

**BORYSZEW CAPITAL GROUP WARSAW,
JAGIELLOŃSKA STREET NO. 76**

**CONSOLIDATED FINANCIAL
STATEMENTS FOR THE FINANCIAL YEAR
2016**

**INCLUDING
STATUTORY AUDITOR'S OPINION AND
AND REPORT ON AUDIT OF FINANCIAL
STATEMENTS**

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CONSOLIDATED FINANCIAL STATEMENTS OF THE CAPITAL GROUP FOR THE FINANCIAL YEAR 2016

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REPORT ON ACTIVITIES OF BORYSZEW CAPITAL GROUP FOR THE FINANCIAL YEAR 2016

INDEPENDENT STATUTORY AUDITOR'S OPINION

The report of the audit of the consolidated financial statement

We have audited the enclosed consolidated financial statements of Boryszew Capital Group (hereinafter referred to as the “Capital Group”) with Boryszew S.A. as the Parent Company (hereinafter referred to as the “Parent Company”) with its registered office in Warsaw at Jagiellońska street No. 76 The statements include: consolidated statement of financial position as at 31 December 2016, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated cash flow statement for the financial year between 1 January 2016 and 31 December 2016 as well as additional information about the adopted accounting policy and other explanations.

Responsibility of the manager of the Parent Company and supervisors for the consolidated financial statement

The Management Board of the Parent Company is responsible for the development of the consolidated financial statement and for its reliable presentation in accordance with the International Standards of Accountancy, the International Standards of Financial Reporting and related interpretations published in the form of regulations of the European Commission and other existing legal provisions. The Management Board of the Parent Company is also responsible for internal control, which is considered necessary for the development of the consolidated financial statement without significant distortion caused by a fraud or an error.

In accordance with the act of 29 September 1994 on accountancy (the Journal of Laws of 2016, item 1047 as amended), hereinafter referred to as the “Act on Accountancy”, the Management Board of the Parent Company and members of its Supervisory Board are obliged to ensure that the consolidated financial statement complies with the requirements provided in the Act on Accountancy.

Responsibility of the statutory auditor

We are responsible to express an opinion on the consolidated financial statement based on our audit.

We carried out the audit in accordance with section 7 of the Act on Accountancy and in accordance with the International Standards on Financial Auditing in the International Auditing Standards adopted by Resolution no. 2783/52/2015 of the National Council of Statutory Auditors of 10 February 2015, as amended. These standards require the compliance with the ethical requirements as well as planning and carrying out the audit in such a way to obtain sufficient assurance that the consolidated financial statement does not include significant distortion.

The audit involved the implementation of the procedures to obtain an evidence in terms of the amounts and disclosures in the consolidated financial statement. The procedures selection depends on the opinion of the statutory auditor, including the risk assessment of significant distortion of the consolidated financial statement due to a fraud or an error. When assessing this risk, the statutory auditor takes into account the operation of internal control in relation to the development and reliable presentation of the consolidated financial statement by the Parent Company to design appropriate audit procedures in the circumstances, not to express an opinion on the effectiveness of internal control of the Parent Company. The audit also includes assessing the appropriateness of the accountancy principles (policy), the rationality of the estimated values specified by the Management Board of the Parent Company, as well as the assessment of the general presentation of the consolidated financial statement.

We believe that the obtained audit evidence is sufficient and is an appropriate basis for our audit opinion.

Opinion on the consolidated financial statement

In our opinion, the attached consolidated financial statement:

- shows a reliable and clear view of the assets and financial position of the Group of Companies as of 31 December 2016 year and its financial performance and cash flows for the financial year from 1 January 2016 to 31 December 2016, in accordance with the International Standards of Accountancy, the International Standards of Financial Reporting and related interpretations published in the form of regulations of the European Commission and other applicable laws and accepted accounting principles (policy) of the Parent Company,
- its form and content comply with the applicable laws related to the Group of Companies and and the provision of the Articles of Association of the Parent Company.

