

## FOREIGN EXCHANGE RATES

*The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by, the Managers or any of their respective affiliates or representatives in connection with the Global Offering.*

The price of the Shares on the Warsaw Stock Exchange will be denominated in zlotys. As a result, fluctuations in the exchange rate between zlotys and other currencies, including the U.S. dollar, will affect the equivalent value in other currencies of the zloty price of the Shares on the Warsaw Stock Exchange. Cash dividends, if any, will be paid by the Company in zlotys, and exchange rate fluctuations will affect the amounts in other currencies received by holders of Shares and GDRs who convert cash dividends into other currencies.

Since January 1990, Poland has utilised three forms of fixed exchange rate mechanism. The zloty was fixed against the U.S. dollar from January 1990 until May 1991 and then fixed against a weighted basket of currencies until October 1991. The currency basket was introduced in May 1991 and since then the currency basket has been weighted as follows: U.S. dollar 45.0 per cent., Deutsche Mark 35.0 per cent., pound sterling 10.0 per cent., French Franc 5.0 per cent. and Swiss Franc 5.0 per cent. Since October 1991, Poland has used a "crawling peg" system pursuant to which the NBP announces a monthly rate of devaluation of the zloty against the currency basket until further notice and the official exchange rate announced each day represents the incremental daily devaluation, calculated to achieve the monthly devaluation goal. The NBP has adjusted the rate of the "crawl" on several occasions. In addition, the NBP has occasionally (including in 1993) made "step" devaluations of the zloty, as the "crawling" devaluation had not kept pace with devaluation in the purchasing power of the zloty. The rate of devaluation represented by the crawl was reduced during 1994 from 1.6 per cent. per month to 1.5 per cent. in September and to 1.4 per cent. in November and in February 1995 it was reduced to 1.2 per cent. In January 1996, it was again reduced to 1.0 per cent. per month.

The table below sets forth, for each of the periods indicated, the average and period-end Fixing Rates expressed in PLN per \$1.00. The Fixing Rate as at 2nd July, 1997 was PLN3.2885 = \$1.00. Such rates have not been used by the Company in the preparation of the financial statements included in Appendix A to this Offering Circular.

### Zloty/Dollar Exchange Rates (Zloty per dollar)

Year Ended 31 December:	Average	End of Period
1992 . . . . .	1.3631	1.5767
1993 . . . . .	1.8145	2.1344
1994 . . . . .	2.2727	2.4372
1995 . . . . .	2.4244	2.4680
1996 . . . . .	2.6965	2.8755

Source: NBP

On 1st January, 1995 the old Polish zloty (PLZ) was redenominated to become the new Polish zloty (PLN) at the rate of PLN1=PLZ10,000. In the table above, exchange rates for periods and dates prior to 1st January, 1995 have been restated in new Polish zlotys.

The Bank of Canada does not maintain exchange rate information for the translation of zloty to Canadian dollars. Consequently, the table below sets forth, for each of the periods indicated, the average and period-end exchange rate expressed in U.S.\$ per Cdn.\$1.00 published by the Bank of Canada. The exchange rate as at 2nd July, 1997 was U.S.\$0.7261=Cdn.\$1.00 based on the Bank of Canada noon rate of exchange.

### U.S. Dollar/Canadian Dollar Exchange Rates (U.S. dollar per Canadian dollar)

Year Ended 31 December:	Average	End of Period
1992 . . . . .	0.8276	0.7868
1993 . . . . .	0.7753	0.7566
1994 . . . . .	0.7321	0.7134
1995 . . . . .	0.7285	0.7331
1996 . . . . .	0.7334	0.7296

Source: Bank of Canada