INVESTMENT CONSIDERATIONS

Prospective purchasers of the GDRs should carefully read this Offering Circular in its entirety. Purchasers should consider, among other things, the investment considerations relating to the Company and the Offer Shares and relating to investments in Poland which are not normally associated with other investments in other companies or other countries, including those set forth below.

Considerations Relating to the Company

Copper Price Volatility

The results of operations of the Company are very sensitive to the price of copper which has been highly volatile in recent years. The Company expects that copper prices will continue to be sensitive to world economic conditions and other factors beyond the control of the Company, including such conditions as: the worldwide and regional demand for, and supply of, copper; the availability and price of competing commodities; international economic trends; currency exchange fluctuations; expectations of inflation; actions of commodity markets participants; consumption and demand patterns and political events in major producing countries. Due primarily to a relatively high average copper price of $2,937 per tonne in 1995, the Company's unconsolidated revenues from sales of finished products increased by 30.9 per cent. (approximately 2.4 per cent. in real terms) over 1994, when the average price was $2,313 per tonne. However, in 1996, the average copper price for the year declined to $2,290 per tonne and the Company's unconsolidated revenues from sales of finished products declined by 4.1 per cent. (approximately 20.0 per cent. in real terms). See "The World Copper and Silver Markets – The World Copper Market" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Company believes that a copper price below $1,800 per tonne for a period greater than six months in the economic conditions of 1997 could have a material adverse effect on the Company.

Effects of Currency Devaluation and Polish Inflation on the Company's Results

Poland has experienced significant levels of inflation during recent years. However the Company's financial statements set forth herein, consistent with Polish AP, have not been adjusted for inflation. In addition, because the Company's financial statements are denominated in złoty while a substantial majority of the Company's sales are denominated in dollars, changes in the dollar/złoty exchange rate have significantly impacted the Company's reported revenues and profits. The złoty has declined significantly against the dollar in recent years, although the level of devaluation has not necessarily corresponded to the inflation rate in any year. The effects of inflation and devaluation complicates any review of the Company's financial statements and renders meaningful period-to-period comparisons of financial performance difficult. See "– Considerations Relating to Poland and Investments in Polish Companies – Inflation and Devaluation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Cost Reduction Programme

The Company's costs of copper production are higher than the world average. The Company believes that its high costs are mainly due to the depth of the Company's mines (600 to 1,150 metres below ground level), high energy and fuel costs, current manning levels and high environmental costs. The Company believes that in order to remain competitive in the world market, it must reduce its costs significantly. The Company is currently implementing a cost-reduction programme which is designed to lower the Company's cost of producing copper cathodes toward current average world levels. See "Business – Business Strategy". The Mining Engineers' Report states that, in the judgement of the Mining Engineers, sustained reductions in unit mining cost of the magnitude forecast by the Company will be difficult to achieve. Accordingly, there can be no assurance that the Company will achieve the goals of its cost-reduction programme. If this programme is not fully successful and if current copper price conditions decline, the profitability of the Company could be adversely affected.

Prognoses

The Prognoses set forth in Appendix B to this Offering Circular have been prepared for the purposes of the domestic prospectus in accordance with the regulations applicable to the Polish Public Offering. The Prognoses were not intended to, and do not, comply with the published guidelines of the Institute of Chartered Accountants in England and Wales or of the U.S. Securities and Exchange Commission or the American Institute of Certified Public Accountants regarding projections or forecasts, or IAS, or U.S. GAAP. Actual future conditions, including the Company's income and expenses, copper and silver prices, inflation and other matters may vary substantially from the Macroeconomic Assumptions and Business Assumptions used in the Prognoses, in terms of both amount and timing, and therefore actual results may vary materially from the Prognoses. No representation, express or implied, is made as to the reasonableness of the Macroeconomic Assumptions and

Business Assumptions or the Prognoses, and none of the Managers assume any responsibility for the Prognoses. Under no circumstances should the inclusion of the possible financial results in the Prognoses be regarded as a representation or warranty that the Company will achieve or is likely to achieve any particular results. Potential investors and their professional advisers should make their own assessment of the Macroeconomic Assumptions and Business Assumptions underlying the Prognoses.

