



**CONSOLIDATED INTERIM REPORTS FOR**

**BORYSZEW CAPITAL GROUP**

**for the period between 1 January 2017 and 30 June 2017**

**INTERIM CONDENSED CONSOLIDATED**

**FINANCIAL STATEMENTS**

**Boryszew Capital Group**

**for the period between 1 January 2017 and 30 June 2017**



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**INTERIM CONDENSED FINANCIAL STATEMENTS BORYSZEW S.A.**

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	01.04.2017 - 30.06. 2017	01.04.2016- 30.06. 2016
<b>Continuing operations</b>		<i>restated data</i>	<i>unaudited data</i>	<i>unaudited restated data</i>
Revenues from sales	3 171 787	2 881 779	1 567 693	1 401 723
Cost of sale	2 785 833	2 546 793	1 378 521	1 222 896
<b>Gross profit on sales</b>	<b>385 954</b>	<b>334 986</b>	<b>189 172</b>	<b>178 827</b>
Distribution and marketing expenses	65 456	67 865	32 345	35 547
Administrative expenses	139 393	123 530	67 928	58 669
Other operating revenue	29 057	32 364	20 461	14 235
Other operating expenses	21 350	19 533	14 101	8 870
<b>Operating profit</b>	<b>188 812</b>	<b>156 422</b>	<b>95 259</b>	<b>89 976</b>
Financial revenues	38 153	2 951	(3 607)	143
Financial expenses	49 640	45 896	8 656	30 547
<b>Financial profit/loss</b>	<b>(11 487)</b>	<b>(42 945)</b>	<b>(12 263)</b>	<b>(30 404)</b>
Share in profit of affiliates	(176)	1 104	710	1 768
<b>Profit before taxation</b>	<b>177 149</b>	<b>114 581</b>	<b>83 706</b>	<b>61 340</b>
Income tax	14 904	18 862	(266)	11 174
<b>Net profit on continuing operations</b>	<b>162 245</b>	<b>95 719</b>	<b>83 972</b>	<b>50 166</b>
<b>Net profit/loss on discontinued operations</b>	<b>(755)</b>	<b>530</b>	<b>(423)</b>	<b>1 974</b>
<b>Profit on continuing and discontinued operations, attributable to:</b>	<b>161 490</b>	<b>96 249</b>	<b>83 549</b>	<b>52 140</b>
<i>to shareholders of the parent</i>	131 176	66 962	66 077	31 313
<i>non-controlling interest</i>	30 314	29 287	17 472	20 827
	-			
<b>Earnings per share / Diluted earnings per share</b>				
Weighted average number of shares	217 669 759	224 665 824	217 333 262	224 331 648
Net profit attributable to the parent (PLN thousand)	131 176	66 962	66 077	31 313
Earnings per one share (PLN) / Diluted earnings per share (PLN)	0.60	0.30	0.30	0.14



	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 30.06.2016</b>	<b>01.04.2017 - 30.06. 2017</b>	<b>01.04.2016- 30.06. 2016</b>
	<i>restated data</i>	<i>restated data</i>	<i>unaudited data</i>	<i>unaudited restated data</i>
<b>Net profit</b>	<b>161 490</b>	<b>96 249</b>	<b>83 549</b>	<b>52 140</b>
<b>Earnings recognised in equity</b>				
<b>Earnings recognised in equity, to be transferred to income statement</b>				
Exchange rate differences on converting foreign operations	(20 524)	15 043	(20 993)	19 292
Financial assets available for sale	(199)	1 937	(1 705)	2 501
Hedge accounting	24 543	1 499	(415)	(12 768)
<i>Income tax</i>	<i>1 321</i>	<i>3 740</i>	<i>(1 226)</i>	<i>1 080</i>
<b>Earnings recognised in equity, not to be transferred to income statement</b>				
Employee benefit capital reserve	-	56	(17)	-
<i>Income tax</i>	<i>-</i>	<i>11</i>	<i>(3)</i>	<i>-</i>
<b>Total earnings recognised in equity</b>	<b>2 499</b>	<b>14 784</b>	<b>(21 901)</b>	<b>7 945</b>
<i>to shareholders of the parent</i>	<i>(1 779)</i>	<i>(12 223)</i>	<i>(20 878)</i>	<i>(13 936)</i>
<i>non-controlling interest</i>	<i>4 278</i>	<i>27 007</i>	<i>(1 023)</i>	<i>21 881</i>
<b>Total comprehensive income, including attributable:</b>	<b>163 989</b>	<b>111 033</b>	<b>61 648</b>	<b>60 085</b>
<i>to shareholders of the parent</i>	<i>129 397</i>	<i>54 739</i>	<i>45 199</i>	<i>17 377</i>



## CONSOLIDATED PROFIT AND LOSS ACCOUNT – DISCONTINUED OPERATIONS

Profit and loss account - discontinued operations	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	01.04.2017 - 30.06. 2017	01.04.2016- 30.06. 2016
Revenues from sales	57	81	30	31
Cost of sale	63	86	35	33
<b>Gross profit (loss) on sales</b>	<b>(6)</b>	<b>(5)</b>	<b>(5)</b>	<b>(2)</b>
Other operating revenue	528	4 302	284	4 291
Other operating expenses	1 135	4 141	683	2 260
<b>Profit (loss) on operating activities</b>	<b>(613)</b>	<b>156</b>	<b>(404)</b>	<b>2 029</b>
Financial revenues	-	13	-	13
Financial expenses	142	76	19	75
<b>Financial profit/loss</b>	<b>(142)</b>	<b>(63)</b>	<b>(19)</b>	<b>(62)</b>
<b>Profit (loss) before taxes</b>	<b>(755)</b>	<b>93</b>	<b>(423)</b>	<b>1 967</b>
Income tax	-	(437)	-	(7)
<b>Net profit/loss on discontinued operations</b>	<b>(755)</b>	<b>530</b>	<b>(423)</b>	<b>1 974</b>
<i>to shareholders of the parent</i>	162	1 108	66	1 380
<i>non-controlling interest</i>	(917)	(578)	(489)	594



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>As at 30.06.2017</b>	<b>As at 31.12.2016</b>	<b>As at 01.01.2016</b>
		<i>restated data</i>	<i>restated data</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 377 816	1 309 818	1 142 524
Investment property	97 991	111 879	191 034
Goodwill	23 464	23 464	23 855
Intangible assets	43 333	43 386	37 484
Investments in subsidiaries and associates	307 543	307 615	232 660
Financial assets	7 818	7 608	10 913
Deferred tax assets	64 894	51 311	44 416
Long-term receivables	4 012	5 945	12 700
Other assets	33 219	42 909	18 810
<b>Total non-current assets</b>	<b>1 960 090</b>	<b>1 903 935</b>	<b>1 714 396</b>
<b>Current assets</b>			
Inventory	931 938	925 010	862 996
Trade receivables and other receivables	889 947	675 420	677 124
Short-term financial assets	87 469	86 857	67 350
Derivative financial instruments	38 181	18 231	11 072
Current tax assets	2 695	3 230	7 106
Other assets	53 801	43 633	48 300
Cash and cash equivalents	171 906	205 108	138 071
<b>Total current assets</b>	<b>2 175 937</b>	<b>1 957 489</b>	<b>1 812 019</b>
<b>Assets classified as held for sale</b>	<b>1 062</b>	<b>1 653</b>	<b>4 610</b>
<b>Total assets</b>	<b>4 137 089</b>	<b>3 863 077</b>	<b>3 531 025</b>



<b>LIABILITIES AND EQUITY</b>	<b>As at 30.06.2017</b>	<b>As at 31.12.2016</b>	<b>As at 01.01.2016</b>
		<i>restated data</i>	<i>restated data</i>
<b>Equity</b>			
Share capital	248 906	248 906	248 906
Treasury shares	(154 422)	(135 756)	(125 657)
Share premium	114 435	114 435	114 435
Hedge accounting reserve	8 393	(2 348)	(4 011)
Reserve on translating employee payables	28	28	(92)
Revaluation reserve	(12 256)	(12 374)	(12 051)
Exchange differences on translating foreign entities	(34 426)	(21 788)	(2 022)
Retained earnings	927 132	783 395	657 646
<b>Total equity</b>	<b>1 097 790</b>	<b>974 498</b>	<b>877 154</b>
<b>Non-controlling shareholders' capital</b>	<b>639 756</b>	<b>642 554</b>	<b>594 775</b>
<b>Total equity</b>	<b>1 737 546</b>	<b>1 617 052</b>	<b>1 471 929</b>
<b>Liabilities and long-term provisions</b>			
Bank credits, loans, bonds	354 306	231 171	98 901
Lease liabilities	67 425	89 761	79 411
Payables on perpetual usufruct of investment land	39 527	40 631	51 379
Deferred tax provision	95 316	81 018	79 469
Employee benefit provisions	18 318	19 707	18 517
Other provisions	12 887	12 733	9 716
Other liabilities	12 472	12 964	14 359
<b>Liabilities and long-term provisions - total</b>	<b>600 251</b>	<b>487 985</b>	<b>351 752</b>
<b>Short-term liabilities</b>			
Bank credits, loans, bonds	706 855	757 207	802 134
Lease liabilities	37 794	39 071	43 314
Trade payables and other liabilities	934 156	844 597	745 578
Derivative financial instruments	15 506	27 779	21 354
Current tax liabilities	15 545	11 562	6 971
Employee benefit provisions	31 475	27 206	21 201
Other provisions	15 330	18 053	34 060
Other liabilities	20 510	10 400	6 009
<b>Liabilities and short-term provisions - total</b>	<b>1 777 171</b>	<b>1 735 875</b>	<b>1 680 621</b>
<b>Liabilities related to assets classified as held for sale</b>	<b>22 121</b>	<b>22 165</b>	<b>26 723</b>
<b>Total liabilities and provisions</b>	<b>2 399 543</b>	<b>2 246 025</b>	<b>2 059 096</b>
<b>Total equity and liabilities</b>	<b>4 137 089</b>	<b>3 863 077</b>	<b>3 531 025</b>





## CONSOLIDATED CASH FLOW STATEMENT

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
		<i>restated data</i>
<b>Cash flows from operating activities</b>		
<b>Profit on continued operations before tax (excluding share in profit of affiliates)</b>	<b>177 325</b>	<b>114 581</b>
<b>Adjustments for (+/-)</b>	<b>(72 393)</b>	<b>40 523</b>
Amortisation and depreciation	66 557	60 554
Interest on financial liabilities	21 487	21 304
Investment Gains	-	(23 087)
Change in receivables	(213 141)	(118 168)
Change in inventories	(6 928)	16 026
Change in liabilities	89 559	93 853
Change in provisions and accruals as well as prepayments	9 451	(8 387)
Other items	(25 410)	(6 930)
Income tax paid	(13 968)	5 358
<b>Net cash from operating activities</b>	<b>104 932</b>	<b>155 104</b>
<b>Cash flows from investment activities</b>		
Proceeds from fixed assets disposal	13 888	16 113
Proceeds from disposal of shares in capital group entities	-	13 216
Redemption of bonds	1 335	5 958
Payments for property, plant and equipment	(134 483)	(130 002)
Payments for acquisition of shares in capital group entities	(24 531)	(48 582)
Purchase of financial assets	(3 360)	-
<b>Net cash from investing activities</b>	<b>(147 151)</b>	<b>(143 297)</b>
<b>Cash flows from financial activities</b>		
Proceeds from on credit and loan facilities	170 238	159 527
Proceeds on bond issue	11 407	-
Share buy-back expense	(18 666)	(5 107)
Repayment of credit and loan facilities	(108 862)	(112 790)
Repayment of borrowings	-	(3 489)
Interest paid on loans, borrowings or bonds	(21 487)	(21 304)
Payment of liabilities under finance lease agreements	(23 613)	(4 606)
<b>Net cash from financing activities</b>	<b>9 017</b>	<b>12 231</b>
<b>Net change in cash</b>	<b>(33 202)</b>	<b>24 038</b>
Cash opening balance	205 108	141 097
<b>Cash closing balance</b>	<b>171 906</b>	<b>165 135</b>

### CONSOLIDATED CASH FLOW STATEMENT – discontinued operations FOR THE PERIOD BETWEEN 1 JANUARY 2017 AND 30 JUNE 2017 AND RESPECTIVELY FOR 2016

All amounts are presented in PLN '000 unless specified otherwise.



