

**CONDENSED CONSOLIDATED
QUARTERLY FINANCIAL STATEMENT
OF THE BORYSZEW CAPITAL GROUP
FOR 3Q 2016**



10 NOVEMBER, 2016



TABLE OF CONTENTS

PAGE

**CONDENSED CONSOLIDATED QUARTERLY FINANCIAL STATEMENT OF THE BORYSZEW
CAPITAL GROUP**

SELECTED FINANCIAL DATA.....	3
CONSOLIDATED INCOME STATEMENT	4
DISCONTINUED OPERATIONS	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	6
CONSOLIDATED STATEMENT OF CASH FLOWS	8
CONSOLIDATED STATEMENT ON CHANGES IN EQUITY.....	9

CONDENSED FINANCIAL QUARTERLY STATEMENT OF BORYSZEW S.A.

STATEMENT OF COMPREHENSIVE INCOME.....	12
STATEMENT OF FINANCIAL POSITION.....	13
CASH FLOW STATEMENT	15
STATEMENT ON CHANGES IN EQUITY	16



SELECTED FINANCIAL DATA

	in PLN thousands		in EUR thousands	
	01.01.2016 - 30.09. 2016	01.01.2015 - 30.09. 2015	01.01.2016 - 30.09. 2016	01.01.2015 - 30.09. 2015
Data for the interim condensed CONSOLIDATED financial statements				
Sales revenue from continuing operations	4 171 146	4 349 600	954 758	1 045 954
Operating profit (loss)	243 867	107 155	55 820	25 768
Net profit from continuing operations	172 145	60 475	39 403	14 543
Net cash flows from operating activities	103 598	178 000	23 713	42 804
Net cash flows from investing activities	(146 731)	(172 729)	(33 586)	(41 536)
Net cash flows from financing activities	94 901	(13 952)	21 722	(3 355)
Average weighted number of shares	224 442 263	226 305 000	224 442 263	226 305 000
Net profit per ordinary share to equity holders of the parent (in PLN/EUR)	0,56	0,16	0,13	0,04

	in PLN thousands		in EUR thousands	
	As at 30.09.2016	As at 31.12.2015	As at 30.09.2016	As at 31.12.2015
Assets related to continuing operations	3 772 792	3 448 181	874 952	809 147
Liabilities related to continuing operations	2 181 172	2 011 171	505 838	471 940
Net interests debt	1 005 431	909 691	233 170	213 467
Net interests debt / EBITDA annualized	2,53	3,50	2,53	3,50
Share capital	1 570 236	1 414 897	364 155	332 019



CONSOLIDATED INCOME STATEMENT

	01.01.2016 - 30.09. 2016	01.01.2015 - 30.09. 2015	01.07.2016- 30.09.2016	01.07.2015- 30.09.2015
Continuing operations				
Revenues from sales	4 171 146	4 349 600	1 319 441	1 293 156
Prime cost of sale	3 661 932	4 007 961	1 133 990	1 178 435
Gross profit (loss) from sales	509 214	341 639	185 451	114 721
Selling costs	97 571	91 052	34 063	32 135
General and administrative costs	186 042	154 614	67 700	52 657
Other operating revenue	41 189	40 782	8 972	21 920
Other operating expenses	22 923	29 600	3 711	13 904
Profit (loss) from operating activity	243 867	107 155	88 949	37 945
Financial revenues	4 724	3 495	2 535	(12 525)
Financial expenses	51 752	34 647	6 929	16 670
Result on financial operations	(47 028)	(31 152)	(4 394)	(29 195)
Share in profits capital group entities	627	(1 467)	(477)	(1 467)
Profit (loss) before income tax	197 466	74 536	84 078	7 283
Income tax	25 321	14 061	7 072	292
Net profit (loss) on continued operations	172 145	60 475	77 006	6 991
Net profit/loss on discontinued operations	(16)	305	(546)	481
Net profit/loss on continued activity and discontinued operations including attributable:	172 129	60 780	76 460	7 472
<i>owners of the controlling entity</i>	126 533	34 229	59 147	1 198
<i>non-controlling shareholders</i>	45 596	26 551	17 313	6 274
Earnings/loss per 1 share				
Average weighted number of shares	224 442 263	226 305 000	224 000 000	226 305 000
Net profit attributable to the parent (PLN thousand)	126 533	34 229	59 147	1 198
Profit per 1 share (in PLN)	0,56	0,15	0,26	0,01



