



BORYSZEW S.A.

**CONDENSED CONSOLIDATED
QUARTERLY REPORT
BORYSZEW CAPITAL GROUP
FOR Q1 '2018**

The report was approved for publication on:
14 May 2018



TABLE OF CONTENTS

Page

CONDENSED CONSOLIDATED QUARTERLY REPORT OF BORYSZEW CAPITAL GROUP

SELECTED FINANCIAL DATA.....	3
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued	5
CONSOLIDATED INCOME STATEMENT – DISCONTINUED OPERATIONS.....	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED CASH FLOW STATEMENT	9
CONSOLIDATED STATEMENT ON CHANGES IN EQUITY.....	10

CONDENSED QUARTERLY REPORT OF BORYSZEW S.A.

STATEMENT OF COMPREHENSIVE INCOME.....	48
STATEMENT OF FINANCIAL POSITION.....	49
CASH FLOW STATEMENT	51
STATEMENT OF CHANGES IN EQUITY	52

**SELECTED FINANCIAL DATA**

	in PLN thousand		in EUR thousand	
	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
data regarding condensed consolidated financial statements				
Revenue from continuing operations	1 622 551	1 601 280	388 319	373 337
Operating profit	75 118	93 577	17 978	21 817
Net profit on continuing operations	51 348	78 455	12 289	18 292
Profit on continuing and discontinued operations	51 436	78 123	12 310	18 214
Net profit attributable to the parent	37 710	65 281	9 025	15 220
Weighted average number of shares	213 698 828	218 010 000	213 698 828	218 010 000
Earnings per share attributable to shareholders of the Parent (in PLN/EURO)	0.18	0.30	0.04	0.07
Net cash flow from operating activities	(4 360)	2 006	(1 043)	468
Net cash flow from investment activities	(82 433)	(88 223)	(19 728)	(20 569)
Net cash flow from financial activities	31 706	75 063	7 588	17 501
	As at 31.03.2018	As at 31.12.2017	As at 31.03.2018	As at 31.12.2017
Total assets	4 270 613	4 109 581	1 014 759	985 298
Total liabilities and provisions	2 508 830	2 387 491	596 134	572 416
Assets of continued operations	4 268 892	4 107 959	1 014 350	984 909
Liabilities of continued operations	2 490 536	2 367 468	591 787	567 616
Equity	1 761 783	1 722 090	418 625	412 882



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Continuing operations		
Revenues from sales	1 622 551	1 601 280
Prime cost of sale	1 454 983	1 404 499
Gross profit on sales	167 568	196 781
Selling costs	32 207	33 109
General and administrative costs	67 213	71 414
Other operating revenue	12 765	8 568
Other operating expenses	5 795	7 249
Operating income	75 118	93 577
Financial revenues	15 532	41 760
Financial expenses	30 113	40 826
Financial profit/loss	(14 581)	934
Share in profit of affiliates	4 440	(886)
Profit before taxation	64 977	93 625
Income tax	13 629	15 170
Net profit on continuing operations	51 348	78 455
Net profit/loss on discontinued operations	88	(332)
Net profit on continued activity and discontinued operations including attributable:	51 436	78 123
<i>to shareholders of the parent</i>	<i>37 710</i>	<i>65 281</i>
<i>non-controlling interests</i>	<i>13 726</i>	<i>12 842</i>
Earnings per share / Diluted earnings per share		
Weighted average number of shares	213 698 828	218 010 000
Net profit attributable to the parent (PLN thousand)	37 710	65 281
Earnings per one share (PLN) / Diluted earnings per share (PLN)	0.18	0.30

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONTINUED**

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Net profit	51 436	78 123
Earnings recognised in equity		
Earnings recognised in equity, to be transferred to profit and loss account	4 748	29 480
Hedge accounting	3 356	24 958
Available-for-sale financial assets		1 506
Exchange rate differences on converting foreign operations	2 295	469
<i>Income tax</i>	<i>(903)</i>	<i>2 547</i>
Earnings recognised in equity, not to be transferred to income statement	0	20
Employee benefit capital reserve		17
<i>Income tax</i>		<i>3</i>
Total earnings recognised in equity	4 748	24 400
<i>to shareholders of the parent</i>	<i>3 825</i>	<i>19 099</i>
<i>non-controlling interests</i>	<i>923</i>	<i>5 301</i>
Total comprehensive income, including attributable:	56 184	102 523
<i>to shareholders of the parent</i>	<i>41 535</i>	<i>84 380</i>
<i>non-controlling interests</i>	<i>14 649</i>	<i>18 143</i>



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED INCOME STATEMENT – DISCONTINUED OPERATIONS

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Revenues from sales	13	27
Prime cost of sale	16	28
Gross profit (loss) from sales	(3)	(1)
Selling costs	-	-
General and administrative costs	-	-
Other operating revenue	537	244
Other operating expenses	433	452
Profit (loss) from operating activity	101	(209)
Financial revenues	0	
Financial expenses	13	123
Financial profit/loss	(13)	(123)
Profit (loss) before income tax	88	(332)
Income tax:	-	0
<i>current tax</i>	-	-
<i>deferred tax</i>	-	
Net profit / (loss) on discontinued operations	88	(332)
in the parent company	263	96
<i>non-controlling interests</i>	(175)	(428)



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2018	As at 31.12.2017
ASSETS		
Non-current assets		
Non-current assets	1 420 813	1 405 068
Investment property	154 984	154 984
Goodwill	23 475	23 464
Intangible assets	39 455	39 896
Shares in affiliates	278 422	281 834
Financial investments	64 314	64 674
Long-term receivables	4 652	5 075
Deferred tax assets	67 572	68 842
Other assets	31 007	31 168
Total fixed assets	2 084 694	2 075 005
Current assets		
Inventory	964 882	978 528
Trade receivables and other receivables	914 828	729 397
Short-term financial assets	66 345	42 390
Derivative financial instruments	36 239	33 750
Current tax assets	1 173	1 198
Other assets	39 228	31 571
Cash and cash equivalents	161 503	216 120
Total current assets	2 184 198	2 032 954
Assets classified as held for sale	1 721	1 622
Total assets	4 270 613	4 109 581



Boryszew Capital Group
Condensed consolidated interim report for quarter I 2018 prepared according
to IAS 34 adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2018	As at 31.12.2017
Equity		
Share capital	248 906	248 906
Share premium	114 435	114 435
Own shares	(183 098)	(170 567)
Hedge accounting capital	7 328	5 259
Capital reserve on translating employee payables	(777)	(775)
Revaluation reserve	(12 024)	(12 024)
Exchange differences on translating foreign entities	(37 811)	(39 569)
Retained earnings	1 023 789	985 803
Total equity	1 160 748	1 131 468
Equity of non-controlling shareholders	601 035	590 622
Total equity	1 761 783	1 722 090
Liabilities and long-term provisions		
Bank credits, loans, bonds	399 254	416 213
Lease liabilities	47 270	48 635
Payables on perpetual usufruct of investment land	59 379	60 902
Deferred tax provision	102 805	101 902
Employee benefit provisions	19 644	20 045
Other provisions	12 625	11 211
Other long term equity and liabilities	14 239	11 581
Liabilities and long-term provisions - total	655 216	670 489
Short-term liabilities		
Bank credits, loans, bonds	736 338	653 452
Lease liabilities	23 645	27 428
Payables on perpetual usufruct of investment land	-	67
Trade payables and other liabilities	903 188	827 608
Derivative financial instruments	14 420	25 250
Current tax liabilities	16 074	28 334
Employee benefit provisions	32 835	30 500
Other provisions	75 864	76 444
Other equity and liabilities	32 956	27 896
Liabilities and short-term provisions - total	1 835 320	1 696 979
Liabilities related to assets classified as held for sale	18 294	20 023
Total liabilities and provisions	2 508 830	2 387 491
Total equity and liabilities	4 270 613	4 109 581



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED CASH FLOW STATEMENT

	<u>01.01.2018 - 31.03. 2018</u>	<u>01.01.2017 - 31.03. 2017</u>
Cash flows from operating activities		
Profit before taxation	64 977	93 625
Adjustments for (+/-)	(69 337)	(91 619)
Amortisation and depreciation	35 559	34 707
Profit/loss on financial activity (including interest on financial liabilities)	8 041	10 685
Profit / loss on investment activities	3 412	886
Change in receivables	(185 008)	(215 735)
Change in inventories	13 646	10 129
Change in liabilities	75 580	78 150
Change in provisions and accruals as well as prepayments	2 990	13 585
Other items	(11 322)	(13 518)
Income tax paid	(12 235)	(10 508)
Net cash from operating activities	(4 360)	2 006
Cash flows from investment activities		
Profit on fixed assets disposal	14 412	2 877
Expenditure on acquisition of fixed assets	(46 988)	(69 047)
Acquisition of shares in capital group entities	(4 764)	(22 053)
Expenditure on bonds	(45 093)	
Other capital expenditure	-	
Net cash from investing activities	(82 433)	(88 223)
Cash flows from financial activities		
Proceeds from credit and loan facilities	137 206	144 411
Loans received	(5 206)	
Share buy-back expense	(12 531)	
Loans repaid	(66 073)	(44 822)
Borrowings repaid	-	(4 545)
Interest paid on loans, bonds...	(8 762)	(10 685)
Payment of liabilities under finance lease agreements	(9 296)	(9 296)
Other financial expenditure	(3 632)	
Net cash from financing activities	31 706	75 063
Net change in cash	(55 087)	(11 154)
Translation reserve	470	
Cash opening balance	216 120	205 108
Cash closing balance	161 503	193 954



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Currency translation differences (overseas subsidiaries)	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
As at 01.01.2018	248 906	114 435	(170 567)	5 259	(775)	(12 024)	(39 569)	985 803	1 131 468	590 622	1 722 090
Valuation of hedge instruments				2 069					2 069	649	2 718
Valuation of assets available for sale						-			-		-
Valuation of employee benefits					(2)				(2)		(2)
Currency translation differences (subsidiaries)							1 758		1 758	274	2 032
Profit/loss for Q1 '2018								37 710	37 710	13 726	51 436
Comprehensive income for Q1 '2018 2018 roku	-	-	-	2 069	(2)	0	1 758	37 710	41 535	14 649	56 184
Share buy-back			(12 531)						(12 531)		(12 531)
Change of Group structure								276	276	(4 236)	(3 960)
As at 03.31.2018	248 906	114 435	(183 098)	7 328	(777)	(12 024)	(37 811)	1 023 789	1 160 748	601 035	1 761 783



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	Share capital	Share premium	treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Currency translation differences (subsidiaries)	Retained earnings	Equity attributable to shareholders of the parent	Equity of non-controlling interest	Total equity
As at 01.01.2017	248 906	114 435	(135 756)	(2 348)	28	(12 374)	(21 788)	783 395	974 498	642 554	1 617 052
Valuation of hedge instruments				11 164					11 164	9 052	20 216
Valuation of assets available for sale						1 248			1 248	(28)	1 220
Valuation of employee benefits									-	14	14
Exchange rate differences							6 687		6 687	(3 737)	2 950
Profit for Q1 '2017								65 281	65 281	12 842	78 123
Total comprehensive income for Q1 '2017	-	-	-	11 164	-	1 248	6 687	65 281	84 380	18 143	102 523
Share buy-back - Boryszew SA			-						-		-
Change of group structure								16 355	16 355	(52 228)	(35 873)
As at 03.31.2017	248 906	114 435	(135 756)	8 816	28	(11 126)	(15 101)	865 031	1 075 233	608 469	1 683 702



ADDITIONAL INFORMATION TO CONSOLIDATED QUARTERLY REPORT DRAFTED AS AT 31 MARCH 2018	Page
1. INTRODUCTION.....	13
2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES	14
3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2018 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT	17
4. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS DURING THE PRESENTED PERIOD.....	29
5. INCOME AND PROFITS/LOSSES BY CONTINUING ACTIVITIES SEGMENTS OF AS FROM THE BEGINNING OF THE CURRENT YEAR.....	30
6. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES	32
7. FACTORS AND EVENTS, AND IN PARTICULAR THOSE OF UNTYPICAL NATURE, AFFECTING THE FINANCIAL PERFORMANCE IN THE CURRENT PERIOD.....	32
8. MOVEMENTS IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS WELL AS ESTIMATED DATA	33
9. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA.....	33
10. ORGANISATION OF THE CAPITAL GROUP.....	35
11. THE EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE SINCE THE BEGINNING OF THE YEAR, INCLUDING MERGERS, ACQUISITIONS OR SALES OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCONTINUATION OF OPERATIONS.....	38
12. POSITION OF THE MANAGEMENT BOARD' S POSITION ON THE POSSIBILITY OF PREVIOUS PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS IN THE CURRENT YEAR.....	38
13. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS AT THE DATE OF SUBMITTING THE REPORT.....	38
14. CHANGES IN THE OWNERSHIP STRUCTURE OF SUBSTANTIAL SHAREHOLDINGS OF THE COMPANY IN THE PERIOD FOLLOWING THE SUBMISSION OF THE PREVIOUS REPORT - SHARES IN VOTES DURING THE GENERAL ASSEMBLY OF SHAREHOLDERS.....	39
15. COMPANY'S MANAGERS AND SUPERVISORS - CHANGES IN SHARE HOLDING OR SHARE OPTIONS IN THE CURRENT PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT.	39
16. PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY.....	39
17. CONCLUSION BY THE COMPANY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES.....	41
18. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL	44
19. FACTORS WHICH WILL INFLUENCE COMPANY'S FINANCIAL PERFORMANCE FOR AT LEAST THE UPCOMING QUARTER:.....	46
20. OTHER INFORMATION THAT IS RELEVANT FOR THE EVALUATION OF ITS HUMAN RESOURCES, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS ANY INFORMATION RELEVANT FOR THE EVALUATION OF THE CAPACITY TO MEET OBLIGATIONS....	46



1. INTRODUCTION

COMPANY DATA

The head office of Boryszew Spółka Akcyjna is located in Warsaw.

