

„Accord’ab” Biegli Rewidenci Spółka z o.o.

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District Court for Wrocław-Fabryczna, 6th Economic Department KRS 0000087656

Initial capital PLN111.000,00 PLN, fully paid-up



INDEPENDENT CERTIFIED AUDITOR'S OPINION AND REPORT

ON THE FINANCIAL REPORT AUDIT CARRIED OUT

FOR THE CAPITAL GROUP WHOSE PARENT COMPANY IS

STALPRODUKT S.A. BASED IN BOCHNIA

FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

WROCLAW, APRIL 2016

***Independent Certified Auditor's Report on the Review
of Annual Consolidated
Financial Report for the period
from 1 January 2015 to 31 December 2015***

for the Shareholders, Supervisory Board and Management Board of Stalprodukt S.A.

We have reviewed the enclosed Annual Consolidated Financial Report of the Stalprodukt S.A. Company Group (hereinafter referred to as the "Group"), wherein the parent company is Stalprodukt S.A. (hereinafter referred to as the "Parent Company"), based in Bochnia, ul. Wygoda 69, including:

- 1) consolidated balance sheet drawn up as of 31 December 2015, with total assets as well as liabilities and equity amounting to **PLN 3 305 746 thousand**;
- 2) consolidated profit and loss account for the period from 1 January 2015 to 31 December 2015 showing a net profit of **PLN 227 234 thousand**;
- 3) consolidated statement of comprehensive income for the period from 1 January 2015 to 31 December 2015 showing total income amounting to **PLN 227 234 thousand**;
- 4) statement of changes in the consolidated equity, consolidated cash flow statement for 2015 and additional information to the consolidated financial report.

The Parent Company's Management Board is responsible for preparing the Consolidated Financial Report and Report on the Group's Activities in compliance with the currently applicable regulations and for the correctness of accounting books. The members of the Parent Company Management Board and Supervisory Board are obligated to assure that the Consolidated Financial Report and the Report on the Group's Activities shall meet the requirements provided for in the Accountancy Act as of 29 September 1994 (Journal of Laws as of 2009, No 152, item 1223, with subsequent amendments), hereinafter referred to as the "Accountancy Act".

Our task was to carry out an Audit of the enclosed Consolidated Financial Report and to express our opinion on its compliance, in all essential aspects, with the required accounting principles (policy) and if the same presents accurately and clearly, in all essential aspects, the Group's assets and its financial standing as well as on the Group's financial results.

The Audit has been carried out pursuant to the following provisions:

- 1) provisions of Chapter 7 of the Accountancy Act,
- 2) national financial audit standards issued by the National Council of Certified Auditors in Poland.

The audit of the Consolidated Financial Report was planned and carried out in a way ensuring rational grounds which would enable us to express an opinion thereon. In particular, the audit consisted in checking the correctness of the accounting principles (policy) applied by Stalprodukt S.A. and its subsidiary entities, and checking - in a mostly random inspection - of the calculation bases underlying the figures and information items contained in the Consolidated Financial Report as well as comprehensive assessment of the Consolidated Financial Report. We believe that the audit provided us with sufficient grounds to express a reliable opinion thereon.

In our opinion the audited Consolidated Financial Report in all essential aspects:

- a) presents accurately and clearly all the information essential for the evaluation of the property and financial standing of the audited Capital Group as of 31 December 2015 as well as its financial results for the fiscal year from 1 January to 31 December 2015,
- b) has been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the European Commission regulations, and in the scope beyond of the International Accounting Standards, in compliance with the provisions of the Accountancy Act and executive orders issued on the basis thereof,
- c) stands in accordance with legal provisions affecting the content of the Consolidated Financial Report, binding to the Capital Group.

The Report on the Capital Group Activities is complete in the understanding of Article 49, par. 2 of the Accountancy Act and the information contained therein, originating from the enclosed Consolidated Financial Report are consistent therewith.

Teresa Sadowska, Certified Auditor No 9358

Key Certified Auditor carrying out the Audit on behalf of:
„Accord’ab” Biegli Rewidenci Spółka z o.o.
53-234 Wrocław, ul. Grabiszyńska 241

Entity authorised to audit financial reports No 262

Wrocław, this day 26 April 2016.

