

**CONSOLIDATED**

**QUARTERLY REPORT**

**of the Impexmetal Capital Group  
for the third quarter of 2016**

**POLISH FINANCIAL SUPERVISION AUTHORITY**

**Consolidated quarterly report PSr 2016**

(in accordance with § 82.2 and § 83.3 of the Ordinance of the Minister of Finance of 19 February 2009 - Journal of Laws No. 33, item 259)  
for the issuers of securities dealing with production, construction, trade or services

for the first half of the **2011** financial year covering the period from **1 January 2016 to 30 September 2016**  
including condensed consolidated financial statements in line with: **IAS/IFRS**

in: **PLN**

and condensed financial statements in line with: **IAS/IFRS**

in: **PLN**

submitted on: **10 November 2016**

<b>IMPEXMETAL S.A.</b>			
<small>(full name of the issuer)</small>			
<b>IMPEXMET</b>	<b>Metal (met)</b>		
<small>(short name of the issuer)</small>	<small>(sector as classified by WSE)</small>		
<b>03-301</b>	<b>Warszawa</b>		
<small>(postal code)</small>	<small>(place)</small>		
<b>Jagiellońska</b>	<b>76</b>		
<small>(street)</small>	<small>(number)</small>		
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<b>525-00-03-551</b>	<b>011135378</b>		
<small>(Tax Identification Number - NIP)</small>	<small>(Statistical number - REGON)</small>		

SELECTED FINANCIAL DATA	in PLN'000		in EUR'000	
	1.01. – 30.09.2016	1.01. – 30.09.2015	1.01. – 30.09.2016	1.01. – 30.09.2015
Data for the interim condensed CONSOLIDATED financial statements				
I. Sales revenue	2 166 433	2 491 613	495 887	599 161
II. Operating profit (loss)	144 930	87 251	33 174	20 981
III. Gross profit (loss) before tax	133 537	80 854	30 566	19 443
IV. Net profit (loss) from continuing operations attributable to equity of the parent	107 905	63 273	24 699	15 215
V. Net profit (loss)	110 787	68 790	25 359	16 542
VI. Net profit (loss) attributable to equity of the parent	109 066	64 562	24 965	15 525
VII. Net cash flows from operating activities	31 719	158 296	7 260	38 066
VIII. Net cash flows from investing activities	(103 912)	(137 873)	(23 785)	(33 155)
IX. Net cash flows from financing activities	88 364	(11 568)	20 226	(2 782)
X. Total net cash flows	16 171	8 855	3 701	2 129
XI. Number of shares without possessed treasury shares in the amount of 7 424 000 units as at 30.09.2016 and 7 210 000 units as at 30.09.2015	192 576 000	192 790 000	192 576 000	192 790 000
XII. Net profit (loss) / diluted net profit (loss) of the parent per ordinary share (in PLN/EUR)	0,57	0,33	0,13	0,08
XIII. Weighted average number of shares without possessed treasury shares	192 734 552	192 790 000	192 734 552	192 790 000
XIV. Net profit (loss) / diluted net profit (loss) of the parent per ordinary share/weighted no of shares (in PLN/EUR)	0,57	0,33	0,13	0,08
	<b>30.09.2016</b>	<b>31.12.2015</b>	<b>30.09.2016</b>	<b>31.12.2015</b>
XV. Assets	2 507 534	2 272 681	581 525	533 305
XVI. Non-current liabilities	169 711	131 155	39 358	30 777
XVII. Current liabilities	709 897	648 513	164 633	152 180
XVIII. Equity	1 605 108	1 466 290	372 242	344 078
XIX. Equity attributable to equity holders of the parent	1 322 807	1 185 635	306 773	278 220
XX. Share capital	94 661	94 661	21 953	22 213
XXI. Number of shares without possessed treasury shares in the amount of 7 424 000 units as at 30.09.2016 and as at 31.12.2015	192 576 000	192 790 000	192 576 000	192 790 000
XXII. Book value / diluted book value per share of the parent (in PLN/EUR)	6,87	6,15	1,59	1,44
data for the interim condensed financial statements				
	<b>1.01. – 30.09.2016</b>	<b>1.01. – 30.09.2015</b>	<b>1.01. – 30.09.2016</b>	<b>1.01. – 30.09.2015</b>
I. Sales revenue	766 051	825 671	175 346	198 550
II. Operating profit (loss)	77 846	48 005	17 819	11 544
III. Gross profit (loss) before tax	76 164	41 303	17 434	9 932
IV. Net profit (loss)	64 451	37 580	14 753	9 037
V. Net cash flows from operating activities	78 164	92 735	17 891	22 300
VI. Net cash flows from investing activities	(149 259)	(47 475)	(34 165)	(11 416)
VII. Net cash flows from financing activities	69 466	(45 268)	15 900	(10 886)
VIII. Total net cash flows	(1 629)	(8)	(373)	(2)
IX. Number of shares without possessed treasury shares	192 576 000	192 790 000	192 576 000	192 790 000
X. Net profit (loss) / diluted profit (loss) per ordinary share (in PLN/EUR)	0,33	0,19	0,08	0,05
XI. Weighted average number of ordinary shares without possessed treasury shares	192 734 552	192 790 000	192 734 552	192 790 000
XII. Net profit (loss) / diluted profit (loss) of the parent per share / weighted no of shares (in PLN/EUR)	0,33	0,19	0,08	0,05
	<b>30.09.2016</b>	<b>31.12.2015</b>	<b>30.09.2016</b>	<b>31.12.2015</b>
XIII. Assets	1 545 666	1 358 633	358 457	318 816
XIV. Non-current liabilities	175 073	108 971	40 601	25 571
XV. Current liabilities	337 459	314 178	78 260	73 725
XVI. Equity	1 033 134	935 484	239 595	219 520
XVII. Share capital	94 661	94 661	21 953	22 213
XVIII. Number of shares without possessed treasury shares	192 576 000	192 790 000	192 576 000	192 790 000
XIX. Book value / diluted book value per one share (in PLN/EUR)	5,36	4,85	1,24	1,14



