

PFLEIDERER GRAJEWO S.A.
UNAUDITED CONDENSED SEPARATE
INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS PERIODS
ENDED 30 JUNE 2015

PFLEIDERER GRAJEWO S.A.

Unaudited condensed consolidated interim financial statements for the three and six month periods ended 30 June 2015

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PFLEIDERER GRAJEWO S.A.**Unaudited condensed consolidated separate interim financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Unaudited interim condensed separate statement of financial position

	Note	30 June 2015	31 Dec 2014
Assets			
Property, plant and equipment	3	150,749	155,814
Intangible assets		2,643	2,582
Investments in subsidiaries	4	785,743	785,752
Other non-current financial assets		75	75
Non-current loans granted to subsidiaries		10,251	10,027
Deferred tax assets	4	65	-
Fair value of hedging instruments		1,492	626
Non-current assets		951,018	954,876
Inventories		60,896	74,031
Income tax receivable		88	-
Trade receivables and other		75,968	50,475
Cash and cash equivalents		10,155	4,527
Fair value of hedging instruments		2,986	587
Current assets		150,093	129,620
TOTAL ASSETS		1,101,111	1,084,496
Equity			
Share capital		16,376	16,376
Share premium		289,806	289,806
Reserves		358,792	294,978
Retained earnings		80,860	83,631
Total equity		745,834	684,791
Liabilities			
Employee related payables		8,754	8,754
Deferred tax liabilities		-	2,237
Total non-current liabilities		8,754	10,991
Loans and borrowings	5	-	11,149
Income tax payable		-	470
Liabilities to related parties under debt securities	6	249,017	278,503
Trade and other payables		85,541	85,184
Employee related payables		11,965	13,408
Total current liabilities		346,523	388,714
Total liabilities		355,277	399,705
TOTAL EQUITY AND LIABILITIES		1,101,111	1,084,496

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWÓ S.A.**Unaudited condensed consolidated separate interim financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Unaudited interim condensed separate statement of profit or loss and other comprehensive income

	Six months ended 30 Jun 2015	Six months ended 30 Jun 2014	Three months ended 30 Jun 2014	Three months ended 30 Jun 2014
Revenue	315,419	333,358	152,216	162,077
Cost of sales	(273,467)	(285,046)	(130,931)	(136,894)
Profit on sales	41,952	48,312	21,285	25,183
Other income	7,200	2,669	3,998	197
Distribution expenses	(17,611)	(19,029)	(9,718)	(7,987)
General and administrative expenses	(12,508)	(12,892)	(6,029)	(6,268)
Other expenses	(1,330)	(989)	(339)	(174)
Results from operating activities	17,703	18,071	9,197	10,951
Financial income	46,927	38,894	45,032	38,575
Financial expenses	(4,063)	(6,769)	(1,733)	(3,151)
Net financing income	42,864	32,125	43,299	35,424
Profit before tax	60,567	50,196	52,496	46,375
Income tax expense	(2,789)	(2,360)	(1,478)	(1,631)
Profit for the period	57,778	47,836	51,018	44,744
OTHER COMPREHENSIVE INCOME				
Items that are or may be reclassified to profit or loss				
Cash flow hedge – effective portion of changes in fair value	7,524	1,086	(4,292)	413
Cash flow hedge – reclassified to profit or loss	(4,259)	(779)	(2,773)	(562)
Other comprehensive income (loss)	3,265	307	(7,065)	(149)
Total comprehensive income for the period	61 043	48 143	43 953	44 595
Basic and diluted earnings per share (PLN)	1,16	0,96	1,03	0,90
Basic and diluted earnings per share (PLN) - continuing operations	1,16	0,96	1,03	0,90

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.**Unaudited condensed consolidated separate interim financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Unaudited interim condensed separate statement of changes in equity*For the six month period ended 30 June 2015*