COMPLEMENTARY REPORT
ON THE AUDIT
OF THE CONSOLIDATED FINANCIAL REPORT
OF THE CAPITAL GROUP, WHOSE PARENT COMPANY IS
STALPRODUKT S.A.
BASED IN BOCHNIA
FOR THE PERIOD FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

I. REPORT GENERAL PART**1. Capital Group Identification Data****1.1 Name of Capital Group**

Stalprodukt S.A. Capital Group

1.2 Seat of the Parent Company

ul. Wygoda 69
32-700 Bochnia

Parent Company Registration in the National Court Register

Registration Court: District Court
Date: October 25, 2001
Register No: KRS 0000055209
VAT No: 868-000-07-75
National Statistical No REGON: 850008147

1.3 Parent Company's Ownership Structure

As of 31.12.2015 r. the shareholders entitled to above 5 % of votes at the General Meeting of Shareholders:

- a) *ArcelorMittal Poland S.A. holding 1 914 376 shares, accounting for 28.47 % of capital share and 5 064 680 votes, accounting for 28.26 % of the total number of votes at the General Meeting of Shareholders.*
- b) *STP Investment S.A. holding 1 949 985 shares, accounting for 29.00 % of capital share and 5 891 241 votes, accounting for 32.87 % of the total number of votes at the General Meeting of Shareholders.*
- c) *Stalprodukt-Profil S.A., holding 609 217 shares, accounting for 9.06 % of capital share and 976 109 votes, accounting for 5.45 % of the total number of votes at the General Meeting of Shareholders.*

According to the report's publication day's status, the Shareholders holding above 5% of votes at the General Meeting of Shareholders were:

- a) *ArcelorMittal Poland S.A. holding 1 564 572 shares, accounting for 23.27 % of capital share and 3 315 660 votes, accounting for 18.50 % of the total number of votes at the General Meeting of Shareholders.*
- b) *STP Investment S.A. holding 1 949 985 shares, accounting for 29.00 % of capital share and 5 891 241 votes, accounting for 32.87 % of the total number of votes at the General Meeting of Shareholders.*
- c) *Stalprodukt-Profil S.A., holding 609 217 shares, accounting for 9.06 % of capital share and 976 109 votes, accounting for 5.45 % of the total number of votes at the General Meeting of Shareholders.*

On 17 November 2015, the Extraordinary Meeting of Shareholders adopted a resolution on the Company's purchase of its own shares with a view to redemption. The maximum number of

shares to be possibly purchased by the Company within the Program is 1 075 000 items. The purchase price per share is PLN 250. The purchase covers registered preference shares of A, B and E series. The value of the Program enlarged by the purchasing costs amounts to PLN 270 000 thousand. The purchases may take place in the period not longer than within 10 June 2016. By the date of issue hereof tender invitations were furthered in respect of three tranches to be carried out: on 20 November 2015, on 27 January 2016 and on 31 March 2016. Within the 1st and 2nd tranche the Company acquired 716 800 of its own shares at the value of PLN 179 200 thousand. Before the clearing of the above mentioned tranches, the Company jointly held 69 778 shares with its subsidiary company. After the clearing the Company holds the total of 786 578 shares, accounting for 21.94 % at the General Meeting of Shareholders. The clearing of the 3rd tranche will take place on 28 April 2016, i.e. after the present report has been approved for publication.

1.4 Parent Company's Governing Body

The Company's governing body is the Management Board.

As of 31 December 2015, the Management Board consisted of:

1. Mr. Piotr Janeczek – President of the Board,
2. Mr. Józef Ryszka – Member of the Board.

2. Information on Companies Composing the Capital Group

2.1 Companies Included in the Consolidated Financial Report

As of December 31, 2015 the following companies included in the Capital Group were subject to consolidation:

Parent Company:

Stalprodukt S.A.

