

Abridged interim consolidated financial report  
for the 1st quarter of 2014

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	1st quarter(s) increasingly for the period from 01- 01-2014 to 31-03- 2014	1st quarter(s) increasingly for the period from 01-01-2013 to 31- 03-2013	1st quarter(s) increasingly for the period from 01-01-2014 to 31- 03-2014	1st quarter(s) increasingly for the period from 01-01-2013 to 31- 03-2013
I. Net sales of products, goods and materials	672 634	722 101	160 556	173 008
II. Operating profit (loss)	18 653	27 072	4 452	6 486
III. Profit (loss) before taxation	17 389	26 174	4 151	6 271
IV. Net profit (loss)	10 495	18 087	2 505	4 333
- attributable to shareholders of the parent company	9 074	18 334	2 166	4 392
- net profit attributed to non-controlling interests	1 421	-247	339	-59
V. Net cash flow from operating activities	-49 139	-52 200	-11 729	-12 507
VI. Net cash flow from investment activities	-18 906	-63 585	-4 513	-15 234
VII. Net cash flow from financial activities	72 376	103 676	17 276	24 840
VIII. Total net cash flow	4 331	-12 109	1 034	-2 901
IX. Total assets	3 008 346	2 992 412	721 201	721 550
X. Liabilities and provisions for liabilities	1 243 694	1 236 084	298 155	298 053
XI. Long-term liabilities	446 252	453 760	106 982	109 414
XII. Short-term liabilities	565 085	564 435	135 470	136 100
XIII. Shareholders' equity	1 764 652	1 756 328	423 046	423 497
- equity attributable to shareholders of the parent company	1 634 850	1 627 830	391 928	392 513
- equity attributed to non-controlling interests	129 802	128 498	31 118	30 984
XIV. Share capital	13 450	13 450	3 224	3 243
XV. Number of shares	6 725 000	6 725 000	6 725 000	6 725 000
XVI. Profit (loss) for one ordinary share (in PLN)	1,58	2,72	0,38	0,65
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	262,40	261,16	62,91	62,97
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)	0,60		0,14	

1. Comparable financial data (item IX-XIV and XVIII) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31<sup>st</sup> December 2013. Other comparable data is presented for the period from 1<sup>st</sup> January 2013 to 31<sup>st</sup> March 2013.
2. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
  - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 31<sup>st</sup> March 2014 and amounting to 4.1713 and 4.1472 for this 31<sup>st</sup> December 2013.
  - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.1894 for 1<sup>st</sup> quarters of 2014 and PLN 4.1738 for 1<sup>st</sup> quarters of 2013.
3. For profit-per-share calculation the number of 6,655,267 shares was adopted. In accordance with IAS, 33, 69,733 own shares purchased by the Issuer were excluded from the calculation.

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CONSOLIDATED BALANCE SHEET	thousand x PLN	
	31.03.2014	31.12.2013
<b>Assets</b>		
<b>I. Fixed assets</b>	<b>1 894 423</b>	<b>1 914 100</b>
1. Intangible fixed assets, including:	94 766	95 185
- right of perpetual land use	64 337	63 751
2. Tangible fixed assets	1 722 252	1 740 220
3. Long-term receivables	263	258
4. Long-term investments	52 594	53 958
4.1. Real estate investments	5 605	5 752
4.2. Intangible assets		
4.3. Long-term financial assets	46 989	48 206
4.4. Other long-term investments		
5. Long-term prepayments	24 548	24 479
5.1. Deferred income tax assets	16 519	16 446
5.2. Other prepayments	8 029	8 033
<b>II. Current assets</b>	<b>1 113 923</b>	<b>1 078 312</b>
1. Inventories	545 700	506 632
2. Short-term receivables	399 599	409 953
3. Short-term investments	153 603	152 389
3.1. Short-term financial assets	127 692	120 999
a) loans		
b) short-term securities	11 608	9 246
c) cash and cash equivalents	116 084	111 753
3.2. Other short-term investments	25 911	31 390
4. Short-term prepayments	15 021	9 338
<b>Total assets</b>	<b>3 008 346</b>	<b>2 992 412</b>
<b>Liabilities</b>		
<b>I. Shareholders' equity</b>	<b>1 764 652</b>	<b>1 756 328</b>
1. Equity attributable to shareholders of the parent company	1 634 850	1 627 830
1.1. Share capital	13 450	13 450
1.2. Own shares (stocks) (negative value)	-140	-140
1.3. Reserve capital	120 035	120 035
1.4. Reserve capital from revaluation	4 521	4 521
1.5. Other reserve capital	1 434 185	1 434 185
1.6. Retained earnings (losses)	53 725	-16 974
1.7. Net profit (loss)	9 074	72 753
1.8. Gain from a bargain purchase	129 802	128 498
2. Capital non-controlling interests	1 243 694	1 236 084
<b>II. Liabilities and provisions for liabilities</b>	<b>226 381</b>	<b>213 478</b>
1. Provisions for liabilities	51 115	49 179
1.1. Provision for deferred income tax	175 266	164 299
1.2. Other provisions	141 099	141 160
a) long-term	34 167	23 139
b) short-term	446 252	453 760
2. Long-term liabilities	83 382	90 010
2.1. Long-term credits and loans	66 755	67 635
2.2. Other long-term liabilities	296 115	296 115
3. Short-term liabilities	565 085	564 435
3.1. Short-term credits and loans	151 959	64 079

