

Pricing Supplement dated 31 January 2006

**The State Treasury of The Republic of Poland**  
**represented by**  
**The Minister of Finance**  
Issue of EUR 3,000,000,000 3.625 per cent. Notes due 2016  
under the Euro 20,000,000,000  
**Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 9 March 2005. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

- |     |   |  |
|-----|---|--|
| 1.  | Issuer:   | The State Treasury of The Republic of Poland<br>represented by The Minister of Finance |
| 2.  | (i) Series Number:  | 14   |
|     | (ii) Tranche Number:  | 1  |
| 3.  | Specified Currency or Currencies:   | Euro (" <b>EUR</b> ")  |
| 4.  | Aggregate Nominal Amount:   |  |
|     | (i) Series:   | EUR 3,000,000,000  |
|     | (ii) Tranche:   | EUR 3,000,000,000  |
| 5.  | (i) Issue Price:  | 99.383 per cent. of the Aggregate Nominal<br>Amount                                    |
|     | (ii) Net proceeds:  | EUR 2,980,290,000  |
| 6.  | Specified Denominations:  | EUR 1,000, EUR 10,000 and EUR 100,000  |
| 7.  | (i) Issue Date:   | 1 February 2006  |
|     | (ii) Interest Commencement<br>Date (if different from the<br>Issue Date): | Not Applicable   |
| 8.  | Maturity Date:  | 1 February 2016  |
| 9.  | Interest Basis:   | 3.625 per cent. Fixed Rate   |
| 10. | Redemption/Payment Basis:   | Redemption at par  |
| 11. | Change of Interest or<br>Redemption/Payment Basis:                        | Not Applicable   |

Redemption/Payment Basis:

- |     |                         |   |
|-----|-------------------------|---|
| 12. | Put/Call Options:       | Not Applicable  |
| 13. | Status of the Notes:    | Senior  |
| 14. | Listing:                | Application has been made for the Notes to be listed on the regulated market of the Luxembourg Stock Exchange |
| 15. | Method of distribution: | Syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |   |  |
|-----|---|--|
| 16. | <b>Fixed Rate Note Provisions</b>   | Applicable   |
|     | (i) Rate of Interest:   | 3.625 per cent. per annum payable annually in arrear   |
|     | (ii) Interest Payment Date(s):  | 1 February in each year from and including 1 February 2007 up to and including the Maturity Date   |
|     | (iii) Fixed Coupon Amount(s):   | EUR 36.25 per Note of EUR 1,000 Specified Denomination, EUR 362.50 per Note of EUR 10,000 Specified Denomination and EUR 3,625.00 per Note of EUR 100,000 Specified Denomination |
|     | (iv) Broken Amount(s):  | Not Applicable   |
|     | (v) Day Count Fraction:   | Actual/Actual (ICMA)   |
|     | (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable   |
| 17. | <b>Floating Rate Note Provisions:</b>   | Not Applicable   |
| 18. | <b>Zero Coupon Note Provisions:</b>   | Not Applicable   |
| 19. | <b>Index-Linked Interest Note Provisions:</b>   | Not Applicable   |
| 20. | <b>Dual Currency Note Provisions:</b>   | Not Applicable   |

**PROVISIONS RELATING TO REDEMPTION**

- |     |                     |                |
|-----|---------------------|----------------|
| 21. | <b>Call Option:</b> | Not Applicable |
| 22. | <b>Put Option:</b>  | Not Applicable |

23. **Final Redemption Amount of each Note:** Par
24. **Early Redemption Amount:** Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. **Form of Notes:** Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
26. **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** Not Applicable
27. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** No
28. **Details relating to partly paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Republic to forfeit the Notes and interest due on late payment:** Not Applicable
29. **Details relating to instalment Notes: amount of each instalment, date on which each payment is to be made:** Not Applicable
30. **Redenomination, renominalisation and reconventioning provisions:** Not Applicable
31. **Consolidation provisions:** The provisions in Condition 18 (*Further Issues*) apply
32. **Other terms or special conditions:** See Annex 2 to this Pricing Supplement

#### DISTRIBUTION

33. (i) **If syndicated, names of Managers:** Credit Suisse Securities (Europe) Limited  
Deutsche Bank AG, London Branch  
J.P. Morgan Securities Ltd.  
Alpha Bank  
Banca Nazionale del Lavoro SpA  
Bank Pekao S.A.

IXIS Corporate & Investment Bank  
 DEPFA BANK plc  
 Dexia Banque Internationale à Luxembourg,  
 société anonyme acting under the name of  
 Dexia Capital Markets  
 DZ BANK AG Deutsche Zentral-  
 Genossenschaftsbank, Frankfurt am Main  
 EFG Eurobank Ergasias S.A.  
 Eurohypo Aktiengesellschaft  
 Fortis Bank nv-sa  
 Landesbank Hessen-Thüringen  
 PKO Bank Polski S.A.  
 Raiffeisen Zentralbank Österreich  
 Aktiengesellschaft  
 Skandinaviska Enskilda Banken AB (publ)  
 Deutsche Bank AG, London Branch

(ii) Stabilising Manager (if any):

In connection with the issue of the Notes, the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the Aggregate Nominal Amount) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes

34. If non-syndicated, name of Dealer: Not Applicable
35. TEFRA: The D Rules are applicable
36. Additional selling restrictions: The text of the selling restriction in respect of the Republic of Poland contained in the section "Subscription and Sale" on page 91 of the Offering Circular dated 9 March 2005 is replaced by the text contained in Annex 1 to this Pricing Supplement

## **OPERATIONAL INFORMATION**

37. ISIN Code: XS0242491230
38. Common Code: 024249123
39. Any clearing system(s) other than Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V. and the relevant identification number(s): Not Applicable
40. Delivery: Delivery against payment
41. Additional Paying Agent(s) (if any): Not Applicable

## **LISTING APPLICATION**

This Pricing Supplement comprises the final terms required for the Notes described herein pursuant to the Euro 20,000,000,000 Euro Medium Term Note Programme of The State Treasury of The Republic of Poland represented by The Minister of Finance.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

## **ENGLISH VERSION BINDING**

This document has been executed in both the Polish and the English language. The parties agree, as contemplated by Article 8.2 of the Act on Polish Language dated 7 October 1999, that the English language version of this document will be the binding version for the purposes of its construction. Accordingly, if there are any discrepancies between the Polish language version and the English language version of this document, the English language version will prevail.

