Financial Statement of Sarantis Polska S.A.
for the period
from 1 January 2015 to 31 December 2015

INTRODUCTION TO THE FINANCIAL STATEMENT
THE GENERAL INFORMATION

1. Name , address, the basic object of the activity of the Company

The business of the company Sarantis Polska S.A. , hereinafter referred to as statement "Company", is mainly the sales activity in the scope of household articles made of artificial materials and skin care cosmetics.
The Company was registered on 24.01.1991 by the District Court in Warsaw under the number RHB 25872.
The Company was entered in the National Court Register of Entrepreneurships on 16.11.2001 under the number 0000050586.
On 24.04.2003 the Company was transformed to Joint Stock Company – entered in the National Court Register of Entrepreneurships under the number 0000158603.
On 24.10.2004 the Company changed it's name to Sarantis Polska S.A.

Company address
ul. Puławska 42 c
05-500 Piaseczno

Main Warehouse address
Moszna Parcela
05-840 Brwinów

2. Management Board of the Company

On 31 December 2015 the Management Board is composed of :
Kyriakos Sarantis – President of the Board
Konstantinos Rozakeas – Vice President of the Board
Nikos Evangelou - Vice President of the Board

President of the Board acting independently or two Vice-Presidents acting jointly are authorized to represent a company.

3. Supervisory Board

The composition of the Supervisory Board as of 31 December 2015 was as following:
Grigorios Sarantis
Konstantinos Stamatiou
Pantazis Sarantis
Vasileios Meintanis

4. Statutory auditor

KPMG Audyt Sp. z o. o. sp. k.
ul. Inflancka 4A
00-189 Warszawa

5. Name of the parent company

GR Sarantis Cyprus Ltd. , Cyprus

6. Name of the ultimate parent company

GR Sarantis SA, Greece

7. Principles of presentation

Information on principles adopted for preparation of financial statement for 2015

The financial statement has been prepared in accordance with accounting principles contained in the International Financial Reporting Standards adopted by the European Union. The financial statement covers the period from 1 January to 31 December 2015 and the comparative period from 1 January to 31 December 2014.
The financial statement is compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as of 31 December 2015 and 31 December 2014, results of its activity and cash flows for the year ended 31 December 2015 and 31 December 2014.

8. Statement of the Management Board

1) The Management Board of Sarantis Polska S.A. hereby honestly and sincerely declares that to the best of its knowledge the foregoing financial statement and comparative data were prepared in compliance with International Financial Reporting Standards adopted by the European Union (IFRS). The statement reflects true and fair view on financial position and its financial result of Sarantis Polska S.A. and that the Management Board Commentary on the Company's Operations presents true overview of Company's development, achievement and business situation of Company, including basic risks and exposures.
2)The Management Board of Sarantis Polska S.A. declares that the entity, authorized to audit and conduct the audit of financial statements, was selected in compliance with the law and that entity and auditors conducting the audit met the conditions to issue an independent opinion in compliance with relevant regulations of the domestic law.

Piaseczno, 23th February 2016.

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

9. Significant accounting principles

Basic of the financial statement

Financial statement of Sarantis Polska S. A. is prepared in accordance with International Accounting Standards adopted by European Union. The statement was prepared assuming that the company will continue its activity in the nearest future. On the day in which this statement was accepted there is no circumstances indicating any danger to continue of business activity of Company.

Consolidated financial statement

Consolidated financial statement, which includes also subsidiary entities is performed by highest level parent company GR Sarantis SA, based in Athens, Greece.

Functional currency and presentation currency of financial statements

The financial statement is presented in Polish zlotys after rounding to full sums. The Polish zloty is a functional and reporting currency of the Company.

Judgments and evaluations

Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required by the Management Board. Evaluations and assumptions based on the historical experience and other factors rationally justfiied, their results allow to estimate balance sheet value of assets and liabilities. Real value may be different from estimated value. Evaluations and assumptions are verified on a current basis. Change in accounting estimations is included in the period in which the accounting estimations were changed or in the current and future periods.

Fixed assets

Fixed assets, excluding land and investment property, are estimatated at cost which consists acquisition cost and direct costs related to bringing the fixed asset into use. Fixed assets are depreciated and subject to impairment allowances. The cost of current maintenance of property, plant and equipment is recorded in the financial result during the period when they are incurred. The cost of significant repairs and regular maintenance programs is recognized as property, plant and equipment and depreciated in accordance with their economic useful lives. Depreciation of property, plant and equipment starts since when it is available for use that means it is in the location and condition necessary for it to be capable of operating. The beginning of the depreciation starts not later than one month after acquisition date and follows in the manner intended by the management, over the period reflecting their estimated economic useful life. The correctness of applied periods , depreciation rmethods and residual value of fixed assets is verified on each balance sheet day and respective adjustments are made if it is necessary.

The following types of useful life are used for fixed assets:

Buildings and constructions 6 - 40 years
Machinery and equipment 2 - 12 years
Vehicles and others 2 - 10 years

If there have been events or changes which indicate that the carrying amount of fixed assets may not be recoverable, the assets are analyzed. If there are indications of impairment, the company makes estimation of recoverable amounts of particular assets. Loss is included if accounting value of asset is higher than esimated recovarable value
The recoverable amount of property, plant and equipment reflects the higher of the following values: net selling price and value in use. Impairment allowances are recognized as other operating costs in the profit and loss.

Profit and loss resulting from the removal tangible fixed asset from the balance sheet are calculated as difference between net incomes from disposal, and balance sheet value and shown as income or cost in the profit and loss account

Finance lease

A lease contract, under IAS 17, is regarded as a finance lease if it transfers substantially all risks and rewards incidental to ownership of the leased asset.
Assets used under lease, tenancy, rental or similar contracts which meet the criteria defined in IAS 17, "Leases, are regarded as non-current assets and recognized at the lower of fair value of the leased asset at the commencement of the lease term and the present value of the minimum lease payments.
Depreciation methods for leased assets being depreciated are consistent with normal depreciation policies applied for similar Company owned assets and depreciation is calculated in accordance with IAS 16 and IAS 38. If it is not certain that the lessee will obtain title to the asset before the end of the lease term, the asset is depreciated over the shorter of the lease term or the asset's economic useful life.

Intangible assets

Intangible assets are recognized if it is probable that expected future economic benefits, which are directly attributable to the assets, will cause increase of entity. Initially intangible assets are stated at acquisition or construction cost. After initial recognition, intangible assets are measured at acquisition or construction cost less amortization and impairment allowances. Intangible assets with a definite useful life are amortized when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management over their estimated economic useful life. The correctness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods. Intangibles with indefinite useful life are not subject to depreciation. Their value is reduced by potential impairment allowances.

The standard economic useful lives for amortization of intangible assets are following:

Acquired licenses, patents, and similar intangible assets 2 - 50 years
Acquired computer software 2 - 22 years

Other intangible assets are verified in terms of impairment allowances at the end of each reporting period. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or the related cash-generating units is decreased to the recoverable amount. The recoverable amount of those assets is the higher of the following values net selling price or their value in use.

Valuation of shares in subsidiary entities

Shares in subsidiary entities are valued according to acquisition cost less accumulated impairment losses.

Financial instruments

Financial instruments other than derivatives.

Receivables and deposits are presented on date of origin. All other financial assets (with assets valued at fair value by financial results) are included at transaction date, which is a day, when the Company starts to be a part in mutual obligations regarding particular financial instruments.

The Company does not recognize financial assets upon expiration of the contractual rights to receive cash flows from this asset or starting from the moment in which the rights to cash flows from the financial asset are transferred in transaction transferring generally all important risks and benefits resulted from its ownership. Each share in transferring financial assets which is created or is in the Company's ownership is treated as a component of assets or as a liability.

Financial assets and liabilities are compensated and presented in financial statement in net amount only when the Company has valid title to compensation of particular financial assets and liabilities or the Company is going to settle given transaction of compensating financial assets and liabilities in net amount or is going to settle financial liabilities and at the same time realize financial assets.

Investments are classified by the Company in following categories: financial instruments estimated by financial results at fair value, investments retained until the maturity term, receivables and loans and financial assets available to sale.

