



## Statement of the President

Dear Sirs and Shareholders,

The year 2005 has its name engraved on Company's history as a period of next efforts aiming at strengthening its market position. The complex undertakings in every field of activity have brought expected and measurable effects: revenues from sales amounted to 1 476 504 thousand PLN and net profit was 130 117 thousand PLN (according to International Accounting Standards).

In 2005 we recorded the highest results in the range of fertilizers production – 925 thousand tons. The revenues of their sales were also the highest in the whole Company's history. We are satisfied of it the more so because they were achieved not as a result of grand investments but our constant policy to enlarge production plants efficiency and, in this way, their productivity.

Production drop in plastics range, that obviously influenced revenues from sales was an effect of investments carried out both in ANWIL SA and at production plants in PKN ORLEN S.A. Investments performed as well as modernization works will make it possible to enlarge their efficiency and in result further strengthening ANWIL SA market position.

Facing new challenges connected with market reality, we successfully kept modernizing chlorine plant consisting in change of chlorine production technology from diaphragm into membrane one. In Company's annals a new date, i.e. 6th December 2005 was recorded. On that day, for the first time, the electric energy was supplied for electrolyses. Thanks to this investment, all PVC production units are of the best technology standards in our part of Europe and they will meet the most modern requirements.

Apart from production problems we were also engaged in other activities. Specialists from different divisions of the Company headed by financial department carried out works on adapting Polish accounting standards to international ones. As a result International Accounting Standards were implemented. It enabled to prepare financial statements of 2005 on conditions compared with an international standards. We also participated in costs optimalization programs executed in PKN ORLEN S.A. Capital Group.

The future of the Company was also a matter of our interest. We took part in investment projects planning and performing carried by our strategic Shareholder, connected with production assets development as well as capital investments. Own projects of Company's further development were also prepared. In 2005 we were on the go in integration process of Czech UNIPETROL with PKN ORLEN S.A. A particular role, resulting from the similar production portfolio, fell to ANWIL SA share while incorporating Spolana a.s. in syndicate structures.

Worked out management methods and systems are being developed and so many financial means are allocated to training and education. Such approach also regards the quality and environmental management systems to be up to our clients expectations. Simultaneously; a great emphasis is put on processing safety and work safety as well as employees' health problems.

As a result of our efforts, the Company was awarded by Business Centre Club with the Fourth Diamond to the Golden Statue of Polish Business Leader appreciating excellent financial results, dynamic development as well as maintaining leading position in chemical branch. Among other awards, received in 2005, one was accepted with a great satisfaction: a title: "Pillar of Polish Economy". The reason is that one of the most important criteria while estimating the companies was an opinion of local community. It confirms the point of our engagement in social life of the region.

We would like to thank cordially our Shareholders for supporting all our undertakings. We are aware of the fact that our success was made with help of the clients, commercial partners and the companies rendering special services to us. Many thanks to all of them.

I want to express my appreciation all ANWIL SA employees for their engagement and generosity in our tasks realization.

I invite you to familiarizing yourself with the following report.

Yours faithfully,

*Benedykt Kichewicz*