<b>Discontinued operations</b>	<b>01.01.2017 - 30.06. 2017</b>	<b>01.01.2016 - 30.06. 2016</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before taxes	(755)	93
Adjustments	(19)	(4 873)
<b>Net cash flow from operating activity</b>	<b>(774)</b>	<b>(4 780)</b>
<b>Cash flows from investment activities</b>		
Inflows	488	4 750
Outflows	-	-
<b>Cash flows from financial activities</b>		
Inflows	300	1 642
Outflows	-	(550)
<b>Net cash flow from financial activity</b>	<b>300</b>	<b>1 092</b>
<b>Movement in cash and cash equivalents</b>	<b>14</b>	<b>1 062</b>
<b>Cash opening balance and cash equivalents</b>	<b>8</b>	<b>50</b>
<b>Cash closing balance and cash equivalents</b>	<b>22</b>	<b>1 112</b>



**CONSOLIDATED STATEMENT OF 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
<b>As at 01.01.2017</b>	<b>248 906</b>	<b>(135 756)</b>	<b>114 435</b>	<b>(2 348)</b>	<b>(12 374)</b>	<b>28</b>	<b>(21 788)</b>	<b>783 395</b>	<b>974 498</b>	<b>642 554</b>	<b>1 617 052</b>
Valuation of hedge instruments				10 741					10 741	9 139	19 880
Valuation of assets available for sale					118				118	(279)	(161)
Exchange rate differences							(12 638)		(12 638)	(4 582)	(17 220)
Profit for H1 '2017								131 176	131 176	30 314	161 490
<b>Total comprehensive income for H1 '2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 741</b>	<b>118</b>	<b>0</b>	<b>(12 638)</b>	<b>131 176</b>	<b>129 397</b>	<b>34 592</b>	<b>163 989</b>
Share buy-back - Boryszew SA		(18 666)							(18 666)		(18 666)
Change of Group structure								12 561	12 561	(37 390)	(24 829)
<b>As at 30.06.2017</b>	<b>248 906</b>	<b>(154 422)</b>	<b>114 435</b>	<b>8 393</b>	<b>(12 256)</b>	<b>28</b>	<b>(34 426)</b>	<b>927 132</b>	<b>1 097 790</b>	<b>639 756</b>	<b>1 737 546</b>
<b>As at 01.01.2016</b>	<b>248 906</b>	<b>(125 657)</b>	<b>114 435</b>	<b>(4 011)</b>	<b>(12 051)</b>	<b>(92)</b>	<b>(2 022)</b>	<b>657 646</b>	<b>877 154</b>	<b>594 775</b>	<b>1 471 929</b>
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 rate differences							11 234		11 234	(1 928)	9 306
Profit for H1 '2016								66 962	66 962	29 287	96 249
<b>Total comprehensive income for H1 '2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 182</b>	<b>262</b>	<b>(25)</b>	<b>11 234</b>	<b>66 962</b>	<b>80 615</b>	<b>27 768</b>	<b>108 383</b>
Share buy-back - Boryszew SA		(5 107)							(5 107)		(5 107)
Change of Group structure					923	(11)		(29 645)	(28 733)	20 733	(8 000)
<b>As at 30.06.2016</b>	<b>248 906</b>	<b>(130 764)</b>	<b>114 435</b>	<b>(1 829)</b>	<b>(10 866)</b>	<b>(128)</b>	<b>9 212</b>	<b>694 963</b>	<b>923 929</b>	<b>643 276</b>	<b>1 567 205</b>

All amounts are presented in PLN '000 unless specified otherwise.



## **ADDITIONAL INFORMATION**

### **1. General information on Boryszew Capital Group**

#### **Parent company - Boryszew Spółka Akcyjna**

Registered office: 03-301 Warsaw, Jagiellońska street No. 76  
Registered with the National Court Register kept by the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department,  
KRS number 0000063824  
Statistical registration number (REGON) 750010992  
Tax Id No. NIP 837 – 000 – 06 – 34  
The company has been established for an indefinite period of time.

#### **Classification of the Company on the listing market**

Company's shares are listed on the main market of Warsaw Stock Exchange in the continuous trading system, chemical sector.

#### **SUPERVISORY BOARD OF BORYSZEW S.A.**

As at 1 January 2017, the composition of the Supervisory Board was as follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board,  
Mr Arkadiusz Krężel - Vice-Chairman of the Supervisory Board,  
Mr Mirosław Kutnik – Secretary of the Supervisory Board  
Mr Piotr Lisiecki – Member of the Supervisory Board,  
Ms Małgorzata Waldowska - Member of the Supervisory Board.

On 18 May 2017 the Ordinary General Meeting of Shareholders of the Company appointed the Supervisory Board for a new three-year term of office in the following composition:

1. Mr Janusz Siemieniec
2. Mr Arkadiusz Krężel
3. Mr Piotr Lisiecki
4. Ms Małgorzata Waldowska
5. Mr Mirosław Kutnik
6. Mr Roman Wieczorek.

On 27 June 2017 Mr Roman Wieczorek handed in his resignation from the position of a Member of the Supervisory Board for personal reasons.

In 2017 the composition of the Supervisory Board was as follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board,  
Mr Piotr Lisiecki – Vice-Chairman of the Supervisory Board,  
Mr Mirosław Kutnik – Secretary of the Supervisory Board  
Mr Arkadiusz Krężel – Member of the Supervisory Board,  
Ms Małgorzata Waldowska - Member of the Supervisory Board.

In the period from 30 June 2017 to the date of publishing this report, there were no changes in the composition of the Supervisory Board.

#### **MANAGEMENT BOARD OF BORYSZEW S.A.**

As at 1 January 2017, the composition of the Management Board of Boryszew S.A. was as follows:

Mr Jarosław Michniuk – President of the Management Board, Chief Executive Officer,  
Mr Aleksander Baryś – Member of the Management Board, Chef Finance Officer,  
Mr Mikołaj Budzanowski – Member of the Management Board, Director for Development,  
Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development,  
Mr Piotr Szeliga – Member of the Management Board, Director for the Metal Segment.

On 18 May 2017, the Supervisory Board of Boryszew S.A. appointed the Company's Management Board for a 3-years' term of office (joint term of office).

The following persons were appointed to the Management Board of the new term of office:

Mr Jarosław Michniuk as the President of the Management Board, General Director,  
Mr Aleksander Baryś as Member of the Management Board, Chef Finance Officer,  
Mikołaj Budzanowski as Member of the Management Board, Director for Development,  
Mr Paweł Surówka as Member of the Management Board, Director for Automotive Sector Development.  
Mr Piotr Szeliga – Member of the Management Board, Director for the Metal Segment.

No changes in the composition of the Management Board occurred by the date of publication of the report.



## BORYSZEW CAPITAL GROUP

### Consolidated entities

<b>Company name</b>	<b>Based in</b>	<b>share of the parent in share capital (%)</b>	<b>subsidiary of:</b>
<b>Boryszew S.A. - Parent entity</b>	<b>Warsaw</b>		
<i>Head Office</i>	Warsaw		
<i>Elana Branch in Toruń</i>	Toruń		
<i>Energy Branch in Toruń</i>	Toruń		
<i>Data Center Branch in Toruń</i>	Toruń		
<i>Maflow Branch in Tychy</i>	Tychy		
<i>NPA Skawina Branch</i>	Skawina		
<i>Boryszew ERG Branch</i>	Sochaczew		
<i>Nylonbor Branch</i>	Sochaczew		
<b>Subsidiaries and joint associates</b>			
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew SA
Torlen Sp. z o.o.	Toruń	100	Boryszew SA
Elana Pet Sp. z o.o.	Toruń	100	Boryszew SA
Elana Energetyka Sp. z o.o.	Toruń	100	Boryszew SA
Boryszew Components Poland Sp. z o.o.	Warsaw	100	Boryszew SA
Boryszew HR Service Sp. z o.o.	Toruń	100	Boryszew SA
SPV Boryszew 3 Sp. z o.o.	Warsaw	100	Boryszew SA
Boryszew Commodities Sp. z o.o.	Warsaw	100	Boryszew SA
SPV Boryszew 5 Sp. z o.o.	Warsaw	100	Boryszew SA
Boryszew Automotive Plastics Sp. z o.o.	Toruń	100	Boryszew S.A.
Maflow Polska Sp. z o.o.	Warsaw	100	Boryszew S.A.
Maflow BRS s.r.l	Italy	100	Boryszew SA
Maflow Spain Automotive S.L.U	Spain	100	Boryszew SA
Maflow France Automotive S.A.	France	100	Boryszew SA
Maflow do Brasil Ltda	Brazil	100	Maflow Sp. z o.o.
Maflow Components Co. Ltd	China	100	Maflow Sp. z o.o.
Maflow India Private Limited	India	100	Boryszew S.A.
Boryszew Automotive Mexico S.DE R.L.DE C.V	Mexico	100	Maflow Spain Automotive S.L.U., Maflow Sp. z o.o.
MAFMEX S.DE R.L.DE C.V	Mexico	100	Maflow Spain Automotive S.L.U., Maflow Sp. z o.o.
ICOS GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.
Theysohn Kunststoff GmbH	Germany	100	ICOS GmbH
Theysohn Formenbau GmbH	Germany	100	ICOS GmbH
Boryszew Formenbau Deutschland GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.
BRS YMOS GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.
Boryszew Oberflächetechnik GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH
Boryszew Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.
AKT Plastikarska Technologie	The Czech Republic	100	Boryszew Automotive Plastics Sp. z o.o.

All amounts are presented in PLN '000 unless specified otherwise.



