

FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2015

CAPITAL GROUP **IMPEXMETAL**



50 lat **ALUMINIUM KONIN**



impexmetal s.a.

TABLE OF CONTENTS

4 LETTER OF THE BOARD

5 KEY DATA ABOUT THE IMPEXMETAL GROUP

6 1. ABOUT THE IMPEXMETAL GROUP

- 7 1.1. Management Board
- 9 1.2. Current members of the Impexmetal S.A. Supervisory Board
- 12 1.3. Stocks of Impexmetal S.A.
- 13 1.4. Structure of the Impexmetal Group as of 31.12.2015

15 2. CORE BUSINESS ACTIVITIES

- 15 2.1. Aluminium Segment
- 16 2.2. Copper Segment
- 17 2.3. Zinc and Lead Segment

20 3. IMPLEMENTATION OF INVESTMENT TASKS

- 39 Key investments of Aluminium Konin

21 4. PERSPECTIVES AND R&D ACTIVITIES

- 21 4.1. Zakład Aluminium Konin
- 23 4.2. WM Dziedzice S.A.
- 23 4.3. Hutmen S.A.
- 23 4.4. Baterpol S.A.
- 24 4.5. ZM Silesia S.A.

25 5. ENVIRONMENTAL PROTECTION

- 25 5.1. Impexmetal S.A. Aluminium Konin
- 25 5.2. ZM Silesia S.A.
- 26 5.3. Baterpol S.A.
- 26 5.4. WM Dziedzice S.A.
- 26 5.5. Hutmen S.A.

27 6. AUDITOR'S REPORT ON THE SUMMARIZED FINANCIAL STATEMENTS

- 29 6.1. Summarized Financial statements of Impexmetal S.A.

34 7. AUDITOR'S REPORT ON THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

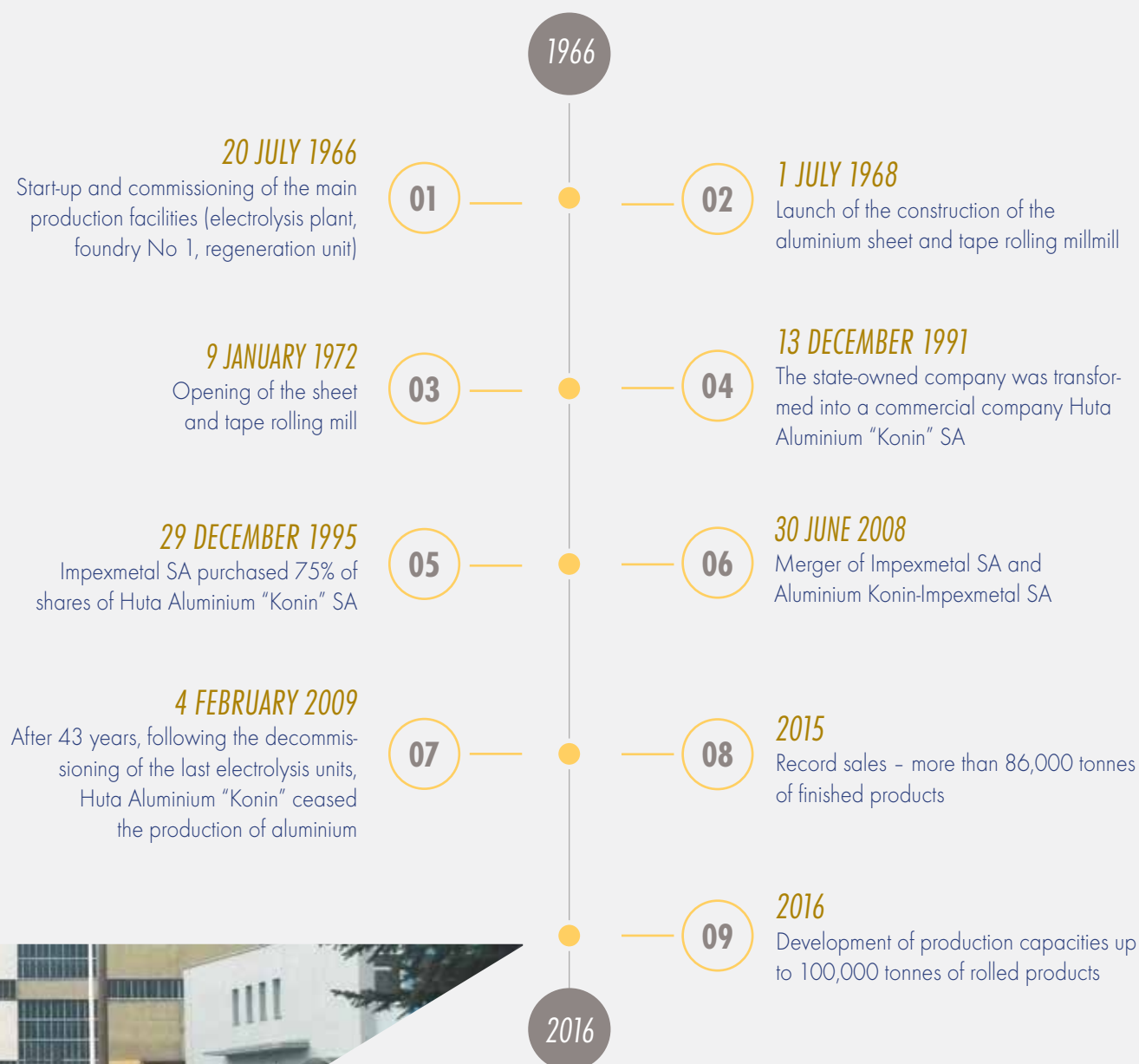
- 36 7.1. Summarized Financial statements of Impexmetal Capital Group

44 8. FINANCIAL ANALYSIS OF THE GROUP'S RESULTS

- 44 8.1. Analysis of the selected items of the profit and loss account
- 45 8.2. Sales volumes
- 46 8.3. Macroeconomic situation
- 46 8.4. Assets and liabilities

50 YEARS OF ALUMINIUM KONIN

THE ECONOMIC COMMITTEE OF THE COUNCIL OF MINISTERS ESTABLISHED THE LOCATION OF THE ALUMINIUM SMELTER IN THE AREA OF KONIN



LETTER OF THE BOARD

WARSAW,
21 MARCH 2016

Dear All,

It is our great pleasure to present to you the report on the activities of Impexmetal and Impexmetal Capital Group for 2015. The annual report provides details on the financial and economic situation as well as the most significant events at Impexmetal Group.

2015 was an extremely important year for Impexmetal Capital Group. The effectiveness of the strategy adopted by the Group is directly reflected in our financial results. Revenues went up by PLN 334 million to the level of PLN 3 154 million. Operating profit exceeded PLN 170 million while the net profit was in excess of PLN 147 million. The Aluminium Segment, due to completed machinery modernisation, increased the output and sale volumes by over 20%. Additionally obtained quantities of highly processed products were successfully introduced on the European markets, thus increasing the export share up to 52% of total sale.

One of the main goals of this segment is an increase of share in sale of highly processed products. Therefore, there are continuously conducted intensive research and development projects, aimed at extension of the product offer addressed to our customers in the automobile industry. We use and we will keep using the available EU funds in the implementation of our future R&D projects.

2015 ended with a higher level of sale for the Copper Segment, both in volume (by 5%) and in value (by 7%). The export sales also increased to the level of 65% in the total value of sales.

Both ZM SILESIA S.A. and Baterpol S.A. in the Zinc and Copper Segment noted further increase of sale volumes. One must note Baterpol S.A. which, due to consistently implemented raw material purchase policy, obtained a decisively higher operating result than in 2014.

In 2015 the Supervisory Board of Impexmetal S.A. accepted the strategic assumption regarding formation of a strong capital group within the next 3 years, with revenues exceeding PLN 4 billion a year. Implementation of the goal determined in such a manner is possible due to the continuous investment process – through capital investments as well. Thus, a decision was made to increase the share in the share capital of Alchemia S.A., until the level of 51% is reached.

2016 will be a year of commencement of the new medium-term strategy implementation for most companies of the Capital Group, with the common feature being increase of the current production and sale potential as well as improvement of earned margins. The Aluminium Segment is entering the decisive stage of investment works within the scope of increase of production capacity of the rolled products. The investment aimed at development of melting-casting capabilities has been commenced. Its purpose is to fully cover the demand of the Rolling Mill Division for ingots as well as increase of scrap metal secondary processing capacity. This will allow to increase production of recycled metal and close the production chain of the Aluminium Plant in Konin. The target production capacities of the plant are to be 100 thousand ton of rolled products, and Capex of the undertaking is estimated at the level of PLN 150 million.

We would like to thank the Stockholders for their trust shown through acquisition of stocks of Impexmetal S.A. in belief of future return on investment. We also have to thank our Clients and Co-operators for cooperation in the previous year.

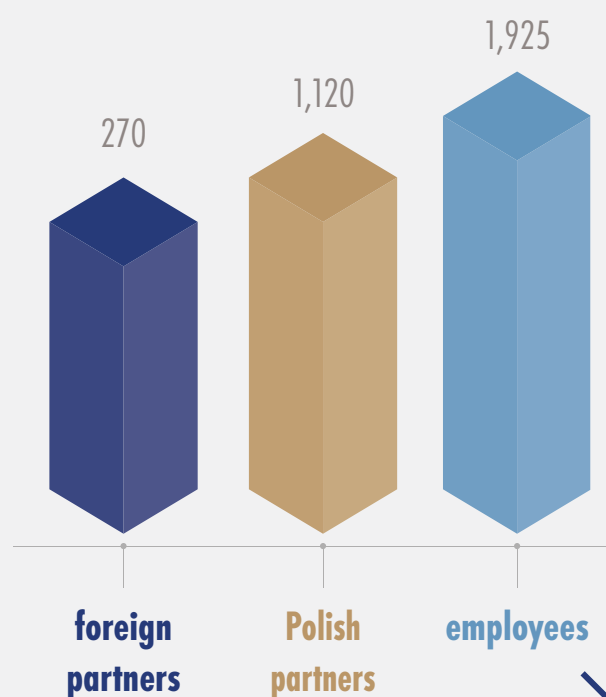
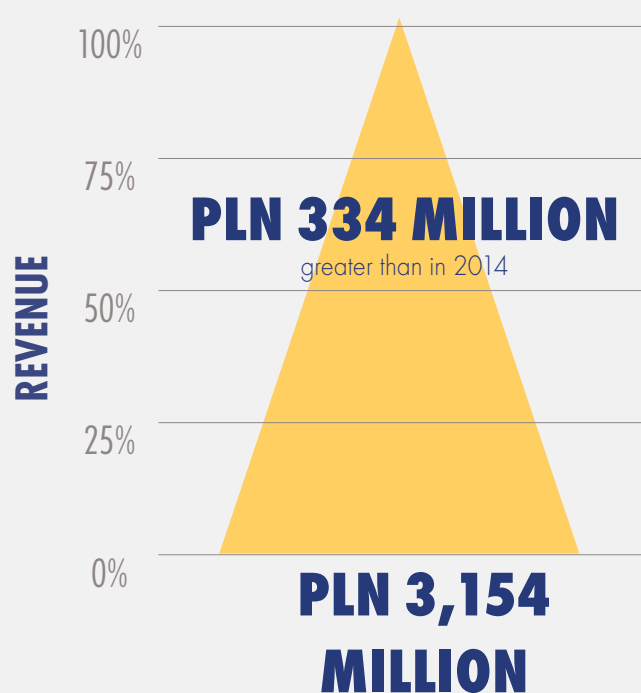
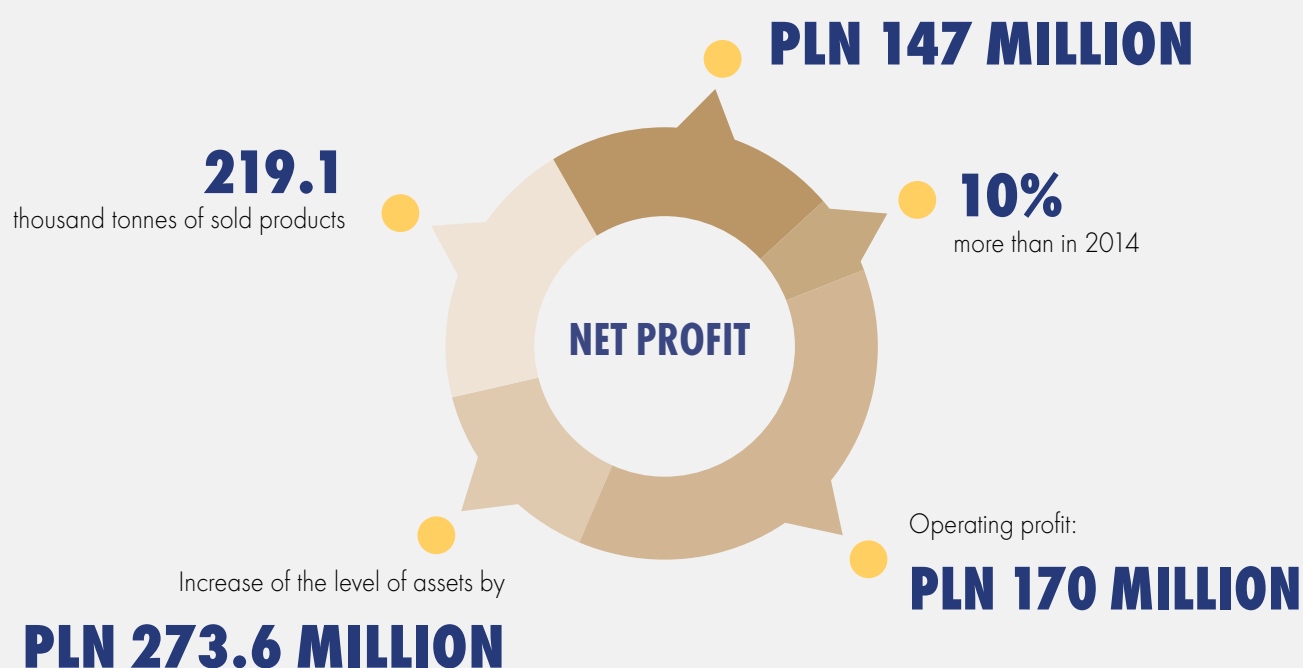
We would like to thank our Employees too since their great engagement in performance of the tasks allowed us to obtain high financial results.