**CONDENSED INTERIM CONSOLIDATED**

**QUARTERLY REPORT**

**of the Impexmetal Capital Group  
for the third quarter of 2016**


**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Continuing operations</b>		
Revenue from sales of products	1 854 098	1 875 329
Revenue from sales of goods and materials	312 335	616 284
<b>Total revenue from sales</b>	<b>2 166 433</b>	<b>2 491 613</b>
Cost of products sold	1 671 659	1 713 572
Value of goods and materials sold	264 862	603 533
<b>Cost of products, goods and materials sold</b>	<b>1 936 521</b>	<b>2 317 105</b>
<b>Gross profit (loss) on sales</b>	<b>229 912</b>	<b>174 508</b>
Selling expenses	46 329	44 760
General and administrative costs	50 526	45 349
Other operating revenue	23 949	13 588
Other operating expenses	12 076	10 736
<b>Operating profit (loss)</b>	<b>144 930</b>	<b>87 251</b>
Financial revenue	21 293	23 825
Financial expenses	33 313	28 755
Share in profit of affiliated entity	627	(1 467)
<b>Profit (loss) before tax</b>	<b>133 537</b>	<b>80 854</b>
Income tax	22 734	12 369
<b>Net profit (loss) from continuing operations</b>	<b>110 803</b>	<b>68 485</b>
Attributable to:		
Equity holders of the parent	<b>107 905</b>	<b>63 273</b>
Minority shareholders	2 898	5 212
<b>Net profit (loss) from discontinued operations</b>	<b>(16)</b>	<b>305</b>
<b>Net profit (loss)</b>	<b>110 787</b>	<b>68 790</b>
Attributable to:		
Equity holders of the parent	<b>109 066</b>	<b>64 562</b>
Minority shareholders	1 721	4 228
<b>Net profit (loss) per share attributable to equity holders of the parent (in PLN)</b>	<b>0,57</b>	<b>0,33</b>
Diluted profit (loss) per ordinary share	0,57	0,33
<b>Net profit (loss) from continuing operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,56</b>	<b>0,33</b>
Diluted profit (loss) from continuing operations per ordinary share	0,56	0,33
<b>Net profit (loss) from discontinued operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,01</b>	<b>-</b>
Diluted profit (loss) from discontinued operations per ordinary share	0,01	-


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Net profit (loss)</b>	<b>110 787</b>	<b>68 790</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>28 835</b>	<b>(27 730)</b>
Exchange differences on translation of foreign operations	(1 619)	2 339
Instruments hedging the cash flows	10 668	(9 567)
Revaluation of assets available to sell	26 766	(27 331)
Deferred income tax regarding income in capital	6 980	(6 829)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>45</b>	<b>-</b>
Valuation of pension and similar benefits	56	-
Deferred income tax regarding income recognised in capital	11	-
<b>Income recognized in net capital</b>	<b>28 880</b>	<b>(27 730)</b>
<b>Total comprehensive income</b>	<b>139 667</b>	<b>41 060</b>
Attributable to:		
<b>Equity holders of the parent</b>	<b>137 786</b>	<b>37 501</b>
Minority shareholders	1 881	3 559