Boryszew Plastic RUS Sp. z o.o.	Russia	100	Boryszew Kunststofftechnik Deutschland GmbH
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	80	Boryszew S.A.
Impexmetal S.A.	Warsaw	57.91	Boryszew SA Impexmetal S.A., Impex – Invest
Hutmen S.A.	Warsaw	72.42	Hutmen S.A. , Impexmetal S.A., Boryszew S.A.
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	84.57	
Huta Metali Nieżelaznych Szopienice S.A. - w likwidacji	Katowice	35.77	Polski Cynk Sp. z o.o.
ZM Silesia S.A.	Katowice	57.91	Impexmetal S.A.
Baterpol S.A.	Katowice	57.91	Polski Cynk Sp. z o.o. Impexmetal S.A., ZM Silesia S.A.
Polski Cynk Sp. z o.o.	Katowice	57.91	Impexmetal S.A.
FŁT Polska Sp. z o.o.	Warsaw	56.95	Impexmetal S.A.
FLT & Metals Ltd.	Great Britain	57.91	Impexmetal S.A.
S & I S.A.	Switzerland	57.91	Impexmetal S.A.
FLT Bearings Ltd.	Great Britain	56.95	FLT France SAS
FLT France SAS	France	56.95	FŁT Polska Sp. z o.o.
SPV Lakme Investment Sp. z o.o.	Warsaw	53.88	Impexmetal S.A.
Impex – Invest Sp. z o.o.	Warsaw	57.91	Impexmetal S.A. Boryszew SA ,Impexmetal S.A.
Eastside Capital Investments Sp. z o.o.	Warsaw	85.31	Impexmetal S.A.
Symonvit Ltd	Cyprus	57.91	Impexmetal S.A.
Baterpol Recycler Sp. z o.o.	Wrocław	57.91	Polski Cynk Sp. z o.o.
ZM Nieruchomości Sp. Zo.o.	Katowice	57.91	ZM Silesia S.A.
Baterpol Recycler Sp. z o.o. Spółka komandytowa	Wrocław	57.91	Baterpol Recycler Sp. z o.o. , HMN Szopienice S.A. in liquidation
Surowce Hutmen S.A. Sp. Komandytowa (limited partnership)	Wrocław	57.91	Hutmen SA, Baterpol SA, FLT Polska Sp. Zo.o.
SPV Impexmetal Sp. z o.o.	Warsaw	57.90	Impexmetal SA, ZUO Sp. z o.o, BAP Sp. z o.o.
Metal ZincSp. Zo.o.	Katowice	57.91	ZMSilesia SA
EastsideBis Sp. z o.o.	Warsaw	85.28	Eastside Capital Investments Sp. z o.o.
Zakład Utylizacji Odpadów Sp. zo.o. in Konin	Konin	34.73	Impexmetal S.A.

### 1.3. Changes in Boryszew Capital Group and significant events

#### Forced buyout of Hutmen S.A. shares

As a result of the forced buyout demand of minority shareholders holding 2 549 980 shares accounting for approximately 9.96% of the share capital and votes at the General Meeting of Shareholders of Hutmen S.A. by Boryszew S.A., announced on 12 January 2017, Boryszew S.A. and subsidiaries of Boryszew Capital Group, i.e. the company under the name SPV Boryszew 3 Sp. z o.o., the company under the name of Impex - Invest Sp. z o.o., the company under the name of Impexmetal S.A. and SPV Impexmetal Sp. with o.o. (Boryszew Group) , on 17 January 2017 Boryszew S.A. acquired all shares under forced buyout.

Upon completion of the forced buyout Boryszew Capital Group now holds 25 596 270 shares of Hutmen S.A. accounting for 100.00% of share capital and votes at the General Meeting of Shareholders of Hutmen S.A.

#### Purchase of share of Boryszew Plastic RUS Sp. z o.o.

On 28 April 2017 Boryszew S.A. purchased a share in the share capital of Boryszew Plastic Rus Spółka z o.o. based in Dzerzhinsk, Russia, accounting for 49% of share capital and nominal value of RUB 19 600 000. Upon completion of this transaction Boryszew Capital Group now holds 100% stake in the share capital of Boryszew Plastic Rus Spółka z o.o. based in Dzerzhinsk, Russia.



### **Purchase of own shares by Boryszew S.A.**

Acting within the limits of the authorisation granted by Resolution no. 19 of the Ordinary General Meeting of Shareholders of Boryszew S.A. dated 25 June 2014 on authorising the Company's Management Board to repurchase Boryszew S.A. own shares as well as pursuant to Art. 362 § 1 point 8) and Art. 362 § 4 of Commercial Companies Code in the period between 1 January 2017 and 30 June 2017 Boryszew S.A. acquired a total of 1 653 831 own shares, making a total of 9 483 831 own shares with the shares already held, accounting for 3.952% stake in total votes on the GA of Boryszew S.A.

As at 30 June 2017 Boryszew Capital Group held 23 643 831 shares of Boryszew S.A., accounting for 9.85% of total votes at the General Meeting of Boryszew S.A.

- Boryszew S.A. : 9 483 831 shares, accounting for 3.95% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- Impexmetal S.A. 10 990 000 shares, accounting for 4.99% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o. 2 165 000 shares, accounting for 0.90% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- Polski Cynk Sp. z o.o. 5 000 shares, accounting for 0.00% share in the share capital and votes during the General Assembly of Boryszew S.A.

### **Acquisition of own shares by Impexmetal S.A.**

Under the own share buyout scheme for redemption or resale or for financing business combinations as part of Group's or Impexmetal strategy, adopted by the General Assembly by resolution No 18 of 15 June 2016, in the first six months of 2017 Impexmetal S.A. acquired a total of 2 322 200 own shares, making a total of 10 060 000 own shares with the shares already held, accounting for 5.03% stake in total votes on the GA of Impexmetal S.A.

As at 30 June 2017 Boryszew Capital Group held 120 060 000 shares of Impexmetal S.A., accounting for 60.03% of total votes at the General Meeting of Impexmetal S.A., including:

- Boryszew S.A. : 102 720 968 shares of Impexmetal S.A., accounting for 51.36% share in the share capital and votes during the General Assembly of Impexmetal S.A.,
- Impexmetal S.A. 10 060 000 shares, accounting for 5.03% share in the share capital and votes during the General Assembly of Impexmetal S.A.,
- SPV Boryszew 3 Sp. z o.o. 7 279 032 shares, accounting for 3.64% share in the share capital and votes during the General Assembly of Impexmetal S.A.,

## **MOST IMPORTANT EVENTS**

### **2. Statement by the Management Board on compliance of accounting principles**

The Management Board of Boryszew S.A. and its members: Jarosław Michniuk, Aleksander Baryś, Mikołaj Budzanowski, Cezary Pyszkowski, Piotr Szeliga represent hereby that to the best of their knowledge the consolidated interim report for the first six months and the comparable data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew Capital Group.

### **3. Statement by the Management Board on the selection of entity to audit financial statements**

The Management Board of Boryszew S.A. announces that the Supervisory Board of Boryszew S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa based in Warsaw at Al. Jana Pawła II 22, to review and audit the financial statements of Boryszew S.A. and consolidated financial statements of Boryszew Capital Group for the period from 1 January 2017 to 31 December 2017. Deloitte Polska Spółka z ograniczoną odpowiedzialnością S.k. is registered in the list of entities authorised to audit financial statements, maintained by the Polish National Board of Statutory Auditors, under number 73.

The Management Board of Boryszew S.A. represents that that Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entity conducting the review of the consolidated financial statements for the first six months of 2017 was selected in accordance with the laws and that Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and auditors conducting the reviews met the conditions required to prepare an unbiased and independent opinion on the reviewed consolidated financial statement, pursuant to relevant provisions of law and professional standards.

### **4. Accounting principles applied**

The information presented in the interim report for the first six months of 2017 was drafted as per the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information to be submitted by issuers of securities and the conditions for considering information required under the law of a non-member state as equivalent (original text:



Journal of Laws No. 33, item 259 of 2009, consolidated text: Journal of Laws item 133 of 2014) as well as the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

The accounting principles and computation methods applied by the Group were not modified in the period covered by this report; these principles are presented in details in the consolidated financial statements for 2016, published on 29 March 2017.

These financial statements were drafted based on the International Financial Reporting Standards as approved by the European Union (UE).

Selected financial data in the initial part of the report were restated to EUR according to § 87 section 7 of the Minister of Finance Regulation of 19 February 2009 (Journal of Law No. 33, item 259 of 2009).

The exchange rate on the last day of the period was applied for balance sheet items and average exchange rate for the period was applied for the profit and loss account and cash flow statement.

	average EUR exchange rate for the period	EUR exchange rate for the last day of the period
1.01- 30.06.2016	4.3805	4.4255
1.01- 31.12.2016	4.3757	4.4240
1.01- 30.06.2017	4.2474	4.2265

**Errors of previous periods, specification and clarification of differences between the data disclosed in these condensed financial statements and data disclosed in previous financial statements.**

Starting on 1 January 2017 the consolidated financial statements of the Group included the following companies, previously excluded from consolidation:

Business segment - Automotive:  
- Maflow India Private Ltd, India, Maharashtra

Business segment - Metals:  
- Zakład Utylizacji Odpadów Sp. z o.o., in Konin  
- FLT Wälzlager GmbH, Germany, Viersen  
- FLT & Metals s.r.l., Italy, Alserio  
- FLT (Wuxi) Trading Co. Ltd., China, Wuxi

Upon inclusion of new companies in the consolidation, comparable data were restated. In previous years the Parent company periodically evaluated the materiality of exclusion of some subsidiaries from consolidated financial statements. Due to the materiality criterion and the fact that the effect of exclusion of these subsidiaries from consolidation would be disproportionate with the work involved, these subsidiaries remained excluded from consolidation.

In the period covered by this report, a reassessment was made, which considered current technical and organizational conditions, and based on that reassessment subsidiaries previously excluded are now consolidated.

Despite the fact that the inclusion of these subsidiaries in the consolidation of the Capital Group does not result in any significant changes to the information previously published, according to the Management Board, inclusion of those subsidiaries in consolidation prospectively could result in significant distortions of financial results for 2017 and could undermine the principle of comparability of financial data between individual reporting periods. Given that the Management Board has decided to classify the non-consolidation of the above mentioned subsidiaries in the previous periods as a prior years' error in accordance with IAS 8 and restate the comparable data as if those subsidiaries were in fact included in consolidation.

Apart from the above-described, no other corrections of prior years' errors occurred in the period of six months ended 30 June 2016.