Reserves

Estimates of the Company's reserves are set out in the Mining Engineers' Report included in this Offering Circular. The accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretations and judgement. In addition, the accuracy of reserve estimates is dependent upon certain macro-economic assumptions (including, among other things, copper and silver prices, exchange rates, government policy, taxation and the level of interest rates), which may be affected by a number of factors that cannot be foreseen at this time. As explained in the Mining Engineers' Report the estimated reserves have been calculated using cut-off grade criteria developed in 1994 on the basis of 1993 costs. The Company has no present intention of updating the cut-off grade criteria. The cut-off grade is the lowest grade of ore it is considered economic to extract. The Company's mining costs have increased substantially in dollar terms since 1993. Accordingly, the reserve estimates contained herein may be overstated. The Mining Engineers' Report states that, in the judgement of the Mining Engineers, the extent of this overstatement should not exceed approximately 15 per cent. of the reserve estimates. However, at the same time the material remaining in the reserves will be of higher average grade than that currently reported. In addition, any future changes in prices and costs will alter the Company's economically extractable reserves. The Mining Engineers' Report should not be treated as a projection or forecast made by the Company, the Selling Shareholder, the Mining Engineers, the Managers or their affiliates or representatives. Potential investors and their professional advisers should make their own assessment of the assumptions underlying the Mining Engineers' Report.

Operational Constraints

The Company's production process at the Legnica and Głogów I metallurgical plants depends upon obtaining sufficient supplies of sulphite liquor, a by-product of the paper-making industry, which is used during the smelting of concentrate in the Company's shaft furnaces (which account for approximately 70 per cent. of the Company's smelter capacity). In recent years the availability of sulphite liquor has been steadily decreasing. There are no suppliers of sulphite liquor in Poland and the Company's ability to obtain sulphite liquor from outside Poland is subject to the relevant subsidiary of the Company being able to obtain a permit from the Polish Government, as it is deemed to be an importation of a waste product. Furthermore, a major low-cost foreign supplier of sulphite liquor to the Company is changing its paper-making process in 1998 and, as a result, will no longer produce sulphite liquor as a by-product. However, the Company has not experienced any delays in production due to insufficient sulphite liquor supplies in the past and the Company believes that it will be able to obtain sufficient supplies of sulphite liquor for its planned operations until at least 2000. The Company is currently investigating whether substitute products could be used economically beyond the year 2000. If such products are not identified by the Company by this time, the Company may be compelled to purchase more expensive products, which could increase production costs.

The Company's operations also depend upon selling or disposing of the sulphuric acid produced from gases from the smelters containing sulphur dioxide. In addition, the Company expects its sulphuric acid production to increase beyond current levels if the Company increases copper production as planned. For distribution purposes, the Company maintains a fourteen-day storage capacity for sulphuric acid on site. Currently over 50 per cent. of the sulphuric acid produced by the Company is sold to a single customer in Poland. The primary consumers of sulphuric acid are chemical fertiliser producers which causes seasonality in sales. The Company is currently exploring possibilities for the economic utilisation of sulphuric acid in its operations.

Although the Company has never had to reduce or interrupt its production due to the inability to obtain sulphite liquor supplies or sell or dispose of sulphuric acid, there can be no assurance that the Company's production will not be affected by any such occurrence in the future.

