 31.03.2014 and CIECH S.A.'s control	Share in equity as at 31.03.2015	Share in equity as at 31.03.2014	Business
6.1) CIECH Cargo Sp. z o.o. (until 20 April 2015 under the name TRANSODA Sp. z o.o.)	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	100%	100%	– freight transport services;
6.2) Sagrera Sp. z o.o.	Sold on 18 September 2014	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	-	100%	
6.3) Cerium Sp. z o.o.	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	-	100%	-	– the Company is the sole general partner of Cerium Sp. z o.o. SKA, its core operations comprise managing the business of Cerium Sp. z o.o. SKA;
6.4) Cerium Sp. z o.o. SKA	Indirect subsidiary of CIECH S.A. – fully consolidated on the level of the CIECH Group	-	100%	-	– conducting financial activities, in particular comprising direct granting of loans and leasing of non-current assets to the CIECH Group companies;
7) CIECH-POLSIN PRIVATE LIMITED	The Company was deleted from the ACRA Register of Businesses on 11 March 2015	Fully consolidated subsidiary of CIECH S.A. - The company in liquidation	-	98.00%	– wholesale and retail sale of a variety of goods in the Far East markets;
8) CIECH Vitrosilicon S.A. (until 20 April 2015 under the name VITROSILICON S.A.)	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– manufacture of other basic inorganic chemicals; – manufacture of household and technical glassware; – manufacture of plastic packaging goods; – manufacture of other plastic products;
9) CIECH Transclean Sp. z o.o. (until 10 April 2015 under the name Przedsiębiorstwo Transportowo-Uslugowe TRASCLEAN Sp. z o.o.)	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– international transport of liquid chemicals; – tank truck and rail cisterns wash;
CIECH Sarzyna Group	Fully consolidated lower-tier Group	Fully consolidated lower-tier Group			
10) CIECH Sarzyna S.A. (until 18 March 2015 under the name Zakłady Chemiczne "Organika-Sarzyna" S.A.)	Lower-tier parent	Lower-tier parent	99.64%	99.64%	– manufacture of plastics; – manufacture of pesticides and other chemical products;

Company/Group name	Consolidation method as at 31.03.2015 and CIECH S.A.'s control	Consolidation method as at 31.03.2014 and CIECH S.A.'s control	Share in equity as at 31.03.2015	Share in equity as at 31.03.2014	Business
10.1) Verbis KAPPA Sp. z o.o.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	99.64%	99.64%	– the company is the sole general partner of Verbis KAPPA Sp. z o.o. SKA; – other financial intermediation;
10.2) Verbis KAPPA Sp. z o.o. SKA	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	99.64%	99.64%	– other financial intermediation;
10.3) Algete Sp. z o.o.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	99.64%	99.64%	– property management services;
11) CIECH Pianki Sp. z o.o.	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– manufacture of organic and other inorganic chemicals;
12) CIECH Group Financing AB	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– conducting financial activities, particularly lending of funds by issuing bonds and other financial instruments with institutional and private investors as well as the direct lending of such funds to the companies of the Group and carrying out any other activities in support of such activities and the provision of related services;
13) Verbis ETA Sp. z o.o.	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– the Company is the sole general partner of Verbis ETA Sp. z o.o. SKA; – its main objective is to manage the activities of Verbis ETA Sp. z o.o. SKA;
14) Verbis ETA Sp. z o.o. SKA	Fully consolidated subsidiary of CIECH S.A. -	Fully consolidated subsidiary of CIECH S.A. -	100%	100%	– conducting financial activities, particularly direct lending to the Ciech Group companies.

Company/Group name	Consolidation method as at 31.03.2015 and CIECH S.A.'s control	Consolidation method as at 31.03.2014 and CIECH S.A.'s control	Share in equity as at 31.03.2015	Share in equity as at 31.03.2014	Business
Soda Deutschland CIECH Group	Fully consolidated lower-tier Group	Fully consolidated lower-tier Group			– manufacture of other basic inorganic chemicals, wholesale of chemical products; – power generation and distribution.
15) SDC GmbH (until 4 May 2015 under the name Soda Deutschland Ciech GmbH)	Lower-tier parent	Lower-tier parent	100%	100%	
15.1) Sodawerk Holding Stassfurt GmbH	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	100%	100%	
15.1.1) Sodawerk Stassfurt Verwaltungs GmbH	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	100%	100%	
15.1.2) CIECH Soda Deutschland GmbH&Co. KG (until 11 May 2015 under the name Sodawerk Stassfurt GmbH&Co.KG)	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	100%	100%	
15.1.3) KWG GmbH	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	Indirect subsidiary of CIECH S.A. - full consolidation at lower tier.	100%	100%	
15.1.4) Kaverngesellschaft Stassfurt GbmH	Indirect associate of CIECH S.A. - measurement under the equity method at lower tier.	Indirect associate of CIECH S.A. - measurement under the equity method at lower tier.	50%	50%	

2. Significant effects of changes to the organizational structure of the CIECH Group in the first quarter of 2015, including legal mergers, acquisitions or disposals of the Group's entities, long-term investments, demergers, restructuring and discontinued operations

In the first quarter of 2015 the following significant changes occurred in relation to companies in which CIECH S.A. owns a direct share, leading to changes in the structure of the CIECH Group:

Ciech-Polsin Private Limited

On 11 March 2015, Ciech-Polsin Private Limited with its registered office in Singapore was deleted from the register of businesses, as a result of which it was deconsolidated in the financial statements of the CIECH Group.

Zach-Ciech Sp. z o.o. w likwidacji

On 20 January 2015, Zach-Ciech Sp. z o.o. w likwidacji with its registered office in Chorzów was deleted from the Register of Businesses.

Cerium Sp. z o.o. Spółka Komandytowo-Akcyjna.

On 23 January 2015, the Court registered a share capital increase of Cerium Sp. z o.o. S.K.A. The share capital was increased based on the resolution of the Extraordinary General Meeting of Shareholders of Cerium Sp. z o.o. S.K.A. of 23 December 2014. The share capital was increased by PLN 1,369 thousand by issuing 1,368,625 B-series registered shares with a face value of PLN 1.00 each. The newly-issued shares were taken up by CIECH Soda Polska S.A. by private subscription, in exchange for a non-monetary contribution in the form of ownership rights to movables. The market value of the ownership rights to movables is PLN 136,863 thousand. The fair value of the ownership right to movables was determined based on the valuation of the non-monetary contribution performed by a property surveyor and the registered auditor's opinion. Share premium on the B-series shares of PLN 135,494 thousand was transferred to the Company's supplementary capital.

Ciech Trademarks Sp. z o.o. / Centrum Badawczo-Rozwojowe Ciech Sp. z o.o. / CIECH R&D Sp. z o.o.

On 27 January 2015, the Extraordinary Meeting of Shareholders of Ciech Trademarks Sp. z o.o. (currently CIECH R&D Sp. z o.o.) increased the Company's share capital by PLN 35,495 thousand, i.e. from PLN 5 thousand to PLN 35,500 thousand, by issuing 709,900 shares with a face value of PLN 50 each. The Meeting made a decision to cancel the pre-emptive rights of the current shareholders and granted the right to take up all the new shares to CIECH S.A., in exchange for a cash contribution of PLN 35,495 thousand. CIECH S.A. accepted the offer and made a statement on acceding Ciech Trademarks Sp. z o.o. and taking up the new shares in the increased share capital. The capital increase was registered by the Court on 25 February 2015. Thus, CIECH S.A. became the direct owner of 99.986% shares in the share capital, whereas the other shareholder Ciech Finance Sp. z o.o. held 0.014% interest in the share capital. Pursuant to the contract concluded on 26 March 2015, CIECH S.A. acquired from Ciech Finance Sp. z o.o. the remaining 0.014% shares for PLN 20 thousand. As a result of these transactions, CIECH R&D Sp. z o.o. is fully owned by CIECH S.A.

The remaining changes which occurred in the CIECH Group in the first quarter of 2015 resulted among other things from unifying the names of the Group companies for marketing and image-related purposes of the CIECH Group. The changes included the following companies:

Zakłady Chemiczne "Organika-Sarzyna" S.A. / CIECH Sarzyna S.A.

On 6 March 2015, the Extraordinary General Meeting of "Organika-Sarzyna" S.A. changed the Company's name from Zakłady Chemiczne "Organika-Sarzyna" S.A. to CIECH Sarzyna S.A. The new name is valid from the date of its registration by the Court, i.e. from 18 March 2015.

Soda Polska CIECH S.A. / CIECH Soda Polska S.A.

On 23 February 2015, the Extraordinary General Meeting of Soda Polska CIECH S.A. changed the Company's name from Soda Polska CIECH S.A. to CIECH Soda Polska S.A. The new name is valid from the date of its registration by the Court, i.e. from 20 April 2015.

TRANSCLEAN Sp. z o.o. / CIECH Transclean Sp. z o.o.

On 27 February 2015, the Extraordinary Meeting of Shareholders of TRANSCLEAN Sp. z o.o. changed the Company's name from TRANSCLEAN Sp. z o.o. to CIECH Transclean Sp. z o.o. The new name is valid from the date of its registration by the Court, i.e. from 10 April 2015.

Ciech Trademarks Sp. z o.o. / Centrum Badawczo-Rozwojowe Ciech Sp. z o.o. / CIECH R&D Sp. z o.o.

On 7 January 2015, the Extraordinary Meeting of Shareholders of Ciech Trademarks Sp. z o.o. changed the Company's name from Ciech Trademarks Sp. z o.o. to Centrum Badawczo-Rozwojowe Ciech Sp. z o.o. The new name is valid from the date of its registration by the Court, i.e. from 25 February 2015. On 27 February 2015, the Extraordinary Meeting of Shareholders of Centrum Badawczo-Rozwojowe Ciech Sp. z o.o. made a decision to change the Company's name from Centrum Badawczo-Rozwojowe Ciech Sp. z o.o. to CIECH R&D Sp. z o.o. The new name is valid from the date of its registration by the Court, i.e. from 31 March 2015.

Vitrosilicon S.A. / CIECH Vitrosilicon S.A.

