

**Cognor S.A.**  
**Condensed Consolidated**  
**Interim Financial Statements**  
**as at 30 September 2015**

16 November 2015

## Condensed consolidated statement of financial position

<i>in PLN (in thousands)</i>	<i>Note</i>	<b>30.09.2015</b>	<b>30.06.2015</b>	<b>31.12.2014</b>	<b>30.09.2014</b>
<b>Assets</b>					
Property, plant and equipment	5	280 856	280 140	289 565	294 515
Intangible assets		10 826	10 772	11 338	11 776
Investment property		-	-	-	-
Investments in associates		3 110	3 196	3 232	1 901
Other investments		13 573	13 682	13 768	295
Other receivables		85	67	34	42 113
Prepaid perpetual usufruct of land		22 314	22 450	22 794	24 471
Deferred tax assets		86 808	82 394	81 932	75 263
<b>Total non-current assets</b>		<b>417 572</b>	<b>412 701</b>	<b>422 663</b>	<b>450 334</b>
Inventories		277 839	318 455	283 058	248 807
Other investments		4 676	4 424	4 607	22 687
Current income tax receivables		10	10	10	47
Trade and other receivables		240 081	245 847	187 421	202 690
Prepayments		-	-	-	1 804
Cash and cash equivalents		14 097	20 969	35 648	33 828
Assets classified as held for sale		5 548	7 110	7 110	8 775
<b>Total current assets</b>		<b>542 251</b>	<b>596 815</b>	<b>517 854</b>	<b>518 638</b>
<b>Total assets</b>		<b>959 823</b>	<b>1 009 516</b>	<b>940 517</b>	<b>968 972</b>

The condensed consolidated statement of financial position should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of financial position - continued

<i>in PLN (in thousands)</i>	<i>Note</i>	<b>30.09.2015</b>	<b>30.06.2015</b>	<b>31.12.2014</b>	<b>30.09.2014</b>
<b>Equity</b>					
Issued share capital	6	133 542	132 444	132 444	132 444
Reserves		201 131	202 193	202 193	231 650
Foreign currency translation reserves		(499)	(525)	(540)	(495)
Accumulated losses		(186 479)	(169 100)	(168 074)	(165 284)
<b>Total equity attributable to owners of the parent company</b>		<b>147 695</b>	<b>165 012</b>	<b>166 023</b>	<b>198 315</b>
Non-controlling interests		21 661	21 546	21 263	24 800
<b>Total equity</b>		<b>169 356</b>	<b>186 558</b>	<b>187 286</b>	<b>223 115</b>
<b>Liabilities</b>					
Interest-bearing loans and borrowings	8	397 390	392 497	408 896	407 508
Employee benefits obligation		9 597	9 597	9 597	9 215
Other payables		36 856	35 351	34 294	34 463
Deferred tax liabilities		11 125	11 356	11 011	9 971
<b>Total non-current liabilities</b>		<b>454 968</b>	<b>448 801</b>	<b>463 798</b>	<b>461 157</b>
Bank overdraft	8	23 493	5 574	6 969	5 510
Interest-bearing loans and borrowings	8	94 997	110 193	87 402	72 063
Employee benefits obligation		3 244	2 429	4 588	2 324
Current income tax payables		89	90	105	44
Provisions for payables		3 877	3 818	6 535	4 776
Trade and other payables		209 682	251 936	183 717	199 866
Government grants and other deferred income		117	117	117	117
<b>Total current liabilities</b>		<b>335 499</b>	<b>374 157</b>	<b>289 433</b>	<b>284 700</b>
<b>Total liabilities</b>		<b>790 467</b>	<b>822 958</b>	<b>753 231</b>	<b>745 857</b>
<b>Total equity and liabilities</b>		<b>959 823</b>	<b>1 009 516</b>	<b>940 517</b>	<b>968 972</b>

Przemysław Sztuczkowski  
President of the Management Board

Przemysław Grzesiak  
Vice President of the Management Board

Krzysztof Zołta  
Member of the Management Board

Dominik Barszcz  
Member of the Management Board

The condensed consolidated statement of financial position should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of profit or loss and other comprehensive income

<i>in PLN (in thousands)</i>	<i>Note</i>	<b>01.07.2015 - 30.09.2015</b>	<b>01.07.2014 - 30.09.2014</b>	<b>01.01.2015 - 30.09.2015</b>	<b>01.01.2014 - 30.09.2014</b>
Revenue		341 788	366 967	1 065 717	1 086 241
Cost of sales		(324 249)	(332 330)	(985 800)	(973 606)
<b>Gross profit</b>		<b>17 539</b>	<b>34 637</b>	<b>79 917</b>	<b>112 635</b>
Other income		1 328	(831)	3 483	5 677
Distribution expenses		(11 426)	(11 102)	(34 372)	(32 110)
Administrative expenses		(8 288)	(11 064)	(26 710)	(26 764)
Other gains/(losses) - net		1 645	238	549	243
Other expenses		(1 375)	(3 891)	(4 851)	(10 929)
<b>Operating profit before financing costs</b>		<b>(577)</b>	<b>7 987</b>	<b>18 016</b>	<b>48 752</b>
Financial income		(5 466)	1 799	6 120	1 799
Financial expenses		(13 011)	(15 750)	(40 553)	(47 903)
<b>Net financing costs</b>		<b>(18 477)</b>	<b>(13 951)</b>	<b>(34 433)</b>	<b>(46 104)</b>
Share of loss of associates		(86)	(16)	(122)	(557)
Gain on bargain purchase		-	49	-	5 370
<b>Profit/(loss) before tax</b>		<b>(19 140)</b>	<b>(5 931)</b>	<b>(16 539)</b>	<b>7 461</b>
Income tax expense		4 889	1 034	3 419	(808)
<b>Profit/(loss) for the period</b>		<b>(14 251)</b>	<b>(4 897)</b>	<b>(13 120)</b>	<b>6 653</b>
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the parent company		(14 459)	(5 495)	(14 058)	5 327
Non-controlling interests		208	598	938	1 326
<b>Profit/(loss) for the period</b>		<b>(14 251)</b>	<b>(4 897)</b>	<b>(13 120)</b>	<b>6 653</b>
<b>Other comprehensive income</b>					
<b>- that will be classified subsequently to profit or loss when specific conditions are met</b>					
Foreign currency translation differences		26	(2)	41	(18)
<b>Total comprehensive income for the period</b>		<b>(14 225)</b>	<b>(4 899)</b>	<b>(13 079)</b>	<b>6 635</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Parent Company		(14 433)	(5 497)	(14 017)	5 309
Non-controlling interests		208	598	938	1 326
<b>Total comprehensive income for the period</b>		<b>(14 225)</b>	<b>(4 899)</b>	<b>(13 079)</b>	<b>6 635</b>
<b>Basic earnings per share (PLN) attributable to the owners of the parent company</b>	8	<b>(0,22)</b>	<b>(0,08)</b>	<b>(0,21)</b>	<b>0,08</b>
- from continuing operations		(0,22)	(0,08)	(0,21)	0,08
<b>Diluted earnings per share (PLN) attributable to the owners of the parent company</b>	8	<b>(0,13)</b>	<b>(0,05)</b>	<b>(0,12)</b>	<b>0,05</b>
- from continuing operations		(0,13)	(0,05)	(0,12)	0,05

Przemysław Sztuczkowski  
President of the Management Board

Krzysztof Zołta  
Member of the Management Board

Przemysław Grzesiak  
Vice President of the Management Board

Dominik Barszcz  
Member of the Management Board

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of profit or loss and other comprehensive income (last twelve months)

<i>in PLN (in thousands)</i>	<i>Note</i>	<b>01.10.2014 - 30.09.2015</b>	<b>01.10.2013 - 30.09.2014</b>
<b>Continuing operations</b>			
Revenue		1 402 022	1 415 381
Cost of sales		(1 288 057)	(1 269 556)
<b>Gross profit</b>		<b>113 965</b>	<b>145 825</b>
Other income		9 189	8 761
Distribution expenses		(45 295)	(44 473)
Administrative expenses		(38 442)	(37 077)
Other gains - net		953	(758)
Other expenses		(5 081)	(15 710)
<b>Operating profit before financing costs</b>		<b>35 289</b>	<b>56 568</b>
Financial income		7 509	1 522
Financial expenses		(63 141)	(63 616)
<b>Net financing costs</b>		<b>(55 632)</b>	<b>(62 094)</b>
Share of loss of associates		(191)	(962)
Gain on bargain purchase		489	8 584
<b>Loss/(profit) before tax</b>		<b>(20 045)</b>	<b>2 096</b>
Income tax expense		10 017	(4 113)
<b>Loss/(profit) for the period from continuing operations</b>		<b>(10 028)</b>	<b>(2 017)</b>
<b>Discontinued operations</b>			
Profit for the period from discontinued operations, net of tax		(4 047)	-
<b>Loss/(profit) for the period</b>		<b>(14 075)</b>	<b>(2 017)</b>
<b>(Loss)/profit for the period attributable to:</b>			
Owners of the parent company		(19 351)	(3 487)
Non-controlling interests		5 276	1 470
<b>Loss/(profit) for the period</b>		<b>(14 075)</b>	<b>(2 017)</b>