The company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register under KRS number 0000063824. The Company's REGON (Business ID) is 750010992 and NIP (tax ID) is 837-000-06-34.

The company has been established for an indefinite period of time.

HISTORY

The history of Boryszew SA (the "Company") dates back to 1911, when the Belgian Society of the Sochaczew Rayon Factory was established. Following the II WW the factory was nationalised. In 1991, as a result of privatisation of the state-owned enterprise Boryszew ERG, a joint stock company Boryszew S.A. with 100% private capital was established.

The Company is listed on the Warsaw Stock Exchange since May 1996.

In 1999 Boryszew S.A., offering a wide range of chemicals (including Borygo, a widely known coolant) gained a strategic investor, Mr Roman Karkosik.

The new shareholder initiated a dynamic growth of the company. Acquisitions of non-ferrous metals and automotive manufacturing companies combined with their restructuring, mergers and organic growth in sales of Group's companies contributed to a significant improvement in the Group's results.

Boryszew Capital Group is one of the largest industrial groups in Poland, with production plants on 4 continents, operating in the automotive, non-ferrous metals and chemical industries. The Capital Group employs more than 10 000 employees.

SUPERVISORY BOARD OF BORYSZEWS.A.

In Q1 '2018 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 Jarosław Antosik – Member of the Supervisory Board,

Mr Arkadiusz Krężel – Member of the Supervisory Board,

Ms Małgorzata Waldowska - Member of the Supervisory Board,

No changes in the composition of the Supervisory Board occurred between 31 March 2018 and the date of publication of the report.

MANAGEMENT BOARD OF BORYSZEWS.A.

As at 1 January 2018, 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, Finance Director,

Mr Mikołaj Budzanowski – Member of the Management Board

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 19 January 2018 Mr Jarosław Michniuk, President of the Management Board, Chief Executive Officer, resigned from his function. No reasons for this resignation were revealed by Mr Michniuk.

Also on 19 January 2018 the Supervisory Board of the Company appointed Mr Piotr Szeliga, Member of the Management Board, as acting President of the Management Board, Chief Executive Officer.

As at 31 March 2018, the composition of Boryszew S.A. Management Board was as follows:

Piotr Szeliga – acting President of the Management Board, Chief Executive Officer,

Mr Aleksander Baryś – Member of the Management Board, Finance Director,

Mr Mikołaj Budzanowski – Member of the Management Board

Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development,

No changes in the composition of the Management Board occurred between 31 March 2018 and the date of publication of the report.

2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information included in the financial statements for Q1 '2018 was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws No. 2018.757 of 20.04.2018) 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 2017, published on 26 April 2018, except for standards, that became effective after 1 January 2018. The requirements of IFRS 19 and IFRS 15 were introduced as of 1 January 2018; these standards were introduced following the modified retrospective approach. The Group chose not to convert comparable data, which is admissible under the standard. The presented comparable periods as at 31 December 2017 and for 3 months until 31 March 2017 were prepared on the basis of IAS 39, IAS 18 and IAS 11.

PRINCIPLES FOR CONVERTING FINANCIAL DATA TO EUR

The following currency exchange rates were adopted for converting amounts expressed in PLN to EURO:

	average EUR exchange rate for the period	EUR exchange rate for the last day of the period
1.01- 31.03.2017	4.2891	4.2198
1.01- 31.12.2017	4.2447	4.1709
1.01- 31.03.2018	4.1784	4.2085



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE FOLLOWING COMPANIES:

Company name	Seat	share of the parent in share capital (%)	Subsidiary of:	Business segment
Boryszew S.A. :	Warsaw		Parent Company	
<i>Head Offices</i>	Warsaw			Other
<i>Elana Branch in Toruń</i>	Toruń			Chemical products
<i>Energy Branch in Toruń</i>	Toruń			Other
<i>Data Center Branch in Toruń</i>	Toruń			Other
<i>Maflow Branch in Tychy</i>	Tychy			Automotive
<i>NPA Skawina Branch</i>	Skawina			Metals
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
<i>Nylonbor Branch</i>	Sochaczew			Chemical products
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
Torlen Sp. z o.o.	Toruń	100	Boryszew S.A.	Chemical products
Elana Pet Sp. z o.o.	Toruń	100	Boryszew S.A.	Chemical products
Elana Energetyka Sp. z o.o.	Toruń	100	Boryszew S.A.	Other
SPV Boryszew 3 Sp. z o.o.	Warsaw	100	Boryszew S.A.	Other
Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. w likwidacji	Warsaw	100	Boryszew S.A.	Inactive
Boryszew Components Poland Sp. z o.o.	Toruń	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100	Boryszew S.A.	Automotive
Boryszew Commodities Sp. z o.o.	Warsaw	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Toruń	100	Boryszew S.A.	Automotive
Maflow Polska Sp. z o.o.	Warsaw	100	Boryszew S.A.	Automotive
Maflow BRS s.r.l	Italy	100	Boryszew S.A.	Automotive
Maflow Spain Automotive S.L.U	Spain	100	Boryszew S.A.	Automotive
Maflow France Automotive S.A.	France	100	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100	Maflow Polska Sp. z o.o.	Automotive
Maflow Components Dalian Co. Ltd	China	100	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100	Boryszew S.A.	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C.V	Mexico	100	Maflow Polska Sp. z o.o., Maflow Spain Automotive S.L.U.	Automotive
MAFMEX S.DE R.L.DE C.V	Mexico	100	Maflow Polska Sp. z o.o., Maflow Spain Automotive S.L.U.	Automotive
ICOS GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Theysohn Kunststoff GmbH	Germany	100	ICOS GmbH	Automotive
Theysohn Formenbau GmbH	Germany	100	ICOS GmbH	Automotive
Boryszew Formenbau Deutschland GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH	Automotive



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Boryszew Kunststofftechnik Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
BRS YMOS GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Oberflächetechnik GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastikarska Technologie	The Czech Republic	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100	Boryszew Kunststofftechnik Deutschland GmbH, Boryszew S.A.	Automotive
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	80	Boryszew S.A.	Automotive
Impexmetal S.A.	Warsaw	62.15	Boryszew S.A.	Metals
Hutmen S.A.	Wrocław	75.20	Boryszew S.A., SPV 3 Boryszew, Impexmetal S.A., Impex – invest Sp. z o.o.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	72.18	Hutmen S.A., Impexmetal S.A., Boryszew S.A.	Metals
Huta Metali Nieżelaznych Szopienice S.A. - w likwidacji	Katowice	38.39	Polski Cynk Sp. z o.o.	discontinued operations
ZM Silesia S.A.	Katowice	62.15	Impexmetal S.A.	Metals
Baterpol S.A.	Katowice	62.15	Polski Cynk Sp. z o.o.	Metals
Polski Cynk Sp. z o.o.	Katowice	62.15	Impexmetal S.A., ZM Silesia S.A.	Metals
FŁT Polska Sp. z o.o.	Warsaw	62.15	Impexmetal S.A.	Metals
FLT & Metals Ltd.	Great Britain	62.15	Impexmetal S.A.	Metals
S & I S.A. w likwidacji	Switzerland	62.15	Impexmetal S.A.	Metals
FLT Bearings Ltd.	Great Britain	62.15	FLT France SAS	Metals
FLT France SAS	France	62.15	FŁT Polska Sp. z o.o.	Metals
FLT Wälzlager GmbH	Germany	62.15	FŁT Polska Sp. z o.o.	Metals
FLT & Metals s.r.l.	Italy	62.15	FŁT Polska Sp. z o.o.	Metals
FLT (Wuxi) Trading Co. Ltd.	China	62.15	FŁT Polska Sp. z o.o.	Metals
SPV Lakme Investment Sp. z o.o.	Warsaw	57.82	SPV Impexmetal Sp. z o.o.	Other
Impex – Invest Sp. z o.o.	Warsaw	62.15	Impexmetal S.A.	Other
Eastside Capital Investments Sp. z o.o.	Warsaw	65.02	Boryszew S.A., Impexmetal S.A.	Other
Symonvit Ltd w likwidacji	Cyprus	62.15	Impexmetal S.A.	Metals
Baterpol Recycler Sp. z o.o.	Wrocław	62.15	Polski Cynk Sp. z o.o.	Metals
SPV Impexmetal Sp. z o.o.	Warsaw	62.14	Impexmetal S.A.	Other
Metal Zinc Sp. z o.o.	Katowice	62.15	ZM Silesia SA	Metals
Remal Sp. z o.o.	Konin	49.51	Impexmetal S.A.	Other
Eastside Bis Sp. z o.o.	Warsaw	86.76	Eastside Capital Investments Sp. z o.o.	Other
Zakład Utylizacji Odpadów Sp. z o.o., in Konin	Konin	37.27	Impexmetal S.A.	Metals



3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2018 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

Market (by segment and geographies) of Boryszew Capital Group

% breakdown of revenues by segments			Geographical structure of revenues		
Chemical products	69 618	4%	Poland	571 451	35%
Automotive	504 724	31%	Germany	362 158	22%
Metals	978 275	60%	Other EU countries	562 447	35%
Other *	69 934	4%	Other *	126 495	8%
TOTAL	1 622 551	100%	TOTAL	1 622 551	100%

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

More than 95% of revenues at Boryszew Capital Group is generated in Europe, hence the overall economic situation within the European Union (including in Germany, in particular) is critical for the Company.

In EU countries, including Poland, the overall macroeconomic situation in after Q1 '2018 was close to that in the corresponding period of previous year.

The average values of PMI, which determine the level of activity in the industry of the most important economies for the Capital Group (Poland, EURO zone, Germany) were at a similar level as in the corresponding period of the previous year.

PMI	Q1 2018	Q1 2017
EU	56.6	56.2
Polska	53.7	54.1
Germany	58.2	58.3

PMIs for Germany and the EU reached 56.6 points for the EU and 58.2 points for Germany (in the same period of previous year PMIs were respectively at: 56.2 points for EU and 58.3 points for Germany).

Furthermore, the PMI growth trend was interrupted and that could be seen throughout entire 2017.



In Poland PMI is slightly lower than in the same period of previous year, that is 53.7 points (with a peak at 54.1 points after one quarters of 2017).

Forecast of GDP growth for Poland

	2018	2019
NBP	4.2%	3.8%
World Bank	4.0%	3.5%
European Commission	4.3%	3.7%

Forecasts of the World Bank published in January of 2018 increase Poland's GDP as compared to those published in October 2017. According to the World Bank, the forecast growth of GDP level in Poland in 2018 has been increased to 4.0% (from 3.6% according to the previous forecast) and is close to that presented by NBP, which predicts a growth of GDP for Poland at the level of 4.2% in 2018.

Also the European Commission seems to be more optimistic by increasing Poland's GDP in their forecast of May 2018 by 0.5 pp. (compared to what it expected in November last year) to 4.3%. Forecast for 2019 is also up by 0.3 pp to 3.7%.

Market sentiment - Sales of cars:

Another important parameter showing the dynamics and results of the CG is the sale of cars level (Automotive segment is where the Group makes 30% of its sales). Car sales throughout Q1 '2018 increased in Europe. According to ACEA, during that period passenger car market in Europe saw an increase of 0.7%. What is disturbing however is the drop in car sales seen in March 2018, by 5.3% compared to the same period of previous year.

The main customer for the Automotive Segment - Volkswagen Group - recorded in Q1 '2018 an increase in car sales on the European Market of 5.4% (compared to the corresponding period of previous year). The European Market, accounting for approximately 81% of sales value, remains a key market for the Automotive Segment, despite the fact that companies engaged in this segment are also present in Latin America and Asia.

