

# **ANNUAL REPORT**

**of Boryszew S.A.**

*for the period  
from 1 January to 31 December 2015*





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**Boryszew S.A.**  
**Financial statement**  
**For the period from 1 January till 31 December 2015**

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

## INCOME STATEMENT

	<b>01.01.2015 - 31.12. 2015</b>	<b>01.01.2014 -31.12. 2014</b>
Revenue from sales of products	1 318 721	1 048 652
Revenue from sales of goods and materials	1 160 436	903 422
<b>Total revenues on sales</b>	<b>158 285</b>	<b>145 230</b>
Selling expenses	27 367	26 540
General and administrative costs	56 221	58 668
Other operating revenue	23 184	23 547
Other operating expenses	70 079	35 887
<b>Operating profit (loss)</b>	<b>27 802</b>	<b>47 682</b>
Financial revenue	16 181	20 165
Financial expenses	52 792	32 690
<b>Financial operations result</b>	<b>(36 611)</b>	<b>(12 525)</b>
Profit (loss) before tax	<b>(8 809)</b>	<b>35 157</b>
Income tax	(12 595)	9 609
<b>Net profit (loss)</b>	<b>3 786</b>	<b>25 548</b>
	<b>3 786</b>	<b>25 548</b>
<b>Net profit (loss)</b>	<b>3 786</b>	<b>25 548</b>
<b>Other income recognized in capitals</b>		
<b>Other income recognized in capitals, which may be transferred to profit and loss account</b>		
Financial assets available to sell	(132)	(260)
Hedging accounting	(3 640)	1 089
Income tax (+/-)	717	(158)
<b>Income in capital not to be classified into financial result</b>		
Capital from the valuation of provisions for employee benefits	154	(540)
Income tax (+/-)	(29)	103
<b>Total income recognized in capital</b>	<b>(2 930)</b>	<b>234</b>
<b>Total overall income</b>	<b>856</b>	<b>25 782</b>
Net profit / loss per 1 share		
Weighted average number of shares	224 260 857	224 260 857
Number of shares (entitled to the dividend)	233 170 000	235 000 000
Profit per 1 share (PLN)	0,02	0,11



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## STATEMENT OF FINANCIAL POSITION

	<b>As at 31.12.2015</b>	<b>As at 31.12.2014</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible fixed assets	221 536	217 142
Investment property	288	82 760
Intangible assets	18 897	10 234
Stakes and shares in controlled entities h	419 272	338 808
Financial assets	17 480	10 324
Assets from deferred tax	-	-
Receivables and other	328 325	253 297
Other assets	-	1 247
<b>Total non-current assets</b>	<b>1 005 798</b>	<b>913 812</b>
<b>Current assets</b>		
Inventories	176 665	173 552
Trade and other receivables i	271 700	280 662
Financial assets	34 668	29 868
Derivative financial instruments	206	735
Current tax assets	-	-
Other assets	8 851	5 394
Cash and cash equivalents	22 731	23 920
<b>Total current assets</b>	<b>514 821</b>	<b>514 131</b>
<b>Assets classified as held for sale</b>	<b>-</b>	<b>234</b>
<b>TOTAL ASSETS</b>	<b>1 520 619</b>	<b>1 428 177</b>



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<b>LIABILITIES</b>	<b>As at 31.12.2015</b>	<b>As at 31.12.2014</b>
<b>Equity</b>		
Share capital	248 906	248 906
Treasury (own) shares	(44 411)	(34 673)
Supplementary capital due to issue of shares above their face value	112 346	112 346
Capital related to hedge accounting	(2 312)	636
Capital due to conversion of occupational liabilities	(42)	(167)
Capital from revaluation of assets	(135)	(28)
Retained earnings	252 185	271 846
<i>Current year profit</i>	3 786	25 548
<b>Total equity</b>	<b>566 537</b>	<b>598 866</b>
<b>Long-term liabilities</b>		
Bank credits, loans and bonds	68 987	35 180
Lease liabilities	42 325	42 602
Liabilities of perpetual usufruct of investment land	122	37 813
Deferred tax provision	3 265	16 465
Provisions for employee benefits	2 482	2 596
Other long-term provisions	5 166	5 205
Deferred income	3 594	4 150
<b>Total long-term liabilities</b>	<b>125 941</b>	<b>144 011</b>
<b>Short - term liabilities</b>		
Bank credit, loans and bonds	476 765	409 157
Lease liabilities	36 018	19 823
Trade and other liabilities	300 968	245 990
Current tax liability	1	-
Derivative financial instruments	2 908	-
Provisions for employee benefits	5 622	5 392
Other short-term provisions	1 694	1 666
Deferred incomes	4 165	3 272
<b>Total short-term liabilities</b>	<b>828 141</b>	<b>685 300</b>
<b>Total liabilities</b>	<b>954 082</b>	<b>829 311</b>
<b>TOTAL EQUITY</b>	<b>1 520 619</b>	<b>1 428 177</b>



