



**Consolidated financial statement
of Boryszew Capital Group
for the period
from 1 January to 30 June 2016**

31 AUGUST, 2016



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2016 - 30.06. 2016	01.01.2015 - 30.06. 2015	01.04.2016- 30.06.2016	01.04.2015- 30.06.2015
Continuing operations			<i>not reviewed</i>	<i>not reviewed</i>
Sales of products	2 851 705	3 056 444	1 388 129	1 564 037
Sales of goods and materials	2 527 942	2 829 526	1 214 305	1 466 817
Gross profit (loss) from sales	323 763	226 918	173 824	97 220
Cost of sales	63 508	58 917	34 982	32 884
General and administrative expenses	118 342	101 957	55 822	50 113
Other operating income	32 217	18 862	14 146	5 045
Other operating costs	19 212	15 696	8 561	(36)
Operating profit (loss)	154 918	69 210	88 605	19 304
Financial income	2 189	16 020	(69)	11 282
Financial costs	44 823	17 977	29 962	8 698
Profit/loss from financing activities	(42 634)	(1 957)	(30 031)	2 584
Share of profit of associated entities	1 104	-	1 768	-
Profit (loss) before tax	113 388	67 253	60 342	21 888
Income tax	18 249	13 769	10 886	4 629
Operating profit (loss) from continuing operations	95 139	53 484	49 456	17 259
Profit/loss from discontinuing operations	530	(176)	1 974	(772)
Net profit/loss from continuing and discontinuing operations, including net/profit and loss due to:	95 669	53 308	51 430	16 487
<i>owners of the controlling entity</i>	67 386	33 031	31 419	6 533
<i>non-controlling shareholders</i>	28 283	20 277	20 011	9 954
Profit/loss per 1 share				
Weighted average number of shares	224 665 824	226 305 000	224 331 648	226 305 000
Net profit (loss) attributable to equity holders of the parent (in PLN)	67 386	33 031	31 419	6 533
No of shares entitled to dividend	224 000 000	226 305 000	224 000 000	226 305 000
Profit/loss per 1 share (in PLN)	0,30	0,15	0,14	0,03



	01.01.2016 - 30.06. 2016	01.01.2015 - 30.06. 2015	01.04.2016- 30.06.2016	01.04.2015- 30.06.2015
Net profit	95 669	53 308	51 430	16 487
Income recognised in capitals				
Income recognised in capitals, which may be transferred to profit and loss account				
Currency translation differences related to foreign operations	10 654	(518)	18 822	7 650
Financial assets available for sale	1 937	(20 916)	10 856	(11 997)
Hedge accounting	1 499	3 840	(9 781)	(7 440)
<i>Income tax</i>	3 740	(3 825)	3 151	(4 414)
Income recognised in capitals, not to be classified to financial result				
Employee benefit capital reserve	56	15	56	15
<i>Income tax</i>	11	3	11	3
Income recognised in capitals	10 395	(13 757)	16 791	(7 361)
<i>owners of the controlling entity</i>	12 675	(9 952)	21 689	(938)
<i>non-controlling shareholders</i>	(2 280)	(3 805)	(4 898)	(6 423)
Total overall income, including income due to:	106 064	39 551	68 221	9 126
<i>owners of the controlling entity</i>	80 061	23 079	62 577	5 595
<i>non-controlling shareholders</i>	26 003	16 472	13 062	3 531



