

adjusted

## POLISH FINANCIAL SUPERVISION AUTHORITY

## Quarterly Report SA-Q

1 / 2015

quarter / year

(pursuant to the provisions of § 82, par. 1, item 1 of the Ordinance of Minister of Finance of February 19, 2009 - Journal of Laws No. 33, item 259) (for the issuers of securities running production, construction, trading or service activities)

for Q1 of the accounting year 2015 covering the period from January 1, 2015 to March 31, 2015

Filing date: May 13, 2015

## TIRE COMPANY DEBICA SA

**DEBICA** (full name of issuer)  
**Automotive** (sector according to WSE classification)  
 Abbreviated name of issuer (sector according to WSE classification)  
**39-200** (postal code) **Debica** (place)  
**ul. 1 Maja** (street) **1** (number)  
**(014) 670-28-31** (phone) **014 670-09-57** (fax)  
 (e-mail) **[www.debica.com.pl](http://www.debica.com.pl)** (Web site)  
**872-000-34-04** (Tax ID - NIP) **850004505** (REGON Statistical No.)

SELECTED FINANCIAL DATA	'000 PLN		'000 EUR	
	1 quarter(s) on YTD basis / 2015, period from Jan. 1, 2015 to Mar. 31, 2015	1 quarter(s) on YTD basis / 2014 period from Jan. 1, 2014 to Mar. 31, 2014	1 quarter(s) on YTD basis / 2015, period from Jan. 1, 2015 to Mar. 31, 2015	1 quarter(s) on YTD basis / 2014, period from Jan. 1, 2014 to Mar. 31, 2014
I. Net sales of products, merchandise and materials	481 428	532 137	116 037	127 020
II. Operating profit (loss)	51 895	43 735	12 508	11 281
III. Gross profit (loss)	48 498	41 565	11 689	9 921
IV. Net profit (loss)	35 614	41 501	8 584	9 906
V. Operational cash flows, net	-45 374	29 970	-10 936	7 154
VI. Investment activity cash flows, net	-29 693	-31 792	-7 157	-7 589
VII. Financial activity cash flows, net	25 035	-559	6 034	-133
VIII. Total net cash flows	-50 032	-2 381	-12 059	-568
IX. Total assets (at closing of current quarter and at closing of previous year)	1 499 954	1 397 302	366 827	327 828
X. Liabilities and liabilities provisions (at closing of current quarter and at closing of previous year)	499 971	432 933	122 272	101 573
XI. Long-term liabilities (at closing of current quarter and at closing of previous year)	1 787	1 473	437	346
XII. Short-term liabilities (at closing of current quarter and at closing of previous year)	442 236	377 526	108 153	88 573
XIII. Equity (at closing of current quarter and at closing of previous year)	999 983	964 369	244 554	226 256
XIV. Initial capital (at closing of current quarter and at closing of previous year)	110 422	110 422	27 005	25 907
XV. Number of shares (at closing of current quarter and at closing of previous year)	13 802 750	13 802 750	13 802 750	13 802 750
XVI. Earnings (loss) per ordinary share (in PLN / EUR)	2.58	3.01	0.62	0.72
XVII. Diluted earnings (loss) per ordinary share (in PLN / EUR)	2.58	3.01	0.62	0.72
XVIII. Book value per share (in PLN / EUR)	72.45	69.87	17.72	16.39
XIX. Diluted book value per share (in PLN / EUR)	72.45	69.87	17.72	16.39
XX. Declared or paid dividend per share (in PLN / EUR)				

The Report should be filed with the Polish Financial Supervision Authority (PFSA), the company running regulated market and made public through news agency in compliance with effective law.