	Share capital	Share premium	Statutory reserve funds	Cash flow hedges	Retained earnings	Total
As at Jan 1 2015	16,376	289,806	293,765	1,213	83,631	684,791
Comprehensive income for the period						
Net profit	-	-	-	-	57,778	57,778
Other comprehensive income for the period	-	-	-	3,265	-	3 265
Total comprehensive income for the period	-	-	-	3,265	57 778	61,043
Transactions with owners recognised in equity						
Transfer of 2014 net profit to statutory reserve funds	-	-	60,549	-	(60,549)	-
Total transactions with owners recognised in equity	-	-	60,549	-	(60,549)	-
As at 30 Jun 2015	16,376	289,806	354,314	4,478	80,860	745,834

For the six month period ended 30 June 2014

	Share capital	Share premium	Statutory reserve funds	Cash flow hedges	Retained earnings	Total
As at Jan 1 2014	16,376	289,806	207,762	-	109,085	623,029
Comprehensive income for the period						
Net profit	-	-	-	-	47,836	47,836
Other comprehensive income for the period	-	-	-	307	-	307
Total comprehensive income for the period	-	-	-	307	47,836	48,143
Transactions with owners recognised in equity						
Transfer of 2013 net profit to statutory reserve funds	-	-	86,003	-	(86,003)	-
Total transactions with owners recognised in equity	-	-	86,003	-	(86,003)	-
As at Jun 30 2014	16,376	289,806	293,765	307	70,918	671,172

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.**Unaudited condensed consolidated separate interim financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Unaudited interim condensed separate statement of cash flows

	Six months ended 30 June 2015	Six months ended 30 June 2014
Net profit for the reporting period	57,778	47,836
Adjustments for:	(4,414)	(37,190)
Depreciation and amortisation	10,507	7,422
Foreign exchange gains	(4,070)	(1,049)
Dividends and interests for the period	(42,080)	(31,688)
(Gain) on investing activities	(34)	(116)
Income tax disclosed in profit or loss of the period	2,789	2,360
Result on forward contracts	4,259	779
Other	(659)	116
Changes in:		
- trade and other receivables	180	(1,519)
- inventories	13,135	4,040
- trade and other payables	13,002	(16,778)
-in employee benefit obligations	(1,443)	(757)
Cash flows from operating activities	53,415	10,646
Interest received	32	91
Interest paid	(24)	(14)
Income tax (paid)/received	(5,599)	20,419
Net cash from operating activities	47,773	31,142
Cash flows provided by investing activities		
Disposal of property, plant and equipment	75	116
Dividend received	460	-
Acquisition of non-controlling interests	-	(30,341)
Income from disposal of discontinued operations	18,098	6,388
Acquisition of intangible assets and property, plant and equipment	(16,204)	(16,587)
Net cash from/(used in) investing activities	2,429	(40,424)
Cash flows from financing activities		
Repayment of borrowings and other debt instruments	(11,149)	-
Increase in borrowings and other debt instruments	-	15,779
Redemption of debt securities	(679,876)	(742,075)
Issue of debt securities	650,821	747,636
Interest paid	(4,370)	(5,811)
Net cash from/ (used in) financing activities	(44,575)	15,529
Total cash flows	5,628	6,247
Increase in cash	5,628	6,247
Cash at beginning of the period from continuing activity	4,527	4,826
Cash at end of the period	10,155	11,073

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWÓ S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

Notes to the unaudited interim condensed consolidated financial statements

1. General information

Pfleiderer Grajewo S.A. ("the Company") is a company domiciled in Poland, which shares are publicly traded.

The Company was registered by the District Court of Białystok, XII Commercial Division of the National Court Register, under entry No. KRS 0000011422.

The Company's registered office is at 1 Wiórowa Street, Grajewo, Poland.

In accordance with the Polish Classification of Business Activities, the Pfleiderer Grajewo S.A. is registered under No. 1621Z.

Principal business activities are:

- manufacture and processing of wood and wood-based chipboards,
- paper processing,
- trade at home and abroad.