**CONSOLIDATED PROFIT AND LOSS ACCOUNT - discontinued operations  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Continuing operations</b>		
Revenue from sales of products	120	212
Revenue from sales of goods and materials	1	-
<b>Total revenue from sales</b>	<b>121</b>	<b>212</b>
Cost of sold products	132	218
Value of goods and materials sold	-	-
<b>Cost of products, goods and materials sold</b>	<b>132</b>	<b>218</b>
<b>Gross profit (loss) on sales</b>	<b>(11)</b>	<b>(6)</b>
Selling expenses	-	-
General and administrative costs	-	-
Other operating revenue	4 568	2 332
Other operating expenses	4 902	2 138
<b>Operating profit (loss)</b>	<b>(345)</b>	<b>188</b>
Financial revenue	12	111
Financial expenses	120	725
<b>Profit (loss) before tax</b>	<b>(453)</b>	<b>(426)</b>
Deferred income tax	(437)	(731)
<b>Net profit (loss) from discontinued operations</b>	<b>(16)</b>	<b>305</b>
Attributable to:		
Equity holders of the parent	1 161	1 289
Minority shareholders	(1 177)	(984)


**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD FROM 1 APRIL TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 3 months ended 30/09/2016 (not reviewed)	For 3 months ended 30/09/2015 (not reviewed)
<b>Continuing operations</b>		
Revenue from sales of products	630 095	631 866
Revenue from sales of goods and materials	76 336	102 685
<b>Total revenue from sales</b>	<b>706 431</b>	<b>734 551</b>
Cost of products sold	558 511	577 482
Value of goods and materials sold	73 041	97 814
<b>Cost of products, goods and materials sold</b>	<b>631 552</b>	<b>675 296</b>
<b>Gross profit (loss) on sales</b>	<b>74 879</b>	<b>59 255</b>
Selling expenses	16 150	15 452
General and administrative costs	16 189	16 046
Other operating revenue	20 280	5 546
Other operating expenses	(174)	1 096
<b>Operating profit (loss)</b>	<b>62 994</b>	<b>32 207</b>
Financial revenue	5 629	3 369
Financial expenses	8 966	5 242
Share in profit of affiliated entity	(477)	(1 467)
<b>Profit (loss) before tax</b>	<b>59 180</b>	<b>28 867</b>
Income tax	8 582	5 502
<b>Net profit (loss) from continuing operations</b>	<b>50 598</b>	<b>23 365</b>
Attributable to:		
Equity holders of the parent	<b>47 538</b>	<b>20 540</b>
Minority shareholders	3 060	2 825
<b>Net profit (loss) from discontinued operations</b>	<b>(546)</b>	<b>481</b>
<b>Net profit (loss)</b>	<b>50 052</b>	<b>23 846</b>
Attributable to:		
Equity holders of the parent	<b>45 084</b>	<b>21 201</b>
Minority shareholders	4 968	2 645
<b>Net profit (loss) per share attributable to equity holders of the parent (in PLN)</b>	<b>0,23</b>	<b>0,11</b>
Diluted profit (loss) per ordinary share	0,23	0,11
<b>Net profit (loss) from continuing operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,24</b>	<b>0,11</b>
Diluted profit (loss) from continuing operations per ordinary share	0,24	0,11
<b>Net profit (loss) from discontinued operations per share attributable to equity holders of the parent (in PLN)</b>	<b>(0,01)</b>	<b>-</b>
Diluted profit (loss) from discontinued operations per ordinary share	(0,01)	-


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 APRIL TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 3 months ended 30/09/2016 (not reviewed)	For 3 months ended 30/09/2015 (not reviewed)
<b>Net profit (loss)</b>	<b>50 052</b>	<b>23 846</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>21 421</b>	<b>(26 056)</b>
Exchange differences on translation of foreign operations	(1 473)	(1 182)
Instruments hedging the cash flows	12 269	(14 923)
Revaluation of assets available to sell	15 930	(15 646)
Deferred income tax regarding income in capital	5 305	(5 695)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>-</b>
<b>Income recognized in net capital</b>	<b>21 421</b>	<b>(26 056)</b>
<b>Total comprehensive income</b>	<b>71 473</b>	<b>(2 210)</b>
Attributable to:		
<b>Equity holders of the parent</b>	<b>69 863</b>	<b>(4 237)</b>
Minority shareholders	1 610	2 027

**CONSOLIDATED PROFIT AND LOSS ACCOUNT – discontinued operations  
FOR THE PERIOD FROM 1 APRIL TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 3 months ended 30/09/2016 (not reviewed)	For 3 months ended 30/09/2015 (not reviewed)
<b>Continuing operations</b>		
Revenue from sales of products	40	73
Revenue from sales of goods and materials	-	-
<b>Total revenue from sales</b>	<b>40</b>	<b>73</b>
Cost of products sold	46	79
Value of goods and materials sold	-	-
<b>Cost of products, goods and materials sold</b>	<b>46</b>	<b>79</b>
<b>Gross profit (loss) on sales</b>	<b>(6)</b>	<b>(6)</b>
Selling expenses	-	-
General and administrative costs	-	-
Other operating revenue	266	1 255
Other operating expenses	761	671
<b>Operating profit (loss)</b>	<b>(501)</b>	<b>578</b>
Financial revenue	(1)	27
Financial expenses	44	237
<b>Profit (loss) before tax</b>	<b>(546)</b>	<b>368</b>
Deferred income tax	-	(113)
<b>Net profit (loss) from continuing operations</b>	<b>(546)</b>	<b>481</b>
Attributable to:		
Equity holders of the parent	53	661
Minority shareholders	(599)	(180)