## ABBREVIATED FINANCIAL STATEMENT

## BALANCE-SHEET

	'000 PLN			
	As of March 31, 2015, end of quarter / 2015	As of end of previous quarter	As of Dec. 31, 2014 end of previous year / 2014	As of March 31, 2014, end of quarter / 2014
<b>ASSETS</b>				
I. Fixed assets	856 755		868 174	849 679
1. Intangible assets including:	35		39	53
2. Tangible fixed assets	854 632		866 030	847 782
3. Long-term investments	144		144	144
3.1. Long-term financial assets	144		144	144
a) in other entities	144		144	144
4. Long-term deferred assets	1 944		1 961	1 701
4.1. Deferred income tax assets	1 944		1 961	1 701
II. Current assets	643 199		529 128	700 885
1. Inventories	109 420		117 668	113 105
2. Short-term receivables	402 219		244 157	437 196
2.1. From related entities	367 058		204 239	374 955
2.2. From other entities	35 160		39 918	62 242
3. Short-term investments	128 030		166 781	146 805
3.1. Short-term financial assets	128 030		166 781	146 805
a) in other entities	105 000		105 000	
b) cash and cash equivalents	16 619		5 395	24 465
c) cash and other cash equivalents	6 411		56 386	122 340
4. Short-term deferred assets	3 530		552	3 778
<b>Total assets</b>	<b>1 499 954</b>		<b>1 397 302</b>	<b>1 550 564</b>
<b>LIABILITIES</b>				
I. Shareholders' equity	999 983		964 369	976 619
1. Share capital	110 422		110 422	110 422
2. Reserve capital	324 382		322 675	322 564
3. Revaluation capital	68 176		69 883	69 994
4. Other reserve capitals	374 442		374 443	316 612
5. Retained earnings (loss)	86 946			115 526
6. Net profit (loss)	35 614		86 946	41 501
II. Liabilities and liabilities provisions	499 971		432 933	573 946
1. Liabilities provisions	55 948		53 934	69 149
1.1. Provision for deferred income tax	34 157		21 290	33 660
1.2. Provision for retirement benefits and equivalents	20 739		30 360	34 674
a) long-term	9 470		10 135	8 656
b) short-term	11 269		20 225	26 018
1.3. Other provisions	1 051		2 284	815
a) long-term	125		132	76
b) Short-term	925		2 152	739
2. Long-term liabilities	1 787		1 473	1 183
2.1. to other entities	1 787		1 473	1 183
3. Short-term liabilities	442 236		377 526	503 614
3.1. To related entities	101 669		89 304	126 359
3.2. to other entities	336 931		288 038	373 093
3.3. Special funds	3 635		184	4 161
4. Accrued liabilities			0	0
4.1. Other accrued liabilities			0	0
a) long-term liabilities			0	
b) short-term liabilities			0	
<b>Total liabilities</b>	<b>1 499 954</b>		<b>1 397 302</b>	<b>1 550 564</b>
Book value	999 983		964 369	976 619
Number of shares	13 802 750		13 802 750	13 802 750
Book value per share (in PLN)	72.45		69.87	70.76
Diluted number of shares (pcs.)	13 802 750		13 802 750	13 802 750
Diluted book value per share (in PLN)	72.45		69.87	70.76

Note: In case of reports for Q1 of the accounting year, only the first (as of the end of Q1 of the current accounting year), third (as of the end of previous accounting year) and fourth column (as of the end of Q1 of the previous accounting year).

**OFF-BALANCE ITEMS**

	'000 PLN			
	As of March 31, 2015, end of quarter / 2015	As of end of previous quarter /	As of Dec. 31, 2014 end of previous year / 2014	As of March 31, 2014, end of quarter / 2014
1. Other	11 037		11 925	13 891
off-balance liabilities under a long-term gas supply contract	8 799		9 279	10 671
off-balance liabilities under a real estate long-term lease agreement	2 238		2 646	3 220
Total off-balance items	11 037		11 925	13 891

Note: In case of reports for Q1 of the accounting year, only the first (as of the end of Q1 of the current accounting year), third (as of the end of previous accounting year) and fourth column (as of the end of Q1 of the previous accounting year).

