

ANWIL Capital Group Consolidated Financial Statement

2009 was marked by lingering crisis originated in the fourth quarter of 2008. Such periods of a less-than-favourable market situation invariably prove to be a test for the business efficiency of any organisation. Therefore, despite the fact that the financial results of both the Dominant Unit and ANWIL Capital Group were better than those of other businesses in the branch, a number of competitiveness-enhancing programmes were launched, particularly in the cost-related area.

As a result of certain initiatives aimed at reducing the overheads, renegotiating a number of purchase contracts, verifying CAPEX, and optimising production processes, especially for their energy effectiveness, the profit-generating potential of the Capital Group has been boosted.

The fact of the Capital Group being active on two diverse markets whose boom-slump cycles are not parallel i.e.: fertilizers and PVC, should not be left unnoticed as this diversity proved to be the shield protecting the Group against the impact of the crisis.

2009 in its entirety was yet another year when ANWIL S.A., the Dominant Unit of the Capital Group, proved itself to be a mature company ready to take the challenge of unfavourable, non-standard situations.

The basic financial parameters for 2009, which are listed below, confirm the fact that ANWIL Capital Group closed the year holding a potential for further development of the Company.

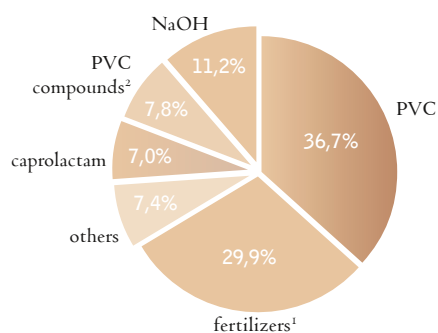
Fundamental financial parameters – ANWIL Capital Group

| | | 2008 | 2009 |
|---|----------------|--------------|--------------|
| Net sales | mln PLN | 2 771 | 2 531 |
| – domestic | | 1 446 | 1 480 |
| – export | | 1 325 | 1 051 |
| Net profit | mln PLN | 169 | 65 |
| EBIT (Gross profit + interest) | mln PLN | 221 | 100 |
| EBITDA (EBIT + depreciation) | mln PLN | 368 | 251 |
| Cash from operating activity | mln PLN | 347 | 252 |
| ROE (Net profit / average equity) | | 9,16% | 3,42% |
| Assets | mln PLN | 2 539 | 2 699 |
| Shareholder's equity | mln PLN | 1 879 | 1 943 |
| D/E (Net debt / equity) | | 4,8% | 0,1% |
| D/EBITDA (Net debt / EBITDA) | | 0,24 | 0,01 |
| Employment (as on 31.12) | persons | 3 420 | 3 391 |

In the light of the objective business situation prevailing in 2009, the financial results of the Company can be seen as its another success. Nevertheless, the awareness of pending crisis, and the need to act efficiently in difficult times will serve as a catalyst for further initiatives aimed at continuous striving for perfection in the area of organisation and operation of ANWIL Capital Group.

A more-than-three-year-long gradual restructuring process run in Spolana revealed the need for further organisational changes leading to measurable financial gains. Consequently, next changes in the organisational structure of

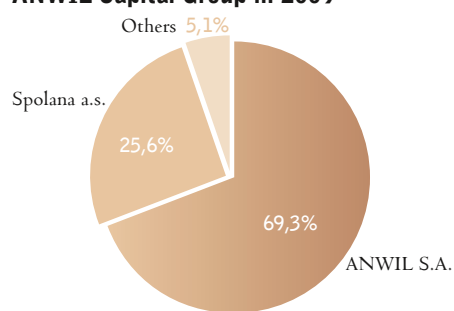
The value structure of revenues from sales in 2009



¹ the position covers: ammonium nitrate, CANWIL and ammonium sulphate

² the position covers: compounds (flexible and rigid technical PVC), PVC sheets and PVC-based blends

The value structure of revenues from sales by units within ANWIL Capital Group in 2009



NOTE: ICP transactions are not included in revenues

the Czech company, which were aimed at aligning its operation with ANWIL S.A. overall Capital Group strategy, were introduced in 2009. Remwil Sp. z o.o., another subsidiary of ANWIL S.A., has been running its branch in Spolana a.s. since April 2009.