**CONSOLIDATED BALANCE SHEET  
PREPARED AS AT 30 SEPTEMBER 2016 AND AS AT 31 DECEMBER 2015**

	<b>30/09/2016</b>	<b>31/12/2015</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed asset in kind	594 898	556 501
Investment property	154 379	255 983
Intangible assets	14 594	15 092
Goodwill	49 237	49 632
Investments in controlled entities	311 045	238 091
Available-for-sale financial assets	243 643	180 646
Granted loans	131 641	92 711
Deferred tax assets	1 456	1 293
Receivables and other long-term assets	1 242	679
<b>Total non-current assets</b>	<b>1 502 135</b>	<b>1 390 628</b>
<b>Current assets</b>		
Inventories	462 984	434 596
Trade and other receivables	420 331	299 380
Granted loans	44 081	54 944
Derivative financial instruments	17 200	10 866
Available-for-sale financial assets	891	32 842
Income tax receivables	3	3 077
Other assets	6 383	4 384
Cash and cash equivalents	52 092	37 354
<b>Total current assets</b>	<b>1 003 965</b>	<b>877 443</b>
<b>Held-for-sale assets (HMN Szopienice S.A. in liquidation)</b>	<b>1 434</b>	<b>4 610</b>
<b>Total assets</b>	<b>2 507 534</b>	<b>2 272 681</b>





## CONSOLIDATED BALANCE SHEET – cont.

	30/09/2016	31/12/2015
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	94 661	94 661
Treasury shares (negative value)	(25 055)	(24 441)
Supplementary capital due to issue of shares above their face value	28 867	28 867
Capital related to hedge accounting	6 236	(3 057)
Capital from revaluation of retirement benefits and similar	(69)	(114)
Capital from revaluation of assets	(4 633)	(25 628)
Exchange differences on translation of controlled entities	10 912	12 525
Retained earnings, including:	1 211 888	1 102 822
Reserve capital	125 867	78 222
Profit of the equity holders of the parent in the current year	109 066	140 735
<b>Equity attributable to equity holders of the parent</b>	<b>1 322 807</b>	<b>1 185 635</b>
<b>Equity attributable to minority shareholders</b>	<b>282 301</b>	<b>280 655</b>
<b>Total equity</b>	<b>1 605 108</b>	<b>1 466 290</b>
<b>Long-term liabilities and provisions for liabilities</b>		
Loans and bank credit facilities	86 681	43 904
Provisions on liabilities due to retirement and similar benefits	3 962	4 082
Deferred tax liabilities	68 470	59 363
Other long-term provisions	683	683
Other liabilities including:	11 620	14 155
Perpetual usufruct liabilities	798	13 805
Other equity and liabilities	8 295	8 968
<b>Total long-term liabilities and provisions</b>	<b>169 711</b>	<b>131 155</b>
<b>Short-term liabilities and provisions for liabilities</b>		
Trade and other liabilities	275 880	269 616
Perpetual usufruct liabilities	-	425
Loans and bank credit facilities	399 952	348 993
Derivative financial instruments	13 647	18 442
Current tax liabilities	11 548	3 467
Provisions on liabilities due to retirement and similar benefits	3 526	3 939
Other short-term provisions	4 515	3 220
Other equity and liabilities	829	836
<b>Total short-term liabilities and provisions for liabilities</b>	<b>709 897</b>	<b>648 513</b>
<b>Total liabilities</b>	<b>879 608</b>	<b>779 668</b>
<b>Liabilities related to held-for-sale assets (*)</b>	<b>22 818</b>	<b>26 723</b>
<b>Total equity and liabilities</b>	<b>2 507 534</b>	<b>2 272 681</b>

(\*) Discontinued operations of HMN Szopienice S.A. in liquidation.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	Capital attributable to equity holders of the parent									
	Share capital)	Treasury shares (**)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits (***)	Capitals attributable to minority shareholders	Total
<b>As at 1 January 2016</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 867</b>	<b>(3 057)</b>	<b>(25 628)</b>	<b>(114)</b>	<b>12 525</b>	<b>1 102 822</b>	<b>280 655</b>	<b>1 466 290</b>
Comprehensive income for 9 months of 2016	-	-	-	9 293	20 995	45	(1 613))	109 066	1 881	139 667
Dividend payment	-	-	-	-	-	-	-	-	(235)	(235)
Buyback		(614)								(614)
<b>As at 30 September 2016</b>	<b>94 661</b>	<b>(25 055)</b>	<b>28 867</b>	<b>6 236</b>	<b>(4 633)</b>	<b>(69)</b>	<b>10 912</b>	<b>1 211 888</b>	<b>282 301</b>	<b>1 605 108</b>

  