The report on other legal requirements and regulations

Opinion on the report on operations

Our opinion on the audit of the financial statement does not cover the report on operations of the Group of Companies.

The Management Board of the Parent Company is responsible for the development of the report on operations in accordance with the Act on Accountancy and other applicable laws. In addition, the Management Board of the Parent Company and members of its Supervisory Board are obliged to ensure that the report on operation of the Group of Companies meets the requirements provided in the Act of Accountancy.

In relation with the audit of the consolidated financial statement, it was our duty to review the content of the report on operation of the Group of Companies, and indication whether the information contained therein incorporates the provisions of art. 49 of the Act on Accountancy and Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities; and the conditions for recognizing as equivalent the information required by law of a state which is not the Member State (the Journal of Laws of 2014, item 133, as amended), and are consistent with the information included in the attached consolidated financial statement. Our duty was also to make a statement, whether, in the light of our knowledge about the Group of Companies and its surroundings, obtained during the audit of the consolidated financial statement, we found significant distortions in the statement of the Group of Companies.

In our opinion, the information included in the report on operation of the Group of Companies takes into account the provisions of article 49 of the Act of Accountancy and the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities, and the conditions for recognizing as equivalent the information required by law of a state which is not the Member State (the Journal of Laws of 2014, item 133, as amended), and are consistent with the information included in the attached consolidated financial statement. Furthermore, in the light of the knowledge about the Group of Companies and its surroundings, obtained during the audit, we did not find significant distortions in the report on operation of the Group of Companies.

Statement of the Parent Company on applying corporate governance.

In connection with the audit of the consolidated financial statement, our duty was to review the statement of the Parent on applying corporate governance, constituting a separate part of the report on operation of the Group of Companies. In our opinion, the Parent Company included in the statement the information required based on the scope specified in the implementing provisions issued under article 60 (2) of the act of 29 July 2005 on public offering and the conditions of the introduction of financial instruments to the organized trading system and public companies (the Journal of Laws of 2016, item 1639, as amended) or the regulations issued based on article 61 of this act. This information is consistent with the applicable provisions and the information included in the consolidated financial statement.

Piotr Niedziela
Key statutory auditor
carrying out the audit, reg.
No. 12523

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (limited liability company, limited partnership) – an entity authorised to carry out audits of financial statements and registered in the list of authorised entities, held by the National Council of Statutory Auditors in Poland (KRBR), under registration no. 73:

Jacek Mateja - Vice - President of the Management Board of Deloitte Polska Sp. z o.o. - general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.

Warsaw, 29 March 2017

**REPORT ON AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
BORYSZEW CAPITAL GROUP**

FOR THE FINANCIAL YEAR 2015

GENERAL INFORMATION

1. Information identifying the audited Parent Company

Parent Company operates under the company name of Boryszew S.A. (hereinafter referred to as the „Parent Company”). The Company is based in Warsaw, Jagiellońska street No. 76

The Parent Company operates as a joint stock company. The Parent Company is entered in the register of entrepreneurs kept by the District Court, 14th Commercial Division of the National Court Register in Warsaw, under KRS 0000063824.

The Parent Company operates under the provisions of the Commercial Companies Code.

As at 31 December 2016 the share capital of the Parent Company amounted to PLN 248 906 thousand and was divided into 240 000 000 shares with the nominal value of PLN 1 each share. The Company’s share capital includes hyper-inflation revaluation in the amount of PLN 8 906 thousand.

The Management Board of the Parent Company, as at the date of issue of the opinion, included:

- | | | | |
|--------------------------|---------------------|--------------------------|------------------------------------|
| <input type="checkbox"/> | Jarosław Michniuk | – | President of the Management Board, |
| <input type="checkbox"/> | Piotr Szeliga | – | Member of the Management Board, |
| <input type="checkbox"/> | Mikołaj Budzanowski | – | Member of the Management Board, |
| <input type="checkbox"/> | Cezary Pyszkowski | <input type="checkbox"/> | Member of the Management Board, |
| <input type="checkbox"/> | Aleksander Baryś | – | Member of the Management Board |

During the audited period and until the date of the opinion, the following changes occurred in the composition of the Management Board of the Parent Company:

- on 6 September 2016, the Supervisory Board appointed Mr. Jarosław Michniuk to the position of President of the Management Board, acting from 1 October 2016
- on 6 September 2016, the Supervisory Board appointed Mr. Aleksander Baryś to the position of Member of the Management Board, acting from 1 October 2016
- on 6 September 2016, the Supervisory Board dismissed Mr. Piotr Szeliga from the position of President of the Management Board, and appointed him as Member of the Management Board.

