

**CONDENSED CONSOLIDATED
QUARTERLY FINANCIAL STATEMENT
OF THE BORYSZEW CAPITAL GROUP
FOR 1Q 2016**



16 MAY, 2016



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CAPITAL GROUP**

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CONDENSED FINANCIAL QUARTERLY STATEMENT OF BORYSZEW S.A.

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SELECTED FINANCIAL DATA

	in PLN thousands		in EUR thousands	
	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Data for the interim condensed CONSOLIDATED financial statements				
Sales revenue from continuing operations	1 463 576	1 492 475	335 999	359 728
Operating profit (loss)	66 313	50 831	15 224	12 252
Net profit from continuing operations	45 683	37 378	10 488	9 009
Net cash flows from operating activities	37 403	-8 527	8 587	-2 055
Net cash flows from investing activities	(73 779)	(42 295)	(16 938)	(10 194)
Net cash flows from financing activities	34 145	15 824	7 839	3 814
No. of shares entitled to dividend	225 000 000	229 000 000	225 000 000	229 000 000
Net profit per ordinary share to equity holders of the parent (in PLN/EUR)	0,16	0,16	0,04	0,04

	in PLN thousands		in EUR thousands	
	As at 31.03.2016	As at 31.12.2015	As at 31.03.2016	As at 31.12.2015
Assets related to continuing operations	3 653 550	3 448 181	855 953	808 995
Liabilities related to continuing operations	2 171 239	2 011 171	508 677	471 851
Net interests debt	960 142	909 691	224 942	213 427
Net interests debt / EBITDA	3,44	3,50	3,44	3,50
Share capital	1 460 189	1 414 897	342 093	331 956
No. of shares entitled to dividend	225 000 000	225 000 000	225 000 000	225 000 000

**CONSOLIDATED INCOME STATEMENT**

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Continuing operations		
Revenues from sales	1 463 576	1 492 407
Prime cost of sale	1 313 637	1 362 709
Gross profit (loss) from sales	149 939	129 698
Selling costs	28 526	26 033
General and administrative costs	62 520	51 844
Other operating revenue	18 071	13 817
Other operating expenses	10 651	15 732
Profit (loss) from operating activity	66 313	49 906
Financial revenues	2 258	4 738
Financial expenses	14 861	9 279
Result on financial operations	(12 603)	(4 541)
Share in profits capital group entities	(664)	
Profit (loss) before income tax	53 046	45 365
Income tax	7 363	9 140
Net profit (loss) on continued operations	45 683	36 225
Net profit/loss on discontinued operations	(1 444)	596
Net profit/loss on continued activity and discontinued operations including attributable:	44 239	36 821
<i>owners of the controlling entity</i>	<i>35 967</i>	<i>26 498</i>
<i>non-controlling shareholders</i>	<i>8 272</i>	<i>10 323</i>
Earnings/loss per share		
No. of shares	240 000 000	240 000 000
Net profit attributable to the parent (PLN thousand)	35 967	26 498
No. of shares entitled to dividend	225 000 000	228 281 686
Profit per 1 share (in PLN)	0,16	0,12



CONSOLIDATED INCOME STATEMENT continued

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Net profit	44 239	36 821
Income recognised in capitals		
Income recognised in capitals, which may be transferred to profit and loss account		
Currency translation differences related to foreign operations	(4 249)	(8 168)
Financial assets available for sale	(564)	(8 919)
Hedge accounting	14 267	11 280
<i>Income tax</i>	2 660	589
Income recognised in capitals, not to be classified to financial result		
Employee benefit capital reserve	56	-
<i>Income tax</i>	11	-
Income recognised in capitals	6 839	(6 396)
<i>owners of the controlling entity</i>	1 713	(9 014)
<i>non-controlling shareholders</i>	5 126	2 618
Total overall income, including income due to:	51 078	30 425
<i>owners of the controlling entity</i>	37 680	17 484
<i>non-controlling shareholders</i>	13 398	12 941

