



**Consolidated financial statements
of Boryszew Capital Group
from 1 January to 30 June 2012**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011	01.04.2012 - 30.06.2012	01.04.2011 - 30.06. 2011
Continuing operations			<i>Not reviewed</i>	<i>Not reviewed</i>
Sales of products	2 221 351	1 744 179	1 122 416	878 891
Sales of goods and materials	297 449	315 260	138 421	158 915
Total sales	2 518 800	2 059 439	1 260 837	1 037 806
Cost of products sold	1 975 406	1 545 472	982 180	793 328
Value of goods and materials sold	289 486	298 830	140 290	144 946
Total cost of sales	2 264 892	1 844 302	1 122 470	938 274
Gross profit (loss) from sales	253 908	215 137	138 367	99 532
Cost of sales	50 733	30 725	28 186	14 451
General and administrative expenses	105 400	94 046	48 629	41 469
Other operating income	29 710	61 648	2 793	51 119
Other operating costs	7 983	12 952	2 888	4 077
Operating profit (loss)	119 502	139 062	61 457	90 654
Financial income	20 120	18 283	0	0
Financial costs	44 989	26 930	8 360	9 435
Profit/loss from financing activities	-24 869	-8 647	-8 556	-2 399
Profit (loss) before tax	94 633	130 415	52 901	88 255
Income tax	17 193	23 811	13 163	16 317
Operating profit (loss) from continuing operations	77 440	106 604	39 738	71 938
Discontinuing operations				
Profit (loss) before tax	-18 119	-5 974	-15 790	-3 952
Income tax	-535	-311	19	-214
Operating profit/loss from discontinuing operations	-17 584	-5 663	-15 809	-3 738
Net profit/loss from continuing and discontinuing operations,				
Including, due to:	59 856	100 941	23 929	68 200
<i>owners of the controlling entity</i>	<i>48 044</i>	<i>70 052</i>	<i>22 941</i>	<i>51 319</i>
<i>non-controlling shareholders</i>	<i>11 812</i>	<i>30 889</i>	<i>988</i>	<i>16 881</i>

DISCONTINUING OPERATIONS

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011	01.04.2012 - 30.06.2012	01.04.2011 - 30.06. 2011
Sales of products	671	2 765	342	1 301
Sales of goods and materials	573	839	312	518
Total sales	1 244	3 604	654	1 819
Cost of products sold	674	2 207	342	1 017
Value of goods and materials sold	237	412	131	246
Cost of products, goods and materials sold	911	2 619	473	1 263
Gross profit (loss) from sales	333	985	181	556
General and administrative expenses	169	260	78	115
Other operating income	3 866	3 577	349	1 411
Other operating costs	5 096	6 618	1 127	3 839
Operating profit (loss)	-1 066	-2 316	-675	-1 987
Financial income	12	97	2	1
Financial costs (*)	17 065	3 755	15 117	1 966
Profit/loss from financing activities	-17 053	-3 658	-15 115	-1 965
Profit (loss) before tax	-18 119	-5 974	-15 790	-3 952
Income tax	-535	-311	19	-214
Net operating profit (loss) from discontinuing operations	-17 584	-5 663	-15 809	-3 738
Including, due to:				
<i>owners of the controlling entity</i>	-5 578	-1 907	-4 632	-1 247
<i>non-controlling shareholders</i>	-12 006	-3 756	-11 177	-2 491
Operating profit/loss from discontinuing operations per share				
Net profit/loss (th.PLN)	-5 578	-1 907	-4 632	-1 247
Number of shares/interests (units)	2 166 800 000	2 256 715 692	2 166 800 000	2 256 715 692
Earnings/loss per share (PLN)	0.00	0.00	0.00	0.00

(*) Including interests provision from liabilities regarding repayment of public aid to the State Treasury.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(cont.)