Financial instruments estimated by financial results at fair value

Financial assets are classified as the investment valued at fair value by the financial results, when they are designated to turnover or are designated to valuation at fair value in the initial moment of presentation. Financial assets are classified to assets valued at fair value by financial results when the Company manages such investments actively and decides about sale and purchase of them based on their fair value. These transactional costs are allocated directly to profit or loss of current period at the moment in which they have been incurred. Financial assets valued at fair value by financial results are valuated as fair value. All profits and loss are included in profit and loss of current period. Financial assets valued at fair value by the financial results include capital securities, which in other case will be classified as designated to sale.

Investments retained until the maturity term

In case when the company has possibility and intention to hold debt securites to maturity term, they are classified as a financial assets held to maturity term.At the begining all financial assetd held to maturity term are presented in fair value increased by direct costs. Evaluation of financial assets is realized in accordance to amorthized cost with efective interest rate method, after the decreasing by the potential impairment losses. Sale or reclassification financial assets of significant amount held to maturity in other term, causes reclassification of all investments held to maturity term to investments available to sale. Thus the Company is prohibited of presenting acquired investments as financial assets held to maturity until the end of financial year and for the next two years. Financial assets held to maturity include bonds.

Receivables and loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Except the assets with the maturity date above 12 months after the balance sheet date, receivables and loans are designated as current assets. Trade receivables and other receivables are valuated in amount of the amortized costs using effective interest rate decreased by allowances for bad debts.

Derivative Financial assets not available for sale

Derivatives are initially recognized at fair value, transaction costs are recognized at the moment of incurring in profits or losses of current period. After the initial presentation, the Company values the derivatives at fair value, profits and losses resulted from the changes of fair value are included in the mentioned below manner.

When the derivative is not designated as the security instrument, all changes of its fair value are immediately included in profit and loss of current period.

Inventories

Inventories are measured at the lower of cost and net realizable value, considering any inventory allowances. The net realizable value is the selling price estimated in the ordinary course of business activity less the estimated costs of completion and the estimated selling costs.

Cost of goods sold is determined based on the weighted average costs formula.

Receivables

Trade receivables and other receivables are presented when the determined amounts become due to Company. Trade receivables and other receivables are valuated in payment date with consideration of allowances for bad debts. Non-collectible receivables are deducted into the profit and loss account at the time of declaring that they are non-collectible.

Cash and cash equivalent

Cash includes cash in hand and cash at the bank. Cash equivalent are short-term high liquid investments., convertible to known amounts of cash and exposed to small risk of change of the value. Cash is valuated in the nominal value in accordance with the fair value.

Trade incomes

Probability of derived economic benefits and possibility to determine the amount of income let the Company recognize the incomes. Trade incomes are evaluated in net value after the reduction by tax on goods and services and discounts. The amount of incomes is evaluated in the fair value. Particular items of Company's costs are decreased by the reinvoiced amounts which are not an income.

Equity capital

Equity capital is divided by the types accordance with low rights and resolutions of Company Statute.
Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Declared but no made contributions are included by due contributions to the initial capital. Own founds of the Company are decreased by due contributions to the share capital.
The capital from issuance of shares above their nominal value is created from the surplus of the issue price of shares above their nominal value less costs of this issue.
Non-divided profits for the previous years and the current results (profits) are presented in the financial statement as the retained profits.

Loan and credits

Loans and credits are presented at the fair value of received inflows decreased by the costs of transactions.
Loans and credits are valuated at the amortized acquisition price in accordance with effective interest rate.

Transactions in foreign currency

Transactions in foreign currency are carried out in accordance with exchange rate :

1) used in fact in this day, resulted from character of operation, in case of sale or purchase of currencies and incoming and outgoing payments,
2) average, published for particular currency by National Bank of Poland from the previous day from the day of outgoing or incoming payments, if the use of the exchange rate as in point 1 above is not possible and for the other operations.

Exchange rate differences and evaluations of financial assets and liabilities on the balance sheet date, in accordance with National Bank of Poland exchange rate on this day, are presented as financial costs or incomes in the profit and loss account.

Non-cash assets and liabilities, included in accordance with historical cost expressed in foreign currency are presented with historical exchange rate from the transaction day. Non-cash assets and liabilities included in accordance with fair value, expressed in foreign currency are calculated by exchange rate from the valuation day.

Exchange rate differences resulting from clearance of transactions in foreign currencies and valuation of assets and liabilities in cash on the balance sheet day are presented as financial costs or income in statement of complete income in net amount.

For the balance valuation the following exchange rates were adopted:

Exchange rate at the day	*31.12.2015*	*31.12.2014*
USD	3,9011	3,5072
EUR	4,2615	4,2623
CHF	3,9394	3,5447

Income tax

The income tax includes current part and deferred part. Current and deferred income tax is included in profit or loss of current period, except the case, when it regards to merger of companies and items included immediately in equity or as other total income.

Current tax is an expecting amount of liabilities or receivables from income tax which have to be taxed for particular year, calculated with the use of tax rates, legally or actually binding as of the reporting day and corrections of tax liability regarding previous years.

Deferred tax is included in connection with temporary differences between balance sheet value of assets and liabilities and their value calculated for tax purposes. Deferred tax is not included in following cases:

- temporary differences resulted from initial presentation of assets or liabilities resulting from the transaction which is not a merger of companies and has not any influence for profit and loss of current period and for taxable income,
- temporary differences resulted from the investments in affiliated companies to the extent in which there is no possibility to sell it in the foreseeable future,

- temporary differences resulted from the initial presentation of goodwill.

Deferred tax is valued with the use of tax rates, which in accordance with expectations are going to be used when the temporary differences will be reversed - legally or actually tax rules binding up to reporting day are the base of this.

Assets and provisions for deferred tax are compensated when the company has possibility to execute legal title to conduct the compensation of current tax assets and provisions, subject to the assets and provisions for deferred tax regarding to the income tax, imposed by the same tax authority on the same tax payer or different tax payers, which are going to settle assets and provisions for deferred tax in net amount or at the same time to realize receivables and settle the liabilities.

Component of assets, from deferred tax for the purpose of transfer not settled amount tax loss and not used income tax relief and negative temporary differences, is included to the extent in which there is a possibility to have future income to tax, which allows for deduction of them.

Assets for deferred tax are reviewed as of the reporting day and they are reduced according to the possibiity of genertion profits in income tax, connected with them.

Fixed assets available to sale

Fixed assets available to sale satisfy following criteria:

- The Management Board declared intent of sale
- Assets are available to instantaneous sale in present condition
- Potential buyer is looked for
- Sale transaction is highly probable and the transaction will be settle during 12 months
- The trade price is rational and in accordance with the current fair value
- Probability of introduction of changes into disposal plan is inconsiderable

If the criteria are met after the balance sheet date, the assets are not reclassified at the end of the reporting year prior to the designation for sale. The reclassification is reflected in the reporting period when the criteria are met. Depreciation is discontinued for the asset when it is designated for sale.

Assets held for sale are measured at the lower of the following values: net carrying value or the fair value decreased by selling costs.

Provisions

The Company shall recognize a provision when it has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimation may be made of the amount of the obligation. The provisions are reviewed at balance sheet date and adjusted to reflect the best current estimation.

Liabilities

Trade and other liabilities are measured at the due amount.

Contingent liabilities

Contingent liabilities are defined as obligations that arise from past events and which are dependent on occurrence or non-occurrence of some uncertain future events. Contingent liabilities are not recognized in the balance sheet however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote.

Application of the accounting principles

The above principles are applicable for comparative data.

Impact of new standards and interpretations on the Company's financial statements

Standards and Interpretations adopted by the EU that are not yet effective for annual periods ending on 31 December 2015.

Amendments to IAS 19 *Employee Benefits* entitled *Defined Benefit Plans: Employee Contributions*

The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
It is expected that the amendments, when initially applied, will not have a material impact on the entity financial statements. The Company has no such contributions to defined benefit plans.

- effective from 1st February 2015

Improvements to IFRS (2010-2012)

The *Improvements to IFRSs (2010-2012)* contains 8 amendments to 7 standards, with consequential amendments to other standards and interpretations. The main changes were to:

- clarify the definition of 'vesting conditions' in Appendix A of IFRS 2 *Share-based Payment* by separately defining a 'performance condition' and a 'service condition'
- clarify certain aspects of accounting for contingent consideration in a business combination

- amend paragraph 22 of IFRS 8 to require entities to disclose those factors that are used to identify the entity's reportable segments when operating segments have been aggregated. This is to supplement the current disclosure requirements in paragraph 22(a) of IFRS 8.

