



**PGE Polska Grupa Energetyczna S.A.**

**Opinion and Report  
of the Independent Auditor  
Financial Year ended  
31 December 2015**

**The opinion contains 5 pages  
The supplementary report contains 9 pages  
Opinion of the independent auditor  
and supplementary report on the audit  
of the separate financial statements  
for the financial year ended  
31 December 2015**



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*This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.*

## **OPINION OF THE INDEPENDENT AUDITOR**

*To the General Meeting of PGE Polska Grupa Energetyczna S.A.*

### **Opinion on the Separate Financial Statements**

#### *Opinion*

We have audited the accompanying separate financial statements of PGE Polska Grupa Energetyczna S.A., with its registered office in Warsaw, ul. Mysia 2 ("the Company"), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements of PGE Polska Grupa Energetyczna S.A. have been prepared and present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2015 and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, are in compliance with the respective regulations and the provisions of the Company's articles of association that apply to the Company's separate financial statements and have been prepared from accounting records, that, in all material respects, have been properly maintained.

#### *Basis for Opinion*

We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance („National Standards on Assurance”). We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants' ("IFAC Code"), and we have fulfilled our other ethical responsibilities in accordance with the IFAC Code and the impartiality and independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2015, item 1011 with amendments). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

On terms agreed with the Management Board of PGE Polska Grupa Energetyczna S.A., our audit work has been undertaken so that we might state to the Company's shareholders key audit matters that we are required to state to them in an auditor's opinion and, in respect of reporting, as if International Standard on Auditing 700 (Revised January 2015) applied.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

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#### **1. Impairment of non-current financial assets**

*The carrying amount of non-current financial assets as at 31 December 2015: PLN 35,568 million, the accumulated impairment loss on non-current financial assets as at 31 December 2015: PLN 6,063 million, including the impairment loss on the investment in PGE Obrót S.A. of PLN 5,536 million and impairment loss on bonds issued by Autostrada Wielkopolska S.A. ("AWSA") of PLN 386 million.*

*We refer to the financial statements: Note 5.4 "Financial income and expenses", Note 10.1 "The analysis of impairment of shares in PGE Górnictwo i Energetyka Konwencjonalna S.A.", Note 10.2 "The analysis of impairment of shares in PGE Obrót S.A.", Note 22.5.1 "Trade and other financial receivables"*

<b>Key audit matter</b>	<b>Our response</b>
<p>The PGE Group operates primarily on the domestic electricity market. Consequently, the projected operating cash flows of Company's subsidiaries are significantly influenced by long-term assumptions concerning prices of electricity and heat, coal, gas, carbon dioxide emission rights and certificates of origin for electric energy. The price projections are exposed to significant variability due to changing market conditions and significant legislative changes in the energy related regulations, inter alia, on support for renewable energy sources and cogeneration and prospects for the capacity market. Therefore, the estimation of future operating cash flows is a complex process and requires subjective judgments. The estimates of the recoverable amount of assets of each of the Company's subsidiaries directly impact the assessment of the recoverable amount of shares in subsidiaries, bonds acquired and loans granted.</p>	<p>Our audit procedures in respect of shares in subsidiaries, acquired bonds issued by these entities and loans granted to these entities included, among others:</p> <ul style="list-style-type: none"> <li>• evaluating the reasonableness of the Company's judgments as to the existence of impairment indicators, and consequently, the requirement to perform related impairment tests;</li> <li>• critically assessing the Company's assumptions and estimates used to determine the recoverable amount of shares in subsidiaries and consequently any impairment losses recognised. This included: <ul style="list-style-type: none"> <li>- testing the Company's discounted cash flow model using our internal valuations specialists,</li> <li>- assessing macroeconomic assumptions (including those relating to discount rates) by comparing them against external sources of data,</li> <li>- challenging assumptions in respect of prices and volumes.</li> </ul> </li> </ul>

The Company's analysis of the impairment of bonds acquired issued by unrelated entities is exposed to the inherent uncertainty in assessment of the financial position of these entities due to difficulty in obtaining complete and actual information on such. In addition, the bonds held in AWSA are exposed to further uncertainty as a result in a dispute between the State Treasury and AWSA, and the outcome of the proceedings before the European Commission on unlawful state aid.

Our audit procedures in respect of acquired bonds issued by entities not belonging to the PGE Group included, among others:

- Evaluating the reasonableness of management's judgments as to the existence of objective evidence that an impairment loss has been incurred, including:
  - An analysis of publicly available information concerning financial assets for which the risk of impairment has been identified, including financial information and information about the status of disputes, as well as consultations with the Company's lawyer.

We have also evaluated the Company's analysis of the sensitivity of the impairment tests' results to changes in assumptions and adequacy of impairment related disclosures.