2. Basis of preparation

a) Statement of compliance

The foregoing interim condensed separate financial statements were prepared in accordance with requirements of IAS 34 "Interim financial reporting" as adopted for use by European Union and in the scope required under the Minister of Finance Regulation of 19 February 2009 on current and periodic information provided by issuers of securities and conditions of recognition as equivalent information required by the law of a non-member state (consolidated text: Official Journal 2014, item 133) ("Regulation").

These interim condensed separate financial statements are published along with the interim condensed consolidated financial statements of the Pfleiderer Grajewo S.A. Group. To have a full understanding of the financial results of the Company, these interim condensed separate financial statements should be read in conjunction with the interim condensed consolidated financial statements of the Pfleiderer Grajewo S.A. Group.

These interim condensed separate financial statements are presented in the Polish zloty (PLN) and all amounts have been rounded to the nearest thousand (PLN'000), unless stated otherwise.

The interim condensed separate financial statements were authorised for issue by the Company's Management Board on 7 August 2015.

b) Basis of accounting

These interim condensed separate financial statements have been prepared in accordance with the accounting principles described in the audited annual separate financial statements of Pfleiderer Grajewo S.A. for the year ended 31 December 2014.

The Company's accounting policies have been applied consistently in all periods presented in these interim condensed separate financial statements.

c) Accounting estimates and assumptions

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Company reviews its assets on an ongoing basis and, if necessary, recognises impairment losses in profit and loss accounts. Allowances are primarily recognised on trade receivables and inventories i.e. materials and finished goods. In addition, the Company reviews the economic useful life of fixed assets and factors influencing the recoverable amount of non-current assets. Retirement provision is calculated based on assumptions using actuarial method.

Estimates and underlying assumptions applied in these interim financial statements are the same as those applied in the Company's annual separate financial statements as at and for the year ended 31 December 2014.

3. Property, plant and equipment

From 1 January 2015 to 30 June 2015, the Company incurred capital expenditures in the total amount of PLN 5,543 thousand.

4. Investments in subsidiaries

The Company's investments in subsidiaries:

	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>
Interest in subsidiaries	785,743	785,752
Non-current loans granted to subsidiaries	10,251	10,027
	<u>795,994</u>	<u>795,779</u>

5. Borrowings and other debt instruments

	<u>30 Jun 2015</u>	<u>31 Dec 2014</u>
Current liabilities		
Overdraft facilities	-	11,149
Total	<u>-</u>	<u>11,149</u>

Bank loans

On 26 and 27 June 2013, the Pfleiderer Grajewo S.A. and the subsidiaries: Pfleiderer Prospan S.A. and Silekol Sp. z o.o. concluded new credit facility agreements. The total credit limit available under the facilities provided by the four banks amounts to PLN 300,000 thousand and secures the financial liquidity of the Company. On 26 June 2017, total limit under overdraft facility provided by BOŚ Bank S.A. shall be decreased from the amount of PLN 40,000 thousand to the amount of PLN 30,000 thousand. As at 30 June 2015, the undrawn amount of these credit facilities is PLN 293,700 thousand.

PFLEIDERER GRAJEWO S.A.**Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Terms and repayment schedules of the bank borrowings as at 30 June 2015 and 31 December 2014 are presented below:

Lender	Interest rate	Maturity date	Security	As at 30 Jun 2015	
				Current portion	Non-current portion
Millennium S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	-	-
Millennium S.A.	1M WIBOR + margin	25 Jun 2016	mortgages, pledges	-	-
Alior Bank S.A.	1M WIBOR + margin	25 Jun 2018	mortgages	-	-
Alior Bank S.A.	1M WIBOR + margin	25 Jun 2016	mortgages	-	-
BZ WBK S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	-	-
BZ WBK S.A.	1M WIBOR + margin	25 Jun 2016	mortgages, pledges	-	-
BOŚ Bank S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	-	-
Total				-	-