CONSOLIDATED PROFIT AND LOSS STATEMENT – DISCONTINUING OPERATIONS

	01.01.2016 - 30.06. 2016	01.01.2015 - 30.06. 2015	01.04.2016- 30.06.2016	01.04.2015- 30.06.2015
			<i>not reviewed</i>	<i>not reviewed</i>
Sales of products	81	139	31	71
Cost of sales	86	139	33	71
Gross profit (loss) from sales	(5)	-	(2)	-
Other operating income	4 302	1 077	4 291	58
Other operating costs	4 141	1 467	2 260	816
Operating profit (loss)	156	(390)	2 029	(758)
Financial income	13	84	13	34
Financial costs	76	488	75	247
Profit/loss from financing activities	(63)	(404)	(62)	(213)
Profit (loss) before tax	93	(794)	1 967	(971)
Income tax	(437)	(618)	(7)	(199)
Profit (loss) from discontinuing operations	530	(176)	1 974	(772)
<i>owners of the controlling entity</i>	<i>1 108</i>	<i>200</i>	<i>1 380</i>	<i>12</i>
<i>non-controlling shareholders</i>	<i>(578)</i>	<i>(376)</i>	<i>594</i>	<i>(784)</i>



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2016	As at31.12.2015
ASSETS		
Fixed assets		
Tangible fixed assets	1 178 577	1 103 343
Investment property	195 752	191 034
Goodwill	23 855	23 855
Intangible assets	36 581	36 679
Interests and shares in subsidiaries	286 467	255 977
Financial assets	24 718	22 339
Deferred tax assets	46 794	43 382
Trade and other receivables	11 525	11 768
Other assets	25 297	18 720
Total fixed assets	1 829 566	1 707 097
Current assets		
Inventory	820 980	837 760
Trade and other receivables	788 669	672 470
Short-term financial assets	59 280	67 350
Derivative financial instruments	14 350	11 072
Current tax assets	5 902	6 501
Other assets	58 375	47 245
Cash and cash equivalents	122 724	98 686
Total current assets	1 870 280	1 741 084
Assets classified as held for sale	3 347	4 610
Total assets	3 703 193	3 452 791



LIABILITIES AND EQUITY	As at 30.06.2016	As at31.12.2015
Equity		
Share capital	248 906	248 906
Own (treasury) shares (stocks)	(130 764)	(125 657)
Share premium	114 435	114 435
Hedge accounting capital	(1 829)	(4 011)
Capital on translating employee payables	(128)	(92)
Revaluation reserve	(10 866)	(12 051)
Exchange differences on translating foreign entities	6 827	(3 429)
Retained earnings	676 699	639 410
Total equity	903 280	857 511
Non-controlling shareholders' equity	604 592	557 386
Total equity	1 507 872	1 414 897
Long-term liabilities		
Bank credits, loans, bonds	162 828	98 556
Lease liabilities	72 167	71 099
Payables on perpetual usufruct of investment land	50 414	51 379
Deferred tax provision	78 711	78 823
Employee benefit provisions	17 422	17 224
Other provisions	7 732	7 362
Other Liabilities	12 872	13 150
Total long-term liabilities	402 146	337 593
Short-term liabilities		
Bank credits, loans, bonds	776 261	796 444
Lease liabilities	45 403	42 278
Trade payables and other liabilities	840 399	746 825
Derivative financial instruments	26 732	21 354
Current tax liabilities	11 253	6 494
Employee benefit provisions	31 446	20 656
Other provisions	29 041	33 580
Other Liabilities	8 523	5 947
Total short-term liabilities	1 769 058	1 673 578
Liabilities related to assets classified as held for sale	24 117	26 723
Total liabilities	2 195 321	2 037 894
Total equity and liabilities	3 703 193	3 452 791



