

SELECTED FINANCIAL DATA	in thousand PLN		in thousand EUR	
	2005	2004	2005	2004
I. Net sales of products, goods and materials	1 588 892	1 470 007	394 923	325 352
II. Operating profit (loss)	58 395	33 920	14 514	7 507
III. Gross profit (loss)	43 479	21 383	10 807	4 732
IV. Net profit (loss)	41 900	19 445	10 414	4 304
V. Net cash flows from operating activities	49 226	-2 222	12 235	-492
VI. Net cash flows from investing activities	-34 324	13 175	-8 531	2 916
VII. Net cash flows from financing activities	30 346	-14 243	7 543	-3 152
VIII. Total net cash flows	45 248	-3 290	11 246	-728
IX. Total assets	903 176	829 620	233 996	203 388
X. Liabilities and provisions for liabilities	319 097	473 598	82 672	116 106
XI. Long-term liabilities	18 527	35 185	4 800	8 626
XII. Short-term liabilities	271 314	413 339	70 292	101 333
XIII. Equity	584 079	356 022	151 324	87 465
XIV. Share capital	140 001	98 982	36 272	24 266
XV. Number of shares	28 000 000	19 796 016	28 000 000	19 796 016
XVI. Net earnings (loss) per ordinary share (in PLN/EUR)	1.55	0.99	0.39	0.22
XVII. Diluted net earnings (loss) per ordinary share (in PLN / EUR)	1.50	0.70	0.37	0.15
XVIII Book value per share (in PLN / EUR)	20.86	17.98	5.40	4.41
XIX. Diluted book value per share (in PLN / EUR)	20.86	12.72	5.40	3.12
XX. Dividend per share (in PLN / EUR) declared or paid	0.80	0.30	0.21	0.07

BALANCE SHEET

Note

31.12.2005

31.12.2004

Assets**I. Fixed assets****492 865****496 448**

1. Intangible assets, including:	1	9 098	10 314
- goodwill		0	0
2. Tangible fixed assets	2	24 691	29 537
3. Long-term receivables	3	0	0
3.1. From affiliates		0	0
3.2. From other entities		0	0
4. Long-term investments	4	444 790	452 066
4.1. Real estate		10 961	11 246
4.2. Intangible assets		0	0
4.3. Long-term financial assets		433 829	440 820
a) in affiliates, including:		432 644	440 697
- stocks or shares in subordinate entities accounted for using the equity method		0	0
b) in other entities		1 185	123
4.4. Other long-term investments		0	0
5. Long-term prepayments and accruals	5	14 286	4 531
5.1. Assets in respect of deferred income tax		14 169	4 531
5.2. Other prepayments and accruals		117	0
II. Current assets		<u>410 311</u>	<u>333 172</u>
1. Reserves	6	10 987	18 460
2. Short-term receivables	7, 8	310 688	310 103
2.1. From affiliates		48 709	62 911
2.2. From other entities		261 979	247 192
3. Short-term investments	9	88 212	3 644
3.1. Short-term financial assets		88 212	3 644
a) in affiliates		38 815	0
b) in other entities		257	16
c) cash and cash equivalents		49 140	3 628
3.2. Other short-term investments		0	0
4. Short-term prepayments and accruals	10	424	965
Total assets		<u>903 176</u>	<u>829 620</u>

BALANCE SHEET

Note

31.12.2005

31.12.2004

Liabilities**I. Equity**

		<u>584 079</u>	<u>356 022</u>
1. Share capital	12	140 001	98 982
2. Amounts due in respect of share capital (negative value)		0	0
3. Treasury shares (negative value)	13	0	-6 176
4. Share premium	14	326 740	157 186
5. Revaluation reserve	15	-761	432
6. Other reserve capital	16	76 199	82 375
7. Profit (loss) from previous years		0	3 778
8. Net profit (loss)		41 900	19 445
9. Net profit write-offs during a financial year (negative value)	17	0	0

II. Liabilities and provisions for liabilities

		<u>319 097</u>	<u>473 598</u>
1. Provisions for liabilities	18	20 736	19 955
1.1. Provision in respect of deferred income tax		266	214
1.2. Provision in respect of retirement benefits and similar		2 247	2 502
a) long-term		1 607	2 194
b) short-term		640	308
1.3. Other provisions		18 223	17 239
a) long-term		0	0
b) short-term		18 223	17 239
2. Long-term liabilities	19	18 527	35 185
2.1. Towards affiliates		0	0
2.2. Towards other entities		18 527	35 185
3. Short-term liabilities	20	271 314	413 339
3.1. Towards affiliates		167 690	125 390
3.2. Towards other entities		103 025	287 373
3.3. Special funds		599	576
4. Accruals	21	8 520	5 119
4.1. Negative goodwill			0
4.2. Other accruals		8 520	5 119
a) long-term			0
b) short-term		8 520	5 119

Total liabilities**903 176****829 620****Book value**

584 079

356 022

Number of shares

28 000 000

19 796 016

Book value per share (in PLN)

22

20,86

17,98

Diluted number of shares

28 000 000

28 000 000

Diluted book value per share (in PLN)

20,86

12,72

OFF-BALANCE SHEET ITEMS *	Note	31.12.2005	31.12.2004
1. Contingent receivables	23	0	0
1.1. From affiliates (in respect of)		0	0
1.2. From other entities (in respect of)		0	0
- guarantees and sureties received		0	0
2. Contingent liabilities	23	26 571	24 527
1.1. To the benefit of affiliates (in respect of)		26 435	24 527
- guarantees and sureties granted		26 435	24 527
1.2. To the benefit of other entities (in respect of)		136	0
- guarantees and sureties given		136	0
3. Other (in respect of)	23	9 400	9 400
- other contingent liabilities		9 400	9 400
Total off-balance sheet items		35 971	33 927

* the above items do not include the value of suits filed by an external party and described in additional notes to the financial statement, under "data on off-balance sheet items"

PROFIT AND LOSS ACCOUNT		Note	01.01-31.12.2005	01.01-31.12.2004
I. Net sales of products, goods and materials, including:			1 588 892	1 470 007
- from affiliates			345 955	359 244
1. Net sales of products	24		78 960	57 984
2. Net sales of goods and materials	25		1 509 932	1 412 023
II. Costs of products, goods and materials sold, including:			1 346 569	1 318 757
- from affiliates			298 297	320 605
1. Cost of products sold	26		382	419
2. Value of goods and materials sold			1 346 187	1 318 338
III. Gross profit (loss) on sales (I-II)			242 323	151 250
IV. Cost of sales	26		118 654	66 821
V. General management costs	26		62 421	56 410
VI. Profit (loss) on sales (III-IV-V)			61 248	28 019
VII. Other operating income			20 506	30 501
1. Profit on sales of non-financial fixed assets			7 308	34
2. Subsidies			0	0
3. Other operating income	27		13 198	30 467
VIII. Other operating costs			23 359	24 600
1. Loss on sales of non-financial fixed assets			0	0
2. Revaluation of non-financial assets			1 532	2 477
3. Other operating costs	28		21 827	22 123
IX. Operating profit (loss) (VI+VII-VIII)			58 395	33 920
X. Financial income	29		23 453	23 945
1. Dividends and profit-sharing, including:			15 064	20 151
- from affiliates			15 064	20 151
2. Interest, including:			6 514	3 119
- from affiliates			3 734	73
3. Profit on sales of investments			916	40
4. Revaluation of investments			0	0
5. Other			959	635
XI. Financial costs	30		38 369	36 482
1. Interest, including:			4 274	10 478
- for affiliates			0	0
2. Loss on sales of investments			0	0
3. Revaluation of investments			23 539	9 717
4. Other			10 556	16 287
XII. Profit (loss) on business activity (IX+X-XI)			43 479	21 383
XIII. Result of extraordinary events (XIII.1. - XIII.2.)			0	0
1. Extraordinary profit	32		0	0
2. Extraordinary loss	33		0	0
XIV. Gross profit (loss) (XII+/-XIII)			43 479	21 383
XV. Income tax	34		1 579	1 938
a) current			11 166	2 333
b) deferred			-9 587	-395
XVI. Other obligatory charges (loss increase)	35		0	0
XVII. Share in net profit (loss) of subordinate entities accounted for using the equity method			0	0
XVIII. Net profit (loss) (XIV-XV-XVI+/-XVII)			41 900	19 445
Annualised net profit (loss)			41 900	19 445
Weighted average number of ordinary shares			27 028 828	19 647 508
Earnings (loss) per ordinary share (in PLN)	38		1,55	0,99
Diluted weighted average number of ordinary shares			27 950 372	28 000 000
Diluted earnings (loss) per ordinary share (in PLN)			1,50	0,70

STATEMENT OF CHANGES IN EQUITY

31.12.2005

31.12.2004

	31.12.2005	31.12.2004
I. Equity at the beginning of the period (OB)	356 022	334 080
a) changes in the accounting policy	0	3 487
b) adjustments of fundamental errors	0	0
I.a. Equity at the beginning of the period (OB), upon reconciliation with the comparable data	356 022	337 567
1. Share capital at the beginning of the period	98 982	98 982
1.1. Changes in share capital	41 019	0
a) additions (in respect of)	41 019	0
- issue of shares (stocks)	41 019	0
b) deductions (in respect of)	0	0
1.2. Share capital at the end of the period	140 001	98 982
2. Amounts due in respect of share capital at the beginning of the period	0	0
2.1. Changes in the amounts due in respect of share capital	0	0
a) additions (in respect of)	0	0
b) deductions (in respect of)	0	0
2.2. Amounts due in respect of share capital at the end of the period	0	0
3. Treasury shares (stocks) at the beginning of the period	-6 176	0
3.1. Changes in treasury shares (stocks)	6 176	-6 176
a) additions (in respect of)	0	-6 176
- purchase	0	-6 176
b) deductions (in respect of)	6 176	0
- sales	6 176	0
3.2. Treasury shares (stocks) at the end of the period	0	-6 176
4. Share premium at the beginning of the period	157 186	151 157
4.1. Changes in share premium	169 554	6 029
a) additions (in respect of)	169 941	6 118
- issue of shares above their par value	151 328	0
- positive difference in respect of the revaluation of fixed assets	1 580	13
- profit distribution (above the minimum value required by law)	14 824	6 105
other additions	2 209	0
b) deduction (in respect of)	387	89
- negative difference in respect of revaluation of fixed assets	387	89
4.2. Share premium at the end of the period	326 740	157 186
5. Revaluation reserve at the beginning of the period	432	648
a) changes in the accounting policy (transformation balance)	0	-292
5.a Revaluation reserve upon reconciliation with comparable data	432	356
5.1. Changes in revaluation reserve	-1 193	76
a) additions (in respect of)	387	89
- revalued fixed assets transferred to share premium due to their disposal or sales	387	89
b) deductions (in respect of)	1 580	13
- revalued fixed assets transferred to share premium due to their disposal or sales	1 580	13
5.2. Revaluation reserve at the end of the period	-761	432