**PROFIT AND LOSS ACCOUNT**

	'000 PLN			
	Q1 /2015 period from Jan. 1, 2015 to Mar. 31, 2015	quarters on YTD basis / period from ... to ...	Q1 /2014, period from Jan. 1, 2014 to Mar. 31, 2014	quarters on YTD basis / period from ... to ...
I. Net sales of products, merchandise and materials including:	481 428		532 137	
- from related entities	439 207		455 027	
1. Net sales of products	460 496		505 141	
2. Net sales of merchandise and materials	20 932		26 996	
II. Cost of products, merchandise and materials sold including:	409 789		456 825	
- to related entities	370 161		393 718	
1. Cost of products sold	386 436		427 179	
2. Cost of merchandise and materials sold	23 353		29 646	
III. Gross profit (loss) on sales	71 639		75 312	
IV. Selling expenses	-459		10 299	
V. General administrative expenses	19 036		17 752	
VI. Profit (loss) on sales	53 062		47 261	
VII. Other operating income	152		179	
1. Gain on disposal of non-financial fixed assets	24		71	
2. Other operating income	128		108	
VIII. Other operating expenses	1 319		3 705	
1. Revaluation of non-financial fixed assets	362		180	
2. Other operating costs	957		3 525	
IX. Operating profit (loss)	51 895		43 735	
X. Financial income	1 345		518	
1. Interest receivable including:	1 333		518	
- from related entities	1 293			
2. Other	12			
XI. Financial expenses	4 742		2 688	
1. Interest payable including:	437		934	
2. Other	4 305		1 754	
XII. Profit (loss) on ordinary activities	48 498		41 565	
XIII. Profit (loss) before taxation	48 498		41 565	
XIV. Income tax	12 884		64	
a) current portion	0		0	
b) deferred portion	12 884		64	
XV. Net profit (loss)	35 614		41 501	

Net profit (loss) (annualized)	81 059	131 011
Weighted average number of ordinary shares	13 802 750	13 802 750
Earnings (loss) per ordinary share (in PLN)	5.87	9.49
Diluted weighted average number of ordinary shares	13 802 750	13 802 750
Diluted earnings (loss) per ordinary share (in PLN)	5.87	9.49

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	'000 PLN			
	Q1 /2015, period from Jan. 1, 2015 to Mar. 31, 2015	quarters on YTD basis / period from ... to ...	Year 2014, period from Jan. 1, 2014 to Dec. 31, 2014	1 quarter(s) on YTD basis / 2014, period from Jan. 1, 2014 to Mar. 31, 2014
I. Opening balance of shareholders' equity	964 369		935 118	935 118
Ia. Opening balance of shareholders' equity, after restatement to comparative data	964 369		935 118	935 118
1. Opening balance of share capital	110 422		110 422	110 422
1.1. Closing balance of share capital	110 422		110 422	110 422
2. Opening balance of reserve capital	322 675		322 482	322 482
2.1. Closing balance of reserve capital	1 707		193	81
a) additions (of which)	1 707		193	81
- transfer of liquidated fixed asset revaluation from the reserve capital – current period	1 707		193	81
2.2. Closing balance of reserve capital	324 382		322 675	322 563
3. Opening balance of revaluation capital	69 883		70 076	70 076
3.1. Closing balance of revaluation capital	-1 707		-193	-81
a) reductions (of which)	1 707		193	81
- transfer of liquidated fixed assets revaluation to the reserve capital – current period	1 707		193	81
3.2. Closing balance of revaluation capital	68 176		69 883	69 995
4. Opening balance of other reserve capital	374 443		316 612	316 612
4.1. Change in other reserve capital			57 831	
a) additions (of which )			57 831	
- allocation of the reserve capital from the profit distributed for the year 2013, with an option of dividend payment to the shareholders.			57 831	
4.2. Closing balance of other reserve capital	374 443		374 443	316 612
5. Opening balance of retained earnings	86 946		115 526	115 526
5.1. Opening balance of retained earnings	86 946		115 526	115 526
5.2. Opening balance of retained earnings after the restatement to comparative data	86 946		115 526	115 526
a) reductions (of which):	0		115 526	0
- dividend for shareholders			57 695	
- allocation to the reserve capital from the profit distributed for the year 2013, with an option of dividend payment to the shareholders.			57 831	
5.3. Closing balance of retained earnings	86 946		0	115 526
5.4. Closing balance of retained earnings	86 946		0	115 526
6. Net profit (loss)	35 614		86 946	41 501
a) net profit	35 614		86 946	41 501
II. Closing balance of shareholders' equity	999 983		964 369	976 619
III. Shareholders' equity adjusted by the proposed distribution of profit (loss coverage)	999 983		964 369	976 619

## CASH FLOW STATEMENT

	'000 PLN			
	Q1 /2015, period from Jan. 1, 2015 to Mar. 31, 2015	quarters on YTD basis / period from ... to ...	quarter / period from ... to ...	quarters on YTD basis / period from ... to ...
A. Operational cash flows				
I. Net profit (loss)	35 614		41 501	
II. Total adjustments	-80 988		-11 531	
1. Amortization	22 811		20 653	
2. Foreign exchange gains/losses	-57		-135	
3. Interest and dividends	-1 241		38	
4. Investment activity gain (loss)	3 478		426	
5. Change in provisions	2 013		5 626	
6. Change in inventories	8 248		-4 658	
7. Change in receivables	-169 285		-119 223	
8. Change in current liabilities (excluding loans and bank credits)	56 037		88 866	
9. Change in deferred and accrued expenses	-2 992		-3 125	
10. Other adjustments	0		0	
III. Net operational cash flows (I+/-II) –III, indirect method	-45 374		29 970	