CONSOLIDATED CASH FLOW STATEMENT

	01.01.2016 - 30.06. 2016	01.01.2015 - 30.06. 2015
<i>Cash flows from operating activities</i>		
Profit (loss) before income tax	113 388	67 253
Adjustments for (+/-)	41 452	(26 010)
Depreciation / amortisation	59 059	57 673
Interest on financial liabilities	21 304	14 112
Profit (loss) on investment activity	(23 087)	(2 644)
Change in receivables	(115 591)	(261 288)
Change in inventories	16 780	19 737
Change in liabilities	93 662	166 130
Change in provisions and accruals as well as prepayments	(9 103)	(7 303)
Other items	(6 930)	(8 871)
Income tax paid (refunded)	5 358	(3 556)
Net cash from operating activities	154 840	41 243
<i>Cash flows from investment activities</i>		
Proceeds from the sale of tangible fixed assets	15 437	3 066
Proceeds from the sale of shares in entities of the Group	13 216	-
Redemption of bonds	5 958	-
Expenditure on the acquisition of fixed assets	(130 002)	(43 202)
Acquisition of shares in entities from the capital group	(48 582)	(4 360)
Acquisition of financial assets	-	(53 690)
Net cash from investing activities	(143 973)	(98 186)
<i>Cash flows from financial activities</i>		
Incomes on credit and loan facilities	159 527	165 305
Incomes on credit and loan facilities	-	21 034
Share buyback expense	(5 107)	(18 475)
Redemption of bonds	1 000	-
Repayment of credit	(110 949)	(119 376)
Repayment of loans	(3 489)	(1 000)
Interest paid on loans, bonds...	(21 304)	(14 112)
Payment of liabilities under finance lease agreements	(4 507)	(1 700)
Net cash from financing activities	13 171	31 676
Net change in cash	24 038	(25 267)
Cash opening balance	98 686	81 288
Cash closing balance	122 724	56 021



CONSOLIDATED CASH FLOW STATEMENT – DISCONTINUING OPERATIONS

Discontinuing operations	2016-01-01- 2016-06-30	2015-01-01- 2015-06-30
Cash flows from operating activities		
Profit (loss) before income tax	93	(794)
adjustment	(4 873)	(2 459)
Net cash from operating activities	(4 780)	(3 253)
Cash flows from investment activities		
proceeds	4 750	1 027
expenses	-	-
Net cash from investing activities	4 750	1 027
Cash flows from financial activities		
proceeds	1 642	3 253
expenses	(550)	-
Net cash from financing activities	1 092	3 253
Change in cash and cash equivalents	1 062	1 027
Cash and cash equivalents at beginning of period	50	375
Cash and cash equivalents at end of period	1 112	1 402

(*) Revenue relate to grants received from NFOŚ and GW.



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				2 182					2 182	(968)	1 214
Valuation of assets available for sale					262				262	1 307	1 569
Valuation of employee benefits						(25)			(25)	70	45
Exchange differences							10 256		10 256	(2 689)	7 567
Profit for H1 2016								67 386	67 386	28 283	95 669
Total comprehensive income for H 1 2016	-	-	-	2 182	262	(25)	10 256	67 386	80 061	26 003	106 064
Share buyback - Boryszew SA		(5 107)							(5 107)		(5 107)
Change of group structure					923	(11)		(30 097)	(29 185)	21 203	(7 982)
As at 30.06.2016	248 906	(130 764)	114 435	(1 829)	(10 866)	(128)	6 827	676 699	903 280	604 592	1 507 872

(if not specified otherwise, all amounts are given in kPLN)



Boryszew Capital Group
Consolidated financial statement for the period from 1 January to 30 June 2016
prepared according to IFRS as approved by the European Union (EU)

	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				1 091					1 091	2 019	3 110
Valuation of assets available for sale					(9 418)				(9 418)	(7 524)	(16 942)
Valuation of employee benefits						12			12		12
Exchange differences							(1 637)		(1 637)	1 700	63
Profit for H1 2015								33 031	33 031	20 277	53 308
Total comprehensive income for H 1 2015	-	-	-	1 091	(9 418)	12	(1 637)	33 031	23 079	16 472	39 551
Share buyback - Boryszew SA		(18 475)							(18 475)		(18 475)
Amounts due to shareholders from dividends								(23 447)	(23 447)		(23 447)
Change of group structure								983	983	118	1 101
As at 30.06.2015	248 906	(119 057)	114 435	3 229	(14 131)	(359)	2 071	598 480	833 574	599 405	1 432 979

(if not specified otherwise, all amounts are given in kPLN)



Consolidated financial statements of Boryszew Capital Group for the period from 1 January to 30 June 2016 have been signed at the headquarters of the 31 August 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