CONSOLIDATED INCOME STATEMENT continued

	01.01.2016 - 30.09.2016	01.01.2015 - 30.09.2015	01.07.2016- 30.09.2016	01.07.2015- 30.09.2015
Net profit	172 129	60 780	76 460	7 472
Earnings recognised in equity in equity, to be transferred to income statement				
Exchange differences on translating foreign operations	1 140	(14 454)	(9 514)	7 650
Financial assets available for sale	(2 677)	(14 179)	(4 614)	(11 997)
Hedge accounting	13 581	(11 385)	12 082	(7 440)
Income tax	4 041	(5 003)	301	(4 414)
Earnings recognised in equity, not to be transferred to income statement				
Employee benefit capital reserve	(32)	11	(88)	15
Income tax	(6)	2	(17)	3
Total earnings recognised in equity	7 977	(35 006)	(2 418)	(7 361)
<i>to shareholders of the parent</i>	<i>5 163</i>	<i>(27 882)</i>	<i>(7 512)</i>	<i>(938)</i>
<i>to non-controlling interest</i>	<i>2 814</i>	<i>(7 124)</i>	<i>5 094</i>	<i>(6 423)</i>
Total comprehensive income, including attributable:	180 106	25 774	74 042	111
<i>to shareholders of the parent</i>	<i>131 696</i>	<i>6 347</i>	<i>51 635</i>	<i>(3 420)</i>
<i>to non-controlling interest</i>	<i>48 410</i>	<i>19 427</i>	<i>22 407</i>	<i>3 531</i>

CONSOLIDATED INCOME STATEMENT – DISCONTINUED OPERATIONS

	01.01.2016 - 30.09.2016	01.01.2015 - 30.09.2015	01.07.2016- 30.09.2016	01.07.2015- 30.09.2015
Discontinued operations				
Total revenues from sales	121	212	40	73
Manufacturing cost of products sold	132	218	46	79
Gross profit (loss) from sales	(11)	(6)	(6)	(6)
Other operating revenue	4 568	2 332	266	1 255
Other operating expenses	4 902	2 138	761	671
Profit (loss) from operating activity	(345)	188	(501)	578
Financial revenues	12	111	(1)	27
Financial expenses	120	725	44	237
Financial profit/loss	(108)	(614)	(45)	(210)
Profit (loss) before income tax	(453)	(426)	(546)	368
Deferred income tax	(437)	(731)	-	(113)
Net profit (loss) on discontinued operations	(16)	305	(546)	481
<i>to shareholders of the parent</i>	<i>663</i>	<i>591</i>	<i>(445)</i>	<i>391</i>
<i>to non-controlling interest</i>	<i>(679)</i>	<i>(286)</i>	<i>(101)</i>	<i>90</i>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.09.2016	As at 31.12.2015
ASSETS		
Non-current assets		
Non-current assets	1 222 569	1 103 343
Investment property	105 394	191 034
Goodwill	23 459	23 855
Intangible assets	40 382	36 679
Shares in subsidiaries and associates	332 860	255 977
Financial assets	24 974	22 339
Deferred tax assets	37 587	43 382
Trade receivables and other receivable	3 826	11 768
Other assets	31 813	18 720
Total fixed assets	1 822 864	1 707 097
Current assets		
Inventory	892 421	837 760
Trade receivables and other receivables	795 258	672 470
Short-term financial assets	27 068	67 350
Derivative financial instruments	18 059	11 072
Current tax assets	6 119	6 501
Other assets	60 549	47 245
Cash and cash equivalents	150 454	98 686
Total current assets	1 949 928	1 741 084
Assets classified as held for sale	1 434	4 610
Total assets	3 774 226	3 452 791



LIABILITIES AND EQUITY	As at 30.09.2016	As at 31.12.2015
Equity		
Share capital	248 906	248 906
Own shares	(132 787)	(125 657)
Share premium	114 435	114 435
Hedge accounting capital	3 005	(4 011)
Capital reserve on translating employee payables	(128)	(92)
Revaluation reserve	(13 740)	(12 051)
Exchange differences on translating foreign entities	(3 567)	(3 429)
Retained earnings	747 851	639 410
Total equity	963 975	857 511
Non-controlling shareholders' capital	606 261	557 386
Total equity	1 570 236	1 414 897
Long-term liabilities		
Bank credits, loans, bonds	248 257	98 556
Lease liabilities	63 377	71 099
Payables on perpetual usufruct of investment land	38 207	51 379
Deferred tax provision	77 721	78 823
Employee benefit provisions	17 305	17 224
Other provisions	8 310	7 362
Other liabilities and equity	12 588	13 150
Total long-term liabilities	465 765	337 593
Short-term liabilities		
Bank credits, loans, bonds	776 169	796 444
Lease liabilities	68 082	42 278
Trade payables and other liabilities	776 804	746 825
Derivative financial instruments	14 720	21 354
Current tax liabilities	16 950	6 494
Employee benefit provisions	23 045	20 656
Other provisions	31 172	33 580
Other liabilities and equity	8 465	5 947
Total short-term liabilities	1 715 407	1 673 578
Liabilities related to assets classified as held for sale	22 818	26 723
Total liabilities	2 203 990	2 037 894
Total equity and liabilities	3 774 226	3 452 791