Hedging

The Company engaged in strategic hedging transactions to a limited extent in 1994, when it hedged approximately 9 per cent. of its 1994 copper production, which resulted in a loss of approximately PLN 16.7 million. Since 1994, the Company has not used strategic hedging for sales of copper and silver and, as such, is fully exposed to the price risk on the London Metal Exchange or the London Bullion Market. The Company believes that strategic hedging can be a useful tool and intends to use the mechanisms of the futures market in order to manage copper and silver price risk. The parameters of specific transactions, tonnages, fulfilment dates and other terms and conditions will depend on the situation in the metals markets as well as hedging-related costs. The Company will consider entering into such transactions on an ongoing basis, depending on whether the above parameters are met. However, no assurances can be given as to whether, when, or at what prices or cost the Company will enter into hedging transactions and whether the Company's hedging activities will protect the Company against adverse price movements. Although hedging transactions can reduce the Company's exposure to copper and silver price volatility, the effect of hedging transactions could be (as in the case of 1994) to eliminate or limit to some extent revenues that the Company could otherwise receive as a result of increases in the price of copper or silver.

Mining and Refining Risks

The Company's business operations are subject to risks and hazards inherent in the mining industries, including rock bursts, industrial accidents (including major events such as mine or tailings enclosure collapses) and equipment failures, fires and flooding. The Company's continuity of production can also be affected by extreme weather conditions or natural disasters. In addition, as the Company continues to excavate deposits at greater depths, the Company believes that the risk of rock bursts may increase. Such risks could result in personal injury or fatality, or damage to, or destruction of, mining properties, milling or refining facilities or equipment, environmental damage, delays in mining or metals production, monetary losses and possible legal liability. In the past, none of the above events have had any material adverse effect on the business or results of operations of the Company. The Company self-insures for certain of these risks through its insurance subsidiary which, in turn, reinsures most of these risks with an external insurer. In common with other mining companies, the Company does not maintain external insurance for many mining related risks such as rock bursts. Accordingly, if any significant event were to occur, it could have a material adverse affect on the business or results of operations of the Company.

Mining Concessions

In 1994, when the Mining Act was enacted, the Ministry of Environmental Protection, Natural Resources and Forestry of Poland ("MEP") was required to issue supplementary concessions to the original concessions granted previously to the Company. Two local governmental authorities in Poland (each a "gmina") are challenging in the Polish Supreme Administrative Court the validity of supplementary concessions issued to the Company on the basis that decisions of the relevant gmina were required prior to the issuance of any new concession. While the MEP is contesting this claim on behalf of the Company, there can be no assurance that the MEP will prevail in such action. As a consequence, the Company may be required to obtain decisions of the two gminas which could result in additional costs to the Company.

Royalties under each of the Company's concessions, which have been set by the Council of Ministers decree, dated 23rd August, 1994 (the "Decree"), are payable by the Company at a rate of 3 per cent. of the value of processed minerals produced. The royalty fee can be increased or decreased by up to 50 per cent. at the discretion of the MEP to reflect changes in mining conditions, or the costs of prevention or remediation work relating to surface subsidence. The Company has historically obtained discounts of 35 per cent. to 50 per cent. from the standard rate. However, because this discount is discretionary and is reviewed quarterly by the MEP, there can be no assurance that these discounts will continue. In addition, the Company calculates royalties payable based on its internal price of producing copper concentrate (the "pricing mechanism"). Although the MEP has approved the pricing mechanism and has rejected appeals of certain gminas to change the pricing mechanism, there can be no assurance that the MEP will not require a different, more costly method in the future. See "Business – Polish Regulation and Environmental Matters – Regulation of Mining Activities".