STATEMENT OF CHANGES IN EQUITY

31.12.2005

31.12.2004

	31.12.2005	31.12.2004
6. Other reserve capital at the beginning of the period	82 375	76 199
6.1. Changes in other reserve capital	-6 176	6 176
a) additions (in respect of)	0	6 176
- other additions	0	6 176
b) deductions (in respect of)	6 176	0
- sales of treasury shares	6 176	0
6.2. Other reserve capital at the end of the period	76 199	82 375
7. Profit (loss) from previous years at the beginning of the period	23 223	7 094
7.1. Profit from previous years at the beginning of the period	23 223	7 094
a) changes in the accounting policy	0	3 778
b) adjustments of fundamental errors	0	0
7.2. Profit from previous years at the beginning of the period, upon reconciliation with the comparable data	23 223	10 872
a) additions (in respect of)	0	0
b) deductions (in respect of)	23 223	7 094
- distribution of profit from previous years	14 823	6 105
- dividend	8 400	989
7.3. Profit from previous years at the end of the period	0	3 778
7.4. Loss from previous years at the beginning of the period	0	0
a) changes in the accounting policy	0	0
b) adjustments of fundamental errors	0	0
7.5. Loss from previous years at the beginning of the period, upon reconciliation with the comparable data	0	0
a) additions (in respect of)	0	0
b) deductions (in respect of)	0	0
7.6. Loss from previous years at the end of the period	0	0
7.7. Profit (loss) from previous years at the end of the period	0	3 778
8. Net result	41 900	19 445
a) net profit	41 900	19 445
b) net loss	0	0
c) profit write-offs	0	0
II. Equity at the end of the period (CB)	584 079	356 022
III. Equity, taking into account proposed profit distribution (loss cover)	551 679	352 102

A. Cash flows from operating activities

01.01-31.12.2005

01.01-31.12.2004

	01.01-31.12.2005	01.01-31.12.2004
I. Net profit (loss)	41 900	19 445
II. Total adjustments	7 326	-21 667
1. Amortisation	7 151	8 917
2. Profit (loss) in respect of exchange differences	-2 781	-1 362
3. Interest and profit sharing (dividends)	-12 167	-8 696
4. Profit (loss) from investing activities	15 559	9 642
5. Change in provisions	781	9 878
6. Change in reserves	7 473	9 380
7. Change in receivables	1 386	-37 367
8. Change in short-term liabilities, excluding loans and borrowings	-4 435	-13 510
9. Change in prepayments and accruals	-5 813	1 451
10. Other adjustments	172	0
III. Net cash flows from operating activities (I+/-II)	49 226	-2 222

B. Cash flows from investing activities

I. Proceeds	81 901	22 698
1. Disposal of intangible assets and tangible fixed assets	11 574	140
2. Disposal of investments in real estate and intangible assets	0	0
3. From financial assets, including:	61 827	22 558
a) affiliates	15 973	22 451
disposal of financial assets	503	2 300
dividends and profit sharing	15 063	20 151
interest	407	0
b) in other entities	45 854	107
disposal of financial assets	45 854	107
4. Other investment proceeds	8 500	0
II. Expenditure	116 225	9 523
1. Purchase of intangible assets and tangible fixed assets	6 559	4 561
2. Investments in real estate and intangible assets	0	0
3. For financial assets, including:	87 666	4 962
a) in affiliates	41 410	4 962
purchase of financial assets	41 410	4 962
b) in other entities	46 256	0
purchase of financial assets	46 256	0
long-term loans granted	0	0
4. Other investment expenditure	22 000	0
III. Net cash flows from investing activities (I-II)	-34 324	13 175

II. Total adjustments	7 326	-21 667
C. Cash flows from financing activities		
I. Proceeds	250 483	217 237
1. Net proceeds from issue of stocks (shares) and other equity instruments plus capital subsidies	192 875	0
2. Loans and borrowings	55 399	132 719
3. Issue of debt securities	0	84 518
4. Other financial proceeds	2 209	0
II. Expenditure	220 137	231 480
1. Purchase of treasury shares	0	6 176
2. Dividends and other payments to the benefit of the shareholders	8 400	990
3. Expenditure in respect of profit distribution other than payments to the b	0	0
4. Repayment of loans and borrowings	192 940	115 945
5. Payment of debt securities	15 000	98 000
6. In respect of other financial liabilities	0	0
7. Payment of liabilities in respect of finance leases	149	502
8. Interest	3 648	9 867
9. Other financial expenditure	0	0
III. Net cash flows from financing activities (I-II)	30 346	-14 243
D. Total net cash flows (A.III +/- B.III +/- C.III)	45 248	-3 290
E. Balance sheet change in cash, including:	45 512	-3 484
change in cash in respect of exchange differences	264	-194
F. Cash at the beginning of the period	3 822	7 112
G. Cash at the end of the period (F +/- D), including:	49 070	3 822
with the limited power of disposal	260	211

Note 1a

INTANGIBLE ASSETS	31.12.2005	31.12.2004
a) Intangible assets, including:	7 300	9 818
- goodwill	0	0
- concessions, patents, licences and similar assets, including:	7 278	9 586
- computer software	7 278	9 586
- other intangible assets	22	232
b) intangible assets in progress	1 798	496
c) pre-payments for intangible assets	0	0
	9 098	10 314

Note 1b

CHANGES IN INTANGIBLE ASSETS (BY TYPE)	concessions, patents, licences and similar assets, including:		other intangible assets	pre-payments for intangible assets	Total intangible assets
		<i>computer software</i>			
a) gross intangible assets at the beginning of the period	24 150	24 150	386	0	24 536
b) additions (in respect of)	177	177	25	0	202
- purchase	177	177	25	0	202
c) deductions (in respect of)	39	39	0	0	39
- other	39	39	0	0	39
d) gross intangible assets at the end of the period	24 288	24 288	411	0	24 699
e) accumulated depreciation at the beginning of the period	14 564	14 564	154	0	14 718
f) depreciation for the period (in respect of)	2 446	2 446	81	0	2 527
- depreciation	2 485	2 485	81	0	2 566
- other	-39	-39	0	0	-39
g) accumulated depreciation (amortisation) at the end of the period	17 010	17 010	235	0	17 245
h) write-offs in respect of impairment at the beginning of the period	0	0	0	0	0
- addition	0	0	154	0	154
i) write-offs in respect of impairment at the end of the period	0	0	154	0	154
j) net intangible assets at the beginning of the period	9 586	9 586	232	0	9 818
k) net intangible assets at the end of the period	7 278	7 278	22	0	7 300

Note 1c

INTANGIBLE ASSETS (OWNERSHIP STRUCTURE)	31.12.2005	31.12.2004
a) own	7 300	9 818
Total intangible assets	7 300	9 818

Note 2a

TANGIBLE FIXED ASSETS	31.12.2005	31.12.2004
a) tangible assets, including:	24 691	29 322
- land (including right of perpetual usufruct of land)	292	684
- buildings and structures of land and water engineering	16 807	20 306
- machines and equipment	5 604	6 067
- vehicles	1 809	2 054
- other tangible assets	179	211
b) tangible assets under construction	0	215
c) pre-payments in respect of tangible assets under construction	0	0
Total tangible fixed assets	24 691	29 537

Note 2b

CHANGES IN TANGIBLE ASSETS (BY TYPE)	- land (including right of perpetual usufruct of land)	- buildings and structures of land and water engineering	- machines and equipment	- vehicles	- other tangible assets	Total tangible assets
a) gross tangible assets at the beginning of the period	1 338	30 104	32 996	3 312	1 637	69 387
b) additions (in respect of)	0	0	2 658	713	87	3 458
- purchase	0	0	2 560	713	87	3 360
- reception from tangible assets under construction	0	0	98	0	0	98
c) deductions (in respect of)	589	4 734	6 614	1 068	847	13 852
- sales	589	4 734	2 128	1 005	427	8 883
- disposal	0	0	4 361	63	20	4 444
- donations	0	0	3	0	6	9
- other	0	0	122	0	394	516
d) gross tangible assets at the end of the period	749	25 370	29 040	2 957	877	58 993
e) accumulated depreciation (amortisation) at the beginning of the period	654	9 798	26 929	1 258	1 426	40 065
f) depreciation for the period (in respect of)	-197	-1 235	-3 493	-110	-728	-5 763
- addition (in respect of)	2	878	3 012	588	105	4 585
- disposal of tangible assets	2	878	3 012	588	105	4 585
- deduction (in respect of)	199	2 113	6 505	698	833	10 348
- sales	199	2 113	2 020	685	413	5 430
- disposal	0	0	4 360	13	20	4 393
- donation	0	0	3	0	6	9
- other	0	0	122	0	394	516
g) accumulated depreciation (amortisation) at the end of the period	457	8 563	23 436	1 148	698	34 302
h) write-offs in respect of impairment at the beginning of the period	0	0	0	0	0	0
i) write-offs in respect of impairment at the end of the period	0	0	0	0	0	0
j) net tangible assets at the beginning of the period	684	20 306	6 067	2 054	211	29 322
k) net tangible assets at the end of the period	292	16 807	5 604	1 809	179	24 691

Note 2c

BALANCE SHEET TANGIBLE ASSETS (OWNERSHIP STRUCTURE)	31.12.2005	31.12.2004
a) own	24 691	28 845
b) used under a hire, lease or other contract, including a leasing contract, including:	0	477
- a leasing contract	0	477
Total balance sheet tangible assets	24 691	29 322

Note 2d

OFF-BALANCE SHEET TANGIBLE ASSETS	31.12.2005	31.12.2004
a) used under a hire, lease or other contract, including a leasing contract, including:	2 849	3 044
- value of land used under perpetual usufruct	2 849	3 044
Total off-balance sheet tangible assets	2 849	3 044

Note 3a

LONG-TERM RECEIVABLES	31.12.2005	31.12.2004
Gross long-term receivables	0	0

Note 3 b

CHANGE IN LONG-TERM RECEIVABLES (BY TITLE)	31.12.2005	31.12.2004
a) as at the end of the period	0	0

Note 3c

CHANGE IN WRITE-DOWNS OF LONG-TERM RECEIVABLES	31.12.2005	31.12.2004
write-downs of long-term receivables at the end of the period	0	0

Note 4a

CHANGE IN REAL ESTATE (BY TYPE)	31.12.2005	31.12.2004
a) as at the beginning of the period	11 246	11 658
- land	3 773	3 773
- buildings	6 769	6 993
- structures	3	4
- machines and equipment	701	888
b) additions	93	0
- buildings	93	
c) deductions	378	412
- amortisation	378	412
- buildings	225	224
- structures	0	1
- machines and equipment	153	187
d) as at the end of the period	10 961	11 246
- land	3 773	3 773
- buildings	6 637	6 769
- structures	3	3
- machines and equipment	548	701

Note 4b

CHANGE IN INTANGIBLE ASSETS (BY TYPE)	31.12.2005	31.12.2004
a) as at the beginning of the period	0	0
b) as at the end of the period	0	0

Note 4c

LONG-TERM FINANCIAL ASSETS	31.12.2005	31.12.2004
a. in subsidiaries	430 451	438 504
- stocks or shares	429 601	433 604
- pre-payments	850	4 900
b. in co-subsidiaries	2 193	2 193
- stocks or shares	2 193	2 193
c. in associates	0	0
- stocks or shares	0	0
d. in other entities	1 185	123
- stocks or shares	1 185	123
Total long-term financial assets	433 829	440 820

Information on collateral for stocks and shares has been presented in notes 19d and 20c

Note 4d

STOCKS AND SHARES IN SUBORDINATE ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD, INCLUDING:	31.12.2005	31.12.2004
a) goodwill of subordinate entities	0	0
b) negative goodwill of subordinate entities	0	0

Note 4e

CHANGE IN GOODWILL - SUBSIDIARIES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4f

CHANGE IN GOODWILL - CO-SUBSIDIARIES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4g

CHANGE IN GOODWILL - ASSOCIATES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4h

CHANGE IN NEGATIVE GOODWILL - SUBSIDIARIES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4i

CHANGE IN NEGATIVE GOODWILL - CO-SUBSIDIARIES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4j

CHANGE IN NEGATIVE GOODWILL - ASSOCIATES	31.12.2005	31.12.2004
a) gross goodwill at the beginning of the period	0	0
b) goodwill written off at the end of the period	0	0
c) net goodwill at the end of the period	0	0