CONSOLIDATED STATEMENT OF CASH FLOW

	01.01.2016 - 30.09. 2016	01.01.2015 - 30.09. 2015
Cash flows from operating activities		
Profit (loss) before income tax	196 839	76 003
Adjustments for (+/-)	(93 241)	101 997
Depreciation / amortisation	89 716	87 661
Interest on financial liabilities	27 395	23 489
Profit from investing activities	(32 750)	-
Change in receivables	(114 162)	(160 543)
Change in inventories	(54 661)	101 199
Change in liabilities	30 473	77 034
Change in provisions and accruals as well as prepayments	(23 925)	(17 154)
Other items	597	(3 694)
Income tax paid (refunded)	(15 924)	(5 995)
Net cash from operating activities	103 598	178 000
Cash flows from investment activities		
Profit on fixed assets disposal	119 683	9 749
Revenues from disposal of shares in capital group entities	13 216	-
Repayment of borrowings	10 552	-
Expenses on acquisition of fixed assets	(194 563)	(87 098)
Acquisition of shares in capital group entities	(95 619)	(87 380)
Purchase of financial assets	-	(8 000)
Net cash from investing activities	(146 731)	(172 729)
Cash flows from financial activities		
Net incomes on issue of shares		
Incomes on credit and loan facilities	231 866	188 750
Incomes on issue of debt and other securities	-	5 763
Dividend distribution	-	(22 672)
Share buy-back expense	(7 130)	(21 798)
Repayment of borrowings	(1 000)	-
Loans repaid	(99 627)	(135 231)
Repayment of borrowings	(1 813)	(1 727)
Interest paid on loans, bonds..	(27 395)	(23 489)
Payment of liabilities under finance lease agreements	-	(3 548)
Net cash from financing activities	94 901	(13 952)
Net change in cash	51 768	(8 681)
Cash opening balance	98 686	81 288
Cash closing balance	150 454	72 607



CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capita	Treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Currency translation differences (subsidiaries)	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 01.01.2016	248 906	(125 657)	114 435	(4 011)	(12 051)	(92)	(3 429)	639 410	857 511	557 386	1 414 897
Valuation of hedge instruments				7 016					7 016	3 985	11 001
Valuation of assets available for sale					(1 689)				(1 689)	(479)	(2 168)
Valuation of employee benefits						(26)			(26)		(26)
Exchange differences							(138)		(138)	(692)	(830)
Profit for 3Q 2016								126 533	126 533	45 596	172 129
Total comprehensive income for 3Q 2016	-	-	-	7 016	(1 689)	(26)	(138)	126 533	131 696	48 410	180 106
Share buy-back – Boryszew S.A.		(7 130)							(7 130)		(7 130)
Change of group structure						(10)		(18 092)	(18 102)	465	(17 637)
As at 30.09.2016	248 906	(132 787)	114 435	3 005	(13 740)	(128)	(3 567)	747 851	963 975	606 261	1 570 236



Boryszew Capital Group
Condensed consolidated quarterly financial statement for 3Q_ 2016
 prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

	Share capita	Treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Currency translation differences (subsidiaries)	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to minority interest	Total equity
As at 01.01.2015	248 906	(100 582)	114 435	2 138	(4 713)	(371)	3 708	587 913	851 434	582 815	1 434 249
Valuation of hedge instruments				(5 863)					(5 863)	(3 359)	(9 222)
Change in fair value of assets DDS					(6 647)				(6 647)	(4 838)	(11 485)
Actuarial gains and losses						9			9	-	9
Exchange differences							(15 381)		(15 381)	1 073	(14 308)
Profit for 3Q 2015								34 229	34 229	26 551	60 780
Total comprehensive income for 3Q 2015	-	-	-	-5 863	-6 647	9	-15 381	34 229	6 347	19 427	25 774
Share buy-back – Boryszew S.A		(21 798)							(21 798)	-	(21 798)
Payment of dividends								(22 672)	(22 672)	-	(22 672)
Change of group structure								14 919	14 919	(29 476)	(14 557)
As at 30.09.2015	248 906	(122 380)	114 435	(3 725)	(11 360)	(362)	(11 673)	614 389	828 230	572 766	1 400 996

**CONDENSED QUARTERLY
FINANCIAL STATEMENT OF BORYSZEW S.A.
FOR 3Q 2016**





Boryszew S.A.

