

**CONSOLIDATED
ANNUAL REPORT
OF BORYSZEW CAPITAL GROUP
FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2013**





STATEMENT OF COMPREHENSIVE INCOME

	01.01.2013 - 31.12. 2013	01.01.2012 - 31.12. 2012
Continuing operations		
Revenue from sales of products	4 129 534	4 338 181
Revenue from sales of goods and materials	706 735	543 006
Total revenue from sales	4 836 269	4 881 187
Cost of products sold	3 797 017	3 927 892
Value of goods and materials sold	624 048	522 991
Cost of products, goods and materials sold	4 421 065	4 450 883
Gross profit (loss) on sales	415 204	430 304
Selling expenses	121 226	109 838
General and administrative expenses	199 077	203 254
Other operating revenue	36 128	46 015
Other operating expenses	42 735	28 935
Operating profit (loss)	88 294	134 292
Financial revenue	26 933	38 817
Financial expenses	75 119	74 032
Financial operations result	-48 186	-35 215
Profit (loss) before tax	40 108	99 077
Income tax	5 855	15 215
Net profit (loss) from continuing operations	34 253	83 862
Discontinued operations	20 699	-22 848
Net profit (loss) from continuing and discontinued operations, attributable to:	54 952	61 014
Equity holders of the parent	10 130	39 278
Minority shareholders	44 822	21 736
Profit/loss per 1 share		
Net profit (loss) attributable to equity holders of the parent (in PLN)	10 130	39 278
No of shares entitled to dividend	203 671 570	2 132 715 692
Profit per 1 share (in PLN)	0,05	0,02
Weighted average number of shares	204 927 618	2 174 789 891
Diluted earnings (loss) per 1 share (in PLN)	0,05	0,02



STATEMENT OF COMPREHENSIVE INCOME – cont.

	01.01.2013 - 31.12. 2013	01.01.2012 - 31.12. 2012
Income recognized in capitals		
Other income recognized in capitals, which may be transferred to profit and loss account		
Exchange rates differences from foreign operations	18 111	-16 159
Financial assets available to sell (stakes and shares)	-893	199
Hedging accounting	-4 178	2 669
Income tax from elements of other incomes, total (+/-)	964	510
Profits recognized in capitals, not to be tclassified on the financial result		
Profit/loss from revaluation of fringe benefits	547	0
Income tax from total income, not to be classified on the result (+/-)	-104	
Total other incomes after taxation:	14 447	-12 781
<i>Equity holders of the parent</i>	16 014	-12 627
<i>Minority shareholders</i>	-1 567	-154
Total other incomes, attributable to:	69 399	48 233
<i>Equity holders of the parent</i>	26 144	26 651
<i>Minority shareholders</i>	43 255	21 582



Boryszew Capital Group
Consolidated financial statement
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(All figures in thousands of PLN, unless stated otherwise)

DISCONTINUED OPERATIONS

	01.01.2013 - 31.12. 2013	01.01.2012 - 31.12. 2012
Revenue from sales of products	1 170	1 383
Revenue from sales of goods and materials	84	946
Total revenue from sales	1 254	2 329
Cost of sold products	1 173	1 392
Value of goods and materials sold	48	393
Cost of products, goods and materials sold	1 221	1 785
Gross profit (loss) on sales	33	544
Cost of sales	0	0
General and administrative expenses	258	436
Other operating income	39 253	5 532
Other operating costs	8 912	8 137
Operating profit (loss)	30 116	-2 497
Financial revenue	9	14
Financial expenses	7 129	21 025
Financial operations result	-7 120	-21 011
Profit (loss) before tax	22 996	-23 508
Income tax	2 297	-660
Net profit (loss) from continued operations, attributable to:	20 699	-22 848
<i>Equity holders of the parent</i>	6 068	-7 445
<i>Minority shareholders</i>	14 631	-15 403
Profit (loss) from discontinued operations		
Net profit (loss) (in PLN th.)	6 068	-7 445
Number of shares	203 671 570	2 132 715 692
Profit/loss per 1 shares (in PLN)	0,03	0,00