- amend paragraph 28(c) of IFRS 8 *Operating Segments* to clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed, if that amount is regularly provided to the chief operating decision maker. This proposed amendment is consistent with the requirements in paragraphs 23 and 28(d) in IFRS 8.

- clarify the IASB's rationale for removing paragraph B5.4.12 of IFRS 9 *Financial Instruments* and paragraph AG79 of IAS 39 *Financial Instruments*: Recognition and Measurement as consequential amendments from IFRS 13 *Fair Value Measurement.*

- clarify the requirements for the revaluation method in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to address concerns about the calculation of the accumulated depreciation or amortisation at the date of the revaluation.

- make an entity providing management personnel services to the reporting entity a related party of the reporting entity.

None of these changes are expected to have a significant impact on the financial statements of the entity.

- effective from 1st February 2015

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 *Joint Arrangements*)

The amendments provide guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business. The acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 *Business Combinations*, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations.
The Company does not expect the amendments to have material impact on the financial statements since it is not a party to any joint arrangements.

- effective from 1st January 2016

Agriculture: Bearer Plants (Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture*)

The amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. IAS 41 *Agriculture* currently requires all biological assets related to agricultural activity to be measured at fair value less cost to sell. Under the new requirements, bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16, because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

The Company does not expect the amendments to have a material impact on its financial statements once applied as it does not conduct business activities involving bearer plants.

- effective from 1st January 2016

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*)

The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The Company does not expect the amendments to have a material impact on its financial statements once applied. The entity does not use revenue-based depreciation and amortisation methods

- effective from 1st January 2016

Improvements to IFRS (2012-2014)

The *Improvements to IFRSs (2012-2014)* contains 4 amendments to standards, with consequential amendments to other standards and interpretations. The main changes were to:

- clarify that paragraphs 27-29 of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* (dealing with the accounting for assets that are no longer classified as held for sale) will also apply to assets that cease to be classified as held for distribution. This, however, will not apply if an entity reclassifies an asset (or disposal group) without any time lag from held for sale to held for distribution (or vice versa). Such changes in classification are considered a continuation of the original plan of disposal;

- explain how an entity should apply the guidance in paragraph 42C of IFRS 7 *Financial Instruments: Disclosures* to a servicing contract to determine whether the contract represents 'continuing involvement' for the purposes of the disclosure requirements in paragraphs 42E-42H of IFRS 7;

- clarify that the additional disclosures required by Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) are not specifically required for inclusion in condensed interim financial statements for all interim periods. However, they are required if the general requirements of IAS 34 *Interim Financial Reporting* require their inclusion;

- amend IAS 19 *Employee Benefits* to clarify that the high-quality corporate bonds or government bonds used in determining the discount rate for post-employment benefit obligations should be issued in the same currency in which the benefits are to be paid. Consequently, the assessment of the depth of the market for high quality corporate bonds should be made at the currency level and not at the country level;

- clarify the meaning of the term 'elsewhere in the interim financial report' per IAS 34 and add to IAS 34 a requirement to include a cross-reference from the interim financial statements to the location of this information.

None of these changes are expected to have a significant impact on the financial statements of the Company.

- effective from 1st January 2016

Disclosure initiative (Amendments to IAS 1 *Presentation of Financial Statements*)

Key clarifications resulting from the amendments include the following:

- An emphasis on materiality. Specific single disclosures that are not material do not have to be presented – even if they are a minimum requirement of a standard.
- The order of notes to the financial statements is not prescribed. Instead, companies can chose their own order, and can also combine, for example, accounting policies with notes on related subjects.
- It had been made explicit that companies:
  - should disaggregate line items in the statement of financial position and in the statement of profit or loss and other comprehensive income (OCI) if this provides helpful information to users; and
  - can aggregate line items in the statement of financial position if the line items specified by IAS 1 are immaterial.
- Specific criteria are provided for presenting subtotals in the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI.
- The presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the standard's approach of splitting items that may, or that will never, be reclassified to profit or loss.

None of the changes are expected to have a significant impact on the financial statements of the Company.

- effective from 1st January 2016

Equity Method in Separate Financial Statements (Amendments to IAS 27 *Separate Financial Statements)*

The amendments introduce an option for the entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements, in addition to the existing cost and fair value options.

- effective from 1st January 2016

Standards and interpretations not yet endorsed by the EU

IFRS 9 *Financial Instruments (2014)*

The new standard replaces the guidance included in IAS 39 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets, including a model for calculating impairment. IFRS 9 eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables used to classify financial assets.

Under the new standard, financial assets are to be classified on initial recognition into one of three categories:

- financial assets measured at amortized cost;
- financial assets measured at fair value through profit or loss; or
- financial assets measured at fair value through other comprehensive income (OCI).

A financial asset is classified as being subsequently measured at amortized cost if the following two conditions are met:

- the assets is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Otherwise, e.g. in the case of equity instruments of other entities, a financial asset will be measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value are recognised in profit or loss, other than assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets – such remeasurement gains and losses are recognized in OCI.

In addition, at initial recognition of an equity investment that is not held for trading, an entity may irrevocably elect to present all fair value changes from the investment in OCI. The election is available on an individual share-by-share basis. No amount recognised in OCI in relation to the above-described remeasurement is ever reclassified to profit or loss at a later date.

The new standard retains almost all of the existing requirements in IAS 39 on the classification and measurement of financial liabilities and on derecognition of financial assets and financial liabilities. However, IFRS 9 requires that the portion of the gain or loss on a financial liability designated at initial recognition as fair value through profit or loss that is attributable to changes in its credit risk be presented in OCI, with only the remaining amount of the total gain or loss included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, or if the financial liability is a loan commitment or a financial guarantee contract, the entire fair value change is presented in profit or loss.

In respect of the financial assets impairment requirements, IFRS 9 replaces the "incurred loss" impairment model in IAS 39 with an "expected credit loss" model. Under the new approach, which aims to address concerns about "too little, too late" provisioning for impairment losses, it will no longer be necessary for a loss event to occur before an impairment allowance is recognized.

In short, the expected credit loss model uses a dual measurement approach, under which the loss allowance is measured as either:

- 12-month expected credit losses, or
- lifetime expected credit losses.

The measurement basis generally depends on whether there has been a significant increase in credit risk since initial recognition. If the credit risk of a financial asset has not increased significantly since initial recognition, the financial asset will attract a loss allowance equal to 12-month expected credit loss. If, however, its credit risk has increased significantly, it will attract an allowance equal to lifetime expected credit losses, thereby increasing the amount of impairment recognized. The standard contains a rebuttable presumption that the condition for recognizing lifetime expected credit losses is met when payments are more than 30 days past due.

The entity does not expect the new Standard to have material impact on the financial statements. The classification and measurement of the Company financial assets are not expected to change under IFRS 9 because of the nature of the Company operations and the types of financial assets that it holds.

- effective from 1st January 2018

IFRS 14 *Regulatory Deferral Accounts*

The interim Standard:

- permits first time adopters of IFRS to continue to use its previous GAAP to account for regulatory deferral account balances both on initial adoption of IFRS and in subsequent financial statements;
- requires entities to present regulatory deferral account balances and movements therein as separate line items on the face of the financial statements; and

requires specific disclosures to identify clearly the nature of, and risks associated with, the rate regulation that has resulted in the recognition of regulatory deferral account balances in accordance with this interim Standard.

It is expected that the interim Standard will not have a material impact on the Company financial statements of the entity as only first time adopters of IFRS are within the scope of the standard.

- effective from 1st January 2016

IFRS 15 *Revenue from Contracts with Customers*

The Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Specifically, it replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

Under the new standard, entities will apply a five-step model to determine when to recognize revenue, and at what amount. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized:

- Over time, in a manner that depicts the entity's performance; or
- At a point in time, when control of the goods or services is transferred to the customer.

Included in the Standard are new qualitative and quantitative disclosure requirements to enable financial statements users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.
The Company does not expect the Standard to have a material impact on its financial statements once applied.

