

CIECH S.A.
2012-10-10
RECEIVED ON K-4

Management Board
Ciech Spółka Akcyjna
ul. Puławska 182
02- 670 Warsaw

File no.: Wa XIII NsRejKRS 40002/12/837

As part of fulfilling the decision dated 21 September 2012 of the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, I submit 1 copy of the Opinion from the audit of the Demerger Plan for Inowrocławskie Zakłady Chemiczne Soda Mątwy Spółka Akcyjna.

I would also like to inform you that this Opinion will be filed with above-mentioned District Court.

Adam Misiński
Statutory auditor no. 2580

Warsaw, 10 October 2012

Annex: 1 copy of the opinion

District Court for the Capital City of Warsaw
13th Economic Division
of the National Court Register
ul. Czerniakowska 100
00-454 Warsaw

File no.: Wa XIII NsRejKRS 40002/12/837

and

Management Board of Inowrocławskie Zakłady Chemiczne Soda Mątwy Spółka Akcyjna
ul. Puławska 182
02-670 Warsaw

and

Management Board of Ciech Spółka Akcyjna
ul. Puławska 182
02-670 Warsaw

**Opinion from the audit
of the Demerger Plan for Inowrocławskie Zakłady Chemiczne
Soda Mątwy Spółka Akcyjna**

prepared by Adam Misiński, statutory auditor employed with KPMG Tax M. Michna sp. k., for the District Court for the Capital City of Warsaw, 13th Economic Division of the National Court Register, and for the Management Boards of the companies involved in the demerger:

- Inowrocławskie Zakłady Chemiczne Soda Mątwy Spółka Akcyjna, with its registered office in Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, 13th Economic Division of the National Court Register, under no. KRS 0000022064, with share capital amounting to PLN 74,160,750, divided into 7,416,075 shares with a nominal value of PLN 10 each,
- Ciech Spółka Akcyjna, with its registered office in Warsaw, entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, under no. KRS 0000011687, with share capital amounting to PLN 263,500,965.00, divided into 52,699,909 shares with a nominal value of PLN 5 each.

The statutory auditor was appointed to audit the Demerger Plan (with annexes) for Inowrocławskie Zakłady Chemiczne Soda Mątwy Spółka Akcyjna (Demerged Company or Soda Mątwy) of 27 August 2012 (Demerger Plan).

The Demerger Plan was provided to the statutory auditor according to the provisions of the Commercial Companies Code Act of 15 September 2000 (CCC), based on the decision dated 21 September 2012 of the District Court for the Capital City of Warsaw, 13th Economic Division of the National Court Register (file no. Wa XIII NsRejKRS 40002/12/837). The auditor received the Court's decision on 2 October 2012.

The audit of the Demerger Plan is an assurance service, as stipulated by the standards of operation applicable to statutory auditors. The audit was conducted according to the provisions of:

- International Standard on Assurance Engagements ISAE 3000 *Assurance engagements other than audits or reviews of historical financial information*, which was issued by the International Auditing and Assurance Standards Board (IAASB),
- National Financial Revision Standard 3 *General rules for reviewing financial statements/condensed financial statements and other assurance services*.

These regulations oblige the auditor to observe ethics, planning and auditing standards in such a way so as to obtain sufficient assurance that the Demerger Plan does not contain any significant irregularities and to provide sufficient basis for expressing a reliable opinion on the Demerger Plan's true and fair nature.

Auditing the Demerger Plan involved the following procedures:

- a) verifying whether the Demerger Plan was prepared in accordance with the provisions of Article 534 § 1 CCC,
- b) verifying whether the Demerger Plan contains all required annexes, in accordance with Article 534 § 2,
- c) verifying whether the annexes to the Demerger Plan were prepared according to the requirements of CCC.

The audit of the Demerger Plan is not an audit of financial statements. Therefore, the auditor's opinion on the Demerger Plan does not constitute a statutory auditor's opinion, as stipulated by the Accounting Act of 29 September 1994.