	'000 PLN			
	Q1 /2015, period from Jan. 1, 2015 to Mar. 31, 2015	quarters on YTD basis / period from ... to ...	quarter / period from ... to ...	quarters on YTD basis / period from ... to ...
<b>B. Investment activity cash flows</b>				
I. Cash inflows	1 524		706	
1. Disposal of intangible assets and tangible fixed assets	2321		706	
2. From financial assets of which:	1 293		0	
a) in related entities	1 293			
- interest income	1 293			
b) in other entities	0		0	
- interest income	0		0	
II. Cash outflows	31 217		32 498	
1. Purchases of intangible assets and tangible fixed assets	31 217		32 498	
III. Net investment activity cash flows (I-II)	-29 693		-31 792	
<b>C. Cash flows from financial activities</b>				
I. Cash inflows	25 595		0	
1. Credits and loans	25 595			
II. Cash outflows	560		559	
1. Financial lease commitments paid	508		521	
2. Interest paid	52		38	
III. Net financial activity cash flows (I-II)	25 035		-559	
D. Total net cash flows (A.III+/-B.III+/-C.III)	-50 032		-2 381	
E. Change in balance-sheet cash and cash equivalents of which:	-49 975		-2 246	
- change in cash and cash equivalents due to foreign exchange gains/losses	57		135	
F. Opening balance of cash and cash equivalents	56 452		124 780	
G. Closing balance of cash and cash equivalents (F+/- D) of which:	6 420		122 399	
- those with restricted availability	3 635		4 144	

## NOTES TO THE FINANCIAL STATEMENT

### I. Accounting principles used to draw up the report.

The Q1 2015 Report was drawn up in compliance with the provisions of the Accounting Act of September 29, 1994, as amended, and pursuant to the accounting principles effective at the Company.

Data specified in the report was drawn up using the principles of assets and liabilities pricing and measurement of net financial result as of balancing date.

The accounting principles vis-à-vis those described in the Annual Report SA-R 2014 have not been modified.

No material changes in estimated data occurred.

### II.

#### 1. Material achievements or failures of the issuer.

In Q1 2015 sales revenues of Tire Company Debica S.A. totalled PLN 481.4 million and were down by 9.5 per cent on a year-to-year basis.

Meanwhile net profit in Q1 2015 totalled PLN 35.6 million, which was down by PLN 5.9 million on a year-to-year basis.

#### 2. Drivers and events (especially non-typical) having significant impact on the financial performance.

Sales revenues generated by Tire Company Debica S.A. from the sales to related entities totalled PLN 439.2 million i.e. down by PLN 15.8 million on a year-to-year basis. In Q1 2015 the sales to the Goodyear Group related entities accounted for 91.2% of total sales compared to 85.5 per cent in the same period of 2014. Sales revenues from the non-related entities totalled PLN 42.2 million and were down by PLN 34.9 million a year-to-year basis.

Profit from gross sales to related entities totalled PLN 69.0 million, and profit margin to revenues was up from 13.5 per cent to 15.7 per cent on a year-to-year basis.

Meanwhile profit from gross sales to non-related entities totalled PLN 2.6 million and profit margin was down from 18.1 per cent to 6.1 per cent on a year-to-year basis.

In Q1 2015 total profit from gross sales totalled PLN 71.6 million and profit margin to revenues was 14.9 per cent.

In Q1 2014 total profit from gross sales amounted to PLN 75.3 million and profit margin to revenues was 14.1 per cent.

Meanwhile operating profit in Q1 2015 totalled PLN 51.9 million, which was up by PLN 18.7 per cent on a year-to-year basis, and profit margin at this level to the revenues was up to 10.8 per cent compared to 8.2 per cent in Q1 of the previous year.

In Q1 2015 the mean unit production costs were down 1.3 per cent compared to the same period in the previous year.