The external factors with major influence on ANWIL Capital Group's financial result included:

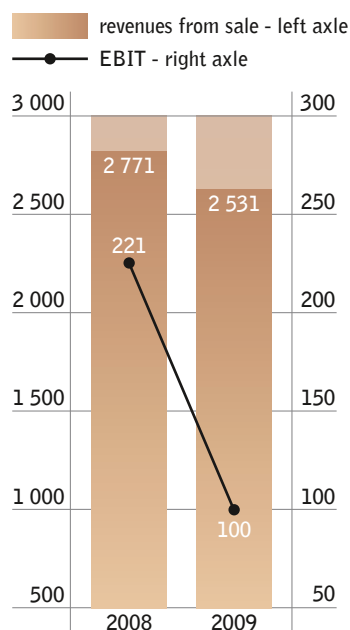
- 1) in the realm of PVC and chlor-alkali:
 - a lingering slump in many European countries, on the one hand, and limited supply resulting from unplanned production holdups (particularly with European producers), on the other hand, made it possible to achieve a higher level of unprocessed PVC sales than in the previous year, as well as to increase the prices and margins in the second half of the year;
 - a mediocre demand for processed PVC deriving from a slump on the construction and investment markets;
 - the weak Polish zloty and the Czech crown against the euro and the dollar as opposed to the situation from 2008, which made export more profitable;
 - soaring prices of raw materials (mainly coal and electricity);
 - a significant slump (following a two-year-long boom) in the area of sodium hydroxide resulting from a lower demand in the branches relying on soda lye for their operation (i.e. pulp and paper or aluminium);
- 2) in the realm of fertilizers:
 - high prices of natural gas – at present, the gas available in Poland is significantly more expensive than that available for users in Western Europe;
 - low prices of agricultural products remaining since the beginning of 2009 resulted in customers ascribing less money for fertilizers than before;
 - lower prices of fertilizers on the world markets observed since mid-September 2008, which especially influenced the Polish market in the second half of 2009.

ANWIL Group obtained remarkably high revenues on product and service sales – reaching the level of PLN 2 531 mln. The sales of four fundamental product groups constituted 85.6% of the revenues. The sales of polyvinyl chloride had the greatest share in the global revenue structure with 36.7%. Fertilizers (ammonium nitrate, nitro-chalks, ammonium sulphate) took the running-up position with 29.9%, followed by sodium hydroxide – 11.2% and processed PVC with 7.8%.

Despite the general economic crisis, the Capital Group managed to remain in the positive territory obtaining the net result on the level of PLN 65 mln. and presenting relatively high ratio of return on assets against other units in the branch.

The 2009 financial statement has been prepared in accordance with the International GAAPR.

Revenues from sales and EBIT [PLN million]



Balance sheet

As for 31st December 2009

| | notes | PLN thousand | € thousand* |
|--|-------|------------------|----------------|
| ASSETS | | | |
| Fixed assets | | 1 959 423 | 476 954 |
| 1. Intangible assets | 1 | 11 165 | 2 718 |
| 2. Tangible assets | 2 | 1 888 694 | 459 738 |
| 3. Other long-term fixed assets | 3 | 542 | 132 |
| 4. Financial assets | 4 | 28 175 | 6 858 |
| 5. Deferred income tax assets | | 1 627 | 396 |
| 6. Land/the right of perpetual usufruct | | 831 | 202 |
| 7. Investments in buildings and premises | | 28 389 | 6 910 |
| Current assets | | 739 870 | 180 096 |
| 1. Inventories | | 302 262 | 73 575 |
| 2. CIT receivables | | 1 256 | 306 |
| 3. Trade and other receivables | 5 | 280 525 | 68 284 |
| 4. Short-term financial assets | | 96 226 | 23 423 |
| 5. Cash | | 49 417 | 12 029 |
| 6. Accruals | | 5 400 | 1 314 |
| 7. Assets classified as held for sale | | 4 784 | 1 165 |
| TOTAL ASSETS | | 2 699 293 | 657 050 |