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011	01.04.2012 - 30.06.2012	01.04.2011 - 30.06. 2011
Net profit/loss	59 856	100 941	23 929	68 200
Other capitalised income				
Currency translation differences related to foreign operations	7 572	-464	4 711	861
Financial assets available for sale (interests and shares)	309	-47	114	-10
Hedge accounting	1 547	-5 436	-2 716	-1 022
Payment to shareholders due to change the preference shares to ordinary shares		-674	0	-674
Costs of issue of shares		-707	0	-707
Total income tax from other income (+/-)	-353	1 042	494	196
Total other income after tax, including income due to:	9 075	-6 286	2 603	-1 356
<i>owners of the controlling entity</i>	8 771	-4 236	3 027	-1 286
<i>non-controlling shareholders</i>	304	-2 050	-424	-70
Total overall income, including income due to:	68 931	94 655	26 532	66 844
<i>owners of the controlling entity</i>	56 815	65 816	25 968	50 033
<i>non-controlling shareholders</i>	12 116	28 839	564	16 811
Earnings/loss per share				
Net earnings due to controlling entity (in th. PLN)	48 044	70 052	22 941	51 319
Number of shares (units) with title to dividend	2 166 800 000	2 256 715 692	2 166 800 000	2 256 715 692
Earnings per share (PLN)	0.02	0.03	0.01	0.02
Weighted average number of shares	2 190 072 384	1 810 332 368	2 180 105 494	2 256 715 692
Diluted earnings/loss per share (PLN)	0.02	0.04	0.01	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2012	As at 31.12.2011	As at 30.06.2011
ASSETS			<i>converted data</i>
Fixed assets	997 521	998 398	883 906
Tangible fixed assets	106 687	106 588	108 409
Investment property	75 772	75 772	23 464
Goodwill	24 107	23 846	18 386
Intangible assets	22 094	22 748	16 440
Interests and shares in subsidiaries	7 510	7 915	7 948
Deferred tax assets	49 475	49 582	38 239
Trade and other receivables	611	687	573
Other assets	4 505	3 937	96
Total fixed assets	1 288 282	1 289 473	1 097 461
Current assets			
Inventory	629 530	599 011	447 901
Trade and other receivables	822 883	680 425	670 789
Short-term financial assets available for sale	738	4 432	427
Derivative financial instruments	8 704	7 484	3 193
Current tax assets	558	5 091	2 490
Other assets	32 538	19 792	16 016
Cash and cash equivalents	92 877	88 007	73 152
Total current assets	1 587 828	1 404 242	1 213 968
Assets classified as held for sale	19 471	24 960	27 707
Total assets	2 895 581	2 718 675	2 339 136

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(cont.)**

LIABILITIES	As at 30.06.2012	As at 31.12.2011	As at 30.06.2011
Equity			<i>converted data</i>
Share capital	234 807	234 807	121 972
Own (treasury) shares (stocks)	-64 931	-38 927	0
Share premium	24 435	24 435	24 435
Hedge accounting reserve	-121	-698	-1 087
Assets revaluation reserve	860	610	613
Currency translation differences related to subsidiaries	10 504	2 560	2 693
Retained earnings, including:	514 291	470 404	431 404
<i>Profit for the current year</i>	<i>48 044</i>	<i>141 254</i>	<i>70 052</i>
Total equity	719 845	693 191	580 030
Non-controlling shareholders' equity	521 424	508 706	484 509
Total equity	1 241 269	1 201 897	1 064 539
Non-current liabilities			
Long-term bank loans and other borrowing payables	188 006	199 085	125 971
Deferred tax reserve	95 708	88 446	78 478
Provision for employee benefits	14 513	14 055	10 296
Other provisions	7 531	7 566	6 669
Other liabilities	20 486	9 641	6 173
Total non-current liabilities	326 244	318 793	227 587
Current liabilities			
Short-term bank loans and other borrowing payables	627 530	546 584	476 877
Trade and other payables	582 278	534 770	468 369
Derivative financial instruments	7 514	9 517	7 311
Current tax payables	6 927	3 216	6 502
Provision for employee benefits	14 880	10 167	9 954
Other provisions	27 175	41 194	29 601
Deferred income	1 668	1 386	3 428
Total current liabilities	1 267 972	1 146 834	1 002 042
Liabilities directly linked with assets classified as held for sale	60 096	51 151	44 968
Total payables	1 654 312	1 516 778	1 274 597
Total liabilities	2 895 581	2 718 675	2 339 136