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#### *Management's and Supervisory Board's Responsibility*

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and with other applicable regulations and preparation of the report on the Company's activities. Management of the Company is also responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

According to the Accounting Act, management of the Company and members of the Supervisory Board are required to ensure that the financial statements and the report on the Company's activities are in compliance with the requirements set forth in the Accounting Act.

Members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

#### *Auditor's Responsibility*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are derived from properly maintained accounting records and are free from material misstatement, whether due to fraud or error, and to issue an auditor's opinion and report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with National Standards on Assurance will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with National Standards on Assurance, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with members of the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide members of the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with members of the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's opinion unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Specific Comments on Other Legal and Regulatory Requirements**

### *Report on the Company's Activities*

As required under the Accounting Act, we report that the accompanying Report on the Company's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the separate financial statements.

### *Requirement of the energy law*

The regulatory financial information presented in note 27 of the accompanying separate financial statements, comprising the statement of financial position as at 31 December 2015 and statement of profit or loss for the 12 month reporting period then ended, separately for each activity i.e. electricity, gas as well as other activities and unallocated items of the Company and other explanatory information comprising a summary of significant accounting policies and the supplementary information and explanations, including allocation principles for assets and liabilities, revenues and costs to each activity (jointly referred to as "regulatory financial information"), has been prepared by management in accordance with the basis for preparation described in Notes 2 and 27 of the accompanying separate financial statements, to fulfill the requirements of article 44 of the Energy Act dated 10 April 1997 (Official Journal from 2012, item 1059 with amendments) (the "Act"), including within the scope of avoiding discrimination of customers and cross-subsidisation between activities.

In our opinion, the regulatory financial information of PGE Polska Grupa Energetyczna S.A. as at 31 December 2015 and for the 12 month reporting period then ended is prepared, in all material respects, in accordance with the basis for preparation described in Notes 2 and 27 of the accompanying separate financial statements and article 44 point 2 of the Act.

The content of the regulatory financial information is determined by regulations of the Act. Our procedures did not include an assessment of the adequacy of the information required by law for the purpose it is intended, in particular within the scope of avoiding discrimination of customers and cross- subsidisation between activities.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Registration No. 3546  
ul. Inflancka 4A  
00-189 Warsaw

### *Signed on the Polish original*

.....  
Marta Zemka  
Key Certified Auditor  
Registration No. 10427  
Limited Liability Partner  
with power of attorney

16 February 2016



TRANSLATION

**PGE Polska Grupa Energetyczna S.A.**

**Supplementary report  
on the audit of the separate  
financial statements  
Financial Year ended  
31 December 2015**

**The supplementary report contains 9 pages**

**The supplementary report on the audit  
of the separate financial statements  
for the financial year ended  
31 December 2015**

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## **1. General**

### **1.1. General information about the Company**

#### **1.1.1. Company name**

PGE Polska Grupa Energetyczna S.A.

#### **1.1.2. Registered office**

ul. Mysia 2  
00-496 Warsaw

#### **1.1.3. Registration in the register of entrepreneurs of the National Court Register**

Registration court: District Court for the Capital City of Warsaw in Warsaw,  
XII Commercial Department of the National Court Register  
Date: 5 November 2001  
Registration number: KRS 0000059307  
Share capital as at  
the end of reporting period: PLN 18,697,608,290.00

#### **1.1.4. Management of the Company**

The Management Board is responsible for management of the Company.

As at 31 December 2015, the Management Board of the Company was comprised of the following members:

- Marek Woszczyk – President of the Management Board,
- Jacek Drozd – Vice President of the Management Board,
- Grzegorz Krystek – Vice President of the Management Board,
- Dariusz Marzec – Vice President of the Management Board.

On 29 January 2016 the Supervisory Board of the Company decided to recall Mr. Jacek Drozd – Vice President of the Management Board, and Mr. Dariusz Marzec – Vice President of the Management Board.

Additionally, on 29 January 2016 the Supervisory Board of the Company has temporarily delegated its member – Mr. Marek Pastuszko - to perform the duties of the Member of the Management Board of the Company.

## **1.2. Key Certified Auditor and Audit Firm Information**

### **1.2.1. Key Certified Auditor information**

Name and surname: Marta Zemka  
Registration number: 10427

### **1.2.2. Audit Firm information**

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Address of registered office: ul. Inflancka 4A, 00-189 Warsaw  
Registration number: KRS 0000339379  
Registration court: District Court for the Capital City of Warsaw in Warsaw,  
XII Commercial Department of the National Court Register  
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered into the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

### **1.3. Prior period financial statements**

The separate financial statements for the financial year ended 31 December 2014 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. and received an unmodified opinion.