Note 4k**CHANGE IN LONG-TERM FINANCIAL ASSETS (BY TYPE)**

	31.12.2005	31.12.2004
a) as at the beginning of the period	464 526	457 900
- stocks and shares	464 526	457 900
b) additions (in respect of)	42 728	10 722
- stocks and shares	42 728	10 722
purchase of shares	41 878	1 062
capital increase	850	8 900
contribution in-kind	0	760
c) deductions (in respect of)	26 180	4 096
- stocks and shares	26 180	4 096
company liquidation	0	105
sales of stocks	803	2 286
transferred to short-term financial assets	25 243	1 705
other	134	0
d) as at the end of the period	481 074	464 526
- stocks and shares	481 074	464 526
write-downs	47 245	23 706
as at the end of the period, net	433 829	440 820

Note 4.1, m

STOCKS AND SHARES IN SUBORDINATE ENTITIES

No.	a	b	c	d	e	f	g	h	i	j	k	l	m	n						o				p	r	s	t						
														equity of an entity, including:						liabilities and provisions for liabilities, including:		receivables of an entity, including:						total entity's assets	sales income	stocks/shares in an entity not redeemed by the issuer	dividends received or due from an entity for the last financial year		
														share capital	payments due in respect of share capital	share premium	other equity, including:	long-term liabilities	short-term liabilities	long-term receivables	short-term receivables												
name (company) of an entity and its legal status	registered office	company profile	type of relationship (subsidiary, co-subsidiary, associate, plus specification of direct and indirect relationships)	consolidation method used / equity method or note that an entity is not subject to consolidation	date of assuming control / joint control / obtaining material influence	value of stocks/shares at purchase	Total revaluation adjustments	carrying amount of stocks / shares	share capital owned in %	share in the general number of votes during a general meeting	indication of the basis of control / joint control / material influence other than the one specified in	share capital	payments due in respect of share capital	share premium	other equity, including:	long-term liabilities	short-term liabilities	long-term receivables	short-term receivables	total entity's assets	sales income	stocks/shares in an entity not redeemed by the issuer	dividends received or due from an entity for the last financial year										
1	Agrochem Sp. z o.o. Dobre Miasto	ul. Spichrzowa 13 11-040 Dobre Miasto	production of artificial fertilisers and nitrogen compounds, production of other basic inorganic and organic chemicals, warehousing and storing of goods	indirect subsidiary	Fosfory Sp. z o.o. full method	18.05.1999	500	0	500	89.03%	89.03%	none	1	15 357	500	0	9 858	4 999	0	4 999	3 117	0	3 104	7 130	0	7 130	18 474	46 545	0	0			
2	Alwernia Fosforany Sp. z o.o.	ul. K. Olczewskiego 25 32-566 Alwernia	the company has not started its business activity	indirect subsidiary	commodity transport, passenger transport, servicing and repairs of motor vehicles, sales of parts and accessories for motor vehicles, sales of motor vehicles, technical inspections and analyses	10.09.2002	500	0	50	73.75%	73.75%	none	2	50	500	0	0	0	0	0	0	0	0	0	0	0	50	0	0	0			
3	BL-TRANS Sp. z o.o.	ul. Szkolna 15 47-225 Kępczyrzyn-Kozle	production of dyes and pigments, trade in industrial raw materials and goods (auxiliaries for the textile industry)	indirect subsidiary	Petrochemia Blachownia S.A. metoda pełna	08.2001	774	0	774	99.87%	99.87%	none	3	990	750	0	240	0	0	5	771	187	584	430	0	430	1 784	4 966	0	0			
4	Boruta-Kolor Sp. z o.o.	ul. A. Struga 10 95-100 Zgierz	production of dyes and pigments, trade in industrial raw materials and goods (auxiliaries for the textile industry)	subsidiary	not subject to consolidation	22.09.1999	14 917	7 566	7 351	100%	100%	none	4	15 996	16 301	0	895	-1 200	0	-1 200	3 139	0	2 557	2 964	0	2 964	19 135	17 882	0	400			
5	Calanda Polska Sp. z o.o. w likwidacji	ul. Powązkowska 46/50 01-728 Warszawa	company under liquidation	subsidiary	not subject to consolidation	27.10.1993	170	170	0	95.70%	95.70%	none	5	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	b.d.	0	0		
6	Cherria.com S.A.	ul. Powązkowska 46/50 01-728 Warszawa	IT-related activity	subsidiary	not subject to consolidation	13.12.2000	1 010	1 010	0	100%	100%	none	6	448	3 500	0	0	-3 052	-3 143	123	599	0	262	453	0	453	1 047	4 064	0	0			
7	Chemiepetrol GmbH	Katzenbühlbrucke 1 D-20295 Hamburg Niemcy	agency services in export of chemical products to Germany, purchase of petrochemicals and plastic for one's own account	subsidiary	not subject to consolidation	01.01.1986	43	0	43	60.00%	60.00%	none	7	3 918	197	0	0	3 721	2 872	849	2 566	0	1 938	1 841	0	1 841	6 045	35 067	0	382			
8	InChem Sp. z o.o.	ul. Powązkowska 46/50 01-728 Warszawa	general financial services for CIECH S.A. - facilitation of restructuring the investment portfolio by minimising the share of overdue debt and debt almost unrecoverable	subsidiary	not subject to consolidation	07.09.1999	2 702	2 702	0	50%	100%	none	8	2 539	2 700	0	1 524	-1 685	-9 515	7 829	4	0	4	680	0	680	2 543	0	0	0	0		
9	CIECH - Polfa Sp. z o.o.	ul. Powązkowska 46/50 01-728 Warszawa	sales of pharmaceuticals, packaging and customising services	subsidiary	full method	23.12.1991	1 912	0	1 912	100%	100%	none	9	8 196	1 910	0	3 698	2 590	0	2 592	56 846	219	55 682	57 196	0	57 196	65 044	55 585	0	290			
10	CIECH-SERVICE Sp. z o.o.	ul. Powązkowska 46/50 01-728 Warszawa	transportation and brokerage services	subsidiary	not subject to consolidation	22.07.1996	705	0	705	100%	100%	none	10	825	1 305	0	96	-676	0	24	634	0	465	384	0	384	1 459	4 350	0	0			
11	Daltrade Plc	16, Devonshire Street London W1G 7AF Wielka Brytania	import of chemical and petroleum products acquired mainly in Poland, plus their distribution in Britain and on European markets (petroleum products); the company provides agency services	subsidiary	full method	11.1988	3 426	0	3 426	61.20%	61.20%	none	11	16 510	5 653	0	10 857	9 237	-354	5 102	0	5 102	8 100	0	8 100	21 612	47 877	0	0				
12	Danske Unipol A/S	Renstemelevvej 80 DK2400 Copenhagen NV Dania	trade based on commission and conducted for one's own account with regard to purchase and sales of industrial chemicals	subsidiary	not subject to consolidation	17.07.1989	101	0	101	55.00%	55.00%	none	12	1 000	259	0	0	741	135	606	2 783	634	1 804	2 191	0	2 191	3 762	18 771	0	228			
13	Elektrociepłownia Kujawskie Sp. z o.o.	ul. Fabryczna 4 88-101 Inowrocław	production and distribution of electricity	indirect subsidiary	Soda Matwy S.A. - full method	14.02.2002	25	0	25	49.5%	99.52%	none	13	-2 168	51	0	2	-2 261	-3 063	812	37 718	0	32 537	17 262	0	17 262	35 620	237 180	0	0			
14	Gdańskie Zakłady Nawozów Fosforowych "FOSFOR" Sp. z o.o.	ul. Kujawskie 2 80-550 Gdańsk	production of artificial fertilisers and nitrogen compounds, other basic organic and inorganic chemicals, handling and warehousing services	subsidiary	full method	28.11.1995	20 755	0	20 755	79.72%	89.03%	none	14	104 719	29 003	0	41 061	34 655	0	1 919	69 993	7 231	45 450	36 115	0	36 115	174 712	168 196	0	1 456			
15	Inowrocławskie Zakłady Chemiczne SODA MATWY S.A.	ul. Fabryczna 4 88-101 Inowrocław	production and sales of chemical products and compounds, metal products and construction materials, sales of thermal energy and electricity, drinking and industrial water	subsidiary	full method	28.08.1996	165 692	0	165 692	99.77%	99.77%	none	15	254 164	74 161	0	81 219	98 784	0	33 462	105 886	3 464	69 695	80 009	0	80 009	348 562	330 075	0	2 033			
16	Jankowski Zakłady Sódowe Janakosoda S.A.	ul. Przemysłowa 30 88-160 Jankowo	production and sales of chemical products and compounds, construction and assembly services, installation and electricity-related services, sales of thermal energy and electricity, rental and lease of premises, buildings and land	subsidiary	full method	28.08.1996	164 888	0	164 888	96.26%	99.26%	none	16	229 511	44 676	0	127 310	57 525	0	25 116	78 861	0	51 883	80 805	0	80 805	308 372	345 964	0	6 658			
17	Jantans Sp. z o.o.	ul. Przemysłowa 30 88-160 Jankowo	railway and road transport, handling of goods, construction services, services with regard to repairs, maintenance, renovation of railway engines and rolling stock, lease of means of land transport	indirect subsidiary	not subject to consolidation	26.02.2002	7 907	633	7 274	99.26%	99.26%	none	17	7 273	7 906	0	919	-1 552	-1 593	41	3 910	0	1 946	1 794	21	1 773	11 184	14 199	0	0			
18	Nordiska Unipol AB	Arstaängsvägen 1 A S-10074 Sjöholm Szwecja	trade with regard to import and export of different types of products, mainly chemicals, plus supply of other industrial products, representation activity and other related activities	subsidiary	not subject to consolidation	1978	842	355	487	97.78%	97.78%	none	18	888	553	0	0	335	-102	437	389	0	119	1 020	0	1 020	1 277	2 307	0	0			
19	Petrochemia-Blachownia S.A.	ul. Szkolna 15 47-225 Kępczyrzyn-Kozle	production of organic chemicals, production of crude oil distillation products, wholesale of chemical goods, road transport, general construction works	subsidiary	full method	21.07.1999	25 243	0	25 243	100%	100%	none	19	57 211	25 000	0	35 081	-2 870	0	-2 870	34 446	728	32 742	25 854	0	25 854	91 657	249 170	0	2 150			
20	Polcommerce GmbH	Josefstadlstrasse 79/37 A-1980 Wiedert Austria	intermediation (agency services) in export of chemical products to Austria, purchase of chemicals for one's own account	subsidiary	not subject to consolidation	27.06.1988	653	0	653	100%	100%	none	20	1 524	559	0	0	965	660	305	3 794	0	3 678	4 308	0	4 308	5 323	28 988	0	0			
21	Polcommerce Ltd	Onos J u.1-3.II. 1021 Budapest Węgry	intermediation (agency services) in export of pharmaceuticals and chemical products to Hungary, the company provides marketing, registration and promotion services with regard to pharmaceuticals	subsidiary	not subject to consolidation	31.10.2000	0	0	0	100%	100%	none	21	1 127	49	0	11	1 067	1 013	53	117	27	90	623	0	623	1 244	1 356	0	123			
22	Polain Pte. Ltd.	76 Shelton Way #06-01 Singapur 079119	multi-industry trade (with the chemical industry being the dominant one, i.e. more than 80% between South and Eastern Asia and Central and Eastern Europe); the company is entitled to buy and trade in securities, plus hold shares in other entities	subsidiary	full method	24.11.1976	2 916	0	2 916	65.00%	65.00%	none	22	21 570	1 527	0	0	20 043	0	19 724	9 409	24	9 385	21 707	0	21 707	30 980	113 556	0	258			
23	Przedsiębiorstwo Chemiczne Cheman S.A.	ul. Powązkowska 46/50 01-728 Warszawa	trade in chemical goods, packaging and customising of chemical products	subsidiary	full method	22.08.2000	31 615	27 614	4 001	100%	100%	none	23	7 977	16 775	0	2 905	-11 703	-4 425	-10 858	53 869	0	49 351	30 871	0	30 871	61 846	157 293	0	0			
24	"AGROCHEM" Sp. z o.o. Cieluchów	ul. Mickiewicza 5 77-300 Cieluchów	wholesale of chemical goods, sales of grain, seeds and animal feedstuff, handling, warehousing and storing services	indirect subsidiary	Fosfory Sp. z o.o. full method	23.07.1997	500	0	500	89.03%	89.03%	none	24	1 038	500	0	404	134	0	134	30 193	11 612	18 563	21 853	0	21 853	31 231	57 911	0	0			
25	Soc-Al. Sp. z o.o.	ul. Kulawki 4 32-566 Alwernia	#####	indirect subsidiary	not subject to consolidation	26.11.1997	1 209	0	1 209	69.88%	69.88%	none	25	1 465	1 453	0	12	0	0	0	123	16	156	302	0	302	1 658	2 224	0	0			
26	Soda-Med. Sp. z o.o.	ul. Przemysłowa 30 88-160 Jankowo	organisation of medical services	indirect subsidiary	not subject to consolidation	28.12.2001	1 057	0	1 057	99.57%	99.57%	none	26	2 790	2 700	0	53	37	0	37	67	0	67	127	0	127	2 857	1 012	0	0			
27	Transoda Sp. z o.o.	ul. Fabryczna 4 88-101 Inowrocław	railway and road transport, hire of lorries, lease of real estate, servicing and repairs of motor vehicles, wholesale of solid, liquid and gaseous fuels plus their derivatives	indirect subsidiary	Soda Matwy S.A. - full method	04.04.2000	17 899	8 110	9 789	99.72%	99.72%	none	27	11 203	19 746	0	0	-8 543	-8 969	326	6 103	191	3 684	1 381	0	1 381	17 366	18 524	0	0			
28	VITROSILICON S.A.*	ul. Zagłobka 27 68-120 Iłowa	production of other basic inorganic chemicals, production of domestic and technical glass, production of plastic packaging, production of other plastic goods	subsidiary	full method	03.02.1999	13 175	0	13 175	99.81%	99.81%	none	28	46 274	3 595	0	30 409	12 270	0	9 100	33 719	9 431	20 070	12 752	0	12 752	79 993	104 610	0	550			
29	Zakłady Chemiczne "Alwernia" S.A.	ul. K. Olczewskiego 25 32-566 Alwernia	production of inorganic chemicals	subsidiary	full method	08.03.2000	55 015	5 946	49 069	73.75%	73.75%	none	29	66 401	5 258	0	33 358	27 785	0	451	64 670	277	44 832	30 496	39	30 459	131 071	163 276	0	303			
30	Polskie Towarzystwo Ubezpieczeniowe S.A.	ul. Jagiellońska 17 03-719 Warszawa	insurance company	indirect associate	equity method	30.04.2003	15 000	1 088	13 932	45.19%	45.19%	none	30	69 243	66 059	0	0	3 184	-12 485	6 640	41 169	0	34 821	62 465	0	62 465	331 330	27 399	0	0			
31	Przedsiębiorstwo Transportowo- Ułagowe TRANSCLEAN Sp. z o.o.	ul. Wojska Polskiego 85 85-825 Bydgoszcz	international transport of liquid chemicals, washing station for tankers and tank wagons	associate	equity method	04.1993	2 193	0	2 193	50.00%	50.00%	none	31	5 645	4 322	0	819	504	0	122	3 586	1 048	2 419	1 526	0	1 526	9 439	10 080	0	171			
32	Suomen Unipol Oy	Nankahousantie 3 00210 Helsinki Finlandia	export, import, wholesale of industrial chemicals, plastic and other industrial raw materials; the company is entitled to hold and trade in securities, plus hold shares in other entities	associate	not subject to consolidation	1991	52	0	52	24.78%	24.78%	none	32	3 162	102	0	0	3 060	2 467	593	3 691	0	3 691	6 991	0	6 991	11 249	24 307	0	62			
33	Zach-Ciech Sp. z o.o. w likwidacji	ul. Narutowicza 15 41-503 Chorzów	wholesale of solid, liquid and gaseous fuels plus their derivatives	associate	equity method	13.03.1993	1 705	1 705	0	35.65%	35.65%	none	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
34	Alwernia Chrom Sp. z o.o.	Alwernia	trading activities	indirect subsidiary	Z.Ch. Alwernia Sp. z o.o. full method	07.05.1999	50	0	50	73.75%	73.75%	none	34	55	50	0</																	