Chief Accountant – Elżbieta Słaboń



**CONDENSED
FINANCIAL STATEMENTS
Of BORYSZEW S.A.
for the period from 1 January to 30 June 2015**



STATEMENT OF COMPREHENSIVE INCOME

	01.01.2016 - 30.06. 2016	01.01.2015 -30.06. 2015	01.04.2016- 30.06.2016	01.04.2015- 30.06.2015
Revenues from sales	728 400	627 682	<i>not reviewed</i> 346 835	<i>not reviewed</i> 321 579
Cost of sales	639 979	550 380	301 049	283 716
Gross profit (loss) from sales	88 421	77 302	45 786	37 863
Cost of sales	13 356	12 122	4 334	6 455
General and administrative expenses	32 369	27 466	17 272	12 678
Other operating income	15 934	16 252	8 295	9 927
Other operating costs	29 702	15 433	24 361	6 941
Operating profit (loss)	28 928	38 533	8 114	21 716
Financial income	12 590	9 804	8 260	3 797
Financial costs	55 998	12 288	32 864	1 138
Profit/loss from financing activities	(43 408)	(2 484)	(24 604)	2 659
Profit (loss) before tax	(14 480)	36 049	(16 490)	24 375
Income tax	(115)	7 753	(572)	4 570
Net profit/loss	(14 365)	28 296	(15 918)	19 805

	01.01.2016 - 30.06. 2016	01.01.2015 -30.06. 2015	01.04.2016- 30.06.2016	01.04.2015- 30.06.2015
Net profit/loss	-14 365	28 296	-15 918	19 805

Income recognised in capitals

Income recognised in capitals, which may be transferred to profit and loss account

Financial assets available for sale	220	(1 590)	1 743	(1 218)
Hedge accounting	4 247	(1 181)	5 820	(133)
<i>Income tax</i>	<i>(849)</i>	<i>526</i>	<i>(1 437)</i>	<i>256</i>

Income recognised in capitals, not to be classified to financial result

Capital from the valuation of provisions for employee benefits	-	(2)		(2)
<i>Income tax</i>	<i>-</i>			

Income recognised in capitals	3 618	(2 247)	6 126	(1 097)
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Total overall income	(10 747)	26 049	(9 792)	18 708
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Profit/loss per 1 share

Weighted average number of shares	232 835 824	234 470 000	232 501 648	234 470 000
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Profit/loss per 1 share (in PLN)	(0,06)	0,12	(0,07)	0,08
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STATEMENT OF FINANCIAL POSITION

	As at 30.06.2016	As at 31.12.2015
ASSETS		
Fixed assets		
Tangible fixed assets	233 232	221 536
Investment property	288	288
Intangible assets	19 599	18 897
Interests and shares in subsidiaries	399 767	419 272
Financial assets	22 960	17 480
Deferred tax assets	-	-
Receivables and other assets	337 050	328 325
Other assets	4 921	0
Total fixed assets	1 017 817	1 005 798
Current assets		
Inventory	160 778	176 665
Trade and other receivables	286 941	271 700
Short-term financial assets	33 785	34 668
Derivative financial instruments	1 380	206
Current tax assets	-	-
Other assets	10 670	8 851
Cash and cash equivalents	38 334	22 731
Total current assets	531 888	514 821
Assets classified as held for sale	-	-
Total assets	1 549 705	1 520 619