Subsidiary companies included in the consolidation performed with the complete method:

Company Name	Seat	Principal Object of Activities	Capital Share	Voting Share
Stalprodukt-Centrostal Kraków Spółka z o.o.	Bochnia	trade in steel products	100 %	100 %
Stalprodukt-Wamech Spółka z o.o.	Bochnia	manufacture of steel structures and spare part and rendering alteration services	100 %	100 %
STP Elbud Spółka z o.o.	Kraków	manufacture of steel structures and galvanizing services	100 %	100 %
Stalprodukt-Serwis Spółka z o.o.	Bochnia	alteration services, maintenance of machinery, installation services	100 %	100 %
Stalprodukt-Zamość Spółka z o.o.	Zamość	manufacture of construction joinery and trade in steel products	100 %	100 %
Stalprodukt-MB Spółka z o.o.	Bochnia	road and freeways construction and maintenance, assembly of safety road barriers	100 %	100 %

Zakłady Górniczo-Hutnicze BOLESŁAW S.A.	Bukowno	zinc production	94.45 %	94.45 %
Stalprodukt-Ochrona Spółka z o.o.	Bochnia	manufacture of steel structures	100 %	100 %
Anew Instytute Spółka z o.o.	Kraków	designing sources of renewable energy	100%	100%
Cynk-Mal S.A.	Legnica	manufacture and treatment of metal products	51%	51%

3. Identification Data of the Key Certified Auditor and Company Authorized to Auditing Financial Reports

3.1 Key Certified Auditor's Identification Data

Name and surname: Teresa Sadowska

Register No: 9358

3.2 Identification Data of the Company Authorized to Audit the Financial Report

Company: Accord"ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością
[Accord ab Certified Auditors Limited Liability Company]
Seat: 53-234 Wrocław, ul. Grabiszyńska 241
Register No: 0000087656
District Court: for Wrocław Fabryczna 6th Economic Department of National Court Register
VAT No: 899-000-70-79

Accord"ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością is registered as a company No 262 - authorized to carry out financial report audits.

4. Information on the Consolidated Financial Report for the Previous Reporting Year

The Consolidated Financial Report for the reporting year ending on 31 December, 2014 was audited by the company: Biegły.pl Kancelaria Biegłych Rewidentów Sp. z o.o. based in Wrocław, and was approved without any reservations.

The Consolidated Financial statements of Stalprodukt S.A. Capital Group for 2015 was approved by the General Meeting of Shareholders on 25 June 2014.

The Consolidated Financial Report for 2014 was submitted with the Registration Court on 10 July, 2015.

5. Scope of Work and Liability

The present report has been prepared for the General Meeting of Shareholders of Stalprodukt S.A. – company based in Bochnia, 69 Wygoda Street [ul. Wygoda 69] and is concerned with the consolidated balance sheet drawn up as of December 31, 2014, consolidated profit and loss account and consolidated statement of total comprehensive income, consolidated statement of changes in the Parent Company's separate equity and consolidated cash flow statement for the reporting year closed on the day concerned and notes appended to the Consolidated Financial Report.

The Parent Company prepares its consolidated financial reports pursuant to the decision of the General Meeting of Shareholders as of June 30, 2005, in accordance with the International Financial Reporting Standards, approved by the European Union.

The audit of the Consolidated Financial Report was carried out in accordance with the contract No 57/IX/2015, concluded pursuant to the Resolution of the Supervisory Board as of June 30, 2015 regarding the selection of the entity authorized to audit financial reports.

We have carried out the audit of the Consolidated Financial Report pursuant to Chapter 7 of the Accountancy Act, national accounting standards issued by the Polish Council of Certified Auditors and International Standards on Auditing.

The audit of the Consolidated Financial Report was carried out at the seat of the Parent Company in April 2016.

The Company's Management Board is responsible for the correctness of the accounting books as well as preparation and accurate presentation of the Consolidated Financial Report in compliance with the International Financial Reporting Standards, approved by the European Union, and other regulations applicable to issuers of securities admitted to public trading and official stock exchange quotations as well as other applicable regulations, and for the preparation of the Report on the Company's Activities.

Our task was to express our opinion on the Consolidated Financial Report on the basis of the carried out audit and prepare a complementary report in reference to the Consolidated Financial Report concerned.

On the day this report was issued, the Parent Company's Management Board made a statement on the accuracy and clarity of the audited Consolidated Financial Report and on non-occurrence of events, undisclosed in the Consolidated Financial Report, that might have significantly affected the data disclosed in the Consolidated Financial Report for the audited year.

During the Consolidated Financial Report audit, the Parent Company's Management Board submitted all the requested statements, explanations and information and furnished us with all the documents and information necessary to express our opinion and prepare the report.