As of 31 December 2016, the shareholders of the Parent Company involved:

- Roman Karkosik and subsidiaries - 63.67% of shares,
- Other shareholders - 36.33% of shares.

In the financial year and after the balance sheet day, there were no changes in the share capital of the Parent Company.

As of 31 December 2016, the equity of the Parent Company amounted to: 567.747 thous. PLN.

2. Structure of the Capital Group

The information about the subsidiaries of Boryszew Capital Group as of 31 December 2016, is in note 1.1 of the consolidated financial statement of Boryszew Capital Group.

The consolidated financial statements as at 31 December 2016 included the following companies:

- a) Parent Company – Boryszew S.A.

We conducted the audit of the Parent Company's financial statements for the period from 1 January to 31 December 2016. As a result of the audit we issued an unqualified auditor's opinion on 29 March 2017.

b) Companies included under full consolidation method:

Company name and registered office	Share in capital (in %)	Entity conducting the audit of financial statement and type of auditor's opinion issued	Balance sheet date of the consolidated entity
Elimer Sp. z o.o.	52.44%	CHE Consulting Sp. z o.o., No auditor's opinion issued until 29.03.2017	31 December 2016
Torlen Sp. z o.o.	100%	CHE Consulting Sp. z o.o., No auditor's opinion issued until 29.03.2017	31 December 2016
Elana Pet Sp. z o.o.	100%	CHE Consulting Sp. z o.o., No auditor's opinion issued until 29.03.2017	31 December 2016
Elana Energetyka Sp. z o.o.	100%	CHE Consulting Sp. z o.o., No auditor's opinion issued until 29.03.2017	31 December 2016
Boryszew Components Poland Sp. z o.o.	100%	Not subject to compulsory audit	31 December 2016
Boryszew HR Service Sp. z o.o.	100%	Not subject to compulsory audit	31 December 2016
SPV Boryszew 3 Sp. z o.o.	100 %	Not subject to compulsory audit	31 December 2016
Boryszew Commodities Sp. z o.o.	100%	Not subject to compulsory audit	31 December 2016
SPV Boryszew 5 Sp. z o.o.	100%	Not subject to compulsory audit	31 December 2016
Boryszew Automotive Plastics Sp. z o.o.	100%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. by 29.03.2016 the opinion was not issued	31 December 2016
Maflow Polska Sp. z o.o.	100%	Not subject to compulsory audit	31 December 2016
Maflow BRS s.r.l	100%	Not subject to compulsory audit	31 December 2016
Maflow Spain Automotive S.L.U	100%	Deloitte S.L. No auditor's opinion issued until 29.03.2017	31 December 2016
Maflow France Automotive S.A.	100%	BCRH & Associates No auditor's opinion issued until 29.03.2017	31 December 2016
Maflow do Brasil Ltda	100%	Not subject to compulsory audit	31 December 2016
Maflow Components Co. Ltd	100%	Not subject to compulsory audit	31 December 2016
Boryszew Automotive Mexico S.DE R.L.DE C.V	100%	Not subject to compulsory audit	31 December 2016
Mafmex S. DE R. L. DE C.V	100%	Not subject to compulsory audit	31 December 2016
ICOS GmbH	100%	Not subject to compulsory audit	31 December 2016
Theysohn Kunststoff GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016
Theysohn Formenbau GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016
Boryszew Formenbau Deutschland GmbH	100%	Not subject to compulsory audit	31 December 2016
Boryszew Kunststofftechnik Deutschland GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016
BRS YMOS GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016