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of profit or loss and other comprehensive income (last twelve months) - continued

<i>in PLN (in thousands)</i>	<i>Note</i>	<b>01.10.2014 - 30.09.2015</b>	<b>01.10.2013 - 30.09.2014</b>
<b>Other comprehensive income</b>			
- that will be classified subsequently to profit or loss when specific conditions are met			
Foreign currency translation differences		(4)	19
<b>Total comprehensive income for the period</b>		<b>(14 079)</b>	<b>(1 998)</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the parent company		(19 355)	(3 468)
Non-controlling interests		5 276	1 470
<b>Total comprehensive income for the period</b>		<b>(14 079)</b>	<b>(1 998)</b>
<b>Basic earnings per share (PLN) attributable to the owners of the parent company</b>	7	<b>(0,29)</b>	<b>(0,05)</b>
- from continuing operations		(0,23)	(0,05)
- from discontinued operations		(0,06)	-
<b>Diluted earnings per share (PLN) attributable to the owners of the parent company</b>	7	<b>(0,17)</b>	<b>(0,04)</b>
- from continuing operations		(0,13)	(0,04)
- from discontinued operations		(0,04)	-

Przemysław Sztuczkowski  
*President of the Management Board*

Przemysław Grzesiak  
*Vice President of the Management Board*

Krzysztof Zoła  
*Member of the Management Board*

Dominik Barszcz  
*Member of the Management Board*

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of cash flows

in PLN (in thousands)

	01.07.2015 - 30.09.2015	01.07.2014 - 30.09.2014	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
Profit/(loss) before tax	(19 140)	(5 931)	(16 539)	7 461
<b>Adjustments</b>				
Depreciation	8 728	8 990	25 992	25 581
Amortization	96	296	426	806
Impairment losses and valuation allowances	(86)	-	-	-
Foreign exchange losses/(gains)	5 590	1 960	(3 241)	3 191
Net (gains)/losses on investment activities	104	(403)	104	(403)
Net (gains)/losses on disposal of property, plant and equipment	(288)	(174)	(673)	51
Interest, transaction costs (related to loans and borrowings) and dividends, net	16 570	14 465	36 476	43 037
Change in receivables	5 750	11 366	(52 712)	(2 487)
Change in inventories	40 616	19 900	5 219	(7 057)
Change in trade and other payables	(44 544)	(14 232)	25 808	(9 323)
Change in provisions	1 464	523	(2 662)	4 106
Change in employee benefits obligation	815	549	(1 344)	(2 255)
Change in government grants and other deferred income	-	-	-	(233)
Share of profit of associates, net of tax	86	16	122	557
Gain on bargain purchase	-	(49)	-	(5 370)
Other adjustments	-	-	-	52
<b>Cash generated from operating activities</b>	<b>15 761</b>	<b>37 276</b>	<b>16 976</b>	<b>57 714</b>
Income tax (paid)/refunded	(88)	(146)	(280)	113
<b>Net cash from operating activities</b>	<b>15 673</b>	<b>37 130</b>	<b>16 696</b>	<b>57 827</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment and intangibles	4 750	2 894	6 542	5 084
Acquisitions of subsidiaries, net of cash acquired	(9)	-	(105)	(189)
Proceeds from sale of other investments	96	403	96	403
Interest received	35	73	75	405
Dividends received	-	-	-	-
Repayment of loans granted	(4)	-	1 290	-
Other inflows from investing activities	310	270	515	270
Acquisition of property, plant and equipment	(5 820)	(6 563)	(13 881)	(9 450)
Acquisition of intangible assets	(157)	(2 164)	(303)	(2 209)
Acquisition of assets held for sale	-	(406)	-	(406)
Acquisition of shares in other companies	(5)	-	(5)	-
Loans granted	(500)	-	(1 700)	-
<b>Net cash from investing activities</b>	<b>(1 304)</b>	<b>(5 493)</b>	<b>(7 476)</b>	<b>(6 092)</b>

The condensed consolidated statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of cash flows - continued

*in PLN (in thousands)*

<i>Note</i>	<b>01.07.2015 - 30.09.2015</b>	<b>01.07.2014 - 30.09.2014</b>	<b>01.01.2015 - 30.09.2015</b>	<b>01.01.2014 - 30.09.2014</b>
<b>Cash flows from financing activities</b>				
Proceeds from interest-bearing loans and borrowings	31	650	1 529	650
Proceeds from factoring	(12 410)	(4 130)	1 332	9 666
Repayment of interest-bearing loans and borrowings	(194)	(177)	(581)	(1 612)
Payment of finance lease liabilities	(511)	(1 432)	(1 598)	(3 900)
Dividends paid	(39)	-	(39)	-
Interest and transaction costs (related to loans and borrowings) paid	(25 992)	(19 264)	(47 579)	(42 705)
Other transactions with the Owner	(49)	-	(341)	(300)
<b>Net cash from financing activities</b>	<b>(39 164)</b>	<b>(24 353)</b>	<b>(47 277)</b>	<b>(38 201)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(24 795)</b>	<b>7 284</b>	<b>(38 057)</b>	<b>13 534</b>
Cash and cash equivalents net of bank overdraft, at 1 January/ 1 July	15 395	21 032	28 679	14 778
- effect of exchange rate fluctuations on cash held	4	2	(18)	6
<b>Cash and cash equivalents net of bank overdraft, at 30 September</b>	<b>(9 396)</b>	<b>28 318</b>	<b>(9 396)</b>	<b>28 318</b>
- including cash restricted for use	11 456	11 431	11 456	11 431

Przemysław Sztuczkowski  
President of the Management Board

Przemysław Grzesiak  
Vice President of the Management Board

Krzysztof Zoń  
Member of the Management Board

Dominik Barszcz  
Member of the Management Board

The condensed consolidated statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements



## Condensed consolidated statement of cash flows (last twelve months)

<i>in PLN (in thousands)</i>	<b>01.10.2014 - 30.09.2015</b>	<b>01.10.2013 - 30.09.2014</b>
<b>Continuing operations</b>		
(Loss)/Profit before tax from continuing operations	(20 045)	2 096
<b>Adjustments</b>		
Depreciation	34 400	33 623
Amortization	703	1 424
Impairment losses and valuation allowances	-	31
Foreign exchange losses	8 130	(4 257)
Net gains on investment activities	507	(403)
Net (gains)/losses on disposal of property, plant and equipment	48	242
Interest, transaction costs (related to loans and borrowings) and dividends, net	37 641	65 640
Change in receivables	(30 053)	30 673
Change in inventories	(29 032)	(54 421)
Change in trade and other payables	14 250	(29 098)
Change in provisions	(876)	4 136
Change in employee benefits obligation	1 302	(151)
Change in government grants and other deferred income	-	(1 152)
Share of profit of associates, net of tax	191	(2 202)
Gain on bargain purchase	(489)	(5 370)
Other adjustments	(548)	52
<b>Cash generated from continuing operations</b>	<b>16 129</b>	<b>40 863</b>
<b>Discontinued operations</b>		
Loss before tax from discontinued operations	(4 252)	-
<b>Adjustments</b>		
Net gains on disposal of property, plant and equipment, intangible assets and assets classified as held for sale	1 408	-
Change in receivables	(2 278)	-
<b>Cash outflows from discontinued operations</b>	<b>(5 122)</b>	<b>-</b>
<b>Cash generated from operating activities</b>	<b>11 007</b>	<b>40 863</b>
Income tax (paid)/returned, incl.	(343)	34
- continuing operations	(343)	34
- discontinued operations	-	-
<b>Net cash from operating activities</b>	<b>10 664</b>	<b>40 897</b>

The condensed consolidated statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of cash flows (last twelve months) - continued

<i>in PLN (in thousands)</i>	<b>01.10.2014 - 30.09.2015</b>	<b>01.10.2013 - 30.09.2014</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and intangibles	11 236	4 893
Acquisitions of subsidiaries, net of cash acquired	(278)	(189)
Proceeds from sale of other investments	(307)	403
Interest received	11	603
Dividends received	-	-
Repayment of loans granted	1 923	-
Other inflows from investing activities	245	4 270
Acquisition of property, plant and equipment	(19 687)	(11 195)
Acquisition of intangible assets	1 712	(2 236)
Acquisition of assets held for sale	(406)	-
Loans granted	(1 700)	(2 080)
Acquisition of other investments	(5)	(175)
<b>Cash generated on investing activities from continuing operations</b>	<b>(7 256)</b>	<b>(5 706)</b>
Cash generated on investing activities from discontinued operations	6 500	-
<b>Net cash from investing activities</b>	<b>(756)</b>	<b>(5 706)</b>
<b>Cash flows from financing activities</b>		
Proceeds from interest-bearing loans and borrowings	1 513	650
Proceeds from factoring	3 300	21 951
Repayment of interest-bearing loans and borrowings	500	(1 612)
Payment of finance lease liabilities	(3 200)	(1 658)
Dividends paid	(39)	-
Interest and transaction costs (related to loans and borrowings) paid	(49 152)	(53 471)
Other transactions with the owner	(541)	(600)
<b>Cash outflows on financing activities from continuing operations</b>	<b>(47 619)</b>	<b>(34 740)</b>
Cash outflows from discontinued operations	-	-
<b>Net cash from financing activities</b>	<b>(47 619)</b>	<b>(34 740)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(37 711)</b>	<b>451</b>
Cash and cash equivalents net of bank overdraft, as at 1 October	28 318	27 874
- effect of exchange rate fluctuations on cash held	(3)	(7)
<b>Cash and cash equivalents net of bank overdraft, as at 30 September</b>	<b>(9 396)</b>	<b>28 318</b>
- including cash restricted for use	11 456	11 431