On 23 February 2015, the Extraordinary General Meeting of Vitrosilicon S.A. changed the Company's name from Vitrosilicon S.A. to CIECH Vitrosilicon S.A. The new name is valid from the date of its registration by the Court, i.e. from 20 April 2015.

TRANSODA Sp. z o.o. / CIECH Cargo Sp. z o.o.

On 1 April 2015, the Extraordinary Meeting of TRANSODA Sp. z o.o. changed the Company's name to CIECH Cargo Sp. z o.o. The new name is valid from the date of its registration by the Court, i.e. from 20 April 2015.

Sodawerk Stassfurt GmbH & Co. KG / CIECH Soda Deutschland GmbH & Co. KG

On 16 April 2015, the Shareholders' Meeting made a decision to change the Company's name to CIECH Soda Deutschland GmbH & Co. KG. New Company's name is valid from the date of registration by the Court i.e. from 11 May 2015.

Soda Deutschland Ciech GmbH / SDC GmbH

On 16 April 2015, the Shareholders' Meeting made a decision to change the Company's name to SDC GmbH. The new name is valid from the date of its registration by the Court, i.e. from 4 May 2015.

Uzinele Sodice Govora Ciech Chemical Group S.A. / CIECH Soda Romania S.A.

On 28 April 2015, the Court registered the Company's new name CIECH Soda Romania S.A.

3. Financial data by operating segments

The tables below present data concerning revenues and costs as well as assets and liabilities of particular operating segments of the CIECH Group in the periods covered by the financial statements:

The CIECH Group OPERATING SEGMENTS 01.01-31.03.2015 PLN'000	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL
Revenues from third parties	527,421	223,988	36,713	3,685	25,552	-	-	817,359
Revenue from inter-segment transactions	8,150	376	102	25,157	5,399	-	(39,184)	-
Total revenues	535,571	224,364	36,815	28,842	30,951	-	(39,184)	817,359
Cost of sales	(370,596)	(182,212)	(27,152)	(25,019)	(26,761)	-	24,435	(607,305)
Gross profit/(loss) on sales	164,975	42,152	9,663	3,823	4,190	-	(14,749)	210,054
Selling costs	(37,897)	(11,842)	(4,608)	-	(2,433)	-	11,232	(45,548)
General and administrative expenses	(10,985)	(4,781)	(1,413)	(1,482)	(1,134)	(11,037)	2,006	(28,826)
Result on management of receivables	(36)	684	(232)	-	(113)	-	-	303
Result on other operating activities	(9,664)	(1,927)	427	101	(7,741)	-	(47)	(18,851)
Operating profit/(loss)	106,393	24,286	3,837	2,442	(7,231)	(11,037)	(1,558)	117,132
Exchange differences and interest on trade settlements	(4,384)	(3,468)	(157)	(78)	(713)	-	-	(8,800)
Group borrowing costs	-	-	-	-	-	(25,642)	-	(25,642)
Result on financial activity (non-attributable to segments)	-	-	-	-	-	(12,989)	-	(12,989)
Share of profit/loss of equity-accounted investees	104	-	-	-	-	-	-	104
Profit/(loss) before tax	102,113	20,818	3,680	2,364	(7,944)	(49,668)	(1,558)	69,805
Income tax								(16,582)
Net profit/(loss) from continuing operations								53,223
Net profit/(loss) on discontinued operations								-
Net profit/(loss) for the period								53,223
Amortization/depreciation	39,901	8,739	3,764	1,725	22	1,808	-	55,959
EBITDA	146,294	33,025	7,601	4,167	(7,209)	(9,229)	(1,558)	173,091
<i>Normalized EBITDA*</i>	<i>158,174</i>	<i>33,037</i>	<i>7,488</i>	<i>4,062</i>	<i>784</i>	<i>(9,229)</i>	<i>(1,558)</i>	<i>192,758</i>

*Normalized EBITDA for the 3-months ended 31 March 2015 is calculated as EBITDA adjusted by one-off events: impairment allowances of assets: PLN -6.0 million, valuation of investment property: PLN -6.2 million, change in provisions: PLN -4.9 million, result on liquidation of CIECH Polsin Pte. Ltd.: PLN -2.8 million, other: PLN 0.3 million.

The CIECH Group OPERATING SEGMENTS 01.01.-31.03.2014* PLN'000	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL continuing operations
Revenues from third parties	492,961	224,759	106,010	2,879	18,346	-	-	844,955
Revenue from inter-segment transactions	6,213	9	712	22,186	4,472	-	(33,592)	-
Total revenues	499,174	224,768	106,722	25,065	22,818	-	(33,592)	844,955
Cost of sales	(385,639)	(179,146)	(87,461)	(21,607)	(16,424)	-	19,336	(670,941)
Gross profit/(loss) on sales	113,535	45,622	19,261	3,458	6,394	-	(14,256)	174,014
Selling costs	(38,333)	(10,781)	(15,337)	-	(2,438)	-	12,615	(54,274)
General and administrative expenses	(15,114)	(6,149)	(1,422)	(1,114)	(1,050)	(11,384)	1,540	(34,693)
Result on management of receivables	(12,229)	(9,484)	(212)	30	(104)	-	-	(21,999)
Result on other operating activities	5,854	(866)	334	9	692	-	(132)	5,891
Operating profit/(loss)	53,713	18,342	2,624	2,383	3,494	(11,384)	(233)	68,939
Exchange differences and interest on trade settlements	(2,831)	(1,527)	(4,525)	(3)	1,005	-	344	(7,537)
Group borrowing costs	-	-	-	-	-	(38,326)	-	(38,326)
Result on financial activity (non-attributable to segments)	-	-	-	-	-	10,759	-	10,759
Share of profit/loss of equity-accounted investees	193	-	-	-	-	-	-	193
Profit/(loss) before tax	51,075	16,815	(1,901)	2,380	4,499	(38,951)	111	34,028
Income tax								(21,014)
Net profit/(loss) on continuing operations								13,014
Net profit/(loss) on discontinued operations								(7,428)
Net profit/(loss) for the period								5,586
Amortization/depreciation	37,280	7,708	2,961	1,397	16	777	-	50,139
EBITDA	90,993	26,050	5,585	3,780	3,510	(10,607)	(233)	119,078
<i>Normalized EBITDA**</i>	<i>90,932</i>	<i>26,034</i>	<i>5,581</i>	<i>3,766</i>	<i>3,347</i>	<i>(10,607)</i>	<i>(233)</i>	<i>118,820</i>

*Restated

**Normalized EBITDA for the 3-months ended 31 March 2014 is calculated as EBITDA adjusted by one-off events: penalties and compensation: PLN 1.0 million, restructuring costs: PLN -0.6 million, other: PLN -0.2 million.

The CIECH Group
ASSETS AND LIABILITIES BY OPERATING SEGMENTS

31.03.2015								
<i>PLN'000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL
Property, plant and equipment	1,562,407	336,948	78,433	41,749	136	6,779	-	2,026,452
Intangible assets	84,636	28,656	1,425	-	626	4,012	49	119,404
- <i>goodwill</i>	45,356	15,070	39	-	-	-	-	60,465
Investments in associates and jointly-controlled entities measured under the equity method	4,845	-	-	-	-	-	-	4,845
Inventory	117,514	106,389	34,893	137	4,935	-	(2,230)	261,638
Trade receivables	216,940	92,996	9,422	17,514	14,076	-	(41,300)	309,648
Assets classified as held for sale that were included in the previous periods under segment assets	-	-	368	-	3,015	-	-	3,383
Other assets	-	-	-	-	-	489,911	-	489,911
Total assets	1,986,342	564,989	124,541	59,400	22,788	500,702	(43,481)	3,215,281
Trade liabilities	198,180	133,627	13,542	12,039	16,413	-	(40,412)	333,389
Other liabilities	-	-	-	-	-	1,813,236	-	1,813,236
Total liabilities	198,180	133,627	13,542	12,039	16,413	1,813,236	(40,412)	2,146,625

The CIECH Group
ASSETS AND LIABILITIES BY OPERATING SEGMENTS

31.12.2014*	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL
<i>PLN'000</i>								
Property, plant and equipment	1,569,417	343,415	77,907	42,703	200	3,096	-	2,036,738
Intangible assets	79,440	29,454	1,544	-	634	5,444	-	116,516
- goodwill	47,278	15,070	39	-	-	-	-	62,387
Investments in associates and jointly-controlled entities measured under the equity method	4,944	-	-	-	-	-	-	4,944
Inventory	109,052	118,840	28,136	96	2,319	-	(673)	257,770
Trade receivables	175,330	77,175	16,172	11,468	16,495	-	(28,620)	268,020
Assets classified as held for sale that were included in the previous periods under segment assets	-	-	368	-	3,015	-	-	3,383
Other assets classified as held for sale	-	-	-	-	-	239	-	239
Other assets	-	-	-	-	-	518,087	-	518,087
Total assets	1,938,183	568,884	124,127	54,267	22,663	526,866	(29,293)	3,205,697
Trade liabilities	209,406	96,870	17,039	12,888	14,784	-	(28,808)	322,179
Other liabilities	-	-	-	-	-	1,898,044	-	1,898,044
Total liabilities	209,406	96,870	17,039	12,888	14,784	1,898,044	(28,808)	2,220,223