CONSOLIDATED INCOME STATEMENT – discontinued operations

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Revenues from sales	50	68
Prime cost of sale	53	68
Gross profit (loss) from sales	(3)	-
Other operating revenue	10	1 019
Other operating expenses	1 881	651
Profit (loss) from operating activity	(1 874)	368
Financial revenues	-	50
Financial expenses	1	241
Result on financial operations	(1)	(191)
Profit (loss) before income tax	(1 878)	177
Income tax	(430)	(419)
Net profit (loss) on discontinued operations	(1 448)	596
<i>owners of the controlling entity</i>	(276)	743
<i>non-controlling shareholders</i>	(1 172)	(147)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31.03.2016	As at 31.12.2015
ASSETS		
Non-current assets		
Tangible fixed assets	1 136 045	1 103 343
Investment property	190 884	191 034
Goodwill	23 855	23 855
Intangible assets	36 457	36 679
Interests and shares in subsidiaries	272 437	255 977
Financial assets	24 709	22 339
Deferred tax assets	38 229	43 382
Trade and other receivables	16 577	11 768
Other assets	19 993	18 720
Total fixed assets	1 759 186	1 707 097
Current assets		
Inventory	839 445	837 760
Trade and other receivables	812 372	672 470
Short-term financial assets	63 030	67 350
Derivative financial instruments	20 969	11 072
Current tax assets	7 168	6 501
Other assets	54 925	47 245
Cash and cash equivalents	96 455	98 686
Total current assets	1 894 364	1 741 084
Assets classified as held for sale	2 068	4 610
Total assets	3 655 618	3 452 791



LIABILITIES AND EQUITY	As at 31.03.2016	As at 31.12.2015
Equity		
Share capital	248 906	248 906
Own (treasury) shares (stocks)	(125 657)	(125 657)
Share premium	114 435	114 435
Hedge accounting capital	1 878	(4 011)
Capital reserve on translating employee payables	(68)	(92)
Capital due to revaluation of assets	(12 389)	(12 051)
Exchange differences on translating foreign entities	(7 291)	(3 429)
Retained earnings	670 552	639 410
Total equity	890 366	857 511
Non-controlling shareholders' equity	569 823	557 386
Total equity	1 460 189	1 414 897
Long – term liabilities		
Bank credits, loans, bonds	140 632	98 556
Lease liabilities	69 910	71 099
Payables on perpetual usufruct of investment land	51 031	51 379
Deferred tax provision	82 276	78 823
Employee benefit provisions	17 028	17 224
Other provisions	7 346	7 362
Other liabilities	13 293	13 150
Total long-term liabilities	381 516	337 593
Short-term liabilities		
Bank credits, loans, bonds	803 299	796 444
Lease liabilities	42 756	42 278
Trade payables and other liabilities	858 920	746 825
Derivative financial instruments	14 198	21 354
Current tax liabilities	3 691	6 494
Employee benefit provisions	24 426	20 656
Other provisions	36 587	33 580
Other liabilities	5 846	5 947
Total short-term liabilities	1 789 723	1 673 578
Liabilities related to assets classified as held for sale	24 190	26 723
Total liabilities	2 195 429	2 037 894
Total equity and liabilities	3 655 618	3 452 791



CONSOLIDATED STATEMENT OF CASH FLOW

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Cash flows from operating activities		
Profit (loss) before income tax	53 046	45 365
Adjustments for (+/-)	-15 643	-53 892
Depreciation / amortisation	32 037	28 430
Interest on financial liabilities	8 727	6 643
Dividends from share in profit		0
Profit on sale of subsidiaries		(1 939)
Change in receivables	(139 264)	(133 595)
Change in inventories	(1 685)	(21 065)
Change in liabilities	112 104	78 448
Change in reserves and prepayments	(2 780)	(3 915)
Other items	(18 870)	(1 149)
Income tax paid (refunded)	(5 912)	(5 750)
Net cash from operating activities	37 403	-8 527
Cash flows from investment activities		
Revenues from fixed assets disposal	12 236	2 207
Revenues from disposal of shares in capital group entities	-	-
Revenues from dividend	-	-
Expenses on acquisition of fixed assets	(65 228)	(13 552)
Acquisition of shares in capital group entities	(20 787)	-
Purchase of financial assets	-	(30 950)
Net cash from investing activities	(73 779)	(42 295)
Cash flows from financial activities		
Net proceeds from issue of shares		
Proceeds of credit	142 537	104 581
Proceeds of loan	-	19 026
Other proceeds	-	8014
Expenses on acquisition of own shares	-	(9 030)
Payment of dividends	-	
Repayment of credit	(91 373)	(94 799)
Repayment of loans	(1 233)	
Redemption of bonds	(1 000)	
Interest paid on loans, bonds...	(8 727)	(6 643)
Payment of liabilities under finance lease agreements	(6 059)	(5 325)
Net cash from financing activities	34 145	15 824
Net change in cash	(2 231)	(34 998)
Cash opening balance	98 686	81 288
Cash closing balance	96 455	46 290



(all amounts in PLN th. unless otherwise stated)