Przemysław Sztuczkowski  
President of the Management Board

Przemysław Grzesiak  
Vice President of the Management Board

Krzysztof Zoń  
Member of the Management Board

Dominik Barszcz  
Member of the Management Board

The condensed consolidated statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## Condensed consolidated statement of changes in equity

	Attributable to owners of the parent company				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings/ (Accumulated losses)			
<i>in PLN (in thousands)</i>							
<b>Equity as at 1 January 2014</b>	<b>132 444</b>	<b>149 575</b>	<b>(477)</b>	<b>(166 107)</b>	<b>115 435</b>	<b>13 699</b>	<b>129 134</b>
Total comprehensive income	-	-	(18)	5 327	<b>5 309</b>	1 326	<b>6 635</b>
- profit	-	-	-	5 327	<b>5 327</b>	1 326	<b>6 653</b>
- foreign currency translation differences relating to foreign operations	-	-	(18)	-	<b>(18)</b>	-	<b>(18)</b>
<b>Transactions with owners of the company, recognised in equity</b>							
Contribution by and distributions to owners of the company	-	82 075	-	(2 561)	<b>79 514</b>	-	<b>79 514</b>
Options for own equity instruments	-	(18 713)	-	-	<b>(18 713)</b>	-	<b>(18 713)</b>
Issuing of exchangeable notes	-	100 788	-	-	<b>100 788</b>	-	<b>100 788</b>
Interests on exchangeable notes in the period	-	-	-	(2 561)	<b>(2 561)</b>	-	<b>(2 561)</b>
Changes in ownership interests	-	-	-	(1 943)	<b>(1 943)</b>	9 775	<b>7 832</b>
Obtaining control over previously equity-accounted investee and other	-	-	-	(1 943)	<b>(1 943)</b>	9 775	<b>7 832</b>
<b>Equity as at 30 September 2014</b>	<b>132 444</b>	<b>231 650</b>	<b>(495)</b>	<b>(165 284)</b>	<b>198 315</b>	<b>24 800</b>	<b>223 115</b>
<b>Equity as at 1 January 2014</b>	<b>132 444</b>	<b>149 575</b>	<b>(477)</b>	<b>(166 107)</b>	<b>115 435</b>	<b>13 699</b>	<b>129 134</b>
Total comprehensive income	-	-	(63)	34	<b>(29)</b>	5 664	<b>5 635</b>
- (loss)/profit	-	-	-	34	<b>34</b>	5 664	<b>5 698</b>
- foreign currency translation differences relating to foreign operations	-	-	(63)	-	<b>(63)</b>	-	<b>(63)</b>
<b>Transactions with owners of the company, recognised in equity</b>							
Contribution by and distributions to owners of the company	-	46 914	-	(2 561)	<b>44 353</b>	-	<b>44 353</b>
Options for own equity instruments	-	(14 256)	-	-	<b>(14 256)</b>	-	<b>(14 256)</b>
Issuing of exchangeable notes	-	100 385	-	-	<b>100 385</b>	-	<b>100 385</b>
Interests on exchangeable notes in the period	-	-	-	(2 561)	<b>(2 561)</b>	-	<b>(2 561)</b>
Other settlements with the Owner	-	(39 215)	-	-	<b>(39 215)</b>	-	<b>(39 215)</b>
Change in ownership interests in subsidiaries	-	-	-	6 523	<b>6 523</b>	1 882	<b>8 405</b>
Obtaining control over previously equity-accounted investee and other	-	-	-	6 523	<b>6 523</b>	1 882	<b>8 405</b>
Transfer of profit	-	5 704	-	(5 704)	-	-	-
Other	-	-	-	(259)	<b>(259)</b>	18	<b>(241)</b>
<b>Equity as at 31 December 2014</b>	<b>132 444</b>	<b>202 193</b>	<b>(540)</b>	<b>(168 074)</b>	<b>166 023</b>	<b>21 263</b>	<b>187 286</b>

The consolidated statement of changes in equity should be read in conjunction with the explanatory notes constituting part of the consolidated financial statements

## Condensed consolidated statement of changes in equity - continued

	Attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings			
<i>in PLN thousand</i>							
<b>Equity as at 1 January 2015</b>	<b>132 444</b>	<b>202 193</b>	<b>(540)</b>	<b>(168 074)</b>	<b>166 023</b>	<b>21 263</b>	<b>187 286</b>
Total comprehensive income	-	-	41	(14 058)	<b>(14 017)</b>	938	<b>(13 079)</b>
- (loss)/profit	-	-	-	(14 058)	<b>(14 058)</b>	938	<b>(13 120)</b>
- foreign currency translation differences relating to foreign operations	-	-	41	-	<b>41</b>	-	<b>41</b>
<b>Transactions with owners of the company, recognised in equity</b>							
Contribution by and distributions to owners of the company	1 098	(1 098)	-	(4 172)	<b>(4 172)</b>	-	<b>(4 172)</b>
Conversion of exchangeable notes into shares	1 098	(1 098)	-	-	-	-	-
Interests on exchangeable notes in the period	-	-	-	(4 172)	<b>(4 172)</b>	-	<b>(4 172)</b>
Changes in the ownership structure of subsidiaries	-	-	-	396	<b>396</b>	(501)	<b>(105)</b>
Acquisition of non-controlling interests	-	-	-	396	<b>396</b>	(501)	<b>(105)</b>
Transfer of profit	-	36	-	(36)	-	-	-
Dividends paid	-	-	-	-	-	(39)	<b>(39)</b>
Other	-	-	-	(535)	<b>(535)</b>	-	<b>(535)</b>
<b>Equity as at 30 September 2015</b>	<b>133 542</b>	<b>201 131</b>	<b>(499)</b>	<b>(186 479)</b>	<b>147 695</b>	<b>21 661</b>	<b>169 356</b>
<b>Equity as at 1 July 2015</b>	<b>132 444</b>	<b>202 193</b>	<b>(525)</b>	<b>(169 100)</b>	<b>165 012</b>	<b>21 546</b>	<b>186 558</b>
Total comprehensive income	-	-	26	(14 459)	<b>(14 433)</b>	208	<b>(14 225)</b>
- (loss)/profit	-	-	-	(14 459)	<b>(14 459)</b>	208	<b>(14 251)</b>
- foreign currency translation differences relating to foreign operations	-	-	26	-	<b>26</b>	-	<b>26</b>
<b>Transactions with owners of the company, recognised in equity</b>							
Contribution by and distributions to owners of the company	1 098	(1 098)	-	(2 927)	<b>(2 927)</b>	-	<b>(2 927)</b>
Conversion of exchangeable notes into shares	1 098	(1 098)	-	-	-	-	-
Interests on exchangeable notes in the period	-	-	-	(2 927)	<b>(2 927)</b>	-	<b>(2 927)</b>
Changes in the ownership structure of subsidiaries	-	-	-	22	<b>22</b>	(31)	<b>(9)</b>
Acquisition of non-controlling interests	-	-	-	22	<b>22</b>	(31)	<b>(9)</b>
Transfer of profit	-	36	-	(36)	-	-	-
Dividends paid	-	-	-	-	-	(39)	<b>(39)</b>
Other	-	-	-	21	<b>21</b>	(23)	<b>(2)</b>
<b>Equity as at 30 September 2015</b>	<b>133 542</b>	<b>201 131</b>	<b>(499)</b>	<b>(186 479)</b>	<b>147 695</b>	<b>21 661</b>	<b>169 356</b>

Przemysław Sztuczkowski  
President of the Management Board

Przemysław Grzesiak  
Vice President of the Management Board

Krzysztof Zoń  
Member of the Management Board

Dominik Barszcz  
Member of the Management Board

The condensed consolidated statement of changes in equity should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

## 1 Reporting entity

Cognor S.A. (δCognorö, ðthe Companyö, ðthe Parent Companyö) with its seat in Poraj, Poland, is the Parent Company of the Group. Up until 29 August 2011, the Parent Company of the Group was ZŁmrex S.A. The Company was established in 1991. Since 1994 Cognor's shares have been quoted on the Warsaw Stock Exchange. Till May 2011, the main activity of the Parent Company was distribution of steel products. With effect from May 2011, Cognor S.A. became a holding company.

The main activities of the Group comprise: scrap collection, scrap processing into steel billets and steel products and other activities.