*Restated

The CIECH Group
OTHER FINANCIAL DATA BY OPERATING SEGMENTS

01.01.-31.03.2015 <i>PLN'000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL
Recognized impairment losses	(6,326)	(349)	(388)	-	-	-	-	(7,063)
Reversed impairment losses	216	1,788	1,213	-	10	-	-	3,227
Recognized impairment losses (non-attributable to segments)	-	-	-	-	-	(5)	-	(5)
Reversed impairment losses (non-attributable to segments)	-	-	-	-	-	386	-	386
Interest income attributable to segments	229	48	56	-	7	-	(184)	156
Interest income recognized under Corporate Functions	-	-	-	-	-	899	-	899
Interest expense attributable to segments	(113)	(147)	-	-	(19)	-	184	(95)
Interest expense recognized under Corporate Functions	-	-	-	-	-	(25,180)	-	(25,180)
01.01.-31.03.2014* <i>PLN'000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Transport Segment	Other operations Segment	Corporate functions - reconciliation item	Eliminations (consolidation adjustments)	TOTAL
Recognized impairment losses	(12,445)	(9,527)	(879)	-	(112)	-	-	(22,963)
Reversed impairment losses	73	412	-	30	9	-	-	524
Recognized impairment losses (non-attributable to segments)	-	-	-	-	-	(736)	-	(736)
Reversed impairment losses (non-attributable to segments)	-	-	-	-	-	229	-	229
Interest income attributable to segments	22	-	-	-	891	-	-	913
Interest income recognized under Corporate Functions	-	-	-	-	-	1,219	-	1,219
Interest expense attributable to segments	(320)	-	-	-	-	-	-	(320)
Interest expense recognized under Corporate Functions	-	-	-	-	-	(38,195)	-	(38,195)

*Restated

**The CIECH Group
 INFORMATION ON GEOGRAPHICAL AREAS**

01.01-31.03.2015 <i>PLN'000</i>	Poland	European Union (excluding Poland)	Other European countries	Africa	Asia	Other regions	TOTAL
Sales revenues	338,949	397,000	51,856	5,010	20,109	4,435	817,359

01.01.-31.03.2014 <i>PLN'000</i>	Poland	European Union	Other European countries	Africa	Asia	Other regions	TOTAL
Sales revenues	332,977	392,957	43,872	49,864	14,142	11,143	844,955

31.03.2015 <i>PLN'000</i>	Poland	European Union (excluding Poland)	Other European countries	Africa	Asia	Other regions	TOTAL
Non-current assets other than financial instruments	1,267,520	876,912	-	-	-	-	2,144,432
Deferred income tax assets	106,562	5,170	-	-	-	-	111,732
Other assets	627,596	258,284	38,624	730	32,398	1,485	959,117
Total assets	2,001,678	1,140,366	38,624	730	32,398	1,485	3,215,281

31.12.2014 <i>PLN'000</i>	Poland	European Union (excluding Poland)	Other European countries	Africa	Asia	Other regions	TOTAL
Non-current assets other than financial instruments	1,255,034	795,957	-	-	-	-	2,050,991
Deferred income tax assets	124,315	3,967	-	-	-	-	128,282
Other assets	565,172	397,107	39,688	3,357	19,671	1,429	1,026,424
Total assets	1,944,521	1,197,031	39,688	3,357	19,671	1,429	3,205,697

4. Balance-sheet exposure to currency risk

The table below presents the estimated balance-sheet currency exposure of the CIECH Group in euro as at 31 March 2015 due to financial instruments (excluding figures of the CIECH Soda Deutschland Group):

Exposure to currency risk in EUR	(EUR '000)	Impact on statement of profit or loss	Impact on statement of other comprehensive income
Assets			
Loans granted to CIECH Soda Deutschland Group	56,465	X	
Trade and other receivables	20,450	X	
Cash including bank deposits	3,658	X	
Liabilities			
Trade and other liabilities	(14,691)	X	
Bonds (hedge accounting)	(245,000)		X
Loans and borrowings	(4,886)	X	
Hedging Instruments: Forward	(26,200)		X
Total exposure	(180,822)		

The table contains an analysis of the sensitivity of individual items of statement of financial position to foreign exchange rate changes as at 31 March 2015:

Analysis of sensitivity to foreign exchange rate changes	(PLN '000)*	Impact on statement of profit or loss	Impact on statement of other comprehensive income
Currency items of statement of financial position	(1,546)	904	(2,450)
Hedging Instruments: Forward	(262)		(262)

* for exchange rate increase of EUR/PLN rate by 1 grosz

5. Information on fair value of financial instruments

a) Financial instruments measured at fair value

As at 31 March 2015, the CIECH Group had the following financial instruments measured at fair value: interest rate swap, USD/PLN forward and EUR/PLN forward.

The fair value of interest rate swap is measured as the difference between discounted interest cash flows (cash flows based on the variable interest rate, the so-called floating leg, and cash flows based on the fixed interest rate, the so-called fixed leg). The input data is the market interest rate from Reuters. The fair value of the currency forward is determined as the difference between the transaction rate and the forward rate at the valuation date multiplied by the nominal value of the contract in the foreign currency. Input data to the valuation is the market interest rate and spot exchange rate from Reuters, based on which the forward rate is calculated.

The fair value of the interest rate swap as at 31 March 2015 amounted to PLN -3,932 thousand net (PLN 2,679 thousand – other non-current liabilities; PLN 1,253 thousand – other current liabilities). The fair value of the USD/PLN forward as at 31 March 2015 was negative and amounted to PLN -1,278 thousand, the fair value of the EUR/PLN forward as at 31 March 2015 was positive and amounted to PLN 2,265 thousand – the fair value of these financial instruments was presented in current liabilities and short-term investments respectively. According to the fair value hierarchy, it is Level 2.

In the first quarter of 2015 there were no transfers within the fair value hierarchy of instruments measured at fair value.

b) Financial instruments not measured at fair value

The CIECH Group issued foreign and domestic bonds, whose carrying amount as of 31 March 2015 amounts to PLN 1,001,805 thousand and fair value to PLN 1,282,022 thousand.

For the remaining financial instruments of the CIECH Group (classified mainly as cash, loans and receivables, financial liabilities measured at amortized cost and financial liabilities excluded from the scope of IAS 39) their fair value was close to their carrying amount.

6. Information on non-standard and non-routine transactions concluded with related entities by CIECH S.A. or its subsidiaries

No non-standard or non-routine transactions were concluded within the CIECH Group in the first quarter of 2015.

7. Information on loan and borrowings sureties or guarantees granted by CIECH S.A. or its subsidiaries
Sureties and guarantees granted as at 31 March 2015

Beneficiary's name	Total amount of liabilities covered by guarantee/surety in whole or in specific part		Guarantee period	Financial terms, including guarantee fee due to the company	Principal	Nature of relationships between CIECH S.A. and the principal
	currency '000	PLN '000				
CIECH S.A. and selected subsidiaries in Poland, Germany and Romania.						
Deutsche Trustee Company Limited; bond holders*	EUR 245,000	1,001,805*	Until full redemption of bonds (max term 30.11.2019)	Commission of 0.55% p.a. of the difference between the limit of the guarantee collateralized by assets and a surplus of the guarantee limit; collateral of liabilities due to bonds issued	Ciech Group Financing AB	Subsidiary
CIECH S.A.						
Anwil S.A.	PLN 15,000	15,000	30.06.2016	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary
Alwernia S.A.	PLN 1,000	1,000	Liabilities incurred and outstanding up to 31.12.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary
Spolana a.s.	EUR 1,500	6,133	Liabilities incurred and outstanding up to 31.12.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary
BASF Polska Sp. z o.o., BASF SE	EUR 10,000	40,890	Maximum until 12.03.2017	Guarantee for certain liabilities and warranties made by Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej within the Agreement for Sale and Transfer of TDI assets to BASF	Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej	-
FLSmidth Wiesbaden GmbH	EUR 317	1,296	Surety expired on 30.04.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	CIECH Soda Romania S.A.	Subsidiary
Bioagra-Oil S.A.	PLN 250	250	30.09.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary
Bank Pekao S.A.	EUR 5,000	20,445	23.12.2015	Commission of 0.4% p.a. of the guaranteed liability; collateral pertaining to liability	Sodawerk Stassfurt GmbH&Co.KG	Subsidiary
Siemens Industrial Turbomachinery s.r.o.	EUR 1,753	7,168	Lease instalments outstanding until 30.04.2019	Commission of 0.4% p.a. of the guaranteed liability; collateral pertaining to liability	KWG GmbH	Subsidiary
Grupa Azoty Zakłady Azotowe Kędzieżyn S.A.	EUR 200	817	30.09.2016	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary

Beneficiary's name	Total amount of liabilities covered by guarantee/surety in whole or in specific part		Guarantee period	Financial terms, including guarantee fee due to the company	Principal	Nature of relationships between CIECH S.A. and the principal
	currency '000	PLN '000				
BZ WBK Faktor Sp. z o.o.	PLN 18,000	18,000	No time limit	Commission of 1.5% p.a. of the guaranteed liability; collateral pertaining to liability	Ciech Trading S.A.	Subsidiary
Total amount of guarantees and sureties granted		1,112,804				

* The guarantee was given to the amount of 155% of the liabilities related to the issuance of foreign bonds (principal amount of bonds, interest and any fees).

8. Provisions and impairment allowances on assets

In the first quarter of 2015, there were the following changes (recognition, use and reversal) of provisions and impairment allowances on assets* in the CIECH Group:

Provision increase (PLN'000)	01.01.-31.03.2015	01.01.-31.03.2014
Deferred income tax liability	17,132	8,790
Provision for employee benefits and bonuses	840	1,226
Provision for environmental protection	5,468	126
Provision for liabilities (costs)	2,384	424
Provision for expected losses	-	26
Total	25,824	10,592

Provision decrease (including use and reversal) (PLN'000)	01.01.-31.03.2015	01.01.-31.03.2014
Deferred income tax liability	24,979	10,195
Provision for employee benefits and bonuses	737	1,602
Provision for environmental protection	263	20,520
Provision for expected losses	5	1,890
Provision for liabilities (costs)	499	13,145
Total	26,483	47,352

Impairment of assets (increase) (PLN'000)	01.01.-31.03.2015	01.01.-31.03.2014
Impairment of intangible assets	6,045	-
Impairment of current receivables**	1,811	32,265
Impairment of inventory	396	3,765
Total	8,251	36,029

Impairment of assets decrease (including use and reversal) (PLN'000)	01.01.-31.03.2015	01.01.-31.03.2014
Impairment of property, plant and equipment**	-	195,816
Impairment of intangible assets	17,058	-
Impairment of current receivables	2,497	1,088
Impairment of short-term financial assets	-	6,233
Impairment of inventory	7,626	1,761
Total	27,181	204,888

Change in deferred income tax assets (PLN'000)	01.01.-31.03.2015	01.01.-31.03.2014
Increase	9,000	24,226
Decrease	25,551	22,241

* The information does not include provisions and impairment allowances on assets classified as assets held for sale.