CONSOLIDATED CASH FLOW STATEMENT

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011
Cash flow from operating activities		
Profit (loss) before tax	76 514	124 441
Adjustments (+/-)	-32 952	-72 653
<i>Depreciation and amortization</i>	53 930	48 735
<i>Unrealised earnings/ losses due to exchange adjustments related to currency translations</i>	0	-19
<i>Interest on financial liabilities (loans, borrowings, bonds)</i>	24 518	22 042
<i>Profit / loss on financial assets (AFS, HTM, HFS)</i>	0	0
<i>Dividends due to share in profit</i>	-600	-608
<i>Profit / loss from investing activities</i>	-544	-7 256
<i>Change in receivables (except long-term borrowings)</i>	-142 382	-82 848
<i>Movements in inventories</i>	-30 519	-41 402
<i>Change in payables (except financial liabilities)</i>	57 897	42 032
<i>Movements in reserves and prepayments (excl. deferred tax)</i>	-21 907	-1 423
<i>Other items</i>	33 387	-51 952
<i>Income tax paid (reimbursed)</i>	-6 732	46
Net cash flow from operating activities	43 562	51 788
Cash flow from investing activities		
Receipts	5 274	16 862
<i>Receipts from disposal of intangible and tangible fixed assets and property</i>	4 674	15 632
<i>Receipts from the sale of interests and shares in entities forming the Capital Group</i>	0	622
<i>Dividend receipts</i>	600	608
Expenditure	62 086	29 957
<i>Purchase of intangible and tangible fixed assets and property</i>	57 543	29 957
<i>Acquisition of interests and shares in entities forming the Capital Group</i>	4 543	0
Net cash flow from investing activities	-56 812	-13 095
Cash flow from financing activities		
Receipts	150 731	118 008
<i>Net receipts from the issue of shares (holdings) and other capital instruments, and capital contributions</i>	0	-707
<i>Receipts from loans</i>	148 582	118 157
<i>Receipts from borrowings</i>	2 149	0
<i>Receipts from disposal of assets available for sale</i>	0	177
<i>Receipts from disposal of financial assets held for trading</i>	0	381
Expenditure	132 524	165 323
<i>Expenditure on the purchase of the shares of Boryszew and Impexmetal</i>	26 004	0
<i>Dividend expenditure and other disbursements to minority owners</i>	0	729
<i>Repayment of loans</i>	75 347	133 876
<i>repayment of borrowings</i>	1 803	1 217
<i>Interest paid on loans, borrowings, bonds</i>	24 518	22 042
<i>Financial lease contracts payable</i>	3 714	7 073
<i>Other expenditure</i>	1 138	386
Net cash flow from financing activities	18 207	-47 315
Net cash change	4 957	-8 622
Exchange adjustments due to currency translation at the end of the period	-269	-278
Changes in cash balance	4 870	-8 900
Cash at the beginning of the business year	88 007	82 052
Changes in cash from discontinuing operations	182	0
Cash at the end of the business year	92 877	73 152