Market sentiment - Aluminium:

The situations on the market of aluminium rolled products is very good. Forecasts speak of a double growth in the demand for sheets and tapes over the next ten years. Aluminium has been seeing a growing application in many industries of the economy. The markets of key importance for Aluminium Konin are automotive and packaging materials markets. The revolution in the automotive industry, which can be currently observed, enforced by restrictive environmental standards, has led to a widespread use of lightweight materials, including aluminium. Also the segment of beverage bottle caps thrives from a continuous increase in demand in the scale of a few per cent.

Market sentiment - Prices of basic raw materials:

Since over 60% of Boryszew Capital Group's sales is in the metals industry segment, the Group is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of



income and working capital still remain sensitive to the volatility of these parameters. In the discussed period prices of all four basic metals increased significantly, namely the price of lead (by 11%), aluminium (by 17%), copper (by 19%) and zinc (by 23%).

And metal prices expressed in PLN went down, respectively, by 7% (lead) and 2% (aluminium), remained unchanged for copper and went up for by 3% compared to the same period of previous year.

The raw material significant for the Group is scrap metal (including battery scrap) which the basic (Baterpol SA, WM Dziedzice SA) or significant (Impexmetal SA) raw material for production.

Another important factor for the Capital Group in market premium, that will depend on the sales range in relevant month and on current procurement needs. For most Capital Group companies the premium is higher than in 2017. Only Impexmetal S.A. (Aluminium Konin) recorded lower premium, however with its wide range of products and signed long term contracts, the company is able to effectively limit this unfavourable trend.

Market sentiment - significant currency pairs

The level of US dollar rates has an impact on revenues of the Group, which to some large extent dependent on the level of metal rates as metals are the major component of the price of Group's products. In the reporting period, the dollar appreciated by 16,2% against PLN (based on daily average rates), which also had an impact on the price of basic metals expressed in PLN and on sales profitability.

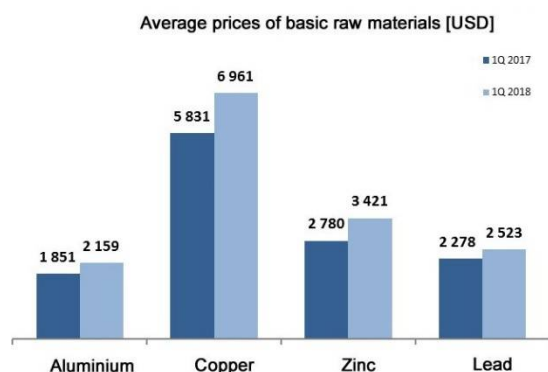
The level of the Euro rate is important for the Group, given the predominance of the processing margins expressed in this currency and more than 57% share of export sales, mainly to the Euro zone. Average Euro rates (based on daily average rates) decreased by 3.3% against PLN. Slight depreciation of Euro had a negative impact on Group's performance, in particular on trade margins.

The EUR/USD exchange rate was at 1.23 after Q1 '2018, that is 15% higher than in the corresponding period of previous year.



(amounts expressed in PLN '000 unless specified otherwise)

Detailed data on the development of the above mentioned key parameters (metal prices and exchange rates) are presented in the following graph and table:



	1Q 2018	1Q 2017	% change
Aluminium [USD]	2 159	1 851	17%
Copper [USD]	6 961	5 831	19%
Zinc [USD]	3 421	2 780	23%
Lead [USD]	2 523	2 278	11%

EUR/PLN	4,18	4,32	-3,3%
USD/PLN	3,40	4,06	-16,2%
EUR/USD	1,23	1,06	15,4%

	1Q 2018	1Q 2017	% change
Aluminium [PLN]	7 343	7 513	-2%
Copper [PLN]	23 672	23 667	0%
Zinc [PLN]	11 634	11 283	3%
Lead [PLN]	8 579	9 245	-7%

Source: Daily listings of LME, NBP

Revenues from sales / Demand for Group's products

Revenues from sales generated by Boryszew Capital Group after Q1 '2018 amounted to PLN 1 622.6 million PLN and were higher by 1.3% than those generated in the same period of 2016.

By segments, the sales revenues and volumes are as follows:

in PLN million	1Q 2018	1Q 2017	difference
Revenues from sale, including:	1 622,6	1 601,3	21.3
Automotive Segment	504.7	538.0	-33.3
Metal Segment:	978.3	937.8	40.5
Chemical products segment	69.6	69.6	0.1
Other Activities Segment	69.9	55.9	14.0
(in thousand tonnes)	1Q 2018	1Q 2017	difference
Volume of sales, including:	85.7	81.6	4.1
Metal Segment:	71.5	67.3	4.2
Chemical products segment	14.2	14.3	-0.1

An increase in revenue for Metals Segment was predominantly the result of higher sales volumes, by 4.2%, to 71.5 thousand tons.

An increase in sales volumes in the Metals Segment can be observed in practically all entities of the Segment, including in particular in: Baterpol S.A., NPA Skawina Branch, Impexmetal S.A. (Aluminium Konin), Hutmen S.A. Drop in sales volumes occurred in both production facilities of ZM SILESIA S.A., some slight drop was also seen for WM Dziedzice S.A.



The highest increase of sales volumes was recorded by Baterpol S. A. - of 3.1 thousand tons (i. e. 31.4%) and was mainly due to the change in the situation on the battery scrap market - increased supply enabling intensified purchases of raw materials, thus affecting the increased sales of company products.

The increase in the NPA Skawina Branch sales volume amounted to 16.6%, i. e. 1.5 thousand tons. This increase was mainly attributable to the increase in sales of all product ranges for rolled products and AFL wires.

Impexmetal S.A. (Aluminium Konin) recorded sales increase by 1.5 thousand tons (i. e. 6.2%) mainly due to better sales of high-processed products.

For Hutmen S.A. the increase was 0.3 thousand tons (i.e. 9.5%), which resulted from better sales of virtually all product ranges except rods and bronze pipes.

The decline in revenues in the Automotive segment was due to PLN strengthening (app. PLN 17 million) and decreases in the sales of parts and tools (app. PLN 16.4 million, of which PLN 9.6 million is a drop in tools, and PLN 9.6 million is attributed to savings, or discounts for customers).

Lower sales of tools is the result of the launch of series production in new projects.

It is worth noting that the reduction of revenues in the Automotive Segment (both tools and parts) results from the restructuring activities carried out in earlier periods, resulting in reduction of acquisition activities in the scope of new projects.

Contracts won by the Automotive Segment in Q1 '2018 amounted to EUR 48.2 million.

Chemical products segment recorded revenues at a similar level to that of previous year while sales volumes were slightly lower.

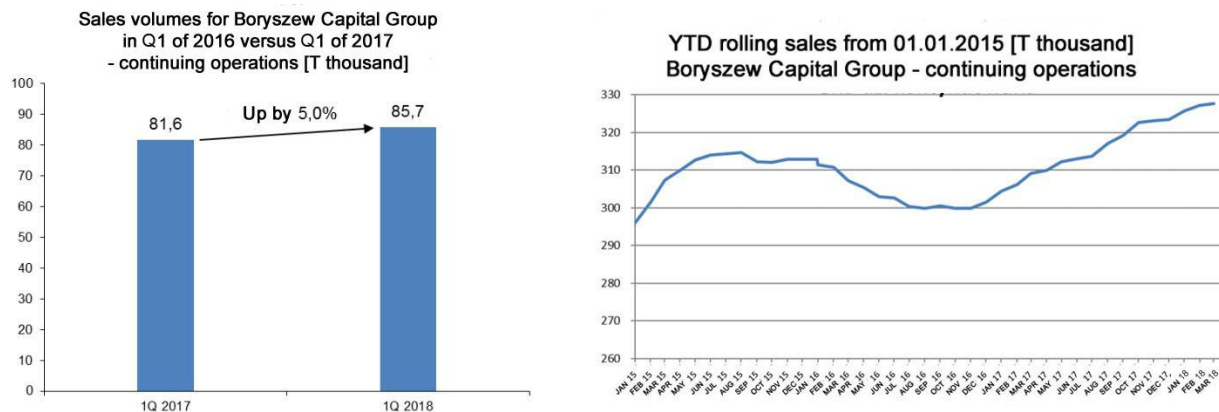
Increase of sales volumes and revenues was recorded by Boryszew S.A. ERG branch, resulting from better sales of plasticisers and increase in goods trade.

Other entities in the segment, including Boryszew S.A. O/Elana oraz Elana Pet Sp. z o.o. recorded a drop in sales: fibres in Boryszew S.A. Elana branch and PET flakes in Elana Pet Sp. z o.o.

Higher revenues from sales in the Segment Other result predominantly from increased sales in Boryszew S.A., Energy branch.

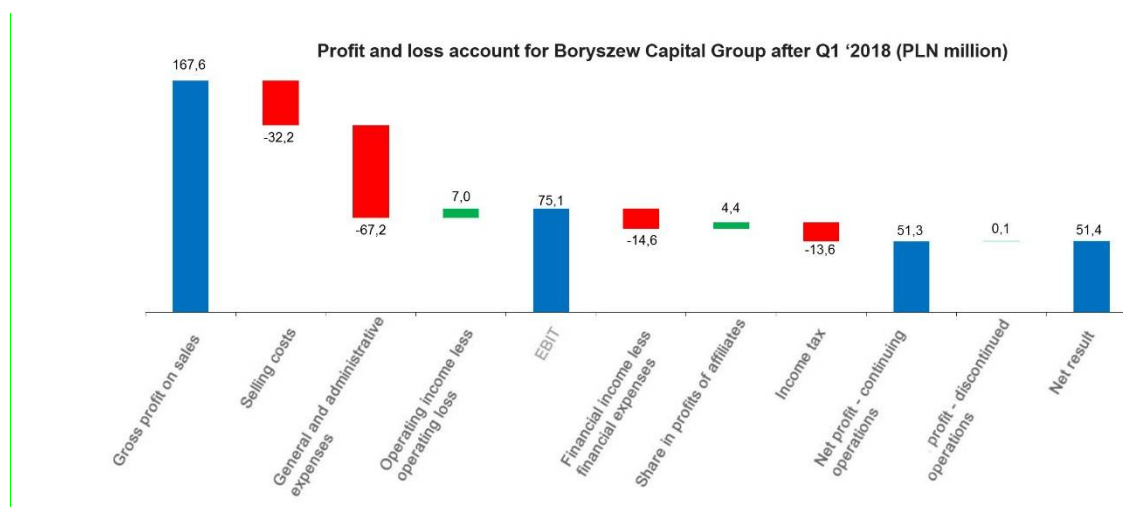


Comparison of the Capital Group's total sales volumes in the periods in question and rolling 12-month sales volumes are presented in the following charts:



B. ACHIEVED FINANCIAL RESULTS

The graph below compiles components of the profit and loss account after Q1 '2018.



The gross result on sales after Q1 '2018 amounted to PLN 167.6 million and was higher by PLN 29.2 million than the gross result on sales after three quarters of 2016. The drop of gross result was contributed to deteriorated performance in the Automotive, Chemical products and Other segments.

Only Metals segment recorded an improvement in the result in relation to the corresponding period of the previous year.

The average gross return on sales dropped from 12.3% in Q1 '2017 to 10.3% at present.

Nominally the costs of sales remained at a level similar to that in the corresponding period of previous year despite an increase of sales against last year.

General and administrative expenses fell by PLN 5.9% or PLN 4.2 million compared to Q1 '2017.

The balance of operating income/expenses amounted to PLN 7.0 million and it was PLN 5.7 million higher as compared to the same period of 2017.



OPERATING RESULT

1. Consolidates figures:

After Q1 '2018 EBITDA on continuing operations amounted to PLN 110.7 million compared to PLN 128.3 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1Q 2018	1Q 2017	difference
EBITDA, including:	110.7	128,3	-17.6
Automotive Segment	33.3	56.8	-23.5
Metal Segment:	67.7	61.1	6.6
Chemical products segment	4.1	5.9	-1.8
Other Activities Segment	5.6	4.4	1.1

2. Metal Segment:

Improved results of this segment came mainly from Baterpol S.A., Impexmetal S.A. (Aluminium Konin), ZM SILESIA S.A. Oława branch, WM Dziedzice S.A. and companies involved in production of bearings.

Baterpol S. A. achieved better results, mainly due to higher sales volumes, significantly lower prices of acquired and processed raw materials because of higher supply of scrap (mainly battery scrap and lead scrap).

Better results of Impexmetal S.A. were brought about by investments made in recent years as well as technological changes resulting in increased productivity (from approximately 75 thousand to approximately 100 thousand tons) and an increase of unit net margins. Improved results came from higher sales of most product groups and higher unit profitability for processing.

Better results of ZM SILESIA S.A. Oława branch is the result of a large increase in unit margins (despite a drop in sales volumes), with a significantly lower increase in the surcharge for metal as compared to the same period of the previous year.

