

**CONSOLIDATED
ANNUAL REPORT
OF BORYSZEW CAPITAL GROUP
FOR THE PERIOD
FROM 1 JANUARY TO 31 DECEMBER 2012**





CONSOLIDATED INCOME STATEMENT

	01.01.2012 - 31.12. 2012	01.01.2011 - 31.12. 2011
Continuing operations		<i>Converted data</i>
Revenue from sales of products	4 338 181	3 707 032
Revenue from sales of goods and materials	543 006	625 092
Total revenue from sales	4 881 187	4 332 124
Cost of products sold	3 927 892	3 264 783
Value of goods and materials sold	522 991	583 084
Cost of products, goods and materials sold	4 450 883	3 847 867
Gross profit (loss) on sales	430 304	484 257
Selling expenses	109 838	79 144
General and administrative costs	203 254	216 229
Other operating revenue	46 015	106 132
Other operating expenses	28 935	29 470
Profit/loss from disposal of stakes and shares in subsidiaries		
Operating profit (loss)	134 292	265 546
Financial revenue	38 817	38 612
Financial expenses	74 032	64 154
Financial operations result	-35 215	-25 542
Profit (loss) before tax	99 077	240 004
Income tax	15 215	21 974
Net profit (loss) from continuing operations	83 862	218 030
Discontinued operations		
Profit (loss) before tax	-23 508	-6 987
Income tax	-660	-319
Net profit (loss) from discontinued operations	-22 848	-6 668
Net profit (loss) from continuing and discontinued operations, attributable to:	61 014	211 362
Equity holders of the parent	39 278	159 466
Minority shareholders	21 736	51 896



CONSOLIDATED INCOME STATEMENT – cont.

	01.01.2012 - 31.12. 2012	01.01.2011 - 31.12. 2011
Net profit / loss	61 014	211 362
Other incomes in capitals		
Exchange rates differences from foreign operations	-16 159	2 083
Financial assets available to sell (stakes and shares)	199	-51
Hedging accounting	2 669	-4 549
Income tax from elements of other incomes, total (+/-)	510	2 092
Total other incomes after taxation:	-12 781	-425
<i>Equity holders of the parent</i>	-12 627	1 625
<i>Minority shareholders</i>	-154	-2 050
Total other incomes, attributable to:	48 233	210 937
<i>Equity holders of the parent</i>	26 651	158 076
<i>Minority shareholders</i>	21 582	52 861
Profit/loss per 1 share		
Net profit (loss) attributable to equity holders of the parent (in PLN)	39 278	159 466
No of shares entitled to dividend	2 132 715 692	2 201 634 699
Profit per 1 share (in PLN)	0.02	0.07
Weighted average number of shares	2 174 789 891	2 030 899 818
Diluted earnings (loss) per 1 share (in PLN)	0.02	0.08



DISCONTINUED OPERATIONS

	01.01.2012 - 31.12. 2012	01.01.2011 - 31.12. 2011
Revenue from sales of products	1 383	5 395
Revenue from sales of goods and materials	946	1 529
Total revenue from sales	2 329	6 924
Cost of sold products	1 392	4 429
Value of goods and materials sold	393	795
Cost of products, goods and materials sold	1 785	5 224
Gross profit (loss) on sales	544	1 700
Selling expenses	0	0
General and administrative costs	436	472
Other operating revenue	5 532	12 143
Other operating expenses	8 137	11 773
Operating profit (loss)	-2 497	1 598
Financial revenue	14	512
Financial expenses	21 025	9 097
Financial operations result	-21 011	-8 585
Profit (loss) before tax	-23 508	-6 987
Income tax	-660	-319
Net profit (loss) from continued operations, attributable to:	-22 848	-6 668
<i>Equity holders of the parent</i>	-7 445	-1 600
<i>Minority shareholders</i>	-15 403	-5 068
Profit (loss) from discontinued operations		
Net profit (loss) (in PLN th.)	-7 445	-1 600
Number of shares	2 132 715 692	2 201 634 699
Profit/loss per 1 shares (in PLN)	0.00	0.k00