	Capital attributable to equity holders of the parent									
	Share capital	Treasury shares (**)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits (***)	Capitals attributable to minority shareholders	Total
<b>As at 1 January 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 867</b>	<b>2 820</b>	<b>(1 780)</b>	<b>(222)</b>	<b>12 310</b>	<b>963 043</b>	<b>123 133</b>	<b>1 198 391</b>
Comprehensive income in 2015	-	-	-	(5 877)	(23 848)	108	215	140 735	7 391	118 724
Capital due to consolidation (change of stake's structure) (*)	-	-	-	-	-	-	-	(956)	150 266	149 310
Dividend payment	-	-	-	-	-	-	-	-	(135)	(135)
<b>As at 31 December 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 867</b>	<b>(3 057)</b>	<b>(25 628)</b>	<b>(114)</b>	<b>12 525</b>	<b>1 102 822</b>	<b>280 655</b>	<b>1 466 290</b>

  

	Capital attributable to equity holders of the parent									
	Share capital	Treasury shares (**)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits (***)	Capitals attributable to minority shareholders	Total
<b>As at 1 January 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 867</b>	<b>2 820</b>	<b>(1 780)</b>	<b>(222)</b>	<b>12 310</b>	<b>963 043</b>	<b>123 133</b>	<b>1 198 391</b>
Comprehensive income for 9 months of 2015	-	-	-	(7 326)	(22 074)	-	2 339	64 562	3 559	41 060
Capital due to consolidation (change of stake's structure) (*)	-	-	-	-	-	-	-	-	150 678	150 678
Dividend payment	-	-	-	-	-	-	-	-	(135)	(135)
<b>As at 30 September 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 867</b>	<b>(4 506)</b>	<b>(23 854))</b>	<b>(222)</b>	<b>14 649</b>	<b>1 027 605</b>	<b>277 235</b>	<b>1 389 994</b>

(\*) Presentation of in-kind contribution of Elana Nieruchomości Branch in Toruń by Boryszew S.A. due to an agreement on management of investment real estate properties

(\*\*) Treasury shares in purchased price, purchased for redemption or further re-sale in the amount of 7 424 000 units as at 30.09.2016 and 7 210 000 units as at 31.12.2015 and as at 30.06.2015.

(\*\*\*) Including reserved capital in the amount of 125 867 th PLN as at 30.09.2016 and 78 222 th PLN as at 31.12.2015 and as at 30.09.2015

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>133 084</b>	<b>80 428</b>
Amortization	39 400	38 775
Profit/loss on financial activities	6 133	800
Dividend from profit participation	-	(600)
Profit/loss on investing activities	(28 075)	(2 262)
<b>Changes in working capital:</b>		
(Increase)/decrease in the balance of trade receivables	(127 638)	(25 261)
(Increase)/decrease in the balance of inventories	(29 119)	88 980
(Increase)/decrease in liabilities	40 820	(3 761)
Provisions and accruals	4 563	(20 132)
Other items	1 514	6 923
<b>Cash generated on operating activities</b>	<b>40 682</b>	<b>163 890</b>
Income tax received/(paid)	(8 963)	(5 594)
<b>Net cash flows on operating activities</b>	<b>31 719</b>	<b>158 296</b>
<b>Cash flows from investing operations</b>		
<b>Proceeds</b>		
Disposal of real fixed assets	21 035	8 936
Disposal of investment properties	94 166	-
Disposal of financial assets	58	132
Disposal of bonds	35 300	26 217
Dividends received	-	600
Received interests	4 259	2 611
Payment of granted loans	114	55 978
<b>Payments</b>		
Purchase of fixed assets in kind	(79 599)	(38 529)
Acquisition of subsidiaries and associated entities	(109 783)	(61 462)
Purchase of financial assets	-	(2 006)
Loans granted	(27 000)	(75 750)
Purchase of bonds	(39 000)	(54 600)
Other investing payments	(3 462)	-
<b>Net cash on investing operations</b>	<b>(103 912)</b>	<b>(137 873)</b>
<b>Cash generated on financial operations</b>		
<b>Proceeds</b>		
Credits and loans	195 811	106 624
Other financial proceeds	2 249	6 116
<b>Payments</b>		
Buyback	(411)	-
Dividends and other payments to owners	(234)	(135)
Repayment of loans and borrowings	(99 757)	(115 151)
Interest paid	(8 887)	(8 988)
Payments due to financial lease agreements	(144)	(34)
Other financial payments	(263)	-
<b>Net cash on financing operations</b>	<b>88 364</b>	<b>(11 568)</b>
<b>Total net cash flows</b>	<b>16 171</b>	<b>8 855</b>
Impact of exchange rate fluctuations on the balance of cash in foreign currencies	(1 419)	47
<b>Change of cash and cash equivalents</b>	<b>14 752</b>	<b>8 902</b>
<b>Opening balance of cash and cash equivalents, including:</b>		
	<b>37 390</b>	<b>21 670</b>
from continuing operations	37 340	21 295
from discontinued operations	50	375
<b>Opening balance of cash in acquired of entities</b>	<b>-</b>	<b>1 704</b>