The Parent Company's shares are listed on the Warsaw Stock Exchange.

## 2 Cognor S.A. Group

The condensed consolidated interim financial statements as at and for the nine months ended 30 September 2015 comprise the Parent Company and its subsidiaries (ðthe Groupö). Details of the subsidiaries that comprise the Group as at 30 September 2015 are presented in the table below.

Name of the entity	Seat of entity	Core activities	Ownership interest and voting rights	Date of obtaining control
FERROSTAL/ AB DY Sp. z o.o.	Poland	Manufacture of metal products	92.44%	2004-02-19*
ZW WALCOWNIA BRUZDOWA Sp. z o.o.	Poland	Manufacture of metal products	92.44% (100%**)	2005-01-13*
HUTA STALI JAKO CIOWYCH S.A.	Poland	Manufacture of metal products	100.00%	2006-01-27*
KAPITA/ S.A.	Poland	Financial services	100.00%	2004-06-13*
KAPITA/ S.A. Sp. k.	Poland	Properties	51.00%	2008-03-25*
ZŁMREX INTERNATIONAL FINANCE S.A. in liquidation	France	Financial services, former bond issuer	100.00%	2006-10-23*
Z/ OMREX METAL Sp. z o.o.	Poland	Purchasing and processing of iron scrap	100.00%	2007-04-02*
COGNOR BLACHY DACHOWE S.A.	Poland	Manufacture and trade in roofing materials	77.44%	2007-08-01
BUSINESS SUPPORT SERVICES Sp. z o.o.	Poland	Other services	100.00%	2006-05-15*
AB STAHL AG	Germany	Trade in metal products	100.00%	2006-08-03*
COGNOR INTERNATIONAL FINANCE S.A.	United Kingdom	Financial services, bond issuer	100.00%	2013-10-24
4 GROUPS Sp. z o.o.	Poland	Other services	30.00% (associate)	2013-01-21
ZW PROFIL S.A.	Poland	Manufacture of metal products	49.38% (53.42%**)	2014-04-11
FER HOLDING Sp. z o.o.	Poland	Holding	100.00%	2015-04-30
HSJ HOLDING Sp. z o.o.	Poland	Holding	100.00%	2015-05-04

\* date of obtaining control by ZŁmrex S.A. Group

\*\* interest and voting rights owned by Ferrostal/ ab dy Sp. z o.o.

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



ZW Profil S.A. is the parent company of the ZW Profil S.A. Group. Details of the subsidiaries that comprise ZW Profil S.A. Group at 30 September 2015 are presented in the following table:

Name of the entity	Seat of entity	Core activities	Ownership interest and voting rights owned by ZW Profil S.A.	Ownership interest and voting rights in Cognor Group
Przedsiębiorstwo Transportu Samochodowego S.A.	Poland	Transport services	89.59%**	79.3%
Profil Centrum Sp. z o.o.	Poland	Other	100.0%	88.5%
Madrohut Sp. Z o.o.	Poland	Other	22.40% (associate)	19.8%

**Acquisitions, mergers and disposals of subsidiaries**

**Creation of subsidiaries in 2015**

On 30 April 2015, National Court Register has registered new company FER Holding Sp. Z o.o. established by Ferrostal/ ab dy Sp. z o.o. which owns 100% of shares in the share capital of this company.

On 4 May 2015, National Court Register has registered new company HSJ Holding Sp. Z o.o. established by Huta Stali Jako ciowych S.A. which owns 100% of shares in the share capital of this company.

**Acquisitions in 2015**

Till 30 September 2015, ZW Profil S.A. has made a series of acquisitions of shares in Przedsiębiorstwo Transportu Samochodowego S.A. For the amount of PLN 102 thousands ZW Profil S.A. has acquired 5,097 of shares in Przedsiębiorstwo Transportu Samochodowego S.A. As a result the ownership interests has increased from 80% as at December 31, 2014 to 89.59% as at September 30, 2015.

**3 Basis of preparation of condensed consolidated interim financial statements**

**a) Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014 prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS EU").

The consolidated financial statements as at 31 December 2014 and for the year then ended were audited by the auditor.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Parent Company on 16 November 2015.

**b) Going concern basis of accounting**

The condensed consolidated financial statements as of and for the period ended 30 September 2015 have been prepared on the going concern basis. In the opinion of the Management Board of Cognor S.A. on the date of preparation of these condensed interim consolidated financial statements, there are no threats that could affect the ability of the Group to continue its activities in the next twelve-month reporting period.

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



**c) Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at 31 December 2014 and for the year then ended.

**d) Estimates**

The preparation of financial statements in conformity with IFRS EU requires that the Management Board of the Parent Company makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, equity and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and the results of which form the basis for professional judgment on carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by the Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applicable to the consolidated financial statements as at and for the year ended 31 December 2014.

**4 Segment reporting**

Management has determined the operating segments based on the reports reviewed by the Management Board of the Parent Company that are used to make strategic decisions.

The Management Board considers the business from a product perspective.

The reportable operating segments derive their revenue primarily from the following divisions:

1. scrap division ó this segment includes activities of buying, processing, refining and selling of scrap metal and non-ferrous scrap;
2. production division ó this segment includes activities of processing scrap metal into steel billets, steel billets into finished products, and selling them; and also the processing of non-ferrous scrap into finished products and selling them;
3. distribution division ó this segment includes activities of selling commodities (steel products, steel scrap, steel billets, non-ferrous scrap and products and others);
4. other ó this segment includes other activities such as holding activities, financial activities, recycling materials, including plastic foils, paper and other products.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Management Board of the Parent Company is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

**Business segments (for the three months ended 30 September)**

*in PLN (in thousands)*

<b>30.09.2015</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribution division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenue from external customers	54 120	274 609	4 157	8 902			
Inter-segment revenue	35 608	20 279	7	3 822			
<b>Total revenue</b>	<b>89 728</b>	<b>294 888</b>	<b>4 164</b>	<b>12 724</b>	-	<b>(59 716)</b>	<b>341 788</b>
Cost of sales to external customers	(52 177)	(264 003)	(3 676)	(5 472)			
Inter-segment cost of sales	(33 403)	(17 792)	(8)	(3 319)			
<b>Total cost of sales</b>	<b>(85 580)</b>	<b>(281 795)</b>	<b>(3 684)</b>	<b>(8 791)</b>	-	<b>55 601</b>	<b>(324 249)</b>
<b>Segment result</b>	<b>4 148</b>	<b>13 093</b>	<b>480</b>	<b>3 933</b>	-	<b>(4 115)</b>	<b>17 539</b>
Other income	519	561	57	1 385	15 260	(16 454)	1 328
Distribution and administrative expenses	(5 183)	(14 221)	(413)	(139)	(3 617)	3 859	(19 714)
Other gain net	70	1 328	178	97	533	(561)	1 645
Other expenses	(97)	(660)	(6)	(187)	(1 003)	578	(1 375)
<b>Operating profit/(loss)</b>	<b>(543)</b>	<b>101</b>	<b>296</b>	<b>5 089</b>	<b>11 173</b>	<b>(16 693)</b>	<b>(577)</b>
Net financing costs	(366)	(2 272)	(1)	202	(35 173)	19 133	(18 477)
Share of profits of associates							(86)
Gain on bargain purchase							-
Income tax expense							4 889
<b>Loss for the period</b>							<b>(14 251)</b>

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



*in PLN (in thousands)*

30.09.2014	Scrap division	Production division	Distribution division	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	47 425	304 641	4 897	10 004			
Inter-segment revenue	56 419	18 958	11	4 877			
<b>Total revenue</b>	<b>103 844</b>	<b>323 599</b>	<b>4 908</b>	<b>14 881</b>	-	<b>(80 265)</b>	<b>366 967</b>
Cost of sales to external customers	(41 193)	(277 376)	(4 452)	(9 309)			
Inter-segment cost of sales	(58 197)	(16 209)	(8)	(1)			
<b>Total cost of sales</b>	<b>(99 390)</b>	<b>(293 585)</b>	<b>(4 460)</b>	<b>(9 310)</b>	-	<b>74 415</b>	<b>(332 330)</b>
<b>Segment result</b>	<b>4 454</b>	<b>30 014</b>	<b>448</b>	<b>5 571</b>	-	<b>(5 850)</b>	<b>34 637</b>
Other income	564	686	22	1 281	13 758	(17 142)	(831)
Distribution and administrative expenses	(5 313)	(15 384)	(415)	(1 428)	(3 264)	3 638	(22 166)
Other gain/(losses) net	20	258	(28)	321	(460)	127	238
Other expenses	(262)	(449)	(17)	221	(1 991)	(1 393)	(3 891)
<b>Operating profit/(loss)</b>	<b>(537)</b>	<b>15 125</b>	<b>10</b>	<b>5 966</b>	<b>8 043</b>	<b>(20 620)</b>	<b>7 987</b>
Net financing costs	(351)	(1 339)	(9)	(444)	(31 555)	19 747	(13 951)
Share of profits of associates							(16)
Gain on bargain purchase							49
Income tax expense							1 034
<b>Profit for the period</b>							<b>(4 897)</b>