CONSOLIDATED BALANCE SHEET

ASSETS	As at 31.12.2013	As at 31.12.2012
Non-current assets		
Property, plant and equipment	1 038 738	978 619
Investment property	117 035	118 789
Goodwill	78 959	78 959
Intangible assets	17 564	19 867
Shares and stakes in controlled entities	26 348	23 156
Available-for-sale financial assets	60 736	9 027
Deferred tax assets	38 151	27 975
Receivables and other non-current assets	1 165	1 275
Other assets	17 356	16 021
Total non-current assets	1 396 052	1 273 688
Current assets		
Inventories	673 401	654 812
Trade and other receivables	655 323	690 124
Short-term available-for-sale financial assets	25 498	699
Derivative financial instruments	4 352	6 288
Income tax receivables	5 951	5 939
Other assets	34 237	18 641
Cash and cash equivalents	92 977	78 165
Total current assets	1 491 739	1 454 668
Assets classified as held-for-sale assets	33 405	20 712
Total assets	2 921 196	2 749 068



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(All figures in thousands of PLN, unless stated otherwise)

EQUITY AND LIABILITIES	As at 31.12.2013	As at 31.12.2012
Equity		
Share capital	228 906	234 807
Treasury shares	-89 978	-84 080
Supplementary capital due to issue of shares above their face value	24 435	24 435
Capital related to hedge accounting	-1 445	532
Capital due to revaluation of assets	329	771
Profit/loss from revaluation of fringe benefits	364	
Exchange differences on translation of controlled entities	8 298	-9 771
Retained earnings, including:	457 120	480 936
<i>Profit of the current year</i>	<i>10 130</i>	<i>39 278</i>
Total equity	628 029	647 630
Equity attributable to minority shareholders	581 430	533 834
Total equity	1 209 459	1 181 464
Long-term liabilities		
Bank credit and other liabilities due to external financing	184 657	162 797
Deferred tax provision	88 537	76 898
Liabilities due to fringe benefits	15 229	14 806
Other long-term provisions	7 416	10 355
Other liabilities	11 109	9 753
Total long-term liabilities and provisions	306 948	274 609
Short - term liabilities		
Bank credit and other liabilities due to external financing	765 245	640 545
Trade and other liabilities	506 592	532 322
Derivates	7 472	5 118
Current tax liabilities	1 548	2 410
Liabilities due to fringe benefits	16 550	14 978
Other provisions	43 241	30 732
Accruals	173	1 827
Total short-term liabilities and provisions	1 340 821	1 227 932
Liabilities related directly to held-for-sale assets	63 968	65 063
Total liabilities	2 921 196	2 749 068



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital from actualization of assets revaluation	Profit/loss from revaluation of fringe benefits	Exchange differences on translation of foreign operations	Retained earnings	Capitals attributable to dominant shareholders	Minority shareholders capitals	Total equity
As at 01.01.2013	234 807	-84 080	24 435	532	771	0	-9 771	480 936	647 630	533 834	1 181 464
Revaluation of hedging instruments				-1 977					-1 977	-1 407	-3 384
Change of fair value of assets available to sale					-442				-442	-281	-723
Actuarial profit and loss						364			364	79	443
Exchange adjustments							18 069		18 069	42	18 111
Net profit/ loss in 2013							0	10 130	10 130	44 822	54 952
Total overall income in 2013	0	0	0	-1 977	-442	364	18 069	10 130	26 144	43 255	69 399
Purchase of treasury shares		-45 630							-45 630	0	-45 630
Redemption of own shares	-5 901	39 732						-33 831	0	0	0
Shares disposal not caused the lost of control /change in the Capital Group's structure								-115	-115	4 341	4 226
As at 31.12.2013	228 906	-89 978	24 435	-1 445	329	364	8 298	457 120	628 029	581 430	1 209 459
As at 01.01.2012	234 807	-38 927	24 435	-698	610		4 247	445 930	670 404	508 706	1 179 110
Revaluation of hedging instruments				1 230					1 230	932	2 162
Change in fair value of assets available for sale					161				161		161
Exchange adjustments							-14 018		-14 018	-1 086	-15 104
Net profit/ loss in 2012								39 278	39 278	21 736	61 014
Total overall income in 2012	0	0	0	1 230	161		-14 018	39 278	26 651	21 582	48 233
Purchase of treasury shares		-45 153							-45 153		0
Buy-back of the shares of Impexmetal								-580	-580	-558	-558
Change in the structure of Impexmetal Group								-3 692	-3 692	4 104	412
As at 31.12.2012	234 807	-84 080	24 435	532	771		-9 771	480 936	647 630	533 834	1 181 464