WM Dziedzice S.A., despite maintaining sales volumes at the level which was slightly lower than in the same period of previous year, recorded higher unit margins in almost all product ranges except rings.

FŁT Group recorded higher results coming from higher sales of all FŁT Group companies, with largest increase in FŁT Polska Sp. z o.o., FLT and FŁT Metals s.r.l.

For Metals segment, a drop in results was recorded in: ZM SILESIA S.A. Katowice branch, Boryszew S.A. NPA Skawina branch and Hutmen S.A.

The drop in ZM SILESIA S.A. Katowice branch was due to lower volumes in virtually all product ranges except for wires, coupled by simultaneous deterioration of unit margin for highly processed products. The deterioration of performance was also contributed to by higher agency commissions compared the corresponding period of the previous year.



Boryszew S.A Branch Skawina saw lower results against the same period of the previous year despite higher sales volumes which was the result due to a drop in margins on all product ranges except alloy rolled products.

Hutmen S.A. operating results worsened despite higher volumes of sales which was due to lower trade margins on almost all product ranges except foundry alloys (brass and bronze).

3. Automotive Segment

A drop in nominal EBITDA in the automotive segment comes from both Maflow Group and BAP Group. Deterioration of EBITDA as compared to the same period of previous year was due to the following factors:

- (a) macro-economic - drop in EUR/PLN exchange rate and increase in raw material prices (aluminium, zinc, plastics),
- (b) internal – damages paid in Q1 '2017 for production facility in Prenzlau (BAP Group) and lower revenues on sales of part to customers such as BMW, Jaguar, Volkswagen oraz Audi (where some of that drop was temporary and caused by car manufacturer's problems in the current period).

4. Chemical products segment

Lower EBITDA in this segment comes from: Boryszew S.A. ERG Branch, Boryszew S.A. Elana Branch, Torlen Sp. z o.o. At the same time Elana Pet Sp. z o.o. and Boryszew S.A. Nylonbor branch recorded better results than last year.

Decrease in results of Boryszew S.A. The ER / ERG was mainly due to lower sales and individual unit margins in the coolants range, which was not fully compensated by higher sales and higher unit margins in airport de-icing liquids. Another contributor to deteriorating results was higher cost of utilities.

Drop in result of Boryszew S.A. Elana branch comes from lower sales volumes and lower unit margins, due to increase in purchase price of flakes and some sale price reduction coming from competitive pressure.

Torlen Sp. z o.o., on the other hand, recorded worse results due to lower unit margins on sales of products in virtually all product ranges offered by the company.

Improved results of Elana Pet Sp. z o.o. were contributed to by better unit margins for PET flake and higher sales volumes of PET flake.

5. Others Segment

Improved performance in this segment, as compared to the same period of 2017, comes from higher sales and higher unit margins on the sales of utilities by Boryszew S.A. Energy branch.



NET PROFIT/LOSS

The balance of financial revenues/costs amounted to minus PLN 14.6 million and was lower by PLN 15.5 million, mainly due to lower result on foreign exchange differences, derivative financial instruments used for currency and metal hedging as well as impairment write-off on Alchemia.

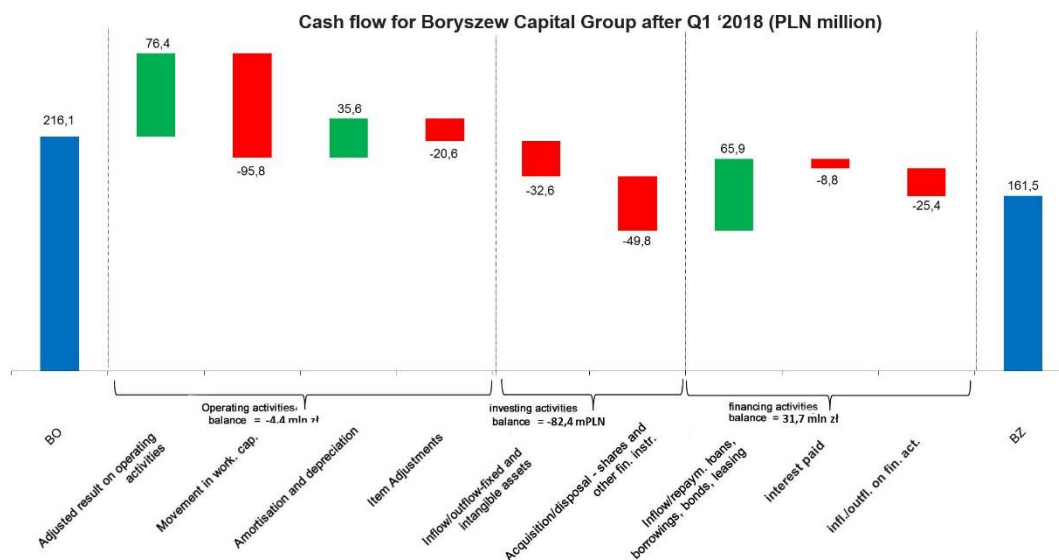
Net result from continuing operations amounted to PLN 51.3 million which was a decline of PLN 27.1 million compared to that of Q1 '2017.

The total net result on continued and discontinued operations amounted to PLN 51.4 million and was lower than the net result after the first quarter of 2016 by PLN 26.7 million.

On the other hand, the net profit attributable to shareholders of the parent company amounted to PLN 37.7 million and was lower than last year by PLN 27.6 million.

C. CASH FLOW

Cash flows in Q1 '2018 are shown in the following chart:



Due to an increase in working capital, cash flow on operating activity was negative and amounted to minus PLN 4.4 million. Negative cash flows from both operating activity and investment activity were financed by own funds and by loans.

The negative balance of cash from operating activity and investment activity was mainly due to an increase in working capital (mainly in Metals Segment). The increase was mainly in accounts receivable due to higher sales volumes.



The negative balance of cash flows from investment activity resulted mainly from investments in fixed assets in the amount of PLN 47.0 million (with revenues from sale of assets at PLN 14.4 million) as well as from acquisition of financial assets (bonds and shares) in the amount of PLN 49.9 million.

Top expenditure on fixed assets were: In Metals segment (PLN 28.5 million) and in Automotive segment (PLN 15.9 million).

After Q1 '2018, net debt of Boryszew Capital Group amounted to PLN 1 045.0 million and was higher by PLN 115.4 million compared to the end of 2017.

The net debt to EBITDA ratio after Q1 '2017 was 2.3 which was lower than in the corresponding period of the previous year, when that ratio was 2.5, and higher compared to 2.0 at the end of 2017.

OTHER IMPORTANT EVENTS

BORYSZEW S.A.

Information on evaluation of strategic options for Boryszew S.A.

On January 10, 2018, Boryszew SA (the "Company") received information from a financial advisor cooperating with the Company on the potential investor's initial interest in substantial assets of the Boryszew Capital Group from the automotive and aluminium processing sectors.

On the basis of the foregoing, the Management Board of Boryszew S.A. made a decision on the same day about the Company's intention to consider, as part of a review of strategic options, a scenario of possible sale of assets in the above mentioned industries and enter into initial discussions on terms and conditions, scope, and mode of a potential transaction.

On April 16, 2018, the Management Board of Boryszew S.A. decided to close the proceeding regarding the possible sales of assets of the Boryszew Capital Group from the automotive and aluminium processing sectors to a potential investor.

Simultaneously, the Management Board of Boryszew S.A. has decided that the review process of strategic options will continue.

Information on potential disposal of a subsidiary

On 15 January 2018 Boryszew S.A. received an offer from Krezus S.A. with a registered office in Toruń (hereinafter: the Investor) to enter into discussions on the possibility of Boryszew S.A. and its subsidiaries selling 100% shares in Walcownia Metali Dziejdzice S.A. with a registered office in Czechowice-Dziejdzice (Disposed Company) for about PLN 160 million. On the basis of the foregoing, the Management Board of Boryszew S.A. along with the remaining shareholders of the Disposed Company made a decision to enter into initial discussions with the Investor in order to set out the terms and conditions (including the final price), scope, and mode of the potential transaction.

On 18 January 2018, the Company signed a Letter of intent with Krezus S.A. with a registered office in Toruń regarding purchase of 100% shares in Walcownia Metali Dziejdzice S.A. with a registered office in Czechowice-Dziejdzice by the Investor. In accordance with the Letter of intent, the parties committed themselves to endeavour to sale of 100% of the shares in the Disposed Company to the Investor, whereas Boryszew S.A., which is one of



the three shareholders in the Disposed Company, undertook to take action that are to result in the remaining shareholders in the Disposed Company, i.e. Impexmetal S.A. (holding 71.30% of shares in the Disposed Company) and Hutmen S.A. (holding 26.78% of shares in the Disposed Company), entering into a potential transaction. Following due diligence analysis, technical audit, and obtaining all corporate approvals necessary to conclude the final agreement, transfer of the title of ownership of shares will take place on the basis of a separate sale agreement.

The parties are bound by the arrangements set out in the Letter of intent until 31 May 2018.

As of the day of publication of the statement, the Company has not made any binding decisions or arrangements regarding the possible transaction.

BORYSZEW S.A. NOWOCZESNE PRODUKTY ALUMINIOWE SKAWINA BRANCH

Due to implementation, by Modern Aluminium Products Department at Skawina, of project called "The development of the innovative technology of rods production from highly resilient aluminium alloys of 2xxx, 5xxx, and 7xxx series" No. POIR.01.01.02-00-0044/15, co-financed under the Operational Programme Smart Growth 2014-2020, Boryszew S.A. concluded, on 10 April 2018 the following agreements:

- for the delivery of a casting and rolling unit (line for continuous casting and rolling of high-strength aluminium alloys) amounting to EUR 5 430 000 (agreement signed with Continuus – Properzi S.p.A),
- with mLeasing Sp. z o.o. based in Warsaw and Continuus – Properzi S.p.A. for delivery of refining and filtration stations as well as melting and preparation stations for the aluminium chemical composition, amounting to EUR 3 270 000 (agreement signed with mLeasing Sp. z o.o. based in Warsaw and Continuus – Properzi S.p.A.).

IMPEXMETAL S.A.

Signing agreements on the acquisition of assets of significant value

On 19 January 2018, Impexmetal SA signed with Achenbach Buschhütten with its registered office in Kreuztal (Germany) two interconnected contracts for the supply and assembly of a new cold mill in Aluminium Konin plant. The first of the contracts, concluded as part of the project implemented with the NCBiR co-financing from EU funds, includes the supply of innovative mill parts that will allow the rolling of special aluminium alloys for the automotive industry, the second pertains to the supply of other machine parts. The total value of the agreements concluded is approximately PLN 115 000 000. The planned delivery date of the rolling mill to Aluminium Konin plant is the first quarter of 2019, and the production start is planned for the fourth quarter of 2019. Other conditions of the signed agreements, including those pertaining to contractual penalties, do not differ from the provisions commonly applied for this type of agreements. The purchase of the rolling mill is related to the development strategy adopted by the Company for Impexmetal SA for the years 2018 to 2026, assuming the increase of production capacity of Aluminium Konin Plant to approximately 200 000 tons. The purchase will be financed from own funds and from an investment loan, which Impexmetal SA plans to raise for this purpose.

Signing of the subsidy agreement

On 10 April 2018 Impexmetal S.A. signed a co-financing agreement for the project involving Implementation of innovative technology for production of aluminium alloys - magnesium tapes and sheets made of 100% recycled aluminium scrap. Value of the project PLN 65.8 million, including the value of co-financing PLN 26.3 million.

The result of the project will be an innovative product: tapes and sheets of aluminium - magnesium alloys made of 100% recycled aluminium scrap.



Signing of the agreement for acquisition of tangible fixed assets

On 10 May 2018 an agreement was signed between Impexmetal S.A. and Vollert Anlagenbau GmbH. The agreement is for construction of a high storage warehouse for aluminium rings. The warehouse will be a part of the new rolling plant. The value of the contract is PLN 33.5 million.

The agreement is part of the development strategy adopted by the Company for Impexmetal SA for 2018 – 2026.

ACQUISITION OF SHARES OF BORYSZEW CAPITAL GROUP MEMBER COMPANIES

Buy-back of treasury shares of Boryszew S.A.

Acting within the limits of the authorisation granted by Resolution no. 19 of the Ordinary General Assembly 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 2018 and 31 December 2018 Boryszew S.A. acquired a total of 1 343 926 own shares which together with the shares already held by the Company makes a total of 12 483 831 own shares, accounting for 5.2016% of share capital and total number of votes during the General Assembly of Boryszew S.A. shareholders

As at 31 March 2018 Boryszew Capital Group held 26 643 831 shares of Boryszew S.A., accounting for 11.1016% of total votes at the General Meeting of Boryszew S.A.