Environmental and Other Governmental Regulatory Matters

The Company's exploration, mining, smelting and refining activities are subject to Polish laws and regulations, including environmental laws and regulations. Historically, certain divisions of the Company were large sources of pollution in Poland. As a result, the Company began an intensive environmental clean-up programme in the 1980s. During this period, the Company expended significant resources, both financial and managerial, to comply with environmental protection laws, regulations and permit requirements. Although pollution levels have been substantially reduced, the Company remains a significant source of pollution. The Company pays environmental fees for gaseous emissions, liquid effluent discharges, water use and solid waste disposal or storage (principally tailings) at statutory rates based on the volume of the emissions, discharges and waste and the quantity of water used. In 1994, 1995 and 1996, the aggregate amount of environmental fees paid by the Company was approximately PLN 70 million, PLN 88 million and PLN 110 million, respectively. In addition, the Company can be assessed penalties for emissions, discharges, waste and water use above permitted levels. As of the date of this Offering Circular, the Company has been assessed approximately PLN 67 million in penalties for the period from 1991 to 1995 (inclusive). Substantially all of these penalties have been incurred as a result of excess sulphur dioxide emissions from the Głogów I metallurgical plant. Additional penalties may be assessed for 1996 and 1997 with respect to the plant. However, pursuant to the Environmental Protection Act of 31st January, 1980, as amended (the "Environment Act"), the Company is able in certain circumstances to suspend payment of these penalties for up to five years from the date of assessment, if the Company demonstrates that it is implementing measures to eliminate the cause of the related fine. If the Company eliminates the cause of the related fine, the related penalty will be cancelled up to the amount expended to reduce the level of emissions, discharges, waste or water usage. The Company is constructing a desulphurisation plant at the Głogów I metallurgical plant, which is currently scheduled for completion on or before 15th November, 1997. The Company believes that the plant will be completed by such time. If the Company does not complete the plant by this time, it will be required to pay all the suspended penalties which have been assessed with respect to the plant and will be required to pay, upon the determination of such amounts by the environmental authorities, any penalties which may be assessed for violations in 1996 and 1997 (prior to the completion of the plant). However, if the plant is completed on time all outstanding penalties will be cancelled. The Company has budgeted $140 million to improve its environmental performance and reduce environmental penalties over the next five years. See "Business – Business Strategy". Additional environmental protection laws, regulations and enforcement policies thereunder may be enacted over time in Poland which could have the effect of significantly increasing the Company's environmental costs. See "Business – Polish Regulation and Environmental Matters – Environmental Matters".

Labour Matters

At 31st December, 1996 approximately 59 per cent. of the Company's employees were members of eight main labour unions. In the past five years, the Company has experienced only one major work stoppage which occurred in 1992 when there was a thirty-two day strike. Following the strike, the Management Board was removed from office. Periodically, the Company negotiates collective bargaining agreements over compensation with the Company's labour unions, which frequently result in the formal declaration of a labour dispute. However, in the past five years, none of these disputes has resulted in work stoppages or other interruptions to production. In 1996, the labour unions expressed dissatisfaction with respect to the Company's Restructuring Plan, which involves the separation of the Company's non-strategic businesses from the Company's core mining and smelting businesses. See "Business – Restructuring Plan". In such instances, the employees of these non-strategic businesses who were previously covered by the Company's labour agreements will cease to be so after one year following the separation, and will not be entitled to the salary and benefit packages associated therewith. The Company is implementing three-year employment guarantees and a one-year guarantee of salary for each employee at certain of the newly-formed subsidiaries (the "Employment Guarantee System"). The Company's annual salary negotiations for 1997 have been settled at a 17 per cent. increase in average remuneration for the Company's employees. This will be effected by two phased salary increases (thereby approximating the expected rate of Polish inflation in 1997). Given the continuing high level of union membership among the Company's employees, there can be no assurance that there will not be further labour disputes or disruptions at the Company regarding compensation and other issues in the future. See "Management and Employees – Employee Matters – Employees and Labour Relations".

Geographic Concentration of Operations

Substantially all the Company's revenues are derived from its mining, smelting and refining operations all of which are located within a 50 km radius of the town of Lubin in southwest Poland. If operations at any of these locations were reduced, interrupted or curtailed due to a natural calamity, political unrest or general economic conditions, the Company's ability to generate revenues and profits would be materially and adversely affected. For a description of general economic and political conditions in Poland, see "The Republic of Poland".