Note 4n

STOCKS OR SHARES IN OTHER ENTITIES

No.	name (company) of an entity and its legal status	registered office	company profile	carrying value of stocks/ shares	equity of an entity, including:		share capital owned in %	share in the general number of votes during a general meeting	stocks / shares in an entity not redeemed by the issuer	dividends received or due from an entity for the last financial year
					- share capital					
1	Comapol	Morocco	intermediation in export of Polish chemical products and industrial goods to Morocco and to a small extent to Saudi Arabia	0	no data available	no data available	7,53	7,53	0	0
2	Zakłady Chemiczne POLICE SA	Szczecin		1062			0,17	0,17	0	0
3	Other			123						
Total				1185						

no figures is understood as no data available

Note 4o**SECURITIES, STOCKS AND OTHER LONG-TERM FINANCIAL ASSETS (CURRENCY BREAKDOWN)**

	31.12.2005	31.12.2004
a) in PLN	426 205	432 994
b) in foreign currencies (by currency and upon conversion into PLN)	7 624	7 826
b1. EUR	180	180
PLN	748	748
b2. GBP	615	615
PLN	3 426	3 426
b3. SGD	650	650
PLN	2 916	2 916
b4. SEK	1 850	1 850
PLN	433	433
b5. DKK	275	275
PLN	101	101
b6. HUF	0	3 000
PLN	0	202
Total securities, stocks and other long-term financial assets	433 829	440 820

Note 4p**SECURITIES, STOCKS AND OTHER LONG-TERM FINANCIAL ASSETS (BY NEGOTIABILITY)**

	31.12.2005	31.12.2004
A. With unlimited negotiability, quoted (carrying amount)	1062	0
a) shares (carrying amount):	1062	0
- revaluation adjustments (for the period)	256	0
- value as at the beginning of the period	0	0
- value at the purchase cost	1318	0
C. With unlimited negotiability, not quoted on the regulated market (carrying amount)	218 810	229 381
a) shares (carrying amount):	196 390	219 396
- revaluation adjustments (for the period)	14 630	7 656
- value as at the beginning of the period	189 253	217 143
- value at the purchase cost	225 013	228 381
b) bonds (carrying amount):	0	0
c) other - stocks (carrying amount)	22 420	9 985
- revaluation adjustments (for the period)	7 566	355
- value as at the beginning of the period	23 958	9 527
- value at the purchase cost	34 839	14 024
D. With limited negotiability, quoted (carrying amount)	213 957	211 439
a) stocks and shares (carrying amount):	213 957	211 439
- revaluation adjustments (for the period)	1 087	0
- value as at the beginning of the period	197 262	211 439
- value at the purchase cost	219 903	216 298
b) bonds (carrying amount):	0	0
c) other - by type (carrying amount):	0	0
Total value at the purchase cost	481 073	458 703
Total value as at the beginning of the period	410 473	438 109
Total revaluation adjustments (for the period)	23 539	8 011
Total carrying amount	433 829	440 820

Major responsibilities of CIECH S.A. resulting from the purchase of shares of the soda compound-related companies.

Tasks and responsibilities of the purchaser - CIECH S.A. imposed by MPW, resulting from the sales contracts regarding shares of Inowrocławskie Zakłady Chemiczne "Soda Małty" S.A. and Janikowskie Zakłady Sodowe "Janikosoda" S.A.

1. Investment obligations.

Up to 10th anniversary of the signature of contracts (i.e. 28th August 2006), CIECH S.A. has to ensure the completion of investments by the Companies of the minimum value of:

IZCh „Soda Mątwy" S.A. 65.01 million USD	JZS „Janikosoda" S.A. 63.49 million USD
out of which the value of investments completed by 31st December 2005 was: 81.93 million USD	69.34 million USD
which means the total value of investment obligations amounting to: 126.06%	109.21%

2. Investment obligations regarding environmental protection.

Within the afore-mentioned, total investment expenditures, and up to the 10th anniversary of the signature of contracts (i.e. 28th August 2006), CIECH has to ensure the completion of investments by the Companies regarding environmental protection, of the minimum value of:

IZCh „Soda Mątwy" S.A. 8.27 million USD	JZS "Janikosoda" S.A. 17.27 million USD
out of which the value of investments regarding environmental protection, completed by 31st December 2005 was: 19.33 million USD	21.42 million USD
which means the total value of investment obligations regarding environmental protection amounting to: 233.7%	124.03%

3. Obligations resulting from the investment nature of the purchase of shares.

Within the period of 10 years of the date of the signature of contracts (i.e. 28th August 2006), CIECH is obliged not to vote for the decrease of the companies' equity or the dissolution of the companies.

Note 4q

LONG-TERM LOANS GRANTED (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
Total securities, stocks and other long-term financial assets	0	0

Note 4r

OTHER LONG-TERM INVESTMENTS (BY TYPE)	31.12.2005	31.12.2004
Total other long-term investments	0	0

Note 4s

CHANGE IN LONG-TERM INVESTMENTS (BY TYPE)	31.12.2005	31.12.2004
a) as at the beginning of the period	0	0
b) as at the end of the period	0	0

Note 4t

OTHER LONG-TERM INVESTMENTS (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
Total other long-term investments	0	0

Note 5a

CHANGE IN ASSETS IN RESPECT OF DEFERRED INCOME TAX	31.12.2005	31.12.2004
1. Assets in respect of deferred income tax as at the beginning of the period, including:	4 531	4 116
a) posted to the financial result	3 720	3 305
- reserves	129	115
- tax loss	0	217
- long-term investments	3 151	2 467
- provisions	239	200
- long-term liabilities	-599	-381
- short-term liabilities	0	239
- deferred acquisition costs	800	448
b) posted to equity	811	811
- long-term liabilities	811	811
c) posted to equity or negative equity	0	0
2. Additions	9 770	1 089
a) posted to the financial result for the period in connection with negative transitory differences (in respect of)	9 770	1 089
- receivables	3 162	0
- reserves	3	14
- short-term liabilities	364	0
- long-term investments	5 348	684
- provisions	0	39
- deferred acquisition costs	893	352
b) posted to the financial result for the period in connection with a tax loss (in respect of)	0	0
c) posted to equity in connection with negative transitory differences (in respect of)	0	0
d) posted to equity in connection with a tax loss (in respect of)	0	0
e) posted to goodwill or negative goodwill in connection with negative transitory differences	0	0
3. Deductions	132	674
a) posted to the financial result for the period, in connection with negative transitory differences (in respect of)	132	457
- long-term liabilities	9	218
- short-term liabilities	0	239
- provisions	123	0
b) posted to the financial result for the period, in connection with a tax loss (in respect of)	0	217
- use of a tax loss	0	217
c) posted to equity in connection with negative transitory differences (in respect of)	0	0
d) posted to equity in relation with a tax loss (in respect of)	0	0
e) posted to goodwill or negative goodwill in connection with negative transitory differences (in respect of)	0	0
4. Total assets in respect of deferred income tax as at the end of the period, including:	14 169	4 531
a) posted to the financial result	13 358	3 720
- receivables	3 162	
- reserves	132	129
- short-term liabilities	364	0
- long-term investments	8 499	3 151
- provisions	116	239
- long-term liabilities	-608	-599
- short-term liabilities	0	0
- deferred acquisition costs	1 693	800
b) posted to equity	811	811
-long-term liabilities	811	811
c) posted to goodwill or negative goodwill	0	0