- effective from 1st January 2018

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates*)

The amendments address the acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. While IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture, IFRS 10 requires full profit or loss recognition on the loss of control of subsidiary.

The amendments require a full gain or loss to be recognised when the assets transferred meet the definition of a business under IFRS 3 *Business Combinations* (whether it is housed in a subsidiary or not). A partial gain or loss (only to the extent of unrelated investors' interests) shall be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
The Company does not expect the amendments to have a material impact on its financial statements once applied as the Company does not anticipate entering into transactions covered by the revised guidance.

- effective from 1st January 2016

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures*)

The amendments, related to financial reporting of investment entities, address the following matters:

- Consolidation of intermediate investment entities

  Before the amendments, it was unclear how to account for an investment entity subsidiary that provides investment-related services. As a result of the changes, intermediate investment entities are not permitted to be consolidated. The amendments also clarify that entities conducting "investment-related services" are those whose main purpose and activities are to provide services that relate to the investment entity parent's activities.

- Consolidated financial statements exemption for intermediate parents owned by investment entities

  Intermediate holding entities have a long-standing exemption from preparing consolidated financial statements when they are themselves consolidated by a higher-level parent (and when other relevant criteria are met).

The amendments make this exemption available to an intermediate held by an investment entity, even though the investment entity does not consolidate the intermediate.

- Policy choice to equity account for interests in investment entities

The amendments provide an accounting policy choice to a non-investment entity in relation to its stake in an investment entity that it is required to equity account. The non-investment entity's equity accounting can either pick up the investment entity's fair value accounting for its subsidiaries or, alternatively, it can pick up figures as if the investment entity had consolidated all of its subsidiaries

The Company does not expect the amendments to have any impact on the financial statements, since the Company does not qualify as an investment entity.

- effective from 1st January 2016

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 *Leases* and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases. Bringing operating leases in balance sheet will result in recognizing a new asset – the right to use the underlying asset – and a new liability – the obligation to make lease payments. The right-of-use asset will be depreciated and the liability accrues interest.

This will result in a front-loaded pattern of expense for most leases, even when they pay constant annual rentals.

Lessor accounting, however, shall remain largely unchanged and the distinction between operating and finance leases will be retained.

The impact of the initial application of the Standard will depend on the specific facts and circumstances of the lease arrangements to which the Company will be a party. However, the Company is not able to prepare an analysis of the impact this will have on the financial statements until the date of initial application.

- effective from 1st January 2019

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 *Income Taxes*)

The amendments clarify, among other things, that unrealized losses related to debt instruments measured at fair value in the financial statements but whose tax base is their original cost can give rise to deductible temporary differences.

The entity does not expect the amendments to have a material impact on its financial statements once applied as the entity's application of IAS 12 has been consistent with the approach presented in the amendments.

- effective from 1st January 2017

Disclosure initiative (Amendments to IAS 7 *Statement of Cash Flows*)

Pursuant to the amendments, an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

One way to fulfil the above disclosure requirement in is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments, when initially applied, are not expected to have a significant impact on the financial statements of the entity.

- effective from 1st January 2017

Piaseczno, 23th February 2016

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

STATEMENT OF FINANCIAL POSITION
for the period ended on 31 December 2015

	Note	31 December 2015	31 December 2014 (restated data)	31 December 2013 (restated data)
ASSETS				
Fixed assets				
Property, plant and equipment	4	4 071 906	5 073 116	6 563 792
Intangible assets	5	12 630 093	13 171 480	13 725 955
Perpetual usufruct of land	6	1 462 980	1 462 980	1 462 980
Shares in affiliated companies	7	19 499 060	-	-
Deferred tax assets	8	1 675 843	1 702 897	2 975 513
Total fixed assets		**39 339 882**	**21 410 473**	**24 728 240**
Current assets				
Inventory	9	38 439 715	40 526 131	36 775 717
Trade and other receivables	10	70 170 413	69 138 514	72 855 150
Receivables from income tax	11	354 617	-	-
Transitional accounts	12	3 139 927	2 785 671	2 550 442
Cash and cash equivalents	13	14 450 714	5 728 734	14 042 506
Total current assets		**126 555 386**	**118 179 050**	**126 223 815**
TOTAL ASSETS		**165 895 268**	**139 589 523**	**150 952 055**

Restatement of comparative data for 2014 and 2013 years is presented in note 1.

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

	N	31 December 2015	31 December 2014 (restated data)	31 December 2013 (restated data)
LIABILITIES				
Equity				
Nominal share capital	15	34 400 000	34 400 000	34 400 000
Nominal share premium	15	1 055 603	1 055 603	1 055 603
Reserve capital for share capital increase		10 000 000	-	-
Retained profits	16	41 189 929	43 697 780	45 076 229
Total equity		**86 645 532**	**79 153 383**	**80 531 832**
Long-term liabilities				
Deferred tax provision	8	1 609 875	1 404 314	1 065 342
Other long-term liabilities	18	-	352 461	1 079 573
Total long-term liabilities		**1 609 875**	**1 756 775**	**2 144 915**
Short-term liabilities				
Trade and other liabilities	20	59 700 421	52 340 933	55 590 115
Tax liabilities	21	-	108 841	2 148 784
Dividend payable		12 371 364	-	-
Accruals and deferrals	13	5 568 076	6 229 591	10 536 409
Total short-term liabilities		**77 639 861**	**58 679 365**	**68 275 308**
Total liabilities		**165 895 268**	**139 589 523**	**150 952 055**

Transformation of comparative data for 2014 and 2013 years is presented in note 1.

The Management Board:

President of the Board
Kyriakos Sarantis

Vice President of the Board
Nikos Evangelou

Vice President of the Board
Konstantinos Rozakeas

STATEMENT OF COMPREHENSIVE INCOME

for the period ended on 31 December 2015

	Note	31 December 2015	31 December 2014 (restated data)
Continuing of acitivity			
Sales income	22	**299 040 743**	**297 927 763**
Other income	23	646 884	1 086 933
Change of the inventory product balance		(1 155 469)	298 210
Cost of work performed by the entity for its own needs		1 996 006	3 105 535
Depreciation		(1 951 215)	(2 354 542)
Consumption of materials and power		(64 921 994)	(61 254 473)
External services		(60 643 982)	(67 328 202)
Taxes and fees		(165 574)	(284 118)
Salaries		(17 608 819)	(16 939 515)
Social insurance and other benefits		(3 417 527)	(2 980 626)
Other cost by nature		(821 190)	(889 556)
Cost of trade goods and materials sold		(132 322 732)	(126 580 449)
Other costs	24	(923 904)	(717 735)
Total cost on operating activity		**(281 936 400)**	**(275 925 471)**
Profit from operating activities		**17 751 227**	**23 089 225**
Financial revenues	25	115 083	265 369
Financial expenses	25	(706 729)	(1 085 968)
Net financial revenues and expenses		**(591 646)**	**(820 599)**
Profit before tax		**17 159 581**	**22 268 626**
Income tax	26	(3 310 768)	(4 278 887)
Net profit		**13 848 813**	**17 989 739**
Net other comprehensive income		-	-
Total comprehensive income		**13 848 813**	**17 989 739**

Restatement of comparative data for 2014 years is presented in note 2.