Both the key auditor and the auditing company Accord'ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością fulfill the requirement of independence from the companies, composing the audited Capital Group, as construed in Art. 56 par. 3 and 4 of the Act as of May 7, 2009 on Certified Auditors, their Self-Government, Entities Authorized to Audit Financial Reports and on Public Supervision (Journal of Laws No 77, item 649).

The scope of the work planned and performed has not been limited in any way. The scope of the audit carried out has resulted from the working documentation compiled and filed at the seat of our company „Accord'ab” Biegli Rewidenci Spółka z o.o.

6. Information on the Financial Report Audits Carried by the Companies Subject to Consolidation

6.1 Parent Company

The Parent Company's Financial Report for the reporting year concluded as of December 31, 2015, was audited by the company: Accord'ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością, entity authorized to audit financial reports No 262 and was approved thereby without any reservations.

6.2 Other Companies Subject to Consolidation

Company Name	Type of Opinion on Financial Report	Entity Authorized To Audit the Financial Report	Balance Sheet Day, as of which the Financial Report was prepared
Stalprodukt Centrostal Kraków Spółka z o.o.	with reservations	Audit Controlling Teresa Sadowska Wrocław	December 31, 2015
STP Elbud Spółka z o.o.	without reservations	Audit Controlling Teresa Sadowska Wrocław	December 31, 2015
Stalprodukt Zamość Spółka z o.o.	without reservations	Audit Controlling Teresa Sadowska Wrocław	December 31, 2015
Zakłady Górniczo-Hutnicze BOLESŁAW S.A.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2015
Stalprodukt Serwis Spółka z o.o.	without reservations	Audit Controlling Teresa Sadowska Wrocław	December 31, 2015
Cynk-Mal Spółka Akcyjna	without reservations	Audit Controlling Teresa Sadowska Wrocław	December 31, 2015
Stalprodukt Wamech Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2015
Stalprodukt Ochrona Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2015
Anew Institute Spółka z o.o.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2015
Stalprodukt MB Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2015

The opinion on the Financial Report prepared by Stalprodukt Centrostal Kraków Sp. z o.o. was issued with the following reservation:

„Considering the Company's economic and financial ratios, results of the financial report audit and economic events which followed the balance sheet day, it is ascertained that the entity's condition authorizes one to claim that there are grounds signaling that the its continued operation will be threatened in the year following the audited year. Since the balance sheet prepared by the Management Board demonstrated a loss exceeding the aggregated supplementary and reserve capital as well as half of the share capital, the Board immediately convened a meeting of shareholders, in accordance with art. 233 par. 1 of the Code of Commercial Companies so that a resolution would be adopted concerning the Company's further existence. On 19 February 2016 a resolution on the Company's further existence was adopted by the Extraordinary Meeting of Shareholders.

At the same time it should be noted that the entity informed in its Financial Report on its continued capacity to pursue its full-range operations without any change".

II. CAPITAL GROUP FINANCIAL ANALYSIS

1. Basic Financial Ratios

Assets and Financing Sources

- The 2015 Balance Sheet Total was increased in relation to the previous year by the amount of PLN 161 191 thousand, which is by 5.1 %.
- The tangible fixed assets account for 52.5% of the Balance Sheet Total and the dominating components in this group of assets are: buildings and structures (32.6 %), technical equipment and machinery (58.2 %) and capital work in progress (5.8 %).
- The current assets account for 40.0 % of the Balance Sheet Total and their share in total assets increased by 9.2% compared to the previous year. The level of inventories decreased by 19.6%, whereas the short-term financial assets increased by 55.7%. The inventories (35.2 %) and short-term receivables (32.7 %) account for a significant share of the current assets.
- The structure of financing sources was changed as well as the equity share in gross fixed capital formation was increased by 7.9%.

Sales and Costs

- The Capital Group achieved a net profit at the level of PLN 227 234 thousand, i.e. by 124.1 % higher compared to the previous year.
- The Group finances its activities from its own funds, commercial (open account) credits and, to a slight degree, from bank credits. The charge of financial costs was decreased by PLN 8 469.0 thousand over 2014.

Efficiency and Financial Liquidity

- The profitability ratios recorded in the analyzed year are favorable, and they were increased compared to 2013. The liquidity ratios are maintained at an optimal level.
- Group's debt ratio in 2015 was maintained at a fixed level compared to 2014 and amounted to 38,0%.