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	share capital	treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Currency translation differences (subsidiaries)	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 01.01.2016	248 906	(125 657)	114 435	(4 011)	(12 051)	(92)	(3 429)	639 410	857 511	557 386	1 414 897
Valuation of hedge instruments				5 889					5 889	5 667	11 556
Valuation of assets available for sale					(338)				(338)	(119)	(457)
Valuation of employee benefits						24			24	21	45
Exchange differences							(3 862)		(3 862)	(443)	(4 305)
Profit for Q1 2016								35 967	35 967	8 272	44 239
Total comprehensive income for Q1 2016	-	-	-	5 889	(338)	24	(3 862)	35 967	37 680	13 398	51 078
Change of group structure								(4 825)	(4 825)	(961)	(5 786)
As at 31.03.2016	248 906	(125 657)	114 435	1 878	(12 389)	(68)	(7 291)	670 552	890 366	569 823	1 460 189



Boryszew Capital Group
Condensed consolidated quarterly financial statement for 1Q_2016
 prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

	share capital	treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Currency translation differences (subsidiaries)	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 01.01.2015	248 906	(100 582)	114 435	2 138	(4 713)	(371)	3 708	587 913	851 434	582 815	1 434 249
Valuation of hedge instruments				4 233					4 233	4 904	9 137
Change in fair value of assets DDS					(3 920)				(3 920)	(3 304)	(7 224)
Exchange differences							(9 327)		(9 327)	1 018	(8 309)
Profit for Q1 2015								26 498	26 498	10 323	36 821
Total comprehensive income for Q1 2015	-	-	-	4 233	(3 920)	-	(9 327)	26 498	17 484	12 941	30 425
Share buyback - Boryszew SA		(9 030)							(9 030)		(9 030)
Change of group structure								9 182	9 182	(6 360)	2 822
As at 31.03.2015	248 906	(109 612)	114 435	6 371	(8 633)	(371)	(5 619)	623 593	869 070	589 396	1 458 466

**CONDENSED QUARTERLY
FINANCIAL STATEMENT OF BORYSZEW S.A.
FOR 1Q 2016**



**Boryszew S.A.**

Condensed quarterly financial statement for 1Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

*(all amounts in PLN th. unless otherwise stated)***STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
Revenues from sales	381 565	305 800
Prime cost of sale	338 930	265 561
Gross profit (loss) from sales	42 635	40 239
Selling costs	9 022	5 667
General and administrative costs	15 097	14 788
Other operating revenue	7 639	13 263
Other operating expenses	5 341	8 498
Profit (loss) from operating activity	20 814	24 549
Financial revenues	4 330	6 007
Financial expenses	23 134	11 150
Result on financial operations	(18 804)	(5 143)
Profit (loss) before income tax	2 010	19 406
Income tax	457	3 183
Net profit (loss) on continued operations	1 553	16 223
	-	
Earnings/loss per share		
Weighted average of shares (in units) without treasury shares	233 170 000	234 900 000
Profit per 1 share (in PLN)	0,01	0,07
Net profit	1 553	16 223
Income recognised in capitals		
Income recognised in capitals, which may be transferred to profit and loss account		
Financial assets available for sale	(1 523)	(372)
Hedge accounting	(1 573)	(1 048)
<i>Income tax</i>	588	270
Income recognised in capitals, not to be classified to financial result		
Valuation of pension and similar benefits	-	-
<i>Income tax</i>	-	-
Income recognised in capitals	(2 508)	(1 150)
Total income	(955)	15 073

**Boryszew S.A.**

Condensed quarterly financial statement for 1Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

*(all amounts in PLN th. unless otherwise stated)***STATEMENT OF FINANCIAL POSITION**

	As at 31.03.2016	As at 31.12.2015
ASSETS		
Non-current assets		
Tangible fixed assets	229 588	221 536
Investment property	288	288
Intangible assets	19 216	18 897
Interests and shares in subsidiaries	407 582	419 272
Financial assets	19 929	17 480
Deferred tax assets	-	-
Receivables and other assets	345 096	328 325
Other assets	-	-
Total fixed assets	1 021 699	1 005 798
Current assets		
Inventory	167 030	176 665
Trade and other receivables	287 429	271 700
Short-term financial assets	34 668	34 668
Derivative financial instruments	-	206
Current tax assets	-	-
Other assets	14 048	8 851
Cash and cash equivalents	25 525	22 731
Total current assets	528 700	514 821
Assets classified as held for sale	-	-
Total assets	1 550 399	1 520 619

**Boryszew S.A.**

Condensed quarterly financial statement for 1Q 2016

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(all amounts in PLN th. unless otherwise stated)