Yours faithfully

Małgorzata Iwanejko – President of the Management Board
Jan Woźniak – Member of the Management Board



KEY DATA ABOUT THE IMPEXMETAL GROUP



1. ABOUT THE IMPEXMETAL GROUP

Impexmetal Spółka Akcyjna was founded on 1 July 1995 in Warsaw as a result of the transformation of the state-owned company Centrala Importowo-Eksportowa Impexmetal.

From the very beginning the business activities of the Company are associated with the trade of nonferrous metals, their semi-finished products and alloys (aluminium, copper, zinc, lead) and the distribution of bearings. The company runs its business activities all over the world. Since the mid-1970s Impexmetal has performed transactions at the London Metal Exchange.

Today Impexmetal is one of the largest Polish organisations with the structure of an industrial and commercial holding. The Company runs its activities across all the continents. It cooperates with hundreds of foreign partners and thousands of Polish companies. Impexmetal is an owner or main shareholder in more than 30 companies, including 5 production companies. In 2015 the Group employed more than 1900 persons.

Since June 1997 the shares of Impexmetal have been quoted at the Warsaw Stock Exchange in the "Metal Industry" sector. In 2005 Impexmetal became a part of the Boryszew Group.

“ IMPEXMETAL IS ONE OF THE LARGEST POLISH ORGANISATIONS WITH THE STRUCTURE OF AN INDUSTRIAL AND COMMERCIAL HOLDING. ”

Impexmetal is a Parent Company of the Impexmetal Group. The companies comprising the Group perform the following activities:

- 01 production of copper and copper products,
- 02 production of copper and brass products,
- 03 production of copper and copper alloy semi-finished products,
- 04 production of zinc products,
- 05 production of lead,
- 06 purchase, processing and trade of battery scrap and nonferrous metal waste,
- 07 commercial activities.



IMPEXMETAL IS AN OWNER OR MAIN SHAREHOLDER IN MORE THAN 30 COMPANIES, INCLUDING 5 PRODUCTION COMPANIES.

1.1. Management Board



MAŁGORZATA IWANEJKO

PRESIDENT OF THE MANAGEMENT BOARD, CEO

She has held the position since May 2012. She graduated from the Warsaw School of Economics. She was awarded the MBA Diploma in Management in the UK. She has held high-ranking positions and worked as an advisor for the several largest Polish companies. She is a member of the Supervisory Boards of the companies comprising Impexmetal: Hutmen SA, F&T Polska Sp. z o.o., Polski Cynk Sp. z o.o., WM Dziedzice S.A.

POSTGRADUATE EDUCATION

- ✓ MBA [GRADUATION IN 2003]
Diploma in Management, University of Central Lancashire, Preston, UK.

2006 PRESIDENT OF THE MANAGEMENT BOARD, Zakłady Azotowe "Puławy" S.A.

2002–2006 ADVISER, Nafta Polska S.A. Warszawa

1996–2002 HEAD OF THE COMMERCIAL SECTION, Zakłady Azotowe "Puławy" S.A.

PROFESSIONAL TRAINING

- ✓ INTERNATIONAL TRAINING PROGRAM OF FERTILIZER MARKETING CHALLENGES [USA, Alabama] organised by IFDC in 1996

PROFESSIONAL CAREER

2007–2012 PRESIDENT OF THE MANAGEMENT BOARD, Boryszew S.A.

2009–2012 PRESIDENT OF THE MANAGEMENT BOARD, Boryszew Erg S.A.

ADDITIONAL MAJOR FUNCTIONS PERFORMED IN YEARS 1997–2015

- ✓ Member of the Supervisory Board of Impexmetal S.A., Hutmen S.A., Walcowania Metali Dziedzice S.A., Baterpol S.A.
- ✓ President of the Fertilizers Committee at the Polish Chamber of Chemical Industry, Employers Association in Warsaw
- ✓ Representative of Zakłady Azotowe "Puławy" S.A. at the Agro Economics Committee IFA, France



JAN WOŹNIAK

*MEMBER OF THE MANAGEMENT BOARD,
DEVELOPMENT DIRECTOR, EXECUTIVE DIRECTOR
OF IMPEXMETAL S.A. ALUMINIUM KONIN*

Graduate of the Mechanics and Technology Faculty of the Poznań University of Technology. He has been connected with Huta Aluminium "Konin" since 1970s. He has extensive experience in working on management and executive positions.

PROFESSIONAL CAREER

2014 - to date MEMBER OF THE MANAGEMENT BOARD of Impexmetal S.A.,

Executive Director of Impexmetal S.A. Aluminium Konin

2011–06.2016 PRESIDENT OF THE MANAGEMENT BOARD, CEO of the Walcownia Metali Dziedzice S.A.

2006–2011 MEMBER OF THE MANAGEMENT BOARD, Production and Development Director, then Member of the Management Board, Managing Director of ZM Silesia S.A.

2002 OPERATIONAL DIRECTOR of Huta Metali Nieżelaznych "Szopienice" S.A.

1997–2000 MEMBER OF THE MANAGEMENT BOARD, then the President of the Management Board of ZM "Skawina" S.A.

1973–1998 Huta Aluminium "Konin" (then Impexmetal S.A.) Rolling Mill and Electrolysis Department - production supervision Commercial Section - Head of the Export Department, Commercial Director Technical Director, Member of the Management Board in years 1991 - 1998 and 2003 - 2005.

ADDITIONAL MAJOR FUNCTIONS

- ✓ Member of the Supervisory Board of Huta Metali Nieżelaznych "Szopienice" S.A. being in liquidation
- ✓ Member of the Supervisory Board of Baterpol S.A.
- ✓ Member of the Supervisory Board of WM Dziedzice S.A.

1.2. Current members of the Impexmetal S.A. Supervisory Board

ARKADIUSZ KRĘŻEL

PRESIDENT OF THE SUPERVISORY BOARD

MEMBER OF THE SUPERVISORY BOARD OF IMPEXMETAL S.A. SINCE 2006

He has taken high-rank positions for many years. He has been the President of the Management Board at Agencja Rozwoju Przemysłu S.A. (1992 – 2006). He was also a member of the Supervisory Boards of Państwowa Agencja Węgla Kamiennego S.A., Polski Bank Rozwoju S.A., PKP S.A. and PLIVA Kraków – Zakłady Farmaceutyczne S.A. He is a member of the Management Board of the French-Polish Economic Chamber in Paris and the Polish-Japanese Economic Committee.

✓ GRADUATE OF THE SILESIAN UNIVERSITY OF TECHNOLOGY IN GLIWICE.

KARINA WŚCIUBIAK-HANKÓ

VICE-PRESIDENT OF THE SUPERVISORY BOARD

MEMBER OF THE SUPERVISORY BOARD OF IMPEXMETAL S.A. SINCE 2014.

Since 2001 she has been the President of the Management Board of Alchemia S.A. She has gained her professional experience in Boryszew S.A. and then in Skotan S.A. She has been a member of the Supervisory Board in several companies, including Skotan S.A. (until now) and NFI Midas S.A., where she held the position of the President of the Management Board.

✓ GRADUATE OF THE WROCŁAW UNIVERSITY OF ECONOMICS;
she completed a postgraduate course in accountancy and controlling
in Częstochowa and holds an MBA degree awarded at the Wrocław University of Economics.

DAMIAN PAKULSKI

SECRETARY OF THE SUPERVISORY BOARD

MEMBER OF THE SUPERVISORY BOARD OF IMPEXMETAL S.A. SINCE 2015.

He runs his own Legal Counsel Office. So far he has performed or still performs functions of the Member of the Supervisory Board at Suwary S.A., Torlen Sp. z o.o., Elana – Energetyka Sp. z o.o., Krezus S.A. and Gold Investments Sp. z o.o.

- ✓ GRADUATE OF THE LAW AND ADMINISTRATION FACULTY AT THE NICOLAUS COPERNICUS UNIVERSITY IN TORUŃ.

In 1999 Damian Pakulski completed legal counsel training at the District Chamber of Legal Counsels in Toruń.

PIOTR SZELIGA

MEMBER OF THE SUPERVISORY BOARD

MEMBER OF THE SUPERVISORY BOARD OF IMPEXMETAL S.A. SINCE 2012.

He has been related to the Impexmetal Group since 2003 and to the Boryszew Group since 2006. From 2007 to 2012 he was the President of the Management Board and the General Director of Impexmetal S.A. From 2012 to October 2016 he performed the function of the President of the Management Board of Boryszew S.A. Now he is a Member of the Management Board of Boryszew S.A. and a Director of the Metal Segment. He also performs supervisory functions at Hutmen S.A., HMN Szopienice S.A. (in liquidation), ZM SILESIA S.A., FtT Polska Sp. z o.o., Baterpol S.A. He also held high-ranking positions at Arthur Andersen Sp. z o.o. and ce-market.com S.A.

- ✓ HE GRADUATED FROM THE CRACOW UNIVERSITY OF ECONOMICS AND COMPLETED A POSTGRADUATE COURSE AT THE STOCKHOLM UNIVERSITY /STOCKHOLM INTERNATIONAL BANKING INSTITUTE.

He holds an expert auditor licence and the ACCA Diploma in International Financial Reporting.