# Impexmetal Capital Group

Condensed interim consolidated semi-annual report for the period from 1 January till 30 September 2016,  
prepared in line with IFRS as endorsed by the European Union (IAS 34)

<b>Closing balance of cash and cash equivalents, including:</b>	<b>52 142</b>	<b>32 276</b>
from continuing operations	52 092	32 079
from discontinued operations	50	197

## CONSOLIDATED STATEMENT OF CASH FLOWS – discontinued operations FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY

<b>Discontinued operations</b>	<b>For 9 months ended 30/09/2016</b>	<b>For 9 months ended 30/09/2015</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	(453)	(426)
Adjustments	(5 654)	(5 466)
<b>Net cash flows generated on operating activities</b>	<b>(6 107)</b>	<b>(5 892)</b>
<b>Cash flows from investing activities</b>		
Proceeds	4 750	2 091
Payments	-	-
<b>Net cash flows generated on investing activities</b>	<b>4 750</b>	<b>2 091</b>
<b>Cash flows from financing activities</b>		
Proceeds (*)	1 907	3 623
Payments	(550)	-
<b>Net cash flows from financing activities</b>	<b>1 357</b>	<b>3 623</b>
<b>Change of cash and cash equivalents</b>	<b>-</b>	<b>(178)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>50</b>	<b>375</b>
<b>Closing balance of cash and cash equivalents</b>	<b>50</b>	<b>197</b>

(\*) The grant received from NFOS i GW.



**CONDENSED INTERIM**

**QUARTERLY REPORT**

**Impexmetal S.A.**  
**for the third quarter of 2016**

**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Continuing operations</b>		
Revenue from sales of products	739 576	759 301
Cost of goods and materials sold (**)	26 475	66 370
<b>Total revenue from sales</b>	<b>766 051</b>	<b>825 671</b>
Cost of products sold	634 571	694 057
Value of goods and materials sold (**)	23 323	63 769
<b>Cost of products, goods and materials sold</b>	<b>657 894</b>	<b>757 826</b>
<b>Gross profit (loss) on sales</b>	<b>108 157</b>	<b>67 845</b>
Selling expenses	24 191	22 357
General and administrative costs	17 676	18 120
Other operating revenue (*)	14 736	22 482
Other operating expenses	3 180	1 845
<b>Operating profit (loss)</b>	<b>77 846</b>	<b>48 005</b>
Financial revenue (***)	40 546	3 784
Financial expenses (***)	42 228	10 486
<b>Profit (loss) before tax</b>	<b>76 164</b>	<b>41 303</b>
Income tax	11 713	3 723
<b>Net profit (loss) from continuing operations</b>	<b>64 451</b>	<b>37 580</b>
<b>Discontinued operations</b>		
<b>Net profit (loss) from discontinued operations</b>	-	-
<b>Net profit (loss)</b>	<b>64 451</b>	<b>37 580</b>
<b>Basic/Diluted net profit per ordinary share (in PLN)/ weighted average number of shares</b>	<b>0,33</b>	<b>0,19</b>

(\*) Including revenues due to dividend in the period ended on 30.09.2016 in the amount of PLN 13 617 th. and PLN 18 674 th. in the period ended on 30.09.2015.

(\*\*)The decrease compared to 2015 due to the completion on 31.12.2015. commercial activity of Branch Office.

(\*\*\*)The increase compared to the previous year was caused by the acquisition of brokerage activities and entering into hedging transactions to related companies. In the comparable period, these activities led another entity from the group, the financial income from this activity in 2016 amounted of PLN 36 373 th and properly finance costs amounted to PLN 36 357 th, mutual transactions with companies consolidated have been eliminated in these consolidated financial statements

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Net profit (loss)</b>	<b>64 451</b>	<b>37 580</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>33 768</b>	<b>(25 819)</b>
Instruments hedging the cash flows	14 277	(4 769)
Revaluation of assets available to sell and other assets	27 296	(27 106)
Revaluation of retirement benefits and similar	-	-
Deferred income tax regarding income recognized in capital	7 805	(6 056)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>45</b>	<b>-</b>
Revaluation of retirement benefits and similar	56	-
Deferred income tax regarding income recognized in capital	11	-
<b>Income recognized in net capital</b>	<b>33 813</b>	<b>(25 819)</b>
<b>Total comprehensive income</b>	<b>98 264</b>	<b>11 761</b>