- Boryszew S.A. : 12 483 831 own (treasury) shares, accounting for 5.2016% share in the share capital and total votes during the General Assembly of Boryszew S.A.,
- Impexmetal S.A.: 11 990 000 shares, accounting for 4.996% share in the share capital and total votes during the General Assembly of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o. 2 165 000 shares, accounting for 0.902% share in share capital and votes during General Assembly of Impexmetal S.A.,
- Polski Cynk Sp. z o.o. 5 000 shares, accounting for 0.002% share in the share capital and votes during the General Assembly of Boryszew S.A.,

Acquisition of Impexmetal S.A. shares

In the period between 1 January 2018 and 31 March 2018 Boryszew S.A. acquired a total of 614 170 shares of Impexmetal S.A., making a total of 110 790 968 shares of Impexmetal S.A. together with the shares already held, accounting for 58.2952% stake in total votes during General Assembly of Shareholders of Impexmetal S.A.

As at 31 March 2018 Boryszew Capital Group held 118 100 000 shares of Impexmetal S.A., accounting for 62.1579% of total votes at the General Meeting of Impexmetal S.A., including:

- Boryszew S.A. : 110 760 968 shares of Impexmetal S.A., accounting for 58.2952% share in the share capital and total votes during the General Assembly of Impexmetal S.A.,
- Impexmetal S.A.: 60 000 shares (*), accounting for 0.0316% share in the share capital and total votes during the General Assembly of Impexmetal S.A.,
- SPV Boryszew 3 Sp. z o.o. 7 279 032 shares, accounting for 3.8311% share in share capital and votes during General Assembly of Impexmetal S.A.,

(*) On 6 March 2018 the District Court for the Capital City of 13th Commercial Division of the National Court Register registered a reduction of Company's capital from PLN 80 000 000 to PLN 76 000 000, that is by PLN



4 000 000 by the way of redemption of 10 000 000 of Company's own shares, which were previously acquired by Impexmetal S.A. in accordance with the authorisation granted by the General Assembly. The redeemed shares carried 10 000 000 votes at the General assembly of the Company. Upon redemption, Company share capital amounts up to PLN 76 000 000 and is divided into 190 000 000 dematerialised A series ordinary bearer shares carrying 190 000 000 votes at the General assembly of the Company.

Information on other important events was provided in the form of current reports of the Company, which are available on the website: www.boryszew.com.pl

4. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS DURING THE PRESENTED PERIOD

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 Dziedzice 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.



5. INCOME AND PROFITS/LOSSES BY CONTINUING ACTIVITIES SEGMENTS OF AS FROM THE BEGINNING OF THE CURRENT YEAR

OPERATING SEGMENTS

Automotive	Boryszew S.A. Maflow BRANCH IN w Tychy, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Maflow Automotive Mexico S.de. RI. De.C, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH, Theysohn Formenbau GmbH, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, BRS YMOS GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Boryszew Tensho Poland Sp. z o.o., ICOS GmbH, Boryszew Deutschland GmbH, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o.
Metals	Impexmetal S.A., Hutmen S.A., WM Dziedzice S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A Branch NPA Skawina, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Surowce Hutmen S.A. Sp. komandytowa, SPV Impexmetal Spółka z o.o., FŁT Polska Sp. z o.o., FLT Bearings Ltd., FLT France S.A.S., FLT & Metals s.r.l., FLT Wälzlager GmbH, FLT (Wuxi) Trading Co. Ltd., FLT Metals Ltd.; Zakład Utylizacji Odpadów Sp. z o.o., Symonvit Ltd. w likwidacji, Remal Sp. z o.o.
Chemical products	Torlen Sp. z o.o., Elana Pet Sp. z o.o., Boryszew S.A. Branch Elana, Boryszew S.A. Branch Boryszew ERG, Boryszew S.A. Branch Nylonbor, Elimer Sp. z o.o.
Other	Boryszew S.A. – Headquarters, Boryszew S.A. Branch Enterprise Data Center, Boryszew S.A. Branch Energy, Eastside – Bis Sp. z o.o., Huta Metali Nieżelaznych Szopienice S.A. in liquidation, SPV Lakme Investment Sp. z o.o., Impex – invest Sp. z o.o., Eastside Capital Investments Sp. z o.o., Elana Energetyka Sp. z o.o., S&I S.A. in liquidation, SPV Boryszew 3 Sp. z o.o., Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. in liquidation, SPV Boryszew 6 Sp. z o.o., SPV Boryszew 8 Sp. z o.o., SPV Boryszew 9 Sp. z o.o. in liquidation.

REVENUES FROM SALE BY DESTINATION MARKET

Revenues from sales by geographies	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Continuing operations		
Domestic sales	571 451	546 520
Sales to EU countries	924 605	946 090
Sales to other European countries	48 583	43 550
Export outside Europe	77 912	65 120
Total (revenues on continued operations)	1 622 551	1 601 280



(amounts expressed in PLN '000 unless specified otherwise)

REVENUES AND RESULTS BY OPERATING SEGMENTS IN QUARTER 1 OF 2018 *(data regarding continuing operations)*

01.01.2018 - 31.03.2018	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	69 618	504 724	978 275	83 458	1 636 075	(13 524)	1 622 551
Cost of sales for the segment	60 095	440 697	889 930	77 885	1 468 607	(13 624)	1 454 983
Result on sales within segment	9 523	64 027	88 345	5 573	167 468	100	167 568
General, administrative and sales expenses	8 660	50 828	37 993	4 241	101 722	(2 302)	99 420
Other operating profit/loss	1 638	3 370	623	6 571	12 202	(5 232)	6 970
Segment profit/loss	2 501	16 569	50 975	7 903	77 948	(2 830)	75 118
Amortisation and depreciation	1 613	16 756	16 706	484	35 559		35 559
EBITDA	4 114	33 325	67 681	8 387	113 507	(2 830)	110 677
Segment assets	254 723	1 314 484	2 820 754	869 935	5 259 896	(991 004)	4 268 892
Segment liabilities	86 171	1 522 238	1 183 434	624 892	3 416 735	(926 199)	2 490 536

01.01.2017 - 31.03.2017	Chemicals	Automotive	Metals	Other	Total	consolidation exclusions between segments	Total
Revenues from sales	69 560	537 999	937 784	68 964	1 614 307	(13 027)	1 601 280
Cost of sales for the segment	57 535	441 197	856 308	62 777	1 417 817	(13 318)	1 404 499
Result on sales within segment	12 025	96 802	81 476	6 187	196 490	291	196 781
General, administrative and sales expenses	8 273	54 266	37 522	6 514	106 575	(2 052)	104 523
Other operating profit/loss	459	(2 383)	1 235	8 806	8 117	(6 798)	1 319
Segment profit/loss	4 211	40 153	45 189	8 479	98 032	(4 455)	93 577
Amortisation and depreciation	1 708	16 659	15 916	424	34 707		34 707
EBITDA	5 919	56 812	61 105	8 903	132 739	(4 455)	128 284
Segment assets	272 080	1 459 949	2 745 891	1 140 758	5 618 678	(1 518 274)	4 100 404
Segment liabilities	93 151	1 648 784	1 157 601	361 926	3 261 462	(861 898)	2 399 564



6. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

DEBT SECURITIES

ISSUES OF BONDS

Under registered bond issue scheme adopted under Resolution No. 153/2016 of the Management Board for Boryszew S.A, dated 28 July 2016 (with amendments), Boryszew S.A. issued:

- on 11 January 2018 - 12 A16 series registered bonds with a nominal value of PLN 1 000 000 each bond and average unit price of PLN 1 000 000 per bond The total nominal value of bonds issued in this series was PLN 12 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2020.
- on 14 February 2018 - 16 A17 series registered bonds with a nominal value of PLN 1 000 000 each bond and average unit price of PLN 1 000 000 per bond The total nominal value of bonds issued in this series was PLN 16 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2020.
- on 1 March 2018 - 25 A18 series registered bonds with a nominal value of PLN 1 000 000 each bond and average unit price of PLN 1 000 000 per bond The total nominal value of bonds issued in this series was PLN 25 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 28 February 2021.

Proceeds from the issue of the above mentioned bonds were used to finance operating activity of Boryszew S.A.

EQUITY SECURITIES

In Q1 '2018, until publication of the report the Company did not issue any equity securities.

7. FACTORS AND EVENTS, AND IN PARTICULAR THOSE OF UNTYPICAL NATURE, AFFECTING THE FINANCIAL PERFORMANCE IN THE CURRENT PERIOD

No factors and extraordinary events occurred after Q1 '2018 which could have a material impact on the financial results achieved in the period being reported here.



8. MOVEMENTS IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS WELL AS ESTIMATED DATA

Contingent liabilities	As at 31.03.2018	As at 31.12.2017
Contingent liability resulting from guarantees and sureties for repayment of financial liabilities granted to subsidiaries and joint subsidiaries	143 496	142 218

Entity for which guarantee or surety was issued	Issue date of guarantee or surety	Number of guaranteed contract/agreement	Subject of liability	Value of guarantee	Expiry date of guarantee
				EUR PLN	
Boryszew Plastic RUS	13.02.2017	Guarantee 3/2017	Guarantee granted to Volvo Group Trucks Operations	21 043	indefinite validity
BAP Group companies - customers of Volkswagen AG	16.12.2016	Guarantee 31/2016	Volkswagen AG	84 170	no time limit
Alchemia S.A.	02.10.2017	Guarantee 22/2017	Arcelormittal Poland S.A.	37 877	31.12.2018
SPV Boryszew 7 Sp. z o.o.	12.05.2011	surety	Surety against payment of liabilities by Warszawa Łucka 14A and 16A tenants' association	407	no time limit
				143 496	

9. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

Impact of write-offs on assets and provisions on profit/loss	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Creation of value impairment write-offs for accounts receivable	(62)	(826)
Reversal of write-downs on accounts receivable (-)	334	1532
Creation of value impairment write-offs for inventories	(2 246)	
Value impairment write-offs for inventories	978	506
Tangible fixed assets impairment write-offs	(415)	
Reversal of tangible fixed assets impairment write-offs	560	54
Valuation of shares to fair value	(7 854)	
Creation of provisions	(404)	(2 965)
Reversal of unnecessary provisions	407	536
Deferred tax	(1 160)	(3 297)
Total impact on profit/loss	(9 862)	(4 460)



(amounts expressed in PLN '000 unless specified otherwise)

Financial assets as per the balance sheet

	Loans and receivables	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets measured through other income	Carrying value
As at 03.31.2018					
Shares and stock		1 890		8	1 898
Trade receivables	818 345				818 345
Derivative financial instruments		4 043	22 591		26 634
Loans granted	5 390				5 390
Bonds	123 371				123 371
Other debtors	43 715				43 715
Cash and cash equivalents	161 503				161 503
Total	1 152 324	5 933	22 591	8	1 180 856

Financial liabilities as per balance sheet

	Financial liabilities measured at fair value through profit or loss	Other financial liabilities	Derivatives used for hedges	Carrying value
As at 03.31.2018				
Bank credits, factoring, loans		1 135 592		1 135 592
Derivative financial instruments	3 853		10 567	14 420
Leasing liabilities		70 915		70 915
SMA liabilities		59 379		59 379
Trade and other liabilities		758 018		758 018
Total	3 853	2 023 904	10 567	2 038 324

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 31.03.2018	As at 31.12.2017	
Financial investments			
Listed shares	8	8	Level 1
Derivative financial instruments	36 239	33 750	Level 2
Financial obligations			
Derivative financial instruments	14 420	25 250	Level 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
	As at	As at	of fair value
	31.03.2018	31.12.2017	
Financial investments			
Not listed shares	1 890	1 890	Level 3
Shares held for trading	0	25 068	Level 3
Bonds	123 371	78 278	Level 3
Borrowings	5 390	1 820	Level 3
Trade receivables	914 828	729 397	Level 3
Investment property	154 984	154 984	Level 3
Cash and cash equivalents	161 503	216 120	Level 3
Financial obligations			
Borrowings and loans	1 135 592	1 069 665	Level 3
Leasing	70 915	76 063	Level 3
Trade liabilities	758 376	680 348	Level 3
SMA liabilities	59 379	60 969	Level 3
	Affiliates	Personally related	
		entities	
Transaction between 01.01.2018 and 31.03.2018			
Revenues from sales (good, services, products)		15 564	1 000
Interest income			1 017
Purchase (materials, goods, services)			7 959
Payables and receivables as at 31.03.2018			
Trade receivables		3 598	794
Bonds purchased			122 469
Other receivables (advances, deposits)			1 540
Trade liabilities		1 119	2 420

10. ORGANISATION OF THE CAPITAL GROUP

Boryszew S.A. is the Parent entity of Boryszew Capital Group. The Group features both domestic and foreign subsidiaries, jointly controlled entities, affiliates.

As the Parent company, it performs management and supervisory functions with regard to other companies of the Capital Group.