Reprivatisation Claims

Certain persons have made claims in Poland asserting rights to property taken over by the Polish state between 1944 and 1962. Currently, in order to pursue a claim, an aggrieved individual may only appeal the decision on the takeover of the property in question to the responsible governmental authorities. Each governmental authority has one or more administrative procedures in place to review and resolve any claim. Administrative decisions can be appealed to the supreme administrative court in Poland. There is a bill pending before Parliament which proposes to provide restitution for aggrieved individuals not only in the form of the property in question, but also in the form of securities (State Treasury bonds or shares in privatised companies) as compensation. With the exception of one claim relating to a property which is not material to the Company's operations, no governmental authority has advised the Company to date of any formal title claim or award that would include the Company's properties and the Company is not aware of any grounds for any claim. There is, however, no assurance that future claims will not be made. If the Company is forced to return any property, although the Company has the right to, and intends to apply for, compensation from the State Treasury, there can be no assurance that the Company would receive adequate compensation, if any, for the property lost.

Considerations Relating to the Offer Shares and GDRs

Continuing Control by the Selling Shareholder; Exposure to the Polish Government

After the Global Offering, at least 52.5 per cent. (or at least 49 per cent. if the over-allotment option is exercised in full) of the outstanding Shares of the Company will continue to be owned by the Selling Shareholder. The Selling Shareholder will thus continue effectively to have the power to elect a majority of the members of the Company's Supervisory Board, who have substantial involvement in the day-to-day activities of the Company (including the appointment of members of the Management Board), and to have a significant influence on all matters to be decided by a vote of shareholders (including resolutions relating to certain amendments to the Company's Statutes, the payment of dividends and the remuneration of the members of the Management Board). The Selling Shareholder is an instrumentality of Poland and its decisions, intentions and actions may be heavily influenced by the political parties controlling the Polish Government. If the Polish Government were to utilise its position of influence over the Company to benefit itself or other industries or entities with which the Company conducts business, the financial condition or results of operations of the Company could be adversely affected. See "– Considerations Relating to Poland and Investments in Polish Companies – The Republic of Poland – Political and Economic Factors" and "The Selling Shareholder".

Restrictions on Acquisitions of Shares

Under the Law on Public Trading there are certain provisions which impose substantial restrictions on the purchase of controlling blocks of shares of Polish companies. See "Description of Shares – Law on Public Trading". Such restrictions apply to the Shares, including Shares in the form of GDRs, and could discourage potential acquisition proposals and could delay or prevent a change in control of the Company.

Effects of Employee Shares

Pursuant to the Privatisation Law, the Company will offer 30 million Shares (representing 15 per cent. of the total number of Shares of the Company) to eligible employees at no cost to them (the "Employee Shares"). The employees are not permitted to transfer the Employee Shares for a period of two years (other than the members of the Management Board who are not permitted to transfer the Employee Shares for a three year period) from the Closing Date. Although the Company can make no prediction as to the effect, if any, that such sales of Employee Shares by the Company's employees would have on the market price prevailing from time to time, sales of substantial amounts of Shares by the Company's employees following the expiration of the two-year lock-up period, could adversely affect prevailing market prices of the Shares and the GDRs. See "The Global Offering – Employee Shares". The Company is considering possible arrangements in order to mitigate the possible adverse effects on the market price resulting from the disposal of substantial amounts of Shares by the Company's employees. However, there can be no assurance that any such arrangements will be adopted or, if adopted, that they will mitigate any adverse impact on the market prices of the Shares and the GDRs following the expiration of the two-year lock-up period.