DR PAWEŁ BŁASZCZYK

MEMBER OF THE SUPERVISORY BOARD

**MEMBER OF THE SUPERVISORY BOARD OF IMPEXMETAL S.A.
SINCE 2016.**

Since 2005 he has worked as a lawyer in the Błaszczak & Partners Law Office and since 2011 he has been a partner hereof. He is an author of numerous scientific publications. He is a lecturer at the postgraduate course in business law in the Law and Administrative Faculty of the Cardinal Stefan Wyszyński University in Warsaw. He also works as a lecturer at the University of Warsaw, in the postgraduate course in corporate law and capital market law.

- ✓ IN THE PERIOD 2010-2013 HE WAS AN ASSISTANT PROFESSOR AND LECTURER IN THE LAW AND ADMINISTRATION FACULTY OF THE UNIVERSITY OF WARSAW, IN THE INTERNATIONAL PRIVATE AND COMMERCIAL LAW DEPARTMENT.

in years 2010-2012 he was a lecturer at the postgraduate course
in international law and foreign service at the University of Warsaw.

- ✓ IN 2010, HE COMPLETED LEGAL COUNSEL TRAINING HELD BY THE DISTRICT BAR ASSOCIATION IN WARSAW.

In 2009 he was awarded a degree of PhD in law.



1.3. Stocks of Impexmetal S.A.

1.3.1. SHARE PRICE

In 2015 the average price of the shares of Impexmetal S.A. grew in relation to 2014 by 10 grosz and amounted to PLN 2.87. In this period the share price varied from PLN 2.05 to PLN 3.52, and the average daily turnover in the Company's shares amounted to PLN 170,000.

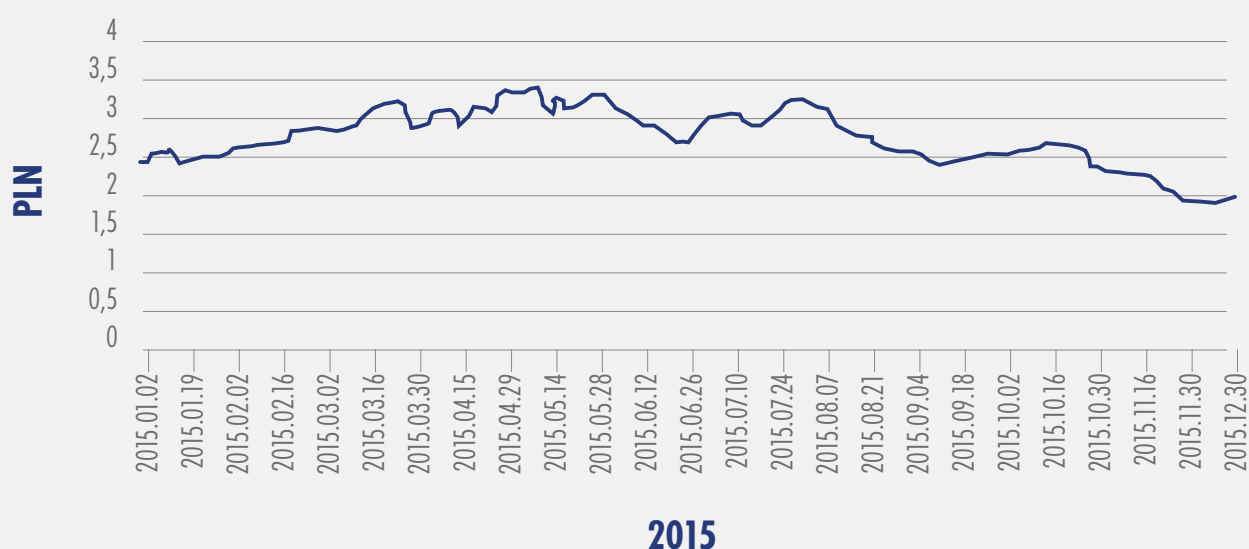
1.3.2. SHAREHOLDING STRUCTURE AS OF 30 JUNE 2016

shareholders	number of shares	share in share capital	number of votes	share in general number of votes
Roman Krzysztof Karkosik with subsidiaries (*) including Boryszew S.A. and its subsidiaries (**)	116,200,000	58.10%	116,450,424	58.225%
including Impexmetal S.A. (***)	7,210,000	3.60%	7,210,000	3.60%
ING Powszechne Towarzystwo Emerytalne S.A.	16,105,263	8.05%	16,105,263	8.05%
Other shareholders	67,694,737	33.85%	67,694,737	33.85%
Total shares/votes	200,000,000	100.00%	200,000,000	100.00%

(*) According to the notice of 5 July 2016 Roman Krzysztof Karkosik together with subsidiaries held 116,200,000 shares of Impexmetal S.A. which made up 58.1% of the share capital and entitled to 116,450,424 votes at the General Meeting, i.e. 58.225% of the total number of votes at the General Meeting of Shareholders.

(**) According to the notice of 7 July 2016 Boryszew S.A. along with the subsidiaries held 116,850,000 shares of Impexmetal S.A. which made up 58.43% of the share capital and entitled to 58.43% of votes at the General Meeting of Shareholders.

(***) Shares acquired under the programme of purchasing treasury shares of Impexmetal S.A. from the treasury shares do not entitle the Company to exercise the right to vote at the General Meeting of Shareholders.



Shaping of the Impexmetal SA share price at the Warsaw Stock Exchange in 2015.

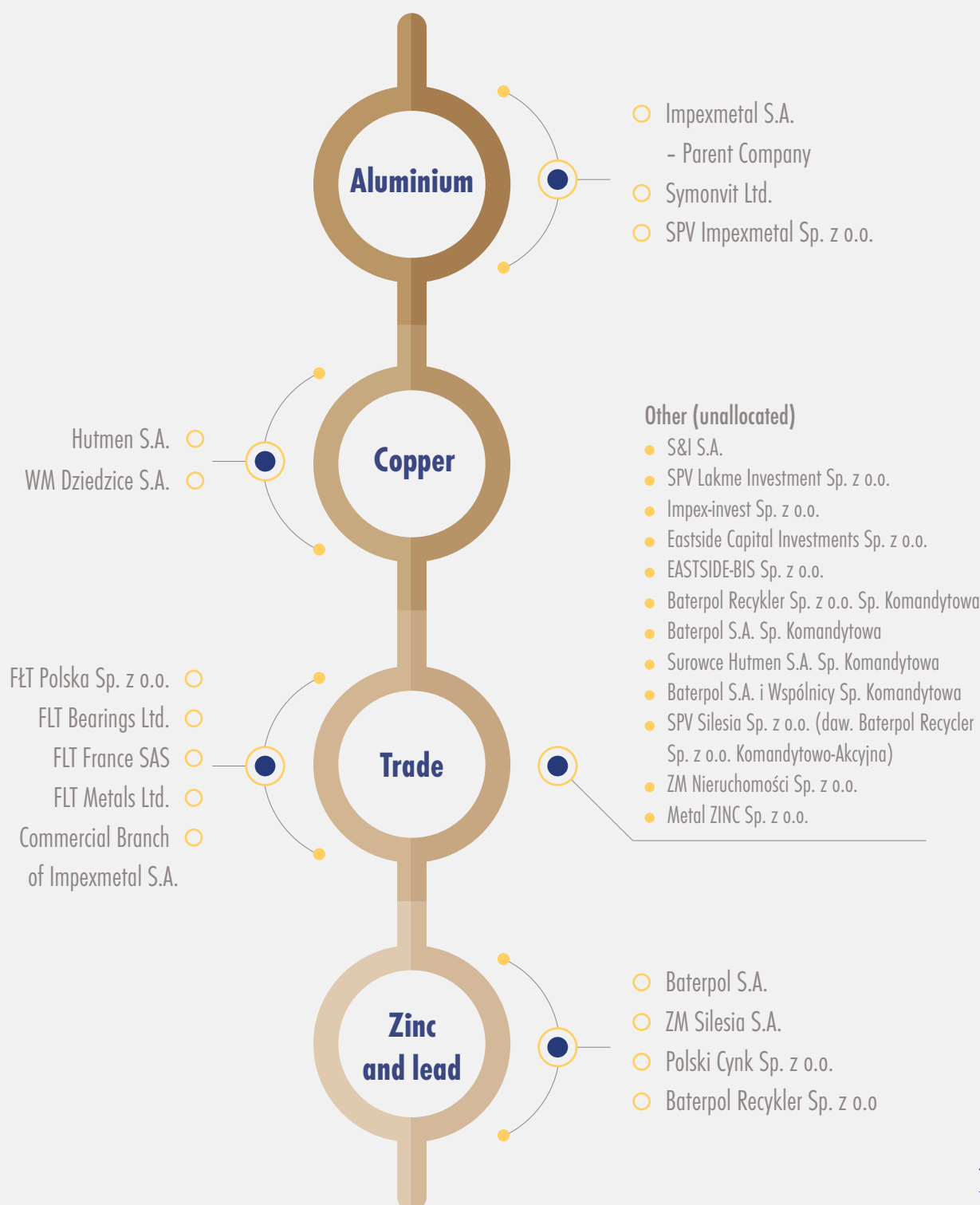
1.4. Structure of the Impexmetal Group as of 31.12.2015

Impexmetal is the Parent Company in the Impexmetal Group. It consists of Polish and foreign companies, subsidiaries, joint

subsidiaries and affiliated companies. Impexmetal performs management and supervisory functions.

The Group consists of 4 Production Segments and a separate Segment of Other Activities.

IMPEXMETAL GROUP



1.4.1. ASSOCIATES

As of 31.12.2015 the Impexmetal Group has two affiliated entities in which it is a shareholder.

Entities covered by consolidation:

Company	Core business activities	Share of Impexmetal in the company (%)
Alchemia S.A.	Production of steel products	25.20

Entities not covered by consolidation:

Company	Core business activities	Share of Impexmetal in the company (%)
Przedsiębiorstwo Automatykacji i Pomiarów Altech Sp. z o.o., Konin	Services: automatics and measurements	48.36



*ALUMINIUM KONIN
INTRODUCES TO ITS OFFER
A WIDE RANGE OF ALUMINIUM
ALLOYS WITH APPLICATIONS IN,
AMONG OTHERS, CAR HEAT
EXCHANGERS AND EXTENDS
ITS OFFER AS FAR AS INNOVATION
MULTILAYER PRODUCTS
ARE CONCERNED.*

2. CORE BUSINESS ACTIVITIES

The primary area of business activities conducted by the Impexmetal Group covers the processing of non-ferrous metals. The Group is the largest Polish holding producing aluminium, copper, zinc and lead products. The Group also performs commercial activities related to the sales of bearings and other metals.

The main operational segments where the Impexmetal Group performs its activities are as follows:

- 01 aluminium,
- 02 copper,
- 03 zinc and lead.

2.1. Aluminium Segment

The Aluminium Segment comprises:

- 01 Zakład Aluminium Konin (Impexmetal S.A.)
- 02 SPV Impexmetal Sp. z o.o.
- 03 Symonvit Ltd.

“THE IMPEXMETAL GROUP
IS THE LARGEST
POLISH HOLDING MANUFACTURING
NONFERROUS METAL PRODUCTS.”

Zakład Aluminium Konin manufactures a wide range of aluminium products for many branches of industry. It is one of the European leaders among manufacturers of rolled products. The basic products manufactured by Aluminium Konin are:

- 01 metal sheets and tapes,
- 02 cold-rolled metal sheets and tapes.

They are widely used, for example, in the automotive, packaging, construction and electro-technical industry, as well as in general applications.

Share of products manufactured by Zakład Aluminium Konin in the European market amounts to approximately 2%, and the share in the global market is estimated as around 0.4%. As Aluminium Konin does not offer all the rolled products available in the market, the share as part of the offered products is higher.

In 2015 the plant finished the process of the rolling mill retrofit. This resulted in the growth of production and sales by 22% in terms of quantity.

