

**CONSOLIDATED  
ANNUAL REPORT  
OF BORYSZEW CAPITAL GROUP**

*FOR THE PERIOD  
FROM 1 JANUARY TO 31 DECEMBER 2014*





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

## STATEMENT OF COMPREHENSIVE INCOME

	<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	5 058 120	4 836 269
Revenue from sales of goods and materials	4 570 164	4 421 065
<b>Total revenue from sales</b>	<b>487 956</b>	<b>415 204</b>
Selling expenses	116 838	121 226
General and administrative expenses	200 107	199 077
Other operating revenue	89 385	36 128
Other operating expenses	50 041	42 735
<b>Operating profit (loss)</b>	<b>210 355</b>	<b>88 294</b>
Financial revenue	21 380	26 933
Financial expenses	80 034	75 119
<b>Financial operations result</b>	<b>-58 654</b>	<b>-48 186</b>
Profit (loss) before tax	<b>151 701</b>	<b>40 108</b>
Income tax	5 088	5 855
<b>Net profit (loss) from continuing operations</b>	<b>146 613</b>	<b>34 253</b>
<b>Net profit (loss) from discontinued operations</b>	<b>9 337</b>	<b>20 699</b>
<b>Net profit (loss) from continuing and discontinued operations, attributable to:</b>	<b>155 950</b>	<b>54 952</b>
<i>Equity holders of the parent</i>	109 911	10 130
<i>Minority shareholders</i>	46 039	44 822
	-	-
<b>Profit/loss per 1 share</b>	0,68	0,27
Net profit (loss) attributable to equity holders of the parent (in PLN th.)	109 911	10 130
No. of shares entitled to dividend	229 000 000	203 671 570
Weighted average number of shares	215 903 667	204 927 618
Diluted earnings (loss) per 1 share (in PLN)	0,51	0,05



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

**STATEMENT OF COMPREHENSIVE INCOME – cont.**

	<b>01.01.2014 - 31.12. 2014</b>	<b>01.01.2013 - 31.12.2013</b>
<b>Net profit</b>	<b>155 950</b>	<b>54 952</b>
<b>Income recognized in capital</b>		
<b>Income recognized in capitals, which may be transferred to profit and loss account</b>		
Exchange rates differences from foreign operations	953	18 111
Financial assets available to sell	(10 960)	(893)
Hedging accounting	6 058	(4 178)
<i>Income tax</i>	(2 027)	(964)
<b>Income in capital not to be classified into financial result</b>		
Capital from the valuation of provisions for employee benefits	(1 146)	547
<i>Income tax</i>	(218)	-104
<b>Total income recognized in capital:</b>	<b>(2 850)</b>	<b>14 447</b>
<i>Equity holders of the parent</i>	(6 349)	16 014
<i>Minority shareholders</i>	3 499	(1 567)
<b>Total other incomes, attributable to:</b>	<b>153 100</b>	<b>69 399</b>
<i>Equity holders of the parent</i>	103 562	26 144
<i>Minority shareholders</i>	49 538	43 255



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

## DISCONTINUED OPERATIONS

	<b>01.01.2014 - 31.12. 2014</b>	<b>01.01.2013 - 31.12.2013</b>
Revenue from sales	5 064	1 254
Cost of products sold	5 053	1 221
<b>Gross profit (loss) on sales</b>	<b>11</b>	<b>33</b>
Selling expenses	-	-
General and administrative costs	-	258
Other operating revenue	51 192	39 253
Other operating expenses	49 265	8 912
<b>Operating profit (loss)</b>	<b>1 938</b>	<b>30 116</b>
Financial revenue	3	9
Financial expenses	1 637	7 129
<b>Financial operations result</b>	<b>(1 634)</b>	<b>(7 120)</b>
<b>Profit (loss) before tax</b>	<b>304</b>	<b>22 996</b>
Income tax	(9 033)	2 297
<b>Net profit (loss) , attributable to:</b>	<b>9 337</b>	<b>20 699</b>
	-	-
<i>Equity holders of the parent</i>	2 915	6 068
<i>Minority shareholders</i>	6 422	14 631
No. of shares entitled to dividend (pcs)	229 000 000	203 671 570
Net profit/loss per 1 shares (in PLN)	-	-