The core business of the Head Office in Warsaw is management of the Capital Group, and its objective is to increase the Company's goodwill in the long run.



In Q1 '2018 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – producer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.
- Elana Branch w Toruń - producer of polyester fibre and plastics with wide application. Its key products include staple fibres and silicon spheres. Elana Branch was established by merger of Boryszew S.A. and Elana S.A., which took place on 28 January 2005.
- Nowoczesne Produkty Aluminiowe Skawina Branch in Skawina– operating in the field of manufacturing of aluminium rods, wire and cables, including overhead cables of special aluminium alloys with constructions which eliminate the threat if phenomena of the „black-out” type, and supply of energy carries to external customers.
- Boryszew ERG Branch in Sochaczew – offering chemical and construction products. Company's flagship product in “Borygo” coolant.
- Nylonbor Branch in Sochaczew – production of modern engineering polyamides, which are used for manufacture of machinery and equipment as well as battlefield simulators for military applications.
- Enterprise Data Center Branch in Toruń - responsible for IT project for Boryszew Group companies and external parties utilising the existing IT infrastructure.
- Boryszew Energy Branch in Toruń, which is involved in sales of energy for Boryszew Capital Group companies and third parties.

STRUCTURE OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest industrial groups in Poland.

In 2005 Boryszew SA seized control of Impexmetal S.A., a company listed at the Warsaw Stock Exchange, a parent company of manufacturing enterprises involved in non-ferrous metals and bearing industry.

In 2010, the Company seized control of the Maflow Group, one of the largest manufacturers of air-conditioning tubes, power steering systems and active suspension systems for automotive industry. It was then that the automotive sector became the key segment of the Group's activity.

In 2011 and 2012, the Company continued its growth strategy by further acquisitions in the automotive industry.

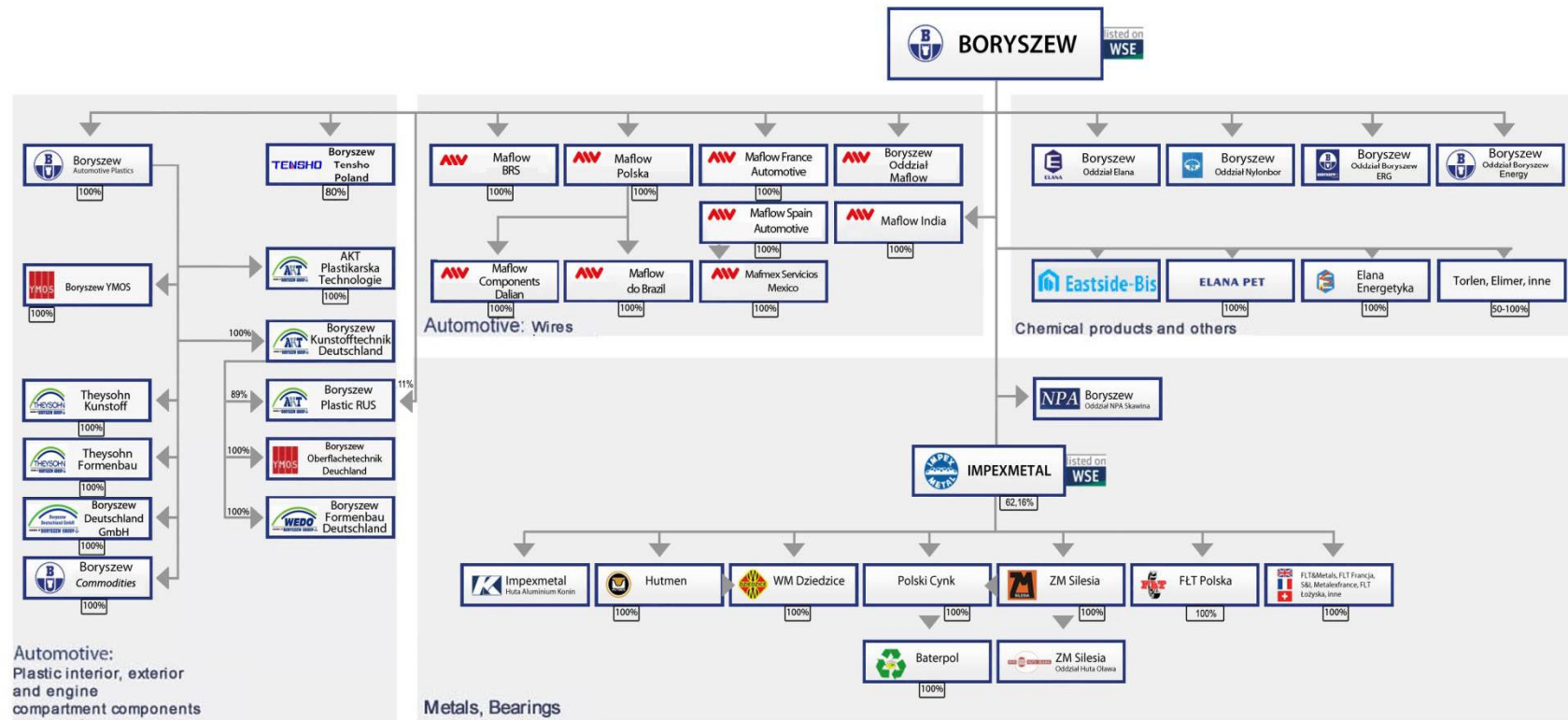
In July 2011, the Company signed takeover agreements in respect of two German capital groups (AKT/ICOS – Theysohn) in the plastics processing sector, and in March 2012 share acquisition agreement for shares of YMOS Group, leading European producer of plastic, galvanized and chromium-plated components for the automotive industry.

In June 2014 Boryszew S.A. acquired 80% shares of Tensho Poland Corporation spółka z o.o. with its registered office in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), manufacturer of top quality plastic products.



(amounts expressed in PLN '000 unless specified otherwise)

SIMPLIFIED ORGANIZATION CHART OF BORYSZEW GROUP WITH AGGREGATE HOLDINGS IN INDIVIDUAL ENTITIES AS AT 31.03.2018





11. THE EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE SINCE THE BEGINNING OF THE YEAR, INCLUDING MERGERS, ACQUISITIONS OR SALES OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCONTINUATION OF OPERATIONS

Incorporation of Aluminium Konin Sp. z o.o. based in Konin

On 22 January 2018 the Management Board of Impexmetal S.A. resolved to establish Aluminium Konin Sp. z o.o. based in Konin (the "Company").

The share capital of the Company is PLN 100 000 and is divided into 100 shares with nominal value of PLN 1.000 each share. All shares were subscribed to by Impexmetal S.A. and covered by cash contribution. The core business of the Company includes production of goods of aluminium and aluminium alloy. The Company was registered with the National Court Register on 26 February 2018.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

De-registration of Surowce Hutmen S.A. Sp. komandytowa in liquidation

On 20 December 2017 the General Meeting of Shareholders of Surowce Hutmen S.A. Sp. komandytowa decided to open the liquidation of the company.

The Company was removed from the National Court Register on 6 April 2018.

Until publication date of the report no other significant changes occurred in the structure of Boryszew Capital Group apart from the events indicated above.

12. POSITION OF THE MANAGEMENT BOARD' S POSITION ON THE POSSIBILITY OF PREVIOUS PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS IN THE CURRENT YEAR

In Q1 '2018 Boryszew S.A. Management Board did not publish financial forecast for the current year.

13. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS AT THE DATE OF SUBMITTING THE REPORT

The table below presents the Shareholders holding more than 5% of the share capital and of the total number of votes as on the date of approval of the present report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	151 864 689	63.277%	151 864 689	63.277%
including: subsidiaries	149 833 831	62.431%	149 833 831	62.431%
Boryszew S.A.	12 483 831	5.202%	12 483 831	5.202%
RKK Investments Sp. z o.o.(**)	119 990 000	49.996%	119 990 000	49.996%
Nationale - Nederlanden Otwarty Fundusz Emerytalny	14 773 261	6.156%	14 773 261	6.156%
Others	73 362 050	30.568%	73 362 050	30.568%
Total:	240 000 000	100.00%	240 000 000	100.000%



(*) Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 26 April 2018).

(**) in line with the notification of 26 April 2018

14. CHANGES IN THE OWNERSHIP STRUCTURE OF SUBSTANTIAL SHAREHOLDINGS OF THE COMPANY IN THE PERIOD FOLLOWING THE SUBMISSION OF THE PREVIOUS REPORT - SHARES IN VOTES DURING THE GENERAL ASSEMBLY OF SHAREHOLDERS

Mr Roman Karkosik (with subsidiaries, including Boryszew S.A.)	Number of shares held (shares)	Percentage in the share capital (in %)	Number of votes on the General Meeting of Shareholders	Total number of votes at the General Meeting (%) (in %)
as at the date of submission of consolidated annual report for 2017	151 052 734	62.939%	151 052 734	62.939%
as at the date of submission of consolidated quarterly report for Q1 '2018	151 864 689	63.277%	151 864 689	63.277%

Detailed information on changes in the ownership structure of significant shareholdings of Boryszew S.A. was provided in the form of current reports of the Company, which are available on the website: www.boryszew.com.pl

15. COMPANY'S MANAGERS AND SUPERVISORS - CHANGES IN SHARE HOLDING OR SHARE OPTIONS IN THE CURRENT PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT.

List of the number of shares in Boryszew S. A. or rights to them by the Management Board of the Company.

Management Board of Boryszew S.A.	As at the date of publication of the report for 2017	Change in holding acquisition / (disposal)	As at the date of publication of this report
Aleksander Baryś	3 000	-	3 000

Members of the Supervisory Board hold no shares of Boryszew S. A. or rights to shares of Boryszew S.A.

16. PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY

TAX PROCEEDINGS IN CAPITAL GROUP COMPANIES

The Group operates in a sector which is particularly vulnerable to extortion of VAT on the part of dishonest contractors. Group companies are subject to control proceedings, at various stages, on the correctness of VAT settlements. Hence the Parent Entity took measures to capture the risks that could be estimated and which are associated with these on-going proceedings.



Significant proceedings closed at first instance

1. On 12 March 2018, ZM SILESIA S.A. received the decision issued on 28 February 2018 by the Head of the Tax and Customs Office in Opole (Office), which sets out VAT arrears for 2012 amounting to PLN 28.9 million plus interest on tax arrears amounting to PLN 15.5 million.

The Office claims that ZM SILESIA S.A. did not exercise due diligence in verifying the tax accuracy of some of its suppliers, who, as it turned out, did not pay the due VAT to the budget. Consequently, ZM SILESIA S.A. was not entitled to a reduction in output tax by input tax shown on invoices issued by dishonest suppliers. Since the Company subject to control construes the facts distinctly from the controlling authorities, it has appealed from the Office's decision.

2. On 3 April 2018, HUTMEN S.A. received the decision issued on 26 March 2018 by the Head of the Lower Silesian Tax and Customs Office (Office), which sets out HUTMEN S.A.'s VAT arrears for Q4 of 2014 amounting to PLN 3.04 million plus interest on tax arrears. The Office claims that HUTMEN S.A. did not exercise due diligence in verifying the tax accuracy of some of its suppliers and consequently was not entitled to use the 0% VAT rate in intra-Community supply of goods.

Since the Company subject to control construes the facts distinctly from the controlling authorities, it has appealed from the Office's decision.

Other significant on-going tax procedures regarding VAT in companies of the Capital Group

Apart from the procedures described above, control procedures have been established in companies of the Capital Group, which are in an initial phase (no decisions have been issued). These procedures may result in negative authorities' decisions about the Company, however this risk is difficult to estimate.

On-going proceedings:

1. ZM SILESIA S.A. - on-going audit proceedings regarding VAT for 2013 to 2014,
2. Baterpol Recycler Spółka z o.o. - on-going proceedings regarding VAT for March to September 2016 period,
3. Baterpol S.A. - on-going proceedings regarding VAT for the July 2013 to December 2015 period,
4. Hutmen S.A. - on-going proceedings regarding VAT for 2015.

As of the date of publication of the consolidated financial statement, the established controls have not been concluded with a decision. Due to the fact that there is a risk of instituting new controls that might potentially result in issuing decisions determining tax liabilities of these companies, the Management Board of the Parent Company analysed documentation relevant for the on-going procedures and estimated risks by classifying them according to the likelihood of occurrence:

- a) **probable (high) risk** – there is strong likelihood of emergence of negative tax consequences (i.e., suffering consequences is more likely than not suffering them);
- b) **possible (average) risk** – there is a risk of suffering negative tax consequences, however, it is equally likely that they might arise and that they might not;
- c) **potential (low) risk** – there is some risk of suffering negative tax consequences, however, it more unlikely than likely to happen.