BORYSZEW GROUP

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Share capital	Treasury (own) shares	Share premium	Hedge accounting	Revaluation reserve	Currency translation differences related to subsidiaries	Retained earnings	Controlling entity's equity	Non-controlling shareholders' equity	Total equity
As at 01.01.2012	234 807	-38 927	24 435	-698	610	2 560	470 404	693 191	508 706	1 201 897
Revaluation of hedging instruments				577				577	676	1 253
Change in fair value of assets available for sale					250			250		250
Exchange adjustments						7 944		7 944	-372	7 572
Net profit/ loss for 2 quarters 2012							48 044	48 044	11 812	59 856
Total overall income for 2 quarters 2012	0	0	0	577	250	7 944	48 044	56 815	12 116	68 931
Purchase of treasury shares of Boryszew SA		-26 004						-26 004		-26 004
Purchase of treasury shares of Impexmetal SA							-580	-580	-558	-1 138
Change in the structure of Impexmetal Group							-5 910	-5 910	4 933	-977
Purchase of interests resulting in change in structure in Boryszew Group							2 333	2 333	-3 773	-1 440
As at 30.06.2012	234 807	-64 931	24 435	-121	860	10 504	514 291	719 845	521 424	1 241 269
	Share capital	Treasury (own) shares	Share premium	Hedge accounting	Revaluation reserve	Currency translation differences related to subsidiaries	Retained earnings	Controlling entity's equity	Non-controlling shareholders' equity	Total equity
As at 01.01.2011	121 972	0	24 435	1 100	651	3 329	362 805	514 292	476 157	990 449
Revaluation of hedging instruments				-1 798				-1 798	-1 887	-3 685
Change in fair value of assets available for sale					-41			-41		-41
Exchange adjustments						-769		-769	2 852	2 083
Profit / loss in 2011							141 254	141 254	51 896	193 150
Total overall income in 2011	0	0	0	-1 798	-41	-769	141 254	138 646	52 861	191 507
Receipts from issue of shares	100 568							112 806 112 806	568	112 835 106 568
Purchase of own (treasury) shares		-38 927						-38 927		-38 927
Payment to shareholders due to change the preference shares to ordinary shares							-674	-674		-674
Costs of shares issue							-707	-707		-707
Dividends payment								0	-19 819	-19 819
Buy-back of the shares of Impexmetal							-10 894	-10 894	-10 460	-21 360
Change in the structure of equity of Impexmetal							-21 380	-21 380	9 973	-11 407
As at 31.12.2011	234 807	-38 927	24 435	-698	610	2 560	470 404	693 191	508 706	1 201 897

BORYSZEW GROUP

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (cont.)

	Share capital	Treasury (own) shares	Share premium	Hedge accounting	Revaluation reserve	Currency translation differences related to subsidiaries	Retained earnings	Controlling entity's equity	Non-controlling shareholders' equity	Total equity
As at 01.01.2011	121 972		24 435	1 100	651	3 329	362 805	514 292	476 157	990 449
Revaluation of hedging instruments				-2 185				-2 185	-2 218	-4 403
Change in fair value of assets available for sale					-38			-38		-38
Exchange adjustments						-632		-632	168	-464
Net profit/ loss for 2 quarters 2011							70 052	70 052	30 889	100 941
Payment to shareholders							-674	-674		-674
Costs of shares issue							-707	-707		-707
Total overall income for 2 quarters 2011	0	0	0	-2 185	-38	-632	68 671	65 816	28 839	94 655
Dividends payment								0	-20 219	-20 219
Sale of shares of Impexmetal not resulting in the loss of controlling position					-2	-4	-72	-78	-239	-317
As at 30.06.2011	121 972		24 435	-1 087	613	2 693	431 404	580 030	484 509	1 064 539



**Interim financial statements
of Boryszew S.A.
from 1 January to 30 June 2012**

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011	01.04.2012 - 30.06.2012	01.04.2011 - 30.06. 2011
			<i>Not reviewed</i>	<i>Not reviewed</i>
Sales of products	270 279	257 659	128 292	125 913
Sales of goods and materials	24 829	7 037	15 251	2 900
Total sales	295 108	264 696	143 543	128 813
Cost of products sold	225 548	215 762	107 299	107 152
Value of goods and materials sold	22 856	5 209	13 966	2 128
Total cost of sales	248 404	220 971	121 265	109 280
Gross profit (loss) from sales	46 704	43 725	22 278	19 533
Cost of sales	6 508	6 776	3 221	3 099
General and administrative expenses	17 716	21 398	7 997	9 918
Other operating income	28 241	73 926	17 702	72 162
Other operating costs	4 275	4 860	4 743	4 244
Operating profit (loss)	46 446	84 617	24 019	74 434
Financial income	7 088	9 511	2 877	6 295
Financial costs	22 135	7 752	6 974	3 965
Profit/loss from financing activities	-15 047	1 759	-4 097	2 330
Profit (loss) before tax	31 399	86 376	19 922	76 764
Income tax	958	7 824	1 567	7 178
Operating profit (loss) from continuing operations	30 441	78 552	18 355	69 586