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

STATEMENT OF CASH FLOWS

for the period ended on 31 December 2015

	Note	01.01.2015-31.12.2015	01.01.2014-31.12.2014 (restated data)
Cash flows - operational activity			
Gross profit from the business activity		**17 159 581**	**22 268 626**
Adjustments for:		6 104 064	(9 146 988)
Non- cash:			
Depreciation and impairment of property, plant and equipment		1 951 215	2 354 542
(Profit)/loss on account of foreign exchange differences		(1 511)	(3 990)
Profit from the sale of property, plant and equipment		(183 255)	(18 179)
Interest expenses		254 005	318 170
Other net items		-	18 068
Changes of working capital			
Increase/decrease in inventories	33	2 086 416	(3 750 414)
Increase in trade and other receivables		(1 031 849)	3 716 626
Increase in trade and other payables	33	7 586 425	(2 532 522)
Change in the value of accruals and deferrals		(1 015 771)	(4 542 047)
Income tax paid		(3 541 611)	(4 707 242)
Net cash flows from operating activities		**23 263 645**	**13 121 638**
Cash flows - investment activities			
Revenues generated from sale of fixed assets	33	484 630	44 893
Acquisition of tangible fixed assets and intangible assets	33	(653 194)	(355 000)
Acquisition of shares in affiliated companies		(19 499 060)	-
Net cash used in investing activities		**(19 667 624)**	**(310 107)**
Cash flow - financial activities			
Revenues due to credit and loans		-	-
Proceeds from the share capital increase		10 000 000	-
Settlement of liabilities due to finance lease		(636 247)	(1 442 935)
Interest paid		(254 005)	(318 170)
Dividends paid		(3 985 300)	(19 368 188)
Net cash provided by/(used in) financial activities		**5 124 448**	**(21 129 293)**
Net change in cash and cash equivalents		8 720 469	(8 317 762)
Effect of exchange rate changes		1 511	3 990
Balance sheet change in the cash value		8 721 980	(8 313 772)
Cash and cash equivalents on 1 January 2015		5 728 734	14 042 506
Cash and cash equivalents on 31 December 2015		**14 450 714**	**5 728 734**

Restatement of comparative data for 2014 years is presented in note 3.

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

STATEMENT OF CHANGES IN EQUITY
(restated data)

	Nominal share capital	Nominal share premium	Reserve capital	Retained earnings	Total equity
Equity as at 1 January 2014	**34 400 000**	**1 055 603**	**-**	**45 076 229**	**80 531 832**
Net profit	-	-	-	17 989 739	17 989 739
Dividends paid	-	-	-	(19 368 188)	(19 368 188)
Equity as at 31 December 2014	**34 400 000**	**1 055 603**	**-**	**43 697 780**	**79 153 383**
Net profit	-	-	-	13 848 813	13 848 813
Dividends paid				(3 985 300)	(3 985 300)
The dividend to be paid to shareholders in 2016				(12 371 364)	(12 371 364)
Payment by shareholders to increase the capital	-	-	10 000 000	-	10 000 000
Equity as at 31 December2015	**34 400 000**	**1 055 603**	**10 000 000**	**41 189 929**	**86 645 532**

Restatement of comparative data for 2014 and 2013 years is presented in note 1.

The Management Board:

President of the Board
Kyriakos Sarantis

Vice President of the Board
Nikos Evangelou

Vice President of the Board
Konstantinos Rozakeas

ADDITIONAL INFORMATION AND EXPLANATIONS

Contents:

ADDITIONAL INFORMATION AND EXPLANATIONS

1. Restatement of comparative data for the Statement of financial position

	N	31 December 2014 (before restatement)	restatment 2014	31 December 2014 (after restatment)
ASSETS				
Fixed assets				
Property, plant and equipment	4	5 073 116	-	5 073 116
Intangible assets	5	13 171 480	-	13 171 480
Perpetual usufruct of land	6	1 462 980	-	1 462 980
Deferred tax assets	8	1 502 157	200 740	1 702 897
Total fixed assets		**21 209 733**	**200 740**	**21 410 473**
Current assets				
Inventory	9	39 981 963	544 168	40 526 131
Trade and other receivables	10	70 739 208	(1 600 694)	69 138 514
Transitional accounts	13	2 785 671	-	2 785 671
Cash and cash equivalents	14	5 728 734	-	5 728 734
Total current assets		**119 235 576**	(1 056 526)	**118 179 050**
TOTAL ASSETS		**140 445 309**	**(855 786)**	**139 589 523**
LIABILITIES				
Equity				
Nominal share capital	15	34 400 000	-	34 400 000
Nominal share premium	15	1 055 603	-	1 055 603
Retained profits	16	44 553 566	(855 786)	43 697 780
Total equity		**80 009 169**	**(855 786)**	**79 153 383**
Long-term liabilities				
Deferred tax provision	8	1 404 314	-	1 404 314
Other long-term liabilities	18	352 461	-	352 461
Total long-term liabilities		**1 756 775**	**-**	**1 756 775**
Short-term liabilities				
Trade and other liabilities	20	52 340 933	-	52 340 933
Tax liabilities	21	108 841	-	108 841
Transitional accounts	13	6 229 591	-	6 229 591
Total short-term liabilities		**58 679 365**	-	**58 679 365**
Total liabilities		**140 445 309**	(855 786)	**139 589 523**

	N	31 December 2013 (before restatement)	restatement 2013	31 December 2013 (after restatment)
ASSETS				
Fixed assets				
Property, plant and equipment	4	6 563 792	-	6 563 792
Intangible assets	5	13 725 955	-	13 725 955
Perpetual usufruct of land	6	1 462 980	-	1 462 980
Deferred tax assets	8	2 726 944	248 569	2 795 513
Total fixed assets		**24 479 671**	**248 569**	**24 728 240**
Current assets				
Inventory	9	36 045 555	730 162	36 775 717
Trade and other receivables	10	74 893 569	(2 038 419)	72 855 150
Transitional accounts	13	2 550 442	-	2 550 442
Cash and cash equivalents	14	14 042 506	-	14 042 506
Total current assets		**127 532 072**	(1 308 257)	**126 223 815**
TOTAL ASSETS		**152 011 743**	**(1 059 688)**	**150 952 055**
LIABILITIES				
Equity				
Nominal share capital	15	34 400 000	-	34 400 000
Nominal share premium	15	1 055 603	-	1 055 603
Retained profits	16	46 135 917	(1 059 688)	45 076 229
Total equity		**81 591 520**	**(1 059 688)**	**80 531 832**
Long-term liabilities				
Deferred tax provision	8	1 065 342	-	1 065 342
Other long-term liabilities	18	1 079 573	-	1 079 573
Total long-term liabilities		**2 144 915**	-	**2 144 915**
Short-term liabilities				
Trade and other liabilities	20	55 590 115	-	55 590 115
Tax liabilities	21	2 148 784	-	2 148 784
Transitional accounts	13	10 536 409	-	10 536 409
Total short-term liabilities		**68 275 308**	-	**68 275 308**
Total liabilities		**152 011 743**	**(1 059 688)**	**150 952 055**

2. Restatement of comparative data for statements of comprehensive income

	N	31 December 2014 (before restatement)	restatement 2014	correction 2014 (after restatement)
Continuing of acitivity				
Sales income	22	297 490 039	437 724	297 927 763
Other income	23	1 086 933	-	1 086 933
Change of the inventory product balance		298 210	-	298 210
Cost of work performed by the entity for its own needs		3 105 535	-	3 105 535
Depreciation		(2 354 542)	-	(2 354 542)
Consumption of materials and power		(61 254 473)	-	(61 254 473)
External services		(67 328 202)	-	(67 328 202)
Taxes and fees		(284 118)	-	(284 118)
Salaries		(16 939 515)	-	(16 939 515)
Social insurance and other benefits		(2 980 626)	-	(2 980 626)
Other cost by nature		(889 556)	-	(889 556)
Cost of trade goods and materials sold		(126 394 456)	(185 993)	(126 580 449)
Other costs	24	(717 735)	-	(717 735)
Total cost on operating activity		**(275 739 478)**	**(185 993)**	**(275 739 471)**
Profit from operating activities		**22 837 494**	**251 731**	**23 089 225**
Financial revenues	25	265 369	-	265 369
Financial expenses	25	(1 085 968)	-	(1 085 968)
Net financial revenues and expenses		**(820 599)**	-	**(820 599)**
Profit before tax		**22 016 895**	**251 731**	**22 268 626**
Income tax	26	(4 231 058)	(47 829)	(4 278 887)
Net profit		**17 785 837**	**203 902**	**17 989 739**
Net other comprehensive income		-	-	-
Total comprehensive income		**17 785 837**	**203 902**	**17 989 739**

