

**PROJECT: STOCZNIA GDYNIA S.A.**  
**BRIEF INFORMATION ON STOCZNIA GDYNIA S.A.**  
**JULY 11, 2007**

Name: **Stocznia Gdynia Spółka Akcyjna**

Address: ul. Czechosłowacka 3  
81-969 Gdynia  
Polska  
Tel. +48 58 627 70 00  
Fax + 48 58 621 90 43  
[www.stocznia.gdynia.pl](http://www.stocznia.gdynia.pl)

## 1 COMPANY OVERVIEW

The current Stocznia Gdynia (the "Gdynia Shipyard", the "Company") was initially established in 1922 as the "Spółka Stoczni Gdynia – Towarzystwo z Ograniczoną Poręką" (the "Gdynia Shipyard Company – Society with Limited Guarantee"). Since 1950, the Stocznia Gdynia was known under the name of the "Stocznia im. Komuny Paryskiej" (the "Komuna Paryska Shipyard"), then - a state-owned company, and since 1991 – the Stocznia Gdynia operates as joint stock company.

Nowadays, the Stocznia Gdynia is the biggest shipyard in Poland and one of the biggest in Europe. Since the beginning of its activity as a ship producer, Stocznia Gdynia, has built 632 vessels of different profiles, with a total capacity exceeding nine million tons and aggregate tonnage close to 10 million DWT (9 997 795 DWT).

The shareholder structure is diversified, as presented below:

Tab. 1 Shareholder structure on 30 June 2007

Shareholder	Share in capital	Share in votes
State Treasury	33,0%	35,878%
Ray Car Carriers Ltd.	16,6%	22,518%
Korporacja Polskie Stocznie S.A.	10,1%	6,877%
Agencja Rozwoju Przemysłu S.A.	10,0%	13,514%
Stoczniowy Fundusz Inwestycyjny S.A.	7,5%	5,067%

The remaining shareholders (natural and legal persons) hold less than 5% of voting rights and share capital. State Treasury with its subsidiaries (Korporacja Polskie Stocznie SA and Agencja Rozwoju Przemysłu SA) hold shares representing 53,10% of capital and 56,27% of voting rights.

On 5 July 2007, the General Meeting of Company's Shareholders adopted a resolution authorizing the share capital increase in the Company, via issuance of new shares, to be subscribed for by the State Treasury. After the anticipated registration of the share capital increase, the shareholder structure shall be the following:

Tab. 2 Shareholder structure after the share capital increase is registered:

Shareholder	Share in capital	Share in votes
State Treasury	70,65 %	76,60 %
Ray Car Carriers Ltd.	7,27 %	8,22 %
Korporacja Polskie Stocznie S.A.	4,44 %	2,51 %
Agencja Rozwoju Przemysłu S.A.	4,37 %	4,93 %
Stoczniowy Fundusz Inwestycyjny S.A.	3,27 %	1,85 %

After the anticipated registration of the share capital increase, State Treasury with its subsidiaries (Korporacja Polskie Stocznie SA and Agencja Rozwoju Przemysłu SA) will hold shares representing 79,46% of capital and 84,04% of voting rights.

The Stocznia Gdynia is the shareholder in the Stocznia Gdańsk, a smaller Polish shipyard, since 1998. The Stocznia Gdańsk shares held by the Stocznia Gdynia are now on sale and the sale process is expected to be finished by the end of 2007. On 30 June 2007 Stocznia Gdynia SA held shares of Stocznia Gdańsk SA represented 20% of voting rights and capital.

## 2 OPERATING AND FINANCIAL RESULTS<sup>1</sup>

As of the end of 2006, total assets of the Company amounted to 1 109,9 million PLN (357,7 million USD), whereby revenues equaled to 1 259,3 million PLN (405,9 million USD).

In 2006 Stocznia Gdynia S.A. sold 11 vessels worth 1 768,81 million PLN (570,1 million USD) of tonnage of 309 855 CGT and dead weight of 381 744 DWT.