** including: in first quarter of 2014 the impairment allowances concerning the change to the Group's structure (loss of control over Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej as a consequence of the Company's bankruptcy).

9. Notes to the Condensed Consolidated Statement of Other Comprehensive Income of the CIECH Group

Tax effect of each component of other comprehensive income of the CIECH Group

PLN '000	01.01.-31.03.2015			01.01.-31.03.2014		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Currency translation differences (foreign companies)	(422)	(1,317)	(1,739)	1,365	183	1,548
Cash flow hedge	39,649	(7,533)	32,116	(2,723)	518	(2,205)
Other	(6)	-	(6)	-	-	-
Other comprehensive income net of tax	39,221	(8,850)	30,371	(1,358)	701	(657)

Income tax and reclassification adjustments in other comprehensive income

Other comprehensive income before tax PLN '000	change in the period	01.01.-31.03.2015	change in the period	01.01.-31.03.2014
Currency translation differences (foreign companies)	-	(422)	-	1,365
- remeasurement for the current period	(422)	-	1,365	-
Cash flow hedge	-	39,649	-	(2,723)
- fair value remeasurement in the period	38,017	-	(4,174)	-
- reclassification to profit or loss	1,632	-	1,451	-
Other	-	(6)	-	-
- remeasurement for the current period	(6)	-	-	-
Income tax attributable to other components of other comprehensive income	-	(8,850)	-	701
- accrued for the current period	(8,540)	-	977	-
- reclassification to profit or loss	(310)	-	(276)	-
Other comprehensive income net of tax	-	30,371	-	(657)

10. Information on purchase and disposal of property, plant and equipment and commitments for the acquisition of property, plant and equipment

In the period from 1 January to 31 March 2015 the CIECH Group carried out the following transactions increasing and decreasing the gross value of property, plant and equipment:

MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT 01.01.-31.03.2015 PLN '000	Land	Buildings, offices and land and water engineering facilities	Machinery and equipment	Means of transport	Other property, plant and equipment	Property, plant and equipment under construction	Property, plant and equipment
Gross value of property, plant and equipment at the beginning of the period	81,724	820,081	2,151,628	95,334	38,918	247,458	3,435,143
Purchase	-	-	105	55	78	69 106	69 344
Reclassifications	-	7,349	48,189	290	369	(57,017)	(820)
Capitalization of borrowing costs	-	-	-	-	-	4,091	4,091
Currency translation differences	(3,022)	(8,136)	(31,361)	(328)	(328)	(1,665)	(44,840)
Sales	-	-	(4,044)	(371)	(38)	(49)	(4,502)
Liquidation	-	(174)	(487)	-	(9)	-	(670)
Changes in the capital group structure	-	-	(92)	(206)	(416)	-	(714)
Other	1	-	1	-	2	-	4
Gross value of property, plant and equipment at the end of the period	78,703	819,120	2,163,939	94,774	38,576	261,924	3,457,036

Purchases were made with own financial resources or in the form of a finance lease. Liabilities assumed for the acquisition of property, plant and equipment amounted to PLN 183,674 thousand.

11. Information on changes in contingent liabilities or contingent assets and other matters**11.1 Significant disputed liabilities of the CIECH Group**

As at 31 March 2015, the total value of significant disputed liabilities of CIECH S.A. and the subsidiaries of CIECH S.A., pursued in all types of proceedings before court, body appropriate for arbitration proceedings or public administration bodies represents less than 10% of CIECH S.A.'s equity.

11.2 Significant disputed receivables of the CIECH Group

As at 31 March 2015, the total value of significant disputed receivables of CIECH S.A. and subsidiaries of CIECH S.A., pursued in all types of proceedings before court, body appropriate for arbitration proceedings or public administration bodies represents less than 10% of CIECH S.A.'s equity.

11.3 Contingent assets and contingent liabilities including guarantees and sureties

OTHER CONTINGENT ITEMS PLN '000	31.03.2015	31.12.2014
1. Contingent assets	18,864	18,864
- other contingent receivables	18,864	18,864
2. Contingent liabilities	160,943	162,573
- guarantees and sureties granted	40,890	42,623
- other*	120,053	119,950

* including mainly:

- contingent liability in CIECH Soda Romania S.A. resulting from a claim filed by the employees of CIECH Soda Romania S.A. – the amount of PLN 18,663 thousand (RON 20,118 thousand);
- contingent liability in CIECH Soda Romania S.A. resulting from a potential liability in respect of VAT in the amount of PLN 9,791 thousand (RON 10,554 thousand);
- contingent liability in the CIECH Soda Deutschland Group relating to environmental protection in the amount of PLN 14,892 thousand (EUR 3,642 thousand);
- contingent liability in CIECH Soda Polska S.A. resulting from environmental penalties in the amount of PLN 30,856 thousand;
- contingent liabilities in CIECH Soda Polska S.A. resulting from signed in blanco promissory notes for the National Fund for Environmental Protection and Water Management relating to subsidies received in the event of a potential financial adjustment in the amount of PLN 44,801 thousand.

Other contingent liabilities as at 31 March 2015 amounted to PLN 160,943 thousand, which is a decrease of PLN 1,630 thousand compared to 31 December 2014.

The change in the value of contingent liabilities compared with their value as at 31 December 2014 results from:

- the subsidy received by CIECH Soda Polska S.A. under the program "Reduction of dust emission in CHP Inowrocław through the modernization of OP-110 electrostatic cauldrons amounting to PLN 1,630 thousand;
- change in the RON exchange rate applied by CIECH Soda Romania S.A. to translate the contingent liability connected with the lawsuit filed by the employees of CIECH Soda Romania S.A. – the amount of change PLN -469 thousand;
- change in the RON exchange rate applied by CIECH Soda Romania S.A. to translate the contingent liability connected with the potential VAT-related liabilities of CIECH Soda Romania S.A. – the amount of change PLN -246 thousand;
- change in the EUR exchange rate applied by CIECH Soda Deutschland Group to translate, among other things, a potential liability due to the reclamation of ponds, which will be recognized if the waste management regulations become applicable – the amount of change PLN -631 thousand;
- change in the EUR exchange rate applied by CIECH S.A. to translate the guarantee for certain liabilities and warranties made by Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej within the Agreement for Sale and Transfer of TDI assets to BASF – the amount of change PLN -1,733 thousand;
- other changes in contingent liabilities of PLN - 181 thousand.

11.4 Letters of support

As at 31 March 2015, CIECH S.A. was an obliged party in the following letters of support:

- Letter of support (Patronatserklärung) regarding Sodawerk Staßfurt GmbH&Co. KG seated in Staßfurt ("SWS"), granted to RWE Gasspeicher GmbH ("RWE"), relating to liabilities of resulting from the agreement dated 5 May 2009 on salt caverns construction for the purpose of natural gas storage on the mining field Stassfurt according to which SWS received payments from RWE of EUR 34.8 million until 31 March 2015. In the support letter CIECH S.A. has committed, among other things, to ensure that SWS will have sufficient funds to fulfill its financial commitments resulting from the above-mentioned agreement.
- Letter of support (Patronatserklärung) regarding KWG-Kraftwerksgesellschaft Staßfurt mbH seated in Staßfurt ("KWG") granted to Erdgas Mittelsachsen GmbH ("EMS") relating to liabilities of KWG to EMS resulting from the gas supplies agreement. In the letter of support CIECH S.A. has committed, among other things, to ensure that KWG will have sufficient funds to fulfill its financial commitments vis-à-vis EMS resulting from the above-mentioned agreement. The responsibility of CIECH S.A. as regards the letter is limited to EUR 4 million and until 31 December 2015.

12. Discontinued operations and non-current assets classified as held for sale

Discontinued operations

The accounting principles applied in preparing the statement of profit or loss for discontinued operations are in line with the Group's accounting policy. The results of discontinued operations include:

For the period between 1 January and 31 March 2015:

There were no discontinued operations at the CIECH Group.

For the period between 1 January and 31 March 2014:

- The result on the loss of control over the Infrastruktura Kapuściska Group in connection with the declaration of its bankruptcy made by the Court on 14 March 2014 amounted to PLN -7,428 thousand. Due to the lack of the Company's data as at the date of declaration of its bankruptcy, its deconsolidation from the consolidated statement of the CIECH Group was based on the figures recognized on 31 December 2013.

Statement of profit or loss for discontinued operations:

PLN '000	01.01-31.03.2014
Other operating income	7,828
Other operating expenses	(9,033)
Operating profit/(loss)	(1,205)
Financial expenses	(6,223)
Net financial income/expenses	(6,223)
Profit/(Loss) before tax	(7,428)
Net profit/(loss) from discontinued operations	(7,428)
including:	
Net profit/(loss) attributable to shareholders of the Parent Company	(7,428)
Net profit/(loss) attributable to non-controlling interests	-
Earnings/(loss) per share (in PLN) from discontinued operations:	
Basic	(0.14)
Diluted	(0.14)

Assets and liabilities classified as held for sale

As at 31 March 2015 the following assets were classified by the CIECH Group as non-current assets held for sale:

- CIECH Vitrosilicon S.A. presented property, plant and equipment in the amount of PLN 368 thousand (land located in the town of Iłowa) redundant from the point of view of the enterprise; a potential buyer of the land is now being sought. These assets are presented in the silicates and glass segment.
- Ciech Trading S.A. presented an installation acquired from Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej (total carrying value of PLN 3,015 thousand). These assets are presented in the other operations segment.

As at 31 December 2014 the following assets were classified as non-current assets held for sale:

- CIECH Vitrosilicon S.A. presented property, plant and equipment in the amount of PLN 368 thousand (land located in the town of Iłowa) redundant from the point of view of the enterprise; a potential buyer of the land is now being sought. These assets are presented in the silicates and glass segment.

- Ciech Trading S.A. presented an installation acquired from Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej (total carrying value of PLN 3,015 thousand). These assets are presented in the other operations segment.
- Ciech Nieruchomości S.A. presented investment properties in the amount of PLN 239 thousand. These assets are presented in the other operations segment.