No Prior Market for the GDRs or Shares

Prior to the Global Offering, there has been no public market for the Shares or the GDRs within or outside Poland. The initial offering price is determined by the Selling Shareholder after consultation with the Joint Global Coordinators in conjunction with the manager of the Polish Public Offering. Due to the absence of any prior market for the Shares and GDRs, there can be no assurance that the initial offering price will correspond to the price at which the Shares and the GDRs will trade in the market subsequent to the Global Offering. The market price of the Shares and consequently the GDRs could be subject to significant fluctuations in response to many factors, including variations in the price of copper, silver and other minerals, the Company's operating results, developments in the Polish economy or in the economies of other countries or other factors. The Polish securities market is substantially less liquid than other major world markets, and thus the limited liquidity of the market for the Shares could increase the price volatility of GDRs and may impair the ability of a holder of a GDR to sell Shares withdrawn from a depositary receipt facility in the Polish market in the amount and at the price and time such holder wishes to do so. To control price volatility, the Warsaw Stock Exchange requires that, if the price of the shares of a particular company changes by 10 per cent. from the closing price of such shares at the end of the previous trading session, trading in such shares may be suspended until the next trading session. See "Polish Securities Market Information".

Possible Unavailability of Pre-emptive Rights for United States Holders of GDRs

In the case of an increase of the share capital of the Company, existing shareholders of the Company are entitled to pre-emptive rights pursuant to the Polish Commercial Code unless waived by a resolution of the shareholders holding four-fifths of votes cast at a meeting of shareholders as described under "Description of Shares – Meetings of Shareholders". To the extent that pre-emptive rights are granted, U.S. holders of the GDRs may not be able to exercise pre-emptive rights for Shares underlying their GDRs, unless a registration statement under the Securities Act is effective with respect to such rights, or an exemption from the registration requirements thereunder is available. The Company intends to evaluate at the time of any rights offering the costs and potential liabilities associated with any such registration statement, as well as the indirect benefits to it of thereby enabling the exercise by U.S. holders of the GDRs of the pre-emptive rights for Shares underlying their GDRs and any other factors the Company considers appropriate at the time, and then to make a decision as to whether to file such a registration statement. No assurance can by given that any registration statement would be filed in lieu of a sale by the Depositary of such holders' pre-emptive rights and a distribution of the proceeds thereof. See "Terms and Conditions of the Global Depositary Receipts".

Considerations Relating to Poland and Investments in Polish Companies

The Republic of Poland – Political and Economic Factors

The Company is organised under the laws of, and substantially all of its assets are located in, Poland. Consequently, the Company may be affected by Polish governmental policy and political and economic developments in or affecting Poland. In the late 1980s, following the success of the Solidarity movement, market reforms were introduced in Poland and the Polish government began a programme of political and economic reform which was designed, among other things, to establish a market economy through the privatisation of certain state owned enterprises.

Poland has, however, been subject to political uncertainty in recent years, as there have been a number of changes in governments or administrations since 1989. In 1993, members of the Social Democracy of the Republic of Poland ("SDRP") together with a number of individuals associated with labour unions and small left wing political parties (collectively, the "Democratic Left Alliance") formed a majority of the Sejm, the lower house of Parliament in Poland, after forming a coalition with the Polish Peasant Party ("PSL"). The coalition between the Democratic Left Alliance and the PSL still has the majority in the Sejm. However, new Parliamentary elections are scheduled to be held no later than September 1997 (the exact date has not yet been specified) and, as a result, the composition of the Parliament may change. Accordingly, there can be no assurance that the composition of the political parties forming a majority coalition in the Sejm will not change in the future, or that regulations or fiscal policies relating to or affecting taxation, interest rates, exchange rates or control or tariffs or other matters will not be implemented, which could have a material adverse effect on the Company, its business, liquidity or capital resources, financial condition, or prospects, or which could otherwise materially adversely affect the market price for the Shares or the GDRs. See "The Republic of Poland".

Inflation and Devaluation

The average annual rate of consumer price inflation in Poland has been significant in the past few years (32.2 per cent. in 1994, 27.8 per cent. in 1995 and 19.9 per cent. in 1996). The performance of the Polish economy and the securities markets, the business and financial position of the Company and the market value of the Shares and GDRs could be materially adversely affected if such levels of inflation in Poland continue.