Boryszew Oberflächentechnik Deutschland GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016
Boryszew Deutschland GmbH	100%	Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft No auditor's opinion issued until 29.03.2017	31 December 2016
AKT Plastikarska Technologie Cechy spol. s.r.o.	100%	Deloitte Audit s.r.o. No auditor's opinion issued until 29.03.2017	31 December 2016
Boryszew Plastic RUS Sp. z o.o.	51%	Audit i Prawo Sp. z o.o. No auditor's opinion issued until 29.03.2017	31 December 2016
Boryszew Tensho Poland Sp. z o.o.	80%	HLB M2 Audyt Sp. z o.o. sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016
Impexmetal S.A.	57,21%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. Unqualified opinion	31 December 2016
Hutmen S.A.	62%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. Unqualified opinion	31 December 2016
Walcownia Metali Dziedzice S.A.	43,97%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (limited liability company, limited partnership) Unqualified opinion	31 December 2016
Huta Metali Nieżelaznych Szopienice S.A. - w likwidacji	35,34%	Not subject to compulsory audit	31 December 2016
ZM Silesia S.A.	57,21%	PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. Unqualified opinion	31 December 2016
Baterpol S.A.	57,21%	PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. Unqualified opinion	31 December 2016
Polski Cynk Sp. z o.o.	57,21%	Not subject to compulsory audit	31 December 2016
FLT Polska Sp. z o.o.	56,27%	PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. Unqualified opinion	31 December 2016
FLT & Metals Ltd.	57,21%	HB Accountants; Amwell House 19 Amwell Street Hoddesdon Herts.EN11 8TS Unqualified opinion	31 December 2016
S & I S.A.	57,21%	Not subject to compulsory audit	31 December 2016
FLT Bearings Ltd.	56,27%	HB Accountants; Amwell House 19 Amwell Street Hoddesdon Herts.EN11 8TS unqualified opinion	31 December 2016

FLT France SAS	56,27%	Jaques Andrès & Poiré Associés 1, Place d'Estienne d'Orves 75009 Paris No auditor's opinion issued until 29.03.2017	31 December 2016
SPV Lakme Investment Sp. z o.o.	53,23%	PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016
Impex – Invest Sp. z o.o.	57,21%	PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016
Eastside Capital Investment Sp. z o.o.	85,06%	PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016
Symonvit Limited w likwidacji	57,21%	Not subject to compulsory audit	31 December 2016
Baterpol Recycler Sp. z o.o.	57,21%	Not subject to compulsory audit	31 December 2016
ZM Nieruchomości Sp. z o.o.	57,21%	Not subject to compulsory audit	31 December 2016
Baterpol Recycler Sp. z o.o. Spółka Komandytowa	57,21%	Not subject to compulsory audit	31 December 2016
Surowce Hutmen S.A. Sp. Komandytowa	57,21%	Not subject to compulsory audit	31 December 2016
SPV Impexmetal Sp. z o.o.	57,20%	Not subject to compulsory audit	31 December 2016
Metal Zinic Sp. z o.o.	57,21%	PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016
Eastside BIS Sp. z o.o.	85,06%	PKF Consult Spółka z ograniczoną odpowiedzialnością Sp.k. No auditor's opinion issued until 29.03.2017	31 December 2016

c) Companies included in consolidation under the equity method:

Company name and registered office	Share in capital (in %)	Entity conducting the audit of financial statement and type of auditor's opinion issued	Balance sheet date of the consolidated entity
Alchemia S.A.	32,98%	Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. Unqualified opinion	31 December 2016

In the audited financial year, the Parent Company excluded from the consolidation: Baterpol S.A. Sp. Komandytowa and Baterpol S.A. i Wspólnicy Sp. Komandytowa due to their liquidation during the financial year.

3. Information on the consolidated financial statements for previous year

The Capital Group's operations in 2015 closed with a net profit of PLN 83.781 thousand. The financial statements of the Capital Group for the financial year 2015 were audited by an independent auditor. The audit was conducted by the authorised entity Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. On 20 March 2015, statutory auditor released an unqualified auditor's opinion on those financial statements with objection.

