

# **ANNUAL REPORT**

**of Boryszew S.A.**

*for the period  
from 1 January to 31 December 2014*





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**Boryszew S.A.**  
**Financial statement**  
**For the period from 1 January till 31 December 2014**

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

## INCOME STATEMENT

	<b>01.01.2014 - 31.12. 2014</b>	<b>01.01.2013 - 31.12.2013</b>
<b>Continuing operations</b>		
Revenue from sales of products	1 048 652	945 728
Revenue from sales of goods and materials	903 422	810 124
<b>Total revenues on sales</b>	<b>145 230</b>	<b>135 604</b>
Selling expenses	26 540	24 257
General and administrative costs	58 668	59 584
Other operating revenue	23 547	30 149
Other operating expenses	35 887	20 504
<b>Operating profit (loss)</b>	<b>47 682</b>	<b>61 408</b>
Financial revenue	20 165	21 856
Financial expenses	32 690	77 804
<b>Financial operations result</b>	<b>-12 525</b>	<b>-55 948</b>
<b>Profit (loss) before tax</b>	<b>35 157</b>	<b>5 460</b>
Income tax	9 609	6 428
<b>Net profit (loss) from continued operations</b>	<b>25 548</b>	<b>-968</b>
<b>Net profit (loss) from discontinued operations</b>	<b>-</b>	<b>-232</b>
<b>Net profit (loss)</b>	<b>25 548</b>	<b>-1 200</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 (stakes and shares)	-260	-260
Hedging accounting	1 089	-440
Income tax (+/-)	-158	133
<b>Income in capital not to be classified into financial result</b>		
profit/ loss from revaluation of fringe benefits	-540	333
Income tax (+/-)	103	-63
<b>Total income recognized in capital</b>	<b>234</b>	<b>-297</b>
<b>Total overall income</b>	<b>25 782</b>	<b>-1 497</b>
<b>PROFIT PER 1 SHARE (PLN)</b>		
	<b>0,11</b>	<b>-0,01</b>
Net profit / loss (PLN th.)	25 548	-1 200
Number of shares	235 000 000	215 671 568
Profit per 1 share (PLN)	0,11	-0,01
Weighted average number of shares	224 260 857	215 671 568
Diluted earnings (loss) per 1 share (PLN)	0,11	-0,01



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## STATEMENT OF FINANCIAL POSITION

	<b>As at 31.12.2014</b>	<b>As at 31.12.2013</b>
<b>ASSETS</b>		Converted data
<b>Non-current assets</b>		
Tangible fixed assets	217 142	204 551
Investment property	82 760	83 167
Intangible assets	10 234	4 893
Stakes and shares in controlled entities	338 808	326 016
Financial assets	10 324	14
Receivables and other	253 297	163 607
Other assets	1 247	-
<b>Total non-current assets</b>	<b>913 812</b>	<b>782 248</b>
<b>Current assets</b>		
Inventories	173 552	92 540
Trade and other receivables	280 662	248 357
Financial assets	29 868	25 498
Derivative financial instruments	735	-
Current tax assets	-	1 790
Other assets	5 394	4 727
Cash and cash equivalents	23 920	28 835
<b>Total current assets</b>	<b>514 131</b>	<b>401 747</b>
<b>Assets classified as held for sale</b>	<b>234</b>	<b>234</b>
<b>TOTAL ASSETS</b>	<b>1 428 177</b>	<b>1 184 229</b>

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**LIABILITIES**

	<b>As at</b> <b>31.12.2014</b>	<b>As at</b> <b>31.12.2013</b>
		Converted data
<b>Equity</b>		
Share capital	248 906	228 906
Treasury (own) shares	(34 673)	(30 322)
Supplementary capital due to issue of shares above their face value	112 346	22 346
Capital related to hedge accounting	636	(246)
Capital due to conversion of occupational liabilities	(167)	270
Capital from revaluation of assets	(28)	618
Retained earnings	271 846	247 175
Current year profit	25 548	(1 200)
<b>Total equity</b>	<b>598 866</b>	<b>467 547</b>
<b>Long-term liabilities</b>		
Bank credits, loans and bonds	35 180	18 662
Lease liabilities	42 602	34 534
Liabilities of perpetual usufruct of investment land	37 813	33 930
Deferred tax provision	16 465	6 800
Provisions for employee benefits	2 596	1 922
Other long-term provisions	5 205	5 381
Deferred income	4 150	4 116
<b>Total long-term liabilities</b>	<b>144 011</b>	<b>105 345</b>
<b>Short - term liabilities</b>		
Bank credit, loans and bonds	409 157	452 974
Lease liabilities	19 823	12 809
Trade and other liabilities	245 990	134 509
Derivative financial instruments	-	293
Provisions for employee benefits	5 392	4 260
Other short-term provisions	1 666	4 098
Deferred incomes	3 272	2 394
<b>Total short-term liabilities</b>	<b>685 300</b>	<b>611 337</b>
<b>Total liabilities</b>	<b>829 311</b>	<b>716 682</b>
<b>TOTAL EQUITY</b>	<b>1 428 177</b>	<b>1 184 229</b>