Continued Activities

As a result of the carried out audit, including the financial analysis, no threats were detected for the continuation of economic activities in the year to follow the audited year, the same likely to be caused by an intended or compulsory abandonment, or substantial limitation of the Capital Group's present activities.

2. General Analysis of the Consolidated Financial Report

Capital Group Analytical Balance Sheet

PLN thou.

ASSETS		2015		2014		2013		DYNAMICS (%)	
		VALUE	%	VALUE	%	VALUE	%	15/14	14/13
I. Fixed Assets		1 983 072	60,0	1 933 721	61,5	1 914 100	64,0	102,6	101,0
1.	Intangible assets, including:	135 652	4,1	101 409	3,2	95 185	3,2	133,8	106,5
2.	Tangible fixed assets	1 736 547	52,5	1 743 162	55,4	1 740 220	58,2	99,6	100,2
3.	Long-term receivables	319	0,0	321	0,0	258	0,0	99,4	124,4
4.	Long-term investments	69 232	2,1	59 690	1,9	53 958	1,8	116,0	110,6
4.1	Real estate	4 613	0,1	5 196	0,2	5 752	0,2	88,8	90,3
4.2	Long-term financial assets	64 619	2,0	54 494	1,7	48 206	1,6	118,6	113,0
5.	Long-term prepayments	41 322	1,3	29 139	0,9	24 479	0,8	141,8	119,0
5.1	Deferred income tax assets	30 619	0,9	22 310	0,7	16 446	0,5	137,2	135,7
5.2	Other prepayments	10 703	0,3	6 829	0,2	8 033	0,3	156,7	85,0
II. Current Assets		1 322 674	40,0	1 210 834	38,5	1 078 312	36,0	109,2	112,3
1.	Inventory	465 337	14,1	578 748	18,4	506 632	16,9	80,4	114,2
2.	Short-term receivables	433 077	13,1	388 758	12,4	409 953	13,7	111,4	94,8
3.	Short-term investments	403 696	12,2	229 265	7,3	152 389	5,1	176,1	150,4
3.1	Short-term financial assets	307 969	9,3	197 768	6,3	120 999	4,0	155,7	163,4
	a) loans	0	0,0	0	0,0	0	0,0	0,0	0,0
	b) short-term securities	40 307	1,2	28 758	0,9	9 246	0,3	140,2	311,0
	c) cash and cash equivalents	267 662	8,1	169 010	5,4	111 753	3,7	158,4	151,2
3.2	Other short-term investments	95 727	2,9	31 497	1,0	31 390	1,0	303,9	100,3
4.	Short-term prepayments	20 564	0,6	14 063	0,4	9 338	0,3	146,2	150,6
C. Fixed assets held for sale		0	0,0	0	0,0	0	0,0	0,0	0,0
TOTAL ASSETS		3 305 746	100,0	3 144 555	100,0	2 992 412	100,0	105,1	105,1