The auditor believes that the procedures applied to audit the Demerger Plan provide sufficient basis for expressing this opinion.

Soda Mątwy is to be demerged according to the provisions of Article 529 § 1 item 4 CCC: by transferring a part of the Demerged Company's assets to an existing company, i.e. demerger by spin-off. The acquiring company is Ciech Spółka Akcyjna (Acquiring Company or Ciech).

According to the provisions of Article 533 § 1 CCC, preparing the Demerger Plan is a responsibility of the Management Boards of the companies involved in the demerger, i.e. Soda Mątwy and Ciech. The Company's demerger is based on the provisions of Article 529 § 1 item 4 CCC.

As of the preparation date of the Demerger Plan, the shareholders of the Demerged Company are:

- Ciech, holding 7,416,074 shares with a nominal value of PLN 10 each and a total nominal value of 74,160,740,
- Minority Shareholder, holding 1 share with a nominal value of PLN 10.

Ciech's share capital amounts to PLN 263,500,965 (in words: two hundred sixty-three million five hundred thousand nine hundred sixty-five zloty 00/100) and is divided into 52,699,909 (fifty-two million six hundred ninety-nine thousand nine hundred nine) shares with a nominal value of PLN 5 (five zloty 00/100) each.

According to the provisions of Article 534 § 1 CCC, a plan for the demerger of joint stock companies by spin-off shall specify at least:

- type, business name and registered office of each company involved in the demerger,
- demerged company's to acquiring company's share exchange ratio and amount of any additional payments,
- rules for awarding shares in the acquiring company,
- date as of which the shares awarded as part of the demerger entitle the holder to a share in the acquiring company's profit,
- rights granted by the acquiring company to the shareholders and privileged persons in the demerged company,
- special benefits for the members of corporate bodies and other persons involved in the demerger (if any),
- detailed description and classification of assets (assets, equity and liabilities) as well as permits, licenses or allowances for the acquiring company,
- allocation of the acquiring company's shares to the demerged company's shareholders and allocation rules.

The auditor concluded that the Demerger Plan contains all elements required by the law (CCC).

According to the provisions of Article 534 § 2 CCC, the following shall be enclosed to a plan for the demerger of joint stock companies:

- draft resolutions on the demerger,

- draft amendments to the acquiring company's statute,
- determining the value of the demerged company's assets as of a specific day in the month preceding the filing of the request to publish the demerger plan,
- statement with information on the balance of the company's accounts, prepared for demerger purposes as of a given day in the month preceding the filing of the request to publish the demerger plan, using the same methods and formats as for the most recent annual balance sheet.

The auditor concluded that all legally required (CCC) annexes were enclosed to the Demerger Plan, such as:

- 1) Draft resolution of Ciech's Extraordinary General Shareholders' Meeting on the demerger of Soda Mątwy (the draft resolution also includes the demerger of Janikowskie Zakłady Sodowe Janikosoda S.A. because these two copies are to be demerged by spin-off simultaneously, and acquired by Ciech),
- 2) Draft resolution of Soda Mątwy's Extraordinary General Shareholders' Meeting on the Demerger of Soda Mątwy,
- 3) Draft amendments to Ciech's Statute,
- 4) Draft amendments to Soda Mątwy's Statute,
- 5) Determination of the value of Soda Mątwy's assets as of 1 July 2012,
- 6) Statement by Soda Mątwy's Management Board including information on the balance of Soda Mątwy's accounts, prepared for the purpose of the Demerger as of 1 July 2012.

For Ciech, the Management Board's statement on the balance of the company's accounts for demerger purposes is not required because Ciech is a public company, and it publishes and provides its shareholders with access to semi-annual financial statements. This is in line with the provisions of Article 534 § 4 CCC.

As a result of the Demerger, Ciech's share capital is to be increased by PLN 5 (in words: five zloty 00/100) by redeeming 1 Demerger Issue Share. The Demerger Issue Share will be awarded to the Minority Shareholder in exchange for 1 share in Soda Mątwy's share capital.