Negative transitory differences - annex to note 5a

Specification of the fundamental groups of liabilities and assets, that the transitory differences refer to, reason for the increase/decrease of a transitory difference.	expiry date	as at 31.12.2005	Decrease (-) Increase (+)	as at 31.12.2004
ASSETS				
Reserves, including:	2006	696	20	676
occurrence/reversal of transitory differences		696	20	676
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Receivables	2006	16 643	16 643	0
occurrence/reversal of transitory differences		16 643	16 643	0
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Long-term investments, including:	date of liquidation or sales	44 729	28 142	16 587
occurrence/reversal of transitory differences		44 729	28 142	16 587
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
LIABILITIES				
Reserves, including:	2006	608	-647	1 255
occurrence/reversal of transitory differences		608	-647	1 255
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Long-term liabilities, including:	successively till 2010	1 070	-46	1 116
occurrence/reversal of transitory differences		1 070	-46	1 116
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Short-term liabilities, including:	2006	1 918	1 918	0
occurrence/reversal of transitory differences		1 918	1 918	0
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Accruals, including:	2006	8 913	4 702	4 211
occurrence/reversal of transitory differences		8 913	4 702	4 211
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Total negative transitory differences		74 577	50 732	23 845

Note 5b

OTHER ACCRUALS	31.12.2005	31.12.2004
a) prepayments and deferred expenses, including:	117	0
outsourced services	117	0
b) other accruals, including:	0	0
Total other accruals	117	0

Note 6 a

RESERVES	31.12.2005	31.12.2004
a) materials	0	18
b) semi-finished products and products in progress	0	0
c) end products	0	0
d) goods	10 919	12 614
e) pre-payments for deliveries	68	5 828
Total net reserves	10 987	18 460
write-downs of reserves	696	676
Total gross reserves	11 683	19 136

Note 7 a

SHORT-TERM RECEIVABLES	31.12.2005	31.12.2004
a) from affiliates	48 709	62 911
- trade receivables, with the repayment period:	48 041	50 799
- up to 12 months	48 041	50 799
- over 12 months	0	0
- other	668	12 112
b) receivables from other entities	261 979	247 192
- trade receivables, with the repayment period:	220 741	194 311
- up to 12 months	220 741	194 283
- over 12 months	0	28
- in respect of taxes, subsidies, duties, social and health insurance and other benefits	40 746	52 071
- other	397	462
- under litigation	95	348
Total net short-term receivables	310 688	310 103
c) write-downs of receivables	55 750	57 765
Total gross short-term receivables	366 438	367 868

Information on collateral for receivables has been presented in notes 19d and 20c

Note 7 b

SHORT-TERM RECEIVABLES FROM AFFILIATES	31.12.2005	31.12.2004
a) trade receivables, including:	48 041	50 799
- from subsidiaries	45 496	48 409
- from co-subsidiaries	0	0
- from associates	2 545	2 390
- from a significant investor	0	0
- from a dominant entity	0	0
b) other, including:	668	12 112
- from subsidiaries	668	257
- from co-subsidiaries	0	11 855
- from associates	0	0
- from a significant investor	0	0
- from a dominant entity	0	0
c) under litigation, including:	0	0
Total net short-term receivables from affiliates	48 709	62 911
d) write-downs of receivables from affiliates	384	139
Total gross short-term receivables from affiliates	49 093	63 050

Note 7 c

CHANGE IN WRITE-DOWNS OF SHORT-TERM RECEIVABLES	31.12.2005	31.12.2004
As at the beginning of the period	57 765	80 321
a) additions (in respect of)	1 925	5 135
- questionable and disputed receivables	1 064	2 345
- interest	861	2 790
- conversion	0	0
b) use	1 215	10 260
- questionable and disputed receivables	461	3 469
- interest	1 278	6 791
- conversion	-524	0
c) released	2 725	17 431
- questionable and disputed receivables	2 135	15 679
- interest	590	117
- costs and interest adjudged		0
- conversion		1 635
Write-downs of short-term receivables at the end of the period	55 750	57 765

Note 7 d

GROSS SHORT-TERM RECEIVABLES (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	249 809	259 521
b) in foreign currencies, upon conversion into PLN	116 629	108 347
b1. EUR	23 653	20 556
PLN	91 296	83 848
b2. USD	7 312	7 458
PLN	23 847	22 303
b3. GBP	92	279
PLN	518	1 607
b4. SEK	568	568
PLN	233	257
b5. DKK	814	599
PLN	421	329
b6. NOK		
PLN		
b5. Other currencies		
PLN	314	3
Total short-term receivables	366 438	367 868

Note 7 e

GROSS TRADE RECEIVABLES- WITH THE REPAYMENT PERIOD REMAINING OF THE BALANCE SHEET DATE:	31.12.2005	31.12.2004
a) up to 1 month	156 384	153 359
b) over 1 month to 3 months	75 339	70 562
c) over 3 months to 6 months	6 137	2 814
d) over 6 months to 1 year	34	0
e) over 1 year	450	178
f) overdue receivables	57 877	47 489
Total gross trade receivables	296 221	274 402
g) write-downs of trade receivables	27 439	29 292
Total net trade receivables	268 782	245 110

As regards trade receivables, the time frames related to a standard sales procedure are up to 30 days and between 31 and 90 days.

Note 7 f

GROSS OVERDUE TRADE RECEIVABLES - DIVIDED INTO RECEIVABLES UNPAID IN THE PERIOD:	31.12.2005	31.12.2004
a) up to 1 month	28 590	23 537
b) over 1 month to 3 months	10 540	4 541
c) over 3 months to 6 months	3 203	1 790
d) over 6 months to 1 year	376	1 345
e) over 1 year	15 168	16 276
Total gross overdue trade receivables	57 877	47 489
g) write-downs of overdue trade receivables	15 930	16 937
Total net overdue trade receivables	41 947	30 552

Note 8 a

31st December 2005

As regards total value of long and short-term receivables, gross disputed receivables amount to 1 325 thousand PLN, including 95 thousand PLN not written off.

As regards receivables not written off, the Company ensures collateral that is a guarantee of their payment.

Long and short-term overdue receivables (gross) amount to 57877 thousand PLN, including not written off amounting to 41 937 thousand PLN.

As regards receivables not written off, there are no reasons to do that.

31st December 2004

As regards total value of long and short-term receivables, gross disputed receivables amount to 2 120 thousand PLN, including not written-off amounting to 349 thousand PLN.

As regards receivables not written off, the Company ensures collateral that is a guarantee of their payment.

Long and short-term overdue receivables (gross) amount to 47 489 thousand PLN, including not written off amounting to 30 552 thousand PLN.

As regards receivables not written off, there are no reasons to do that.

Note 9 a

SHORT-TERM FINANCIAL ASSETS	31.12.2005	31.12.2004
a) in subsidiaries	38 815	0
- stocks and shares	25 243	
- loans granted	13 572	0
b) in co-subsiidiaries	0	0
c) in associates	0	0
d) in a significant investor	0	0
e) in a dominant entity	0	0
f) in other entities	257	16
- other securities (by type)	0	0
- shares	0	0
- other short-term financial assets (by type)	257	16
- forward	257	16
g) cash and cash equivalents	49 140	3 628
- cash in hand and at bank	20 171	2 061
- other cash	28 969	1 567
- other cash equivalents	0	0
Total short-term financial assets	88 212	3 644

Note 9 b

SECURITIES, STOCKS AND OTHER SHORT-TERM FINANCIAL ASSETS (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	25 500	16
b) in foreign currencies (by currency and upon conversion into PLN)	0	0
Total securities, stocks and other short-term financial assets	25 500	16

Note 9 c

SECURITIES, STOCKS AND OTHER SHORT-TERM FINANCIAL ASSETS (BY NEGOTIABILITY)	31.12.2005	31.12.2004
A. With unlimited negotiability, quoted (carrying amount)	0	0
a) shares (carrying amount):	0	0
- value at the purchase cost	0	0
b) bonds (carrying amount):	0	0
c) other - by type (carrying amount):	0	0
- value at the purchase cost	0	0
B. With unlimited negotiability, quoted in off-exchange trade (carrying amount)	0	0
a) shares (carrying amount):	0	0
b) bonds (carrying amount):	0	0
c) other - by type (carrying amount):	0	0
C. With unlimited negotiability, not quoted on the regulated market (carrying amount)	25 500	0
a) shares (carrying amount):	25 243	0
- value at the purchase cost	25 288	45
b) bonds (carrying amount):	0	0
c) other - by type (carrying amount):	0	0
c1) interests (carrying amount)	0	0
- value at the purchase cost	1 706	1 706
c2) forward (carrying amount)	257	16
- fair value	257	16
c3) fund participation units (carrying amount)	0	0
- value at the purchase cost	0	0
- market value	0	0

D. With limited negotiability (carrying amount)	0	0
a) stocks and shares (carrying amount):	0	0
b) bonds (carrying amount):	0	0
c) other - by type (carrying amount):	0	0
Total value at the purchase cost	26 994	1 767
Total value as at the beginning of the period	16	81
Total revaluation adjustments (for the period) (increase with the "-" symbol)	0	1 706
Total carrying amount	25 500	16

Note 9 d

SHORT-TERM LOANS GRANTED (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	13 572	0
b) in foreign currencies (by currency and upon conversion into PLN)	0	0
Total short-term loans granted	13 572	0

Note 9 e

CASH AND OTHER CASH EQUIVALENTS (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	18 811	869
b) in foreign currencies (by currency and upon conversion into PLN)	30 329	2 759
b1. EUR	7 199	484
PLN	27 785	1 976
b2. USD	607	68
PLN	1 981	202
b3. DKK	1 000	1 000
PLN	517	548
other currencies	46	33
Total cash and other cash equivalents	49 140	3 628

Note 9 f

OTHER SHORT-TERM INVESTMENTS (BY TYPE)	31.12.2005	31.12.2004
Total other short-term investments	0	0

Note 9 g

OTHER SHORT-TERM INVESTMENTS (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
Total other short-term investments	0,00	0

Note 10 a

SHORT-TERM PREPAYMENTS AND ACCRUALS	31.12.2005	31.12.2004
a) prepayments and deferred expenses, including:	424	965
- transaction costs	7	44
- subscription	20	120
- insurance	88	96
- taxes and fees	8	7
- outsourced services	287	672
- foreign exchange costs - rents, etc.	0	10
- promotion and entertainment	3	12
- other	11	4
b) other accruals,	0	0
Total short-term prepayments and accruals	424	965

Write-downs - annex to note 11a

	31.12.2005	31.12.2004
Write-downs in respect of impairment		
1. Intangible assets		
a) as at the beginning of the period	0	0
b) established, including:	154	0
- posted directly to equity	0	0
c) reversed, including:	0	0
- posted directly to equity	0	0
d) as at the end of the period	154	0
2. Tangible fixed assets		
a) as at the beginning of the period	148	148
b) established, including:	90	0
- posted directly to equity	0	0
c) reversed and used, including:	0	0
- posted directly to equity	0	0
d) as at the end of the period	238	148
<p>Write-down has taken place due to the risk of abandonment of an investment related to the modernisation of the company headquarters building. The write-down includes the value of capital investment incurred.</p>		
2. Long-term investments		
a) as at the beginning of the period	23 706	15 799
b) established, including:	23 539	8 012
- posted directly to equity	0	0
c) reversed and used, including:	0	105
d) as at the end of the period	47 245	23 706
<p>Write-downs have taken place mainly due to the poor financial standing of the Companies and low equity. The main reasons for the release of write-downs of stocks and shares are: sales of shares and stocks written-down, and liquidation.</p>		
3. Reserves		
a) as at the beginning of the period	676	604
b) established, including:	225	132
- posted directly to equity	0	0
c) reversed and used, including:	205	60
- posted directly to equity	0	0
d) as at the end of the period	696	676
<p>Write-offs in respect of impairment have been created for excessive and almost unnegotiable reserves. Reversal of write-offs took place as a result of sales of reserves.</p>		
4. Short-term receivables		
a) as at the beginning of the period	57 765	80 321
b) established, including:	1 925	5 135
- posted directly to equity		0
c) reversed and used, including:	3 940	27 691
- posted directly to equity	0	0
d) as at the end of the period	55 750	57 765

Write-offs in respect of impairment have been created for receivables related to composition, disputes, interest and receivables overdue for more than 180 days. Major reasons for the release of write-offs include: payment by the debtor, completion of the bankruptcy/liquidation proceedings, settlement of the composition and writing off receivables. Total write-offs established include a write-off for the Brokerage House Sur5Net receivables in respect of cash deposited amounting to 16 536 thousand PLN (major amount receivable), and in respect of legal interest and expenses amounting to 2 227 thousand PLN. As at the financial statement date, CIECH SA is in possession of a ruling of the Regional Court in Warsaw, adjudging the reimbursement of legal expenses plus the interest due. A request was submitted, dated 6th August 2004, to initiate debt enforcement proceedings. Until the financial statement date the proceedings had no effect.