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3.2. Current part of long-term credits and loans	20 000	30 963
3.3. Trade liabilities	297 854	367 593
3.4. Income tax liabilities	3 121	214
3.5. Other short-term liabilities	92 151	101 586
4. Accruals	5 976	4 411
<b>Total liabilities</b>	<b>3 008 346</b>	<b>2 992 412</b>

Book value	<b>1 764 652</b>	<b>1 756 328</b>
Number of shares	6 725 000	6 725 000
Book value per share (PLN)	262,40	261,16

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st quarter of 2014 - period from 01-01- 2014 to 31-03-2014	1st quarter of 2013 - period from 01-01- 2013 to 31-03-2013
<b>I. Net sales of products, goods and materials, including:</b>	<b>672 634</b>	<b>722 101</b>
1. Net sales of products	629 329	679 562
2. Net sales of goods and materials	43 305	42 539
<b>II. Costs of products, merchandise and materials sold, including:</b>	<b>607 566</b>	<b>649 498</b>
1. Production cost of products sold	566 440	605 898
2. Value of goods and materials sold	41 126	43 600
<b>III. Gross profit (loss) on sales</b>	<b>65 068</b>	<b>72 603</b>
IV. Selling costs	17 302	18 138
V. General and administrative costs	30 017	28 375
<b>VI. Profit (loss) on sales</b>	<b>17 749</b>	<b>26 090</b>
VII. Other operating incomes	2 245	2 360
VIII. Other operating costs	1 341	1 378
<b>IX. Operating profit (loss)</b>	<b>18 653</b>	<b>27 072</b>
X. Financial incomes	4 227	8 873
XI. Financial costs	5 491	9 771
<b>XII. Profit (loss) before taxation</b>	<b>17 389</b>	<b>26 174</b>
XIII. Income tax	6 894	8 087
<b>XIV. Net profit (loss)</b>	<b>10 495</b>	<b>18 087</b>
1. Attributable to shareholders of the parent company	9 074	18 334
2. Attributed to non-controlling interests	1 421	-247

Profit (loss) net	10 495	18 087
Weighted average number of ordinary shares	6 655 267	6 655 267
Profit (loss) for one ordinary share (in PLN)	1,58	2,72

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TOTAL COMPREHENSIVE CONSOLIDATED INCOME for the period	thousand x PLN	
	1st quarter of 2014 - period from 01-01- 2014 to 31-03-2014	1st quarter of 2013 - period from 01-01- 2013 to 31-03-2013
Net result	10 495	18 087
Gain from a bargain purchase		17 457
<b>Total Comprehensive Income</b>		
	<b>10 495</b>	<b>35 544</b>
Total comprehensive income attributable to the parent company shareholders	9 074	35 791
Total comprehensive income attributed to non-controlling interests	1 421	-247