Ciech is Soda Mątwy's majority shareholder and the acquiring company in the Demerger. Therefore, Ciech will not receive any shares in Ciech's increased share capital in connection with the Demerger. The amount by which Ciech's share capital will be increased as a result of the Demerger corresponds to the nominal value of the Demerger Issue Share, and results from the share exchange ratio adopted for the purpose of the Demerger (i.e. 1 Ciech's share in exchange for 1 share of Soda Mątwy, held by the Minority Shareholder).

The Management Boards of the companies involved in the demerger justify the share exchange ratio based on the Minority Shareholder's minimum share in Soda Mątwy's share capital (0.000013%) and the related minimum issue value of the Demerger Issue Share to be awarded to the Minority Shareholder. As a result of the demerger, Ciech's share capital will increase by merely 0.0000019%. Considering these circumstances, the Management Boards of the companies involved in the demerger believe that conducting time-consuming and costly measurements of Ciech and Soda Mątwy to determine a different share exchange ratio as part of the Demerger would involve costs that would be disproportionate to the value of the demerger transaction and undesirable from the perspective of Ciech's shareholders.

Considering the above, the auditor agrees with the opinion of the Management Boards presented in the Demerger Plan on determining a share exchange ratio according to which the Minority Shareholder would receive 1 share of Ciech in exchange for 1 share of Soda Mątwy.

As a result of the Demerger, Soda Mątwy's share capital will be decreased from PLN 74,160,750.00 (in words: seventy-four million one hundred sixty thousand seven hundred fifty zloty 00/100) by PLN 74,012,428.52 (in words: seventy-four million twelve thousand four hundred twenty-eight zloty 52/100) to PLN 148,321.48 (in words: one hundred forty-eight thousand three hundred twenty-one zloty 48/100). The value of the assets transferred to Ciech as a result of the merger in excess of the amount of the decrease in the share capital is to be accounted for by using (decreasing) the supplementary or reserve capital.

According to the statement by Soda Mątwy's Management Board, the value of Soda Mątwy's assets as of 1 July 2012 is PLN 279,851,273.01 (in words: two hundred seventy-nine million eight hundred fifty-one thousand two hundred seventy-three zloty 01/100). The value of Soda Mątwy's assets corresponds to the net value of assets (i.e. assets less liabilities) resulting from the Demerged Company's balance sheet as of 1 July 2012

The management boards of the companies involved in the demerger provided the statutory auditor with draft resolutions of the Extraordinary General Meetings of Ciech and Soda Mątwy. The draft resolutions are consistent with the demerger rules in the Demerger Plan presented by the companies' Management Boards.

The Demerger Plan does not provide for any special rights to the shareholders involved in the demerger of Soda Mątwy and to other persons holding special rights in the Demerged Company, as stipulated by Article 534 § 1 item 5 CCC. Furthermore, the Demerger Plan does not provide for any special benefits for members of the companies' corporate bodies and other persons involved in the demerger, as stipulated by Article 534 § 1 item 6 CCC.

The demerger date of Soda Mątwy will be the registration date of the increase in Ciech's share capital as a result of the demerger of the Demerged Company by spin-off.

Based on the conducted audit, the statutory auditor believes that the Demerger Plan contains all elements and annexes required under the provisions of Article 534 CCC. In addition, the auditor concluded that the share exchange ratio in connection with the demerger of Soda Mątwy is correct and that the method adopted to determine the ratio is adequate. At the same time, the auditor did not identify any particular difficulties in the measurement of the demerged company's shares because the

exchange ratio is based on exchanging the share held by the Minority Shareholder in Soda Mątwy for one share in the Acquiring Company (Ciech).

Taking the above into consideration, the auditor believes that the Demerger Plan is true and fair in all material aspects.

This opinion was prepared only for the purposes referred to in Article 537 § 1, Article 538 § 1 and Article § 4 CCC. The opinion should be read together with the Demerger Plan for Soda Mątwy by spin-off to Ciech.

Adam Misiński
Statutory auditor no. 2580

Warsaw, 10 October 2012