General Shareholders' Meeting called to approve the consolidated financial statements for the financial year 2015 was held on 15 June 2016.

The consolidated financial statements for the financial year 2015 were filed with the National Court Register on 23 June 2016.

4. Information identifying the authorised entity and the key statutory auditor conducting the audit on behalf of the authorised entity

The authorised entity was selected by the Supervisory Board. The audit of the consolidated financial statements was conducted pursuant to the agreement dated 18 July 2016, concluded between the Parent Company and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. [limited liability company, limited partnership]) with its registered office in Warsaw, Jan Paweł II street No. 22, registered in the list of entities authorised to carry out statutory audits, held by the National Council of Statutory Auditors in Poland (KRBR), under registration no. 73. On behalf of the authorised entity qualified, the audit was conducted under the supervision of Piotr Niedziela, key statutory auditor (Registration No. 12523) at the registered office of the Parent Company between 14 November and 2 December 2016, between 20 February and 17 March 2016 as well as outside of the Parent Company's registered office until the date of issuing of this opinion.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (limited liability company, limited partnership) and the key auditor carrying out the audit confirm that they are authorized to carry out statutory audits of financial statements and comply with the conditions laid down in Art. 56 of the statutory auditors and their professional association, entities authorised to audit financial statements and on public supervision (Journal of Laws of 2016 No. 1000, with subsequent amendments) to express an impartial and independent opinion on the financial statements of the Capital Group.

5. Availability of data and representations of the Parent Company's managers

No limitations occurred to the scope of our audit.

The authorised entity and the key statutory auditor, during the course of the audit, were provided access to all requested documents and data, as well as were provided with detailed information and explanations, which, among other things, was confirmed in a written statement of the Management Board of Parent Company dated 29 March 2017.

II. ECONOMIC AND FINANCIAL SITUATION OF THE CAPITAL GROUP

The figures presented below are the key values from the consolidated statement of comprehensive income, consolidated statement of financial situation as well as financial ratios that describe the Capital Group's performance, its financial and economic situation in comparison to corresponding values for the previous year.

<u>The basic financial data from the consolidated statement from the total income (in thousand PLN)</u>	<u>2016</u>	<u>2015</u>
Revenues from sales	5 582 224	5 677 980
Operating costs	(5 342 245)	(5 541 661)
Profit/loss on operating activities	259 008	138 021
Net profit (loss)	190 594	82 253
Total net profit (loss)	191 287	83 781
<u>The basic financial data from the consolidated statement from the total income (in thousand PLN)</u>		
Inventories	896 432	837 760
Trade receivables	583 566	570 281
Current assets	1 867 555	1 741 084
Total assets	3 770 141	3 452 791
Equity	1 555 444	1 414 897
Short-term liabilities (including short-term provisions and accruals)	1 717 109	1 673 578
Trade payables	629 754	522 922
Total of liabilities and provisions	2 214 697	2 037 894
<u>Profitability ratios and effectiveness ratios</u>		
- profitability of sales	5%	2%
- return on equity	14%	6%
- assets turnover ratio	1.48	1.64
- days sales outstanding ratio	37	36
- liabilities turnover in days	39	30
- inventory turnover in days	58	55
<u>Liquidity / net working capital</u>		
- debt rate	59%	59%
- equity to assets ratio	41%	41%
- net working capital (in PLN thousand)	150 446	67 506
- liquidity ratio	1.09	1.04
- acid test ratio	0.57	0.54

The analysis of the above figures and ratios suggests the occurrence of following trends in 2016:

- increase in the profitability ratios of sales and net return on the equity,
- decrease of the rate of rotation of the assets,
- increase of the turnover ratios of receivables, liabilities and stocks in days,
- increase of the net working capital,
- increase of the liquidity ratios.