The costs of sales and general management totalled PLN 18.6 million i.e. down by PLN 9.5 million compared to Q1 2014. The share of these costs in total sales in value terms accounted for 3.9 per cent against 5.3 per cent in the previous year.

The other operating profit after three months of 2015 was negative and totalled PLN 1.2 million, up by PLN 2.4 million compared to Q1 2014, mainly due to setting up a provision for restructuring costs totalling PLN 1.9 million. The cost of bad debts were down by PLN 0.5 million on a year-to-year basis.

In Q1 2015 the financial activity generated a loss of PLN 3.4 million compared to PLN 2.2 million gain in the same period in 2014, up by PLN 1.2 million. Foreign exchange losses totalled PLN 4.3 million compared to the foreign exchange gain of PLN 1.7 million on a year-to-year basis, up by PLN 2.5 million. The costs of discounted bills of exchange and costs of interests totalled PLN 0.4 million compared in Q1 2014 PLN 0. million, down by PLN 0.5 million on a year-to-year basis. Interest income on idle cash totalled PLN 0.5 million – down by PLN 0.5 million on a year-to-year basis. After first quarter of 2015 interest income on extended loan totalled PLN 1.3 million.

Gross profit before taxation in Q1 2015 totalled PLN 48.5 million, which was up by 16.7 per cent on a year-to-year basis.

The current portion of the income tax totalled PLN 0.00, since the Company settles the income tax relief, enjoyed by the Company for the execution of investment project in the Euro-Park Mielec Special Economic Zone. The portion of deferred income tax was negative and amounted to PLN 12.8 million and the total income tax was negative and amounted to PLN (12.8) million. Negative impact of the deferred tax on the net result stems from separation of transient differences related to the difference between tax and balance sheet value of fixed assets that will be executed during the Company operations in the Special Economic Zone i.e. until 2017. Consequently zero tax rate was applied to the existing assets at the balancing date (31 March 2015) and estimated provision for the difference between depreciation rates at the moment of Economic Zone exit (31 December 2017).

Net profit for in Q1 2015 totalled PLN 35.6 million and was down by 14.2 per cent on a year-to-year basis.

Pursuant to the held operational permit No. 134/ARP/2008 issued on February 27, 2008 for running business activities within the Euro-Park Mielec Special Economic Zone Tire Company Debica S.A. is entitled to enjoy income tax relief up to 40.23 per cent of the discounted amount of capital expenditures spent on investment projects within the Special Economic Zone. The Company met the requirements attached to the operational permit in December 2012 and starting from 2013 onwards has been entitled to enjoy income tax relief for legal persons. The Company assumed that within the effective term of operational permit all short-term transient differences will be realized as well as a certain portion of long-term transient differences planned for realisation within the effective term of the operational permit.

At the end of March 2015 the tangible fixed assets totalled PLN 856.8 million and were down by PLN 11.4 million in Q1 2015 in Q1. The capital expenditures totalled PLN 31.2 million, whereas the depreciation of the existing fixed assets totalled PLN 22.8 million. The deferred income tax assets totalled PLN 1.9 million and remained at the level comparable to that on the beginning of the Q1. The current assets totalled PLN 643.2 million and were up by PLN 114.1 million in Q1 2015.

Short-term receivables totalled PLN 402.2 million and were up within PLN 158.1 million, of which the amount of PLN 162.8 million was from related entities. Inventory was down by PLN 8.2 million to the level of PLN 109.4 million. The short-term financial assets totalled PLN 128.08 million and were down by PLN 38.8 million. Cash and other cash assets were down by PLN 50.0 million. At the end of March 2015 the loans in values terms extended to the related entities totalled PLN 105.0 million, whereas short-term financial assets in the non-related entities (bills of exchange received from customers) totalled PLN 16.6 million and were up by PLN 11.2 million.

Short-term prepayments were up by PLN 3.5 million and were up by PLN 3.0 million in Q1 2015, mainly due to a write off to social fund.

As of March 31, 2015 the Company assets totalled PLN 1 500.0 million and were up by PLN 102.7 million in Q1 2015.

As of March 31, 2015 liabilities and provisions for liabilities totalled PLN 500.0 million and were up within by PLN 67.0 million in Q1 2015. The provisions for liabilities were up by PLN 2.0 million, of which the provisions for deferred tax remained was up PLN 12.9 million

The short-term liabilities vis-a-vis related entities were up by PLN 12.4 million. Short-term liabilities vis-à-vis non-related entities were up by PLN 48.9 million. The long-term liabilities were up by PLN 0.3 million. The social fund was up by PLN 3.5 million.