Company	Products	Quantity [T]		Value [TPLN]	
		2015	2014	2015	2014
Impexmetal (Aluminium Konin Plant)					
	Thin products	28,138	22,212	347,306	249,921
	Cold-rolled products	57,983	48,558	618,061	479,036
	Goods and materials			39,358	29,464
	Services + other			10,432	11,019
	Total	86,121	70,770	1,015,157	769,440
Symonvit				0	10,733
SPV Impexmetal				18,507	2,912
Total for the Aluminium Segment		86,121	70,770	1,033,664	783,085



Around 50% of the goods sold go to the Polish market. The most of the products are exported to the Czech Republic. The second place is taken by Germany.

Sales structure [%]	2015	2014
Country	48%	51%
Czech Republic	11%	9%
Germany	9%	9%
France	6%	4%
Ukraine	3%	3%
Finland	3%	2%
Switzerland	2%	2%
Austria	2%	2%
United Kingdom	2%	5%
Hungary	2%	1%
other	12%	12%
Export as % of total sales	52%	49%

SPV Impexmetal Sp. z o.o. and **Symonvit Ltd.** ran the activities associated with the management of intellectual property. Symonvit Ltd. is currently winding up.

2.2. Copper Segment

In the Copper Segment the Impexmetal Group has two key manufacturers performing their activities on partially overlapping markets. They are:

- 01 Hutmen S.A.
- 02 WM Dziedzice S.A.

The key products of the Copper Segment include:

- 01 copper and alloy rods and wires,
- 02 installation copper pipes,
- 03 copper alloy pipes (including capacitor pipes),
- 04 brass and bronze tapes,
- 05 disks for monetary industry.

The major markets for the products of the Copper Segment are: the construction industry, electronic and electro-technical industry, metallurgy and mints.

In 2015 the Copper Segment was positioned in the European market as a small supplier. The segment made up the biggest share in the range of copper rods and sections – approx. 2% in the European market. In the world's markets the share of the Copper Segment does not exceed 1%.

In the Polish market, taking into account the division into individual products, the share of the Copper Segment was as follows:

- 01 market of brass rods – approx. 52%,
- 02 market of cast bronze products – approx. 65%,
- 03 market of installation copper pipes – approx. 51%,
- 04 market of copper rods and sections – approx. 13%.



**ALUMINIUM KONIN FINISHED
THE YEAR 2015 WITH
SALES HIGHER BY 22%
IN TERMS OF QUANTITY.**

Company	Products	Quantity [T]		Value [TPLN]	
		2015	2014	2015	2014
Hutmen					
	Cast alloys	3,617	3,944	70,978	77,346
	Copper rods, wires and sections	4,375	3,923	110,734	102,954
	Copper pipes (incl. installation pipes)	5,029	4,325	124,803	112,715
	Bronze rods and pipes	569	758	16,509	22,291
	Materials			187,449	175,507
	other			5,507	4,592
	Total	13,590	12,950	515,980	495,405
WM Dziedzice					
	Brass rods	20,479	18,673	360,874	328,444
	Brass pipes (incl. capacitor pipes)	3,969	3,693	87,561	82,546
	Brass tapes	1,073	1,267	16,450	18,671
	Disks and spanners	1,864	1,448	57,441	36,410
	Other	7,656	8,163	30,719	32,780
	Total	35,041	33,244	553,045	498,851
Consolidation adjustments				- 180,041	- 166,208
Total for the Copper Segment		48,631	46,195	888,984	828,048

The main directions of sales in the Copper Segment in 2015 were not subject to any significant changes. The largest export market is in Germany, which is followed by the Czech Republic:

Sales structure [%]	2015	2014
Country	35%	36%
Germany	25%	26%
Czech Republic	15%	14%
Slovakia	4%	2%
Cyprus	4%	6%
Austria	2%	0%
Spain	1%	2%
Hungary	1%	1%
Italy	1%	2%
United States	1%	1%
Other	11%	10%
Export as % of total sales	65%	64%

2.3. Zinc and Lead Segment

The Zinc and Lead Segment consists of:

- 01 Baterpol S.A.
- 02 ZM Silesia S.A.

- 03 Polski Cynk Sp. z o.o.
- 04 Baterpol Recycler Sp. z o.o.

Baterpol S.A. specialises in the recycling of batteries and processing of lead.

ZM Silesia S.A. specialises in the processing of zinc and lead.

The two latter companies are identified as non-production.

The basic products of the Zinc and Lead Segment include:

- 01 refined and slop oil,
- 02 zinc-titanium sheet,
- 03 zinc and zinc-aluminium wire,
- 04 zinc anodes,
- 05 cast alloys,
- 06 zinc oxides,
- 07 lead oxides.



“ THE ZINC
AND LEAD SEGMENT
ENDED YEAR 2015 WITH THE
QUANTITATIVE SALES HIGHER BY 2%,
I.E. BY 1,300 TONNES IN
COMPARISON TO 2014. ”

The products are used mainly in the production of batteries, construction industry, rubber industry, electroplating and metallurgy.

In the European and Polish market in 2015 the Zinc and Lead Segment shall be considered only with the breakdown into product ranges.

	Europe (estimated percentage)	Poland (estimated percentage)
Market of lead oxides	15%	97%
Market of zinc wire	8%	86%
Market of zinc oxides	7%	50%
Market of zinc-titanium sheets	4%	41%
Market of lead and alloys	2%	30%
Market of zinc anodes	X	50%
Market of cast zinc alloys	X	9%

The Zinc and Lead Segment ended year 2015 with the quantitative sales higher by 2%, i.e. by 1,300 tonnes in comparison to 2014. The biggest growth dynamics was observed for the ZM Silesia plant - 7%.

Company	Products	Quantity [T]		Value [TPLN]	
		2015	2014	2015	2014
BATERPOL					
	Lead and alloys	44,938	44,262	315,684	267,090
	Lead products			10,989	13,838
	By-products			4,580	4,592
	Processing services			8,241	9,010
	Other			13,525	8,238
	Total	44,938	44,262	353,019	302,768
ZM SILESIA (KATOWICE)					
	Metal sheets	9,018	8,466	91,476	81,551
	Anodes	2,308	2,043	20,240	16,417
	Wire	2,050	2,011	22,427	20,757
	Cast alloys	1,169	1,099	10,288	8,235
	Other	0	1	11,678	23,485
	Total	14,545	13,620	156,109	150,445
ZM SILESIA (OŁAWA BRANCH)					
	Zinc and lead oxides	24,852	25,125	187,075	177,395
	Other	39	31	58,037	44,622
	Total	24,891	25,156	245,112	222,017
Polski Cynk				690	1,036
Baterpol Recycler				133,204	144,653
Consolidation adjustments				-99,755	
Total for Zinc and Lead Segment		84,374	83,038	788,379	820,919





*THE BIGGEST GROWTH
DYNAMICS
WAS OBSERVED FOR
THE ZM SILESIA PLANT - 7%.*

The dominant market for the Zinc and Lead Segment is still the domestic market – its share in total sales is 59%. It results from the dominance of domestic clients for Baterpol S.A. However, at the same time one could observe growth of the volume of sales in the major directions of sales – in Germany, the Czech Republic and France.

Sales structure [%]	2015	2014
Country	59%	66%
Germany	12%	8%
Czech Republic	8%	4%
France	7%	5%
Slovakia	3%	7%
Spain	3%	2%
South Korea	1%	1%
Italy	1%	2%
Austria	1%	1%
Bulgaria	1%	0%
Other	4%	4%
Export as % of total sales	41%	34%



*THE DOMINANT MARKET
FOR THE ZINC AND LEAD
SEGMENT IS THE DOMESTIC MARKET
- ITS SHARE IS 59%. HOWEVER, THERE
WAS A GROWTH OF THE VOLUME
OF SALES IN THE MAJOR DIRECTIONS
OF SALES - IN GERMANY, THE CZECH
REPUBLIC AND FRANCE.*

3. IMPLEMENTATION OF INVESTMENT TASKS

Key investments of Aluminium Konin

At present Aluminium Konin carries out significant investments. Their primary purpose is to increase production capacities, modernize the technology and optimize the production.

Such investments enhance competitiveness of the plant. At the same time the growth is observed for the production and quality of the products offered by Aluminium Konin.

Investment task	Project value [TPLN]	Planned date of the task completion
Extension of the Rolling Mill hall	13,500	31 May 2016
Installation of the pusher furnace for heating and homogenisation of ingots	20,500	November 2016
Installation of melting furnace 30 T	11,000	November 2016
Ingot cutting saw	8,000	June 2016
Metal sheet cutting line	17,000	November 2016
Tension levelling line with a degreasing section	23,500	November 2016
Modernisation of the Hot Rolling Mill control system and replacement of measuring devices	6,500	April / December 2016
Purchase of DSR roller	6,800	4 th quarter, 2016
Programme of increasing efficiency and improving the output of the Processing Plant – tasks included in the investment plan for years	18,200	2016–2017
Total	125,000	



*ALUMINIUM KONIN CARRIES
OUT SIGNIFICANT INVESTMENTS
TO OPTIMIZE AND INCREASE PRODUCTION
CAPACITIES, AND MODERNIZE
THE TECHNOLOGY.*

4. PERSPECTIVES AND R&D ACTIVITIES

4.1. Aluminium Konin Plant

Prospects for aluminium manufacturers are very favourable. All over the world one may observe the growth of its sales and consumption. Aluminium alloys are increasingly widely used in the automotive industry and transportation, packaging, electro-technical and construction industries.

The following factors influence the growth of the demand for aluminium:

- 01 in comparison with other developed EU countries, the consumption of aluminium in Poland is still insignificant, which has a favourable impact on the dynamics of growth,
- 02 fall in the prices of aluminium in the world was reflected in the Polish industry – the majority of Polish companies specialising in aluminium are importers of aluminium and many of them took advantage of the lower price of the raw material and could increase the profit margin,
- 03 demand for aluminium grows in the automotive industry which becomes a key recipient of aluminium products.

In 2015 the consumption of aluminium in Poland amounted to 820,000 tonnes, which reflects the growth by 8.6% in relation to 2014. In the perspective, by 2018 the consumption of aluminium may exceed 1 million of tonnes.

Optimistic perspectives for the industry encourage investments. In 2015 Impexmetal started investments which are to reach the amount of PLN 125 million by 2017. They will enable production of flat rolled products up to 100,000 tonnes a year.

The investment programme is focussed on the growth of production in the sector of highly processed products and, at the same time, on the closer cooperation with key clients from the automotive, packaging and electro-technical industry.

Under the development strategy Impexmetal intends to increase the melting and casting capacities of the Foundry Division, including increasing of the capacities of secondary processing of the scrap which is currently regarded as problematic in remelting.



*BY 2018 THE CONSUMPTION
OF ALUMINIUM IN POLAND MAY GROW
FROM 820,000 TONNES
TO ABOVE 1 MILLION TONNES.*

According to the plan the Foundry Division should be capable of covering the entire demand of the Rolling Mill Division for the raw material, increasing the production of metal derived from melting and closing the production chain of the Company's Processing Plant.

The investment will be continued in years 2015-2017 by increasing the production of flat products up to 130,000 tonnes a year. Aluminium Konin is focussed on the development of sales for the automotive segment. The investments assume further development of thin and plated products intended for the production of car heat exchangers and launch of the production of special hard deformable alloys for the automotive industry.

The research and development operations in the field of business activities of Impexmetal S.A. and Aluminium Konin are carried out by a separate Department of Products and Technology. The department is responsible for designing new products, improving and optimising the production technology for the automotive, packaging, construction, electro-technical industries and other.

Recently the main emphasis in the R&D operations has been placed on the cooperation with the automotive industry and introduction of new aluminium alloys intended for the production of car parts, including heat exchangers in cooling systems. The cooperation resulted in the development of the alloy for the production of heat exchanger pipes with the increased content of magnesium (LH435) and the alloy dedicated to the production of heat exchanger fins (HF422) – this material is currently at the stage of approving the scope of validation tests to be performed at the client's site.