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## STATEMENT OF CASH FLOWS

	<b>01.01.2014</b>	<b>01.01.2013</b>
	<b>-31.12. 2014</b>	<b>-31.12.2013</b>
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before taxation</b>	<b>35 157</b>	<b>5 228</b>
<b>Adjustments (+/-)</b>	<b>35 280</b>	<b>1 030</b>
Amortization	23 224	21 274
Interests from financial liabilities	20 164	18 922
Profit / loss on financial assets	-	-
Dividends on share in profits	(1 970)	(2 171)
Profit / loss from investing activities	(3 849)	(4 386)
Change of receivables	(32 673)	(64 462)
Change of inventories	(81 012)	16 948
Change of liabilities	110 582	27 022
Change of provisions and accruals settlements	(935)	(3 037)
Other items	(234)	(7 266)
Income tax paid (refunded)	1 983	(1 814)
<b>Net cash generated on operating activities</b>	<b>70 437</b>	<b>6 258</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of tangible assets	8 282	10 880
Proceeds from disposal of shares and stakes in Capital Group entities	-	13 631
Dividend receipts	1 970	2 171
Proceeds from paid granted longterm loans	-	76 972
Payments for purchase of tangible assets	(41 821)	(4 870)
Purchase of shares and stakes in Capital Group entities	(16 743)	(70 788)
Granted long term loans	(89 322)	-
Other investing payments	(14 937)	(25 064)
<b>Net cash generated on investing activities</b>	<b>(152 571)</b>	<b>2932</b>
<b>Cash flows from financing activities</b>		
Proceeds from stock issue	110 000	-
Proceeds from credits	113 637	23 889
Proceeds from loans	63 083	-
Proceeds from issue of debt securities and others	-	24 144
Other financial proceeds	17 773	-
Buy-back of treasury shares	(4 351)	-
Repayment of credits	(103 536)	(27 454)
Repayment of loans	-	(211)
Redemption of debt securities	(100 483)	-
Paid interests from credits, loans, bonds	(16 213)	(16 644)
Payment of liabilities due to financial lease	(2 691)	-
<b>Net cash generated on financing activities j</b>	<b>77 219</b>	<b>3 724</b>
<b>Change of net cash</b>	<b>(4 915)</b>	<b>12 914</b>
Cash generated at the beginning of year	28 835	15 921
<b>Cash generated at the end of the year</b>	<b>23 920</b>	<b>28 835</b>



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**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 01.01.2014</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
Change of fair value of assets available to sell					(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>882</b>	<b>(211)</b>	<b>(437)</b>	<b>25 548</b>	<b>25 782</b>
Purchase of treasury share		(4 351)						(4 351)
Issue of shares	20 000		90 000				(112)	109 888
Other changes					(435)		435	-
<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>
	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 01.01.2013</b>	<b>234 807</b>	<b>(70 054)</b>	<b>22 346</b>	<b>110</b>	<b>829</b>	<b>0</b>	<b>281 006</b>	<b>469 044</b>
Revaluation of hedging instruments				(356)				(356)
Change of fair value of assets available to sell					(211)			(211)
Revaluation of employee benefits						270		270
Net profit/ loss in 2013							(1 200)	(1 200)
<b>Total overall income in 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(356)</b>	<b>(211)</b>	<b>270</b>	<b>(1 200)</b>	<b>(1 497)</b>
Redemption of own shares	(5 901)	39 732					(33 831)	-
<b>As at 31.12.2013</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>



## **AUTHORISATION OF FINANCIAL STATEMENT**

The Financial statement was authorised for publication upon the Management Board's resolution on 20 March 2015. It has presented the situation of the Company according to the law's requirements for the period from 1 January 2014 till 31 December 2014, 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.