(All figures in thousands of PLN, unless stated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2013 - 31.12. 2013	01.01.2012 - 31.12. 2012
Cash flows from operating activities		
Profit (loss) before tax	63 104	75 569
Adjustements (+/-):	117 844	75 000
<i>Amortization</i>	109 862	109 603
<i>Interests from financial liabilities (credits, loans, bonds)</i>	40 203	50 975
<i>Dividends due to share in profits</i>	-399	-600
<i>Profit/loss on investing activities</i>	-29 087	2 685
<i>Change of receivables (except long-term loans)</i>	34 911	-10 287
<i>Change of inventories</i>	-18 589	-55 801
<i>Change of liabilities (without financial liabilities)</i>	-24 374	-2 336
<i>Change of provisions and accruals settlements</i>	-7 020	-27 760
<i>Other items</i>	20 622	13 051
<i>Income tax paid (refunded)</i>	-8 285	-4 530
Net cash generated on operating activities	180 948	150 569
Cash flows from investing activities		
Proceeds	51 340	7 307
<i>Proceeds from disposal of tangible assets and fixed assets</i>	37 310	6 707
<i>Proceeds from disposal of shares and stakes in Capital Group entities</i>	13 631	0
<i>Dividends received</i>	399	600
Payments	186 704	112 632
<i>Payments for purchase of fixed assets</i>	106 715	107 438
<i>Purchase of shares and stakes in Capital Group entities</i>	3 216	5 194
<i>Other investing payments</i>	76 773	0
Net cash generated on investing activities	-135 364	-105 325
Cash flows from financing activities		
Proceeds	224 736	191 325
<i>Proceeds from credits</i>	216 236	183 229
<i>Proceeds from loans</i>	7 500	2 880
<i>Proceeds from issue of debt securities and other</i>	1 000	0
<i>Proceeds from disposal of financial assets attr. to turnover</i>	0	5 216
Payments	254 889	245 105
<i>Buy-back of treasury shares</i>	45 630	45 153
<i>Repayment of credits</i>	137 692	137 942
<i>Repayment of loans</i>	3 750	1 803
<i>Paid interests from credits, loans, bonds</i>	40 203	50 975
<i>Payments arising from finance leases</i>	27 614	6 994
<i>Purchase of financial assets for turn-over</i>	0	1 969
<i>Other payment</i>	0	269
Net cash generated on financing activities	-30 153	-53 780
Net change of cash	15 431	-8 536
Cash exchange rates differences at the end of period	-619	-1 306
Balance sheet change of cash	14 812	-9 842
Opening balance of cash	78 165	88 007
Closing balance of cash	92 977	78 165



AUTHORISATION OF FINANCIAL STATEMENT

The Consolidated financial statement was authorised for publication upon the Management Board's resolution on 28 April 2014. It has presented the situation of the Group according to the law's requirements for the period from 1 January 2013 till 31 December 2013, taking into account events having been occurred until the approval of the statement for publication.

Management Board of Boryszew S.A.:

Piotr Szeliga – President of the Management Board

Miłosz Wiśniewski – Vice-President of the Management Board

Paweł Surówka – Member of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Chief Accountant:

Elżbieta Słaboń