The R&D operations were concentrated also on the development of the production technology related to hard deformable alloys with above-standard content of magnesium – globally innovative product designed for the production of inner parts of car bodies. Alloys ECO-ALMg have excellent resistance properties (similar to steel) and will be competitive for steel elements, allowing for significant reduction of weight and thus decreased consumption of fuel and emissions of flue gas. Development of the technology in this regard requires modification of the casting technology (use of special Eco Master Alloy, change of melting and casting parameters) and application of the innovative rolling technology (innovative structure of the rolling mill for asymmetric cold rolling).

Another project executed as part of the Company's R&D operations is the development of the technology of production of multi-layer plated products (four- and five-layer) with an additional protective layer between the core and the cover which melts during soldering. This structure of the plated product protects the core material against additional erosion by applying liquid metal in soldering of heat exchangers and leads to improvement of corrosion resistance of the applied materials.

Additionally, the Company performs the R&D operations in coordination with the representatives of clients from the automotive and electro-technical industry, within common technical teams. This direct cooperation enables effective response to potential quality issues, improvement of the production technology as part of the current commercial offer and implementation of innovative solutions.



*IN 2015 IMPEXMETAL STARTED
INVESTMENTS WHICH ARE
TO REACH THE AMOUNT
OF PLN 125 MILLION BY 2017.*

4.2. WM Dziedzice S.A.

The Company's aim is to develop constantly by optimizing the net profit. The means to achieve this goal include:

- 01 increase of the production capacities,
- 02 growth of sales,
- 03 optimization of production costs.

The undertakings of the Company are primarily aimed at the permanent improvement of the Company's profitability.

It is assumed that the sales in 2016 will reach PLN 36,806 tonnes (increase by 1765 tonnes in comparison to 2015), primarily in the assortment of brass rods and pipes. This growth and consequential implementation of the assumed tasks will enable to generate the net profit of PLN 19,141,000 in 2016 (excl. operating costs).

According to the long-term plan until 2020 the Company will increase the sales by 4000 tonnes per annum and the net earnings will reach the level of approx. PLN 21,000,000.

In order to reduce the risk and adapt to changeable macro-economic conditions the Company has developed its own price policy relating to the purchase of raw materials and sales of products. Additionally the Company implemented the financial risk hedge accounting policy.

In 2015 the Company carried out a number of development works, but the most important work pertained to the launching of a series of modernisations enabling to accelerate the movements of the press components, change of the slide block systems and replacement of the press automation system controls. The works to be completed in 2016 will allow to reduce the losses related to the decentricity of pipes and sections, and to increase the production efficiency.

Among other development works the ones that shall be distinguished include:

- 01 expansion of the range of products by copper and new copper alloy products with low content of lead and ECO alloys,
- 02 introduction of the new technology for production of ingot moulds used to cast brass,
- 03 implementation of the new brass casting technology,
- 04 introduction of new types of wires to the series production and expansion of the product range by adding new shapes,

“ IN THE LONG-TERM PLAN
OF WM DZIEDZICE S.A. IT IS ASSUMED
THAT IN 2020 THE NET PROFIT WILL
GROW BY NEARLY PLN 2,000,000,
UP TO PLN 21,000,000. ”

- 05 introduction of a new dryer including development of the new technology of coin blanks processing,
- 06 modernisation of the Felicia pipe press – increase of the pressure and modernisation of the thick rod cooling bed,
- 07 automatization of the process of pulling aside the flue gas and dust extraction devices from above the melting chamber,
- 08 optimisation of the loading logistics and organisation of deliveries.

4.3. Hutmen S.A.

The Management Board of the Company introduced four major strategic goals: They are:

- 01 development of the production of copper and niche products,
- 02 optimization of production processes to improve material outputs and reduce the costs of processing (reduction of personal costs, repair costs, auxiliary materials and utilities),
- 03 sales of unnecessary non-productive assets of the Company,
- 04 development of the scope of renting and leasing unnecessary production and office areas.

4.4. Baterpol S.A.

The priority of the Company is to maintain and optimize the production at the planned level and to perform operations that will enable to achieve satisfactory financial results.

The Company aims at changing the range of products and prices. It is planned to reduce the production of soft lead in order to increase the production of alloys and, at the same time, the premium. Priorities for the Company also include:

- 01 maximization of the volume of purchase of lead-bearing materials and its optimization in terms of product range and finances,

- 02 close cooperation with the Clients in order to match the quantity and assortment of lead and alloys to their requirements and mutual contractual commitments.

4.5. ZM Silesia S.A.

The most important strategic goals for the development of the plant in Katowice include:

- 01 beginning of the sales of a new product, i.e. black patinated sheet,
- 02 continuation of works on the adjustment of parameters of wire Zn Al. 15 to the requirements of clients in western markets.

The Plant is also taking measures to change the production technology in order to limit the costs of production and improve quality. Estimated savings on the production costs amount to PLN 200,000 per annum. The Plant executes further development works and since mid-2016 the savings in the costs of production should reach PLN 300,000 a year.

The major strategic goals of the Huta Oława Division include:

- 01 optimisation of costs of producing zinc white by reducing the consumption of gas and electricity,
- 02 increase of production capacities and sales while maintaining the current level of emissions,
- 03 completion of the construction of the furnace for production of zinc white from zinc waste – completion of the project will enable to reduce the costs of gas and electricity by approx. PLN 1.2 million per annum and the costs of the purchase of this raw material,



DEVELOPMENT WORKS PERFORMED AT ZM SILESIA S.A. SINCE MID-2016 WILL PROVIDE SAVINGS OF APPROXIMATELY PLN 300,000 PER ANNUM.

- 04 implementation of the GEKON research programme together with IMN Gliwice – the programme to be executed in years 2016–2017 is aimed at developing new energy-saving production of zinc white,
- 05 development of a new furnace for production of lead minium together with the Wrocław University of Technology and obtaining a highly efficient, energy-saving and fully automated lead minium production line.

In 2015 Zakład Silesia developed a new technology of zinc-titanium sheet production. The technology allows to:

- 01 limit the energy consumption,
- 02 increase the manufacturing process efficiency,
- 03 improve the quality of metal sheet.

This resulted in the increase of profit from the sales of zinc-titanium sheet.



ZM SILESIA S.A. IS PLANNING
TO START SALES
OF A NEW PRODUCT
– BLACK PATINATED SHEET.

5. ENVIRONMENTAL PROTECTION

Care for the environment and natural surroundings is an important goal for Impexmetal. Therefore in 2015 the companies of the Impexmetal Group took a number of measures aiming at limiting the impact of their operations on the environment.

5.1. Impexmetal S.A. Aluminium Konin

- 01 Modernisation of the lighting in the rolling mill production hall and circulation routes by fixing energy-saving LED lamps.
- 02 Disposal of 324.7 m² of asbestos from the roofs of AKI buildings
- 03 In the investment plan for 2016 the following was taken into account:
 - o modernisation of PG1 furnace burners in order to reduce NO_x emissions and the consumption of natural gas,
 - o construction of a new melting furnace fitted with regenerative gas burners reducing the consumption of natural gas, an electromagnetic mixer reducing the consumption of energy by 11% and a filter station for treatment of gas and dust pollutants,
 - o purchase of electric vehicles for the rolling mill to reduce the emission of flue gas (the so-called non-organised emission).
- 04 Improvement of the efficiency in the management of utilities in terms of a tonne of a product.
- 05 Limitation of the consumption of natural resources by increasing the consumption of scrap for production of blocks and using closed cycles of cooling water.
- 06 Each year AKI conducts measurements of the emissions of gas and dust pollutants, and every other year – measurements of noise emissions to the environment.

- 07 In pursuance of the environmental decisions of AKI the Company performs on an ongoing basis the obligations related to the environment monitoring within the scope of: emissions to the atmosphere, measuring methods, monitoring of water and wastewater management, monitoring of the quantity of used surface water, monitoring of waste management, noise monitoring, process monitoring.

- 08 Devices used to protect the environment are systematically controlled and subject to inspections for the effectiveness of their operation.

- 09 AKI has an industrial wastewater pre-treatment plant.

- 10 AKI maintains and updates on an ongoing basis a list of environmental aspects and a register of significant environmental aspects.

- 11 The Policy of the Integrated Management System includes the operations leading to minimizing the adverse effects of production processes on the environment and conducive to reasonable consumption of the natural resources.

- 12 AKI implemented and maintains ISO 14001 pursuant to the regulations related to the environmental protection law and its own instructions and procedures.

5.2. ZM Silesia S.A.

- 01 Modernisation of the fuel combustion system. As part of the modernisation ZM Silesia S.A. replaced three used Carbofuel boilers with two modern condensing boilers by Hoval, operating in the cascade system for the purposes of hot tap water and central heating.
- 02 Opening of a modern processing line for etching and rinsing zinc-titanium tapes, together with the related infrastructure meeting high environmental standards.



- 03 Modernisation of lighting in the manufacturing halls. Lighting fixtures with sodium lamps with the power of 400 kW were replaced to energy-saving fixtures with LED lamps.
- 04 Obtaining of energy efficiency certificates pertaining to the energy saving for final clients.
- 05 Launch of the project "Construction of muffle recuperative furnace 5133". Its purpose is to reduce the consumption of natural gas during the operation of furnaces in the zinc white department. It is estimated that the quantity of natural gas necessary to produce one tonne of the product will be half as much as it is now. Thus the emission of pollutants generated during the production of zinc oxides to the atmosphere will fall considerably.
- 06 The Plant has a fully operating system used to pre-treat industrial wastewater and stormwater (zinc, lead and cadmium oxides).
- 07 Accredited measurements of dust and gas emissions to the environment from process sources are performed at ZM Silesia on a yearly basis. The plant meets the requirements of the integrated permit. At ZM Silesia the filter bags are replaced and monitored on an ongoing basis – this enables to limit the emissions of dust pollutants.

5.3. Baterpol S.A.

- 01 Reduction of the quantity of hazardous waste by its processing according to the technology which is safe for people and environment.

“ COMPANIES OF THE
IMPEXMETAL GROUP TAKE A NUMBER
OF MEASURES AIMING AT LIMITING
THE IMPACT OF THEIR OPERATIONS
ON THE ENVIRONMENT. ”

- 02 Flue gas emission has been reduced. In 2015 the Company purchased 2 trucks with the EURO 5 flue gas emission class. Older models of trucks with the EURO 2 class are no longer used.
- 03 The consumption of energy was reduced, thanks to which Baterpol S.A. received "White Certificates – Energy Efficiency Certificates".

5.4. WM Dziedzice S.A.

- 01 Installation of a petroleum substance separator with a sediment trap and instrumentation on the plant's stormwater discharge system.
- 02 Installation of noise-absorbing panels in the fan house and the dust removal plant. It allowed for the reduction of noise emission to the external environment.
- 03 According to the decisions included in the integrated permit and the water permit, the Company performs on an ongoing basis the imposed obligations related to the environment monitoring in the scope of noise emission to the environment, emission of pollutants to the air and monitoring of the quantity of discharged wastewater based on the procedures provided for in the regulations regarding the use of water.
- 04 The management of waste generated at WM Dziedzice S.A. is governed by relevant decisions of the integrated permits, sector permits and applicable Instruction IP-DB-03 "Management of waste generated at WMD S.A." covered by the ISO-9001 system.

5.5. Hutmen S.A.

Hutmen S.A. uses the quality and environment management system based on the standards: ISO 9001:2008 and ISO 14001:2004. The Company performs ongoing analyses of the environmental aspects defined for all the key and support processes.

The most significant operations undertaken by the Company in this respect include:

- 01 ongoing monitoring of the level of dust and gas emissions to the air,
- 02 waste management aiming at the waste recovery and safe disposal,
- 03 monitoring of noise level.

6. AUDITOR'S REPORT ON THE SUMMARIZED FINANCIAL STATEMENTS OF IMPEXMETAL S.A.

To the Shareholders and Supervisory Board of Impexmetal S.A.