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011	01.04.2012 - 30.06.2012	01.04.2011 - 30.06. 2011
Net profit / loss	30 441	78 552	18 355	69 586
Other capitalised income				
Financial assets available for sale	309	-47	114	-10
Payment to shareholders due to change the preference shares to ordinary shares		-674		-674
Costs of issue of shares		-707		-707
Total income tax from other income (+/-)	-59	9	-22	2
Total other income after tax	250	-1 419	92	-1 389
Total overall income	30 691	77 133	18 447	68 197
Way of fixing earning per share				
Net profit (in th. PLN)	30 441	78 552	18 355	69 586
Number of shares (units) with title to dividend	2 166 800 000	2 256 715 692	2 166 800 000	2 256 715 692
Earnings per share (PLN)	0.01	0.03	0.01	0.03
Weighted average number of shares	2 190 072 384	1 810 332 368	2 180 105 494	2 256 715 692
Diluted earnings/loss per share (PLN)	0.01	0.04	0.01	0.03

STATEMENT OF FINANCIAL POSITION

	As at 30.06.2012	As at 31.12.2012	As at 30.06.2011
ASSETS			
Tangible fixed assets	86 170	85 924	87 511
Investment property	90 647	90 548	92 369
Intangible assets	295	399	334
Interests and shares in subsidiaries	361 906	357 363	346 557
Financial assets available for sale	14	14	414
Deferred tax assets	14 728	15 762	13 724
Trade and other receivables	74 846	70 596	4
Total fixed assets	628 606	620 606	540 913
Current assets			
Inventory	39 842	47 088	37 676
Trade and other receivables	268 673	232 843	217 814
Short-term financial assets available for sale	733	423	427
Other assets	4 698	1 607	3 849
Cash and cash equivalents	6 338	6 387	4 646
Total current assets	320 284	288 348	264 412
Assets classified as held for sale	368	411	492
Total assets	949 258	909 365	805 817

LIABILITIES	As at 30.06.2012	As at 31.12.2012	As at 30.06.2011
Equity			
Share capital	234 807	234 807	121 972
Own (treasury) shares (stocks)	-64 931	-38 927	0
Share premium	22 346	22 346	22 346
Assets revaluation reserve	860	610	613
Retained earnings (from previous years)	251 148	212 904	212 904
Profit / loss for the current year	30 441	38 244	78 552
Total equity	474 671	469 984	436 387
Non-current liabilities			
Long-term bank loans and other borrowing payables	172 423	67 958	210 712
Provision for employee benefits	992	992	1 042
Other provisions	459	459	459
Total non-current liabilities	173 874	69 409	212 213
Current liabilities			
Short-term bank loans and other borrowing payables	223 019	287 982	89 450
Trade and other payables	71 731	76 502	59 043
Provision for employee benefits	3 503	2 426	3 122
Other provisions	2 446	3 046	449
Deferred income	14	16	5 153
Total current liabilities	300 713	369 972	157 217
Total payables	474 587	439 381	369 430
Total liabilities	949 258	909 365	805 817