The separate financial statements were approved at the Shareholders' Meeting on 24 June 2015 where it was resolved to distribute the net profit for the prior financial year of PLN 5,452,949,990.10 as follows:

- 1,458,413,446.62 to be paid as dividend,
- 217,281,458.04 to cover losses from previous years arising from changes in accounting policy,
- 3,777,255,085.44 to reserve capital.

The separate financial statements were submitted to the Registry Court on 1 July 2015.

### **1.4. Audit scope and responsibilities**

This report was prepared for the General Meeting of PGE Polska Grupa Energetyczna S.A with its registered office in Warsaw, ul. Mysia 2 and relates to the separate financial statements comprising: the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information excluding regulatory financial information presented in note 27 of the financial statements.

The audited Company prepares its separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of Shareholders' Meeting dated 3 August 2010.

The separate financial statements were audited in accordance with the contract dated 4 November 2014, concluded on the basis of the resolution of the Supervisory Board dated 9 September 2014 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance.

We audited the separate financial statements at the Company during the period from 16 November 2015 to 25 November 2015 and from 18 January 2016 to 12 February 2016.

Management of the Company is responsible for the accuracy of the accounting records and the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Company's activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the separate financial statements and whether the financial statements are derived from properly maintained accounting records based on our audit.

Management of the Company submitted a statement dated as at the same date as this report as to the true and fair presentation of the accompanying separate financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the separate financial statements.

All required statements, explanations and information were provided to us by Management of the Company and all our requests for documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2015, item 1011 with amendments).

Audit scope and the respective responsibilities of the Auditors and Management of the Company's with respect to the regulatory financial information presented in note 27 of the financial statements are presented in the auditors' opinion

## 2. Financial analysis of the Company

### 2.1. Summary analysis of the separate financial statements

#### 2.1.1. Statement of financial position

ASSETS	31.12.2015 PLN '000 000	% of total	31.12.2014 PLN '000 000	% of total	01.01.2014 PLN '000 000	% of total
			<i>restated*</i>			
<b>Non-current assets</b>						
Property, plant and equipment	189	0.5	193	0.5	196	0.6
Intangible assets	7	-	6	-	6	-
Financial receivables	6,053	15.3	3,827	10.2	3,330	10.7
Derivatives	43	0.1	4	-	-	-
Available-for-sale financial assets	3	-	3	-	-	-
Shares in subsidiaries	29,469	74.5	29,046	77.8	24,165	77.6
Deferred tax assets	24	0.1	22	0.1	-	-
<b>Total non-current assets</b>	<b>35,788</b>	<b>90.5</b>	<b>33,101</b>	<b>88.6</b>	<b>27,697</b>	<b>88.9</b>
<b>Current assets</b>						
Inventories	191	0.5	440	1.2	281	0.9
Trade and other receivables	1,043	2.6	687	1.9	874	2.8
Derivatives	7	-	11	-	104	0.3
Other current assets	419	1.1	126	0.3	16	0.1
Income tax receivables	79	0.2	-	-	-	-
Cash and cash equivalents	2,013	5.1	2,988	8.0	2,190	7.0
<b>Total current assets</b>	<b>3,752</b>	<b>9.5</b>	<b>4,252</b>	<b>11.4</b>	<b>3,465</b>	<b>11.1</b>
<b>TOTAL ASSETS</b>	<b>39,540</b>	<b>100.0</b>	<b>37,353</b>	<b>100.0</b>	<b>31,162</b>	<b>100.0</b>
			<i>restated*</i>			
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	18,698	47.3	18,698	50.1	18,698	60.0
Hedging reserve	(17)	0.1	(60)	0.2	-	-
Reserve capital	13,009	32.9	9,231	24.7	8,941	28.7
Other capital reserves	-	-	-	-	50	0.1
Retained earnings	1,764	4.5	5,233	14.0	2,080	6.7
<b>Total equity</b>	<b>33,454</b>	<b>84.6</b>	<b>33,102</b>	<b>88.6</b>	<b>29,769</b>	<b>95.5</b>
<b>Non-current liabilities</b>						
Non-current provisions	21	-	20	0.1	19	0.1
Loans, borrowings, bonds, cash pooling	4,216	10.7	3,754	10.0	1,000	3.2
Derivatives	43	0.1	66	0.2	-	-
Deferred tax liability	-	-	-	-	35	0.1
<b>Total non-current liabilities</b>	<b>4,280</b>	<b>10.8</b>	<b>3,840</b>	<b>10.3</b>	<b>1,054</b>	<b>3.4</b>
<b>Current liabilities</b>						
Current provisions	34	0.1	33	0.1	29	0.1
Loans, borrowings, bonds, cash pooling	1,255	3.2	58	0.2	-	-
Derivatives	34	0.1	37	0.1	1	-
Trade and other liabilities	307	0.8	243	0.6	137	0.4
Income tax liabilities	-	-	4	-	-	-
Other current non-financial liabilities	176	0.4	36	0.1	172	0.6
<b>Total current liabilities</b>	<b>1,806</b>	<b>4.6</b>	<b>411</b>	<b>1.1</b>	<b>339</b>	<b>1.1</b>
<b>Total liabilities</b>	<b>6,086</b>	<b>15.4</b>	<b>4,251</b>	<b>11.4</b>	<b>1,393</b>	<b>4.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>39,540</b>	<b>100.0</b>	<b>37,353</b>	<b>100.0</b>	<b>31,162</b>	<b>100.0</b>