3. Restatement of comparative data for the statements of cash flows

	N	01.01.2014- -31.12.2014 (before restatement)	restate 2014	01.01.2014- -31.12.2014 (after restatement)
Cash flows - operational activity				
Gross profit from the business activity		**22 016 895**	**251 731**	**22 268 626**
Adjustments for:		(8 895 257)	(251 731)	(9 146 988)
Non-cash				
Depreciation and impairment of property, plant and equipment		2 354 542	-	2 354 542
(Profit)/loss on account of foreign exchange differences		(3 990)	-	(3 990)
Profit from the sale of property, plant and equipment		(18 179)	-	(18 179)
Interest expenses		318 170	-	318 170
Other net items		18 066	-	18 066
Changes of working capital				
(Increase)/decrease in inventories		(3 936 408)	185 994	(3 750 414)
(Increase in trade and other receivables	33	4 154 351	(437 725)	3 716 626
Increase in trade and other payables	33	(2 532 522)	-	(2 532 522)
Change in the value of accruals and deferrals		(4 542 045)	-	(4 542 045)
Income tax paid		(4 707 242)	-	(4 707 242)
Net cash flows from operating activities		**13 121 638**	**-**	**13 121 638**
Cash flows - investment activities				
Revenues generated from sale of fixed assets	33	44 893	-	44 893
Acquisition of tangible fixed assets and intangible assets	33	(355 000)	-	(355 000)
Net cash used in investing activities		**(310 107)**	**-**	**(310 107)**
Cash flows - investment activities				
Settlement of liabilities due to finance lease		(1 442 935)	-	(1 442 935)
Interest paid		(318 170)	-	(318 170)
Dividends paid		(19 368 188)	-	(19 368 188)
Net cash provided by/(used in) financial activities		**(21 129 293)**	**-**	**(21 129 293)**
Net change in cash and cash equivalents		(8 317 762)	-	(8 317 762)
Effect of exchange rate changes		3 990	-	3 990
Balance sheet change in the cash value		(8 313 772)	-	(8 313 772)
Cash and cash equivalents on 1 January 2015		14 042 506	-	14 042 506
Cash and cash equivalents on 31 December 2015		5 728 734	-	5 728 734

Modification of comparative data contained in Notes 1,2 and 3 is connected with the fact that the company decided to create reserves for significant returns of goods regarding sale which took place in 2015. Because in previous years similar provision was not created, to preserve the comparability of particular items of the Financial Statement, an appropriate restatement of comparative data was made for the 2014 and 2013 years.

4. Tangible fixed assets

	31.12.2015	31.12.2014
Land	-	-
Buildings, premises and structures of land and water engineering	1 151 761	1 205 726
Machinery and technical equipment	1 516 229	1 343 348
Transportation means	1 148 090	2 122 200
Other fixed assets	255 826	401 842
Total tangible fixed assets	**4 071 906**	**5 073 116**

There are no tangible assets which are a security for liabilities of the company at 31st December 2015 and at 31st December 2014.

Balance sheet value of tangible fixed assets which are using based on financial leasing agreement as at:

- 31 December 2015 - 389 542 zł
- 31 December 2014 - 1 190 467 zł

Financial leasing agreements relate to cars, which are used in Company's activity. Except tangible fixed assets included financial leasing agreements rights to dispose of Company's tangible fixed assets are unlimited.
In 2015 and 2014, the Company did not make any changes to depreciation periods.
At December 31, 2015 and December 31 ,2014 the Company had no future investment commitments.

Changes in tangible fixed assets according to the category criterion:

Gross value of tangible fixed assets	Buildings, premises and structures of land and water engineering	Machinery and technical equipment	Transportation means	Other fixed assets	Total
Gross value as at 1st January 2014	**1 761 516**	**7 031 392**	**5 975 668**	**1 874 497**	**16 643 073**
Increases:	-	143 364	124 668	44 168	312 200
Acquisition	-	143 364	124 668	44 168	312 200
Decreases:	-	196 464	334 174	241 164	771 802
sales	-	67 530	294 027	-	361 557
liquidation	-	128 934	40 147	241 164	410 245
Gross value as at 31st December 2014	**1 761 516**	**6 978 292**	**5 766 162**	**1 677 501**	**16 183 471**
Increases:	-	604 072	57 004	3 567	664 643
acquisition	-	604 072	57 004	3 567	664 643
Decreases:	-	462 756	2 175 228	38 450	2 676 434
sales	-	181 276	2 174 428	-	2 355 704
liquidation	-	281 480	800	38 450	320 730
Gross value as at 31st December 2015	**1 761 516**	**7 119 608**	**3 647 938**	**1 642 618**	**14 171 680**

Changes in tangible fixed assets according to the category criterion:

	Buildings, premises and structures of land and water engineering	Machinery and technical equipment	Transportation means	Other fixed assets	Total
Accumulated depreciation and impairment loss as at 1st January 2014	**496 179**	**5 389 404**	**2 853 839**	**1 339 859**	**10 079 281**
Increases:	59 611	440 543	1 080 987	176 964	1 758 105
depreciation for the year	59 611	440 543	1 080 987	176 964	1 758 105
Decreases:	-	195 003	290 864	241 164	727 031
sales	-	67 530	268 783	-	336 313
liquidation	-	127 473	22 081	241 164	390 718
Accumulated depreciation and impairment loss as at 31st December 2014	**555 790**	**5 634 944**	**3 643 962**	**1 275 659**	**11 110 355**
Increases:	53 965	424 601	736 278	149 583	1 364 428
depreciation for the year	53 965	424 601	736 278	149 583	1 364 428
Decreases:	-	456 166	1 880 392	38 450	2 375 009
sales	-	175 862	1 879 592	-	2 055 455
liquidation	-	280 304	800	38 450	319 554
Accumulated depreciation and impairment loss as at 31st December 2015	**609 755**	**5 603 379**	**2 499 848**	**1 386 792**	**10 099 774**
Net accounting value:					
as at 1st January 2014	1 265 337	1 641 988	3 121 829	534 638	6 563 792
as at 31st December 2014	1 205 726	1 343 348	2 122 200	401 842	5 073 116
as at 31st December 2015	**1 151 761**	**1 516 229**	**1 148 090**	**255 826**	**4 071 906**

5. Intangible fixed assets

	31. 12.2015	31. 12.2014
Computer software	4 382 064	4 739 512
Trademarks, licenses	8 248 029	8 431 968
Total intangible fixed assets	**12 630 093**	**13 171 480**

Changes of intangible fixed assets were following:

Gross value of intangible fixed assets	**Trademarks, licenses**	**Computer software**	**Expenditure for Intangible fixed assets**	**Total**
Gross value as at 1st January 2014	**9 589 311**	**8 065 449**	**-**	**17 654 760**
Increases:	-	41 963	-	41 963
acquisition	-	41 963	-	41 963
Decreases:	131 828	127 895	-	259 723
liquidation	131 828	127 895	-	259 723
Gross value as at 31st December 2014	**9 457 483**	**7 979 517**	**-**	**17 437 000**
Increases:	-	45 400	-	45 400
acquisition	-	45 400	-	45 400
Decreases:	-	2 600	-	2 600
sales	-	1 300	-	1 300
liquidation	-	1 300	-	1 300
Gross value as at 31st December 2015	**9 457 483**	**8 022 317**	**-**	**17 479 800**

	Trademarks, licenses	**Computer Software**	**Advances for Intangible fixed assets**	**Total**
Accumulated depreciation and impairment loss as at 1st January 2014	**973 403**	**2 955 402**	**-**	**3 928 805**
Increases:	183 940	412 498	-	596 438
depreciation for the year	183 940	412 498	-	596 438
Decreases:	131 828	127 895	-	259 723
liquidation	131 828	127 895	-	259 723
Accumulated depreciation and impairment loss as at 31st December 2014	**1 025 515**	**3 240 005**	**-**	**4 265 520**
Increases:	183 939	402 848	-	586 787
depreciation for the year	183 939	402 848	-	586 787
Decreases:	-	2 600	-	2 600
sales	-	1 300	-	1 300
liquidation	-	1 300	-	1 300
Accumulated depreciation and impairment loss as at 31st December 2015	**1 209 454**	**3 640 253**	**-**	**4 849 707**

Net accounting value:

as at 1st January 2014	8 615 908	5 110 047	-	13 725 955
as at 31st December 2014	8 431 968	4 739 512	-	13 171 480
as at 31st December 2015	**8 248 029**	**4 382 064**	-	**12 630 093**

In 2015 and 2014, the Company did not make any changes to depreciation periods.

6. Perpetual usufruct

The Company use perpetual usufruct of land with 8 004 square meters which are property of the State Treasury and are located in Piaseczno, ul. Puławska 42C.