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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>As at 31.12.2014</b>	<b>As at 31.12.2013</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1 087 041	1 038 738
Investment property	116 756	117 035
Goodwill	78 959	78 959
Intangible assets	21 629	17 564
Shares and stakes in controlled entities	25 027	26 348
Financial assets	204 380	60 736
Assets from tax – deferred	52 143	38 151
Trade receivables and other	1 532	1 165
Other assets	25 835	17 356
<b>Total non-current assets</b>	<b>1 613 302</b>	<b>1 396 052</b>
<b>Current assets</b>		
Inventories	858 574	673 401
Trade and other receivables	685 506	655 323
Short – term financial assets	42 033	25 498
Derivative financial instruments	11 318	4 352
Current tax assets	4 388	5 951
Other assets	42 569	34 237
Cash and cash equivalents	81 288	92 977
<b>Total current assets</b>	<b>1 725 676</b>	<b>1 491 739</b>
Assets classified as held-for-sale assets	11 209	33 405
<b>Total assets</b>	<b>3 350 187</b>	<b>2 921 196</b>



**Boryszew Capital Group**  
**Consolidated financial statements**  
**For the period from 1 January till 31 December 2014**

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

<b>EQUITY AND LIABILITIES</b>	<b>As at 31.12.2014</b>	<b>As at 31.12.2013</b>
		<i>Converted data</i>
<b>Equity</b>		
Share capital	248 906	228 906
Treasury shares	-100 582	-89 978
Surplus due to issue of shares above their face value	114 435	24 435
Capital related to hedge accounting	2 138	-1 445
Capital due to conversion of occupational liabilities	-371	364
Capital from revaluation of assets	-4 713	329
Exchange differences on translation of controlled entities	3 708	8 298
Retained earnings	587 913	457 120
<b>Total equity</b>	<b>851 434</b>	<b>628 029</b>
<b>Equity attributable to minority shareholders</b>	<b>582 815</b>	<b>581 430</b>
<b>Total equity</b>	<b>1 434 249</b>	<b>1 209 459</b>
<b>Long-term liabilities</b>		
Bank credit, lonas and bonds	137 297	79 476
Lease liabilities	74 734	70 451
Liabilities of perpetual usufruct of land	38 612	34 730
Deferred tax provision	97 578	88 537
Provisions for employee benefits	17 870	15 229
Other long-term provisions	7 449	7 416
Other liabilities	49 648	11 109
<b>Total long - term liabilities and provisions</b>	<b>423 188</b>	<b>306 948</b>
<b>Short - term liabilities</b>		
Bank credit, lonas and bonds	719 364	739 142
Leasing liabilities	27 172	26 103
Trade and other liabilities	634 718	506 592
Derivative financial instruments	7 178	7 472
Current income tax liabilities	10 167	1 548
Provisions for employee benefits	20 267	16 550
Other provisions	36 640	43 241
Deferred incomes	2 981	173
<b>Total short-term liabilities and provisions</b>	<b>1 458 487</b>	<b>1 340 821</b>
<b>Liabilities related directly to held-for-sale assets</b>	<b>34 263</b>	<b>63 968</b>
<b>Total liabilities</b>	<b>1 915 938</b>	<b>1 711 737</b>
<b>Total Equite and Liabilities</b>	<b>3 350 187</b>	<b>2 921 196</b>



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

## CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>01.01.2014 - 31.12. 2014</b>	<b>01.01.2013 - 31.12.2013</b>
<b><i>Cash flows from operating activities</i></b>		
<b>Profit (loss) before tax</b>	<b>152 005</b>	<b>63 104</b>
<b>Adjustments (+/-):</b>	<b>22 546</b>	<b>117 844</b>
Amortization	112 906	109 862
Interests from financial liabilities	26 267	40 203
Dividends on share in profits	0	(399)
Profit/loss on investing activities	(41 945)	(29 087)
Change of receivables	(36 575)	34 911
Change of inventories	(185 173)	(18 589)
Change of liabilities	166 371	(24 374)
Change of provisions and accruals settlements	(14 213)	(7 020)
Other items	(4 353)	20 622
Income tax paid (refunded)	(739)	(8 285)
<b>Net cash generated on operating activities</b>	<b>174 551</b>	<b>180 948</b>
<b><i>Cash flows from investing activities</i></b>		
Receipts from disposal of tangible fixed assets	12 429	37 310
Receipts from disposal of shares and stakes in Capital Group entities	30 213	13 631
Dividend receipts	2 099	399
Payments for purchase of tangible assets	(146 806)	(106 715)
Purchase of shares and stakes in Capital Group entities	(34 115)	(3 216)
Purchase of financial assets	(161 232)	(76 773)
<b>Net cash generated on investing activities</b>	<b>(297 412)</b>	<b>(135 364)</b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from stock issue	110 000	-
Proceeds from credits	193 580	216 236
Proceeds from loans	7 075	7 500
Proceeds from issue of debt securities and others	-	1 000
Buy-back of treasury shares	(10 604)	(45 630)
Repayment of credits	(162 612)	(137 692)
Repayment of loans	-	(3 750)
Paid interests from credits, loans, bonds	(26 267)	(40 203)
Payment of liabilities due to financial lease	-	(27 614)
<b>Net cash generated on financing activities</b>	<b>111 172</b>	<b>(30 153)</b>
<b>Change of net cash</b>	<b>(11 689)</b>	<b>15 431</b>
Balance sheet change of cash	(11 689)	14 812
Exchange differences		(619)
Cash generated at the beginning of year	92 977	78 165
<b>Cash generated at the end of the year</b>	<b>81 288</b>	<b>92 977</b>