**Business segments (for the nine months ended 30 September)**

*in PLN (in thousands)*

30.09.2015	Scrap division	Production division	Distribu- tion division	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	171 821	857 725	10 484	25 687			
Inter-segment revenue	157 288	56 890	7	14 152			
<b>Total revenue</b>	<b>329 109</b>	<b>914 615</b>	<b>10 491</b>	<b>39 839</b>	-	<b>(228 337)</b>	<b>1 065 717</b>
Cost of sales to external customers	(164 741)	(800 585)	(9 361)	(21 023)			
Inter-segment cost of sales	(147 992)	(52 859)	(8)	(6 759)			
<b>Total cost of sales</b>	<b>(312 733)</b>	<b>(853 444)</b>	<b>(9 369)</b>	<b>(27 782)</b>	-	<b>217 528</b>	<b>(985 800)</b>
<b>Segment result</b>	<b>16 376</b>	<b>61 171</b>	<b>1 122</b>	<b>12 057</b>	-	<b>(10 809)</b>	<b>79 917</b>
Other income	1 159	1 484	184	4 170	44 002	(47 516)	3 483
Distribution and administrative expenses	(16 111)	(43 381)	(1 116)	(711)	(10 934)	11 171	(61 082)
Other gain net	478	127	186	77	260	(579)	549
Other expenses	(315)	(2 604)	(31)	(255)	(2 656)	1 010	(4 851)
<b>Operating profit/(loss)</b>	<b>1 587</b>	<b>16 797</b>	<b>345</b>	<b>15 338</b>	<b>30 672</b>	<b>(46 723)</b>	<b>18 016</b>
Net financing costs	(1 063)	(4 661)	(3)	(82)	(83 336)	54 712	(34 433)
Share of profits of associates							(122)
Gain on bargain purchase							-
Income tax expense							3 419
<b>Loss for the period</b>							<b>(13 120)</b>



**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



*in PLN (in thousands)*

30.09.2014	Scrap division	Production division	Distribu- tion division	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	134 539	923 313	10 400	17 989			
Inter-segment revenue	198 339	40 496	23	28 706			
<b>Total revenue</b>	<b>332 878</b>	<b>963 809</b>	<b>10 423</b>	<b>46 695</b>	-	<b>(267 564)</b>	<b>1 086 241</b>
Cost of sales to external customers	(120 725)	(830 209)	(9 352)	(13 320)			
Inter-segment cost of sales	(199 130)	(37 435)	(26)	(19 832)			
<b>Total cost of sales</b>	<b>(319 855)</b>	<b>(867 644)</b>	<b>(9 378)</b>	<b>(33 152)</b>	-	<b>256 423</b>	<b>(973 606)</b>
<b>Segment result</b>	<b>13 023</b>	<b>96 165</b>	<b>1 045</b>	<b>13 543</b>	-	<b>(11 141)</b>	<b>112 635</b>
Other income	1 545	1 751	123	3 663	50 288	(51 693)	5 677
Distribution and administrative expenses	(15 585)	(39 449)	(1 054)	(1 957)	(11 308)	10 479	(58 874)
Other gain/(losses) net	482	410	(23)	37	(20 662)	19 999	243
Other expenses	(393)	(3 268)	(128)	(688)	(8 922)	2 470	(10 929)
<b>Operating profit/(loss)</b>	<b>(928)</b>	<b>55 609</b>	<b>(37)</b>	<b>14 598</b>	<b>9 396</b>	<b>(29 886)</b>	<b>48 752</b>
Net financing costs	(1 125)	(4 894)	(13)	(444)	(94 140)	54 512	(46 104)
Share of profits of associates							(557)
Gain on bargain purchase							5 370
Income tax expense							(808)
<b>Profit for the period</b>							<b>6 653</b>

**Business segments (for the twelve months ended 30 September)**

*in PLN (in thousands)*

30.09.2015	Scrap division	Production division	Distribution division	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	227 875	1 124 990	14 158	34 999			
Inter-segment revenue	218 662	84 844	75	28 965			
<b>Total revenue</b>	<b>446 537</b>	<b>1 209 834</b>	<b>14 233</b>	<b>63 964</b>	-	<b>(332 546)</b>	<b>1 402 022</b>
Cost of sales to external customers	(230 071)	(1 025 347)	(12 603)	(29 946)			
Inter-segment cost of sales	(193 992)	(71 357)	(60)	(10 455)			
<b>Total cost of sales</b>	<b>(424 063)</b>	<b>(1 096 704)</b>	<b>(12 663)</b>	<b>(40 401)</b>	-	<b>285 774</b>	<b>(1 288 057)</b>
<b>Segment result</b>	<b>22 474</b>	<b>113 130</b>	<b>1 570</b>	<b>23 563</b>	-	<b>(46 772)</b>	<b>113 965</b>
Other income	1 581	3 689	217	5 083	66 731	(68 112)	9 189
Distribution and administrative expenses	(22 221)	(66 875)	(1 459)	39	(14 761)	21 540	(83 737)
Other gain/(losses) net	794	3 279	189	8	5 048	(8 365)	953
Other expenses	(579)	(3 795)	(60)	(3 208)	(42 924)	45 485	(5 081)
<b>Operating profit/(loss)</b>	<b>2 049</b>	<b>49 428</b>	<b>457</b>	<b>25 485</b>	<b>14 094</b>	<b>(56 224)</b>	<b>35 289</b>
Net financing costs	(1 678)	(5 857)	(31)	(1 174)	(125 879)	78 987	(55 632)
Share of profits of associates							(191)
Gain on bargain purchase							489
Loss for the period from discontinued operations, net of tax							10 017
Income tax expense							(4 047)
<b>Loss for the period</b>							<b>(14 075)</b>

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



*in PLN (in thousands)*

<b>30.09.2014</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribution division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Eliminations</b>	<b>Consolidated</b>
Revenue from external customers	175 488	1 207 539	13 675	18 679			
Inter-segment revenue	284 174	52 175	27	41 783			
<b>Total revenue</b>	<b>459 662</b>	<b>1 259 714</b>	<b>13 702</b>	<b>60 462</b>	<b>-</b>	<b>(378 159)</b>	<b>1 415 381</b>
Cost of sales to external customers	(155 181)	(1 418 669)	(12 348)	316 642			
Inter-segment cost of sales	(287 903)	(46 697)	(30)	(18 200)			
<b>Total cost of sales</b>	<b>(443 084)</b>	<b>(1 465 366)</b>	<b>(12 378)</b>	<b>298 442</b>	<b>-</b>	<b>352 830</b>	<b>(1 269 556)</b>
<b>Segment result</b>	<b>16 578</b>	<b>(205 652)</b>	<b>1 324</b>	<b>358 904</b>	<b>-</b>	<b>(25 329)</b>	<b>145 825</b>
Other income	2 107	2 719	153	5 243	93 219	(94 680)	8 761
Distribution and administrative expenses	(21 228)	(63 493)	(1 502)	(2 259)	(14 987)	21 919	(81 550)
Other gain/(losses) net	806	3 545	(64)	106	23 053	(28 204)	(758)
Other expenses	(629)	(5 408)	(199)	(987)	(26 786)	18 299	(15 710)
<b>Operating profit/(loss)</b>	<b>(2 366)</b>	<b>(268 289)</b>	<b>(288)</b>	<b>361 007</b>	<b>74 499</b>	<b>(107 995)</b>	<b>56 568</b>
Net financing costs	(1 906)	(6 997)	(42)	(3 420)	(133 741)	84 012	(62 094)
Share of profits of associates							(962)
Gain on bargain purchase							8 584
Income tax expense							(4 113)
<b>Loss for the period</b>							<b>(2 017)</b>

*in PLN (in thousands)*

<b>30.09.2015</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribu- tion division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Segment assets	72 764	698 411	4 981	28 794	154 873	<b>959 823</b>
Segment liabilities	20 729	164 005	1 518	3 812	600 403	<b>790 467</b>

*in PLN (in thousands)*

<b>30.06.2015</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribu- tion division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Segment assets	81 162	733 307	5 773	29 748	159 526	<b>1 009 516</b>
Segment liabilities	36 311	186 776	1 588	5 906	592 377	<b>822 958</b>

*in PLN (in thousands)*

<b>31.12.2014</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribu- tion division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Segment assets	71 543	660 006	5 652	34 281	169 035	<b>940 517</b>
Segment liabilities	20 286	136 672	191	8 364	587 718	<b>753 231</b>

*in PLN (in thousands)*

<b>30.09.2014</b>	<b>Scrap division</b>	<b>Production division</b>	<b>Distribu- tion division</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Segment assets	75 777	649 009	8 605	29 880	205 701	<b>968 972</b>
Segment liabilities	26 734	133 281	2 405	6 556	576 881	<b>745 857</b>

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

Together reach more



**Unallocated assets**

in PLN (in thousands)