These risks are recognised in the consolidated financial statements for 2017 partially as provisions for liabilities (for those considered highly risky), i.e., amounting to PLN 65 million, and partially as contingent liabilities (for those with average or low risk) amounting to PLN 38 million. The Management Board of the Parent Company estimated the provisions by also taking into account the probability of cash outflow from the Group and decided not to provide for events, if the likelihood of cash outflow in connection with them is low.



The Parent Company's Management Board may not rule out that if new circumstances arise, the risk estimation provided above might change.

OTHER PROCEEDINGS IN THE GROUP

HMN SZOPIENICE S.A. IN LIQUIDATION

Settlement after final conclusion of proceedings relating to HMN Szopienice S.A. w likwidacji

The court proceedings of HMN Szopienice S.A. in liquidation against the State Treasury - the Minister of Treasury, which should determine the non-existence of Treasury's claim of PLN 10 342.9 thousand along with relevant interest, as the refund of public aid provided to the Company according to the agreement of 6 March 2003 and later changed by Annex no. 1 of 28 December 2005 was disclosed in previously issued periodical reports.

The conclusion of the proceedings was such that the Company must now refund the public aid it received.

The Company and the State Treasury entered into an agreement providing for repayment of the principal in instalments plus postponing of the payments on account of the refund of the public aid. The agreement provides for suspension of interest on the principal amount as of the date of its conclusion and the deadline for final payment was determined as 25 December 2025.

The principal amount will be repaid in part with cash generated from revenues from sales of Company's non-current assets.

17. CONCLUSION BY THE COMPANY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES

Transactions between subsidiaries mainly include commercial transactions concluded between companies of the Capital Group with regard to sale or purchase of traded goods and products of typical, conventional nature for the Group's operations. Transactions with affiliated entities are presented in details below:

TRANSACTIONS OF NON-TRADE NATURE BETWEEN RELATED PARTIES:

LOANS GRANTED BY BORYSZEW S.A.

Company	Date of agreement	Repayment date	Loan amount as per the agreement	Amount to be repaid	Currency	Amount to be repaid as translated into PLN	Interest
Boryszew Kunststofftechnik Deutschland GmbH	01.09.2011	31.12.2018	3 000 000	2 249 652	EUR	9 467 661	3M EURIBOR + margin
	02.08.2011	31.12.2018	14 500 000	14 371 899	EUR	60 484 138	3M EURIBOR + margin
Boryszew Automotive Plastics Sp. z o.o.	27.11.2017	31.12.2020	49 700 000	47 051 989	EUR	198 018 295	3M EURIBOR + margin
Polish Wind Holding	14.09.2015	31.12.2018	1 100 000	1 100 000	PLN	1 100 000	WIBOR 3M + margin
	20.12.2016	31.12.2018	550 000	550 000	PLN	550 000	WIBOR 3M + margin



(amounts expressed in PLN '000 unless specified otherwise)

MAFMEX S. de R.L. de C.V.	18.11.2015	30.06.2020	689 772	689 772	EUR	2 902 906	EURIBOR 1M + margin
	19.02.2016	30.06.2020	1 695 000	1 695 000	EUR	7 133 408	EURIBOR 1M + margin
	14.09.2016	30.06.2020	1 046 712	1 046 712	EUR	4 405 087	EURIBOR 1M + margin
	16.12.2016	30.06.2020	568 516	568 516	EUR	2 392 599	EURIBOR 1M + margin
	23.12.2016	31.12.2022	448 337	448 337	EUR	1 886 825	EURIBOR 1M + margin
	29.05.2017	31.12.2022	1 151 287	1 151 287	EUR	4 845 191	EURIBOR 1M + margin
	03.07.2017	31.12.2022	1 507 210	1 507 210	EUR	6 343 093	EURIBOR 1M + margin
	08.08.2017	31.12.2022	592 906	592 906	EUR	2 495 243	EURIBOR 1M + margin
	31.08.2017	31.12.2022	421 996	421 996	EUR	1 775 970	EURIBOR 1M + margin
	19.12.2017	31.12.2022	678 265	678 265	EUR	2 854 479	EURIBOR 1M + margin
Maflow Components Dalian	20.03.2017	18.03.2020	1 160 000	250 000	EUR	1 052 125	EURIBOR 1M + margin
Maflow Polska Sp. z o.o.	05.07.2017	31.12.2019	30 000	30 000	PLN	30 000	1M WIBOR + margin
	11.07.2017	31.12.2019	50 000	50 000	PLN '000	50 000	1M WIBOR + margin
Total to be repaid					PLN	307 787 020	

The sum of the abovementioned loans granted by Boryszew SA does not include the interest accrued as at 31.03.2018.

ACQUISITION OF BONDS ISSUED BY BORYSZEW S.A.

On 11 January 2018, SPV Impexmetal Sp. z o.o. acquired 12 bonds of A16 series of nominal value of PLN 1,000,000.00 each for the total amount of PLN 12,000,000. The interest was determined on the arm's length basis. Bonds redemption date: 31 December 2020.

On 14 February 2018, SPV Impexmetal Sp. z o.o. acquired 16 bonds of A17 series of nominal value of PLN 1,000,000.00 each for the total amount of PLN 17,000,000. The interest was determined on the arm's length basis. Bonds redemption date: 31 December 2018.

On 1 March 2018, Zakład Utylizacji Odpadów Sp. z o.o. acquired 25 bonds of A18 series of nominal value of PLN 1,000,000.00 each for the total amount of PLN 25,000,000. The interest was determined on the arm's length basis. Bonds redemption date: 28 February 2021.

ACQUISITION OF BONDS ISSUED BY IMPEXMETAL S.A.

On 2 January 2018 Metal Zinc Sp. o.o. based in Katowice acquired 7 R series registered bonds with nominal value of PLN 1 000 000.00 and total nominal value of PLN 7 000 000.00 and redemption date of 31 December 2018.

The interest was determined on the arm's length basis.

On 1 March 2018 these bonds were redeemed at their nominal value plus interest due.



The bonds were acquired for redemption as part of the optimisation scheme of financing structure and cash management at Impexmetal Capital Group.

On 2 January 2018 S and I S.A. based in St. Sulpice, Switzerland, acquired 16 registered bonds of S series of nominal value of PLN 1,000,000.00 each of the total nominal value of PLN 16,000,000.00 with maturity date of 31 December 2018.

The interest was determined on the arm's length basis.

ACQUISITION OF BONDS ISSUED BY UNIBAX SP. Z O.O.

- On 5 February 2018 Boryszew S.A. acquired 1 BO4 series registered bond with nominal value of PLN 500 000.00. The total nominal value of bonds acquired in this series was PLN 500 000.00. The redemption date for the bonds was determined at 31 December 2018.
- On 14 February 2018 Boryszew S.A. acquired 18 BO5 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 18 000 000.00. The redemption date for the bonds was determined at 31 December 2018.
- On 2 March 2018 Boryszew S.A. acquired 27 BO6 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 27 000 000.00. The redemption date for the bonds was determined at 31 December 2018.
- On 19 April 2018 Boryszew S.A. acquired 1 BO7 series registered bond with nominal value of PLN 500 000.00. The total nominal value of bonds acquired in this series was PLN 500 000.00. The redemption date for the bonds was determined at 31 December 2018.

The interest on the above mentioned bonds was determined on the arm's length basis.

BATERPOL S.A. BONDS

On 26 February 2018 the Baterpol S.A. redeemed one bond held by Polski Cynk Sp. o.o. for a total value of PLN 4.5 million.

On 26 February 2018 Baterpol S.A. issued K series bonds for PLN 4 000 000.00, acquired by Polski Cynk Sp. z o.o. The redemption date for the bonds was determined at 26 February 2023. The interest was determined on the arm's length basis.

MODIFICATION OF THE DEADLINE OF PURCHASE OF BONDS EMITTED BY UNIBAX SP. Z O.O.

Redemption date for 25 registered bonds with nominal value of PLN 56 000 000, issued by Unibax Sp. z o.o. based in Toruń and acquired by Eastside – Bis Spółka z o.o., that is

- 10 EB1 series registered bonds with a nominal value of PLN 3 000 000.00 each bond on 15 November 2016,
- 10 EB2 series registered bonds with a nominal value of PLN 2 153 500.00 each bond on 15 November 2016,
- 5 EB3 series registered bonds with a nominal value of PLN 953 000.00 each bond on 18 November 2016, was postponed from 31 March 2018 to of 30 September 2019.



(amounts expressed in PLN '000 unless specified otherwise)

18. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL

SURETIES GRANTED BY BORYSZEW S.A.

Entity for which guarantee or surety was issued	Issue date of guarantee or surety	Subject of liability	Value of guarantee in its currency	Value of guarantee in its currency	Value of guarantee	Expiry date of guarantee
			EUR	USD	PLN	
Torlen Sp. z o.o.	24.07.2017	Surety regarding trade liabilities, granted to Polytrade GmbH	1 500 000		6 312 750	31.07.2020
	11.12.2017	Surety regarding trade liabilities, granted to MB Barter & Trading SA	500 000		2 104 250	31.12.2020
Boryszew Kunststofftechnik Deutschland GmbH	06.09.2012	Guarantee granted to Deutsche Leasing International GmbH valid from 02.01.2013	890 000		3 745 565	02.05.2018
	31.01.2013	Guarantee granted to Commerzbank	5 000 000		21 042 500	indefinite validity
	20.04.2013	Guarantee granted to Hewlett-Packard International Plc.	150 000		631 275	30.04.2018
	23.07.2013	Guarantee issued as security for loans granted by GE Capital Bank AG	992 373		4 176 402	30.08.2021
	24.07.2017	Guarantee issued as security for repayment to ALD AutoLeasing D GmbH	200 000		841 700	30.06.2022
	12.03.2014	Guarantee granted to Hewlett-Packard International Plc.	297 500		1 252 029	28.02.2019
	06.06.2014	Guarantee granted to Hewlett-Packard International Plc.	297 500		1 252 029	31.05.2019
	25.09.2014	Guarantee granted to Hewlett-Packard International Plc.	267 750		1 126 826	31.05.2019
	22.01.2015	Guarantee granted to Hewlett-Packard International Plc.	100 000		420 850	31.08.2019
	23.11.2017	Guarantee issued as security for loan granted by DNB Bank Polska SA	7 500 000		31 563 750	31.01.2019
	07.08.2017	Guarantee granted to Deutsche Leasing International GmbH	1 400 000		5 891 900	indefinite validity
Theysohn Formenbau GmbH	06.09.2017	Guarantee granted to akf Leasing GmbH	2 339 459		9 845 614	31.08.2023
Boryszew Oberflächentechnik Deutschland GmbH	26.01.2016	Guarantee issued as security for loans granted by Bank Gospodarstwa Krajowego	21 838 000		91 905 223	31.12.2026
Boryszew Plastic RUS	11.07.2013	Guarantee granted to ZAO Hewlett-Packard AO		200 000	682 780	indefinite validity
	27.08.2013	Guarantee granted to RB Leasing Ltd.	449 600		1 892 142	15.06.2019



Boryszew Capital Group
Condensed consolidated interim report for quarter I 2018 prepared according
to IAS 34 adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

	30.04.2014	Guarantee granted to ZAO Hewlett-Packard AO		100 000	341 390	indefinite validity
	13.02.2017	Guarantee granted to Volvo Group Trucks Operations	5 000 000		21 042 500	indefinite validity
BRS YMOS GmbH	27.05.2015	Guarantee granted to Würth Leasing GmbH & Co. KG	309 812		1 303 844	30.11.2020
	15.03.2016	Würth Leasing GmbH	354 902		1 493 605	15.03.2022
Boryszew Tensho Poland Sp. z o.o.	6.12.2017	Guarantee granted to PGE Obrót S.A.			1 800 000	indefinite validity
	14.03.2017	Guarantee granted to SPV Impexmetal Sp.z o. o for payment of financial liabilities			41 000 000	indefinite validity
	24.10.2017	Aval of lease agreement for mLeasing	179 624		755 949	15.04.2021
	24.10.2017	Aval of lease agreement for mLeasing	1 499 920		6 312 411	15.11.2020
	13.06.2016	Guarantee granted as collateral for a credit granted by HSBC Bank Polska			10 000 000	12.09.2020
Maflow BRS s.r.l.	01.01.2017	Guarantee granted to CORDTECH INTERNATIONAL SAS	300 000		1 262 550	31.12.2018
	01.01.2017	Guarantee granted to Mehler Engineered Products GmbH for repayment of commercial debts	400 000		1 683 400	31.12.2018
	26.04.2016	Banka IFIS	750 000		3 156 375	no time limit
	16.05.2017	Guarantee granted to Cover	100 000		420 850	31.12.2018
Maflow France Automotive S.A.S.	07.07.2016	Guarantee against a Leasing agreement in favour of Natixis Lease	377 000		1 586 605	07.07.2021
Boryszew Commodities Sp. z o.o.	12.12.2017	Borealis AG	250 000		1 052 125	31.12.2018
	24.04.2017	Guarantee granted to Sabic Sales Europe B.V., Sabic Innovative Plastics B.V.	500 000		2 104 250	01.05.2018
BAP Group companies - customers of Volkswagen AG	16.12.2016	Volkswagen AG	20 000 000		84 170 000	no time limit
Impexmetal S.A.	1.02.2017	Marshal Office of Wielkopolskie province			5 814 361	31.12.2018
Alchemia S.A.	1.10.2017	Arcelormittal Poland S.A.	9 000 000		37 876 500	31.12.2018
Eastside-Bis	01.09.2017	The Provincial Funds for Environmental Protection and Water Management in Toruń			3 283 600	no time limit
	11.07.2017	Aval for credit granted by mBank			4 500 000	29.06.2018
Total guarantees and sureties granted by Boryszew SA			82 743 440	300 000	415 647 898	



19. FACTORS WHICH WILL INFLUENCE COMPANY'S FINANCIAL PERFORMANCE FOR AT LEAST THE UPCOMING QUARTER:

External factors that will affect the consolidated results of subsequent quarters include:

- Global economic situation, especially in the key sectors (automotive and construction) as well as in the main sales markets (the European Union, including Germany).
- Demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group,
- The level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- Higher economic protectionism in international trade, resulting in restrictions to access markets,
- Sanctions imposed by the US government on entities operating on the international non-ferrous metals market (contractors of Capital Group companies),
- Costs of raw materials, including in particular scrap prices and the amount of the metal premium,
- PLN exchange rate against foreign currencies; due to the significant share of export sales, which in effect affects the level of margins earned in PLN.
- Prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- Cost of energy carriers, which are important in the energy-intensive metal processing industry.