Condensed quarterly financial statement for 3Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2016 - 30.09. 2016	01.01.2015- 30.09. 2015	01.07.2016- 30.09.2016	01.07.2015- 30.09.2015
Revenues from sales	1 076 256	918 717	347 856	291 035
Prime cost of sale	939 815	798 852	299 836	248 472
Gross profit (loss) from sales	136 441	119 865	48 020	42 563
Selling costs	29 963	19 130	16 607	7 008
General and administrative costs	44 250	40 531	11 881	13 065
Other operating revenue	16 293	21 182	359	4 930
Other operating expenses	33 462	16 356	3 760	923
Profit (loss) from operating activity	45 059	65 030	16 131	26 497
Financial revenues	13 616	12 144	1 026	2 340
Financial expenses	65 536	18 647	9 538	6 359
Financial profit/loss	(51 920)	(6 503)	(8 512)	(4 019)
Profit (loss) before income tax	(6 861)	58 527	7 619	22 478
Income tax	(1 962)	10 369	(1 847)	10 369
Net profit/loss	(4 899)	48 158	9 466	12 109

Earnings/loss per share

Average weighted number of shares	232 612 263	234 470 000	232 170 000	234 470 000
Earnings per one share (PLN)	(0,02)	0,12	0,04	0,08

	01.01.2016 - 30.09. 2016	01.01.2015 -30.09. 2015	01.07.2016- 30.09.2016	01.07.2015- 30.09.2015
Net profit	(4 899)	48 158	9 466	12 109
Earnings recognised in equity				
Earnings recognised in equity, to be transferred to income statement				
Financial assets available for sale	(1 602)	(762)	(79)	828
Hedge accounting	2 167	(2 372)	3 740	(1 191)
Income tax (asset+/provision-)	(108)	596	(696)	69
Earnings recognised in equity, not to be transferred to income statement				
Employee benefit capital reserve	-	(27)	-	(25)
Income tax (asset+/provision-)	-	5	-	5
Total earnings recognised in equity	457	(2 560)	2 965	(314)
Total comprehensive income	(4 442)	45 598	12 431	11 795



Boryszew S.A.

Condensed quarterly financial statement for 3Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

	As at 30.09.2016	As at 31.12.2015
ASSETS		
Non-current assets		
Non-current assets	258 179	221 536
Investment property	288	288
Intangible assets	23 903	18 897
Shares in related parties	403 129	419 272
Financial assets	22 488	17 480
Receivables and other assets	339 102	328 325
Other assets	16 146	-
Total fixed assets	1 063 235	1 005 798
Current assets		
Inventory	163 669	176 665
Trade receivables and other receivables	258 656	271 700
Financial assets	27 139	34 668
Derivative financial instruments	859	206
Other assets	17 236	8 851
Cash and cash equivalents	62 375	22 731
Total current assets	529 934	514 821
Total assets	1 593 169	1 520 619



Boryszew S.A.

Condensed quarterly financial statement for 3Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

LIABILITIES AND EQUITY	As at 30.09.2016	As at 31.12.2015
Equity		
Share capital	248 906	248 906
Own shares	(49 518)	(44 411)
Share premium	112 346	112 346
Hedge accounting capital	(557)	(2 312)
Capital reserve on translating employee payables	(42)	(42)
Revaluation reserve	(1 433)	(135)
Retained earnings, including:	247 286	252 185
<i>Profit for the current year</i>	<i>(4 899)</i>	<i>3 786</i>
Total equity	556 988	566 537
Long-term liabilities		
Bank loans, borrowings and bonds	147 253	68 987
Lease liabilities	35 022	42 325
Payables on perpetual usufruct of investment land	124	122
Deferred tax provision	4 481	3 265
Employee benefit provisions	2 481	2 482
Other provisions	5 156	5 166
Deferred income	3 062	3 594
Total long-term liabilities	197 579	125 941
Short-term liabilities		
Bank loans, borrowings and bonds	458 803	476 765
Lease liabilities	62 285	36 018
Trade payables and other liabilities	305 267	300 968
Current tax liability	-	1
Derivative financial instruments	1 073	2 908
Employee benefit provisions	5 229	5 622
Other provisions	1 694	1 694
Deferred income	4 251	4 165
Total short-term liabilities	838 602	828 141
Total liabilities	1 036 181	954 082
Total equity and liabilities	1 593 169	1 520 619



Boryszew S.A.