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## STATEMENT OF CASH FLOWS

	<b>01.01.2015 - 31.12. 2015</b>	<b>01.01.2014 -31.12. 2014</b>
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before taxation</b>	<b>(8 809)</b>	<b>35 157</b>
<b>Adjustments (+/-)</b>	<b>77 765</b>	<b>35 280</b>
Amortization	24 393	23 224
Interests from financial liabilities	18 215	20 164
Profit / loss on financial assets	-	-
Dividends on share in profits	(810)	(1 970)
Profit / loss from investing activities	-	(3 849)
Change of receivables	(553)	(32 673)
Change of inventories	(3 113)	(81 012)
Change of liabilities	55 007	110 582
Change of provisions and accruals settlements	(1 768)	(935)
Other items	(13 606)	(234)
Income tax paid (refunded)	-	1 983
<b>Net cash generated on operating activities</b>	<b>68 956</b>	<b>70 437</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of tangible assets	<b>4 820</b>	8 282
Dividend receipts	810	1 970
Payments for purchase of tangible assets	(26 352)	(41 821)
Purchase of shares and stakes in Capital Group entities	(21 969)	(16 743)
Granted long term loans	(65 513)	(89 322)
Other investing payments	(11 956)	(14 937)
<b>Net cash generated on investing activities</b>	<b>(120 160)</b>	<b>(152 571)</b>
<b>Cash flows from financing activities</b>		
Proceeds from stock issue	-	110 000
Proceeds from credits	143 238	113 637
Proceeds from loans	31 532	63 083
Proceeds from issue of debt securities and others	14 213	-
Other financial proceeds	-	17 773
Dividend payment	(23 447)	-
Buy-back of treasury shares	(9 738)	(4 351)
Repayment of credits	(87 568)	(103 536)
Repayment of loans	-	-
Redemption of debt securities	-	(100 483)
Paid interests from credits, loans, bonds	(18 215)	(16 213)
Payment of liabilities due to financial lease	-	(2 691)
<b>Net cash generated on financing activities</b>	<b>50 015</b>	<b>77 219</b>
<b>Change of net cash</b>	<b>(1 189)</b>	<b>(4 915)</b>
Cash generated at the beginning of year	23 920	28 835
<b>Cash generated at the end of the year</b>	<b>22 731</b>	<b>23 920</b>



## STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Surplus due to issue of shares above their face value	Hedge accounting	Revaluation reserve	Profit / loss from revaluation of employee benefits	Retained earnings	Total equity
<b>As at 01.01.2015</b>	<b>248 906</b>	<b>(34 673)</b>	<b>112 346</b>	<b>636</b>	<b>(28)</b>	<b>(167)</b>	<b>271 846</b>	<b>598 866</b>
Revaluation of hedging instruments				(2 948)				(2 948)
Valuation of assets available for sale					(107)			(107)
Revaluation of employee benefits						125		125
Net profit/ loss in 2015							3 786	3 786
<b>Total overall income in 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 948)</b>	<b>(107)</b>	<b>125</b>	<b>3 786</b>	<b>856</b>
Purchase of treasury share		(9 738)						(9 738)
Dividend payment							(23 447)	(23 447)
<b>As at 31.12.2015</b>	<b>248 906</b>	<b>(44 411)</b>	<b>112 346</b>	<b>(2 312)</b>	<b>(135)</b>	<b>(42)</b>	<b>252 185</b>	<b>566 537</b>
<b>As at 01.01.2014</b>	<b>228 906</b>	<b>(30 322)</b>	<b>22 346</b>	<b>(246)</b>	<b>618</b>	<b>270</b>	<b>245 975</b>	<b>467 547</b>
Revaluation of hedging instruments				882				882
Valuation of assets available for sale					(211)			(211)
Revaluation of employee benefits						(437)		(437)
Net profit/ loss in 2014							25 548	25 548
<b>Total overall income in 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>882</b>	<b>(211)</b>	<b>-</b>	<b>437</b>	<b>25 782</b>
Purchase of treasury share		(4 351)						(4 351)
Issue of shares					(435)		435	-
Other changes	20 000		90 000				(112)	109 888
<b>As at 31.12.2014</b>	<b>248 906</b>	<b>(34 673)</b>	<b>112 346</b>	<b>636</b>	<b>(28)</b>	<b>(167)</b>	<b>271 846</b>	<b>598 866</b>



## **AUTHORISATION OF FINANCIAL STATEMENT**

The Financial statement was authorised for publication upon the Management Board's resolution on 21 March 2016. It has presented the situation of the Company according to the law's requirements for the period from 1 January 2015 till 31 December 2015, taking into account events having been occurred until the approval of the statement for publication.

Management Board of Boryszew S.A.:

Piotr Szeliga – President of the Management Board .....

Mikołaj Budzanowski – Member of the Management Board .....

Cezary Pyszkowski – Member of the Management Board .....

Chief Accountant – Elżbieta Słaboń .....

Translation from the original Polish version.

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