Lender	Interest rate	Maturity date	Security	As at 31 Dec 2014	
				Current portion	Non-current portion
Millennium S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	2,373	-
Millennium S.A.	1M WIBOR + margin	25 Jun 2016	mortgages, pledges	2,361	-
Alior Bank S.A.	1M WIBOR + margin	25 Jun 2018	mortgages	826	-
Alior Bank S.A.	1M WIBOR + margin	25 Jun 2016	mortgages	868	-
BZ WBK S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	-	-
BZ WBK S.A.	1M WIBOR + margin	25 Jun 2016	mortgages, pledges	1,996	-
BOŚ Bank S.A.	1M WIBOR + margin	25 Jun 2018	mortgages, pledges	2,725	-
Total				11,149	-

6. Liabilities to related parties due to debt securities

	30 Jun 2015	31 Dec 2014
Liabilities to related entities under debt securities	249,017	278,503
Total	249,017	278,503

The liabilities arising from debt securities amounted to PLN 249,017 thousand as at 30 June 2015, (31 December 2014 PLN 278,503 thousand) and relate to issued commercial papers in the form of short-term bonds purchased by the Pfleiderer Prospan S.A., the subsidiary.

These bonds were issued based on a Contract For The Emission Program signed 22 July 2003 with PEKAO S.A. The maximum value of the bonds of PLN 500,000 thousand can be issued based on agreement signed, till 30 June 2018.

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

These bonds are issued in accordance with Bonds Act of 29 June 1995 as PLN denominated, bearer, dematerialized, unsecured and zero-coupon bonds.

The purpose of the bonds issue is to optimize liquidity funds management within the Group, reduce external debt of the Company and finance its day-to-day operations.

7. Contractual commitments to acquire property, plant and equipment

As at 30 June 2014, the Company possessed 33 open investment contracts of PLN 3,943 thousand. Contractual commitments resulted from signed agreements as at reporting date are presented below:

GARDNER DENVER POLSKA Sp. z o.o.	EUR 54 thousand
ZEPPELIN POLSKA Sp. z o.o.	EUR 50 thousand
PHU UNIROL	PLN 1,393 thousand
MADROS KONSTRUKCJE STALOWE	PLN 322 thousand
TRANSSYSTEM Sp. z o.o.	PLN 288 thousand
REFRASERWIS Sp. z o.o.	PLN 229 thousand
others	PLN 1,275 thousand

8. Financial instruments

8.1. Fair value of financial assets and liabilities

The fair value of financial assets and liabilities approximate their carrying amounts both as at 30 June 2015 and 31 December 2014.

8.2. Valuation of financial assets and liabilities at fair value

As at 30 June 2015, the Group has 23 open forward contracts with exposure amounting to EUR 45,940 thousand. The fair value of the open contracts amounted to PLN 4,478 thousand (level 2).

As at 31 December 2014, the Group has 30 open forward contracts with exposure amounting to EUR 65,080 thousand. The fair value of the open contracts amounted to PLN 1,213 thousand (level 2).

PFLEIDERER GRAJEWO S.A.**Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

9. Contingent liabilities and securities over the Company's assets**9.1. Guarantees granted**

As at 30 June 2015, the Company issued the following guarantees:

Debtor	Creditor	Origination date	Amount of liability in foreign currency		PLN '000	Expiry date
			maximum			
Guarantee in EUR:						
Pfleiderer MDF Sp. z. o.o.	PKO BP S.A.	24 Apr 2009	1,115	1,115	4,677	15 Jul 2019
		Total:	1,115	1,115	4,677	
Guarantee in PLN:						
Pfleiderer Prospan S.A., Silekol Sp. z o.o.	BZ WBK S.A.	26 Jun 2013	15,000	-	-	25 Jun 2016
Pfleiderer Prospan S.A.	Alior Bank S.A.	26 Jun 2013	11,500	-	-	25 Jun 2016
Silekol Sp. z o.o.	Alior Bank S.A.	26 Jun 2013	11,500	-	-	25 Jun 2016
Pfleiderer Prospan S.A.	Millennium S.A.	26 Jun 2013	11,500	-	-	25 Jul 2016
Silekol Sp. z o.o.	Millennium S.A.	26 Jun 2013	11,500	-	-	25 Jul 2016
			61,000	-	-	