Internal factors significant for the Group's performance in future periods include the following:

- The effect of obtaining new contracts in the Automotive Segment,
- The effect of optimisation of manufacturing processes in all market segments,
- Results of development investments, including to the greatest extent in Impexmetal S. A., which in 2018 reached production capacity of 100 thousand tons/year,
- Effects of project grants received in NPA Skawina (MultiEx - innovative technology of production of functional products based on aluminium) and in Group companies related to obtaining energy efficiency certificates (white certificates).
- The effect of centralisation of common activities in the Capital Group.

20. OTHER INFORMATION THAT IS RELEVANT FOR THE EVALUATION OF ITS HUMAN RESOURCES, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS ANY INFORMATION RELEVANT FOR THE EVALUATION OF THE CAPACITY TO MEET OBLIGATIONS

In the reporting period, there were no events other than those described above that would be significant for the assessment of the Group's personnel, property, financial standing, financial result and the ability of the Capital Group to meet its liabilities.



Boryszew Capital Group
Condensed consolidated interim report for quarter I 2018 prepared according
to IAS 34 adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)



BORYSZEW S.A.

**CONDENSED QUARTERLY REPORT
BORYSZEW S.A.
FOR Q1 '2018**



(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2018 -31.03. 2018	01.01.2017 -31.03. 2017
Revenues from sales	402 521	384 104
Prime cost of sale	364 152	324 958
Gross profit on sales	38 369	59 146
Selling costs	7 147	7 148
General and administrative costs	20 010	26 290
Other operating revenue	8 477	5 384
Other operating expenses	1 914	6 807
Operating income	17 775	24 285
Financial revenues	8 604	4 105
Financial expenses	8 275	15 415
Financial profit/loss	329	(11 310)
Profit before taxation	18 104	12 975
Income tax	3 278	2 934
Net profit	14 826	10 041
Earnings/loss per share		
Weighted average number of shares	227 879 177	232 170 000
Earnings per one share (PLN)	0.07	0.04
	01.01.2018 -31.03. 2018	01.01.2017 -31.03. 2017
Net profit	14 826	10 041
Earnings recognised in equity		
Earnings recognised in equity, to be transferred to profit and loss account	585	-1 902
Hedge accounting	636	(2 348)
Available-for-sale financial assets	-	-
Income tax	(51)	446
Earnings recognised in equity, not to be transferred to income statement	(2 797)	-
Employee benefit capital reserve	(2 797)	-
Income tax	-	-
Total earnings recognised in equity	(2 212)	(1 902)
Total comprehensive income	12 614	8 139



(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF FINANCIAL POSITION

	As at 31.03.2018	As at 31.12.2017
ASSETS		
Non-current assets		
Non-current assets	272 405	272 862
Investment property	16 525	16 525
Intangible assets	26 741	26 856
Shares in subsidiaries and associates	447 076	444 437
Financial investments	427 468	388 685
Long-term receivables	32 988	32 693
Deferred tax assets	4 230	6 038
Other assets	14 701	15 002
Total fixed assets	1 242 134	1 203 098
Current assets		
Inventory	191 234	181 956
Trade receivables and other receivables	327 355	289 688
Short-term financial assets	6 053	40 157
Derivative financial instruments	833	-
Current tax assets	-	-
Other assets	13 254	10 893
Cash and cash equivalents	29 312	36 081
Total current assets	568 041	558 775
Total assets	1 810 175	1 761 873



(amounts expressed in PLN '000 unless specified otherwise)

	As at	As at
	31.03.2018	31.12.2017
LIABILITIES AND EQUITY		
Equity		
Share capital	248 906	248 906
Share premium	112 346	112 346
Own shares	(96 860)	(84 329)
Hedge accounting capital	(2 212)	(2 797)
Capital reserve on translating employee payables	(169)	(169)
Retained earnings	355 222	340 396
Total equity	617 233	614 353
Liabilities and long-term provisions		
Bank credits, loans, bonds	392 534	230 096
Lease liabilities	28 342	28 977
Payables on perpetual usufruct of investment land	1 960	1 957
Deferred tax provision	-	-
Employee benefit provisions	3 036	3 036
Other provisions	5 219	5 221
Other long term equity and liabilities	2 779	2 851
Liabilities and long-term provisions - total	433 870	272 138
Short-term liabilities		
Bank credits, loans, bonds	394 992	500 650
Lease liabilities	15 164	16 094
Payables on perpetual usufruct of investment land	-	67
Trade payables and other liabilities	326 833	337 377
Derivative financial instruments	2 720	4 530
Current tax liabilities	1 808	935
Employee benefit provisions	9 540	8 826
Other provisions	2 341	2 349
Other equity and liabilities	5 674	4 554
Liabilities and short-term provisions - total	759 072	875 382
Total liabilities and provisions	1 192 942	1 147 520
Total equity and liabilities	1 810 175	1 761 873



(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Cash flows from operating activities		
Profit before taxation	18 104	12 975
Adjustments for (+/-)	(44 407)	(12 772)
Amortisation and depreciation	8 388	6 878
Profit/loss on financial activity (including interest on financial liabilities)	5 547	4 725
Dividends from share in profit	-	-
Profit / loss on investment activities	-	-
Change in receivables	(37 962)	(35 874)
Change in inventories	(9 278)	(6 839)
Change in liabilities	(10 544)	1 560
Change in provisions and accruals as well as prepayments	(308)	4 660
Other items	(250)	12 120
Income tax paid	-	(2)
Net cash from operating activities	(26 303)	203
Cash flows from investment activities		
Profit on fixed assets disposal	-	-
Proceeds from disposal of shares	25 068	-
Proceeds from bond issue	-	-
Proceeds from dividend	-	-
Proceeds from repayment of loans granted	15 030	-
Expenditure on acquisition of fixed assets	(7 816)	(18 485)
Acquisition of shares in capital group entities	(2 639)	(13 566)
Long term borrowings granted	0	-
Expenditure on bonds	(44 777)	(1 663)
Other capital expenditure	-	-
Net cash from investing activities	(15 134)	(33 714)
Cash flows from financial activities		
Proceeds from credit and loan facilities	13 071	40 389
Loans received	-	(208)
Proceeds from bond issue	53 000	-
Share buy-back expense	(12 531)	-
Loans repaid	(8 545)	(2 256)
Borrowings repaid	(746)	-
Redemption of bonds	-	(8)
Interest paid on loans, bonds	(5 547)	(3 836)
Payment of liabilities under finance lease agreements	(4 034)	(5 445)
Net cash from financing activities	34 668	28 636
Net change in cash	(6 769)	(4 875)
Cash opening balance	36 081	60 932
Cash closing balance	29 312	56 057



(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2018	248 906	112 346	(84 329)	(2 797)	(169)	340 396	614 353
Valuation of hedge instruments				585			585
Valuation of employee benefits							0
Profit/loss for Q1 '2018						14 826	14 826
Comprehensive income for Q1 '2018	-	-	-	585	-	14 826	15 411
Share buy-back			(12 531)				(12 531)
As at 03.31.2018	248 906	112 346	(96 860)	(2 212)	(169)	355 222	617 233

	Share capital	treasury shares	Share premium	Hedge accounting	Revaluation reserve	Retained earnings	Total equity
As at 01.01.2017	248 906	112 346	(49 518)	44	77	255 892	567 747
Valuation of hedge instruments				(1 902)			(1 902)
Valuation of employee benefits							-
Profit/loss for Q1 '2017						10 041	10 041
Comprehensive income for Q1 '2018	-	-	-	(1 902)	-	10 041	8 139
Share buy-back							-
As at 03.31.2017	248 906	112 346	(49 518)	(1 858)	77	265 933	575 886



(amounts expressed in PLN '000 unless specified otherwise)

OPERATING SEGMENTS

01.01.2018 -31.03. 2018 roku	Chemicals	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	57 729	171 777	101 692	71 406	402 604	(83)	402 521
Cost of sales for the segment	48 921	150 700	95 921	68 610	364 152		364 152
Result on sales within segment	8 808	21 077	5 771	2 796	38 452	(83)	38 369
General, administrative and sales expenses	7 539	11 895	3 377	4 429	27 240	(83)	27 157
Other operating profit/loss	188	542	217	5 616	6 563		6 563
Segment profit/loss	1 457	9 724	2 611	3 983	17 775	0	17 775
Amortisation and depreciation	1 305	5 500	1 351	232	8 388		8 388
Segment assets	194 355	597 940	202 305	973 411	1 968 011	(157 836)	1 810 175
Segment liabilities	67 625	667 553	135 575	480 025	1 350 778	(157 836)	1 192 942
	126 730	-69 613	66 730	493 386	617 233		
01.01.2017 -31.03. 2017							
	Chemicals	Automotive	Metals	Other	Total	Exclusions between segments	Total
Revenues from sales	55 915	180 789	89 645	59 575	385 924	(1 820)	384 104
Segment selling costs	45 310	144 151	81 133	55 748	326 342	(1 384)	324 958
Result on sales within segment	10 605	36 638	8 512	3 827	59 582	(436)	59 146
General, administrative and sales expenses	7 506	18 553	3 200	4 615	33 874	(436)	33 438
Other operating profit/loss	320	(5 255)	352	3 160	(1 423)	0	(1 423)
Segment profit/loss	3 419	12 830	5 664	2 372	24 285	0	24 285
Amortisation and depreciation	1 262	4 159	1 279	178	6 878	0	6 878
Segment assets	221 968	509 293	162 314	895 772	1 789 347	(27 474)	1 761 873
Segment liabilities	72 132	610 501	105 780	386 575	1 174 988	(27 468)	1 147 520



(amounts expressed in PLN '000 unless specified otherwise)

REVENUES FROM SALES BY GEOGRAPHIES

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Continuing operations		
Domestic sales	161 065	136 453
Sales to EU countries	213 874	230 666
Sales to other European countries	10 332	3 948
Export outside Europe	17 250	13 037
Total	402 521	384 104

	01.01.2018 - 31.03. 2018	01.01.2017 - 31.03. 2017
Share of EU member states in intra-Community sales:		
Germany	25%	30%
Great Britain	12%	14%
The Czech Republic	11%	7%
Italy	6%	8%
Spain	8%	9%

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	Fair value as at		Hierarchy of fair value
	As at 31.03.2018	As at 31.12.2017	
Financial investments			
Listed shares	2 160	2 160	Level 1
Derivative financial instruments	833	0	Level 2
Financial obligations			
Derivative financial instruments	2 720	4 530	Level 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 31.03.2018	As at 31.12.2017	
Financial assets			
Shares held for trading	0	25 068	Level 3
Bonds	73 938	29 161	Level 3
Borrowings	359 583	374 613	Level 3
Trade and other receivables	345 331	306 265	Level 3
Investment property	16 525	16 525	Level 3
Cash and cash equivalents	29 312	36 081	Level 1



Financial obligations

Borrowings and loans and lease	815 868	759 723	Level 2
Trade liabilities	303 092	309 993	Level 3
SMA liabilities	1 960	2 024	Level 2

SIGNATURES:

This report was signed at the Company's registered office on 14 May 2018.

Piotr Szeliga – Acting 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

Elżbieta Słaboń – Chief Accountant