**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD FROM 1 APRIL TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 3 months ended 30/09/2016 (not reviewed)	For 3 months ended 30/09/2015 (not reviewed)
<b>Continuing operations</b>		
Revenue from sales of products	244 583	243 781
Cost of goods and materials sold (*)	7 264	10 630
<b>Total revenue from sales</b>	<b>251 847</b>	<b>254 411</b>
Cost of products sold	207 805	220 115
Value of goods and materials sold (*)	6 629	10 234
<b>Cost of products, goods and materials sold</b>	<b>214 434</b>	<b>230 349</b>
<b>Gross profit (loss) on sales</b>	<b>37 413</b>	<b>24 062</b>
Selling expenses	8 188	7 178
General and administrative costs	5 660	6 757
Other operating revenue (**)	2 167	10 959
Other operating expenses	471	339
<b>Operating profit (loss)</b>	<b>25 261</b>	<b>20 747</b>
Financial revenue	15 730	1 222
Financial expenses	15 614	3 396
<b>Profit (loss) before tax</b>	<b>25 377</b>	<b>18 573</b>
Income tax	4 441	1 952
<b>Net profit (loss) from continuing operations</b>	<b>20 936</b>	<b>16 621</b>
<b>Discontinued operations</b>		
<b>Net profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Net profit (loss)</b>	<b>20 936</b>	<b>16 621</b>
<b>Basic/Diluted net profit per ordinary share (in PLN)/ weighted average number of shares</b>	<b>0,11</b>	<b>0,09</b>

(\*) The decrease compared to 2015 due to the completion on 31.12.2015. commercial activity of Branch Office.

(\*\*) Including revenues due to dividend in the period ended on 30.09.2016 in the amount of PLN 2 000 th. and PLN 10 601 th. in the period ended on 30.09.2015

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 1 APRIL TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	For 3 months ended 30/09/2016 (not reviewed)	For 3 months ended 30/09/2015 (not reviewed)
<b>Net profit (loss)</b>	<b>20 936</b>	<b>16 621</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>30 387</b>	<b>(19 916)</b>
Instruments hedging the cash flows	20 916	(8 748)
Revaluation of assets available to sell and other assets	16 530	(15 921)
Revaluation of retirement benefits and similar	-	-
Deferred income tax regarding income recognized in capital	7 059	(4 753)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>-</b>
<b>Income recognized in net capital</b>	<b>30 387</b>	<b>(19 916)</b>
<b>Total comprehensive income</b>	<b>51 323</b>	<b>(3 295)</b>

**BALANCE SHEET****PREPARED AS AT 30 SEPTEMBER 2016 AND AS AT 31 DECEMBER 2015**

	30/09/2016	31/12/2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed asset in kind	321 797	280 901
Investment property	5 062	5 062
Intangible assets	1 536	1 130
Goodwill	2 122	2 122
Investments in controlled entities	586 483	538 434
Available-for-sale financial assets	90 311	60 992
Granted loans	131 642	92 711
Receivables and other long-term assets	413	-
<b>Total non-current assets</b>	<b>1 139 366</b>	<b>981 352</b>
<b>Current assets</b>		
Inventories	221 221	209 233
Trade and other receivables	118 362	92 680
Granted loans	43 260	56 645
Derivative financial instruments	20 716	8 380
Available-for-sale financial assets	-	6 541
Other assets	2 604	2 036
Cash and cash equivalents	137	1 766
<b>Total current assets</b>	<b>406 300</b>	<b>377 281</b>
<b>TOTAL ASSETS</b>	<b>1 545 666</b>	<b>1 358 633</b>



**BALANCE SHEET – cont.**

	30/09/2016	31/12/2015
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	94 661	94 661
Treasury shares (negative value)	(25 055)	(24 441)
Supplementary capital due to issue of shares above their face value	28 576	28 576
Capital related to hedge accounting	9 230	(3 263)
Capital from revaluation of assets available to sell	(4 967)	(26 242)
Capital from revaluation of retirement benefits and similar	229	184
Retained earnings, including:	930 460	866 009
Reserve capital	125 867	78 222
Net profit of the current year	64 451	47 645
<b>Total equity</b>	<b>1 033 134</b>	<b>935 484</b>
<b>Long-term liabilities and provisions for liabilities</b>		
Loans and bank credit facilities	86 025	40 432
Debt securities	40 000	28 000
Provisions on liabilities due to retirement and similar benefits	1 730	1 757
Deferred tax liabilities	46 419	38 246
Other liabilities	592	172
Other equity	307	364
<b>Total long-term liabilities and provisions</b>	<b>175 073</b>	<b>108 971</b>
<b>Short-term liabilities and provisions for liabilities</b>		
Trade and other liabilities	142 669	143 446
Loans and bank credits	169 124	153 499
Derivative financial instruments	10 613	13 621
Debt securities	-	-
Current income tax receivables	11 348	785
Provisions on liabilities due to retirement and similar benefits	1 256	1 200
Other short-term provisions	2 284	1 551
Other equity	165	76
<b>Total short-term liabilities and provisions for liabilities</b>	<b>337 459</b>	<b>314 178</b>
<b>Total liabilities</b>	<b>512 532</b>	<b>423 149</b>
<b>TOTAL EQUITY</b>	<b>1 545 666</b>	<b>1 358 633</b>