LIABILITIES AND EQUITY	As at 31.03.2016	As at 31.12.2015
EQUITY		
Share capital	248 906	248 906
Own shares	(44 411)	(44 411)
Share premium	112 346	112 346
Hedge accounting capital	(3 586)	(2 312)
Capital reserve on translating employee payables	(42)	(42)
Revaluation reserve assets	(1 369)	(135)
Retained earnings	253 738	252 185
<i>Profit of the year</i>	1 553	3 786
Total equity	565 582	566 537
Long-term liabilities		
Bank credits, loans, bonds	121 123	68 987
Lease liabilities	43 871	42 325
Payables on perpetual usufruct of investment land	122	122
Deferred tax provision	2 169	3 265
Employee benefit provisions	2 481	2 482
Other provisions	5 156	5 166
Deferred income	3 394	3 594
Total long-term liabilities	178 316	125 941
Short-term liabilities		
Bank credits, loans, bonds	433 586	476 765
Lease liabilities	37 520	36 018
Trade payables and other liabilities	318 723	300 968
Current tax liability	-	1
Derivative financial instruments	4 182	2 908
Provisions for liabilities on pension and similar benefits	6 666	5 622
Other provisions	1 694	1 694
Deferred income	4 130	4 165
Total short-term liabilities	806 501	828 141
Total liabilities	984 817	954 082
Total equity and liabilities	1 550 399	1 520 619

**Boryszew S.A.**

Condensed quarterly financial statement for 1Q 2016

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*(all amounts in PLN th. unless otherwise stated)***CASH FLOW STATEMENT**

	01.01.2016 - 31.03. 2016	01.01.2015 - 31.03. 2015
<i>Cash flows from operating activities</i>		
Profit (loss) before income tax	2 010	19 406
Adjustments for (+/-)	21 568	(29 239)
Depreciation / amortisation	8 884	6 066
Interest on financial liabilities	4 873	3 889
Profit (loss) on financial assets		-
Dividends from share in profit	-	(782)
Profit (loss) on investment activity		-
Change in receivables	(15 346)	(32 520)
Change in inventories	9 635	(14 838)
Change in liabilities	17 755	23 196
Change in provisions and accruals	(4 399)	(11 585)
Other items	166	(2 665)
Income tax paid (refunded)	-	-
Net cash from operating activities	23 578	(9 833)
<i>Cash flows from investment activities</i>		
Revenues from disposal of shares in capital group entities	11 892	-
Revenues from dividend	-	782
Acquisition of tangible fixed assets	(14 207)	(6 209)
Granted long-term loans	(17 154)	(9 127)
Other investment expenses	(2 449)	(12 451)
Net cash from investing activities	(21 918)	(27 005)
<i>Cash flows from financial activities</i>		
Net incomes on issue of shares	-	-
Revenues from credits	21 977	30 973
Revenues from received loans	-	1 144
Share buy - back expense	-	(575)
Repayment of credits	(12 075)	-
Repayment of borrowings	(945)	
Interest paid on loans, bonds.	(4 873)	(3 889)
Payment of liabilities under finance lease agreements	(2 950)	(537)
Net cash from financing activities	1 134	27 116
Net change in cash	2 794	(9 722)
Cash at the beginning of the business year	22 731	23 920
Cash at the end of the business year	25 525	14 198

**Boryszew S.A.**

Condensed quarterly financial statement for 1Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

*(all amounts in PLN th. unless otherwise stated)***STATEMENT ON CHANGES IN EQUITY**

	share capital	treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2016	248 906	(44 411)	112 346	(2 312)	(135)	(42)	252 185	566 537
Valuation of hedge instruments				(1 274)				(1 274)
Valuation of assets available for sale					(1 234)			(1 234)
Valuation of employee benefits								-
Profit for Q1 2016							1 553	1 553
Total comprehensive income for Q1 2016	-	-	-	(1 274)	(1 234)	-	1 553	(955)
As at 31.03.2016	248 906	(44 411)	112 346	(3 586)	(1 369)	(42)	253 738	565 582

	share capital	treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2015	248 906	(34 673)	112 346	636	(28)	(167)	271 846	598 866
Revaluation of hedge instruments				-849				-849
Change in fair value of assets available for sale					(301)			(301)
Revaluation of employee benefits						-		-
Profit for Q1 2015							16 223	16 223
Total comprehensive income for Q1 2015	-	-	-	-849	(301)	-	16 223	15 073
Share buy-back		(575)						(575)
As at 31.03.2015	248 906	(35 248)	112 346	(213)	(329)	(167)	288 069	613 364



Boryszew S.A.

Condensed quarterly financial statement for 1Q 2016

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(all amounts in PLN th. unless otherwise stated)

Consolidated financial statements of Boryszew Capital Group for the period from 1 January to 31 March 2016 have been signed at the headquarters of the 16 May, 2016.

The consolidated financial statements are presented by the Management Board of Boryszew S.A.:

Piotr Szeliga – President of the Management Board _____

Mikołaj Budzanowski – Member of the Management Board _____

Cezary Pyszkowski – Member of the Management Board _____

Elżbieta Słaboń – Chief Accountant _____

Translation from the original Polish version.

In the event of differences resulting from the translation, reference should be made to the official Polish version.