

Warsaw, March 1st, 2007

PRESS RELEASE

Good financial results for Ciech SA in 2006.

The Ciech Group's consolidated net profit for the four quarters of 2006 equalled PLN 151 million compared to PLN 117.9 million in the previous year (a 28.2% increase). As early as July 19th, 2006 Ciech SA raised its financial result forecast for 2006 from PLN 121 million to PLN 134 million. The actual financial result exceeded the corrected forecast by another 12.6%. The financial result achieved by Ciech Group proves that positive recommendations issued by stock brokers are fully justified.

The main source of the profit achieved in 2006 was the company's primary activity. The Group's net revenues from sales equalled PLN 2.155 billion after four quarters, which means that the forecast was exceeded by 27.1%. The result was achieved in spite of the fact that the sale of the daughter company Petrochemia Blachownia decreased the Group's consolidated revenues compared to the previous year's results.

The Development of Organika and Soda Divisions

The Group's Soda companies, whose revenues from sales constituted 37.7% of the Group's total sales revenue in 2006, enjoyed stable demand in 2006 – compared to the same period a year before the prices of their key products increased: the soda ash price by 7%, evaporated salt by 6%. At the same time prices of coke utilized in soda production fell by 35%. Moreover, the consumption of limestone was reduced. In December 2006 the Soda Division of Ciech SA was joined by a Romanian company Uzinele Sodice Govora.

As for operations in other sectors it is worth mentioning intensified efforts to build the Organika Division, mainly by conclusion of the acquisition of two companies: Organika Sarzyna and Zachem. New trade contracts were signed with both companies in 2006, which fact positively impacted the Group's sales level. The Ciech Group forecast for 2007 assumes that the share of the Organika Division in the Group's total sales revenues will increase in 2007 from 20.6% to 41.7%.

The financial forecast for 2007.

The Ciech Group financial forecast accepted by the Board for 2007 assumes an increase of revenues from sales compared to 2006 by 58.6%, i.e. to the level of PLN 3.417 billion. Accordingly, the consolidated net profit will reach PLN 167 million, which is 10.5% higher than in 2006. When preparing the forecast, a very conservative prognosis on the increase of GDP in 2007 was adopted – only by 4.3% (which is in accordance with the assumptions of the 2007 Budget Act). The forecast does not take into account the impact of planned property sales and potential disinvestments.

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140 001 420,00 zt (paid in total)

The most important challenges of 2007.

The Ciech Group's strategic projects in 2007 will be the integration of soda companies and investment processes in the Organika Division companies acquired in 2006. The formal completion of the fusion process between JSZ Janikosoda, IZCh Soda Mątwy and EC Kujawskie into one business entity is planned in the middle of the year. The integration will allow for better utilization of the synergy effect through reduction of administrative costs and consolidation of the management process.

The investment programme for the acquired companies assumes that within 3-5 years Ciech will invest the following amounts in the modernization and production capacity increase of those companies: PLN 130 million in Organika - Sarzyna, PLN 180 million in Zachem and about PLN 100 million in US Govora. The accomplishment of the investment will result in a considerable increase of revenues from the Group's sales and an increase of obtained margins.

The Board of Directors of Ciech SA also predicts the preparation of a new development strategy for the Foschem Division, to include a strengthening of the Group's position on the agricultural product market and silicates and glass markets.

The Ciech Chemical Group is one of the leaders in the chemical market in Europe. It consists of about 30 companies and is one of the biggest business organizations in Poland. The primary products of the company are: soda ash and salt, phosphate fertilizers and other basic chemicals used in glass, furniture, construction and food processing industries.

The acquisitions made in 2006 secure revenues of PLN 3.5 billion per annum for the Ciech Chemical Group. Since February 2005 Ciech SA has been quoted on The Warsaw Stock Exchange. The company's major shareholders are: Kompania Węglowa SA (36.7% of shares and votes at the Shareholders' Meeting), the Open Retirement Pension Fund PZU "Złota Jesień" (5.0%) and Commercial Union, Life Insurance Company (3.6%).

For more information see: www.ciech.com.

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