Restatement of the statement of financial position as at 01.01.2016

<b>ASSETS</b>	<b>As at 01.01.2016</b>	<b>correction</b>	<b>As at 01.01.2016</b>
	<i>data published</i>		<i>restated data</i>
<b>Non-current assets</b>			
Property, plant and equipment	1 103 343	39 181	1 142 524
Investment property	191 034		191 034
Goodwill	23 855		23 855
Intangible assets	36 679	805	37 484
Investments in subsidiaries and associates	255 977	(23 317)	232 660
Financial assets	22 339	(10 426)	11 913
Deferred tax assets	43 382	1 034	44 416
Long-term receivables	11 768	932	12 700
Other assets	18 720	90	18 810
<b>Total non-current assets</b>	<b>1 707 097</b>	<b>8 299</b>	<b>1 715 396</b>
<b>Current assets</b>			
Inventory	837 760	25 236	862 996
Trade receivables and other receivables	672 470	4 654	677 124
Short-term financial assets	67 350		67 350
Derivative financial instruments	11 072		11 072
Current tax assets	6 501	605	7 106
Other assets	47 245	1 055	48 300
Cash and cash equivalents	98 686	39 385	138 071
<b>Total current assets</b>	<b>1 741 084</b>	<b>70 935</b>	<b>1 812 019</b>
<b>Assets classified as held for sale</b>	<b>4 610</b>		<b>4 610</b>
<b>Total assets</b>	<b>3 452 791</b>	<b>79 234</b>	<b>3 532 025</b>



<b>LIABILITIES AND EQUITY</b>	<b>As at</b>	<b>correction</b>	<b>As at</b>
	<b>01.01.2016</b>		<b>01.01.2016</b>
	<i>data published</i>		<i>restated data</i>
<b>Equity</b>			
Share capital	248 906		248 906
Treasury shares	(125 657)		(125 657)
Share premium	114 435		114 435
Hedge accounting reserve	(4 011)		(4 011)
Reserve on translating employee payables	(92)		(92)
Revaluation reserve	(12 051)		(12 051)
Exchange differences on translating foreign entities	(3 429)	1 407	(2 022)
Retained earnings	639 410	18 236	657 646
<b>Total equity</b>	<b>857 511</b>	<b>19 643</b>	<b>877 154</b>
<b>Non-controlling shareholders' capital</b>	<b>557 386</b>	<b>37 389</b>	<b>594 775</b>
<b>Total equity</b>	<b>1 414 897</b>	<b>57 032</b>	<b>1 471 929</b>
<b>Liabilities and long-term provisions</b>			
Bank credits, loans, bonds	98 556	345	98 901
Lease liabilities	71 099	8 312	79 411
Payables on perpetual usufruct of investment land	51 379		51 379
Deferred tax provision	78 823	646	79 469
Employee benefit provisions	17 224	1 293	18 517
Other provisions	7 362	2 354	9 716
Other liabilities	13 150	1 209	14 359
<b>Liabilities and long-term provisions - total</b>	<b>337 593</b>	<b>14 159</b>	<b>351 752</b>
<b>Short-term liabilities</b>			
Bank credits, loans, bonds	796 444	6 690	803 134
Lease liabilities	42 278	1 036	43 314
Trade payables and other liabilities	746 825	(1 247)	745 578
Derivative financial instruments	21 354		21 354
Current tax liabilities	6 494	477	6 971
Employee benefit provisions	20 656	545	21 201
Other provisions	33 580	480	34 060
Other liabilities	5 947	62	6 009
<b>Liabilities and short-term provisions - total</b>	<b>1 673 578</b>	<b>8 043</b>	<b>1 681 621</b>
<b>Liabilities related to assets classified as held for sale</b>	<b>26 723</b>		<b>26 723</b>
<b>Total liabilities and provisions</b>	<b>2 037 894</b>	<b>22 202</b>	<b>2 060 096</b>
<b>Total equity and liabilities</b>	<b>3 452 791</b>	<b>79 234</b>	<b>3 532 025</b>



Restatement of the statement of financial position as at 31.12.2016

	<b>As at</b>		<b>As at</b>
	<b>31.12.2016</b>	<b>correction</b>	<b>31.12.2016</b>
	<i>data</i>		<i>restated data</i>
	<i>published</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 271 028	38 790	1 309 818
Investment property	111 879		111 879
Goodwill	23 464		23 464
Intangible assets	42 646	740	43 386
Investments in subsidiaries and associates	331 876	(24 261)	307 615
Financial assets	21 790	(14 182)	7 608
Deferred tax assets	50 416	895	51 311
Long-term receivables	4 975	970	5 945
Other assets	42 859	50	42 909
<b>Total non-current assets</b>	<b>1 900 933</b>	<b>3 002</b>	<b>1 903 935</b>
<b>Current assets</b>			
Inventory	896 432	28 578	925 010
Trade receivables and other receivables	666 742	8 678	675 420
Short-term financial assets	86 857		86 857
Derivative financial instruments	18 231		18 231
Current tax assets	1 743	1 487	3 230
Other assets	43 052	581	43 633
Cash and cash equivalents	154 498	50 610	205 108
<b>Total current assets</b>	<b>1 867 555</b>	<b>89 934</b>	<b>1 957 489</b>
<b>Assets classified as held for sale</b>	<b>1 653</b>		<b>1 653</b>
<b>Total assets</b>	<b>3 770 141</b>	<b>92 936</b>	<b>3 863 077</b>
<b>LIABILITIES AND EQUITY</b>			
	<b>As at</b>		<b>As at</b>
	<b>31.12.2016</b>	<b>correction</b>	<b>31.12.2016</b>
	<i>data</i>		<i>restated data</i>
	<i>published</i>		
<b>Equity</b>			
Share capital	248 906		248 906
Tesury shares	(135 756)		(135 756)
Share premium	114 435		114 435
Hedge accounting reserve	(2 348)		(2 348)
Reserve on translating employee payables	28		28
Revaluation reserve	(12 374)		(12 374)
Exchange differences on translating foreign entities	(24 281)	2 493	(21 788)
Retained earnings	765 131	18 264	783 395
<b>Total equity</b>	<b>953 741</b>	<b>20 757</b>	<b>974 498</b>
<b>Non-controlling shareholders' capital</b>	<b>601 703</b>	<b>40 851</b>	<b>642 554</b>
<b>Total equity</b>	<b>1 555 444</b>	<b>61 608</b>	<b>1 617 052</b>



<b>Liabilities and long-term provisions</b>			
Bank credits, loans, bonds	232 171	(1 000)	231 171
Lease liabilities	81 827	7 934	89 761
Payables on perpetual usufruct of investment land	40 631		40 631
Deferred tax provision	80 405	613	81 018
Employee benefit provisions	18 732	975	19 707
Other provisions	9 839	2 894	12 733
Other liabilities	11 818	1 146	12 964
<b>Long-term liabilities and provisions - total</b>	<b>475 423</b>	<b>12 562</b>	<b>487 985</b>
<b>Short-term liabilities</b>			
Bank credits, loans, bonds	756 049	1 158	757 207
Lease liabilities	38 272	799	39 071
Trade payables and other liabilities	829 432	15 165	844 597
Derivative financial instruments	27 779		27 779
Current tax liabilities	11 389	173	11 562
Employee benefit provisions	26 574	632	27 206
Other provisions	17 276	777	18 053
Other liabilities	10 338	62	10 400
<b>Liabilities and short-term provisions - total</b>	<b>1 717 109</b>	<b>18 766</b>	<b>1 735 875</b>
<b>Liabilities related to assets classified as held for sale</b>	<b>22 165</b>		<b>22 165</b>
<b>Total liabilities and provisions</b>	<b>2 214 697</b>	<b>31 328</b>	<b>2 246 025</b>
<b>Total equity and liabilities</b>	<b>3 770 141</b>	<b>92 936</b>	<b>3 863 077</b>



**Statement of comprehensive income for the period between 01.01.2016 and 30.06.2016 – restated**

	<b>01.01.2016 - 30.06. 2016</b>	<b>correction</b>	<b>01.01.2016 - 30.06. 2016</b>
	<i>data published</i>		<i>restated data</i>
<b>Continuing operations</b>			
Revenues from sales	2 851 705	30 074	2 881 779
Cost of sale	2 527 942	18 851	2 546 793
<b>Gross profit on sales</b>	<b>323 763</b>	<b>11 223</b>	<b>334 986</b>
Distribution and marketing expenses	63 508	4 357	67 865
Administrative expenses	118 342	5 188	123 530
Other operating revenue	32 217	147	32 364
Other operating expenses	19 212	321	19 533
<b>Operating profit</b>	<b>154 918</b>	<b>1 504</b>	<b>156 422</b>
Financial revenues	2 189	762	2 951
Financial expenses	44 823	1 073	45 896
<b>Financial profit/loss</b>	<b>(42 634)</b>	<b>(311)</b>	<b>(42 945)</b>
Share in profit of affiliates	1 104		1 104
<b>Profit before taxation</b>	<b>113 388</b>	<b>1 193</b>	<b>114 581</b>
Income tax	18 249	613	18 862
<b>Net profit (loss) on continued operations</b>	<b>95 139</b>	<b>580</b>	<b>95 719</b>
<b>Net profit on discontinued operations</b>	<b>530</b>		<b>530</b>
<b>Net profit on continuing and discontinued operations attributable to:</b>	<b>95 669</b>	<b>580</b>	<b>96 249</b>
<i>to shareholders of the parent</i>	67 386	(424)	66 962
<i>non-controlling interest</i>	28 283	1 004	29 287
	<b>01.01.2016 - 30.06. 2016</b>	<b>correction</b>	<b>01.01.2016 - 30.06. 2016</b>
<b>Net profit</b>	<b>95 669</b>	<b>580</b>	<b>96 249</b>
<b>Earnings recognised in equity</b>	<i>data published</i>		<i>restated data</i>
<b>Earnings recognised in equity, to be transferred to income statement</b>			
Exchange rate differences on converting foreign operations	10 654	1 721	12 375
Financial assets available for sale	1 937		1 937
Hedge accounting	1 499		1 499
<i>Income tax</i>	3 740		3 740
<b>Earnings recognised in equity, not to be transferred to income statement</b>			
Employee benefit capital reserve	56		56
<i>Income tax</i>	11		11
<b>Total earnings recognised in equity</b>	<b>10 395</b>	<b>1 721</b>	<b>12 116</b>
<i>to shareholders of the parent</i>	12 675	960	12 675
<i>non-controlling interest</i>	(2 280)	761	(1 519)



<b>Total comprehensive income, including attributable:</b>	<b>106 064</b>	<b>2 301</b>	<b>108 365</b>
<i>to shareholders of the parent</i>	80 061	536	79 637
<i>non-controlling interest</i>	26 003	1 765	27 768

## Standards and interpretations used in 2017 for the first time

### Adjustment to existing standards used for the first time in the 2017 financial statements

When approving these financial statements no changes occurred to current standards, published by IASB and approved by the EU, and which would be effective in 2017 for the first time.

### New standards and modification to existing standards already published by IASB and approved by the EU but not yet effective

When preparing these financial statements, Group Companies did not apply the following standards, amendments to standards and interpretations, which were published by the IASB and approved by the EU, but not yet effective:

Amendments to IFRS 9 “Financial Instruments: Disclosures” – approved in the EU on 22 November 2016 (effective for annual periods as of 1 January 2018 and thereafter),

**IFRS 15 “Revenue from contracts with customers” and amendments to IFRS 15 “Effective date of IFRS 15”** - approved in the EU on 22 September 2016 (effective for annual periods as of 1 January 2018 and thereafter),

The entity has not decided for an early adoption of the above standards, amendments to standards and interpretations. The entity anticipates that the adoption of these standards, revisions and interpretations would have had no material impact on the financial statements had they been applied by the Group at the balance sheet date.