Statement of changes in equity for the period from 1st January to 31st March 2014 and 2013	thousand x PLN									
	Share capital	Own shares	Supplementary capital	Revaluation reserve	Other reserve capital	Retained profits	Current year net profit	Gain from a bargain purchase	Capital non-controlling interests	Equity TOTAL
<b>Balance on this 1.01.2014 (opening balance)</b>	<b>13 450</b>	<b>-140</b>	<b>120 035</b>	<b>4 521</b>	<b>1 434 185</b>	<b>55 779</b>			<b>128 498</b>	<b>1 756 328</b>
Intercapital and consolidation transfer						-2 054			-117	-2 171
Dividend										
Inclusion in consolidation Capital Group ZGH "Bolesław"							9 074		1 421	<b>10 495</b>
Total comprehensive income for period 1.01 - 31.12.2014	<b>13 450</b>	<b>-140</b>	<b>120 035</b>	<b>4 521</b>	<b>1 434 185</b>	<b>53 725</b>	<b>9 074</b>		<b>129 802</b>	<b>1 764 652</b>
<b>Balance on this 31.03.2014 (closing balance)</b>	<b>13 450</b>	<b>-140</b>	<b>123 040</b>	<b>5 612</b>	<b>1 372 368</b>	<b>50 783</b>			<b>12 107</b>	<b>1 577 220</b>
<b>Balance on this 1.01.2013 (opening balance)</b>				14 325		6 774			-547	<b>20 552</b>
Intercapital transfer										
Dividend									115 437	<b>115 437</b>
Total comprehensive income for period 1.01 - 31.12.2013							18 334	17 457	-247	<b>35 544</b>
<b>Balance on this 31.03.2013 (closing balance)</b>	<b>13 450</b>	<b>-140</b>	<b>123 040</b>	<b>19 937</b>	<b>1 372 368</b>	<b>57 557</b>	<b>18 334</b>	<b>17 457</b>	<b>126 750</b>	<b>1 748 753</b>

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CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	1st quarter of 2014 - period from 01-01- 2014 to 31-03-2014	1st quarter of 2013 - period from 01-01- 2013 to 31-03-2013
<b>A. Cash flow from operational activity - indirect method</b>		
<b>I. Net profit (loss)</b>	10 495	18 087
<b>II. Total adjustments</b>	-59 634	-70 287
1. Net profit share of entities – valuation with equity method		
2. Depreciation	33 498	30 731
3. (Profit) loss from exchange rate fluctuations	141	2 333
4. Interest and profit share (dividends)	2 418	2 594
5. (Profit) loss on investment activities	-1 843	-2 304
6. Change in reserves	12 903	205 317
7. Change in inventories	-39 068	-159 645
8. Change in receivables	10 354	-239 628
9. Change in short-term liabilities except for loans and credits	-76 267	115 968
10. Change in accruals	-4 118	-30 204
11. Other adjustments	2 348	4 551
<b>III. Net cash flow from operating activities</b>	<b>-49 139</b>	<b>52 200</b>
<b>B. Cash flow from investment activity</b>		
<b>I. Inflows</b>	1 202	14 273
1. Sales of intangible and tangible fixed assets	215	87
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	987	14 186
- financial assets sold	867	14 091
- dividends and profit share received		
- repayment of long-term loans granted		
- interest received	120	95
- other inflows from financial assets		
4. Other investment inflows		
<b>II. Outflows</b>	-20 108	-77 858
1. Purchase of intangible and tangible fixed assets	-16 819	-71 604
2. Real estate property and intangible assets		
3. To financial assets, including:	-2 134	-6 180
- financial assets purchased	2 134	6 180
- long-term loans granted		
4. Other investment outflows	-1 155	-74
<b>III. Net cash flow from investment activities</b>	<b>-18 906</b>	<b>-63 585</b>
<b>C. Cash flow from financial activity</b>		
<b>I. Inflows</b>	81 322	109 210
1. Net inflows from issue of shares, other capital instruments and capital receipts		1 000
2. Credits and loans	81 252	107 920
3. Issue of debentures		
4. Other financial inflows	70	290
<b>II. Outflows</b>	-8 946	-5 534
1. Purchase of own shares		

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2. Dividends and other dues paid to shareholders		
3. Outflows from profit distribution, other than dues paid to shareholders		
4. Credits and loans repaid	-3 798	-1 939
5. Redemption of debentures		
6. From other financial liabilities	-1 684	
7. Contractual payments of financial leasing dues	-856	-905
8. Interest paid	-2 608	-2 690
9. Other financial outflows		
<b>III. Net cash flow from financial activities</b>	<b>72 376</b>	<b>103 676</b>
<b>D. Total net cash flow</b>	<b>4 331</b>	<b>-12 109</b>
<b>E. Balance sheet change in cash, including:</b>	<b>4 331</b>	<b>-12 109</b>
- change in cash due to exchange rates fluctuations		
<b>F. Cash (beginning of period)</b>	<b>111 753</b>	<b>77 488</b>
<b>G. Cash (end of period), including:</b>	<b>116 084</b>	<b>65 379</b>
- of limited access and disposal		