7. Investment in associated companies

On December 17, 2015 the Company acquired 70% stake in the share capital and voting rights of the company Polipak Sp. o.o. with registered office in Sroda Wielkopolska, ul Harcerska 16, for a price of 19 306 000 PLN. The value of the purchase of shares was increased by the tax on civil law transactions in the amount of 193 060 PLN. The purchase agreement of Polipak includes the option that the Company may acquire the remaining 30% of shares, which may be implemented as from January 1, 2025 year. The option price was determined as 30% of the value equal to the product of the average net earnings Polipak for the three financial years preceding the valuation date and the multiplier 6.32 constituting "an estimate of the value of the company", plus 30% of the retained earnings from fiscal years, starting from the profit for 2016 years, with provided that the option price will not be lower than 8 400 000 PLN.

Polipak has been in business since 1995 and has been manufacturing packaging from polyethylene foil intended for households (garbage bags, frozen food) and for the automotive industry (packaging of spare parts).

8. Deferred tax

Deferred tax as at 31 December 2015 and 31 December 2014 is resulting from:

Assets due to deferred tax	**31.12.2015**	**31.12.2014** (restated data)
Accruals	1 057 907	1 183 260
Assets for the temporary differences – inventories	136 812	147 002
Balance sheet valuation in foreign currency	37 523	65 719
Assets for the temporary differences – fixed assets	19 896	36 070
Assets arising from temporary differences - receivables	62 768	-
Assets - provisions for returns of goods	223 201	200 740
Liabilities not paid	132 907	62 627
Other	4 829	7 479
	1 675 843	**1 702 897**

Provision for deferred tax	**31.12.2015**	**31.12.2014**
Assets and liabilities valuation in foreign currency	19 179	37 789
Provision for the temporary differences - assets	1 579 413	1 313 864
Temporary differences leasing	7 045	38 334

Unpaid interest on receivables	4 238	14 327
	1 609 875	**1 404 314**

9. Inventories

	31.12.2015	31.12.2014 (restated data)
Trade goods	31 008 677	32 120 496
Finished products	3 105 478	4 260 949
Materials	4 325 560	4 144 686
	38 439 715	**40 526 131**

As at 31 December 2015 and 31 December 2014 has been not established any pledge on the inventories to secure the Company's liabilities. There was no write-off on inventories in the Company at the end of 2015 and 2014.

10. Trade receivables and other receivables

	31.12.2015	31.12.2014 (restated data)
Trade receivables from affiliated entities	5 935 046	5 871 218
Trade receivables from other entities	59 195 577	61 093 577
Provision for bad debts on trade receivables	(131 747)	(341 287)
Prepayment delivery of goods	2 474 214	1 393 865
Other receivables from other entities	2 709 428	1 133 246
Provision for bad debts on other receivables	(12 105)	(12 105)
Short-term receivables	**70 170 413**	**69 138 514**

Trade receivables are interest-free and their term of payment is 30-90 days. As at 31 December 2015 receivables in amount of 143 852 PLN have been considered as difficult to recover and Company created provision for bad debts.

Movements regarding provision for bad debts were following:

	01.01.2015-31.12.2015	01.01.2014-31.12.2014
Beginning of a period	**353 392**	**587 015**
Increases	53 792	66 445
Usage	(233 842)	(279 407)
Decreases – reversal	(29 490)	(20 661)
At the end of a period	**143 852**	**353 392**

Analysis of trade receivables overdue, but recoverable as at 31 December 2015 and as at 31 December 2014 is presented in the below table:

			Overdue , but recoverable				
Year	**Total**	**Not overdue**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**90 -120 days**	**> 120 days**
2015	64 998 876	63 090 637	1 773 944	134 295	-	-	-
2014	66 623 508	61 877 109	4 319 905	28 032	-	4 407	394 055

Currency structure of short-term trade receivables and other receivables

	31.12.2015	31.12.2014 (restated data)
Receivables in the local currency	60 727 407	58 199 718
Receivables in the foreign currency	9 443 006	10 938 796
	70 170 413	**69 138 514**

	31.12.2015	31.12.2014
Receivables in EUR	7 011 991	9 557 529
Receivables in USD	2 431 015	1 381 267
	9 443 006	**10 938 796**

Concentration of credit risk, connected with trade receivables is limited due to a lot of Company's clients and their dispersion, mainly in Poland.

11. Receivables from income tax

	31.12.2015	31.12.2014
Receivables from income tax	354 617	-
	354 617	**-**

12. Transactions with affiliated entities

Receivables from affiliated entities:

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o.	583 490	1 146 707
Gr. Sarantis SA Greece	850 024	199 320
Sarantis Romania SA Romania	1 749 898	1 705 348
Sarantis D.O.O. Serbia	-	1 640 699
Sarantis Bulgaria Ltd. Bulgaria	414 587	452 014
Sarantis Hungary Kft. Hungary	2 224 698	213 930
Sarantis Portugal LDA, Portugal	112 349	513 200
	5 935 046	**5 871 218**

Liabilities to affiliated entities:

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o.	-	29 869
Gr. Sarantis SA Greece	4 894 535	4 445 405
Sarantis Romania SA Romania	1 003	21 120
Sarantis Hungary Kft. Hungary	35 018	86 170
Sarantis D.O.O. Serbia	100 223	101 048
Polipak Sp. z o.o. Poland	5 818 792	-
	10 849 571	**4 683 612**

Liabilities for prepayments

	31.12.2015	31.12.2014
Sarantis D.O.O., Serbia	4 044 163	-
	4 044 163	**-**

Dividend payable

	31.12.2015	31.12.2014
GR Sarantis Cyprus Ltd., Cyprus	12 371 364	-
	12 371 364	**-**

Income from the sales – affiliated entities

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o.	3 877 840	3 700 619
Gr. Sarantis SA Greece	3 533 286	729 759
Sarantis Romania SA	6 734 414	6 620 116
Sarantis D.O.O. Serbia	8 424 905	8 119 466
Sarantis Bulgaria Ltd.	2 147 803	2 258 006
Sarantis Hungary Kft.	6 791 025	456 403
Sarantis Portugal LDA, Portugalia	225 999	396 256
	31 735 272	**22 280 625**

Other revenues – affiliated companies

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o.	62 482	14 593
Sarantis Hungary Kft.	36 402	144 129
Gr. Sarantis S.A.,Greece	23 906	10 656
GR Sarantis Romania SA	5 780	-
	128 570	**169 378**

Goods purchased from affiliated entities

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o., Czechy	167 400	52 697
Gr. Sarantis SA, Grecja	26 023 676	21 404 953
Sarantis Romania SA, Rumunia	20 617	3 251 505
Sarantis Hungary Kft., Węgry	851 983	336 910
Sarantis D.O.O., Serbia	563 658	344 012
Polipak Sp. z o.o., Poland	208 807	-
Sarantis Bulgaria Ltd., Bułgaria	18 341	-
	27 854 482	**25 390 077**

Purchase of fixed assets

	31.12.2015	31.12.2014
Sarantis Hungary Kft., Węgry	196 266	-
	196 266	**-**

Other purchase affiliated entities

	31.12.2015	31.12.2014
Sarantis Czech Republic s.r.o., Czechy	-	474
Gr. Sarantis SA, Grecja	304 717	186 990
Sarantis Romania SA, Rumunia	-	4 557
Sarantis Hungary Kft., Węgry	3 562	-
	308 279	**192 021**

13. Deferrals and accruals

Deferred expenses - assets

	31.12.2015	31.12.2014
Insurances	38 334	-
Subscriptions	17 927	38 470
Other deferrals: input VAT to deduction	2 952 352	2 681 873
Other	131 314	65 329
	3 139 927	**2 785 671**

Accrued expenses– liabilities

	31.12.2015	31.12.2014
Provisions for costs	5 567 930	6 227 682
Future periods incomes	146	1 909
	5 568 076	**6 229 591**

Accrued expenses recorded under liabilities relate to the incurred commercial, administrative, and marketing costs, for which the Company has not yet received source documents from suppliers.