### New Standards and Interpretations issued by IASB but not yet approved for use in EU

IFRS, as approved by the EU, do not differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the following new standards, amendments to standards and new interpretation that were not approved for use as at the date of publication of the financial statements:

**IFRS 14 “Deferred balances on regulated activity”** (applicable to annual period beginning on or after 1 January 2016) - the European Commission chose not to initiate the process of approval of this interim standard for use in the EU until the final version of IFRS 14 is published,

**IFRS 16 “Leasing”** (effective for annual periods as of 1 January 2019 and thereafter),

**IFRS 17 “Insurance Contracts”** (effective for annual periods as of 1 January 2021 and thereafter),

**Amendments to IFRS 2 “Share-based Payment”** - classification and valuation of share-based payments (effective for annual periods as of 1 January 2018 and thereafter),

Amendments to IFRS 4 “**Insurance Contracts**” – Application of IFRS 9 “Financial instruments” with IFRS 4 “Insurance Instruments (effective for annual periods as of 1 January 2018 and thereafter or at the first use of IFRS 9 “Financial instruments”),

**Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”** - sale or in-kind contribution of assets between an investor and its associated entity or joint venture and subsequent changes (the effective date was postponed until the research work on the ownership rights methodology are completed),

**IFRS 15 “Revenue from contracts with customers”** - Clarification to IFRS 15 “Revenue from contracts with customers” (effective for annual periods as of 1 January 2018 and thereafter),

**Amendments to IAS 7 “Statement of cash flows”** - Initiative regarding disclosures (effective for annual periods beginning on or after 1 January 2017),

**Amendments to IAS 12 “Income Taxes”** – Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017).

**Amendments to IAS 40 “Investment property”** - Reclassification of investment property (effective for annual periods as of 1 January 2018 and thereafter),



**Amendments to various standards “Improvements to IFRS (2014-2016 cycle)”** - changes introduced under the annual improvement procedure of IFRS (IFRS 1, IFRS 12, IAS 19 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods as of 1 January 2017 and thereafter and amendments to IFRS 1 and IAS 28 are effective for annual periods as of 1 January 2018 and thereafter),

**IFRIC Interpretation 22 “Valuation of transactions in foreign currencies”** (applicable to annual periods as of 1 January 2018 and thereafter),

**IFRIC Interpretation 23 “Uncertainty over Income Tax Treatments”** (applicable to annual periods as of 1 January 2019 and thereafter).

The Management Board of the Parent Company is in the process of evaluating and as the balance sheet date and the impact they would have had on the financial statements had they been applied is not yet known.

However, the EU still has not regulated hedge accounting for the portfolio of financial assets and liabilities, whose principles have not yet been approved by the EU.

According to Parent Company’s estimates, the application of hedge accounting for the portfolio of financial assets or liabilities under **IAS 39 “Financial Instruments: Recognition and Evaluation”** would have had no material effect on the financial statements, had it been approved for use as at the balance sheet date.

## **5. Dividend paid or declared in the period from the start of the year**

No dividend was paid or declared by the company in the period of six months ended 30.06.2017.

On 18 May 2017, the Ordinary General Meeting of Shareholders of Boryszew S. A. chose to allocate the entire net profit for 2016 Company’s supplementary capital.

## **6. Contingent liabilities**

	<b>As at</b>	<b>As at</b>
	<b>As at 30.06.2017</b>	<b>31.12.2016</b>
<b>Contingent liabilities:</b>	<b>51 318</b>	<b>21 422</b>
guarantees and sureties granted for repayment of loans and liabilities for deliveries	51 318	21 422



## 7. Estimates of the Management Board

In the first half of 2017 Management Board estimates for the purpose of financial statements were significantly modified. The summary below shows the impact on statements of comprehensive income of the following:

	01.01.2017	01.01.2016
	-	-
<b>Change of estimates regarding assets</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Value impairment write-offs for accounts receivable	2 969	13 059
Reversal of write-offs on accounts receivable	1 203	-
Creation of value impairment write-offs for inventories	5 075	1 788
Value impairment write-offs for inventories	2 066	-
Value impairment write-offs for receivables from awarded loans	-	-
Reversal of tangible fixed assets impairment write-offs	1 587	8
Valuation to fair value of investment property		8 800
Fair value of listed shares disclosed in the profit and loss	(1 429)	-
<i>Fair value of listed shares disclosed in the profit and loss</i>	-	270
<b>Impact on profit/loss</b>	<b>(4 617)</b>	<b>(5 769)</b>

## 8. Financial assets measured at fair value

No change occurred to the fair value evaluation method for financial instruments in the period of six months ended 30.06.2016.

Fair value of financial assets and liabilities of the Group valued at fair value on the on-going basis

	Fair value as at		Hierarchy of fair value
	As at 30.06.2017	As at 31.12.2016	
<b>Financial assets</b>			
Listed shares	2 040	3 462	Level 1
Derivative financial instruments	38 181	18 231	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	15 506	27 779	Level 2

Valuation techniques and basic inputs that are used for the measurement of fair value

Level 1	Listed shares	Shares listed at Warsaw Stock Exchange were valued based on the closing price on the date of the reporting period end.
Level 2	Derivative commodity financial instruments - commodity swaps	The fair value of commodity transactions is calculated based on the prices of contracts for the timely distribution of individual metals as at valuation date and the exchange rates.
	Derivative currency financial instruments - currency forwards	foreign exchange rates, Data for the valuation obtained from Reuters. The fair value of the foreign currency term symmetrical transactions was determined based on the model for the valuation of forward contracts which uses NBP rates as at the valuation date and term interest rates for individual currencies.

Level 3 contains information which is not based on observations; such information is used when no information in the first two evaluation levels can be obtained. Level 3 includes any evaluation based on subjective inputs.

In the reporting period as well as in the comparable period, no shift of instruments between level 1 and 2 occurred with regard to Group member companies.





In the reporting period as well as in the comparable period, level 3 instruments were not reclassified to level 1 and 2 in the Group.

Fair value of financial assets and liabilities of the Group not valued at fair value on the on-going basis (but fair value disclosures are required)

	Fair value as at		Hierarchy of fair value
	As at 30.06.2017	As at 31.12.2016 (restated data)	
<b>Financial investments</b>			
Not listed shares	615	595	Level 3
Shares held for trading	25 077	25 089	Level 3
Bonds	66 263	64 007	Level 3
Receivables and loans	777 214	593 937	Level 3
Property, plant and equipment	97 991	111 879	Level 3
Cash and cash equivalents	171 906	205 108	Level 3
<b>Financial obligations</b>			
Borrowings and loans and lease	1 166 380	1 117 210	Level 2
Trade liabilities	707 526	629 496	Level 3
SMA liabilities	39 527	40 631	Level 2

Fair value of financial instruments, held by the Group as at 30 June 2017 and 31 December 2016, which are not stated at fair value on on-going basis, showed no material deviation from the value disclosed in the financial statements from previous years for the following reasons:

- in case of short-term instruments the possible discount effect is insignificant (trade receivables and trade payables, loans granted, loan liabilities, cash, other liabilities),
- these instruments regard transactions concluded on arm's length basis (such as interest bearing bond receivables and liabilities, loans and borrowings, where the interest rate is determined on arm's length basis).
- in case of shares not listed on active market, classified as financial instruments available for sale, their valuation at purchase price less impairment write-offs is assumed to be close enough to the fair value.

## 9. Movements in share capital

### Purchase of own shares by Boryszew S.A.

Acting within the limits of the authorisation granted by Resolution no. 19 of the Ordinary General Meeting of Shareholders of Boryszew S.A. dated 25 June 2014 on authorising the Company's Management Board to repurchase Boryszew S.A. own shares as well as pursuant to Art. 362 § 1 point 8) and Art. 362 § 4 of Commercial Companies Code in the period between 1 January 2017 and 30 June 2017 Boryszew S.A. acquired a total of 1 653 831 own shares, making a total of 9 483 831 own shares with the shares already held, accounting for 3.952% stake in total votes on the GA of Boryszew S.A.

As at 30 June 2017 Boryszew Capital Group held 23 643 831 shares of Boryszew S.A., accounting for 9.85% of total votes at the General Meeting of Boryszew S.A.

- Boryszew S.A. : 9 483 831 shares, accounting for 3.95% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- Impexmetal S.A. 10 990 000 shares, accounting for 4.99% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o. 2 165 000 shares, accounting for 0.90% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- Polski Cynk Sp. z o.o. 5 000 shares, accounting for 0.00% share in the share capital and votes during the General Assembly of Boryszew S.A.,



## 10. Operating segments

### Information on segments includes revenues and results from continued operations

<b>01.01.2017 -30.06.2017</b>	Chemical products	Automotive	Metals	Other	Total	consolidation exclusions between segments	Total
Revenues from sales	131 582	1 042 350	1 898 597	129 553	3 202 082	(30 295)	3 171 787
Cost of sales for the segment	109 374	869 028	1 719 510	117 239	2 815 151	(29 318)	2 785 833
<b>Result on sales within segment</b>	<b>22 208</b>	<b>173 322</b>	<b>179 087</b>	<b>12 314</b>	<b>386 931</b>	<b>(977)</b>	<b>385 954</b>
General, administrative and sales expenses	16 078	102 020	77 254	15 476	210 828	(5 979)	204 849
Other operating profit/loss	2 254	572	2 037	12 104	16 967	(9 260)	7 707
<b>Segment profit/loss</b>	<b>8 384</b>	<b>71 874</b>	<b>103 870</b>	<b>8 942</b>	<b>193 070</b>	<b>(4 258)</b>	<b>188 812</b>
Amortisation and depreciation	3 225	30 362	32 094	870	66 551	6	66 557
Segment assets	270 982	1 453 172	2 731 783	1 232 955	5 688 892	(1 552 865)	4 136 027
Segment liabilities	86 387	1 618 137	1 094 918	465 781	3 265 223	(887 801)	2 377 422
<b>01.01.2016 -30.06. 2016 - rested data</b>	Chemical products	Automotive	Metals	Other	Total	consolidation exclusions between segments	Total
Revenues from sales	163 340	993 666	1 635 192	128 675	2 920 873	(39 094)	2 881 779
Cost of sales for the segment	142 693	888 516	1 455 668	119 235	2 606 112	(59 319)	2 546 793
<b>Result on sales within segment</b>	<b>20 647</b>	<b>105 150</b>	<b>179 524</b>	<b>9 440</b>	<b>314 761</b>	<b>20 225</b>	<b>334 986</b>
General, administrative and sales expenses	18 856	74 863	73 924	24 411	192 054	(659)	191 395
Other operating profit/loss	762	9 452	(15 478)	20 964	15 700	(2 869)	12 831
<b>Segment profit/loss</b>	<b>2 553</b>	<b>39 739</b>	<b>90 122</b>	<b>5 993</b>	<b>138 407</b>	<b>18 015</b>	<b>156 422</b>
Amortisation and depreciation	2 889	27 696	29 474	495	60 554		60 554
Segment assets	264 553	1 322 322	2 245 719	1 231 522	5 064 116	(1 282 859)	3 781 257
Segment liabilities	85 596	1 540 343	931 987	488 174	3 046 100	(852 818)	2 193 282