Condensed quarterly financial statement for 3Q 2016

prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

CASH FLOW STATEMENT

	01.01.2016	01.01.2015 -
	- 30.09. 2016	30.09. 2015
Cash flows from operating activities		
Profit (loss) before income tax	(6 861)	58 527
Adjustments for (+/-)	110 405	(2 238)
Depreciation / amortisation	19 189	17 688
Interest on financial liabilities	13 257	13 068
Dividends from share in profit	(2 554)	(810)
Profit / loss on investment activities	61 205	-
Change in receivables	24 635	(16 273)
Change in inventories	12 996	(30 891)
Change in liabilities	4 299	44 576
Change in provisions and accruals as well as prepayments	(25 381)	(7 160)
Other items	2 760	(22 436)
Income tax paid (refunded)	(1)	-
Net cash from operating activities	103 544	56 289
Cash flows from investment activities		
Revenues from disposal of shares in capital group entities	13 154	-
Revenues from dividend	2 554	810
Revenues from bonds	7 529	-
Expenses on acquisition of fixed assets	(40 589)	(17 033)
Acquisition of shares in capital group entities	(11 993)	(14 852)
Long-term borrowings granted	(72 454)	(53 797)
Other capital expenditure	(2 756)	(10 551)
Net cash from investing activities	(104 555)	(95 423)
Cash flows from financial activities		
Incomes on credit	65 000	63 231
Inflows from received loans	28 894	28 580
Incomes on issue of debt and other securities	34 000	-
Share buy-back	(5 107)	(6 400)
Credits repaid	(67 590)	-
Dividend distribution	-	(23 447)
Redemption of debt securities	-	(7 787)
Interest paid on loans, bonds...	(13 257)	(13 068)
Payment of liabilities under finance lease agreements	(1 285)	-
Net cash from financing activities	40 655	41 109
Net change in cash	39 644	1 975
<i>Cash opening balance</i>	<i>22 731</i>	<i>23 920</i>
Cash closing balance	62 375	25 895



Boryszew S.A.
Condensed quarterly financial statement for 3Q 2016
prepared in compliance with IFRS adopted by the European Union (EU)

(all amounts in PLN th. unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2016	248 906	(44 411)	112 346	(2 312)	(135)	(42)	252 185	566 537
Valuation of hedge instruments				1 755				1 755
Valuation of assets available for sale					(1 298)			(1 298)
Profit/loss for 3Q 2016							(4 899)	(4 899)
Total comprehensive income for 3Q 2016	-	-	-	1 755	(1 298)	-	(4 899)	(4 442)
Share buy-back - Boryszew SA		(5 107)						(5 107)
As at 30.09.2016	248 906	(49 518)	112 346	(557)	(1 433)	(42)	247 286	556 988

	Share capital	Treasury shares	Share premium	Hedge accounting	Revaluation reserve	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2015	248 906	(34 673)	112 346	636	(28)	(167)	271 846	598 866
Revaluation of hedge instruments				(1 921)				(1 921)
Change in fair value of assets available for sale					(617)			(617)
Revaluation of employee benefits						(22)		(22)
Profit/loss for 3Q 2015							48 158	48 158
Total comprehensive income for 3Q 2015	-	-	-	(1 921)	(617)	(22)	48 158	45 598
Share buy-back - Boryszew SA		(6 400)						(6 400)
Dividend distribution							(23 447)	(23 447)
As at 30.09.2015	248 906	(41 073)	112 346	(1 285)	(645)	(189)	296 557	614 617



Consolidated financial statements of Boryszew Capital Group for the period from 1 January to 30 September 2016 have been signed at the headquarters of the 10 November, 2016.

The consolidated financial statements are presented by the Management Board of Boryszew S.A.:

Jarosław Michniuk – President of the Management Board _____

Aleksander Baryś – Member of the Management Board _____

Mikołaj Budzanowski – Member of the Management Board _____

Cezary Pyszkowski – Member of the Management Board _____

Piotr Szeliga – Member of the Management Board _____

Elżbieta Staboń – 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.