LIABILITIES		2015		2014		2013		DYNAMICS (%)	
		VALUE	%	VALUE	%	VALUE	%	15/14	14/13
I. Equity		2 049 903	62,0	1 846 650	58,7	1 756 328	58,7	105,1	111,4
1. Equity attributable to shareholders of the Parent Company		1 964 302	59,4	1 739 906	55,3	1 627 830	54,4	106,9	104,0
1.1 Share capital		13 450	0,4	13 450	0,4	13 450	0,4	100,0	100,0
1.2 Own shares		0	0,0	-140	0,0	-140	0,0	100,0	100,0
1,3 Reserve capital		268 443	8,1	180 606	5,7	120 035	4,0	150,5	97,6
1.4 Reserve capital from revaluation		69 287	2,1	4 592	0,1	4 521	0,2	101,6	80,6
1.5 Other reserve capital		1 432 544	43,3	1 461 024	46,5	1 434 185	47,9	101,9	104,5
1.6 Retained profit (loss)		-38 490	-1,2	-10 691	-0,3	-16 974	-0,6	63,0	134,2
1.7 Net profit (loss)		219 068	6,6	91 065	2,9	72 753	2,4	125,2	114,7
2. Minority capital		85 601	2,6	106 744	3,4	128 498	4,3	83,1	1061,4
II. Liabilities and provisions for liabilities		1 255 843	38,0	1 297 905	41,3	1 236 084	41,3	105,0	247,7
1. Provisions for liabilities		306 146	9,3	247 392	7,9	213 478	7,1	115,9	1020,9
1.1 Provision for deferred income tax		84 584	2,6	57 326	1,8	49 179	1,6	116,6	325,3
1.2 Other provisions		221 562	6,7	190 066	6,0	164 299	5,5	115,7	2836,2
a) long-term		147 950	4,5	151 305	4,8	141 160	4,7	107,2	3309,0
b) short-term		73 612	2,2	38 761	1,2	23 139	0,8	167,5	1515,3
2. Long-term liabilities		397 637	12,0	415 448	13,2	453 760	15,2	91,6	373,7
2.1 Long-term credits and loans		84 272	2,5	92 252	2,9	90 010	3,0	102,5	111,4
2.2 Other long-term liabilities		17 250	0,5	27 081	0,9	67 635	2,3	40,0	166,6
2.3 Contingent liabilities due to the purchase of ZGH		296 115	9,0	296 115	9,4	296 115	9,9	100,0	x
3. Short-term liabilities		534 850	16,2	623 290	19,8	564 435	18,9	110,4	158,5
3.1 Short-term credits and loans		91 086	2,8	113 609	3,6	64 079	2,1	177,3	173,6
3.2 Current part of long-term credits and loans		20 000	0,6	20 000	0,6	30 963	1,0	64,6	154,8
3.3 Trade liabilities		243 879	7,4	307 225	9,8	367 593	12,3	83,6	136,8
3.4 Income tax liabilities		34 587	1,0	11 124	0,4	214	0,0	5198,1	159,7
3.5 Other short-term liabilities		145 298	4,4	171 332	5,4	101 586	3,4	168,7	335,9
4. Accruals		17 210	0,5	11 775	0,4	4 411	0,1	266,9	623,0
C. Fixed assets held for sale		0	0,0	0	0,0	0	0,0	0,0	0,0
TOTAL LIABILITIES		3 305 746	100,0	3 144 555	100,0	2 992 412	100,0	105,1	144,1

Capital Group Analytical Profit and Loss Account

PLN thou.

CONTENT	PERFORMANCE FOR			DYNAMICS (%)	
	2015	2014	2013	15/14	14/13
Net sales of products, goods and materials, including	3131 693	2 858 537	2 806 523	109,6	101,9
Net sales of products	3 041 973	2 735 050	2 635 042	111,2	103,8
Net sales of goods and materials	89 720	123 487	171 481	72,7	72,0
Costs of sold products, goods and materials, including:	2 582 617	2 498 118	2 567 709	103,4	97,3
Production cost of products sold	2 497 530	2 380 291	2 403 604	104,9	99,0
Value of goods and materials sold	85 087	117 827	164 105	72,2	71,8
Gross profit (loss) on sales	549 076	360 419	238 814	152,3	150,9
Selling costs	79 344	76 217	74 439	104,1	102,4
General and administrative costs	135 093	130 066	121 810	103,9	106,8
Profit (loss) on sales	334 639	154 136	42 565	217,1	362,1
Other operating income	24 251	23 351	50 379	103,9	46,4
Other operating costs	67 338	34 136	12 225	197,3	279,2
Profit (loss) on operating income	291 552	143 351	80 719	203,4	177,6
Financial income	15 813	20 435	30 598	77,4	66,8
Financial costs	20 006	28 475	14 498	70,3	196,4
Profit from stakes in associated entities	-350	0	0	0,0	0,0
Gross profit (loss)	287 009	135 311	96 819	212,1	139,8
Income tax	59 775	33 919	19 374	176,2	175,1
Net profit (loss)	227 234	101 392	77 445	224,1	130,9
1. Attributable to Shareholders of the Parent Company	219 068	91 065	72 753	240,6	125,2
2. Attributable to minority Shareholders	8 166	10 327	4 692	79,1	220,1