In recent years, the złoty has been devalued significantly. This trend is expected to continue as inflation in Poland remains substantially higher than in most European countries. The NBP may alter the monthly "crawling peg" devaluation rate at any time and no assurance can be given about future NBP or Polish government currency policy. See "Foreign Exchange Rates". Fluctuations in the value of the złoty against the U.S. dollar may affect, among other things, the earnings, cash flow, dividends and net assets of the Company and the market value of the Shares and the GDRs, as expressed in such investor's currency. Such fluctuations may also affect the conversion into U.S. dollars by the Depositary of cash dividends and other distributions paid in złotys on the Shares represented by GDRs.

Legal System in Poland

Corporate, contract, property, insolvency, competition and securities and other laws and regulations in Poland have been substantially revised during Poland's transition to a market economy and the revision is continuing. The interpretation and procedural safeguards of the new legal and regulatory systems are still being developed and defined and existing laws and regulations may be applied inconsistently. In some circumstances, it may not be possible to obtain the legal remedies provided for under those laws and regulations in a reasonably timely manner.

In addition, the rights of the holders of Shares and GDRs under Polish corporate law, designed to protect their interests against actions by the Supervisory Board, the Management Board or the Company's other officers, are fewer and less well defined than under the laws of the United Kingdom or jurisdictions in the United States such as Delaware or New York.

Disclosure requirements under the securities laws of Poland that govern listed companies differ from those in the United Kingdom and the United States. In addition, although Polish law imposes criminal penalties for insider trading and price manipulation, the Polish securities markets are not as highly regulated and supervised as those in the United Kingdom or in the United States. See "Polish Securities Market Information".

Enforcement of Civil Liabilities

The Company is a Polish joint stock company *(spólka akcyjna)* and the Selling Shareholder is an instrumentality of Poland. All the Company's directors and executive officers and the representatives of the Selling Shareholder reside in Poland. All or a substantial portion of the assets of the Company and the Selling Shareholder are located in Poland. As a result, it may not be possible for investors in the International Offering in certain jurisdictions to effect service of process on the Company or its directors or officers or the Selling Shareholder in connection with any lawsuits against such entities related to the offering of the GDRs and in particular, within the United States upon such persons. Further, it may not be possible to enforce against the Company, the Selling Shareholder or such persons judgements obtained in the United States courts predicated upon the civil liability provisions of the Federal securities laws of the United States or judgements obtained in other investors' jurisdictions. The Company and the Managers have been advised by Clifford Chance, as Polish counsel to the Managers, that (a) enforcement in Poland of final judgements of foreign courts, is subject to, among other things, a Polish court's determination that (i) the defendant was not denied access to legal counsel or the right to defend himself in the original action, (ii) there is reciprocity in the foreign jurisdiction of enforcement of judgements obtained in Polish courts, (iii) in rendering the judgement in a case in which Polish law should have been applied under applicable conflict of law rules, Polish law has been actually applied, unless the foreign law applied in the case does not differ materially from applicable Polish law and (iv) the judgements would not (A) be contrary to Polish public policy, (B) conflict with any pending action or judgement of a Polish court on the same subject matter between the same parties or (C) infringe upon the exclusive jurisdiction of Polish or other foreign courts pursuant to Polish law or international treaty; and (b) original actions in Poland to enforce certain provisions of foreign securities laws and, in particular, the civil liability provisions of the Federal securities laws of the United States may not be permitted. In addition judgements of foreign courts are enforceable in Poland if a relevant bilateral treaty provides for such enforcement. There is at present no established reciprocity in relation to judgements concerning commercial contracts with the United States or most countries of the European Union. However, judgements rendered by courts of Italy and Greece are enforceable in Poland on the basis of existing bilateral treaties between Poland and such countries.

As of the date of this Offering Circular, the Company is wholly owned by the Selling Shareholder. The Selling Shareholder is an instrumentality of Poland, a sovereign state. Consequently, as a result of principles of sovereign immunity, it may be difficult for investors to obtain or realise upon judgements against the Company or the Selling Shareholder in certain jurisdictions, including the United States.