\* For information regarding restatement of comparative figures please refer to note 4 of the financial statements

## 2.1.2. Statement of comprehensive income

	1.01.2015 - 31.12.2015 PLN '000 000	% of total sales	1.01.2014 - 31.12.2014 PLN '000 000	% of total sales
<b>STATEMENT OF PROFIT OR LOSS</b>				
Sales revenues	10,929	100.0	9,671	100.0
Cost of goods sold	(10,012)	91.6	(9,021)	93.3
<b>Gross profit on sales</b>	<b>917</b>	<b>8.4</b>	<b>650</b>	<b>6.7</b>
Distribution and selling expenses	(37)	0.3	(23)	0.2
General and administrative expenses	(164)	1.5	(150)	1.6
Other operating income	8	0.1	10	0.1
Other operating expenses	(9)	0.1	(11)	0.1
<b>Operating profit</b>	<b>715</b>	<b>6.5</b>	<b>476</b>	<b>4.9</b>
Financial income	1,285	11.8	5,543	57.3
Financial expenses	(210)	1.9	(542)	5.6
<b>Profit before tax</b>	<b>1,790</b>	<b>16.4</b>	<b>5,477</b>	<b>56.6</b>
Current income tax	(34)	0.3	(67)	0.7
Deferred income tax	12	0.1	43	0.4
<b>Net profit for the reporting period</b>	<b>1,768</b>	<b>16.2</b>	<b>5,453</b>	<b>56.4</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Items, which may be reclassified to profit or loss, including:				
Valuation of hedging instruments	52	0.5	(74)	0.8
Deferred tax	(9)	0.1	14	0.1
Items, which will not be reclassified to profit or loss, including:				
Actuarial gains and losses from valuation of provisions for employee benefits	(1)	0.0	(4)	0.0
Deferred tax	-	-	1	0.0
<b>Other comprehensive income for the reporting period, net</b>	<b>42</b>	<b>0.4</b>	<b>(63)</b>	<b>0.7</b>
<b>Total comprehensive income</b>	<b>1,810</b>	<b>16.6</b>	<b>5,390</b>	<b>55.7</b>
<b>Earnings per share (in PLN)</b>				
- basic earnings per share	0.95		2.92	
- diluted earnings per share	0.95		2.92	

## 2.2. Selected financial ratios

	2015	2014 <i>restated*</i>	2013
<b>1. Return on sales</b>			
<u>profit for the period x 100%</u> sales revenues	16.2%	56.4%	17.1%
<b>2. Return on equity</b>			
<u>profit for the period x 100%</u> equity - profit for the period	5.6%	19.7%	7.7%
<b>3. Debtors' days</b>			
<u>average trade receivables (gross) x 365 days</u> sales revenues	21 days	26 days	22 days
<b>4. Debt ratio</b>			
<u>liabilities x 100%</u> equity and liabilities	15.4%	11.4%	4.5%
<b>5. Current ratio</b>			
<u>current assets</u> current liabilities	2.1	10.3	10.2

\* For information regarding restatement of comparative figures please refer to note 4 of the financial statements

- Sales revenues include revenues from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.

### **3. Detailed report**

#### **3.1. Accounting system**

The Company maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the separate financial statements, we tested, on a sample basis, the operation of the accounting system.

On the basis of the work performed, we have not identified any material irregularities in the accounting system, which have not been corrected and that could have a material effect on the separate financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

The Company performed a physical verification of its assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act, and reconciled and recorded the result thereof in the accounting records.

#### **3.2. Notes to the separate financial statements**

All information included in the notes to the separate financial statements, comprising of a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the separate financial statements.

#### **3.3. Report on the Company's activities**

The report on the Company's activities includes, in all material respects, information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the separate financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.  
Registration No. 3546  
ul. Inflancka 4A  
00-189 Warsaw

*Signed on the Polish original*

.....  
Marta Zemka  
Key Certified Auditor  
Registration No. 10427  
Limited Liability Partner  
with power of attorney

16 February 2016