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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital	Treasury shares	Surplus due to issue of shares above their face	Hedge accounting	Revaluation reserve	Profit / loss from revaluation of employee benefits	Exchange differences on translation of foreign operations	Retained earnings	Capital attributable to dominant shareholders	Minority shareholders capital	Total equity
<b>As at 01.01.2014</b>	<b>228 906</b>	<b>(89 978)</b>	<b>24 435</b>	<b>(1 445)</b>	<b>329</b>	<b>364</b>	<b>8 298</b>	<b>457 120</b>	<b>628 029</b>	<b>581 430</b>	<b>1 209 459</b>
Valuation of hedging instruments				3 583					3 583	1 324	4 907
Valuation of assets available to sell					(4 607)				(4 607)	(4 271)	(8 878)
Valuation of employee benefits						(735)			(735)	(193)	(928)
Exchange differences							(4 590)		(4 590)	6 639	2 049
Net profit/ loss in 2014								109 911	109 911	46 039	155 950
<b>Total overall income in 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 583</b>	<b>(4 607)</b>	<b>(735)</b>	<b>(4 590)</b>	<b>109 911</b>	<b>103 562</b>	<b>49 538</b>	<b>153 100</b>
Purchase of treasury shares of Boryszew		(10 604)							(10 604)		(10 604)
Issue of shares	20 000		90 000					(102)	109 898		109 898
Dividend payment									-		0
Change in the structure of Boryszew Group					(435)			20 984	20 549	(48 153)	(27 604)
<b>As at 31.12.2014</b>	<b>248 906</b>	<b>(100 582)</b>	<b>114 435</b>	<b>2 138</b>	<b>(4 713)</b>	<b>(371)</b>	<b>3 708</b>	<b>587 913</b>	<b>851 434</b>	<b>582 815</b>	<b>1 434 249</b>



**Boryszew Capital Group**  
**Consolidated financial statements**  
**For the period from 1 January till 31 December 2014**

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

<b>As at 01.01.2013</b>	<b>234 807</b>	<b>(84 080)</b>	<b>24 435</b>	<b>532</b>	<b>771</b>	<b>-</b>	<b>(9 771)</b>	<b>480 936</b>	<b>647 630</b>	<b>533 834</b>	<b>1 181 464</b>
Valuation of hedging instruments			(1 977)						(1 977)	(1 407)	(3 384)
Valuation of assets available to sell				(442)					(442)	(281)	(723)
Valuation of employee benefits						364			364	79	443
Exchange differences							18 069		18 069	42	18 111
Net profit/ loss in 2013								10 130	10 130	44 822	54 952
<b>Total overall income in 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 977)</b>	<b>(442)</b>	<b>364</b>	<b>18 069</b>	<b>10 130</b>	<b>26 144</b>	<b>43 255</b>	<b>69 399</b>
Purchase of treasury shares		(45 630)							(45 630)	-	(45 630)
Redemption of treasury shares	(5 901)	39 732						(33 831)	-	-	-
Shares disposal not caused the lost of control /change in the Capital Group's structure/								(115)	(115)	4 341	4 226
<b>As at 31.12.2013</b>	<b>228 906</b>	<b>(89 978)</b>	<b>24 435</b>	<b>(1 445)</b>	<b>329</b>	<b>364</b>	<b>8 298</b>	<b>457 120</b>	<b>628 029</b>	<b>581 430</b>	<b>1 209 459</b>



## **AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENT**

Consolidated Financial Statements of Boryszew Capital Group for the period from 1 January to 31 December 2014 have been signed at the headquarters of the March 20, 2015.

### **The 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.

Elżbieta Słaboń – Chief Accountant

Translation from the original Polish version.

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