LIABILITIES

| | notes | PLN thousand | € thousand* |
|---|-------|------------------|----------------|
| Shareholders' equity | | 1 942 963 | 472 947 |
| 1. Share capital | 6 | 313 032 | 76 197 |
| 2. Exchange rate differences from subsidiaries conversion | | 39 019 | 9 498 |
| 3. Retained earnings, including: | | 1 589 489 | 386 906 |
| – Net profit from the current year | | 65 276 | 15 086 |
| – Exchange rate differences from conversion net profit | | | 803 |
| 4. Minority interests | | 1 423 | 346 |
| Long-term liabilities | | 203 938 | 49 642 |
| 1. Provisions for deferred tax | | 110 598 | 26 921 |
| 2. Provisions | 7 | 31 846 | 7 752 |
| 3. Long-term provisions for employee benefits | | 29 122 | 7 089 |
| 4. Loans and banks credits | | 2 815 | 685 |
| 5. Deferred income | 8 | 29 557 | 7 195 |
| Short-term liabilities | | 552 392 | 134 461 |
| 1. CIT liabilities | | 64 | 16 |
| 2. Provisions | 9 | 908 | 221 |
| 3. Short-term provisions for employee benefits | | 15 637 | 3 806 |
| 4. Loans and banks credits | | 145 336 | 35 377 |
| 5. Trade and other liabilities and accruals | 10 | 373 866 | 91 005 |
| 6. Deferred income | | 4 105 | 999 |
| 7. Other financial liabilities | | 12 476 | 3 037 |
| TOTAL LIABILITIES | | 2 699 293 | 657 050 |

*1 € = 4.1082 PLN (NBP exchange rate of 31st December 2009)

Notes to Balance Sheet

| | PLN thousand | € thousand |
|--|------------------|----------------|
| 1. Intangible assets | 11 165 | 2 718 |
| cover: | | |
| – licences, patents and similar assets | 11 165 | 2 718 |
| 2. Tangible assets | 1 888 694 | 459 738 |
| cover: | | |
| – fixed assets | 1 693 909 | 412 324 |
| – fixed assets under construction | 194 785 | 47 414 |
| 3. Other long-term fixed assets | 542 | 132 |
| cover: | | |
| – long-term receivables | 542 | 132 |
| 4. Financial assets | 28 175 | 6 858 |
| cover: | | |
| – shares in other entities | 28 097 | 6 839 |
| – loans granted | 78 | 19 |
| 5. Trade and other receivables | 280 525 | 68 284 |
| cover: | | |
| – trade receivables | 221 046 | 53 806 |
| – others | 59 479 | 14 478 |
| 6. Share capital | 313 032 | 76 197 |
| covers: | | |
| – share capital registered in National Court Register | 134 925 | 32 843 |
| – share capital revaluated (in accordance with IAS29) | 178 107 | 43 354 |
| 7. Long-term provisions | 31 846 | 7 752 |
| cover: | | |
| – provision for land reclamation and pollution removal costs | 22 246 | 5 415 |

| | | |
|---|----------------|---------------|
| 8. Other long-term liabilities | 29 557 | 7 195 |
| cover: | | |
| – grant received from ERDF | 27 167 | 6 613 |
| – amortisation of the loan from NFEP&WM | 1 188 | 289 |
| 9. Short-term provisions | 908 | 221 |
| cover: | | |
| – other provisions | 908 | 221 |
| 10. Trade and other liabilities and accruals | 373 866 | 91 005 |
| cover: | | |
| – trade liabilities, including prepayment received from customers | 322 616 | 78 530 |
| – other liabilities | 51 250 | 12 475 |

The Profit and Loss Account

| | PLN thousand | € thousand* |
|---|------------------|----------------|
| Total revenues, including: | 2 582 658 | 596 829 |
| – net sales of finished products and services | 2 506 076 | 579 131 |
| – net sales of goods for resale and materials | 24 925 | 5 760 |
| – other operating income | 40 173 | 9 284 |
| – financial income | 11 484 | 2 654 |