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Long-term and short-term investments	18 249	18 106	18 375	22 982
Investments in associates	3 110	3 196	3 232	1 901
Deferred tax assets	86 808	82 394	81 932	75 263
Investment property	-	-	-	-
Income tax receivable	10	10	10	47
Cash and cash equivalents	14 097	20 969	35 648	33 828
Assets held for sale	5 548	7 110	7 110	8 775
Other receivables (statutory receivables, receivables relating to sale of subsidiaries, etc.)	27 051	27 741	22 728	62 905
	<b>154 873</b>	<b>159 526</b>	<b>169 035</b>	<b>205 701</b>

**Unallocated liabilities**

in PLN (in thousands)

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Interest-bearing loans and borrowings	492 387	502 690	496 298	479 571
Bank overdraft	23 493	5 574	6 969	5 510
Deferred tax liabilities	11 125	11 356	11 011	9 971
Employee benefits obligation	12 841	12 026	14 185	11 539
Government grants and other deferred income	117	117	117	117
Current income tax payables	89	90	105	44
Other payables	60 351	60 524	59 033	70 129
	<b>600 403</b>	<b>592 377</b>	<b>587 718</b>	<b>576 881</b>

**5 Property, plant and equipment**

During the three months ended 30 September 2015, the Group acquired property, plant and equipment at a cost of PLN 12 201 thousand (three months ended 30 September 2014: PLN 9 043 thousand). Assets with a net book value of PLN 2 894 thousand were disposed of during the three months ended 30 September 2015 (three months ended 30 September 2014: PLN 565 thousand). On the sale of property, plant and equipment the Group achieved a net gain on disposal of PLN 37 thousand (three months ended 30 September 2014: a net gain on disposal of PLN 226 thousand).

During the nine months ended 30 September 2015, the Group acquired property, plant and equipment at a cost of PLN 20 721 thousand (nine months ended 30 September 2014: PLN 13 243 thousand). Assets with a net book value of PLN 3 856 thousand were disposed of during the nine months ended 30 September 2015 (nine months ended 30 September 2014: PLN 2 686 thousand). On the sale of property, plant and equipment the Group achieved a net gain on disposal of PLN 785 thousand during the nine months ended 30 September 2015 (nine months ended 30 September 2014: a net loss on disposal of PLN 463 thousand).

During the twelve months ended 30 September 2015, the Group acquired property, plant and equipment at a cost of PLN 46 871 thousand (twelve months ended 30 September 2014: PLN 14 915 thousand). Assets with a net book value of PLN 9 647 thousand were disposed of during the twelve months ended 30 September 2015 (twelve months ended 30 September 2014: PLN 2 921 thousand). On the sale of property, plant and equipment the Group achieved a net loss on disposal of PLN 273 thousand (twelve months ended 30 September 2014: a net loss on disposal of PLN 632 thousand).

**Capital commitments**

As at 30 September 2015 the Group had capital commitments in the amount of PLN 6 817 thousand (30 June 2015: PLN 3 017 thousand; 31 December 2014: PLN 4 609 thousand; 30 September 2014: PLN 3 947 thousand).

**6 Equity**

**Issued share capital**

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Registered shares at reporting date (number)	66 771 183	66 222 248	66 222 248	66 222 248
Issued warrants (number)	65 671 265	66 220 200	66 220 000	66 220 200
<b>Nominal value of 1 share</b>	<b>2 PLN</b>	<b>2 PLN</b>	<b>2 PLN</b>	<b>2 PLN</b>

At 30 September 2015, the Parent Company's share capital comprised 66 771 183 ordinary shares (30 June 2015: 66 222 248; 31 December 2014: 66 222 248; 30 September 2014: 66 222 248) with a nominal value of PLN 2 each.

There were no dividends declared or paid in the reporting periods.

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



The ownership structure as at 30 September 2015 is presented in the table below:

Shareholder	Number of shares	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS Holdco Sp. z o.o.*	43 691 307	65.43%	43 691 307	65.43%
TFI PZU	4 400 140	6.59%	4 400 140	6.59%
Other shareholders	18 679 736	27.98%	18 679 736	27.98%
<b>Total</b>	<b>66 771 183</b>	<b>100.0%</b>	<b>66 771 183</b>	<b>100.0%</b>

\* Przemysław Sztuczkowski owns 100% of the shares in the PS Holdco Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor S.A.

The ownership structure as at the date of the publication of the last condensed consolidated interim financial statements (28 August 2015) is presented in the table below:

Shareholder	Number of shares	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS Holdco Sp. z o.o.*	43 691 307	65.88%	43 691 307	65.88%
TFI PZU	4 400 140	6.64%	4 400 140	6.64%
Other shareholders	18 222 290	27.48%	18 222 290	27.48%
<b>Total</b>	<b>66 313 737</b>	<b>100.0%</b>	<b>66 313 737</b>	<b>100.0%</b>

\* Przemysław Sztuczkowski owns 100% of the shares in the PS Holdco Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor S.A.

The ownership structure as at the date of the publication of these condensed consolidated interim financial statements (16 November 2015) is presented in the table below:

Shareholder	Number of shares	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS Holdco Sp. z o.o.*	43 691 307	65.43%	43 691 307	65.43%
TFI PZU	4 400 140	6.59%	4 400 140	6.59%
Other shareholders	18 679 736	27.98%	18 679 736	27.98%
<b>Total</b>	<b>66 771 183</b>	<b>100.0%</b>	<b>66 771 183</b>	<b>100.0%</b>

\* Przemysław Sztuczkowski owns 100% of the shares in the PS Holdco Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor S.A.

In the 3rd quarter of 2015 there has been the increase of share capital by 548,935 shares of series 9. These shares has been subscribed for by other shareholders. The increase was related to the conversion of exchangeable notes into shares of Cognor S.A.

Information on conditional capital increase and the principles on which the PS Holdco Sp. z o.o. transferred to the Group ownership of subscription warrants series B was presented in the annual consolidated financial statements for 2014 and in note no. 8 to these condensed interim consolidated financial statements.

## 7 Earnings per share

The calculation of basic earnings per share for the three-month period ended 30 September 2015 was based on the loss attributable to ordinary shareholders of PLN 14 459 thousand (the three-month period ended 30 September 2014: loss of PLN 5 495 thousand) and a weighted average number of ordinary shares outstanding during the three-month period ended 30 September 2015 of 66 466 thousand (the three-month period ended 30 September 2014: 66 222 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the three months ended 30 September 2015 was 113 268 thousand\* (30 September 2014: 112 636\* thousand).

The calculation of basic earnings per share for the nine-month period ended 30 September 2015 was based on the loss attributable to ordinary shareholders of 14 058 PLN thousand (the nine-month period ended 30 September 2014: profit of PLN 5 327 thousand) and a weighted average number of ordinary shares outstanding during the nine-month period ended 30 September 2015 of 66 304 thousand (the nine-month period ended 30 September 2014: 66 222 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the nine months ended 30 September 2015 was 113 399\* thousand (30 September 2014: 107 196\* thousand).

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



The calculation of basic earnings per share for the twelve-month period ended 30 September 2015 was based on the loss attributable to ordinary shareholders of PLN 19 351 thousand (the twelve-month period ended 30 September 2014: loss of PLN 3 487 thousand) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 30 September 2015 of 66 283 thousand (the twelve-month period ended 30 September 2014: 66 222 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the twelve months ended 30 September 2015 was 113 464\* thousand (30 September 2014: 96 952\* thousand).

\*The calculation of diluted earnings per share was based on the number of ordinary shares and the number of potential ordinary shares that would have been issued upon the conversion of the nominal value of convertible bonds and interest attributable to these bonds in the given periods excluding interest paid in these periods.

As at 30 September 2015, issued warrants were excluded from the diluted weighted average number of ordinary shares calculation as the effect of warrants which may remain unconverted into shares would have been anti-dilutive due to the fact that the average market value of the Parent Company's shares was lower than price of warrants conversion. The average market value of the Company's shares for purposes of calculating the dilutive effect of share warrants was based on quoted average market prices for the period during which the warrants were outstanding.

**8 Interest-bearing loans and borrowings and bank overdraft**

*in PLN (in thousands)*

	<b>30.09.2015</b>	<b>30.06.2015</b>	<b>31.12.2014</b>	<b>30.09.2014</b>
<b>Non-current liabilities</b>				
Secured fixed interest rate debt	385 058	381 105	397 088	397 292
Finance lease liabilities	10 501	9 366	9 637	7 852
Secured bank loans	1 068	1 246	1 602	1 779
Other borrowings	763	780	569	585
	<b>397 390</b>	<b>392 497</b>	<b>408 896</b>	<b>407 508</b>
<b>Current liabilities</b>				
Secured fixed interest rate debt*	28 756	32 546	25 965	13 534
Current portion of finance lease liabilities	6 174	5 202	3 990	3 393
Factoring and bill of exchange liabilities	28 156	41 519	33 408	31 116
Reverse factoring	29 502	28 549	22 918	23 242
Current portion of secured bank loans	712	712	712	713
Other borrowings	1 697	1 665	409	65
	<b>94 997</b>	<b>110 193</b>	<b>87 402</b>	<b>72 063</b>
Bank overdraft	(23 493)	5 574	6 969	3 400
	<b>71 504</b>	<b>115 767</b>	<b>94 371</b>	<b>75 463</b>

In the first nine months of 2015 Cognor S.A. and its subsidiaries (Ferrostal / ab dy Sp. z o.o., Huta Stali Jako ciowych S.A. and Złomrex Metal Sp. z o.o.) utilised bank overdraft in mBank S.A. Based on Annex No. 10 dated 29 June 2015 the contract has been extended till 29 June 2016 and the limit increased from PLN 9.1 million to PLN 25 million.