LIABILITIES AND EQUITY	As at 30.06.2016	As at 31.12.2015
Equity		
Share capital	248 906	248 906
Own shares	(49 518)	(44 411)
Share premium	112 346	112 346
Hedge accounting capital	1 128	(2 312)
Capital from the translation of liabilities employee	(42)	(42)
Revaluation reserve	43	(135)
Retained earnings	237 820	252 185
Profit of the year	(14 365)	3 786
Total equity	550 683	566 537
Long-term liabilities		
Bank credits, loans, bonds	141 126	68 987
Lease liabilities	41 865	42 325
Payables on perpetual usufruct of investment land	124	122
Deferred tax provision	3 589	3 265
Employee benefit provisions	2 481	2 482
Other provisions	5 156	5 166
Deferred income	3 217	3 594
Total long-term liabilities	197 558	125 941
Short-term liabilities		
Bank credits, loans, bonds	426 689	476 765
Lease liabilities	40 419	36 018
Trade payables and other liabilities	320 480	300 968
Current tax liability	395	1
Derivative financial instruments	-	2 908
Employee benefit provisions	7 487	5 622
Other provisions	1 812	1 694
Deferred income	4 182	4 165
Total short-term liabilities	801 464	828 141
Total liabilities	999 022	954 082
Total equity and liabilities	1 549 705	1 520 619



STATEMENT ON CHANGES IN EQUITY

	Share capita	Treasury share	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				3 440				3 440
Change of fair value of assets available to sell					178			178
Revaluation of employee benefits								0
Net profit for H1 2016							(14 365)	(14 365)
Total comprehensive income for H1 2016	-	-	-	3 440	178	0	(14 365)	(10 747)
Purchase of own shares		(5 107)						(5 107)
Dividends payable to shareholders								-
As at 30.06.2016	248 906	(49 518)	112 346	1 128	43	(42)	237 820	550 683

	Share capita	Treasury share	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
Valuation of hedge instruments				(957)				(957)
Change of fair value of assets available to sell					(1 288)			(1 288)
Revaluation of employee benefits						(2)		(2)
Net profit for H1 2015							28 296	28 296
Total comprehensive income for H1 2015	-	-	-	(957)	(1 288)	(2)	28 296	26 049
Purchase of own shares		(3 165)						(3 165)
Dividends payable to shareholders							(23 446)	(23 446)
As at 30.06.2015	248 906	(37 838)	112 346	(321)	(1 316)	(169)	276 696	598 304



CASH FLOW STATEMENT

	01.01.2016 - 30.06. 2016	01.01.2015 - 30.06. 2015
Cash flows from operating activities		
Profit (loss) before income tax	(14 480)	36 049
Adjustments for (+/-)	45 281	(17 993)
Depreciation / amortisation	12 746	11 570
Odsetki od zobowiązań finansowych	8 865	7 191
Profit (loss) on financial assets	-	-
Dividends from share in profit	(1 745)	(810)
Profit (loss) on investment activity	-	0
Change in receivables	(15 961)	(39 968)
Change in inventories	15 887	(10 718)
Change in liabilities	19 512	17 562
Change in provisions and accruals	(5 128)	(3 577)
Other items	11 105	757
Income tax paid (refunded)	-	-
Net cash from operating activities	30 801	18 056
Cash flows from investment activities		
Proceeds from the sale of shares	13 237	-
Revenues from dividend	1 745	810
Expenses on acquisition of fixed assets	(17 697)	(14 575)
Acquisition of shares in capital group entities	(7 354)	(2 004)
Granted long-term loans	(8 005)	(21 852)
Other investment expenses	(1 887)	(40 661)
Net cash from investing activities	(19 961)	(78 282)
Cash flows from financial activities		
Proceeds from credits	27 243	49 657
Proceeds from received loans	18 391	30 222
Purchase of own shares	(5 107)	(3 165)
Repayment of credits	(23 571)	-
Repayment of loans	-	-
Redemption of debt securities	-	(12 787)
Interest paid on loans, bonds	(8 865)	(7 191)
Payment of liabilities under finance lease agreements	(3 328)	(971)
Net cash from financing activities	4 763	55 765
Net change in cash	15 603	(4 461)
Cash at the beginning of the business year	22 731	23 920
Cash at the end of the business year	38 334	19 459



Financial statements of Boryszew S.A. for the period from 1 January to 30 June 2016 have been signed at the headquarters of the 31 August 2016.

The 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

Chief Accountant – Elżbieta Słaboń

Translation from the original Polish version.

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