CASH FLOWS STATEMENT

	01.01.2012 - 30.06. 2012	01.01.2011 - 30.06. 2011
Cash flow from operating activities		
Profit (loss) before tax	31 399	86 376
Adjustments (+/-)	-36 652	-108 614
<i>Depreciation and amortization</i>	6 123	5 705
<i>Interest on financial liabilities (loans, borrowings, bonds)</i>	9 293	7 752
<i>Profit / loss on revaluation assets held for sale</i>	-251	-411
<i>Dividends due to share in profit</i>	-18 506	-31 242
<i>Profit / loss from investing activities</i>	-43	-41 576
<i>Change in receivables (except long-term borrowings)</i>	-32 504	-70 484
<i>Movements in inventories</i>	7 246	177
<i>Change in payables (except financial liabilities)</i>	-4 771	17 081
<i>Movements in reserves and prepayments (excl. deferred tax)</i>	-2 643	4 800
<i>Other items</i>	-596	-416
Net cash flow from operating activities	-5 253	-22 238
Cash flow from investing activities		
Receipts	15 198	25 223
<i>Receipts from disposal of intangible and tangible fixed assets and property</i>	4 187	14 225
<i>Receipts from the sale of interests and shares in entities forming the Capital Group</i>	0	622
<i>Dividend receipts</i>	10 899	10 376
<i>Receipts from paid long-term granted loans</i>	31	0
<i>Other receipts from investing activities</i>	81	0
Expenditure	14 198	17 821
<i>Purchase of intangible and tangible fixed assets and property</i>	9 655	2 396
<i>Acquisition of interests and shares in entities forming the Capital Group</i>	4 543	15 425
<i>Long-term loans</i>	0	0
Net cash flow from investing activities	1 000	7 402
Cash flow from financing activities		
Receipts	41 636	23 228
<i>Receipts from loans</i>	41 636	8 681
<i>Receipts from borrowings</i>	0	213
<i>Receipts from issue of debts securities and others</i>	0	14 334
Expenditure	37 432	13 843
<i>Expenditure for purchase of own (treasury) shares</i>	26 004	0
<i>Expenditure due to dividend and other payment for owners</i>	0	674
<i>Repayment of loans</i>	154	0
<i>Buy back of debts securities</i>	181	0
<i>Interest paid on loans, borrowings, bonds</i>	9 293	7 752
<i>Financial lease contracts payable</i>	1 799	4 299
<i>Purchase of assets held for sale</i>	1	411
<i>Other expenditure</i>	0	707
Net cash flow from financing activities	4 204	9 385
Net cash change	-49	-5 451
Changes in cash balance	-49	-5 451
Cash at the beginning of the business year	6 387	10 097
Cash at the end of the business year	6 338	4 646

STATEMENT OF CHANGE IN EQUITY

	Share capital	Treasury (own) shares	Share premium	Revaluation reserve	Retained earnings	Total equity
As at 01.01.2012	234 807	-38 927	22 346	610	251 148	469 984
Change in fair value of assets available for sale				250		250
Buy back of own (treasury) shares		-26 004				-26 004
Profit for 1H 2012					30 441	30 441
Total overall income for 2 quarters 2012		-26 004		250	30 441	4 687
As at 30.06.2012	234 807	-64 931	22 346	860	281 589	474 671

	Share capital	Treasury (own) shares	Share premium	Revaluation reserve	Retained earnings	Total equity
As at 01.01.2011	121 972	0	22 346	651	214 285	359 254
Change in fair value of assets available for sale				-41		-41
Buy back of own (treasury) shares		-38 927				-38 927
Profit for 2011					38 244	38 244
Total overall income for 2011	0	-38 927	0	-41	38 244	-724
Receipts from issue of shares	112 835					112 835
Payment to shareholders due to change the preference shares to ordinary shares					-674	-674
Costs of shares issue					-707	-707
As at 31.12.2011	234 807	-38 927	22 346	610	251 148	469 984

	Share capital	Treasury (own) shares	Share premium	Revaluation reserve	Retained earnings	Total equity
As at 01.01.2011	121 972	0	22 346	651	214 285	359 254
Change in fair value of assets available for sale				-38		-38
Profit for 1H 2012					78 552	78 552
Total overall income for 2 quarters 2012	0	0	0	-38	78 552	78 514
Payment for shareholders/ costs of issue					-1 381	-1 381
As at 30.06.2011	121 972	0	22 346	613	291 456	436 387

Persons to represent Company:

Piotr Szeliga – President of the Management Board

Miłosz Wiśniewski – Vice-President of the Management Board

Paweł Miller – Member of the Management Board

Elżbieta Słaboń – Chief Accountant