Construction of 9 vessels was launched in 2006 (7 vessels in Stocznia Gdynia S.A. and 2 vessels in Stocznia Gdańsk S.A.).

Tab. 3 Company sales:

	2003	2004	2005	2006
Number of vessels handed over to carriers	4	9	10	11
Sales				
in million PLN	634	1 327	1 414	1 768
in million USD	163	363	437	570

The present orderbook (on 31 January 2007) of the Company covers 29 vessels with the total value of approximately 1 266 million USD + 20 million EUR to be built by the end of 2009.

## 3 PRODUCTS

The Gdynia Shipyard's main activity is vessel construction. At present, the Company's production concentrates mainly on Ro-Ro car carriers and container carriers. In recent years, the Company also built product carriers, bulk carriers, crude oil carriers and multipurpose cargo ships, and vessels for carrying special cargo.

The Gdynia Shipyard offers the following types of vessels:

- containers (from 1 100 to 5 000 TEU),
- product and chemical carriers (from 10000 to 35 000 DWT),
- crude oil tankers (from 74000 to 105 000 DWT),
- bulk carriers (from 7500 to 165 000 DWT),
- multipurpose cargo ships (from 15 000 to 40 000 DWT),
- LPG carriers (with a capacity from 55 000 to 78 500 cubic meters),
- RO-RO car carriers (load capacity from 2 100 to 6 000 cars),
- RO-PAX vessels.

<sup>1</sup> Yearly average rates: 2003:1USD=3,8889PLN; 2004:1USD=3,6540PLN; 2005:1USD=3,2348PLN; 2006:1USD=3,1025PLN;

#### **4 FACILITIES**

The Gdynia Shipyard possess the following facilities:

- 2 dry docks:
  - SD I, with an area of 9 600 m<sup>2</sup>; dimensions of 240m x 40m; depth from water surface: 8m; adjusted to assemble ships up to 120 000 DWT,
  - SD II, with an area of 26 665 m<sup>2</sup>; dimensions of 389m x 70m; depth from water surface: 8m; adjusted to assemble ships up to 400 000 DWT.
- outfitting quays with a total length of 2 163 m,
- assembly yards with a total area of 91 773 m<sup>2</sup>,
- warehouses with a total area of 27 655 m<sup>2</sup>,
- stacking yards with a total area of 189 500 m<sup>2</sup>.

In the area of technological equipment, the Company uses:

- full line for sheet initial treatment and priming
- 4 machines for rectilinear sheet cutting,
- 7 machines for curvilinear sheet cutting, including two for cutting underwater using plasma,
- 2 000 t rollers and a line for production of flat sections,
- cranes:
  - 131 overhead cranes, including gantry cranes capable of lifting and moving loads up to 1000 tons and 500 tons, which constitute the part of the dry docks equipment,
  - 51 cranes, including 5 with lifting capacity of 150 tons, and 5 with lower lifting capacity, being the equipment of dry docks
  - floating crane of lifting capacity of 100 tons.

#### **5 EMPLOYMENT**

As of the end of 2006, the Stocznia Gdynia's employment amounted to 5 032 persons, including 3 301 direct manufacturing workers.

#### **6 DESCRIPTION OF THE STOCZNIA GDYNIA SA CAPITAL GROUP**

For eight years Stocznia Gdynia has co-created a Capital Group, consisting of subsidiaries, as well as of associated companies. Currently, the Company owns shares in share capitals of 17 companies. Among them, ten participate in the production process of the Company, and their activity is conditional to a large extent on orders received from Stocznia Gdynia or other members of the Capital Group.

#### **7 STRENGTHS OF THE COMPANY**

- Longtime history of activities, and excellent opinion of customers on quality of constructed vessels, certified by ISO 9001,
- Strong position on the containers' and RO-RO car carriers' construction market,
- Significant experience in construction of other types of vessels,
- Flexibility in orders' completion and willingness to accept customized works,
- Location in the centre of the European ship construction market.