We have audited the financial statements of Impexmetal S.A. with its registered office in Warsaw, Jagiellońska, 76 ("the comprehensive financial statements") prepared as of 31 December 2015 and for the financial year from 1 January 2015 to 31 December 2015 from which the Management Board of the Company derived the summarized financial statements ("the summarized financial statements") consisting of statement of financial position prepared as of 31 December 2015, income statement and statement of comprehensive income, statement of changes in equity, cash flow statement for the financial year from 1 January 2015 to 31 December 2015.

Our audit of the financial statements has been planned and performed in accordance with:

- 01 section 7 of the Accounting Act,
- 02 national auditing standards, issued by the National Council of Statutory Auditors in Poland.

In our opinion, the audited financial statements in all material respects:

01 give a true and fair view of the information material to evaluation of the economic and financial position of the Company as of 31 December 2015 as well as its financial performance in the financial year from 1 January 2015 to 31 December 2015,

02 have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations and in all matters not regulated in the standards - in accordance with the provisions of the Accounting Act and its executory provisions and based on properly kept accounting records,

03 comply with the provisions of law and the articles of association/by-laws of the Company, which affect the contents of the financial statements.

On March 21, 2016 we issued an unqualified audit opinion on those financial statements.

The summarized financial statements do not contain all information required by International Accounting Standards and International Financial Reporting Standards. Therefore, referring to summarized financial statements is not a substitute for becoming familiarized with the comprehensive financial statements.



For better understanding of the Company's economic and financial position as of December 31, 2016 and the financial results for the financial year from 1 January 2015 to 31 December 2015 and of the scope of our audit, the summarized financial statements should be read in conjunction with the comprehensive financial statements from which the summarized financial statements were derived and our audit opinion.

Preparation of summarized financial statements in line with the law is the responsibility of the Management Board of the Company.

Our responsibility was to express an opinion of the accompanying summarized financial statements in accordance with the procedures laid down in International Standard on Auditing (ISA) 810 "Engagements to Report on Summary Financial Statements".

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

Jacek Mateja
Key certified auditor
conducting the audit
No. 9736

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Jacek Mateja – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 21 March 2016

The above audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.



*INDEPENDENT AUDITOR,
DELOITTE POLSKA SP. Z O.O. SP.K.,
ISSUED AN OPINION WITHOUT
COMMENTS TO THE IMPEXMETAL S.A.
FINANCIAL STATEMENT.*

6.1. Summarized Financial statements of Impexmetal S.A.**6.1.1. PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014**

	period ended 31/12/2015	period ended 31/12/2014
Continuing operations		
Revenues from sales	1,053,576	887,125
Costs of products, goods and materials sold	960,010	817,863
Gross profit (loss) from sales	93,566	69,262
Selling costs	29,320	22,737
General and administrative costs	25,288	21,605
Other operating revenue	23,024	60,308
Other operating expenses	3,230	2,512
Profit (loss) from operating activity	58,752	82,716
Financial revenues	13,366	15,553
Financial expenses	20,291	37,836
Profit (loss) before income tax	51,827	60,433
Income tax	4,182	1,209
Net profit (loss) on continuing operations	47,645	59,224
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit (loss)	47,645	59,224
Basic / Diluted profit per ordinary share (in PLN) / weighted average of shares (in PLN)	0.25	0.31

6.1.2. STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	Net profit (loss)	47,645	59,224
Income in capital to be reclassified to financial result	(27,821)	951	
Hedging instruments of cash flows	(4,869)	3,784	
Valuation of assets available for sale and other assets	(29,430)	(2,610)	
Deferred income tax regarding income recognised in capital	6,478	(223)	
Income in capital not to be reclassified to financial result	147	(235)	
Valuation of pension and similar benefits	181	(290)	
Deferred income tax regarding income recognised in capital	(34)	55	
Income recognized in net capital	(27,674)	716	
Total comprehensive income	19,971	59,940	

The figures were presented in thousands PLN, unless otherwise specified.



**6.1.3. STATEMENT OF FINANCIAL POSITION COMPILED AS OF 31 DECEMBER 2015
AND RESPECTIVELY AS OF 31 DECEMBER 2014**

	31/12/2015	31/12/2014
ASSETS		
Non-current assets		
Tangible fixed assets	280,901	271,238
Investment property	5,062	8,011
Intangible assets	1,130	1,364
Goodwill	2,122	2,122
Investments in controlled entities	538,434	294,373
Financial assets available for sale	60,992	276,337
Loans granted	92,711	71,410
Receivables and other long-term assets	-	15,938
Total fixed assets	981,352	940,793
Current assets		
Inventory	209,233	211,031
Trade and other receivables	92,680	154,234
Loans granted	56,645	42,251
Derivative financial instruments	8,380	3,533
Financial assets available for sale	6,541	12,165
Income tax receivables	-	3,190
Other assets	2,036	756
Cash and cash equivalents	1,766	1,390
Total current assets	377,281	428,550
TOTAL ASSETS	1,358,633	1,369,343

The figures were presented in thousands PLN, unless otherwise specified.



*IN 2015 THE INCOMES
FROM SALES ACHIEVED
LEVEL OF PLN 1 053 576 K,
IN COMPARISON TO
PLN 887 125 K IN 2014.*

6.1.3. STATEMENT OF FINANCIAL POSITION COMPILED, continued

	31/12/2015	31/12/2014
LIABILITIES AND EQUITY		
Equity		
Initial (share) capital	94,661	94,661
Own shares (negative value)	(24,441)	(24,441)
Supplementary capital due to share premium	28,576	28,576
Capital due to hedge accounting	(3 263)	720
Capital due to revaluation of assets available to sell	(26,242)	(2,404)
Capital due to valuation of pension and similar benefits	184	37
Retained earnings, including:	866,009	818,364
Reserve capital	78,222	78,222
Net result of the current year	47,645	59,224
Total equity	935,484	915,513
Long-term liabilities and provisions for liabilities		
Bank loans and borrowings	40,432	85,582
Debt securities	28,000	16,000
Provisions for liabilities on pension and similar benefits	1,757	1,894
Deferred income tax liabilities	38,246	44,676
Other Liabilities	172	38,361
Other equity and liabilities	364	440
Total long-term liabilities and provisions	108,971	186,953
Short-term liabilities and provisions for liabilities		
Trade and other liabilities	143,446	99,010
Bank loans and borrowings	153,499	147,521
Debt securities	-	10,012
Derivative financial instruments	13,621	2,463
Income tax liabilities	785	-
Provisions for liabilities on pension and similar benefits	1,200	1,227
Other short-term provisions	1,551	6,558
Other equity and liabilities	76	86
Total short-term liabilities and provisions	314,178	266,877
Total liabilities	423,149	453,830
TOTAL LIABILITIES AND EQUITY	1,358,633	1,369,343

The figures were presented in thousands PLN, unless otherwise specified.



NET PROFIT IN 2015 WAS
PLN 47,645 K

6.1.4. STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	share capital	treasury shares	supplementary capital due to share premium	capital due to hedge accounting	capital due to revaluation of assets available to sell	capital due to valuation of pension and similar benefits	retained earnings	total equity
As of 1 January 2015	94,661	(24,441)	28,576	720	(2,404)	37	818,364	915,513
Comprehensive income for 12 months of 2015	-	-	-	(3,983)	(23,838)	147	47,645	19,971
Share buy-back	-	-	-	-	-	-	-	-
As of 31 December 2015	94,661	(24,441)	28,576	(3,263)	(26,242)	184	866,009	935,484

	share capital	treasury shares	supplementary capital due to share premium	capital due to hedge accounting	capital due to revaluation of assets available to sell	capital due to valuation of pension and similar benefits	retained earnings	total equity
As of 1 January 2014	94,661	(24,441)	28,576	(2,345)	(290)	272	759,140	855,573
Comprehensive income for 12 months of 2014	-	-	-	3,065	(2,114)	(235)	59,224	59,940
Share buy-back	-	-	-	-	-	-	-	-
As of 31 December 2014	94,661	(24,441)	28,576	720	(2,404)	37	818,364	915,513

(*) Treasury shares at acquisition price, purchased for redemption or resale, 7 210 000 shares as at 31.12.2015 and as at 31.12.2014

The figures were presented in thousands PLN, unless otherwise specified.

6.1.5. CASH FLOW STATEMENT FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	period ended 31/12/2015	period ended 31/12/2014
Cash flows from operating activities		
Profit (loss) before income tax	51,827	60,433
Amortisation and depreciation	31,040	30,199
Net foreign exchange (gains)/losses	(681)	194
Interest on financial liabilities	6,090	5,988
Interest and dividends	(21,825)	(68,689)
Profit/loss on investing activities	(343)	24,351
Changes in working capital:		
Accounts receivable (increase)/reduction	56,826	(18,026)
Inventories (increase)/reduction	1,798	(18,272)
Liabilities increase/(reduction)	8,486	25,758
Provisions and accruals	(6,501)	3,151
Cash generated on operating profit	126,717	45,087
Income tax (received)/paid	(206)	(259)
Net cash flow from operating activity	126,511	44,828
Cash flows from investment activities		
Inflows		
Components of tangible fixed assets	3,416	1,098
Disposal of financial assets	14,755	1,896
Dividends received	19,532	64,159
Redemption of subsidiary shares	-	126,018
Interest received and repayment of loans granted	60,094	19,845
Disposal of bonds	26,217	109,351
Expenditures		
Acquisition of tangible fixed assets	(41,412)	(30,274)
Purchase of financial assets	(61,419)	(152,420)
Subscription to subsidiary shares	(4,665)	(162,135)
Loans granted	(92,425)	(32,787)
Acquisition of bonds	(8,300)	(20,222)
Net cash flow from investment activity	(84,207)	(75,471)
Cash flows from financial activities		
Inflows		
Borrowings and loans	70,674	126,625
Issue of debt securities	19,000	37,000
Expenditures		
Share buy-back	-	-
Repayment of loans and borrowings	(108,514)	(127,179)
Redemption of debt securities	(17,000)	-
Payment of liabilities arising from financial leases	(7)	-
Interest paid	(6,081)	(5,858)
Net cash flow from financial activity	(41,928)	30,588
Total cash flow	376	(55)
Impact of exchange rate changes on balance sheet measurement of foreign cash	-	2
Movement in cash and cash equivalents	376	(53)
Opening balance of cash and cash equivalents	1,390	1,443
Closing balance of cash and cash equivalents	1,766	1,390

The figures were presented in thousands PLN, unless otherwise specified.



7. AUDITOR'S REPORT ON THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS OF THE IMPEXMETAL CAPITAL GROUP

To the Shareholders and Supervisory Board of Impexmetal S.A.

We have audited the consolidated financial statements of the Impexmetal Capital Group (hereinafter: the "Capital Group"), for which Impexmetal S.A. (hereinafter: the "Parent Company") with its registered office in Warsaw, at Jagiellonska, 76 is the Parent Company (hereinafter: "the comprehensive consolidated financial statements") prepared as of 31 December 2015 and for the financial year from 1 January 2015 to 31 December 2015 from which the Management Board of the Parent Company derived the summarized consolidated financial statements (hereinafter: "the summarized financial statements"), consisting of consolidated statement of financial position prepared as of 31 December 2015, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the financial year from 1 January 2015 to 31 December 2015.

Our audit of the financial statements has been planned and performed in accordance with:

- 01 section 7 of the Accounting Act,
- 02 national auditing standards, issued by the National Council of Statutory Auditors in Poland.

In our opinion, the audited consolidated financial statements in all material respects:

- 01 give a true and fair view of the information material for evaluation of the economic and financial position of the Capital Group as of 31 December 2015 as well as its financial performance in the financial year from 1 January 2015 to 31 December 2015,
- 02 have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards - in accordance with the provisions of the Accounting Act and its executive provisions,



03 comply with the provisions of law applicable to the Parent Company and Capital Group entities which affect the contents of the consolidated financial statements.