**In 2017 the Management Board of Parent Company modified operating segments. For comparability of information the Group restated data for operating segments for the period between 01.01.2016 and 30.06.2016**

<b>Companies by operating segments</b>	<b>segment from 2017</b>	<b>segment until end of 2016</b>
Boryszew S.A.-Elana Branch in Toruń	Chemical products	Chemicals
Boryszew S.A. Boryszew ERG Branch in Sochaczew	Chemical products	Chemicals
Boryszew S.A.-Nylonbor Branch in Sochaczew	Chemical products	Chemicals
Elimer Sp. z o.o.	Chemical products	Chemicals
Torlen Sp. z o.o.	Chemical products	Chemicals
Elana Pet Sp. z o.o.	Chemical products	Chemicals
Boryszew Components Poland Sp. zo.o.	Automotive	Automotive
Boryszew HR Service Sp. z o.o.	Automotive	Automotive
Boryszew Commodities Sp. z o.o.	Automotive	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Automotive	Automotive
Maflow Polska Sp. z o.o.	Automotive	Automotive
Maflow BRS s.r.l	Automotive	Automotive
Maflow Spain Automotive S.L.U	Automotive	Automotive
Maflow France Automotive S.A.	Automotive	Automotive
Maflow do Brasil Ltda	Automotive	Automotive
Maflow Components Co. Ltd	Automotive	Automotive
- Maflow India Private Ltd, India,	Automotive	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C.V	Automotive	Automotive
MAFMEX S.DE R.L.DE C.V	Automotive	Automotive
ICOS GmbH	Automotive	Automotive
Theysohn Kunststoff GmbH	Automotive	Automotive
Theysohn Formenbau GmbH	Automotive	Automotive
Boryszew Formenbau Deutschland GmbH	Automotive	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Automotive	Automotive
BRS YMOS GmbH	Automotive	Automotive
Boryszew Oberflächetechnik GmbH	Automotive	Automotive
Boryszew Deutschland GmbH	Automotive	Automotive
AKT Plastikarska Technologie	Automotive	Automotive
Boryszew Plastic RUS Sp. z o.o.	Automotive	Automotive
Boryszew Tensho Poland Sp. z o.o.	Automotive	Automotive
Boryszew S.A. - NPA Skawina Branch	Metals	Aluminium
Impexmetal S.A.	Metals	Aluminium
SPV Impexmetal Sp. z o.o.	Metals	Aluminium
Hutmen S.A.	Metals	Copper
Walcownia Metali Dziedzice S.A.	Metals	Copper
Metal Zinc Sp. Zo.o.	Metals	Zink and Lead
ZM Silesia S.A.	Metals	Zink and Lead
Baterpol S.A.	Metals	Zink and Lead
Polski Cynk Sp. z o.o.	Metals	Zink and Lead
Baterpol Recycler Sp. z o.o.	Metals	Zink and Lead
FŁT Polska Sp. z o.o.	Metals	Automotive
FLT & Metals Ltd.	Metals	Automotive
S & I S.A.	Metals	Automotive
FLT Bearings Ltd.	Metals	Automotive
FLT France SAS	Metals	Automotive
Symonvit Ltd	Metals	Aluminium
ZM Nieruchomości Sp. z o.o.	Metals	Trade and other segments
Baterpol Recycler Sp. z o.o. Spółka komandytowa	Metals	Trade and other segments

All amounts are presented in PLN '000 unless specified otherwise.



Surowce Hutmen S.A. Sp. Komandytowa (limited partnership)	Metals	Trade and other segments
Zakład Utylizacji Odpadów Sp. z o.o.,	Metals	company excluded from consolidation
FLT Wälzlager GmbH	Metals	company excluded from consolidation
FLT & Metals s.r.l.,	Metals	company excluded from consolidation
FLT (Wuxi) Trading Co. Ltd.,	Metals	company excluded from consolidation
Boryszew S.A. - Headquarters	Other	Holding activity
Boryszew S.A- Energy Branch in Toruń	Other	Trade and other segments
Boryszew S.A-Data Center Branch in Toruń	Other	Trade and other segments
Elana Energetyka Sp. z o.o.	Other	Chemicals
SPV Boryszew 3 Sp. z o.o.	Other	Trade and other segments
EastsideBis Sp. z o.o.	Other	Trade and other segments
SPV Lakme Investment Sp. z o.o.	Other	Trade and other segments
Impex – Invest Sp. z o.o.	Other	Trade and other segments
Boryszew S.A. Trade Branch in Sochaczew	<i>branch discontinued</i>	Trade and other segments

### Revenues from sale by destination market

	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 30.06.2016</b> <i>(restated data)</i>
<b>Revenues from sales by geographies</b>		
<b>Continuing operations</b>		
Domestic sales	1 072 289	932 854
Sales to EU countries	1 863 608	1 763 343
Sales to other European countries	89 846	88 582
Export outside Europe	146 044	97 000
Total revenues from sale (continuing operations)	<b>3 171 787</b>	<b>2 881 779</b>

	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 30.06.2016</b> <i>(restated data)</i>
Share of EU member states in intra-Community sales:		
Germany	43%	44%
The Czech Republic	13%	15%
France	5%	7%
Slovakia	3%	4%
Italy	6%	5%

### 11. Notes on the seasonality of the company's business

Boryszew Capital Group is exposed to seasonality only in limited extent.

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders.

In the Metal Segment, seasonality affects the range of products sold for the construction sector, which include:

- copper installation pipes and cupronickel condenser pipes manufactured by Hutmen S.A.
- brass condenser pipes used for district heating, manufactured by WM Dzierżycze S.A.
- zinc-titanium roofing sheets and zinc wire manufactured by ZM SILESIA S.A.



The peak in sales of these products is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for carrying out construction works, as well as the economic situation in the construction industry. Other products of this segment are less prone to seasonality, fluctuations in their sales are mainly due to macroeconomic conditions and economic situation.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter.

No specific seasonality is observed for other products of the Capital Group.

It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.

## **12. Information on the issue, redemption and repayment of bonds**

- I. Under registered bond issue scheme adopted under Resolution No. 153/2016 of the Management Board for Boryszew S.A, dated 28 July 2016, amended by Resolution No. 1/2017 of the Management Board for Boryszew S.A. of 2 January 2017, Boryszew S.A. issued:
  - on 2 January 2017, 15 A5 series registered bond with nominal value of PLN 1 000 000.00 each. The total nominal value of bonds issued this series was PLN 15 000 000.00. The interest on the bonds was determined on the arm's length basis. Bonds redemption date - 31 December 2017. These bond are a replacement for bonds issued by Boryszew S.A. on 31 February 2013 under the registered Bond Issue Scheme on 31 December 2015 and acquired by Hutmen S.A. Proceeds from the issue were used to finance operating activity of Boryszew S.A.
  - on 2 January 2017 1 A6 series registered bond with nominal value of PLN 1 000 000.00. The total nominal value of bonds issued this series was PLN 1 000 000.00. The interest on the bonds was determined on the arm's length basis. Bond redemption date - 31 December 2017. These bond are a replacement for bonds issued by Boryszew S.A. on 31 February 2013 under the registered Bond Issue Scheme on 31 December 2015 and acquired by S&I S.A. based in St. Sulpice, Switzerland. Proceeds from the issue were used to finance operating activity of Boryszew S.A.
  - on 30 June 2017 16 A7 series registered bonds with a nominal value of PLN 1 000 000.00 each. The total nominal value of bonds issued this series was PLN 16 000 000.00. The interest on the bonds was determined on the arm's length basis. Bonds redemption date - 30 June 2018. These bond are a replacement for bonds issued by Boryszew S.A. under the registered Bond Issue Scheme on 27 August and 1 October 2015 and acquired by WM Dziedzice S.A. based in Czechowice – Dziedzice. Proceeds from the issue were used to finance operating activity of Boryszew S.A.
  - on 30 June 2017 11 A8 series registered bonds with a nominal value of PLN 1 000 000.00 each. The total nominal value of bonds issued this series was PLN 11 000 000.00. The interest on the bonds was determined on the arm's length basis. Bonds redemption date - 30 June 2019. These bond are a replacement for bonds issued by Boryszew S.A. under the registered Bond Issue Scheme on 22 December 2015 and acquired by Metal Zinc Spółka z o.o. based in Katowice. Proceeds from the issue were used to finance operating activity of Boryszew S.A.
- II. Under registered 5-year bond issue scheme adopted under Resolution No. 124/2013 of the Management Board for Boryszew S.A, dated 13 September 2013, Boryszew S.A. issued:
  - on 30 June 2017 3 BE series registered bonds with a nominal value of EUR 500 000.00 each. The total nominal value of bonds issued this series was EUR 1 500 000.00. The interest on the bonds was determined on the arm's length basis. Bonds redemption date - 30 September 2018. These bond are a replacement for bonds issued by Boryszew S.A. under the registered 5-year Bond Issue Scheme on 30 September 2015 and acquired by Polski Cynk Sp. z o.o. based in Oława. Proceeds from the issue of these bonds were used to finance operating activity of Boryszew S.A.

## **13. Note on significant purchase and disposal transactions of property, plant and equipment**

In the first six months of 2017 the Group acquired assets worth PLN 134 483 thousand. Main investments took place in the following segments:

- Automotive (PLN 90.3 million) – conclusion of the investment at BOD facility in Prenzlau and erection of a new facility at Maflow in Toruń,
- Metals (PLN 39.6 million) - spent primarily to conclude stage I of production capacity upgrade in Impexmetal aluminium steelworks.



#### 14. Transactions with affiliated entities

<b>Receivables and payables</b>	<b>As at 30.06.2017</b>	<b>As at 30.06.2016</b>
Loans granted	1 687	1 519

#### **Subsidiaries**

<b>Receivables and payables</b>	<b>As at 30.06.2017</b>	<b>As at 30.06.2016</b>
Loans granted	1 687	1 519

#### Transactions with affiliated entities

<b>Revenues and costs</b>	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 31.12. 2016</b>
Revenues from sales	27 082	25 346
Operating costs	61	5 279

<b>Receivables and payables</b>	<b>As at 30.06.2017</b>	<b>As at 30.06.2016</b>
Trade and other receivables	1 864	1 982
Trade liabilities	1 568	2 460

#### Parties related personally

<b>Revenues and costs</b>	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2015 - 31.12. 2015</b>
Revenues from sales	1 105	4 652
Interest income	57	170
Operating costs	3 434	2 926

#### **Receivables and payables**

Trade and other receivables	2 386	10 939
Loans granted and acquired bonds	59 333	8 503
Trade and other liabilities	27 482	25 240

#### 15. Litigation underway

No litigation underway

#### 16. Events after the balance sheet date

##### Signing of intent letter on the sale of shares in FŁT Polska

On 23 August 2017 Impexmetal S.A. signed a letter of intent with a potential investor, a member of the Chinese machinery industry leader in the global markets (the Buyer) for the sale of shares in FŁT Polska Spółka z o.o. (FŁT Polska), accounting for 98.35% of the share capital / total number of votes in FŁT Polska (Shares).