13. Information on loan agreements, including overdue debts or other violations of debt-related agreements

In the period covered by these financial statements none of the loan agreements was called to maturity nor were there any violations of the payment terms for repayment of capital or interest due in relation to financial liabilities recognized in the statement of financial position.

14. Information on non-consolidated subsidiaries and associates

When selecting entities for consolidation, the Management Board of the parent company applied the materiality principle in respect of their financial data (in line with the IFRS conceptual framework) in order to comply with the requirement of true and fair view of the economic and financial standing and financial result of the Group.

The total share of data of subsidiaries not covered by consolidation under the full method due to their irrelevance in relation to the total values of the CIECH Group for the period from 1 January 2015 to 31 March 2015 does not exceed 1% of total consolidated assets of the Group and consolidated net revenues from sales of goods and products and financial operations.

Aggregated data of associates which were not measured under the equity method for the period from 1 January 2015 to 31 March 2015 does not exceed 1% of the total consolidated equity of the Group.

15. Information on related party transactions

Transactions with related parties are concluded on market terms. In the current and comparative period there were no material transactions with related parties other than those which are eliminated during the consolidation process.

16. Seasonality and cyclicity of the operations of CIECH S.A. and the CIECH Group

Seasonality resulting from periodic demand and supply fluctuations has little impact on the general sales trends in the CIECH Group. Products clearly influenced by seasonality include plant protection chemicals. Most plant protection chemicals are used in the first half of the year, i.e. the period of intensive plant growth, when approx. 90% of the total sale of these products is realized. Furthermore, in the soda segment, a seasonal relationship between the volume of some products sold and the progress of winter can be observed. A mild winter is reflected in a decrease in the sale of calcium chloride and other products (anti-ice, salt and chloride mix, waste salt), while the influence on the sale of salt is indirect. In the case of other products, the Group's revenues and results are not influenced by any significant seasonal fluctuations during the business year. As a result, seasonality plays a relatively small role in the Group's overall sales.

17. Information on the issue, redemption and repayment of debt securities and equity securities in the CIECH Group

In the first quarter of 2015, the CIECH Group companies did not issue, redeem or repay debt securities or equity securities.

18. Earnings per share

Data concerning profit and shares, which is the basis for calculating basic and diluted earnings per share, has been presented below:

PLN '000	01.01-31.03.2015	01.01-31.03.2014
Net profit /(loss) on continuing operations attributable to the owners of the Company	52,209	13,865
Net profit /(loss) on discontinued operations attributable to the owners of the Company	-	(7,428)
<i>pcs.</i>	31.03.2015	31.03.2014
Weighted average number of issued ordinary shares, applied to calculate basic earnings per share	52,699,909	52,699,909

Weighted average number of issued ordinary shares, applied to calculate diluted earnings per share	52,699,909	52,699,909
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<i>PLN</i>	01.01-31.03.2015	01.01-31.03.2014
Basic earnings / (loss) per share on continuing operations	0.99	0.26
Basic earnings / (loss) per share on discontinued operations	-	(0.14)
Diluted earnings / (loss) per share on continuing operations	0.99	0.26
Diluted earnings / (loss) per share on discontinued operations	-	(0.14)

19. Information on events after the balance-sheet date

On 13 May 2015, CIECH Soda Polska S.A. concluded an agreement with Kompania Węglowa S.A. for the sale of power coal. The agreement relates to the sale of power coal by Kompania Węglowa S.A. to CIECH Soda Polska S.A. on the basis of FCA Kompania Węglowa S.A. mine stations, according to Incoterms 2010. The agreement was concluded for an unspecified period, but the terms of trade and the volume being purchased were determined only for 2015. The estimated value of the contract based on the adopted pricing formula and the current prices of the product over the period of 5 years amounts to approximately PLN 340,000 thousand. Detailed information on the agreement was provided in the current report No. 10/2015 on 13 May 2015.

V. Condensed Interim Separate Financial Statements of CIECH S.A.

1. Condensed Separate Statement of Profit or Loss of CIECH S.A.

CONTINUING OPERATIONS*	01.01-31.03.2015	01.01-31.03.2014
<i>PLN '000</i>		
Sales revenues	485,469	421,823
Cost of sales	(378,070)	(334,822)
Gross profit/(loss) on sales	107,399	87,001
Other operating income	22,175	4,526
Selling costs	(31,847)	(39,472)
General and administrative expenses	(11,894)	(15,990)
Other operating expenses	(533)	(12,047)
Operating profit/(loss)	85,300	24,018
Financial income	49,207	8,877
Financial expenses	(55,098)	(38,061)
Net financial income/expenses	(5,891)	(29,184)
Profit/(Loss) before tax	79,409	(5,166)
Income tax	(16,929)	(2,935)
Net profit/(loss) for the period	62,480	(8,101)
Earnings/(loss) per share (in PLN):		
Basic	1.19	(0.15)
Diluted	1.19	(0.15)

**there were no discontinued operations in the presented period or in the comparative period*

The condensed separate statement of profit or loss of CIECH S.A. should be analysed together with the notes which constitute an integral part of the condensed interim separate financial statements.

Condensed Separate Statement of Other Comprehensive Income of CIECH S.A.

<i>PLN '000</i>	01.01-31.03.2015	01.01-31.03.2014
Net profit/(loss) on continuing operations*	62,480	(8,101)
Other comprehensive income before tax that may be reclassified to profit or loss	4,122	767
Cash flow hedge	4,122	767
Income tax attributable to other comprehensive income	(783)	(146)
Income tax attributable to other comprehensive income that may be reclassified to profit or loss	(783)	(146)
Other comprehensive income net of tax	3,339	621
TOTAL OTHER COMPREHENSIVE INCOME	65,819	(7,480)

**there were no discontinued operations in the presented period or in the comparative period*

Detailed information on the components of other comprehensive income has been presented in point V.5.13 of this Report.

The condensed separate statement of other comprehensive income of CIECH S.A. should be analysed together with the notes which constitute an integral part of the condensed interim separate financial statements.

2. Condensed Separate Statement of Financial Position of CIECH S.A.

<i>PLN '000</i>	31.03.2015	31.12.2014
ASSETS		
Non-current assets		
Property, plant and equipment	7,014	6,031
Intangible assets	8,658	9,861
Long-term borrowings granted	341,702	317,805
Long-term investments in subsidiaries	1,737,798	1,730,373
Deferred income tax assets	61,226	77,331
Total non-current assets	2,156,398	2,141,401
Current assets		
Inventory	16,928	21,773
Short-term investments	149,511	118,392
Income tax receivables	9,163	9,163
Trade and other receivables	300,865	272,993
Cash and cash equivalents	15,804	10,261
Total current assets	492,271	432,582
Total assets	2,648,669	2,573,983
EQUITY AND LIABILITIES		
Equity		
Share capital	287,614	287,614
Share premium	470,846	470,846
Actuarial gains	(348)	(348)
Other reserve capitals	76,199	76,199
Cash flow hedge	(2,385)	(5,724)
Retained earnings	195,751	133,271
Total equity	1,027,677	961,858
Liabilities		
Loans, borrowings and other debt instruments	1,137,596	1,177,605
Other non-current liabilities	2,679	2,512
Employee benefits	900	875
Total non-current liabilities	1,141,175	1,180,992
Loans, borrowings and other debt instruments	128,400	91,921
Lease liabilities	285	360
Trade and other liabilities	327,571	316,822
Income tax liabilities	1,609	9
Provisions (short-term provisions for employee benefits and other provisions)	21,952	22,021
Total current liabilities	479,817	431,133
Total liabilities	1,620,992	1,612,125
Total equity and liabilities	2,648,669	2,573,983

The condensed separate statement of financial position of CIECH S.A. should be analysed together with the notes which constitute an integral part of the condensed interim separate financial statements.

3. Condensed Separate Statement of Cash Flows of CIECH S.A.

<i>PLN '000</i>	01.01-31.03.2015	01.01-31.03.2014
Net profit/(loss) for the period	62,480	(8,101)
Amortization / depreciation	1,808	1,148
Recognition / (reversal) of impairment allowances	31,787	9,653
Foreign exchange (gain)/loss	(25,178)	5,213
(Profit) / loss on disposal of property, plant and equipment	(1)	(6)
Dividends and interest	10,950	13,737
Income tax	16,929	2,935
Change in liabilities from loan arrangement commission	1,242	1,181
Cash from operating activities before changes in working capital and provisions	100,017	25,760
Change in receivables	(1,751)	(7,991)
Change in inventory	4,845	1,301
Change in current liabilities	16,476	7,590
Change in provisions and employee benefits	(44)	(1,908)
Net cash generated from operating activities	119,543	24,752
Interest paid	(439)	(262)
Income tax paid	-	(3,804)
Proceeds from liquidating a company – offsetting	5,696	-
Net cash from operating activities	124,800	20,686
Cash flows from investment activities		
Inflows		
Disposal of intangible assets and property, plant and equipment	1	6
Dividends received	118	-
Interest received	4,504	2,546
Repayment of borrowings	57,825	28,764
Outflows		
Acquisition of intangible assets and property, plant and equipment	(5,390)	(3,543)
Acquisition of financial assets	(20)	-
Expenditures connected with increase of capital and capital contributions	(35,495)	-
Outflows from cash pool facility	(86,657)	-
Borrowings granted	(123,109)	(18,194)
Net cash from investment activities	(188,223)	9,579
Cash flows from financial activities		
Inflows		
Proceeds from loans and borrowings	186,499	-
Proceeds from cash pool facility	30,545	-
Outflows		
Repayment of loans and borrowings	(147,997)	-
Payment of finance lease liabilities	(75)	(442)
Net cash from financial activities	68,972	(442)
Total net cash flows	5,549	29,823
Cash and cash equivalents at the beginning of the period	10,261	50,499
Impact of foreign exchange differences	(6)	(2,013)
Cash and cash equivalents at the end of the period	15,804	78,309

The condensed separate statement of cash flows of CIECH S.A should be analysed together with the notes which constitute an integral part of the condensed interim separate financial statements.

