

Warsaw, February 19th, 2007

Motion for receivership at Polskie Towarzystwo Ubezpieczeń

On Friday February 18th, Ciech SA filed a motion for the introduction of receivership at Polskie Towarzystwo Ubezpieczeń with the Polish Financial Supervision Authority. The Polish Financial Supervision Authority pursuant to art. 189 of the Act on Insurance Business may establish receivership where, for example, it is impossible for bodies of the insurance company to carry out their assignments. In the opinion of Ciech SA the General Shareholders' Meeting of PTU is now incapable of fulfilling its functions and the Supervisory Board is non-existent.

As a result of the actions of minority shareholders of PTU – the companies Techwell and Investa - at the last Extraordinary General Shareholders' Meeting on February 12th, no changes were made to the supervisory board and PTU does not have such a body now, which is contrary to the company's articles of association and poses a threat to the operations of the Towarzystwo (Company) and to the interests of its customers and owners.

"Over the last 5 months we have not been able to reach an agreement with Techwell and Investa. By making it impossible to appoint a chairman of the Extraordinary General Shareholders' Meeting, they have prevented companies belonging to Ciech SA – JZS Janikosoda and IZCh Soda-Mątwy – to exercise their rights provided for in the articles of association of PTU," says Mirosław Kochalski, president of Ciech SA.

The companies belonging to Ciech SA hold 45.42% of shares in PTU in total, so they are its largest shareholder. According to the provisions of the articles of association of PTU, they are entitled to designate three members of the Supervisory Board and recommend its chairman. Furthermore, they are entitled to propose a candidate for member of the management board of PTU.

For five months Ciech has been trying to make changes in the composition of the supervisory board of PTU in line with these provisions. Unfortunately, it is impossible on account of the conduct of Techwell and Investa that hold 28.7% of shares in PTU in total. Holding over 25% of shares in total (and according to the articles of association of PTU all decisions at the GSM are taken by a majority of 75% of votes), they vote against candidates for the chairman of the GSM proposed by other shareholders, while not proposing their own candidate. As we do not manage to appoint the chairman, the GSM may not take place.

In the situation where for 5 months Ciech SA did not managed to reach an agreement with Techwell and Investa, the only representative of Ciech on the Supervisory Board of PTU handed in his resignation on February 9th. After his resignation, there were 6 people remaining on the Board, while according to the company's articles of association it should have from 7 to 9 members. In the meantime at the EGSM on February 12th, the actions of Techwell and Investa made it impossible to appoint new members of the Supervisory Board, which induced Ciech SA to apply to the Polish Financial Supervision Authority for the introduction of receivership to PTU.