As at 30 September 2015, the bank overdraft was utilised as follows: Ferrostal / ab dy Sp. z o.o. PLN 11 178 thousand, Huta Stali Jako ciowych S.A. PLN 12 315 thousand.

**Secured fixed interest debt**

On 4 February 2014, Cognor International Finance plc, established in the United Kingdom (a subsidiary of Huta Stali Jako ciowych S.A.) issued Senior Secured Notes and Exchangeable Notes. Within the framework of debt restructuring new Senior Secured Notes and Exchangeable Notes were received by the holders of 7-year Senior Secured Notes issued in 2007 by Złomrex International Finance S.A. with the maturity date of February 2014. The new issue was allocated to the holders in proportion to bonds that they owned.

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



The Senior Secured Notes have an aggregate principal amount of EUR 100 348 109, mature on 1 February 2020, interest will be payable semi-annually in arrears on 1 February and 1 August in each year and depend on the interest payment periods:

- 1st and 2nd year ó 7.5%
- 3rd year ó 10.0%
- 4th to 6th year ó 12.5%.

The effective interest rate of the above mentioned bonds (that includes also the transaction costs of issuing the instruments) is 10.8%.

The Senior Secured Notes are guaranteed by: PS Holdco Sp. z o.o., Odlewnia Metali Szopienice Sp. z o.o., ZW-Walcownia Bruzdowa Sp. z o.o., Huta Stali Jako ciowych S.A., Ferrostal/ ab dy Sp. z o.o., Z mrex Metal SP. z o.o. and Kapita S.A.

Liability for the issue of Senior Secured Notes listed on the Stock Exchange in Luxembourg (Euro MTF) of the book value of PLN 413 814 thousand on 30 September 2015 was secured as follows:

- financial pledge on shares of companies: Z mrex Metal Sp. z o.o., ZW-Walcownia Bruzdowa Sp. z o.o., Huta Stali Jako ciowych S.A., Ferrostal/ ab dy Sp. z o.o. and Kapita S.A.;

- registered pledge on:

(i) shares in the following companies: Z mrex Metal Sp. z o.o., ZW-Walcownia Bruzdowa Sp. z o.o., Huta Stali Jako ciowych S.A., Ferrostal/ ab dy Sp. z o.o. and Kapita S.A.

(ii) certain non-current assets of Cognor S.A. currently leased to Ferrostal/ ab dy Sp. z o.o.,

(iii) certain non-current assets of Ferrostal/ ab dy Sp. z o.o. and ZW-Walcownia Bruzdowa Sp. z o.o.,

(iv) issued by Huta Stali Jako ciowych S.A. intercompany bonds;

- mortgages on real estate of Ferrostal/ ab dy Sp. z o.o. and ZW-Walcownia Bruzdowa Sp. z o.o.;

- governed by English law a lien on the shares of the issuer Cognor International Finance plc;

- statements of execution notarially confirmed by Cognor International Finance plc and all companies which guarantee issuance of Senior Secured Notes.

The Exchangeable Notes have EUR 25 087 003 aggregate principal amount, mature on 1 February 2021, interest will be payable semi-annually in arrears on 1st February and 1st August and the fixed interest rate is 5%. In addition, Cognor International Finance plc has right not to pay a cash settlement but capitalize the interest on exchangeable notes (using higher, i.e. 10% coupon). The holders of the Exchangeable Notes will be entitled to have their Exchangeable Notes converted into Cognor S.A. new and/or existing shares, credited as fully paid, in the period from 1 March 2015 until the lapse of 6 months following the maturity date thereof. Upon a conversion, Cognor International Finance will have the option to:

(i) deliver (or procure the issue or transfer and delivery of) Cognor S.A. shares,

(ii) pay a cash settlement amount, or

(iii) a combination thereof.

Unless previously purchased and cancelled, redeemed or converted, the Exchangeable Notes will be mandatorily converted into Cognor S.A. shares at the conversion price on the Exchangeable Notes maturity date at the conversion price of PLN 2.35.

In these condensed consolidated interim financial statements the Exchangeable Notes are presented within reserve equity.

In the 3rd quarter of 2015 the investors has converted nominal of 300,000 EUR of Exchangeable Notes into shares of Cognor S.A. These shares have been admitted to trading on Warsaw Stock Exchange.

### **Liabilities to the Owner**

Within the debt restructuring process described above, on 3 February 2014 PS Holdco Sp. z o.o. transferred to Cognor International Finance plc (CIF) an ownership of 60 860 000 of subscription warrants of series B that are convertible into 60 860 000 shares of Cognor S.A. for a remuneration in the amount of PLN 304 thousand and also entered into an option agreement for delivery of additional 30 082 812 shares of Cognor S.A. free of charge in order to secure the holders of the Exchangeable Notes with the possibility of conversion bonds into shares. The transfer of warrants was a key element enabling the structuring of terms of Exchangeable Notes in a manner acceptable to investors and thus the successful finalization of the issue. Terms of the agreement between PS Holdco Sp. z o.o. and Cognor International Finance plc provide among other things, that warrants not used for conversion of the bonds into shares will be transferred back to PS Holdco Sp. z o.o. Depending on a choice of a payment form of the Exchangeable Notes' coupon up to 15 million warrants may return to PS Holdco Sp. z o.o. Their exact number will be known after the final settlement

### **9 Contingencies, guarantees and other commitments**

The Group has the following contingent liabilities, guarantees and other commitments:

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



**Contingencies**

In the sale contract relating to the sale on 5th May 2011 of most of the assets of the distribution division in Poland to ArcelorMittal Distribution Poland Sp. z o.o. and ArcelorMittal Distribution Solutions Poland Sp. z o.o., the Parent Company undertook together with other sellers (its subsidiaries) to cover any additional tax liabilities and costs of any dispute with public administration arising in relation to the Buyers in connection with the transaction structure finally accepted.

In the Management's opinion the risk of the obligations arising in relation to the afore-mentioned agreements is remote. The obligations will expire no later than 2017.

**10 Related parties**

**Identity of related parties**

The Group has a related party relationship with the Group's Parent Company and other entities stated below.

**Owner:**

- PS Holdco Sp. z o.o.

**Related parties not consolidated:**

- Odlewnia Metali Szopienice Sp. z o.o. (sold on August 27th, 2011 to PS Holdco Sp. z o.o.)
- Zimrex Finans Sp. z o.o. (sold on August 27th, 2011 to PS Holdco Sp. z o.o.)
- Zimrex China Limited (sold on August 27th, 2011 to PS Holdco Sp. z o.o.)
- AB Stahl AG
- Profil Centrum Sp. z o.o. (control obtained on April 1st, 2014)

**Companies controlled by the owner:**

- 4 Workers Przemysłowy Sztuczki (previous name Wiedza i Praca Sp. z o.o.)

**Associates:**

- 4 Groups Sp. z o.o.
- ZW Profil S.A. (from September 13th, 2013 till March 31, 2014)
- Przedsiębiorstwo Transportu Samochodowego S.A. (from September 13th, 2013 till March 31, 2014)
- Profil Centrum Sp. z o.o. (from September 13th, 2013 till March 31, 2014)

**Explanatory notes  
to the condensed consolidated  
interim financial statements**  
(in PLN thousand, unless stated otherwise)

Together reach more



<i>in PLN (in thousands)</i>	30.09.2015	30.06.2015	31.12.2014	30.09.2014
<i>Short-term receivables:</i>				
- related parties (not consolidated)	5 343	6 474	7 647	7 486
- associates	3	3	-	3
- owner*	-	7	7	10
- companies controlled by the owner	23	18	18	78
<i>Short-term investments (options for own equity instruments)</i>				
- owner*	13 513	13 513	13 513	17 738
<i>Short-term liabilities</i>				
- related parties (not consolidated)	132	434	280	157
- associates	66	44	57	56
- owner*	43 203	41 617	40 396	16 189
- companies controlled by the owner	407	461	256	289
<i>Loans granted</i>				
- related parties (not consolidated)	4 050	3 950	3 834	3 818
- owner*	113	110	203	407
<i>Other liabilities (long and shortterm)</i>				
- owner*	-	-	-	44 290
<i>Loans granted</i>				
- companies controlled by the owner	-	-	344	-

\* refer to note 8 for the details of presentation of receivables from and liabilities to PS Holdco Sp. z o.o.