4. Condensed Separate Statement of Changes in Equity of CIECH S.A.

<i>PLN '000</i>	Share capital	Share premium	Cash flow hedge	Actuarial gains	Other reserve capitals	Retained earnings	Total equity
Equity as at 01/01/2015	287,614	470,846	(5,724)	(348)	76,199	133,271	961,858
Transactions with owners of the Company recognized directly in equity	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,339	-	-	62,480	65,819
Net profit/(loss)	-	-	-	-	-	62,480	62,480
Other comprehensive income	-	-	3,339	-	-	-	3,339
Equity as at 31/03/2015	287,614	470,846	(2,385)	(348)	76,199	195,751	1,027,677

<i>PLN '000</i>	Share capital	Share premium	Cash flow hedge	Actuarial gains	Other reserve capitals	Retained earnings	Total equity
Equity as at 01/01/2014	287,614	470,846	78	2	76,199	100,693	935,432
Transactions with owners of the Company recognized directly in equity	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	621	-	-	(8,101)	(7,480)
Net profit/(loss)	-	-	-	-	-	(8,101)	(8,101)
Other comprehensive income	-	-	621	-	-	-	621
Equity as at 31/03/2014	287,614	470,846	699	2	76,199	92,592	927,952

The condensed separate statement of changes in equity of CIECH S.A should be analysed together with the notes which constitute an integral part of the condensed interim separate financial statements.

5. Notes to the Condensed Interim Separate Financial Statements of CIECH S.A.

5.1 Basis of preparation and accounting principles (policy)

On 31 January 2007, the Extraordinary General Meeting of Shareholders of CIECH S.A. adopted resolution no. 4, concerning the preparation of separate financial statements in accordance with International Financial Reporting Standards as approved by the European Union ("IFRS"). Due to the adopted resolution, since 2007 the reports of CIECH S.A. have been prepared in accordance with the IFRS using the valuation of assets and liabilities and the measurement of net result as defined in the accounting policy.

The presented separate financial statements have been prepared on a going concern basis.

The presented interim separate financial statements were drawn up in compliance with IAS 34 "Interim Financial Reporting" as approved by the European Union and the Regulation of the Minister of Finance dated 19 February 2009, with amendments, on current and periodic information published by issuers of securities and the conditions of recognizing as equivalent the information required by the law provisions of a country which is not a member state (Journal of Laws No. 33, item 259 from 2009).

The preparation of financial statements in compliance with the International Financial Reporting Standards requires the Management Board to exercise professional judgement, estimates and assumptions that impact the adopted accounting principles and the value of assets, liabilities, income and expenses presented. All estimates and related assumptions are based on historical experience and various other factors considered reasonable under the given circumstances, and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which does not result directly from other sources. Actual results may differ from these estimates.

The estimates and related assumptions are subject to regular verification. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if such revisions apply solely to that period, or in the current period and future periods, if such revisions apply both to the current and future periods.

The Management Board's professional judgements, which have a significant impact on the separate financial statements, and the estimates bearing a risk of significant changes in future periods, have been presented in points V.5.11 and V.5.12 of this Report. During the current interim period there were no significant revisions to the estimated values presented in the previous reporting periods.

The Management Board used its best judgement in selecting and interpreting the applicable standards, as well as in the selection of measurement methods and principles for particular items of CIECH S.A.'s separate financial statements as at 31 March 2015. Due diligence was exercised in preparing the tables and notes presented below. The financial statements as at 31 March 2015 present truly and fairly the financial position and the financial performance of CIECH S.A.

Detailed information on the methods of valuation of assets and liabilities and the measurement of net result and the method of preparing the financial statements and comparative data were included in the report of CIECH S.A. for the year 2014 published on 23 March 2015.

5.2 Earnings per share

Data concerning profit and shares, which is the basis for calculating basic and diluted earnings per share, has been presented below:

<i>PLN '000</i>	31.03.2015	31.03.2014
Net profit /(loss) on continuing operations attributable to owners of the Company	62,480	(8,101)
Net profit /(loss) on discontinued operations attributable to owners of the Company	-	-
Net profit /(loss) applied to calculate basic earnings per share	62,480	(8,101)
Net profit /(loss) applied to calculate diluted earnings per share	62,480	(8,101)
<i>pcs.</i>	31.03.2015	31.03.2014
Weighted average number of issued ordinary shares, applied to calculate basic earnings per share	52,699,909	52,699,909
Weighted average number of issued ordinary shares, applied to calculate diluted earnings per share	52,699,909	52,699,909

5.3 Seasonality and cyclicity of the operations

Information on the seasonality and cyclicity of the operations was included in point IV.16 of this Report.

5.4 Changes in accounting estimates

There were no material changes in the accounting estimates disclosed in the previous financial years.

5.5 Information on the issue, redemption and repayment of debt securities and equity securities

Information on the issue, redemption and repayment of debt securities and equity securities was included in point IV. 17 of this Report.

As at 31 March 2015 CIECH S.A. held debt securities in the form of issued domestic and intra-group bonds. Their book value amounts to PLN 1,171,186 thousand and their fair value amounts to PLN 1,293,832 thousand. Accrued interest amounts to PLN 27,560 thousand.

5.6 Information on dividends paid

On 23 March 2015, the Management Board of CIECH S.A. passed a resolution concerning the proposition as to appropriation of net profit generated by CIECH S.A. in 2014 in which it recommends to the Annual General Meeting of Shareholders earmarking the Company's net profit for 2014 of PLN 92,129 thousand to the Company's supplementary capital.

By virtue of a resolution of 23 May 2014, the Annual General Meeting of Shareholders of CIECH S.A. decided to pay a dividend of PLN 59,551 thousand (PLN 1.13 per share). The dividend date was set on 29 May 2014. The dividend payment date was set on 28 November of 2014. 52,699,909 shares are entitled to dividend payment.

5.7 Financial data by operating segments

CIECH S.A. 01.01.-31.03.2015 PLN '000	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Sales revenues	372,866	105,591	3,074	3,938	-	485,469
Cost of sales	(268,184)	(103,243)	(2,889)	(3,754)	-	(378,070)
Gross profit/(loss) on sales	104,682	2,348	185	184	-	107,399
Selling costs	(28,781)	(30)	(3)	(3,033)	-	(31,847)
General and administrative expenses	(526)	(294)	(37)	-	(11,037)	(11,894)
Result on management of receivables	20,892	-	-	(143)	-	20,749
Result on other operating activities	(176)	-	-	1,069	-	893
Operating profit/(loss)	96,091	2,024	145	(1,923)	(11,037)	85,300
Exchange differences and interest on trade settlements	(2,649)	(2,453)	17	(194)	(72)	(5,351)
Borrowing costs	-	-	-	-	(12,409)	(12,409)
Result from financial activity (non-attributable to segments)	-	-	-	-	11,869	11,869
Profit/(loss) before tax	93,442	(429)	162	(2,117)	(11,649)	79,409
Income tax	-	-	-	-	-	(16,929)
Net profit/(loss)	-	-	-	-	-	62,480
Profit/(loss) on discontinued operations	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	62,480
Amortization/depreciation	-	-	-	-	1,808	1,808
EBITDA	96,091	2,024	145	(1,923)	(9,229)	87,108
<i>Normalized EBITDA*</i>	<i>96,202</i>	<i>2,024</i>	<i>145</i>	<i>(2,729)</i>	<i>(9,229)</i>	<i>86,413</i>

*Normalized EBITDA for the 3 months ended 31 March 2015 is calculated as EBITDA adjusted by one-off events. The main differences are: penalties and compensations received: PLN 806 thousand, creation of provisions for liabilities: PLN -111 thousand.

CIECH S.A. 01.01.-31.03.2014 PLN '000	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Sales revenues	343,988	11,921	63,002	2,912	-	421,823
Cost of sales	(271,736)	(11,712)	(51,339)	(35)	-	(334,822)
Gross profit/(loss) on sales	72,252	209	11,663	2,877	-	87,001
Selling costs	(28,380)	(349)	(9,892)	(851)	-	(39,472)
General and administrative expenses	(1,903)	(63)	(1)	(2,639)	(11,384)	(15,990)
Result on management of receivables	(7,602)	4	-	(8)	-	(7,606)
Result on other operating activities	28	-	(3)	60	-	85
Operating profit/(loss)	34,395	(199)	1,767	(561)	(11,384)	24,018
Exchange differences and interest on trade settlements	(4,119)	(1,584)	(4,586)	971	-	(9,318)
Borrowing costs	-	-	-	-	(14,897)	(14,897)
Result from financial activity (non-attributable to segments)	-	-	-	-	(4,969)	(4,969)
Profit/(Loss) before tax	30,276	(1,783)	(2,819)	410	(31,250)	(5,166)
Income tax	-	-	-	-	-	(2,935)
Net profit/(loss)	-	-	-	-	-	(8,101)
Profit/(loss) on discontinued operations	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	-	(8,101)
Amortization/depreciation	-	-	-	-	1,148	1,148
EBITDA	34,395	(199)	1,767	(561)	(10,236)	25,166
Normalized EBITDA*	34,697	(150)	1,790	(552)	(10,607)	25,178

*Normalized EBITDA for the 3 months ended 31 March 2014 is calculated as EBITDA adjusted by one-off events. The main differences are: result on sale of non-financial non-current assets: PLN 6 thousand, creation of provisions for compensation and anticipated losses: PLN -8 thousand, donations made: PLN -10 thousand.