Guarantees presented in the table above include:

- Guarantee of EUR 1,115 thousand (PLN 4,675 thousand) issued to Pfleiderer MDF Sp. z o.o. in connection with a credit facility given to Pfleiderer MDF Sp. z o.o. by PKO BP S.A. As at 30 June 2015, Pfleiderer MDF Sp. z o.o.'s liability under the facility amounted to PLN 73,476 thousand. The guarantee expires on 15 July 2019.
- Guarantee of PLN 15,000 thousand issued to Pfleiderer Prospan S.A. and Silekol Sp. z o.o. in connection with a credit facility given to Pfleiderer Grajewo S.A. and its subsidiaries, Pfleiderer Prospan S.A. and Silekol Sp. z o.o., by BZ WBK S.A. As at 30 June 2015, the companies' liability under the facility amounted to PLN 0. The guarantee expires on 25 June 2016.
- Guarantee of PLN 11,500 thousand issued to Pfleiderer Prospan S.A. in connection with a credit facility given to Pfleiderer Prospan S.A. by Alior Bank S.A. As at 30 June 2015, Pfleiderer Prospan S.A.'s liability under the facility amounted to PLN 0. The guarantee expires on 25 June 2016.
- Guarantee of PLN 11,500 thousand issued to Silekol Sp. z o.o. in connection with a credit facility given to Silekol Sp. z o.o. by Alior Bank S.A. As at 30 June 2015, Silekol Sp. z o.o.'s liability under the facility amounted to PLN 0. The guarantee expires on 25 June 2016.
- Guarantee of PLN 11,500 thousand issued to Pfleiderer Prospan S.A. in connection with a credit facility given to Pfleiderer Prospan S.A. by Bank Millennium S.A. As at 30 June 2015, Pfleiderer Prospan S.A.'s liability under the facility amounted to PLN 0 thousand. The guarantee expires on 25 July 2016.
- Guarantee of PLN 11,500 thousand issued to Silekol Sp. z o.o. in connection with a credit facility given to Silekol Sp. z o.o. by Bank Millennium S.A. As at 30 June 2015, Silekol Sp. z o.o.'s liability under the facility amounted to PLN 0 thousand. The guarantee expires on 25 July 2016.

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

As at 31 December 2014, the Company issued the following guarantees:

Debtor	Creditor	Origination date	Amount of liability in foreign currency		PLN '000	Expiry date
			maximum			
Sureties in EUR:						
Pfleiderer MDF Sp. z. o.o.	PKO BP S.A.	24 Apr 2009	1,115	1,115	4,752	15 Jul 2019
		Total:	1,115	1,115	4,752	
Sureties in PLN:						
Pfleiderer Prospan S.A., Silekol Sp. z o.o.	BZ WBK S.A.	26 Jun 2013	15,000	-	399	25 Jun 2016
Pfleiderer Prospan S.A.	Alior Bank S.A.	26 Jun 2013	11,500	-	-	25 Jun 2016
Silekol Sp. z o.o.	Alior Bank S.A.	26 Jun 2013	11,500	-	-	25 Jun 2016
Pfleiderer Prospan S.A.	Millennium S.A.	26 Jun 2013	11,500	-	222	25 Jul 2016
Silekol Sp. z o.o.	Millennium S.A.	26 Jun 2013	11,500	-	-	25 Jul 2016
			61,000	-	621	

9.2. Security

As at 30 June 2015, properties with a carrying amount of PLN 21,014 thousand (as at 31 December 2014: PLN 22,809 thousand) were subject to a registered debenture that forms security for bank loans.