The parties seek to establish detailed terms (including prices) of the potential transaction of the sale of Shares to the Buyer, based on the results of the evaluation of FŁT Polska legal and financial situation, as one of many conditions.

The parties also seek to conclude an initial sale agreement of the shares as soon as possible; the final agreement should be concluded upon obtaining all necessary approvals, including the consent of the Chinese authorities. The Management of the Parent Company considered and decided that at the moment of preparing these financial statements no grounds existed to classify the assets being the subject of this Letter of Intent as held for sale under IFRS 5.



The financial statements were signed at the offices of the entity on 30 August 2017.

Jarosław Michniuk – President of the Management Board \_\_\_\_\_

Aleksander Baryś – Member of the Management Board \_\_\_\_\_

Mikołaj Budzanowski – Member of the Management Board \_\_\_\_\_

Cezary Pyszkowski – Member of the Management Board \_\_\_\_\_

Piotr Szeliga – Member of the Management Board \_\_\_\_\_

Elżbieta Słaboń – Chief Accountant \_\_\_\_\_



**INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**Boryszew S.A.**

**for the period between 1 January 2017 and 30 June 2017**





## STATEMENT OF COMPREHENSIVE INCOME

	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016	01.04.2017 - 30.06.2017	01.04.2016 - 30.06.2016
			<i>Unaudited data</i>	<i>Unaudited data</i>
Revenues from sales	758 656	728 400	374 552	346 835
Costs of sales	661 368	639 979	336 410	301 049
<b>Profit on sales</b>	<b>97 288</b>	<b>88 421</b>	<b>38 142</b>	<b>45 786</b>
Distribution and marketing expenses	14 858	13 356	7 710	4 334
Administrative expenses	39 862	32 369	13 572	17 272
Other operating revenue	25 729	15 934	20 345	8 295
Other operating expenses	15 654	29 702	8 847	24 361
<b>Operating profit</b>	<b>52 643</b>	<b>28 928</b>	<b>28 358</b>	<b>8 114</b>
Financial revenues	7 511	12 590	3 406	8 260
Financial expenses	24 167	55 998	8 752	32 864
<b>Financial profit/loss</b>	<b>(16 656)</b>	<b>(43 408)</b>	<b>(5 346)</b>	<b>(24 604)</b>
<b>Profit (loss) before taxation</b>	<b>35 987</b>	<b>(14 480)</b>	<b>23 012</b>	<b>(16 490)</b>
Income tax	(3 029)	(115)	(5 963)	(572)
<b>Net profit (loss)</b>	<b>39 016</b>	<b>(14 365)</b>	<b>28 975</b>	<b>(15 918)</b>
<b>Earnings (loss) per share / Diluted earnings (loss) per share</b>				
Weighted average number of shares	231 829 760	232 835 824	231 493 259	232 501 648
Earnings (loss) per one share / Diluted earnings (loss) per share (PLN)	0.17	(0.06)	0.13	(0.07)
<b>Net profit (loss)</b>	<b>39 016</b>	<b>(14 365)</b>	<b>28 975</b>	<b>(15 918)</b>
<b>Earnings recognised in equity</b>				
<b>Earnings recognised in equity, to be transferred to income statement</b>				
Measurement of DDS financial assets	-	220	-	1 743
Hedge accounting	(3 070)	4 247	(722)	5 820
Income tax	583	(849)	137	(1 437)
<b>Earnings recognised in equity, not to be transferred to income statement</b>			-	-
Employee benefit capital reserve			-	-
Income tax				
<b>Total earnings recognised in equity</b>	<b>(2 487)</b>	<b>3 618</b>	<b>(585)</b>	<b>6 126</b>
<b>Total comprehensive income</b>	<b>36 529</b>	<b>(10 747)</b>	<b>28 390</b>	<b>(9 792)</b>

**STATEMENT OF FINANCIAL POSITION**

	<b>As at 30.06.2017</b>	<b>As at 31.12.2016</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	277 661	260 785
Investment property	144	144
Intangible assets	26 275	25 915
Investments subsidiaries and associates	411 931	364 938
Financial assets	21 742	19 036
Deferred tax assets	15 419	-
Long-term receivables	347 667	354 721
Other assets	13 450	14 191
<b>Total non-current assets</b>	<b>1 114 289</b>	<b>1 039 730</b>
<b>Current assets</b>		
Inventory	165 964	134 259
Trade receivables and other receivables	340 020	318 893
Short-term financial assets	25 068	27 108
Derivative financial instruments	-	1 609
Current tax assets	-	-
Other assets	7 280	6 261
Cash and cash equivalents	31 988	60 932
<b>Total current assets</b>	<b>570 320</b>	<b>549 062</b>
<b>Total assets</b>	<b>1 684 609</b>	<b>1 588 792</b>

**LIABILITIES AND EQUITY**

	<b>As at 30.06.2017</b>	<b>As at 31.12.2016</b>
<b>Equity</b>		
Share capital	248 906	248 906
Treasury shares	(68 183)	(49 518)
Share premium	112 346	112 346
Hedge accounting reserve	(2 443)	44
Reserve on translating employee payables	77	77
Revaluation reserve	-	-
Retained earnings	294 908	255 892
<b>Total equity</b>	<b>585 611</b>	<b>567 747</b>
<b>Long-term liabilities and provisions</b>		
Bank credits, loans, bonds	221 829	136 334
Lease liabilities	50 034	67 832
Payables on perpetual usufruct of investment land	61	61
Deferred tax provision	7 500	2 453
Employee benefit provisions	2 473	2 482
Other provisions	5 159	5 156
Other liabilities	2 960	3 151
<b>Long-term liabilities and provisions - total</b>	<b>290 016</b>	<b>217 469</b>
<b>Short-term liabilities and provisions</b>		
Bank credits, loans, bonds	435 617	450 170
Lease liabilities	27 011	27 569
Trade payables and other liabilities	324 635	311 333
Derivative financial instruments	1 176	-
Current tax liabilities	4 603	-
Employee benefit provisions	8 728	8 097
Other provisions	1 694	1 694
Other liabilities	5 518	4 713
<b>Short-term liabilities and provisions - total</b>	<b>808 982</b>	<b>803 576</b>
<b>Total liabilities</b>	<b>1 098 998</b>	<b>1 021 045</b>
<b>Total equity and liabilities</b>	<b>1 684 609</b>	<b>1 588 792</b>



## 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
<b>As at 01.01.2017</b>	<b>248 906</b>	<b>(49 518)</b>	<b>112 346</b>	<b>44</b>	<b>0</b>	<b>77</b>	<b>255 892</b>	<b>567 747</b>
Valuation of hedge instruments				(2 487)				(2 487)
Valuation of assets available for sale					0			0
Valuation of employee benefits								-
Profit for 2016							39 016	<b>39 016</b>
<b>Total comprehensive income for Q1 '2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 487)</b>	<b>0</b>	<b>-</b>	<b>39 016</b>	<b>36 529</b>
Share buy-back - Boryszew SA		(18 665)						(18 665)
<b>As at 30.06.2017</b>	<b>248 906</b>	<b>(68 183)</b>	<b>112 346</b>	<b>(2 443)</b>	<b>-</b>	<b>77</b>	<b>294 908</b>	<b>585 611</b>

	Share capital	Treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
<b>As at 01.01.2016</b>	<b>248 906</b>	<b>(44 411)</b>	<b>112 346</b>	<b>(2 312)</b>	<b>(135)</b>	<b>(42)</b>	<b>252 185</b>	<b>566 537</b>
Valuation of hedge instruments				3 440				3 440
Valuation of assets available for sale					178			178
Profit for 2016							(14 365)	(14 365)
<b>Total comprehensive income for 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 440</b>	<b>178</b>	<b>0</b>	<b>(14 365)</b>	<b>(10 747)</b>
Share buy-back - Boryszew SA		(5 107)						(5 107)
Dividend distribution								-
<b>As at 30.06.2016</b>	<b>248 906</b>	<b>(49 518)</b>	<b>112 346</b>	<b>1 128</b>	<b>43</b>	<b>(42)</b>	<b>237 820</b>	<b>550 683</b>

**CASH FLOW STATEMENT**

	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 30.06.2016</b>
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>35 987</b>	<b>(14 480)</b>
<b>Adjustments for (+/-)</b>	<b>(54 920)</b>	<b>45 281</b>
Amortisation and depreciation	14 041	12 746
Profit/loss on financial activity (including interest on financial liabilities)	8 594	8 865
Dividends from share in profit	(10 078)	(1 745)
Profit on sales of subsidiaries	(1 456)	-
Change in receivables	(14 502)	(15 961)
Change in inventories	(31 705)	15 887
Change in liabilities	(19 233)	19 512
Change in provisions and accruals as well as prepayments	961	(5 128)
Other items	587	11 105
Income tax paid	(2 129)	-
<b>Net cash from operating activities</b>	<b>(18 933)</b>	<b>30 801</b>
<b>Cash flows from investment activities</b>		
Proceeds from fixed assets disposal	1 616	-
Proceeds from shares disposal	1 375	13 237
Revenues from dividend	10 078	1 745
Payment for property, plant and equipment	(31 277)	(17 697)
Payment for acquisition of shares in capital group entities	(15 801)	(7 354)
Long-term borrowings granted	429	(8 005)
Other capital expenditure	(3 100)	(1 887)
<b>Net cash from investing activities</b>	<b>(36 680)</b>	<b>(19 961)</b>
<b>Cash flows from financial activities</b>		
Proceeds from credit and loan facilities	74 058	27 243
Loans received	16 354	18 391
Proceeds on bond issue	1 334	-
Share buy-back expense	(18 665)	(5 107)
Repayment of credit and loan facilities	(5 662)	(23 571)
Repayment of borrowings	(13 800)	-
Interest paid on loans, bonds...	(8 594)	(8 865)
Payment of liabilities under finance lease agreements	(18 356)	(3 328)
<b>Net cash from financing activities</b>	<b>26 669</b>	<b>4 763</b>
<b>Net change in cash</b>	<b>(28 944)</b>	<b>15 603</b>
Cash opening balance	60 932	22 731
<b>Cash closing balance</b>	<b>31 988</b>	<b>38 334</b>

**ADDITIONAL INFORMATION  
TO INTERIM CONDENSED FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE 1ST HALF OF  
2017****1. Statement by the Management Board on compliance of accounting principles**

The Management Board of Boryszew S.A. and its members: Jarosław Michniuk, Aleksander Baryś, Mikołaj Budzanowski, Cezary Pyszkowski, Piotr Szeliga represent hereby that to the best of their knowledge the consolidated interim report for the first six months and the comparable data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A.

**2. Statement by the Management Board on the selection of entity to audit financial statements**

The Management Board of Boryszew S.A. announces that the Supervisory Board of Boryszew S.A. selected Deloitte Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa based in Warsaw at Al. Jana Pawła II 22, to review and audit the financial statements of Boryszew S.A. and consolidated financial statements of Boryszew Capital Group for the period from 1 January 2017 to 31 December 2017. Deloitte Polska Spółka z ograniczoną odpowiedzialnością S.k. is registered in the list of entities authorised to audit financial statements, maintained by the Polish National Board of Statutory Auditors, under number 73.