5. Short-term investments

a) as at the beginning of the period	2 994	1 288
b) established, including:	0	1 706
- posted directly to equity	0	0
c) reversed and used, including:	0	0
- posted directly to equity	0	0
d) as at the end of the period	2 994	2 994

Write-downs include the loan granted and a write-down to the value of stocks.

TOTAL as at the beginning of the period:	85 289	98 160
TOTAL write-downs created, including:	25 933	14 985
- posted directly to equity	0	0
TOTAL reversed write-downs, including:	4 145	27 856
- posted directly to equity	0	0
TOTAL as at the end of the period	107 077	85 289

Note 12 a

SHARE CAPITAL (STRUCTURE)								
Series / issue	Type of shares	Type of preference shares	Type of limitation of rights to shares	Number of shares	Value of series/issue at par value	Method of capital payment	Registration date	Right to dividend (as of)
series A	bearer shares	ordinary	05.02.1997 shares could be sold or pledged upon the Company consent by way of resolution of the Supervisory Board	20 816	106	as a result of transformation from a limited liability company into a joint stock company	21.05.1996	the financial year closing on 31.12.1996
series B	bearer shares	ordinary	between 21.05.1996 and 05.02.1997 shares could be sold or pledged upon the Company consent by	19 775 200	98 876	as a result of movement of part of share premium to share capital	21.05.1996	the financial year closing on 31.12.1996
series C	bearer shares	ordinary	no limitations	8 203 984	41 019	cash	16.02.2005	the financial year closing on 31.12.2004
...								
Total number of shares				28 000 000				
Total share capital					140 001			
Par value per share = 5.00 PLN								

changes resulting from the redemption of 284 shares (ZWZ CIECH S.A. resolution, dated 21st May 1996)

series A	registered	ordinary	20 816	106
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change of registered shares into bearer shares

series A	bearer shares	ordinary	20 816	106	16.06.1998
series B	bearer shares	ordinary	19 775 200	98 876	05.02.1997

changes resulting from issue of shares (NWZ CIECH S.A. resolution, dated 19th May 2004)

series C	bearer shares	ordinary	8 203 984	41 019	16.02.2005
----------	---------------	----------	-----------	--------	------------

Total number of shares

28 000 000

Total share capital

140 001

Par value per share = 5.00 PLN

Pursuant to a resolution of the General Meeting of 21st May 1996, the Company redeemed 284 series A shares, without a decrease in the share capital. The redemption was settled on the basis of the profit made in 1995. The Company share capital is 140 001 and is not equal to the product of the number of shares and par value, and is different by 1.42 thou. PLN, that is the result of the settlement of redemption in 1996.

ANTICIPATED CHANGES IN SHARE CAPITAL

No changes anticipated in the amount of the Ciech S.A. share capital

LIST OF SHAREHOLDERS WITH 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF SHAREHOLDERS, DIRECTLY OR INDIRECTLY VIA SUBSIDIARIES

as at 31.12.2004

State Treasury represented by the Minister of Treasury	10 270 800 of shares, which constitutes 51.88% of the share capital of CIECH S.A.
Polskie Towarzystwo Ubezpieczeniowe S.A. (<i>Polish Insurance Company</i>)	2 290 080 of shares, which constitutes 11.57% of the share capital of CIECH S.A.

as at 31.12.2005

Kompania Węglowa SA	10 270 800 of shares, which constitutes 36.68% of the share capital of CIECH S.A.
Franklin Tempelton Investments located in the Great Britain	2 000 000 of shares, which constitutes 7.14% of the share capital of CIECH S.A.
Otwarty Fundusz Emerytalny PZU "Złota Jesień" (<i>Open Pension Fund</i>)	1 712 732 of shares, which constitutes 6.12% of the share capital of CIECH S.A.
Commercial Union Investment Management (CUIM) Poland	1 504 961 of shares, which constitutes 5.37% of the share capital of CIECH S.A.

LIST OF AFFILIATED COMPANIES HOLDING SHARES OF CIECH S.A.

as at 31.12.2004

Inowrocławskie Zakłady Chemiczne SODA MAŹTWEY S.A.	335 924 of shares, which constitutes 1.70% of the share capital of CIECH S.A.
Janikowskie Zakłady Sodowe JANIKOSODA S.A.	440 260 of shares, which constitutes 2.22% of the share capital of CIECH S.A.
Gdańskie Zakłady Nawozów Fosforowych FOSFOR Y Sp. z o.o.	190 200 of shares, which constitutes 0.96% of the share capital of CIECH S.A.
Zakłady Chemiczne ALWERNIA S.A.	95 100 of shares, which constitutes 0.48% of the share capital of CIECH S.A.
Petrochemia Blachownia S.A.	236 878 of shares, which constitutes 1.20% of the share capital of CIECH S.A.
InChem Sp. z o.o.	752 030 of shares, which constitutes 3.80% of the share capital of CIECH S.A.
Polskie Towarzystwo Ubezpieczeniowe S.A. (<i>Polish Insurance Company</i>)	2 290 080 of shares, which constitutes 11.57% of the share capital of CIECH S.A.

as at 31.12.2005

According to the knowledge of the Management Board of Ciech SA, the affiliated companies do not hold a share portfolio that allows for a 5% share in the total number of votes at the General Meeting.

Note 13 a

TREASURY SHARES

Number	Value at the purchase cost	Carrying amount	Purpose of purchase	Deployment
0	0	0		

Note 13b

ISSUER SHARES (STOCKS) OWNED BY SUBORDINATE ENTITIES

Entity's registered office	Number	Value at the purchase cost	Carrying amount
0	0	0	0

Note 14 a

SHARE PREMIUM	31.12.2005	31.12.2004
a) from sales of shares above their par value	151 328	0
b) statutory	46 667	32 994
c) established in line with the statute / agreement, above the statutory minimum value required	128 745	124 192
Total share premium	326 740	157 186

Note 15 a

REVALUATION RESERVE	31.12.2005	31.12.2004
a) in respect of revaluation of tangible assets	-761	432
b) in respect of profit/loss from the evaluation of financial instruments, including:	0	0
c) in respect of deferred tax	0	0
d) exchange differences in respect of conversion of foreign operations	0	0
b) other (by type)	0	0
Total revaluation reserve	-761	432

Note 16 a

OTHER RESERVE CAPITAL (BY DEPLOYMENT)	31.12.2005	31.12.2004
- purchase of shares of soda companies	15 200	15 200
- development in line with the restructuring programme	57 669	57 669
- trading risk fund	3 330	3 330
- purchase of treasury shares	0	6 176
Total other reserve capital	76 199	82 375

Note 17 a

NET PROFIT WRITE-OFFS DURING THE FINANCIAL YEAR (IN RESPECT OF)	31.12.2005	31.12.2004
Total net profit write-offs during the financial year	0	0

Note 18 a

CHANGE IN PROVISION IN RESPECT OF DEFERRED INCOME TAX	31.12.2005	31.12.2004
1. Provision in respect of deferred income tax as at the beginning of the period, including:	214	194
a) posted to the financial result	214	194
- exchange differences in respect of settlement valuation	214	194
c) posted to goodwill and negative goodwill	0	0
2. Additions	52	214
a) posted to the financial result for the period, in respect of positive transitory differences (in respect of)	52	214
- interest on the loans granted	13	0
- exchange differences in respect of cash valuation	13	0
- exchange differences in respect of settlement valuation	24	214
- other	2	0
b) posted to equity in connection with positive transitory differences (in respect of)	0	0
c) posted to goodwill or negative goodwill in connection with positive transitory differences (in respect of)	0	0
3. Deductions	0	194
a) posted to the financial result for the period, in connection with positive transitory differences (in respect of)	0	194
- interest on receivables	0	0
- exchange differences in respect of settlement valuation	0	194
b) posted to equity in connection with positive transitory differences (in respect of)	0	0
c) posted to goodwill or negative goodwill in connection with positive transitory differences	0	0
4. Total provision in respect of deferred income tax as at the end of the period	266	214
a) posted to the financial result	266	214
- exchange differences in respect of settlement valuation	238	214
- interest on the loans granted	13	0
- exchange differences in respect of cash valuation	13	0
- other	2	0
b) posted to equity	0	0
c) posted to goodwill or negative goodwill	0	0

Note 18 b

CHANGE IN LONG-TERM PROVISION FOR RETIREMENT BENEFITS AND SIMILAR (BY TITLES)	31.12.2005	31.12.2004
a) as at the beginning of the period	2 194	2 037
- service anniversary awards and retirement gratuities	2 194	2 037
b) additions (in respect of)	0	335
- service anniversary awards and retirement gratuities	0	335
c) use (in respect of)	0	178
- service anniversary awards and retirement gratuities	0	178
d) release (in respect of)	587	0
- conversion of service anniversary awards and retirement gratuities to short-term provisions	237	0
- other deductions in service anniversary awards and retirement gratuities	350	0
e) as at the end of the period	1 607	2 194
- service anniversary awards and retirement gratuities	1 607	2 194
...		

Note 18 c

CHANGE IN SHORT-TERM PROVISION FOR RETIREMENT BENEFITS AND SIMILAR (BY TITLES)	31.12.2005	31.12.2004
a) as at the beginning of the period	308	228
- service anniversary awards and retirement gratuities	308	228
b) additions (in respect of)	605	308
- conversion of service anniversary awards and retirement gratuities from long-term provisions	237	0
- other additions in service anniversary awards and retirement gratuities	368	308
c) use (in respect of)	273	228
- service anniversary awards and retirement gratuities	273	228
d) release (in respect of)	0	0
- service anniversary awards and retirement gratuities	0	0
e) as at the end of the period	640	308
- service anniversary awards and retirement gratuities	640	308

Note 18 d

CHANGE IN OTHER LONG-TERM PROVISIONS (BY TITLES)	31.12.2005	31.12.2004
a) as at the beginning of the period	0	0
b) as at the end of the period	0	0

Note 18 e

CHANGE IN OTHER SHORT-TERM PROVISIONS (BY TITLES)	31.12.2005	31.12.2004
a) as at the beginning of the period	17 239	7 618
- for anticipated losses	15 008	6 642
- liabilities towards Chimie-Produit	976	976
- for restructuring	1 255	0
b) additions (in respect of)	9 469	15 562
- for anticipated losses	9 469	14 307
- for restructuring	0	1 255
c) use (in respect of)	3 394	0
- for restructuring	647	0
- for anticipated losses	1 855	0
- for liabilities towards Chimie-Produit	892	0
d) release (in respect of)	5 091	5 941
- for liabilities towards Chimie-Produit	84	0
- for anticipated losses	5 007	5 941
e) transfer (in respect of)	0	0
e) as at the end of the period	18 223	17 239
- for anticipated losses	17 615	15 008
- for liabilities towards Chimie-Produit	0	976
- for restructuring	608	1 255

The amount of 17 615 thousand PLN includes a provision for law suits pending against the Company, described in point 2 of additional notes, in the amount of 17 500 thousand PLN.

