

Justification of the draft resolution of the Ordinary (Annual) Shareholders' Meeting of CIECH S.A., convened for 22 June 2017 in Warsaw, on the distribution of the net profit of CIECH S.A. for financial year 2016

According to the Company's strategy for the years 2014-2019, an average annual dividend rate will amount to 3%. The value of the dividend and its payment depends on the market situation and the financial condition of the Ciech Group. Compared to 2015, Ciech's financial condition is better. The Company paid a dividend of PLN 2.85 per share from the net profit generated in that year.

In 2016, the Company generated a record EBITDA, and in addition, in the separate financial statement at the end of the year, Ciech SA showed a balance of cash and cash equivalents of PLN 342.6 million.

Konsensus Bloomberg assumes that in 2017, the Company will generate EBITDA of PLN 770.4 million and a net profit of PLN 396.9 million, with a CAPEX of PLN 437 million, forming reasonable basis for dividend distribution. Accordingly, TFI PZU SA proposes a DPS for 2016 in the amount of PLN 2.89 per share.