<i>in PLN (in thousands)</i>	01.07.2015 - 30.09.2015	01.07.2014 - 30.09.2014	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014	01.10.2014 - 30.09.2015	01.10.2013 - 30.09.2014
<i>Revenues from sale of products</i>						
- associates	-	-	-	-	-	17
<i>Revenues from sale of services</i>						
- related parties (not consolidated)	35	130	272	360	381	518
- associates	8	8	22	22	29	3
- owner	-	-	1	1	1	2
- companies controlled by the owner	154	28	110	85	143	110
<i>Revenues from sale of raw materials and commodities</i>						
- related parties (not consolidated)	4 949	3 852	15 611	11 583	20 309	17 352
- companies controlled by the owner	1	-	1	251	1	251
<i>Purchase of commodities and raw materials</i>						
- related parties (not consolidated)	4 499	1 637	12 287	7 757	14 883	10 325
- companies controlled by the owner	257	149	1 052	537	1 398	697
<i>Purchase of services</i>						
- related parties (not consolidated)	-	-	-	-	-	13
- associates	145	141	393	7 049	566	7 253
- companies controlled by the owner	647	80	1 719	1 184	2 450	1 693
<i>Other income</i>						
- related parties (not consolidated)	59	53	174	180	240	234
- owner	3	5	10	22	7 487	35
<i>Other gain/(losses) net</i>						
- companies controlled by the owner	-	-	-	4	-	4
<i>Other expenses</i>						
- related parties (not consolidated)	-	(4)	-	(4)	4	(4)
<i>Financial income</i>						
- associates	-	-	-	-	-	3
<i>Financial costs</i>						
- related parties (not consolidated)	-	-	-	-	(5)	(4)
- owner	(757)	(1 261)	(2 271)	(3 449)	(3 198)	(6 693)



## 11 Cash and cash equivalents presented in cash flow statements

*in PLN (in thousands)*

	<b>30.09.2015</b>	<b>30.09.2014</b>
Cash in bank	11 012	29 350
Cash in bank restricted in use	456	431
Cash in hand	337	326
Short-term bank deposit	2 253	3 719
Other	39	2
<b>Cash and cash equivalents in the statement of financial position</b>	<b>14 097</b>	<b>33 828</b>
Bank overdrafts	(23 493)	(5 510)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>(9 396)</b>	<b>28 318</b>

## 12 Financial instruments

### Financial instruments measured at fair values

As at 30 September, 30 June 2015, 31 December 2014 and 30 September 2014 there were no financial instruments measured at fair value.

### Fair values

The following are details of the fair values of the financial instruments for which it is practicable to estimate such value:

ÉCash and cash equivalents, short-term bank deposits and short-term bank loans: the carrying amounts approximate fair value due to the short term nature of these instruments.

ÉTrade and other receivables, bills of exchange, trade and other payables and accrued liabilities: the carrying amounts approximate fair value due to the short-term nature of these instruments.

ÉInterest-bearing loans and borrowings, excluding fixed rate debt securities: the carrying amounts approximate fair value due to the variable nature of the related interest rates.

ÉFixed rate debt securities. The fair value of bonds at 30 September 2015 amounted to PLN 438 083 thousand (31 December 2014: PLN 435 863 thousand) - due to lack of market transactions on the bonds issued by Cognor International Finance plc in the period close to the reporting date, fair value as at 30 September 2015 was determined with use of valuation model which was based on the market interest rate changes in the period from the date of bond issue to 30 September 2015 (level 2 in fair value hierarchy).

The carrying amount of liability to PS Holdco Sp. z o.o. approximates fair value due to an interest rate which is similar to the interest rate applicable for liabilities with similar risk.

## 13 Seasonality

Trading activity on the steel product market is characterized by seasonality of revenue from sales, resulting from the variability of weather conditions in the annual weather cycle. Seasonality is reflected by lower demand for steel products in winter as a result of limitations on investment and infrastructure construction during this period.

## 14 Management Board's position on the possibility of implementing previously published forecasts for the year, in light of the results presented in the quarterly report

Management Board didn't publish forecasts.

**15 Ownership of the Parent Company shares or rights held by Management Board or by Supervisory Board at the date of this quarterly report, along with an indication of changes in ownership during the period from the previous report, separately for each person**

	As at the date of the current report		As at the date of the previous report	
	quantity	% in share capital	quantity	% in share capital
<b>Management Board</b>				
- Przemysław Sztuczkowski *	-	-	-	-
- Przemysław Grzesiak	2 522 951	3,78%	2 522 951	3,80%
- Krzysztof Zoc	-	-	-	-
- Dominik Barszcz	-	-	-	-
<b>Supervisory Board</b>				
- Hubert Janiszewski	-	-	-	-
- Piotr Freyberg	-	-	-	-
- Jerzy Kak	-	-	-	-
- Marek Rocki	-	-	-	-
- Zbigniew/ api ski	-	-	-	-

\* Przemysław Sztuczkowski owns 100% of shares in the PS Holdco Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. are in the same time indirect participation of Przemysław Sztuczkowski in Cognor S.A. As at August 28, 2015 PS Holdco Sp. z o.o. was the owner of 65.88% shares of Cognor S.A, and as at November 16, 2015 PS Holdco Sp. z o.o. was the owner of 65.43%. Detailed information in note 6.

**16 Proceedings before the court, arbitration or public authorities**

Information on the proceedings before a court, an arbitration or a public authority was presented in the annual consolidated financial statements of the Group for 2014. During the nine month period ended September 30, 2015 there were no significant changes in the status of these proceedings.

**17 Information on the Parent Company or its subsidiary of one or more transactions with related parties if individually or in the aggregate are material and have been included under conditions other than market.**

Not applicable.

**18 Information on the Parent Company or its subsidiary guarantees for credit or loans or warranties**

Warranties and guarantees granted to subsidiaries by the Parent Company:

Subsidiary	Type of liability	Guarantee value in PLN (in thousands)	Period of guarantee
Cognor Blachy Dachowe S.A.	Trade liability	3 848	till termination of trade agreement
Ferrostal/ ab dy Sp. z o.o.	Trade liability	2 064	without deadline

Warranties and guarantees provided by Ferrostal/ ab dy Sp. z o.o. (subsidiary) to the Group:

Subsidiary	Type of liability	Guarantee value in PLN (in thousands)	Period of guarantee
Huta Stali Jako ciowych	Lease liability	5 605	till October 2020
Cognor S.A.	Lease liability	1 001	till December 2018
Przedsi biorstwo Transportu Samochodowego S.A.	Loan from WFO iGW	500	without deadline
Zemrex Metal Sp. z o.o.	Factoring	50 000	without deadline

**Explanatory notes  
to the condensed consolidated  
interim financial statements**

(in PLN thousand, unless stated otherwise)

*Together reach more*



Warranties and guarantees provided by Huta Stali Jako ciowych S.A. (subsidiary) to the Group:

Odlewnia Metali Szopienice Sp. Z o.o.	Bank guarantee	1 859	till May 2017
Ferrostal/ ab dy Sp. Z o.o.	Bank loan	5 000	till September 2016

Shares in consolidated companies are treated as a security for liabilities for the issue of Senior Secured Notes listed on the Stock Exchange in Luxembourg (Euro MTF) issued by the Cognor International Finance plc. For details, see note 8.

Guarantees related to the bank loans:

Cognor S.A. together with its subsidiaries: Ferrostal / ab dy Sp. z o.o., Huta Stali Jako ciowych S.A. and Zëmrex Metal Sp. z o.o. have a bank overdraft in mBank S.A. with the limit of PLN 25 000 thousand, guaranteed by the above mentioned companies. The guarantee period coincides with the credit maturity, i.e. June 29, 2016.

A repayment of an investment credit of a subsidiary ZW Profil S.A. is secured by a blank bill of exchange, an ordinary mortgage in the amount of PLN 7 000 thousand and a collateral mortgage up to the amount of PLN 1 100 thousand over the perpetual usufruct of land, buildings and structures situated on this land as well as the transfer of assignment of the insurance policy of the above mentioned properties.

**19 Other information that the Parent Company is relevant to the assessment of its personnel, assets, financial position, financial performance and their changes and information that is relevant to the assessment of the Parent Company's capacity to meet obligation.**

Lack of information requiring disclosure.

**20 Factors which in the opinion of the Parent Company will have an impact on its financial performance for at least next quarter.**

The consolidated financial results of the Cognor Capital Group in the the prespective of the fourth quarter of 2015 will depend mainly on:

- the formation of relation of product prices to material prices, including especially steel scrap,
- the formation of the relations of the PLN to EUR and USD.

**21 Subsequent events**

In relation to request of investors in October 2015 for conversion of Exchangeable Notes in amount of EUR 1 683 thousand into shares of Cognor S.A., Cognor applied to the Warsaw Stock Exchange for admission to trading 3 080 304 shares seriesNo. 9. After successful application by the WSE, the total number of shares will increase to 69 851 487 shares.

On October 30, 2015 the Subsidiary - Ferrostal / ab dy Sp. Z o.o. had repurchased from the market the Senior Secured Notes in nominal amount of EUR 2.5 million.

Poraj, 16 November 2015

Przemysław Sztuczkowski  
*President of the Management Board*

Przemysław Grzesiak  
*Vice President of the Management Board*

Krzysztof Zosiński  
*Member of the Management Board*

Dominik Barszcz  
*Member of the Management Board*