At end of March 2015 Company's equity totalled PLN 999.9 million and in Q1 2015 it was up by the value of net profit in the amount of PLN 35.6 million.

In Q1 2015 the operational activity cash flows were negative and totalled PLN 45.4 million. Net profit and depreciation generated PLN 58.4 million of positive cash flows, an increase of working capital of PLN 105.0 million of negative cash flows, change in the balance of provisions and cost accruals of PLN 1.0 million – negative cash flows and under other titles – PLN 2,2 million of positive cash flows. The investment activity cash flows were negative and totalled PLN 29.7 million. Financial activities generated negative cash flows that totalled PLN 31.2 million. The interest expense totalled PLN 1.3 million.

Cash inflows from the financial activities were positive and totalled PLN 25.0 million.

The loan taken totalled PLN 25.6 million. The interest expense was negative and totalled PLN (0.01) million, whereas lease payments was negative and totalled PLN (0.5) million.

In Q1 2015 the net cash flows were negative and totalled PLN 50.0 million. In Q1 2015 the cash balance was down by PLN 50.0 million from the level of PLN 56.4 million at the end of December 2014, to the level of PLN 6.4 million at the end of March 2015.

### **3. Seasonality, cyclic nature of the activities.**

None.

### **4. Inventory revaluation**

In Q1 2015 T.C. Debica S.A. made allowances to revalue its inventory for the total amount of PLN 362 thousand that increased other operating costs. Revaluation allowances applied to:

a) product inventory: PLN 358 thousand,

b) raw materials and materials inventory was PLN 4 thousand.

Total: PLN 362 thousand.

### **5. Information about write-offs for impairment of financial assets, tangible fixed assets, intangible assets or other assets.**

None.

### **6. Provisions for liabilities other than for deferred income tax assets.**

As of March 31, 2015 the balance of provisions for pension benefits and equivalents totalled PLN 20.7 million and was down compared to 31 December 2014.

### **7. Deferred income tax provisions and assets**

As of March 31, 2015 the balance of provision for deferred income tax totalled PLN 34.2 million and was up by PLN 12.9 remained at the level as it was on March 31, 2014.

The deferred tax balance difference in the balance sheet is a result of revaluation of transitional positive differences related to the difference between fixed assets value in balance sheet and for tax purposes, under the assumption of reduced tax amortisation that will be realized during the effective term of operational permit. Consequently zero tax rate was applied to the existing assets at the balancing date (31 March 2015) and estimated provision for the difference between depreciation rates at the moment of Economic Zone exit (31 December 2017).

As of March 31, 2015 the balance of deferred tax assets totalled PLN 1.9 million and remained at the same level as it was on December 31, 2014.

### **8. Material transactions of acquisition and disposal of tangible fixed assets.**

None.

### **9. Material liabilities related to the purchase of tangible fixed assets**

None.

### **10. Material litigation-related settlements.**

None.

### **11. Adjustment of errors from previous periods.**

None.

### **12. Information about changes in economic position and business environment, having material impact on the fair value of financial assets and liabilities.**

None.

**13. Information about being in default with credit or loan repayment or about a breach of material provisions of loan agreement.**  
None.

**14. Information about entering by the Issuer or its subsidiary into a single or multiple transactions with related entities, if they alone or jointly play significant role and were not made following arm's length principle.**  
None.

**15. Financial instruments priced at fair value – change of its pricing method.**

None.

**16. Change in financial asset classification due to the modification of assets purpose or utilization.**

None.

**17. Issue, buy out and repayment of debt and equity securities.**

In the current accounting period and in the past the Company did not issue neither debt or equity securities.

**18. Dividend**

A decision to allocate net profit i.e. PLN 86,946 million to dividend payment to shareholders will be taken by the Company's Shareholders at the General Meeting of Shareholders, where will held pursuant to Art. 395 of the Commercial Companies Code.

**19. Material events that followed the financial statement preparation date.**

None.

**20. Changes in the balance of contingent liabilities and contingent assets.**

None.