CIECH S.A.
ASSETS AND LIABILITIES BY OPERATING SEGMENTS
31.03.2015

<i>PLN '000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Property, plant and equipment	-	-	-	-	7,014	7,014
Intangible assets	-	-	-	-	8,658	8,658
Inventory	13,151	1,305	-	2,472	-	16,928
Trade receivables	190,726	24,196	61	3,357	-	218,340
Other assets	-	-	-	-	2,397,729	2,397,729
Total assets	203,877	25,501	61	5,829	2,413,401	2,648,669

<i>PLN '000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Trade liabilities	229,379	63,075	-	3,738	-	296,192
Other liabilities	-	-	-	-	1,324,800	1,324,800
Total liabilities	229,379	63,075	-	3,738	1,324,800	1,620,992

31.12.2014

<i>PLN '000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Property, plant and equipment	-	-	-	-	6,031	6,031
Intangible assets	-	-	-	-	9,861	9,861
Inventory	4,329	17,444	-	-	-	21,773
Trade receivables	170,757	20,904	1,245	6,948	-	199,854
Other assets	-	-	-	-	2,336,464	2,336,464
Total assets	175,086	38,348	1,245	6,948	2,352,356	2,573,983

<i>PLN '000</i>	Soda Segment	Organic Segment	Silicates and Glass Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Trade liabilities	210,683	50,247	2,115	9,216	-	272,261
Other liabilities	-	-	-	-	1,339,864	1,339,864
Total liabilities	210,683	50,247	2,115	9,216	1,339,864	1,612,125

CIECH S.A.
OTHER FINANCIAL DATA BY OPERATING SEGMENTS
01.01.-31.03.2015

<i>PLN '000</i>	Soda Segment	Organic Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Recognized impairment losses	-	-	146	-	146
Reversed impairment losses	20,892	-	3	-	20,895
Recognized impairment losses (non-attributable to segments)	-	-	-	32,297	32,297
Reversed impairment losses (non-attributable to segments)	-	-	-	1,661	1,661
Interest income attributable to segments	460	314	7	-	781
Interest income recognized under Corporate Functions	-	-	-	19,118	19,118
Interest expense recognized under Corporate Functions	-	-	-	27,990	27,990

01.01.-31.03.2014

<i>PLN '000</i>	Soda Segment	Organic Segment	Other operations Segment	Corporate functions - reconciliation item	TOTAL
Recognized impairment losses	11,529	-	9	-	11,538
Reversed impairment losses	3,927	4	1	-	3,932
Recognized impairment losses (non-attributable to segments)	-	-	-	9,922	9,922
Reversed impairment losses (non-attributable to segments)	-	-	-	62	62
Interest income attributable to segments	39	253	-	-	292
Interest income recognized under Corporate Functions	-	-	-	18,019	18,019
Interest expense attributable to segments	345	-	-	-	345
Interest expense recognized under Corporate Functions	-	-	-	31,663	31,663

**CIECH S.A.
 INFORMATION ON GEOGRAPHICAL AREAS**
01.01.-31.03.2015

<i>PLN '000</i>	Poland	European Union (excluding Poland)	Other European countries	Africa	Asia	Other regions	TOTAL
Sales revenues	255,894	156,653	45,689	5,010	18,362	3,861	485,469

31.03.2015

<i>PLN '000</i>	Poland	European Union	Other European countries	Africa	Asia	Other regions	TOTAL
Non-current assets other than financial instruments	1,067,291	682,810	-	-	-	-	1,750,101
Deferred income tax assets	61,226	-	-	-	-	-	61,226
Other assets	348,527	435,371	33,118	728	18,113	1,485	837,342
Total assets	1,477,044	1,118,181	33,118	728	18,113	1,485	2,648,669

01.01.-31.03.2014

<i>PLN '000</i>	Poland	European Union (excluding Poland)	Other European countries	Africa	Asia	Other regions	TOTAL
Sales revenues	152,959	162,510	33,888	49,864	12,529	10,073	421,823

31.12.2014

<i>PLN '000</i>	Poland	European Union	Other European countries	Africa	Asia	Other regions	TOTAL
Non-current assets other than financial instruments	1,031,783	705,417	-	-	5,696	-	1,742,896
Deferred income tax assets	77,331	-	-	-	-	-	77,331
Other assets	309,987	400,568	34,233	2,883	5,319	766	753,756
Total assets	1,419,101	1,105,985	34,233	2,883	11,015	766	2,573,983

5.8 Information on fair value of financial instruments

a) Financial instruments measured at fair value

As at 31 March 2015, CIECH S.A. had the following financial instruments measured at fair value: interest rate swap, USD/PLN forward and EUR/PLN forward.

The fair value of interest rate swap is measured as the difference between discounted interest cash flows (cash flows based on the variable interest rate, the so-called floating leg, and cash flows based on a fixed interest rate, the so-called fixed leg). The input data is the market interest rate from Reuters. The fair value of the currency forward is determined as a difference between the transaction rate and the forward rate at the valuation date multiplied by the nominal value of the contract in the foreign currency. Input data to the valuation is the market interest rate and spot exchange rate from Reuters, based on which the forward rate is calculated.

The fair value of the interest rate swap as at 31 March 2015 amounted to PLN -3,932 thousand net (PLN 2,679 thousand – other non-current liabilities; PLN 1,253 thousand – other current liabilities). The fair value of the USD/PLN forward as at 31 March 2015 was negative and amounted to PLN -1,278 thousand, the fair value of the EUR/PLN forward as at 31 March 2015 was positive and amounted to PLN 2,265 thousand – the fair value of these financial instruments was presented in current liabilities and short-term investments respectively. According to the fair value hierarchy, it is Level 2.

In the first quarter of 2015 there were no transfers within the fair value hierarchy of instruments measured at fair value.

b) Financial instruments not measured at fair value

CIECH S.A. issued intercompany and domestic bonds, whose carrying amount as of 31 March 2015 amounts to PLN 1,171,186 thousand and fair value to PLN 1,293,832 thousand.

For the remaining financial instruments of CIECH S.A. (classified mainly as cash, loans and receivables, financial liabilities measured at amortized cost and financial liabilities excluded from the scope of IAS 39) their fair value was close to their carrying amount.

5.9 Information on material events that occurred after 31 March 2015 and have not been reflected in the presented interim report

There were no material events that occurred after 31 March 2015 and have not been reflected in the financial statements for the period from 1 January to 31 March 2015.

5.10 Information on changes in the shareholding structure

Changes that occurred in the first quarter of 2015 are described in point IV.2 of this Report

5.11 Information on changes in contingent liabilities or contingent assets and other matters

5.11.1 Significant disputed liabilities of CIECH S.A.

As at 31 March 2015, the total value of significant disputed liabilities of CIECH S.A. and subsidiaries of CIECH S.A., pursued in all types of proceedings in front of court, body appropriate for arbitration proceedings or public administration bodies represents less than 10% of CIECH S.A.'s equity.

5.11.2 Significant disputed receivables of CIECH S.A.

As at 31 March 2015, the total value of significant disputed receivables of CIECH S.A. and subsidiaries of CIECH S.A., pursued in all types of proceedings in front of court, body appropriate for arbitration proceedings or public administration bodies represents less than 10% of CIECH S.A.'s equity.

5.11.3 Contingent assets and other contingent liabilities including guarantees and sureties

OFF-BALANCE SHEET ITEMS PLN '000	31.03.2015	31.12.2014
Contingent receivables	18,864	18,864
off-balance sheet receivables	18,864	18,864
Contingent liabilities	1,112,804	1,150,191
guarantees and sureties granted	1,112,804	1,150,191
Total	1,131,668	1,169,055

Other contingent liabilities as at 31 March 2015 amounted to PLN 1,112,804 thousand, which is a decrease of PLN 37,387 thousand compared to December 2014.

The decrease in contingent liabilities results mainly from changes in the exchange rates applied to translate liabilities. The decrease was partly offset by granting a new surety for liabilities of a subsidiary KWG GmbH in an amount of EUR 1,753 thousand and an increase in guarantees granted for liabilities of CIECH Trading of EUR 200 thousand.

Sureties and guarantees granted and valid as at 31 March 2015

Beneficiary's name	Total amount of liabilities covered by guarantee/surety in whole or in specific part		Guarantee period	Financial terms, including guarantee fee due to the company	Principal	Nature of relations between CIECH S.A. and the principal
	currency '000	PLN '000				
CIECH S.A.						
Deutsche Trustee Company Limited; bond holders*	EUR 245,000	1,001,805**	Until full redemption of bonds (max term 30.11.2019)	Commission of 0.55% p.a. of the difference between the limit of the guarantee collateralized by assets and a surplus of the guarantee limit; collateral of liabilities due to bonds issued	Ciech Group Financing AB	Subsidiary
Anwil S.A.	PLN 15,000	15,000	30.06.2016	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
Alwernia S.A.	PLN 1,000	1,000	Liabilities incurred and outstanding up to 31.12.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
Spolana a.s.	EUR 1,500	6,133	Liabilities incurred and outstanding up to 31.12.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
BASF Polska Sp. z o.o., BASF SE	EUR 10,000	40,890	Maximum till 12.03.2017	Guarantee for certain liabilities and warranties made by Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej within the Agreement for Sale and Transfer of TDI assets to BASF	Infrastruktura Kapuściska S.A. w upadłości likwidacyjnej	-
FLSmidth Wiesbaden GmbH	EUR 317	1,296	Surety expired on 30.04.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	CIECH Soda Romania S.A.	Subsidiary
Bioagra-Oil S.A.	250 PLN	250	30.09.2015	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
BANK PEKAO S.A.	EUR 5,000	20,445	23.12.2015	Commission of 0.4% p.a. of the guaranteed liability; collateral of liability	Sodawerk Stassfurt GmbH&Co.K G	Subsidiary
Siemens Industrial	EUR 1,753	7,168	Lease instalments	Commission of 0.4% p.a. of the	KWG GmbH	Subsidiary

Beneficiary's name	Total amount of liabilities covered by guarantee/surety in whole or in specific part		Guarantee period	Financial terms, including guarantee fee due to the company	Principal	Nature of relations between CIECH S.A. and the principal
	currency '000	PLN '000				
Turbomachinery s.r.o.			outstanding by 30.04.2019	guaranteed liability; collateral of liability		
Grupa Azoty Zakłady Azotowe Kędzierzyn S.A.	EUR 200	817	30.09.2016	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
BZ WBK Faktor Sp. z o.o.	PLN 18,000	18,000	no time limit	Commission of 1.5% p.a. of the guaranteed liability; collateral of liability	Ciech Trading S.A.	Subsidiary
Total amount of guarantees and sureties granted		1,112,804				

* Guarantees granted by CIECH S.A. and selected subsidiaries in Poland, Germany and Romania.