On March 21, 2016 we issued an unqualified audit opinion on those consolidated financial statements.

The summarized consolidated financial statements do not contain all information required by International Accounting Standards and International Financial Reporting Standards. Therefore, referring to summarized consolidated financial statements is not a substitute for becoming familiarized with the comprehensive consolidated financial statements.

For better understanding of the Capital Group's economic and financial position as of December 31, 2015 and the financial results for the financial year from 1 January 2015 to 31 December 2015 and of the scope of our audit, the summarized consolidated financial statements should be read in conjunction with the comprehensive consolidated financial statements from which the summarized consolidated financial statements were derived and our audit opinion.

Preparation of summarized consolidated financial statements of the Capital Group in line with the law is the responsibility of the Management Board of the Parent Company.

Our responsibility was to express an opinion of the accompanying summarized consolidated financial statements

in accordance with the procedures laid down in International Standard on Auditing (ISA) 810 "Engagements to Report on Summary Financial Statements".

In our opinion, the accompanying summarized consolidated financial statements are consistent, in all material respects, with the consolidated financial statements from which they were derived.

Jacek Mateja
Key certified auditor
conducting the audit
No. 9736

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. - entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Jacek Mateja - Vice-President of the Management Board of Deloitte Polska Sp. z o.o. - which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 21 March 2016

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.



*INDEPENDENT AUDITOR,
DELOITTE POLSKA SP. Z O.O. SP.K.,
ISSUED AN OPINION
WITHOUT COMMENTS
TO THE IMPEXMETAL CAPITAL GROUP
FINANCIAL STATEMENT.*

7.1. Summarized Financial statements of Impexmetal Capital Group

7.1.1. CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	period ended 31/12/2015	period ended 31/12/2014
Continuing operations		
Revenues from sales sale of products	2,420,023	2,078,989
Revenues from the sale of goods and materials	734,037	740,499
Total revenues from sales	3,154,060	2,819,488
Manufacturing cost of products sold	2,235,028	1,892,412
Value of goods and materials sold	684,416	713,248
Costs of products, goods and materials sold	2,919,444	2,605,660
Gross profit (loss) from sales	234,616	213,828
Selling costs	59,883	51,322
General and administrative costs	64,035	60,244
Other operating revenue	81,688	39,584
Other operating expenses	20,825	12,721
Profit (loss) from operating activity	171,561	129,125
Financial revenues	36,876	23,573
Financial expenses	46,241	33,135
Share in profit of affiliated entity Alchemia S.A.	(5,610)	-
Profit (loss) before income tax	156,586	119,563
Income tax	10,404	7,091
Net profit (loss) on continuing operations	146,182	112,472
Attributable to:		
Equity holders of the parent	139,605	104,399
Minority shareholders	6,577	8,073
Net profit (loss) from discontinued operations	1,528	9,337
Net profit (loss)	147,710	121,809
Attributable to:		
Equity holders of the parent	140,735	111,852
Minority shareholders	6,975	9,957
Net profit (loss) per share attributable to equity holders of the parent (in PLN)	0.73	0.58
Diluted earnings (loss) per ordinary share (in PLN)	0.73	0.58
Net profit (loss) from continued operations attributable to equity holders of the parent (in PLN)	0.72	0.54
Diluted earnings (loss) from continued operations per ordinary share (in PLN)	0.72	0.54
Net profit (loss) from discontinued operations attributable to equity holders of the parent (in PLN)	0.01	0.04
Diluted earnings (loss) from discontinued operations per ordinary share (in PLN)	0.01	0.04

The figures were presented in thousands PLN, unless otherwise specified.



7.1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	period ended 31/12/2015	period ended 1/12/2014
Net profit (loss)	147,710	121,809
Income in capital to be reclassified to financial result	(29,072)	6,163
Exchange differences on translating foreign entities	154	2,088
Hedging instruments of cash flows	(6,584)	7,256
Revaluation of assets available to sell	(29,450)	(2,610)
Deferred income tax regarding income recognised in capital	6,808	(571)
Income in capital not to be reclassified to financial result	86	(456)
Valuation of pension and similar benefits	107	(562)
Deferred income tax regarding income recognised in capital	(21)	106
Income recognized in net capital	(28,986)	5,707
Total comprehensive income	118,724	127,516
Attributable to:		
Equity holders of the parent	111,333	116,786
Minority shareholders	7,391	10,730

7.1.3. CONSOLIDATED INCOME STATEMENT – DISCONTINUED OPERATIONS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

	period ended 31/12/2015	period ended 31/12/2014
Discontinued operations		
Revenues from sales sale of products	290	786
Revenues from the sale of goods and materials	1	4,278
Total revenues from sales	291	5,064
Manufacturing cost of products sold	290	786
Value of goods and materials sold	-	4,267
Costs of products, goods and materials sold	290	5,053
Gross profit (loss) from sales	1	11
Other operating revenue	8,178	15,065
Other operating expenses	7,126	13,138
Profit (loss) from operating activity	1,053	1,938
Financial revenues	281	3
Financial expenses	537	1,637
Profit (loss) before income tax	797	304
Income tax	(731)	(9 033)
Net profit (loss) from discontinued operations	1,528	9,337
Attributable to:		
Equity holders of the parent	1,130	7,453
Minority shareholders	398	1,884

The figures were presented in thousands PLN, unless otherwise specified.



**7.1.4. CONSOLIDATED FINANCIAL STATEMENT COMPILED AS OF 31 DECEMBER 2015
AND RESPECTIVELY AS OF 31 DECEMBER 2014**

	31/12/2015	31/12/2014
ASSETS		
Non-current assets		
Tangible fixed assets	556,501	541,505
Investment property	255,983	33,996
Intangible assets	15,092	8,481
Goodwill	49,632	47,086
Investments in controlled entities	238,091	9,641
Financial assets available for sale	180,646	338,181
Loans granted	92,711	71,410
Deferred income tax assets	1,293	1,111
Receivables and other non-current assets	679	174
Total fixed assets	1,390,628	1,051,585
Current assets		
Inventory	434,596	466,789
Trade and other receivables	299,380	362,102
Loans granted	54,944	53,693
Derivative financial instruments	10,866	10,583
Financial assets available for sale	32,842	12,165
Income tax receivables	3,077	4,388
Other assets	4,384	5,517
Cash and cash equivalents	37,354	21,305
Total current assets	877,443	936,542
Assets held for sale (HMN Szopienice S.A. w likwidacji [in liquidation])	4,610	10,975
Total assets	2,272,681	1,999,102

The figures were presented in thousands PLN, unless otherwise specified.



IN 2015 THE INCOMES
FROM SALES
ACHIEVED LEVEL
OF PLN 3 154 060 K.

7.1.4. CONSOLIDATED FINANCIAL STATEMENT, continued

	31/12/2015	31/12/2014
LIABILITIES AND EQUITY		
Equity		
Initial (share) capital	94,661	94,661
Own shares (negative value)	(24,441)	(24,441)
Supplementary capital due to share premium	28,867	28,867
Capital due to hedge accounting	(3,057)	2,820
Capital due to valuation of pension and similar benefits	(114)	(222)
Capital due to revaluation of assets available to sell	(25,628)	(1,780)
Exchange differences on recalculation of controlled entities	12,525	12,310
Retained earnings, including:	1,102,822	963,043
Reserve capital	78,222	78,222
Profit of the equity holders of the parent in the current year	140,735	111,852
Equity attributable to equity holders of the parent	1,185,635	1,075,258
Equity attributable to minority shareholders (*)	280,655	123,133
Total equity	1,466,290	1,198,391
Long-term liabilities and provisions for liabilities		
Bank loans and borrowings	43,904	92,466
Provisions for liabilities on pension and similar benefits	4,082	4,445
Deferred income tax liabilities	59,363	67,223
Other long-term provisions	683	683
Other Liabilities	14,155	39,411
Other equity and liabilities	8,968	6,164
Total long-term liabilities and provisions	131,155	210,392
Short-term liabilities and provisions for liabilities		
Trade and other liabilities	269,616	227,778
Bank loans and borrowings	348,993	305,743
Derivative financial instruments	18,442	6,655
Income tax liabilities	3,467	3,955
Provisions for liabilities on pension and similar benefits	3,939	3,274
Other short-term provisions	3,220	8,389
Other equity and liabilities	836	262
Total short-term liabilities and provisions	648,513	556,056
Total liabilities	779,668	766,448
Liabilities related to assets held for sale (*)	26,723	34,263
Total equity and liabilities	2,272,681	1,999,102

(*) The change in equity attributable to non-controlling interest in the amount of PLN 150 678 thousand results from the recognition of net assets of Elana Nieruchomości Branch in Toruń which was an in-kind contribution by Boryszew SA to an Impexmetal group company. Allocating this branch to non-controlling interest was determined on the basis of an agreement on management investment of real estate properties.

(**) Discontinued operation HMN Szopienice S.A. w likwidacji (in liquidation).

The figures were presented in thousands PLN, unless otherwise specified.



7.1.5. CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014

equity attributable to shareholders of the parent										
	initial (share) capital	treasury shares (**)	supplementary capital due to share premium	capital due to hedge accounting	capital due to revaluation of assets available to sell	exchange differences on translating foreign entities	capital due to valuation of pension and similar benefits	retained earnings	equity attributable to non- controlling interest	total
As of 1 January 2015	94,661	(24,441)	28 867	2,820	(1,780)	12,310	(222)	963,043	123,133	1,198,391
Comprehen- sive income for 2015	-	-	-	(5 877)	(23,848)	215	108	140,735	7,391	118,724
Share buy-back	-	-	-	-	-	-	-	-	-	-
Hedge accounting capital (change of holding structure) (*)	-	-	-	-	-	-	-	(956)	150,266	149,310
Dividend distribution	-	-	-	-	-	-	-	-	(135)	(135)
As of 31 December 2015	94,661	(24,441)	28,867	(3,057)	(25,628)	12,525	(114)	1,102,822	280,655	1,466,290

7.1.5. CONSOLIDATED STATEMENT ON CHANGES IN EQUITY, continued

equity attributable to shareholders of the parent									
	initial (share) capital	treasury shares (*)	supplementary capital due to share premium	capital due to hedge accounting	capital due to revaluation of assets available to sell	exchange differences on translating foreign entities	capital due to valuation of pension and similar benefits	retained earnings	equity attributable to non- controlling interest total
As of 1 January 2014	94,661	(24,441)	28,867	(2,528)	334	10,227	161	851,208	112,664 1,071,153
Comprehensive income for 2014	-	-	-	5,348	(2,114)	2,083	(383)	111,852	10,730 127,516
Share buy-back	-	-	-	-	-	-	-	-	- -
Hedge accounting capital (change of holding structure)	-	-	-	-	-	-	-	(17)	22 5
Dividend distribution	-	-	-	-	-	-	-	-	(283) (283)
As of 31 December 2014	94,661	(24,441)	28,867	2,820	(1,780)	12,310	(222)	963,043	123,133 1,198,391

(*) 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 at acquisition price, purchase for redemption or resale, 7 210 000 shares as at 31.12.2015 and as at 31.12.2014

Equity attributable to shareholders of the Parent was affected by changes in holdings of the parent in subsidiaries which did not result in loss of control. The changes are detailed in note 1, point "Changes in the structure of Impexmetal Capital Group in 2105".