Ratios Characterizing the Capital Group Activities

Ratio	Content		2015	2014	2013
Return on Assets	net financial result	%	6,9	3,2	2,6
	total assets				
Return on Equity	net financial result	%	11,1	5,5	4,4
	equity				
Net Return on Sales	net financial result	%	7,3	3,5	2,8
	sales of products and goods				
Gross Return on Sales	products and goods sales result	%	10,7	5,4	1,5
	net sales of products and goods				
Liquidity – Cash Ratio I	total current assets	x times	2,2	1,8	1,8
	liabilities and short-term provisions				
Liquidity – Quick Ratio II	current assets – inventory	x times	1,4	1,0	1,0
	Liabilities and short-term provisions				
Liquidity – Current Ratio III	short-term investments	x times	0,7	0,3	0,3
	liabilities and short-term provisions				
Receivables Turnover	trade receivables x 365	days	41,1	44,2	47,5
	net sales of products, goods and materials				
Payables Turnover	Trade liabilities x 365	days	34,5	44,9	52,3
	value of sold goods and materials + production costs of products sold				
Inventory Turnover	Inventory x 365	days	65,8	84,6	72,0
	value of sold goods and materials				
Equity to Fixed Assets	equity	%	103,4	95,5	91,8
	fixed assets				
Sustainability of Financing Structure	equity + liabilities and long-term provisions	x times	0,8	0,8	0,8
	total liabilities				
Net Current Assets	current assets minus liabilities and short-term provisions	PLN thou.	714 212	548 783	490 738
Debt Ratio	liabilities and provisions for liabilities	%	38,0	41,3	41,3
	liabilities				

III. REPORT DETAILED PART

1. Accounting Principles

The Parent Company is in possession of updated documentation describing the accounting principles applied in the Capital Group, and approved by the Parent Company's Management Board.

The adopted accounting principles have been presented in the notes appended to the Consolidated Financial Report, in the scope required by the International Financial Reporting Standards, approved by the European Union.

Separate financial reports of the companies subject to the Consolidated Financial Report were prepared at the end of the same reporting period as the Parent Company's separate Financial Report.

2. Legal Basis of the Consolidated Financial Report

The Consolidated Financial Report of the Stalprodukt S.A. Capital Group has been prepared in accordance with the International Financial Reporting Standards, approved by the European Union and other applicable regulations.

The Consolidated Financial Report was based on the consolidation documentation, drawn up pursuant to the requirements contained in the Regulation of the Minister of Finance dated September 25, 2009 concerning detailed rules of preparation of consolidated financial reports of capital groups by entities other than banks, insurance and reinsurance companies (Journal of Laws as of 2009, No 169, item 1327).

During the audit we did not detect any consolidation documentation inconsistencies which might have affected the audited consolidated financial report and which would not have been removed so that appropriate conditions would be observed in order to make the consolidation documentation compliant.

3. Consolidation Method

The consolidation methods have been presented in the additional documentation appended to the Consolidated Financial Report.

4. Capital Consolidation and Calculation of Non-Controlling Interests

The initial capital of the Capital Group is the Parent Company's initial capital.

The Capital Group's equity components were calculated by adding certain equity components, of the subsidiary companies included in the Consolidated Financial Report, corresponding to the Parent Company's percentage share in the subsidiary companies' equity as of the end of the reporting period, to specific components of the Parent Company's equity,

The Capital Group's equity embraced only those components of the subsidiary companies' equity which have come into existence since the day the same were taken over by the Parent Company.

The calculation of the non-controlling interests in the subsidiary companies, included in the Consolidated Financial Report, were based on the non-controlling interests' percentage share in the subsidiary companies' equity as of the end of the reporting period

5. Consolidation Exclusions

Some consolidation exclusions were made, concerning intra-group settlements.

During the consolidation process some exclusions were made, concerning the transactions of sale performed between the Group's entities, other intra-group operating income and costs as well as financial income and costs.

The data underlying the exclusions were obtained from the accounting books of Stalprodukt S.A. or its subsidiary companies and reconciled with the information obtained from the subsidiary companies.

6. Notes Appended to the Consolidated Financial Reports

The data contained in the notes appended to the Consolidated Financial Report, containing the description of the significant accounting principles and other explanatory information, were presented completely and correctly in all essential aspects. The data concerned constitute an integral part of the Consolidated Financial Report..

7. Report on Capital Group's Activities

The Report on the Capital Group Activities is complete in the understanding of Article 49, par. 2 of the Accountancy Act and the information contained therein, originating from the enclosed Consolidated Financial Report are consistent therewith.

Teresa Sadowska, Certified Auditor No 9358

Key certified auditor carrying out the audit on behalf of
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Entity authorized to audit financial reports No 262.

Wrocław, April 26, 2016