Signed on behalf of the State Treasury of the Republic of Poland represented by the Minister of Finance

Upon authorisation of the Minister of Finance  
Cezary Mech, Undersecretary of State in the Ministry of Finance

By:

Duly authorised

## ANNEX 1

### SELLING RESTRICTION - REPUBLIC OF POLAND

Each Dealer has represented and agreed that it has not made and will not make an offer of Notes to the public in Poland except that it may make an offer of Notes to the public in Poland if the Republic makes available to the public a document setting out detailed terms and conditions of the Notes and in which the Republic indicates that the Notes will be offered in a public offering, and if the Republic has provided the Polish Securities Commission with this document prior to the day the subscription begins.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in Poland means an offer of securities to the public as defined by the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to the Organised Trading and Public Companies dated 29 July 2005 (Journal of Laws 2005, no. 184, pos. 1539): any communication in any form and by any means - made within the territory of Poland and addressed to at least 100 persons or to an unspecified addressee - which contains sufficient information on the securities to be offered and the terms and conditions of their acquisition, so as to enable an investor to decide to purchase those securities.

## ANNEX 2

### RECENT DEVELOPMENTS

The Offering Circular is hereby supplemented by the inclusion of the following:

#### **"Recent Developments"**

##### **1. Upgrade in ratings**

22 March 2005 – Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc., revised its outlook on Poland to "positive" from "stable". At the same time, the "BBB+" long-term and "A-2" short-term foreign currency, and the "A-" long-term and "A-2" short-term local currency ratings on Poland were affirmed.

23 March 2005 – Fitch Ratings Ltd. revised the outlook on the Republic of Poland's long-term foreign currency (LTFC) rating to Positive from Stable, and affirmed the rating at "BBB+". The agency has also affirmed the long-term local currency rating at "A" with Stable Outlook. At the same time, the short-term rating and the country ceiling are affirmed at "F2" and "A" respectively.

##### **2. Paris Club – debt repayment**

In March, May and July 2005 - the Polish government reached agreements with part of the Paris Club of creditor nations for the early repayment of €4.5bn of Polish debt, repaid on 31 March 2005, 12 and 13 May and 15 July, 2005.

The repayment of debt incurred by the 1970s-era communist government amounts to 39 per cent. of Poland's €11.4bn outstanding total. The early repayment covers debt with Germany, United Kingdom, US, Switzerland, the Netherlands, Sweden, Denmark, Spain, Finland and a partial repayment to Canada.

##### **3. Cut in interest rates by the Monetary Policy Council**

31 August 2005 – The Monetary Policy Council decided to reduce the NBP interest rates to the level of:

- reference rate 4.5 per cent. on an annual basis;
- lombard rate 6.0 per cent. on an annual basis;
- deposit rate 3.0 per cent. on an annual basis; and
- rediscount rate 4.75 per cent. on an annual basis.

The resolution of the MPC came into force as of 1 September 2005.

##### **4. Parliamentary and Presidential elections**

#### *Current Government and Politics*

The most recent Parliamentary elections were held on 25 September 2005. Following these elections, the Law and Justice party (PiS) and the Civic Platform party (PO), both right-of-center parties, received 26.99 per cent. and 24.14 per cent. of the vote, respectively. PiS and PO respectively won 33.7 and 28.9 per cent. of the seats in the Sejm and 49.0 and 34.0 per cent. of seats in the Senate. PiS is a conservative party which favors tax breaks and greater investment in welfare services. PO is a party of mainly market-oriented, liberal groups of businessmen and other professionals.

The main opposition parties are the left wing Samoobrona "Self-Defense" party (farmer-based) and the left-wing Democratic Left Alliance (SLD). They respectively won 12.2 and 12.0 per cent. of the seats in the Sejm. Euro-sceptic groups are represented in the Polish Families League (LPR) and the Polish Peasants' Party (PSL).

The following table shows a breakdown of the distribution of seats in the Sejm (by party) and the Senate (by caucus) as of 23 January 2006:

<u>Sejm</u>	<u>Seats</u>
Law and Justice (PiS)	155
Civic Platform (PO)	132
Self-Defense (Samoobrona)	56
Democratic Left Alliance (SLD)	55
Polish Families League (LPR)	32
Polish Peasants' Party (PSL)	25
Unaffiliated	5
<b>Total</b>	<b>460</b>

<u>Senate</u>	<u>Seats</u>
Law and Justice (PiS)	48
Civic Platform (PO)	34
Polish Families League (LPR)	7
Self-Defense (Samoobrona)	3
Polish Peasants' Party (PSL)	2
New Senate 2005	1
Independent candidates	5
<b>Total</b>	<b>100</b>

Local elections are scheduled for the second half of 2006.

Presidential elections were held on 9 October 2005 (first round) and on 23 October 2005 (second round). Lech Kaczynski of the PiS received the most votes in the second round of the presidential elections, with 54.04 per cent. of the vote. He beat Donald Tusk of the Civic Platform (*Platforma Obywatelska*) who received 45.96 per cent. of the vote. Lech Kaczynski assumed office of the President on 23 December 2005."