The Management Board of Boryszew S.A. represents that that Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k., the entity conducting the review of the consolidated financial statements for the first six months of 2017 was selected in accordance with the laws and that Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and auditors conducting the reviews met the conditions required to prepare an unbiased and independent opinion on the reviewed consolidated financial statement, pursuant to relevant provisions of law and professional standards.

**3. Accounting principles applied**

The information presented in the interim report for the first six months of 2017 was drafted as per the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information to be submitted by issuers of securities and the conditions for considering information required under the law of a non-member state as equivalent (original text: Journal of Laws No. 33, item 259 of 2009, consolidated text: Journal of Laws item 133 of 2014) as well as the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

The accounting principles applied by the Group were not modified in the period covered by this Report; these principles are detailed in the 2016 annual report, published on 29 March 2017.

These financial statements were drafted based on the International Financial Reporting Standards as approved by the European Union (UE).

Selected financial data in the initial part of the report were restated to EUR according to § 87 section 7 of the Minister of Finance Regulation of 19 February 2009 (Journal of Law No. 33, item 259 of 2009).

The exchange rate on the last day of the period was applied for balance sheet items and average exchange rate for the period was applied for the profit and loss account and cash flow statement.

	average EUR exchange rate for the period	EUR exchange rate for the last day of the period
1.01- 30.06.2016	4.3805	4.4255
1.01- 31.12.2016	4.3757	4.4240
1.01- 30.06.2017	4.2474	4.2265



#### 4. Estimates of the Management Board

In the first half of 2017 Management Board estimates for the purpose of financial statements were significantly modified. The total of the estimates disclosed in the profit and loss account had a material impact on performance, as shown below.

	01.01.2017	01.01.2016
	-	-
<b>Change of estimates regarding assets</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Value impairment write-offs for accounts receivable	12 573	15 784
Reversal of write-offs on accounts receivable	469	1 741
Creation of value impairment write-offs for inventories	3 048	2 246
Value impairment write-offs for inventories	-	625
Value impairment write-offs for receivables from awarded loans	2 232	46 349
Reversal of tangible fixed assets impairment write-offs	1 587	-
Fair value of listed shares disclosed in the profit and loss	(1 084)	-
<i>Fair value of listed shares disclosed in the profit and loss</i>	<i>-</i>	<i>220</i>
<b>Impact on profit/loss</b>	<b>(16 881)</b>	<b>(62 013)</b>

Write-downs on trade receivables and loans are primarily for receivables from related companies (Maflow Brazil and Maflow China). In the current year the Company significantly reduced financing of Maflow subsidiaries as their liquidity improved. Hence the write-off expenses were considerably lower in the current period compared to 2016.

#### 5. Off-balance-sheet liabilities

	As at 30.06.2017	As at 31.12.2016
<b>Contingent liabilities:</b>	<b>450 857</b>	<b>220 030</b>
guarantees and sureties granted to related entities for repayment of loans and liabilities for deliveries	450 857	220 030

#### 6. Dividend paid or declared in the period from the start of the year

No dividend was paid or declared by the company in the period of six months ended 30.06.2017. On 18 May 2017, the Ordinary General Meeting of Shareholders of Boryszew S. A. chose to allocate the entire net profit for 2016 Company's supplementary capital.



## 7. Operating segments

01.01.2017 -30.06.2017	Chemical products	Automotive	Metals	Other	Exclusions between segments	Total
Revenues from sales	103 981	348 461	198 597	110 946	(3 329)	758 656
Segment selling costs	84 854	278 059	180 921	103 440	(3 112)	644 162
<b>Result on sales within segment</b>	<b>19 127</b>	<b>70 402</b>	<b>17 676</b>	<b>7 506</b>	<b>(217)</b>	<b>114 494</b>
General, administrative and sales expenses	14 198	39 961	6 746	11 462	(441)	71 926
Other operating profit/loss	2 141	(10 596)	632	18 139	(241)	10 075
<b>Segment profit/loss</b>	<b>7 070</b>	<b>19 845</b>	<b>11 562</b>	<b>14 183</b>	<b>(17)</b>	<b>52 643</b>
Amortisation and depreciation	2 617	8 519	2 557	178	-	<b>13 871</b>
EBITDA *)	9 687	28 364	14 119	14 361	(17)	66 514
Segment assets	227 141	538 307	175 591	833 026	(89 456)	1 684 609
Segment liabilities	76 462	630 207	115 595	366 190	(89 456)	1 098 998
<b>01.01.2016 -30.06. 2016</b>	<b>Chemical products</b>	<b>Automotive</b>	<b>Metals</b>	<b>Other</b>	<b>Exclusions between segments</b>	<b>Total</b>
Revenues from sales	148 230	311 001	156 768	116 072	(3 671)	728 400
Segment selling costs	129 036	251 502	138 189	107 821	(3 481)	623 067
<b>Result on sales within segment</b>	<b>19 194</b>	<b>59 499</b>	<b>18 579</b>	<b>8 251</b>	<b>(190)</b>	<b>105 333</b>
General, administrative and sales expenses	15 455	34 045	6 458	6 880	(201)	62 637
Other operating profit/loss	204	(2 534)	(9 160)	(2 262)	(16)	(13 768)
<b>Segment profit/loss</b>	<b>3 943</b>	<b>22 920</b>	<b>2 961</b>	<b>(891)</b>	<b>(5)</b>	<b>28 928</b>
Amortisation and depreciation	2 295	7 922	2 332	197	-	<b>12 746</b>
EBITDA *)	6 238	30 842	5 293	(694)	(5)	41 674
Segment assets	220 255	439 819	148 068	823 451	(81 888)	1 549 705
Segment liabilities	78 549	570 450	99 231	332 680	(81 888)	999 022

\*) EBITDA = operating result increased by amortisation and depreciation

Revenues from sale by destination market	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Domestic sales	280 660	236 388
Sales to EU countries	442 674	453 797
Sales to other European countries	7 983	18 822
Export outside Europe	27 339	19 393
<b>Total revenues from sale (continuing operations)</b>	<b>758 656</b>	<b>728 400</b>

Share of EU member states in intra-Community sales:	01.01.2017 - 30.06.2017	01.01.2016 - 30.06.2016
Germany	27%	30%
The Czech Republic	7%	17%
Great Britain	12%	12%
Spain	9%	9%
Italy	9%	3%



**8. Financial assets measured at fair value**

No change occurred to the fair value evaluation method for financial instruments in the period of six months ended 30.06.2016.

Fair value of financial assets and liabilities disclosed at fair value on on-going basis

	Fair value as at		Hierarchy of fair value
	As at 30.06.2017	As at 31.12.2016	
<b>Financial assets</b>			
Listed shares	1 532	2 615	Level 1
Derivative financial instruments	-	1 609	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	1 176	-	Level 2

Valuation techniques and basic inputs that are used for the measurement of fair value

Level 1	Listed shares	Shares listed at Warsaw Stock Exchange were valued based on the closing price on the date of the reporting period end.
Level 2	Derivative commodity financial instruments - commodity swaps	The fair value of commodity transactions is calculated based on the prices of contracts for the timely distribution of individual metals as at valuation date and the exchange rates. foreign exchange rates, Data for the valuation obtained from Reuters.
	Derivative currency financial instruments - currency forwards	The fair value of the foreign currency term symmetrical transactions was determined based on the model for the valuation of forward contracts which uses NBP rates as at the valuation date and term interest rates for individual currencies.

Level 3 contains information which is not based on observations; such information is used when no information in the first two evaluation levels can be obtained. Level 3 includes any evaluation based on subjective inputs.

In the reporting period as well as in the comparable period, no shift of instruments between level 1 and 2 occurred. In the reporting period as well as in the comparable period, level 3 instruments were not reclassified to level 1 and 2.

Fair value of financial assets and liabilities of the Group not valued at fair value on the on-going basis (but fair value disclosures are required)

	Fair value as at		Hierarchy of fair value
	As at 30.06.2017	As at 31.12.2016	
<b>Financial investments</b>			
Not listed shares			Level 3
Shares held for trading	25 068	25 068	Level 3
Bonds	20 210	18 461	Level 3
Receivables and loans	644 457	596 006	Level 3
Investment property	144	144	Level 3
Cash and cash equivalents	31 988	60 932	Level 3
<b>Financial obligations</b>			
Borrowings and loans and lease	734 491	681 905	Level 2
Trade liabilities	301 126	288 642	Level 3
SMA liabilities	61	61	Level 2

Fair value of financial instruments, held by the Company as at 30 June 2017 and 31 December 2016, which are not stated at fair value on on-going basis, showed no material deviation from the value disclosed in the financial statements from previous years for the following reasons:

- in case of short-term instruments the possible discount effect is insignificant (trade receivables and trade payables, loans granted, loan liabilities, cash, other liabilities),



- these instruments regard transactions concluded on arm's length basis (such as interest bearing bond receivables and liabilities, loans and borrowings, where the interest rate is determined on arm's length basis).
- in case of shares not listed on active market, classified as financial instruments available for sale, their valuation at purchase price less impairment write-offs is assumed to be close enough to the fair value.

## 9. Information on transactions and balances with related entities

### Subsidiaries and joint associates

<b>Revenues and costs</b>	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 31.12. 2016</b>
Revenues from sales	92 568	96 877
Interest income	7 417	7 781
Incomes on dividend	10 078	1 745
Operating costs	56 978	53 560
Interest expense	2 841	1 642

<b>Receivables and payables</b>	<b>As at 30.06.2017</b>	<b>As at 30.06.2016</b>
Trade and other receivables	162 846	115 955
Loans granted	322 583	313 802
Bonds	16 339	14 162
Trade and other liabilities	29 932	60 563
Liabilities arising from issued bonds	90 393	48 393
Liabilities arising from loans and borrowings	105 546	110 521

### Transactions with affiliated entities

<b>Revenues and costs</b>	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2016 - 31.12. 2016</b>
Revenues from sales	26 740	24 406
Operating costs	61	4

<b>Receivables and payables</b>	<b>As at 30.06.2017</b>	<b>As at 30.06.2016</b>
Trade and other receivables	1 800	1 808
Trade liabilities	1 563	1 358

### Parties related personally

<b>Revenues and costs</b>	<b>01.01.2017 - 30.06.2017</b>	<b>01.01.2015 - 31.12. 2015</b>
Revenues from sales	1 087	2 454
Interest income	57	-
Operating costs	611	107

<b>Receivables and payables</b>		
Trade and other receivables	1 785	10 939
Loans granted and acquired bonds	3 106	4 500
Trade and other liabilities	27 482	25 240



## 10. Events after the balance sheet date

No significant events occurred after the balance sheet date.

The financial statements were signed at the offices of the entity on 30 August 2017.

Jarosław Michniuk – President of the Management Board

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Aleksander Baryś – Member of the Management Board

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Mikołaj Budzanowski – Member of the Management Board

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Cezary Pyszkowski – Member of the Management Board

\_\_\_\_\_

Piotr Szeliga – Member of the Management Board

\_\_\_\_\_

Elżbieta Słaboń – Chief Accountant

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