The Profit and Loss Account

for the period: 1st January, 2009 – 31st December, 2009

| | notes | PLN thousand | € thousand* |
|---|-------|---------------|---------------|
| 1. Net sales: | 1 | 2 531 000 | 584 891 |
| Sales of finished products and services | | 2 506 076 | 579 131 |
| 2. Operating costs | 2 | 2 452 111 | 566 661 |
| 3. Profit on sales | | 78 889 | 18 230 |
| 4. Other operating income | 3 | 40 173 | 9 284 |
| 5. Other operating costs | 4 | 22 136 | 5 115 |
| 6. Operating profit | | 96 926 | 22 399 |
| 7. Financial income | 5 | 11 484 | 2 654 |
| 8. Financial expenses | 6 | 13 845 | 3 199 |
| 9. Profit (loss) from sale of shares in subordinated entities | | 0 | 0 |
| 10. Participation in profit/loss of subordinated entities | | | |
| valuated by equity method | | 958 | 221 |
| 11. Profit on continuing operations | | 95 523 | 22 075 |
| 12. Extraordinary profit | | 0 | 0 |
| 13. Extraordinary loss | | 0 | 0 |
| 14. Gross profit | | 95 523 | 22 075 |
| 15. Income tax | | 30 094 | 6 954 |
| 16. Minority shareholders' profits | | -153 | -35 |
| 17. Net profit | | 65 276 | 15 086 |

*1 € = 4.3273 (NBP average exchange rate in 2009)

Notes to the Profit and Loss Account

| | PLN thousand | € thousand |
|--|------------------|----------------|
| 1. Net sales | 2 531 000 | 584 891 |
| covers: | | |
| – income from net sales of finished products | 2 436 010 | 562 940 |
| – income from net sales of goods for resale and materials | 24 925 | 5 760 |
| – income from sales of services | 70 065 | 16 191 |
| 2. Operating costs | 2 452 111 | 566 661 |
| cover: | | |
| costs of manufacturing, sales and distribution costs, general and administrative expenses, costs of sales of services, value of goods for resale and materials | | |
| 3. Other operating income | 40 173 | 9 284 |
| covers: | | |
| – profit from sale of non-financial fixed assets | 7 640 | 1 766 |
| – subsidies | 2 864 | 662 |
| – other | 29 669 | 6 856 |
| 4. Other operating costs | 22 136 | 5 115 |
| cover: | | |
| – loss from sales of unfinancial tangible assets | 1 014 | 234 |
| – update of fixed assets value | 2 233 | 516 |
| – other | 18 889 | 4 365 |
| 5. Financial income | 11 484 | 2 654 |
| covers: | | |
| – interest received | 1 986 | 459 |
| – financial instrument pricing | 1 930 | 446 |
| – other | 7 568 | 1 749 |
| 6. Financial expenses | 13 845 | 3 199 |
| cover: | | |
| – interest paid | 4 182 | 966 |
| – other | 9 663 | 2 233 |

Cash Flow Statement

for the period 2009.01.01. – 2009.12.31

| | PLN thousand | € thousand* |
|--|-----------------|----------------|
| Net cash flow from operating activity | 251 803 | 58 190 |
| Net profit | 65 276 | 15 085 |
| Total adjustments | 186 527 | 43 105 |
| Net cash flow from investing activity | -255 491 | -59 041 |
| Cash inflow from investing activity | 1 577 139 | 364 463 |
| Cash outflow from investing activity | 1 832 630 | 423 504 |
| Net cash flow from financing activity | 7 839 | 1 811 |
| Cash inflow from financing activity | 699 402 | 161 625 |
| Cash outflow from financing activity | 691 563 | 159 814 |
| Net cash inflow/outflow during the year | 4 151 | 959 |
| Changes in cash resulting from foreign exchange gains/losses | 548 | 127 |
| Cash at the beginning of year | 44 718 | 10 334 |
| Cash at the end of year | 49 417 | 11 420 |

*1 € = 4.3273 (NBP average exchange rate in 2009)