III. DETAILED INFORMATION

1. Information on the audited consolidated financial statements

The audited consolidated financial statements were prepared as at 31 December 2016 and include:

- consolidated statement of financial position prepared as at 31 December 2016 with total assets and total liabilities of PLN 3.770.141 thousand,
- consolidated statement of comprehensive income for the period between 1 January 2016 and 31 December 2016 showing a net profit of PLN 191.287 thousand as well as total comprehensive income of PLN 167.413 thousand,
- statement of changes in consolidated equity for the period between 1 January 2016 and 31 December 2016, showing a decrease in equity by PLN 140.547 thousand,
- consolidated cash flow statement for the period between 1 January 2016 and 31 December 2016, showing an increase in cash by PLN 55.812 thousand,
- additional information on adopted accounting policy and other explanations.

The audit was performed for the period between 1 January 2016 and 31 December 2016 and it involved primarily:

- audit of accuracy and reliability of the consolidated financial statements prepared by the Parent Company's Management Board,
- audit of consolidation documents,
- assessment of correctness of consolidation methods and procedures applied during consolidation,
- review of opinions and audit reports of subsidiaries and associated companies, subject to consolidation, prepared by other statutory auditors.

2. Consolidation documents

The Company provided consolidation documents which included:

- financial statements of entities included in the consolidated financial statements,
- financial statements of controlled entities, adapted to the accounting principles (policy) binding for consolidation,
- financial statements of controlled entities, recalculated to PLN,
- adjustments and eliminations for the purpose of consolidation, as necessary to prepare the consolidated financial statements,
- fair value calculations for net assets of controlled entities,
- calculations of goodwill and profit on incidental acquisition as well as goodwill impairment write-offs,
- calculations of non-controlling interest,
- calculations of exchange rate differences resulting from recalculation of controlled entities' financial statements, denominated in foreign currency.

Consolidation of the Capital Group's financial statements with regard to subsidiaries, was carried out using the full method by combining, in full amount, all relevant items of the financial statements of the Parent Company and subsidiaries, included in the consolidation.

An affiliate was included in consolidation under the equity method. Parent Company's share value in affiliate was corrected by increases or decreases of affiliate's share capital attributable to the Parent Company, which occurred during the period subject to consolidation and decreased by the amount of the dividends payable by the unit.

The Parent Company preparing the consolidated financial statements did not simplify and deviate from the accepted principles of consolidation in relation to the controlled entities.

3. Completeness and correctness of preparation of additional information and explanations as well as management report on the activities of the Capital Group

The Parent Company confirmed the validity of the going concern principle when preparing the consolidated financial statements. Significant principles for valuation of assets, equity and liabilities, determination of financial results as well as preparation of the consolidated financial statements were properly and completely described in additional information and explanations to the consolidated financial statements.

The Company prepared additional information and explanations in the form of table notes for individual items of consolidated statement of financial situation and consolidated statement of comprehensive income as well as in the form of verbal descriptions according to the principles determined by the IFRS.

The Parent Company developed the consolidated statement of cash flows and the consolidated statement of changes in the equity in accordance with the requirements specified by IFRS.

The Management Board of the Parent Company prepared and attached to the consolidated financial statements the report on the Capital Group's activities during the financial year 2015. The report on activities contains information required by the provisions of Article 49 par. 2 of the Accounting Act as well as the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state (Journal Laws of 2014, item 133). We have audited the above mentioned report with respect to the information disclosed therein, derived directly from the audited consolidated financial statements.

IV. CLOSING REMARKS

Representations of the Management Board

Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (limited liability company, limited partnership) as well as the key auditor received from the Parent Company's Management Board a written statement in which the Management Board represented that the Capital Group had complied with the law.

Piotr Niedziela
Key statutory auditor
carrying out the audit, reg.
No. 12523

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k. (limited liability company, limited partnership) – an entity authorised to carry out audits of financial statements and registered in the list of authorised entities, held by the National Council of Statutory Auditors in Poland (KRBR), under registration no. 73:

Jacek Mateja - Vice - President of the Management Board of Deloitte Polska Sp. z o.o. - general partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością sp. k.

Warsaw, 29 March 2017