9.3. Other contingent liabilities

Anti-trust proceedings

Following a dawn-raid in October 2011, on 30 March 2012 the Polish Office of Competition and Consumer Protection (the "OCCP") commenced proceedings against Kronospan Szczecinek Sp. z o.o., Kronospan Mielec sp. z o.o., Kronopol sp. z o.o., Pfleiderer Grajewo S.A. and Pfleiderer Prospan S.A., regarding possible horizontal price fixing and exchange of information on conditions of sale in the chipboard and fibreboard markets in Poland, which may constitute breaches of Article 6 of the Act on Competition and Consumer Protection and Article 101(1)(a) of the Treaty on the Functioning of the European Union. At this stage, given the fact-intensive nature of the issues involved and the inherent uncertainty of such investigation, it is not possible to evaluate the outcome and potential financial consequences of this still pending and long-lasting investigation, management has determined that not all of the conditions have been met to require a provision for this matter. The maximum fines that the OCCP may impose on Pfleiderer Grajewo S.A. and/or Pfleiderer Prospan S.A. in these proceedings amount to 10% of their respective tax revenues in the year preceding the issuance of the infringement decision. The end date of the proceedings is still uncertain, however one cannot expect that the proceedings will be completed in 2015.

At the date of the publication of these condensed interim consolidated financial statements it is unclear whether OCCP will determine any breaches of Article 6 of the Act on Competition and Consumer Protection and Article 101(1)(a) of the Treaty on the Functioning of the European Union. Therefore as at 31 December 2014 (30 June 2015) no provision has been recognized by the Group in these condensed interim consolidated financial statements.

PFLEIDERER GRAJEWO S.A.**Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

10. Material related-party transactions

Transactions with related parties which are Group entities:

Entity	1 Jan - 30 Jun 2015						
	Sale of products, materials and merchandise	Sale of services	Finance income	Other income	Purchase of products, merchandise and materials	Purchase of services (incl. royalties)	Finance costs
Pfleiderer Service GmbH	-	-	-	-	-	-	-
Pfleiderer Prospan S.A.	1,083	6,429	31,379	279	1,426	1,627	2,494
Pfleiderer MDF Sp. z o.o.	52,079	6,260	224	114	30,500	3,379	-
Silekol Sp. z o.o.	-	512	13,527	64	29,990	-	-
Grajewo OOO	-	-	512	-	-	-	-
Jura Polska Sp. z o.o.	-	408	-	11	10,926	-	-
Pfleiderer GmbH	-	11	-	-	-	1,652	-
Pfleiderer Neumarkt GmbH	21	-	-	-	-	-	-
Pfleiderer Holzwerkstoffe GmbH & Co. KG	-	-	-	-	1,179	21	-
Pfleiderer Gütersloh GmbH	-	-	-	-	-	429	-
Total	53,183	13,620	45,642	468	74,021	7,108	2,494

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PFLEIDERER GRAJEWO S.A.**Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Entity	1 Jan - 30 Jun 2014						
	Sale of products, materials and merchandise	Sale of services	Finance income	Other income	Purchase of products, merchandise and materials	Purchase of services (incl. royalties)	Finance costs
Pfleiderer Service GmbH	-	-	-	-	-	49	-
Pfleiderer Prospan S.A.	900	5,884	16,931	-	2,233	1,645	3,679
Pfleiderer MDF Sp. z o.o.	50,850	5,975	254	-	26,750	2,026	-
Silekol Sp. z o.o.	-	523	21,018	-	35,400	-	-
Grajewo OOO	2,076	-	-	-	-	-	-
Jura Polska Sp. z o.o.	-	369	46	10	-	10,792	-
Pfleiderer GmbH	-	-	-	-	-	1,639	-
Pfleiderer Neumarkt GmbH	35	-	-	-	-	-	-
Pfleiderer Holzwerkstoffe GmbH & Co. KG	-	-	-	75	1,416	27	-
Pfleiderer Gütersloh GmbH	-	-	-	-	-	424	-
Total	53,861	12,751	38,249	85	65,799	16,602	3,679