**7.1.5. CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY FOR 2014**

	period ended 31/12/2015	period ended 31/12/2014
Cash flows from operating activities		
Profit (loss) before income tax	157,383	119,867
Amortisation and depreciation	51,649	50,691
Profit/loss on financial activity	2,300	14,524
Dividends from share in profit	(600)	(2,098)
Profit/loss on investing activities	10,257	(15,937)
Changes in working capital:		
Accounts receivable (increase)/reduction	62,169	3,015
Inventories (increase)/reduction	33,965	(67,663)
Liabilities increase/(reduction)	2,066	37,306
Provisions and accruals	(13,776)	(15,892)
Other items	(70,713)	3,667
Cash generated on operating profit	234,700	127,480
Income tax received/(paid)	(9,117)	(2,626)
Net cash flow from operating activity	225,583	124,854
Cash flows from investment activities		
Inflows		
Components of tangible fixed assets	12,915	27,124
Disposal of financial assets	472	4,221
Dividends received	600	2,098
Interest received and repayment of loans granted	60,879	21,766
Disposal of bonds	26,217	115,551
Other investment inflows	21	-
Expenditures		
Acquisition of tangible fixed assets	(67,321)	(46,759)
Purchase of financial assets	(2,028)	(152,420)
Acquisition of subsidiaries and associated entities	(61,534)	-
Loans granted	(89,800)	(44,632)
Acquisition of bonds	(80,100)	(45,222)
Other investment expenditure	(2,122)	(728)
Net cash flow from investment activity	(201,801)	(119,001)
Cash flows from financial activities		
Inflows		
Borrowings and loans	128,981	142,897
Other financial inflows	7,475	10,931
Expenditures		
Dividends and other payments to owners	(135)	(283)

The figures were presented in thousands PLN, unless otherwise specified.



CONSOLIDATED CASH FLOW STATEMENT, continued

	period ended 31/12/2015	period ended 31/12/2014
Repayment of loans and borrowings	(131,694)	(162,612)
Payments under finance lease agreements	(54)	(84)
Interest paid	(12,125)	(9,765)
Other financial expenditure	-	(2,405)
Net cash flow from financial activity	(7,552)	(21,321)
Total cash flow	16,230	(15,468)
Impact of exchange rate changes on balance sheet measurement of foreign cash	197	474
Movement in cash and cash equivalents	16,427	(14,994)
Opening balance of cash and cash equivalents, of which:	21,680	36,674
from continuing operations	21,305	36,606
from discontinued operations	375	68
Opening balance of cash and cash equivalents in acquired/disposed of entities	(703)	-
Closing balance of cash and cash equivalents, of which:	37,404	21,680
from continuing operations	37,354	21,305
from discontinued operations	50	375

**CONSOLIDATED CASH FLOW STATEMENT – DISCONTINUED OPERATIONS
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2015 AND RESPECTIVELY
FOR 2014**

Discontinued operations	period ended 31/12/2015	period ended 31/12/2014
Cash flows from operating activities		
Profit (loss) before income tax	797	304
Adjustments	(8,701)	(9,316)
Interest paid	-	-
Net cash flow from operating activity	(7,904)	(9,012)
Cash flows from investment activities		
Inflows	2,856	5,627
Expenditures	-	-
Net cash flow from investment activity	2,856	5,627
Cash flows from financial activities		
Inflows	4,723	8,824
Expenditures	-	(5,132)
Net cash flow from financial activity	4,723	3,692
Movement in cash and cash equivalents	(325)	307
Opening balance of cash and cash equivalents	375	68
Closing balance of cash and cash equivalents	50	375

The figures were presented in thousands PLN, unless otherwise specified.



8. FINANCIAL ANALYSIS OF THE GROUP'S RESULTS

8.1. Analysis of the selected items of the profit and loss account

Selected financial results of the Impexmetal Group for 2015 in comparison with 2014:

in millions of PLN	2015	2014
Revenue from sales of	3,154.1	2,819.5
products	2,420.0	2,079.0
goods and materials	734.0	740.5
Gross profit on sales	234.6	213.8
Profit on sales	110.7	102.3
EBITDA	223.2	179.8
Operating profit	171.6	129.1
Gross profit	156.6	119.6
Net profit on continued operations	146.2	112.5
Net profit on discontinued operations	1.5	9.3
Total net profit	147.7	121.8

Revenue from sales:

in millions of PLN	2015	2014
Revenue from sales, including:	3,154.1	2,819.5
Aluminium Segment	1,033.7	783.1
Copper Segment	889.0	828.0
Zinc and Lead Segment	788.4	820.9
Trade Segment	698.0	684.2
Other Segments and adjustments	-255.0	-296.8
Export as % of total sales	58%	55%

“ THE GROSS SALES FOR 2015 AMOUNTED TO PLN 234.6 MILLION AND WAS HIGHER BY PLN 20.8 MILLION THAN THE RESULT OF 2014. ”

The gross sales in 2015 were higher by PLN 20.8 million than in the previous year. Its value amounted to PLN 234.6 million. It is primarily the effect of the increase in the sales of the product.

The costs of sales grew by PLN 8.6 million. However, it is chiefly the effect of the growth of the sales volume. In real they are at the same level and amounted to approx. 1.8% (their level is calculated in relation to the revenue from sales).

The administrative expenses grew by PLN 3.8 million (6%). This applies mainly to Zakład Aluminium Konin. The growth is a consequence of the business activities run at a larger scale than in 2014.

Balance of operating revenue/costs amounted to PLN 60.9 million. It was lower by PLN 34.0 million in comparison to 2014. It was influenced by a larger scale of one-off events related to the real estate. The result for 2015 includes the valuation of the investment estate at ul. Łucka in Warsaw – PLN 61.5 million. In 2014 the Company sold approximately 13 hectares of land in Katowice for PLN 18.9 million.

The profit on continued operations amounted to PLN 171.6 million in comparison to 2014 when it was PLN 129.1 million.

The operating result (EBIT) was as follows in the most significant segments:

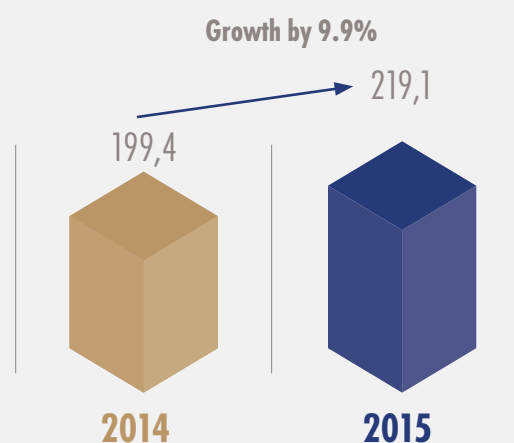


in millions of PLN	2015	2014
Operating result, including:	171.6	129.1
Aluminium Segment	59.6	43.0
Copper Segment	15.2	23.2
Zinc and Lead Segment	16.0	23.0
Trade Segment	23.1	20.0
Other Segments and adjustments	57.6	20.0

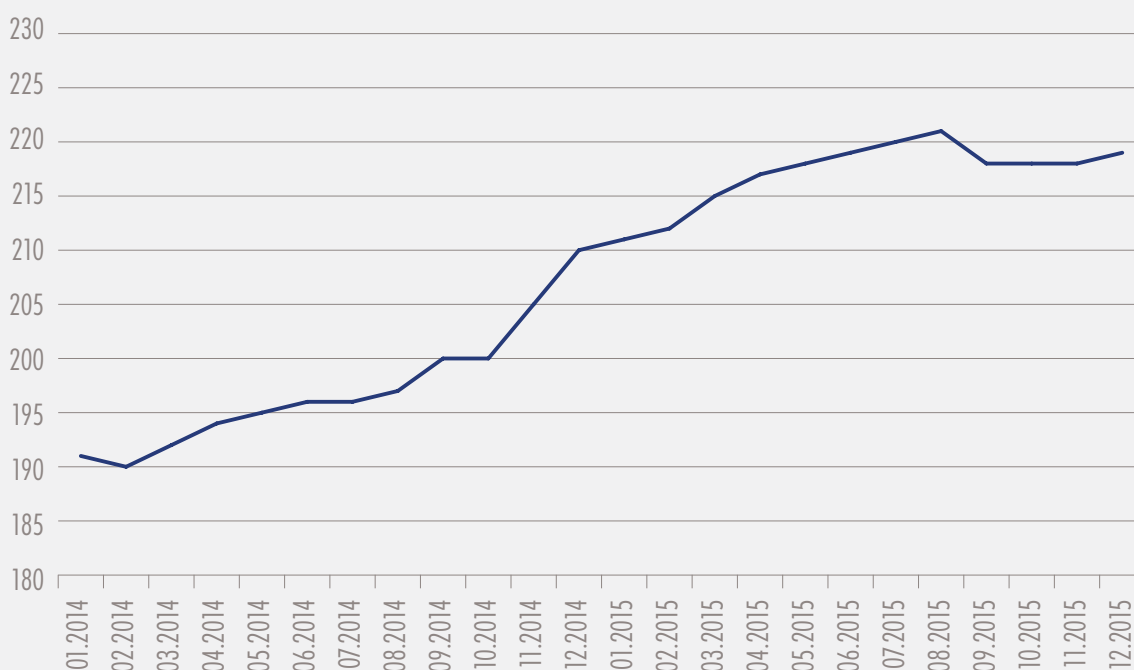
“ *IN 2015
THE PRODUCTION COMPANIES
SOLD 219,100 TONNES
OF PRODUCTS - MORE THAN
IN 2014 BY NEARLY 10%.* ”

8.2. Sales volumes

The factor which influenced the revenue in 2015 was the growth of sales in the companies comprising the Group. In 2015 the production companies sold 219,100 tonnes of products – it means that the sales grew by nearly 10% in comparison with the same period of the previous year.



Volume of sales at the Impexmetal Group 2014 vs. 2015
Continued activities [thousands of tonnes]



Continued sales of Impexmetal Group cumulatively from 1 January 2014 incl. rolling costs [thousands of tons]



“ ACCORDING TO THE
FORECASTS OF THE NATIONAL BANK
OF POLAND, THE GDP IN POLAND
IN YEARS 2016-2017 WILL INCREASE
BY APPROXIMATELY 3.8%. ”

8.3. Macroeconomic situation

The macroeconomic situation after 2015 was more favourable than after 2014.

In this period one could observe the growth of PMI indices (determining the level of industrial activity) of the economies which are strategic for the Impexmetal Group, i.e. the euro zone and Poland. They exceeded the threshold value of 50 points which is regarded as a limit of the financial crisis.

PMI indices:

	2015	2014
European Union (average)	54.2	51.6
Poland	53.2	52.8
Germany	52.3	51.2

According to economic forecasts the economic situation will improve and the GDP in Poland and EU will increase. According to the forecasts of the National Bank of Poland, the increase of the GDP in Poland in years 2016-2017 will amount to approximately 3.8%. According to the European Commission the growth of GDP for the entire EU will be 1.7%.

INCREASE OF THE LEVEL
OF ASSETS BY

**PLN 273.6
MILLION**

8.4. Assets and liabilities

Selected items of the consolidated balance sheet of the Impexmetal Group:

in millions of PLN	2015	2014
Fixed assets	1,390.6	1,051.6
including:		
tangible fixed assets	556.5	541.5
intangible assets	15.1	8.5
investments in subsidiaries	238.1	9.6
financial assets available for sale	180.6	338.2
investment real estates	256.0	34.0
other	144.3	119.8
Current assets	877.4	936.5
including:		
inventory	434.6	466.8
trade receivables (excl. other)	271.9	298.5
loans granted	54.9	53.7
cash and cash equivalents	37.4	21.3
other	78.7	96.2
Assets held for sale	4.6	11.0
Balance sheet total	2,272.7	1,999.1
Equity	1,466.3	1,198.4
including equity attributable to shareholders of the Parent Company	1,185.6	1,075.3
Long-term liabilities, including:	131.2	210.4
credits, loans, leasing	44.3	92.7
Short-term liabilities, including:	648.5	556.1
credits, loans, leasing	349.1	305.8
trade liabilities	187.5	201.3

Increase of the value of assets by PLN 273.6 was an outcome of:

- 01 rise in the value of fixed assets by PLN 339.0 million,
- 02 fall in the value of current assets by PLN 59.1 million,
- 03 fall in assets held for sale by PLN 6.4 million (HMN Szopienice in liquidation).