**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY**

	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Reserve capital	Retained earnings	Total equity
<b>As at 1 January 2016</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>(3 263)</b>	<b>(26 242)</b>	<b>184</b>	<b>78 222</b>	<b>787 787</b>	<b>935 484</b>
Comprehensive income for 9 months of 2016	-	-	-	12 493	21 275	45	-	64 451	<b>98 264</b>
Buyback	-	(614)	-	-	-	-	-	-	<b>(614)</b>
Distribution on financial result	-	-	-	-	-	-	47 645	(47 645)	-
<b>As at 30 September 2016</b>	<b>94 661</b>	<b>(25 055)</b>	<b>28 576</b>	<b>9 230</b>	<b>(4 967)</b>	<b>229</b>	<b>125 867</b>	<b>804 593</b>	<b>1 033 134</b>
	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Reserve capital	Retained earnings	Total equity
<b>As at 1 January 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>720</b>	<b>(2 404)</b>	<b>37</b>	<b>78 222</b>	<b>740 142</b>	<b>915 513</b>
Comprehensive income for 12 months of 2015	-	-	-	(3 983)	(23 838)	147	-	47 645	<b>19 971</b>
<b>As at 31 December 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>(3 263)</b>	<b>(26 242)</b>	<b>184</b>	<b>78 222</b>	<b>787 787</b>	<b>935 484</b>
	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Reserve capital	Retained earnings	Total equity
<b>As at 1 January 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>720</b>	<b>(2 404)</b>	<b>37</b>	<b>78 222</b>	<b>740 142</b>	<b>915 513</b>
Comprehensive income for 9 months of 2013	-	-	-	(3 863)	(21 956)	-	-	37 580	<b>11 761</b>
<b>As at 30 September 2015</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>(3 143)</b>	<b>(24 360)</b>	<b>37</b>	<b>78 222</b>	<b>777 722</b>	<b>927 274</b>

(\*)Treasury shares in purchased price, purchased for redemption or further re-sale in the amount of 7 424 000 units as at 30.09.2016 and 7 210 000 units as at 31.12.2015 and 30.09.2015.



## STATEMENT OF CASH FLOWS

## FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016 AND FOR 2015, RESPECTIVELY

	For 9 months ended 30/09/2016	For 9 months ended 30/09/2015
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>76 164</b>	<b>41 303</b>
Amortization	22 994	23 330
(Positive)/negative net exchange differences	(3 360)	(294)
Interests from financial liabilities	4 931	4 557
Interest and dividends	(16 319)	(21 056)
Profit/loss on investing activities	57	(1 325)
<b>Changes in working capital:</b>		
(Increase)/decrease in the balance of trade receivables	(28 084)	30 873
(Increase)/decrease in the balance of inventories	(11 988)	12 743
(Increase)/decrease in liabilities	28 672	5 364
Provisions and accruals	6 958	(5 169)
Other	(1 067)	-
<b>Cash generated on operating activities</b>	<b>78 958</b>	<b>90 326</b>
Income tax received/(paid)	(794)	2 409
<b>Net cash flows on operating activities</b>	<b>78 164</b>	<b>92 735</b>
<b>Cash flows from investing operations</b>		
<b>Proceeds</b>		
Disposal of real fixed assets	122	564
Disposal of subsidiary	2 349	10 516
Disposal of financial assets	53	18
Disposal of bonds	11 500	26 217
Dividend received	13 594	19 532
Repayment of granted loans	2 800	56 438
Retained interests	2 556	1 473
<b>Payments</b>		
Purchase of fixed assets in kind	(64 553)	(19 129)
Purchase of subordinated entities	(85 480)	(65 979)
Purchase of bonds	(5 000)	(1 800)
Granted loans	(27 200)	(75 325)
<b>Net cash flows on investing operations</b>	<b>(149 259)</b>	<b>(47 475)</b>
<b>Cash flows from financing operations</b>		
<b>Proceeds</b>		
Credit and loans	140 264	61 069
Issue of debt securities	15 000	5 000
<b>Payments</b>		
Buyback	(411)	-
Payments of credits and loans	(77 363)	(96 800)
Redemption of debt securities	(3 000)	(10 000)
Payment of liabilities arising from financial leases	(85)	-
Interests paid	(4 939)	(4 537)
<b>Net cash flows from financing operations</b>	<b>69 466</b>	<b>(45 268)</b>
<b>Total net cash flows</b>	<b>(1 629)</b>	<b>(8)</b>

Figures in PLN '000 unless stated otherwise.



Impact of exchange rate fluctuations on the balance of cash in foreign currencies

**Change of cash and cash equivalents**

**Opening balance of cash and cash equivalents**

**Closing balance of cash and cash equivalents**

-	-
(1 629)	(8)
1 766	1 390
137	1 382