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWO S.A.**Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015**

(all amounts in PLN thousand)

Related party balances as at 30 June 2015 and 31 December 2014:

Entity	30 Jun 2015			31 Dec 2014		
	Loans granted	Trade receivables	Dividend receivables	Loans granted	Trade receivables	Dividend receivables
Pfleiderer Prospan S.A.	-	1,104	31 379	-	1,297	-
Pfleiderer MDF Sp. z o.o.	10,251	10,276	-	10,027	6,842	-
Silekol Sp. z o.o.	-	5	13 527	-	116	-
Jura Polska Sp. z o.o.	-	33	-	-	68	-
Pfleiderer GmbH	-	11	-	-	-	-
Total	10,251	11,429	44,906	10,027	8,323	-

Entity	30 June 2015			31 Dec 2014		
	Liabilities under debt securities	Trade payables	Liabilities for capital expenditures	Liabilities under debt securities	Trade payables	Liabilities for capital expenditures
Pfleiderer Prospan S.A.	249,017	-	-	278,503	-	-
Pfleiderer MDF Sp. z o.o.	-	7,624	-	-	4,917	-
Silekol Sp. z o.o.	-	16,235	-	-	11,910	-
Jura Polska Sp. z o.o.	-	1,187	-	-	723	-
Pfleiderer GmbH	-	553	-	-	601	-
Pfleiderer Gütersloh GmbH	-	75	-	-	52	-
Pfleiderer Holzwerkstoffe GmbH & Co. KG	-	993	524	-	71	533
Total	249,017	26,667	524	278,503	18,274	533

The notes on pages 7 to 17 are an integral part of these unaudited condensed separate financial statements

PFLEIDERER GRAJEWÓ S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

Remuneration of key management personnel

Remuneration of members of the Management Board as well as Supervisory Board of Pfleiderer Grajewo S.A., including bonuses paid and payable for the reporting period.

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Remuneration of Management Board	1 116	1 449
Remuneration of Supervisory Board	297	312
	1 413	1 761

As at 30 June 2015 members of Management and Supervisory Boards of Pfleiderer Grajewo S.A. had no outstanding loan-related debt towards the Company.

11. Distribution of the 2014 net profit

Based on the resolution of the Ordinary Shareholders Meeting held on 30 June 2015, net profit for the financial year 2014 in the amount of PLN 60,549 thousand was transferred to the reserve capital.

12. Events subsequent to the end of the reporting period

Currently, 65.11% of the share capital in Grajewo is held by Pfleiderer Service GmbH, a wholly-owned subsidiary of Pfleiderer GmbH. Grajewo is currently the parent company of the Core East of the Pfleiderer Group and Pfleiderer GmbH is the holding Company of the Core West and Core East of the Pfleiderer Group. Grajewo intends to enter into a series of transactions in purpose of purchasing all shares in Pfleiderer GmbH and become the holding company of the Pfleiderer Group.

The reorganization of the Group will lead to the full integration of the operations focused on one core market (CEE) and is to provide a basis for the implementation of further synergies.

PFLEIDERER GRAJEWO S.A.

Notes to the unaudited interim condensed separate financial statements for the three and six month periods ended 30 June 2015

(all amounts in PLN thousand)

Michael Wolff

President of the Management Board

Rafał Karcz

Member of the Management Board, Chief Financial Officer

Gerd Schubert

Member of the Management Board, Chief Operating Officer

Wojciech Gałkiewicz

Member of the Management Board, Chief Transformation Officer

Dariusz Tomaszewski

Member of the Management Board, Sales Director

Ewa Stańska

Person responsible for the accounting records

Grajewo, 7 August 2015