Positive transitory differences - annex to note 18a

Specification of fundamental groups of liabilities and assets to which the transitory differences refer, basis for an increase/decrease of a transitory difference	expiry date	as at 31.12.2005	Decrease (-) Increase (+)	as at 31.12.2004
ASSETS				
Short-term receivables, including:	2006	9	9	0
occurrence/reversal of transitory differences		9	9	-
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Short-term investments, including:	2006	140	140	0
occurrence/reversal of transitory differences		140	140	-
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
LIABILITIES				
Short-term liabilities, including:	2006	1 253	127	1 126
occurrence/reversal of transitory differences		1 253	127	1 126
not recognised transitory differences for the previous period		-	-	-
other		-	-	-
Total positive transitory differences		1 402	276	1 126

Note 19 a

LONG-TERM LIABILITIES	31.12.2005	31.12.2004
a) towards subsidiaries	0	0
b) towards co-subsiidiaries	0	0
c) towards associates	0	0
d) towards a significant investor	0	0
e) towards a dominant entity	0	0
f) towards other entities	18 527	35 185
- loans and borrowings	18 527	35 185
Total long-term liabilities	18 527	35 185

Note 19 b

LONG-TERM LIABILITIES WITH THE REPAYMENT PERIOD AS OF THE BALANCE SHEET DATE	31.12.2005	31.12.2004
a) over 1 year up to 3 years	18 527	28 659
b) over 3 years to 5 years	0	6 526
c) over 5 years	0	0
Total long-term liabilities:	18 527	35 185

Note 19 c

LONG-TERM LIABILITIES (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	0	5 000
b) in foreign currencies (by currency and upon conversion into PLN)	18 527	30 185
b1. EUR	4 800	7 400
PLN	18 527	30 185
other currencies in thousand PLN	0	0
Total long-term liabilities	18 527	35 185

Note 19 d**LONG-TERM LIABILITIES IN RESPECT OF LOANS AND BORROWINGS**

Name (company) of an entity	Registered office	Value of credit / loan according to the agreement			Outstanding amount of credit / loan			Interest terms	Repayment date	Collateral	Other
		PLN	in currency	currency	PLN	in currency	currency				
Bank Pekao S.A.	ul. Grzybowska 80/82	33 126	8 000	EUR	18 527	4 800	EUR	EURIBOR 3M +bank margin	31.12.2009 successively at the end of each quarter	pledge on shares of Janikosoda SA, assignment of claims, power of attorney to the bank account, declaration on submission to execution	

Note 19 e**SHORT-TERM LIABILITIES IN RESPECT OF ISSUED DEBT FINANCIAL INSTRUMENTS**

Debt securities by type	Par value	Interest terms	Payment date	Guarantees / collateral	Additional rights	Other
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Note 20 a

SHORT-TERM LIABILITIES	31.12.2005	31.12.2004
a) towards subsidiaries	166 732	124 290
- trade liabilities, with the maturity date:	166 605	124 184
- up to 12 months	166 605	124 184
- prepayments for deliveries	0	51
- other	127	55
b) towards co-subsidiaries:	731	695
- trade liabilities, with the maturity date:	731	695
- up to 12 months	731	695
c) towards associates	227	405
- trade liabilities, with the maturity date:	227	405
- up to 12 months	227	405
d) towards a significant investor	0	0
e) towards a dominant entity	0	0
f) towards other entities:	103 025	287 373
- loans and borrowings, including:	15 046	138 050
- long-term loans and borrowings within the repayment period	15 035	24 684
- in respect of issue of debt securities	0	14 744
- in respect of dividends	0	0
- trade liabilities, with the maturity date:	72 231	118 470
- up to 12 months	72 231	118 470
- prepayments for deliveries	0	4 705
- in respect of taxes, duties, insurance and other benefits	1 400	2 406
- in respect of remuneration	1	59
- other	14 347	8 939
- in respect of leases	0	124
- in respect of valuation of financial instruments	1 794	148
- in respect of factoring	11 118	7 509
- other	1 435	1 158
g) special funds (by titles)	599	576
- Employee Benefit Fund	599	576
- special purpose funds	0	0
Total short-term liabilities	271 314	413 339

Note 20 b

SHORT-TERM LIABILITIES (CURRENCY BREAKDOWN)	31.12.2005	31.12.2004
a) in PLN	232 703	359 887
b) in foreign currencies, upon conversion into PLN	38 611	53 452
b1. EUR	7 656	9 912
PLN	29 551	40 432
b2. USD	2 770	3 351
PLN	9 033	10 022
b3. GBP	0	4
PLN	0	25
b4. CHF	0	87
PLN	0	229
b5. SEK	9	9
PLN	4	4
b6. DKK	0	81
PLN	0	44
other currencies in thousand PLN	23	2 696
Total short-term liabilities	271 314	413 339

Note 20 c

SHORT-TERM LIABILITIES IN RESPECT OF LOANS AND BORROWINGS

Name (company) of an entity	Registered office	Value of credit / loan according to the agreement			Outstanding amount of credit / loan			Interest terms	Repayment date	Collateral	Other
		PLN	in currency	currency	PLN	in currency	currency				
Bank Pekao S.A.	ul. Grzybowska 53/57	33 126	8 000	EUR	6 175	1 600	EUR	EURIBOR 3M +bank margin	31.12.2009 successively at the end of each quarter	Pledge on shares of Janikosoda SA, assignment of claims, power of attorney to the bank account, declaration on submission to execution	
Bank Pekao S.A.	ul. Grzybowska 53/57	12 544	3 000	EUR	3 860	1 000	EUR	EURIBOR 3M +bank margin	30.06.2006 successively at the end of each quarter	Pledge on shares of Janikosoda SA, assignment of claims, power of attorney to the bank account, declaration on submission to execution	
Bank Pekao S.A.	ul. Grzybowska 53/57	50 000	50 000	PLN	5 000	5 000	PLN	WIBOR 1M+bank margin	31.05.2006 successively at the end of each quarter	pledge on shares of Alwernia SA, power of attorney to the bank account, declaration on submission to execution	
Citibank Handlowy	ul. Traugutta 7/9	35 000	35 000	PLN	5	5	PLN	WIBOR 1M+bank margin	01.09.2006	power of attorney to the bank account, declaration on submission to execution	
Bank Millenium S.A.	Al. Jerozolimskie 123a			EUR	6	1,4	EUR	technical limit, no costs included	19.12.2006	global assignment from foreign contracts, power of attorney to bank accounts, declaration on submission to execution	

Note 20 d

SHORT-TERM
LIABILITIES IN
RESPECT OF
ISSUED DEBT
FINANCIAL
INSTRUMENTS

Debt securities by type	Par value	Interest terms	Payment date	Guarantees/collateral	Additional rights	Other
	0					

Note 21 a

CHANGE IN NEGATIVE GOODWILL	31.12.2005	31.12.2004
As at the beginning of the period	0	0
Negative goodwill at the end of the period	0	0

Note 21 b

OTHER ACCRUALS	31.12.2005	31.12.2004
a) accrued expenses	7 394	4 211
- long-term (by titles)	0	0
- short-term (by titles)	7 394	4 211
- holiday leaves	1 259	1 033
- remuneration	5 710	2 984
- costs of balance sheet audit	100	92
- transaction costs	98	72
- other	227	30
b) prepayments and accrued income	1 126	908
- long-term (by titles)	0	0
- short-term (by titles)	1 126	908
- pre-payments received	362	10
- interest on loans	14	33
- penalties calculated	0	76
- tangible assets received free of charge	12	22
- additional sales income in 2004		0
- other	738	767
Total other accruals	8 520	5 119

Note 22 a**CALCULATION METHOD OF THE BOOK VALUE PER SHARE
AND DILUTED BOOK VALUE PER SHARE**

Book value equal to equity value	584 079	356 022
Number of shares	28 000 000	19 796 016
Book value per share	20,86	17,98
Diluted number of shares	28 000 000	28 000 000
Diluted book value per share	20,86	12,72

Note 23 a

CONTINGENT RECEIVABLES FROM AFFILIATES (IN RESPECT OF)	31.12.2005	31.12.2004
Total contingent receivables from affiliates	0	0

CONTINGENT LIABILITIES TOWARDS AFFILIATES (IN RESPECT OF)	31.12.2005	31.12.2004
a) guarantees and sureties given, including:	26 435	24 527
- to subsidiaries	26 435	24 527
b) other (in respect of)	9 400	9 400
- other trading pledges	9 400	9 400
- to the benefit of subsidiaries included	9 400	9 400
Total contingent liabilities towards affiliates	35 835	33 927

Note 24 a

NET INCOME FROM SALES OF PRODUCTS (BROKEN DOWN BY TYPES OF ACTIVITIES)	01.01-31.12.2005	01.01-31.12.2004
- from sales of services	11 813	11 171
- from affiliates included	11 109	9 572
- agent's fee	12 172	11 802
- from affiliates included	1	0
- commission flat rate	54 975	35 011
- from affiliates included	0	0
Total net income from sales of products	78 960	57 984
- from affiliates included	11 110	9 572

Note 24 b

NET INCOME FROM SALES OF PRODUCTS (TERRITORIAL STRUCTURE)	01.01-31.12.2005	01.01-31.12.2004
a) domestic	11 792	11 089
- from affiliates included	11 088	9 553
b) export	67 168	46 895
- from affiliates included	22	19
Total net income from sales of products	78 960	57 984
- from affiliates included	11 110	9 572

Since 2003, the company has been obtaining revenues in respect of providing rights to use CIECH trademark to the Capital Group Companies for an unlimited period of time

The revenue in this respect for 2005 was 5 257 thousand PLN and 6 564 thousand PLN in the previous year, and is included in the total income from sales of services.

Note 25 a

NET INCOME FROM SALES OF GOODS AND MATERIALS (BROKEN DOWN BY TYPES OF ACTIVITIES)	01.01-31.12.2005	01.01-31.12.2004
- sales of goods	1 509 932	1 412 023
- from affiliates included	334 845	349 672
Total net income from sales of goods and materials	1 509 932	1 412 023
- from affiliates included	334 845	349 672

Note 25 b

NET INCOME FROM SALES OF GOODS AND MATERIALS (TERRITORIAL STRUCTURE)	01.01-31.12.2005	01.01-31.12.2004
a) domestic	908 277	819 850
- from affiliates included	271 648	290 805
b) export	601 655	592 173
- from affiliates included	63 197	58 867
Total net income from sales of goods and materials	1 509 932	1 412 023
- from affiliates included	334 845	349 672

Note 26 a

COSTS BY TYPE	01.01-31.12.2005	01.01-31.12.2004
a) depreciation	7 151	8 505
b) materials and energy used	1 832	1 928
c) outsourced services	134 211	80 201
d) taxes and fees	1 492	1 874
e) remuneration	21 563	18 350
f) social insurance and other benefits	5 021	3 988
g) other costs by type (in respect of)	6 688	6 052
- business trips	1 295	1 114
- entertainment and promotion (limited)	2 342	1 536
- other promotional activities	1 493	1 582
- other costs	1 558	1 820
Total costs by type	177 958	120 898
Change in reserves, products and accruals	3 499	2 752
Cost of products manufactured for own purposes (negative value)	0	0
Sales costs (negative value)	-118 654	-66 821
General management costs (negative value)	-62 421	-56 410
Cost of products sold	382	419