** The guarantee was given up to the amount of 155% of the liabilities related to the issuance of foreign bonds (principal amount of bonds, interest and any fees).

5.11.4 Letters of support

As at 31 March 2015, CIECH S.A. was the obliged party in the following letters of support:

- Letter of support (Patronatserklärung) regarding Sodawerk Staßfurt GmbH&Co. KG seated in Staßfurt ("SWS"), granted to RWE Gasspeicher GmbH ("RWE"), relating to liabilities resulting from the agreement dated 5 May 2009 on salt caverns construction for the purpose of natural gas storage on the mining field Stassfurt according to which SWS has received payments of EUR 34.8 million from RWE until 31 March 2015. In the letter of support CIECH S.A. has committed, among other things, to ensure that SWS will have sufficient funds to fulfill its financial commitments resulting from the above-mentioned agreement.
- Letter of support (Patronatserklärung) regarding KWG-Kraftwerksgesellschaft Staßfurt mbH seated in Staßfurt ("KWG") granted to Erdgas Mittelsachsen GmbH ("EMS") relating to liabilities of KWG to EMS resulting from the gas supplies agreement. In the letter of support CIECH S.A. has committed, among other things, to ensure that KWG will have sufficient funds to fulfill its financial commitments against EMS resulting from the above-mentioned agreement. The responsibility of CIECH S.A. as regards the letter is limited to EUR 4 million and until 31 December 2015.

5.12 Provisions and impairment allowances on assets

In the first quarter of 2015, there were the following changes (recognition, use and reversal) of provisions and impairment allowances on assets in the financial statements of CIECH S.A.:

01.01.-31.03.2015

PLN '000	Opening balance	Increase	Decrease	Closing balance
Long-term investments	643,454	23,517	14,928	652,043
Inventory	218	-	-	218
Receivables	119,362	657	23,634	96,385
Short-term investments	41,963	8,269	2,209	48,023

01.01.-31.03.2015

PLN '000	Opening balance	Increase	Decrease	Closing balance
Deferred income tax liability	25,383	1,205	-	26,588
Provision for employee benefits and other provisions	22,896	-	44	22,852

01.01.-31.03.2015

PLN '000	Opening balance	Increase	Decrease	Closing balance
Deferred income tax asset	102,714	-	14,900	87,814

01.01.-31.03.2014

<i>PLN '000</i>	Opening balance	Increase	Decrease	Closing balance
Long-term investments	889,907	-	-	889,907
Inventory	251	-	-	251
Receivables	103,917	8,793	3,902	108,808
Short-term investments	85,042	10,014	-	95,056

01.01.-31.03.2014

<i>PLN '000</i>	Opening balance	Increase	Decrease	Closing balance
Deferred income tax liability	4,375	1,289	-	5,664
Provision for employee benefits and other provisions	27,911	2,171	2,038	28,044

01.01.-31.03.2014

<i>PLN '000</i>	Opening balance	Increase	Decrease	Closing balance
Deferred income tax asset	43,422	4,010	-	47,432

Deferred income tax liability and deferred income tax assets are netted off in the statement of financial position.

5.13 Notes to the Condensed Separate Statement of Other Comprehensive Income of CIECH S.A.
Tax effect of each component of other comprehensive income of CIECH S.A.

PLN '000	01.01.-31.03.2015			01.01.-31.03.2014		
	Before tax	Income tax	After tax	Before tax	Income tax	After tax
Cash flow hedge	4,122	(783)	3,339	767	(146)	621
Other comprehensive income net of tax	4,122	(783)	3,339	767	(146)	621

Income tax and reclassification adjustments in other comprehensive income

Other comprehensive income before tax (PLN '000)	Change in the period	01.01-31.03.2015	Change in the period	01.01-31.03.2014
Cash flow hedge	-	4,122	-	767
- fair value remeasurement in the period	2,490		767	
- reclassification to profit or loss	1,632		-	
Income tax attributable to other components of other comprehensive income	-	(783)	-	(146)
- accrued for the current period	(473)		(146)	-
- reclassification to profit or loss	(310)		-	-
Other comprehensive income net of tax		3,339		621

5.14 Information on purchase and disposal of property, plant and equipment and commitments for the acquisition of property, plant and equipment**01.01.-31.03.2015**

PLN '000	Land, buildings, offices and land and water engineering facilities	Machinery and equipment	Other property, plant and equipment	Property, plant and equipment under construction	Total
Purchase	-	281	-	1,128	1,409
Disposal	-	-	8	-	8

In the first quarter of 2015 purchases were made with own financial resources of the Company. The liabilities assumed for the acquisition of property, plant and equipment amounted to PLN 119 thousand.

01.01.-31.03.2014

PLN '000	Land, buildings, offices and land and water engineering facilities	Machinery and equipment	Other property, plant and equipment	Property, plant and equipment under construction	Total
Purchase	-	58	-	42	100
Disposal	130	10	24	-	164

5.15 CIECH S.A.'s shareholders holding at least 5% of shares/votes at the General Meeting of Shareholders

CIECH S.A.'s shares are listed on the Warsaw Stock Exchange. The share capital of CIECH S.A. is PLN 263,500,965 and is divided into 52,699,909 shares with a face value of PLN 5 each including:

- 20,816 A-series ordinary bearer shares;
- 19,775,200 B-series ordinary bearer shares;
- 8,203,984 C-series ordinary bearer shares;
- 23,000,000 D-series ordinary bearer shares;
- 1,699,909 E-series ordinary bearer shares;

SHAREHOLDERS

From the date of presenting the previous report (i.e. from the date of publishing the Annual Report of CIECH S.A. for 2014, which was made available to the public on 23 March 2015), CIECH S.A. did not receive any information from the shareholders concerning increases or decreases of any of the shareholders' interest in the total number of shares. To the knowledge of the Company, as at 31 March 2015, there were 2 shareholders holding a significant stake (at least 5%) of CIECH S.A. shares: KI Chemistry s. à r. l., with its registered office in Luxembourg, and ING Open Pension Fund.

Shareholder	Type of shares	Number of shares	Number of votes at GSM	Share in total number of votes at GSM	Share in share capital (%)
KI Chemistry s. à r. l. with its registered office in Luxembourg*	Ordinary bearer shares	26,952,052	26,952,052	51.14%	51.14%
ING Open Pension Fund**	Ordinary bearer shares	5,000,000	5,000,000	9.49%	9.49%
Other	Ordinary bearer shares	20,747,857	20,747,857	39.37%	39.37%

* according to the information from 9 June 2014 given by the Shareholder under art 77 item 7 and art. 69 item 1 p. 1 of the Public Offering Act from 29 July 2005 (...) (Cr 26/2014)

** based on the list of shareholders holding at least 5% of votes at the Extraordinary General Meeting of Shareholders of CIECH S.A. on 7 July 2014, Cr 51/2014 prepared and published based on art. 70 item 3 of the Public Offering Act (...)

5.16 Changes in the number of shares of CIECH S.A. held by the Members of the Management Board and Supervisory Board

According to the declarations submitted by members of the management and supervisory boards, it appears that:

- as at 31 March 2015:
 - ✓ Mr Dariusz Krawczyk – President of the Management Board, held 163,500 shares in CIECH S.A.
 - ✓ Mr Artur Osuchowski – Member of the Management Board, held 65,195 shares in CIECH S.A.

- as at the date of publishing the foregoing report:
 - ✓ Mr Dariusz Krawczyk – President of the Management Board, held 163,500 shares in CIECH S.A.
 - ✓ Mr Artur Osuchowski – Member of the Management Board, held 65,195 shares in CIECH S.A.

Persons having managerial positions did not hold any shares or holdings in related entities.

Dr Jan Kulczyk- Chairman of the Supervisory Board has indirectly 26,952,052 shares in Ciech S.A via KI Chemistry s. à r. l. seated in Luxembourg.

Other supervisory persons did not hold any shares in CIECH S.A. or shares or holdings in related entities.

5.17 Corrections of prior period errors

There were no corrections of prior period errors.

5.18 Discontinued operations and non-current assets classified as held for sale

Discontinued operations

In the period from 1 January to 31 March 2015 and in the comparative period there were no discontinued operations.

Assets and liabilities classified as held for sale

As at 31 March 2015 and as at 31 December 2014, there were no assets and liabilities classified as held for sale.

5.19 Information on overdue debts or other violations of debt-related agreements

In the period covered by these financial statements none of the loan agreements was called to maturity nor were there any violations of payment terms for repayment of capital or interest due in relation to financial liabilities recognized in the statement of financial position.

5.20 Transactions with related entities

Transactions with related parties are concluded on an arm's length basis.

	Sales revenues 01.01.- 31.03.2015	Purchases of goods and services 01.01.- 31.03.2015	Financial income 01.01.- 31.03.2015	Receivables as at 31.03.2015	Liabilities as at 31.03.2015
<i>PLN '000</i>					
Consolidated entities	136,183	287,591	18,927	194,797	248,812
Non-consolidated entities	20,044	1,189	118	11,059	905

	Sales revenues 01.01.- 31.03.2014	Purchases of goods and services 01.01.- 31.03.2014	Financial income 01.01.- 31.03.2014	Receivables as at 31.03.2014	Liabilities as at 31.03.2014
<i>PLN '000</i>					
Consolidated entities	34,748	289,551	333,523	154,328	229,008
Non-consolidated entities	7,939	1,964	-	3,467	559

5.21 Information on events after the balance-sheet date

No significant events occurred in CIECH S.A. after the balance sheet date by the date of publishing this Report.

VI. Statement of the Management Board

This extended consolidated quarterly report of the CIECH Group for the first quarter of 2015 was approved by the Management Board of CIECH S.A. in its registered office on 15 May 2015.

Warsaw, 15 May 2015

.....
Dariusz Krawczyk – President of the Management Board of CIECH Spółka Akcyjna

.....
Artur Osuchowski – Member of the Management Board of CIECH Spółka Akcyjna

.....
Maciej Tybura – Member of the Management Board of CIECH Spółka Akcyjna

.....
Katarzyna Rybacka – Chief Accountant of CIECH Spółka Akcyjna