**21. Other information that might have material impact on the assessment of assets and financial position and financial result of the Issuer.**

None

File	Description

## MISCELLANEOUS INFORMATION

1. Selected financial data converted into euro.

The assets and liabilities from the balance sheet were converted into EURO using the average exchange rate of the National Bank of Poland prevailing on March 31, 2015 (1 euro = PLN 4.0890) and on March 31, 2014 (1 euro = PLN 4.1713).

The items from the Profit and Loss Account and from the Cash Flow Statement were converted into EURO using the EURO rate that was the arithmetic mean of the exchange rates published by the National Bank of Poland and effective on the last day of the accounting month. The mean exchange rate adopted for conversions of data from Q1 2015 is PLN 4.1489 for 1 EURO, and for conversions of data from Q1 2014 is PLN 4.1894 for 1 EURO.

The net profit for Q1 2015 posted into the balance sheet, calculated using the exchange rate prevailing at the end of March 2015 amounted to EUR 8,710 thousand, whereas the net profit calculated using average exchange rates amounts to EUR 8,584 thousand. The foreign exchange losses due to the conversion of net financial result for Q1 2015 amounted to EUR 126 thousand.

### 2. Issuer's Capital Group

The Company does not form a capital group, is neither a controlling entity, nor draws up consolidated financial statements.

### 3. Effects of changes in company's structure.

Q1 2015 saw no changes occurred in the Company's structure.

**4. Management Board position on capability to meet the annual forecasts published earlier in the light of actual performance presented in the quarterly report against the forecast figures.**

The Company did not publish forecasts of its performance in 2015.

**5. Shareholders holding at least 5% of the total number of votes at the General Meeting of Shareholders.**

According to the information held by the Company as of the date of drawing up Q1/2015 Report the shareholder holding above 5% of the shareholders' equity and at least 5% of the total number of votes at the General Meeting of Shareholders was Goodyear S.A. with its registered office in Luxembourg, holding in total 11,234,912 of Company shares accounting for approximately 81.396% of the Company's shareholders' equity and giving entitlement to exercise 11,234,912 votes at the Company's General Meeting of Shareholders, accounting for approximately 81.396% of the total number of votes at the Company's General Meeting of Shareholders.

**6. Specification of changes in the Company shareholding structure or entitlements (options for shares) held by the members of Company management or supervisory authorities.**

The following members of the Company governing bodies hold shares:  
Stanislaw Cieszkowski – President of the Management Board member – 430 shares,  
Mariusz Solarz, Member of the Management Board - 3 shares,  
Janusz Raś, Member of the Management Board - 15 shares.

All shares have par value of PLN 8.00 each.

**7. Litigation proceedings concerned with obligations or liabilities run by a court of law, a body competent to run arbitration proceedings or a public administration body, accounting for at least 10% of equity.**

None

**8. Information about one or more transactions made by the issuer or its subsidiary with related entities, if such transactions are material on a stand-alone basis or jointly and were entered not following an arm's-length principle.**

See Section 14 of the Notes .

**9. Extended sureties of a credit, loan or extended guarantees to related entities.**

In four quarters of 2014 the Company extended three short-term loans to Goodyear S.A. Luxembourg. Detailed information about loans extended to Goodyear S.A. is provided in table below:

'000 PLN

Date of Loan Agreement	25 Apr.2014	26 May 2014	24 Sept. 2014
Dates of loan disbursements (Agreement)	25 Apr. 2014	28 May 2014	24 Sept. 2014
Loan Amount	60 000	15 000	30 000
Maturity date (loan repayment )	30 Apr. 2015	29 May 2015	24 Sept. 2015
Total interest accrued by 31 Mar. 2015	2 947 216.43	669 826.03	791 802.74
Interest paid by 31 Mar. 2015	2 698 027.39	607 528.78	667 208.23

Interest payment date falls due on 10<sup>th</sup> day of the month following the month for which interest is due.

**10. Other information vital to the assessment of financial position**

None.

**11. Factors that in the opinion of the Company will drive its performance for at least another quarter**

Major drivers include:

- fluctuations of foreign exchange rates, mainly EURO and US dollar;
- prices of raw materials in global markets;
- situation in global financial markets.

File	Description

<b>SIGNATURES OF PERSONS REPRESENTING THE COMPANY</b>			
Date	Name and surname	Position/Function	Signature
May 13, 2015	Stanisław Cieszkowski	President of Management Board, CEO	
May 13, 2015	Ireneusz Maksymiuk	Management Board Member, CFO	