Note 27 a

OTHER OPERATING INCOME	01.01-31.12.2005	01.01-31.12.2004
a) release of provisions (in respect of)	5 441	5 941
- for service anniversary awards	350	0
- for anticipated losses	5 091	5 941
- for retirement gratuities	0	0
b) other, including:	7 757	24 526
- completed write-offs in respect of receivables	2 135	15 679
- completed write-offs in respect of reserves	205	60
- overdue liabilities written off	603	0
- rent income	4 019	4 650
- proceeds from receivables written off	60	0
- legal costs calculated	151	260
- legal costs reimbursed	19	12
- compensation received	87	596
- excise rebate	0	2 205
- other	478	1 064
Total other operating income	13 198	30 467

Note 28 a

OTHER OPERATING COSTS	01.01-31.12.2005	01.01-31.12.2004
a) provisions established (in respect of)	9 837	16 205
- for anticipated losses	9 469	14 307
- for restructuring	0	1 255
- provision for service anniversary awards	0	315
- provision for retirement gratuities	368	328
b) other, including:	11 990	5 918
- collection costs	233	372
- compensation paid	1 500	31
- donations granted	654	315
- receivables redeemed written-off	6 766	2 384
- membership fees	150	138
- maintenance costs of leased premises	2 186	2 454
- other	501	224
Total other operating costs	21 827	22 123

Note 29 a

FINANCIAL INCOME IN RESPECT OF DIVIDENDS AND PROFIT SHARING	01.01-31.12.2005	01.01-31.12.2004
a) from affiliates, including:	15 064	20 151
- subsidiaries	14 831	20 087
- co-subsidiaries	171	0
- associates	62	64
b) other entities	0	0
Total financial income in respect of dividends and profit sharing	15 064	20 151

Note 29 b

FINANCIAL INCOME IN RESPECT OF INTEREST	01.01-31.12.2005	01.01-31.12.2004
a) in respect of loans granted	479	0
- from affiliates, including:	479	0
- subsidiaries	479	0
b) other interest	6 035	3 119
- from affiliates, including:	3 255	73
- subsidiaries	3 241	72
- associates	14	1
- other entities	2 780	3 046
Total financial income in respect of interest	6 514	3 119

Note 29 c

OTHER FINANCIAL INCOME	01.01-31.12.2005	01.01-31.12.2004
a) positive exchange differences	0	0
b) release of provisions (in respect of)	0	0
c) other, including:	959	635
- from debt sale	0	496
- release of write-offs for interest	590	117
- valuation of financial instruments	241	16
- other	128	6
Total other financial income	959	635

Note 30 a

FINANCIAL COSTS IN RESPECT OF INTEREST	01.01-31.12.2005	01.01-31.12.2004
a) on loans and borrowings	3 648	9 800
- for affiliates, including:	0	0
- other entities	3 648	9 800
b) other interest	626	678
- for affiliates, including:	0	0
- other entities	626	678
Total financial costs in respect of interest	4 274	10 478

Note 30 b

OTHER FINANCIAL COSTS	01.01-31.12.2005	01.01-31.12.2004
a) negative exchange differences	7 735	11 727
- completed	9 027	12 654
- uncompleted	-1 292	-927
b) provisions established (in respect of)	0	0
c) other, including:	2 821	4 560
- remitted interest on receivables	2	41
- write-off to interest receivable	861	2 790
-discount on promissory notes	256	1 576
- valuation of financial instruments	1 670	124
- other	32	29
Total other financial costs	10 556	16 287

Note 31 a

The issuer develops a consolidated financial statement

Note 32 a

EXTRAORDINARY PROFITS	01.01-31.12.2005	01.01-31.12.2004
Total extraordinary profits	0	0

Note 33 a

EXTRAORDINARY LOSSES	01.01-31.12.2005	01.01-31.12.2004
Total extraordinary losses	0	0

Note 34 a

CURRENT INCOME TAX	01.01-31.12.2005	01.01-31.12.2004
1. Gross profit (loss)	43 479	21 383
2. Differences between gross profit (loss) and the taxation base for the income tax (by titles)	15 277	-9 172
- increase in the taxation base	53 230	46 202
- decrease in the taxation base	37 953	55 374
3. Taxation base for the income tax	58 756	12 211
4. Income tax according to 19% tax rate	11 164	2 320
5. Tax increases, abandonments, exemptions, deductions and decreases	-4 217	-2 320
6. Current income tax recognised in the tax return for the period, including:	6 947	0
- recognised in the P&L account	11 166	0
including: current	9 662	0
for previous years	1 504	0
Tax on dividends received, recognised in the P&L account	4 219	2 333

DEFERRED INCOME TAX RECOGNISED IN THE P&L ACCOUNT:	01.01-31.12.2005	01.01-31.12.2004
- decrease (increase) in respect of occurrence and reversal of transitory differences	-9 587	-395
- decrease (increase) in respect of change in tax rates	0	0
Total deferred income tax	-9 587	-395

Note 34 c

TOTAL DEFERRED TAX	01.01-31.12.2005	01.01-31.12.2004
- recognised in equity	0	0
- recognised in goodwill or negative goodwill	0	0

Note 34 d

DEFERRED INCOME TAX RECOGNISED IN THE P&L ACCOUNT, RELATED TO	01.01-31.12.2005	01.01-31.12.2004
- discontinued operation	0	0
- profit on extraordinary operations	0	0

Note 35 a

OTHER OBLIGATORY CHARGES (LOSS INCREASE) IN RESPECT OF:	01.01-31.12.2005	01.01-31.12.2004
Total other obligatory charges (loss increase)	0	0

Note 36 a**NET PROFIT (LOSS) SHARING WITH REGARD TO SUBORDINATE ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD, INCLUDING:**

	01.01-31.12.2005	01.01-31.12.2004
Total net profit (loss) sharing with regard to subordinate entities accounted for using the equity method	0	0

Note 37 a**DISTRIBUTION OF PROFIT FOR THE PERIOD PRESENTED**

Management Board proposal regarding distribution of net profit for 2005.

Profit made in 2005 should be used for:

- 19 500 thousand PLN for share premium

Distribution of net profit for 2004 and undistributed profit for previous years

Profit made in 2004 has been distributed in the following way:

- 11 045 thousand PLN for share premium
- 8 400 thousand PLN for shareholder dividend

Undistributed profit for previous years resulting from changes in the accounting policy, for 2003 amounting to 1 623 thousand PLN and for 2002 amounting to 2 155 thousand PLN, has been allocated to share premium

The 2004 financial statement presents the net profit for 2003 amounting to 8 718 thousand PLN, that includes profit made in 2003 and amounting to 7 095 thousand PLN and profit amounting to 1 623 thousand PLN resulting from changes in the accounting policy.

Profit for 2003 presented in the approved financial statement and amounting to 7 095 thousand PLN has been approved and allocated for:

- 6 106 thousand PLN for share premium
- 989 thousand PLN for shareholder dividend

Profit amounting to 1 623 thousand PLN resulting from changes in the accounting policy has been included in undistributed profit.

Note 38 a**CALCULATION OF EARNINGS AND DILUTED EARNINGS PER SHARE**

	01.01-31.12.2005	01.01-31.12.2004
net profit	41 900	19 445
weighted average number of ordinary shares	27 028 828	19 647 508
earnings per ordinary share	1,55	0,99
weighted average diluted number of ordinary shares	27 950 372	27 851 492
diluted earnings per ordinary share	1,50	0,70

Notes to the cash flow statement for the period 01.01.05 -31.12.05

I. CASH BREAKDOWN INCLUDED IN THE CASH FLOW STATEMENT

Cash breakdown recognised in the balance sheet as at 31.12.2005

cash in hand and at bank	20 171
other cash	28 969
total	49 140

Cash included in the cash flow statement is 49 070

Difference amounting to -70 is the result of change in cash in respect of exchange differences

II. CHANGE IN RECEIVABLES

change in receivables based on the balance sheet (CB-OB)	-585
change in receivables included in the cash flow statement	1 386

Cash flow statement includes the change in receivables based on the balance sheet, adjusted for the following items:

1. receivables in respect of interest (unpaid)	72
2. receivables in respect of investments for Oracle	1 465
3. receivables in respect of shares disposal	300
4. receivables in respect of PCC BORUTA KOLOR	134

III. CHANGE IN SHORT-TERM LIABILITIES, EXCEPT FOR LOANS AND BORROWINGS

change in short-term liabilities based on the balance sheet (CB-OB)	-19 021
change in short-term liabilities recognised in the cash flow statement	-4 435

Cash flow statement includes the change in short-term liabilities based on the balance sheet, adjusted for the following items:

1. change in liabilities in respect of investment obligations	-306
2. elimination of change in liabilities in respect of issue of debt securities	15 000
3. elimination of change in liabilities in respect of discount of promissory notes	-256
4. elimination of change in liabilities in respect of finance leases	148

IV. CHANGE IN ACCRUALS

change in prepayments and deferred expenses based on the balance sheet (CB-OB)	9 214
change in accrued expenses based on the balance sheet (CB-OB)	3 401
change in prepayments and deferred expenses plus accrued expenses based on the balance sheet (CB-OB)	-5 813
change in accruals recognised in the cash flow statement	-5 813

V. EXPENDITURE FOR THE PURCHASE OF INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS.

1. tangible assets	6 663
2. purchase of intangible assets	202
3. reduction of investment obligations	306
TOTAL	6 559

VI. TOTAL NET CASH FLOWS

45 248

BALANCE SHEET CHANGE IN CASH

45 512

Difference between the change in cash recognised in the balance sheet, included in the cash flow statement, and the value of net cash flows, is the result of the change in exchange differences from cash valuation for OB 194 and CB 70.

264

Notes to the cash flow statement for the period 01.01.-31.12.04

I. CASH BREAKDOWN INCLUDED IN THE CASH FLOW STATEMENT

Cash breakdown recognised in the balance sheet as at 31.12.2004

cash in hand and at bank	2 061
other cash	1 567
total	3 628
Cash included in the cash flow statement is	3 822

The difference amounting to 194 is the result of change in cash in respect of exchange differences

II. CHANGE IN RECEIVABLES

change in receivables based on the balance sheet (CB-OB)	36 367
change in receivables included in the cash flow statement	-37 367

Cash flow statement includes the change in receivables based on the balance sheet, adjusted for the amount of (-) 1 000 conversion of promissory notes to shares

III. CHANGE IN SHORT-TERM LIABILITIES, EXCEPT FOR LOANS AND BORROWINGS

change in short-term liabilities based on the balance sheet (CB-OB)	-31 453
change in short-term liabilities recognised in the cash flow statement	-13 510

Cash flow statement includes the change in short-term liabilities based on the balance sheet, adjusted for the following items:

1. change in liabilities in respect of investment obligations	-500
2. elimination of change in liabilities in respect of issue of debt securities	11 906
3. elimination of change in liabilities in respect of finance leases	361
4. elimination of change in liabilities in respect of changes in capitals	6 176

IV. CHANGE IN ACCRUALS

change in prepayments and deferred expenses based on the balance sheet (CB-OB)	-269
change in accrued expenses based on the balance sheet (CB-OB)	1 641
change in prepayments and deferred expenses plus accrued expenses based on the balance sheet (CB-OB)	1 910
change in accruals recognised in the cash flow statement	1 451

Cash flow statement includes the change in accruals based on the balance sheet, adjusted for 459 PLN, related to the value of shares acquired above the value of the contribution in-kind.

V. EXPENDITURE FOR THE PURCHASE OF INTANGIBLE ASSETS AND TANGIBLE FIXED ASSETS.

1. tangible assets	4 872
2. purchase of intangible assets	189
3. reduction of investment obligations	500
TOTAL	4 561

VI. TOTAL NET CASH FLOWS

-3 290

BALANCE SHEET CHANGE IN CASH

-3 484

Difference between the change in cash recognised in the balance sheet, included in the cash flow statement, and the value of net cash flows, is the result of cash valuation as at the balance sheet date

-194