

General Meeting of CIECH S.A.

Dear Sir/ Madam,

In connection with the adoption by the Management Board of CIECH S.A. of resolutions on the issue of bonds, which received a positive opinion from the Supervisory Board of CIECH S.A., the Management Board of CIECH S.A. requests the General Meeting of CIECH S.A. to adopt, on the basis of § 18 item 10) of the Statute of CIECH S.A., resolutions on the issue of bonds according to the rules defined in the submitted draft resolutions of the Extraordinary General Meeting of CIECH S.A.

SUBSTANTIATION

The main sources of debt financing of the Ciech Group are (1) secured bank loans, which as of 31 March 2012 at the consolidated level amounted to PLN 951 million, comprising mainly PLN 770 million worth of loans granted to the Company under the provisions of the loan agreement of 10 February 2011 (Loan Agreement) and (2) unsecured bonds denominated in PLN in the amount of PLN 300 million (PLN Bonds).

Ciech S.A.'s corporate bonds denominated in PLN

PLN Bonds, maturing 14 December 2012, are an integral part of the debt financing for Ciech S.A. (Company).

To ensure a stable and long-term financing structure, Ciech S.A. plans to issue new secured bonds (in principle, parallel to the Loan Agreement) denominated in PLN with a planned maturity of up to 5 years (New PLN Bonds). The proceeds from this issue will be allotted for the redemption of unsecured PLN Bonds and, in the case of a surplus of over PLN 300 million, mainly for refinancing loans granted in accordance with the Loan Agreement.

The main effect of the issue of New PLN Bonds will be to refinance a part of the current debt of the Ciech Group through the issue of secured debt securities, and to achieve a stable, long-term financing structure adjusted to the needs and capacities of the Ciech Group.

Ciech S.A.'s corporate bonds denominated in EUR

Additionally, the Management Board of Ciech S.A. prepares the issue of new secured (in principle, parallel to the Loan Agreement) bonds denominated in EUR with a planned maturity of up to 7 years, which will be distributed on the international market (New EUR Bonds). New EUR Bonds may be issued by a subsidiary of Ciech S.A. (SPV).

Similarly to the New PLN Bonds, the proceeds from the issue of the New EUR Bonds will be, on an as-needed basis, allotted for the redemption of unsecured PLN Bonds, and in the case of a surplus exceeding the amount necessary to redeem existing PLN Bonds, mainly for refinancing loans granted in accordance with the Loan Agreement.

The main effect of the issue of New EUR Bonds will be to refinance a part of the current debt of the Ciech Group through the issue of secured debt securities, and to achieve a stable, long-term financing structure adjusted (also in terms of the currency structure) to the needs and capacities of the Ciech Group.

The minimum amount of the issue of this type of bonds required to ensure their liquidity is approx. EUR 150 million. The amount of the issue is determined based on the total amount of PLN Bonds and loans of the Ciech Group (i.e. about PLN 1,250 million). The proposed maximum amount of the issue (EUR 300 million) seems to provide the Management Board of Ciech S.A. with the necessary flexibility.

To choose solutions optimal for the Company and its Shareholders, the Management Board of Ciech S.A. plans to simultaneously prepare the issue of New PLN Bonds and New EUR Bonds.

Securities

New PLN Bonds and New EUR Bonds will be secured by using existing collaterals for lenders under the Loan Agreement or,

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Register of entrepreneurs: District
Court for the Capital City of Warsaw 13th
Economic Division of the National Court
Register, KRS 0000011687

Share capital:
PLN 263,500,965.00 (fully paid)



if such a solution is not accepted by the lenders, by establishing new collaterals on the assets of the Company and the assets of the guarantors under the Loan Agreement, which currently constitute collateral for the lenders under the Loan Agreement and, if necessary, on SPV's assets.

Summary

In principle, New PLN Bonds and New EUR Bonds are financial instruments that do not compete against each other and differ mainly in terms of currency, maturity, price and target investor groups. Preparing both of these issues at the same time by the Company creates a synergy consisting mainly in maximising the probability of achieving a long-term and stable financing structure of the Group.

Therefore, the Management Board requests the General Meeting to adopt resolutions on this matter.

Yours faithfully

Annexes

- 1) Resolution No. 161/2012 of the Management Board of CIECH S.A. of 27 July 2012 on the issue of secured bearer bonds of up to PLN 500,000,000
- 2) Resolution No. 102/2012 of the Management Board of CIECH S.A. of 27 July 2012 on the issue of secured bearer bonds of up to EUR 300,000,000
- 3) Resolution No. 64/VIII/2012 of the Supervisory Board of CIECH S.A. of 2 August 2012 on the issue of secured bearer bonds of up to PLN 500,000,000
- 4) Resolution No. 65/VIII/2012 of the Supervisory Board of CIECH S.A. of 2 August 2012 on the issue of secured bearer bonds of up to EUR 300,000,000

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