CONSOLIDATED BALANCE SHEET

	As at 31.12.2012	As at 31.12.2011	As at 01.01.2011
ASSETS		Corrected data	Corrected data
Non-current assets			
Property, plant and equipment	978 619	998 398	910 377
Investment property	118 789	106 588	73 180
Goodwill	78 959	78 959	23 464
Intangible assets	19 867	23 846	18 912
Shares and stakes in controlled entities	23 156	22 748	16 778
Available-for-sale financial assets	9 027	7 915	4 470
Deferred tax assets	27 975	49 582	37 321
Receivables and other non-current assets assets	1 275	687	308
Other assets	16 021	3 937	99
Total non-current assets	1 273 688	1 292 660	1 084 909
Current assets			
Inventories	654 812	599 011	406 499
Trade and other receivables	690 124	680 425	588 206
Short-term available-for-sale financial assets	699	4 432	474
Derivative financial instruments	6 288	7 484	7 745
Income tax receivables	5 939	5 091	1 269
Other assets	18 641	19 792	9 030
Cash and cash equivalents	78 165	88 007	82 052
Total current assets	1 454 668	1 404 242	1 095 275
Assets classified as held-for-sale assets	20 712	24 960	31 183
Total assets	2 749 068	2 721 862	2 211 367



Boryszew Capital Group
Consolidated financial statement
For the period from 1 January till 31 December 2012

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

EQUITY AND LIABILITIES	As at 31.12.2012	As at 31.12.2011	As at 01.01.2011
		Corrected data	Corrected data
Equity			
Share capital	234 807	234 807	121 972
Treasury shares	-84 080	-38 927	0
Supplementary capital due to issue of shares above their face value	24 435	24 435	24 435
Capital related to hedge accounting	532	-698	1 100
Capital due to revaluation of assets	771	610	651
Exchange differences on translation of controlled entities	-9 771	4 247	3 798
Retained earnings, including:	480 936	445 930	320 119
<i>Profit of the current year</i>	39 278	159 466	-37 537
Total equity	647 630	670 404	472 075
Equity attributable to minority shareholders	533 834	508 706	476 157
Total equity	1 181 464	1 179 110	948 232
Long-term liabilities			
Bank credit and other liabilities due to external financing	162 797	199 085	144 500
Deferred tax provision	76 898	88 446	65 251
Liabilities due to fringe benefits	14 806	14 055	10 142
Other long-term provisions	10 355	7 566	6 975
Other liabilities	9 753	9 641	6 874
Total long-term liabilities and provisions	274 609	318 793	233 742
Short-term liabilities			
Bank credit and other liabilities due to external financing	640 545	546 584	482 357
Trade and other liabilities	532 322	534 770	405 869
Derivates	5 118	9 517	10 305
Current tax liabilities	2 410	3 216	710
Liabilities due to fringe benefits	14 978	10 167	5 900
Other provisions	30 732	67 168	79 142
Accruals	1 827	1 386	1 243
Total short-term liabilities and provisions	1 227 932	1 172 808	985 526
Liabilities related directly to held-for-sale assets	65 063	51 151	43 867
Total liabilities	1 567 604	1 542 752	1 263 135
Total equity and liabilities	2 749 068	2 721 862	2 211 367



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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital from actualization of assets revaluation	Exchange differences on translation of foreign operations	Retained earnings	Capitals attributable to dominant shareholders	Minority shareholders capitals	Total equity
As at 01.01.2012	234 807	-38 927	24 435	-698	610	4 247	445 930	670 404	508 706	1 179 110
Revaluation of hedging instruments				1 230				1 230	932	2 162
Change of fair value of assets available to sell					161			161		161
Exchange changes differences						-14 018		-14 018	-1 086	-15 104
Profit for 2012							39 278	39 278	21 736	61 014
Total comprehensive income for 2012	0	0	0	1 230	161	-14 018	39 278	26 651	21 582	48 233
Purchase of treasury shares of Boryszew SA		-45 153						-45 153		-45 153
Purchase of treasury shares of Impexmetal SA							-580	-580	-558	-1 138
Change in structure of Capital Group							-3 692	-3 692	4 104	412
As at 31.12.2012	234 807	-84 080	24 435	532	771	-9 771	480 936	647 630	533 834	1 181 464
	Share capital	Treasury shares	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital from actualization of assets revaluation	Exchange differences on translation of foreign operations	Retained earnings	Capitals attributable to dominant shareholders	Minority shareholders capitals	Total equity
As at 01.01.2011	121 972	0	24 435	1 100	651	3 798	320 119	472 075	476 157	948 232
Revaluation of hedging instruments				-1 798				-1 798	-1 887	-3 685
Change of fair value of assets available to sell					-41			-41		-41
Exchange changes differences						449		449	2 852	3 301
Profit for 2011							159 466	159 466	51 896	211 362
Total comprehensive income for 2011	0	0	0	-1 798	-41	449	159 466	158 076	52 861	210 937
Income from shares issue	112 835							112 835		112 835
Purchase of treasury shares		-38 927						-38 927		-38 927
Payment to shareholders due to change preference shares into ordinary shares							-674	-674		-674
Costs of shares issue							-707	-707		-707
Dividends payment								0	-19 819	-19 819
Buy-back of treasury shares of Impexmetal							-10 894	-10 894	-10 466	-21 360
Change in stake in capital of Impexmetal							-21 380	-21 380	9 973	-11 407
As at 31.12.2011	234 807	-38 927	24 435	-698	610	4 247	445 930	670 404	508 706	1 179 110



CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2012 - 31.12. 2012	01.01.2011 - 31.12. 2011
Cash flows from operating activities		
Profit (loss) before tax	75 569	233 017
Adjustments (+/-):	75 000	-116 672
<i>Amortization</i>	109 603	98 341
<i>Not realized profits/loss on rates of exchange differences</i>	0	-58
<i>Interests from financial liabilities (credits, loans, bonds)</i>	50 975	41 047
<i>Profits / loss from financial assets(DDS, UDTW, PDS)</i>	0	1 795
<i>Dividends due to share in profits</i>	-600	-608
<i>Profit/loss on investing activities</i>	2 685	-50 891
<i>Change of receivables (except long-term loans)</i>	-10 287	-92 598
<i>Change of inventories</i>	-55 801	-192 512
<i>Change of liabilities (without financial liabilities)</i>	-2 336	131 668
<i>Change of provisions and accruals settlements</i>	-27 760	-13 608
<i>Other items</i>	13 051	-34 432
<i>Income tax paid (refunded)</i>	-4 530	-4 816
Net cash generated on operating activities	150 569	116 345
Cash flows from investing activities		
Proceeds	7 307	32 858
<i>Proceeds from disposal of tangible assets and fixed assets</i>	6 707	28 242
<i>Proceeds from disposal of shares and stakes in Capital Group entities</i>	0	4 008
<i>Dividends received</i>	600	608
Payments	112 632	250 807
<i>Payments for purchase of fixed assets</i>	107 438	193 437
<i>Purchase of shares and stakes in Capital Group entities</i>	5 194	21 359
<i>Other investing payments</i>	0	36 011
Net cash generated on investing activities	-105 325	-217 949
Cash flows from financing activities		
Proceeds	191 325	372 790
<i>Net proceeds from issue of financial instruments</i>	0	112 835
<i>Proceeds from credits</i>	183 229	250 314
<i>Proceeds from loans</i>	2 880	7 088
<i>Proceeds from disposal of assets available to sell</i>	0	888
<i>Proceeds from disposal of financial assets attr. to turnover</i>	5 216	381
<i>Other financial proceeds</i>	0	1 284
Payments	245 105	266 958
<i>Buy-back of treasury shares</i>	45 153	64 068
<i>Dividend payment and other payment to the equity holders of the parent</i>	0	20 955
<i>Repayment of credits</i>	137 942	120 590
<i>Repayment of loans</i>	1 803	1 206
<i>Paid interests from credits, loans, bonds</i>	50 975	41 047
<i>Payments arising from finance leases</i>	6 994	16 794
<i>Purchase of financial assets for turn-over</i>	1 969	90
<i>Other payment</i>	269	2 208
Net cash generated on financing activities	-53 780	105 832
Net change of cash	-8 536	4 228
Cash exchange rates differences at the end of period	-1 306	2 871
Balance sheet change of cash	-9 842	5 955
Opening balance of cash	88 007	82 052
Cash of purchased/disposed entities	0	-1 225
Change of cash from discontinued operations	0	81
Closing balance of cash	78 165	88 007



AUTHORISATION OF FINANCIAL STATEMENT

The Consolidated financial statement was authorised for publication upon the Management Board's resolution on 26 April 2013. It has presented the situation of the Group according to the law's requirements for the period from 1 January 2012 till 31 December 2012, 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

Miłosz Wiśniewski – Vice-President of the Management Board

Paweł Surówka – Member of the Management Board

Elżbieta Słaboń – Chief Accountant