14. Cash and cash equivalents

	31.12.2015	31.12.2014
Cash in hand	11 351	6 776
Cash in banks	14 409 416	5 604 197
Cash in bank of the Social Fund	29 947	117 444
Cash in transmit	-	317
	14 450 714	**5 728 734**

	31.12.2015	31.12.2014
In local currency	14 025 828	5 710 064
In foreign currency	424 886	18 670
	14 450 714	**5 728 734**

	31.12.2015	31.12.2014
Cash in EUR	404 448	11 271
Cash in USD	19 831	5 654
Cash in CHF	607	1 745
	424 886	**18 670**

Except the funds collected on the Company Social Fund account, the right to dispose of the other funds are unlimited. Concentration of credit risk connected with financial funds is limited because receipts from the sale are allocated proportionally in several financial institutions. Deposits are invested in this institution that offers the highest interest rate. According to the Polish law, the Company manages funds from Social Fund for its employees. The contribution paid on the Social Fund are deposited on the separate bank account.

15. Share capital and supplementary capital from the issuance of shares above their nominal value

Share capital of Sarantis Polska S.A. is 34 400 000 PLN and includes:

1 915 000 registered, not preferential A series shares
1 135 000 registered, not preferential B series shares
390 000 registered, not preferential C series shares

Nominal value of share is 10 PLN. GR Sarantis Cyprus Ltd. is the sole owner.Share capital has been paid in whole amount.

On November 30, 2015 the Extraordinary General Meeting of the Company decided to increase the share capital by 10 000 000 PLN to the amount of 44 400 000 PLN, through the issue of new series D shares with a nominal value of 10 PLN each. All newly issued shares of Series D were acquired by the existing shareholder of the company GR Sarantis Cyprus Ltd. The amount of the capital increase was paid in full on 4 December 2015. Due to the registration of the share capital increase in the National Court Register on January 25, 2016, the amount of PLN 10 000 000 was presented on 31 December 2015 as the capital reserve.

Supplementary capital from the issuance of shares above their nominal value as at 31st December of 2014 is

1 055 603 PLN. It is a remained part of share premium (after the coverage of loss from the previous years), connected with the issuance of B series shares in 2003 (stock issue price was 20,12 PLN).

16. Retained profits and limitations connected with capital

	31.12.2015	31.12.2014 (restated data)
Profits retained from the previous years-supplementary capital	10 411 064	10 411 064
Profits retained from the previous years	17 785 838	16 356 665
Undistributed profit from previous years	(855 786)	(1 059 688)
Net profit in current period	13 848 813	17 989 739
Total retained profits	**41 189 929**	**43 697 780**

Based on § 396 of Code of Commercial Companies the Company is obligated to keep retained profits in 1/3 value of share capital. It can be use only for covering potential losses. The Company has to intend for this aim minimum 8% of current profit until it collects required equivalent 1/3 of share capital. Since 2010, Company creates a reserve capital from the profit division which will be used for dividend payment. Reserve capital value as of 31 December 2015 was 17 785 838 PLN.

In 2015 passed to the payment of dividends accounted for the amount of 16 356 664 PLN, of which up to 31 December 2015 was paid 3 985 300 PLN. The deadline to pay the remaining part of the dividend in the amount of 12 371 364 PLN, according to Extraordinary shareholders' meeting decision has been postponed until 31 December 2016.

In 2014, the Company paid dividend to shareholder in the amount of 19 368 188 PLN.

17. Suggested division of profit for 2015

The Management Board proposes a net profit for 2015, in amount of 13 848 813 PLN:

- in the amount of 12 740 908 PLN – to reserve capital
- in the amount of 1 107 905 PLN - to supplementary capital

18. Credits, loans and other liabilities

As at 31 December 2015 and 31 December 2014, the Company had no liabilities arising from loans.

At the end of the reporting period the Company had bank lines of multi-purpose in total amount of 45 900 000 PLN and available credit limits in total amount of 24 100 000 PLN.

Corporate guarantees issued by Gr. Sarantis S.A. are a security for credit lines in amount of 45 900 000 PLN. Credit lines are remunerated at variable interest rate based on the reference rate WIBOR1M or EURIBOR1M/LIBOR1M plus a bank margin.

Financial leasing

The Company cars are used based on leasing agreement of financial nature with purchase option. Future minimal leasing charges under this leasing agreements and net present value of minimal leasing charges are following:

	31.12.2015	31.12.2014
Future minimum leasing charges, which constituted commitment on the Company		
Liabilities:		
Liabilities payable up to 1 year	355 033	766 522
Liabilities payable after more than one year and less than five	-	404 639
	355 033	**1 171 161**
Net present value:		
Liabilities payable up to 1 year	352 461	636 247
Liabilities payable after more than one year and less than five	-	352 461
	352 461	**988 708**

Operational leasing

Company uses the lease property located in commune Brwinów Moszna Parcela, which consists of warehouses and office space with a total area of 12 127 m2. The agreement contains a clause price indexation based on current market conditions. Future minimum lease payments amount to:

Future minimum fees under the agreement are following:

During the year	2 000 000
More than one year and less than five years	6 400 000
	8 400 000

As part of an operating lease agreement, the Company uses the company cars.
The future minimum obligations under this head will be:

During the year	464 000
More than one year and less than five years	101 000
	565 000

19. Financial instruments

Financial instruments in accordance with category:	31.12.2015	31.12.2014 (restated data)
Granted loans and own receivables:	67 696 199	67 744 649
- trade receivables	64 998 876	66 623 508
- other receivables	2 697 323	1 121 141
Cash	14 439 363	5 721 957
	83 135 562	**73 466 606**

Financial liabilities valued to the fair value by financial result		
Trade liabilities	53 177 370	50 170 162
Lease liabilities	352 461	988 708
	53 529 831	**51 158 870**

20. Short-term trade payables and other liabilities

	31.12.2015	31.12.2014
Trade payables to affiliated entities	10 849 571	4 683 612
Trade payables to other entities	42 327 799	45 486 550
Liabilities towards to the State Budget	1 972 233	1 348 609
Prepayment from affiliated companies	4 044 163	-
Salary payables	32 314	25 412
Lease liabilities falling due within one year	352 461	636 247
Other liabilities	103 450	52 212
Special founds	18 430	108 291
Total short-term liabilities	**59 700 421**	**52 340 933**

Trade payables are interest-free and usually settled within 60-120 days.

01.01.2015 - 31.12.2015		**Not overdue liabilities**	**Overdue liabilities**			
Ageing structure	**Total**		**up to 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 360 day**
Trade liabilities	53 177 370	42 568 106	8 917 672	965 004	234 474	492 114
Total	**53 177 370**	**42 568 106**	**8 917 672**	**965 004**	**234 474**	**492 114**

01.01.2014 - 31.12.2014		Not overdue liabilities	Overdue liabilities			
Ageing structure	Total		up to 30 days	31 - 60 days	61 - 90 days	91 - 360 day
Trade liabilities	50 170 162	38 978 242	10 938 863	184 607	-	68 450
Total	**50 170 162**	**38 978 242**	**10 938 863**	**184 607**	**-**	**68 450**

Currency structure of short-term liabilities

	31.12.2015	31.12.2014
Liabilities in local currency	36 266 483	35 410 047
Liabilities in foreign currency	23 433 938	16 930 886
	59 700 421	**52 340 933**

	31.12.2015	31.12.2014
Liabilities in EUR	22 434 400	13 849 481
Liabilities in USD	999 538	2 587 293
Liabilities in CHF	-	494 112
	23 433 938	**16 930 886**

21. Income tax liabilities

	31.12.2015	31.12.2014
Income tax liabilities	-	108 841
	-	**108 841**

22. Sales revenue

	31.12.2015	31.12.2014
Revenue from goods sales	202 654 201	203 459 250
Revenue from products sales	93 977 727	93 712 088
Revenue from materials sales	2 408 815	756 425
	299 040 743	**297 927 763**

	31.12.2015	31.12.2014
Revenue from domestic sales	257 111 891	256 889 028
Revenue from export	41 928 852	41 038 735
	299 040 743	**297 927 763**

The Management statement includes detailed information about sales structure and basic factors affected on the sales value.

23. Other revenue

	31.12.2015	31.12.2014
Profits from sales of services	2 354	387 176
Provision expense reversal	123 478	284 804
Profits from sales of fixed assets	183 255	18 179
Received compensations	116 572	223 291
Reversal of provision for bad debts	29 490	20 661
Return of court fees	9 592	19 617
Stock count differences	91 969	55 944
Other	90 174	77 261
	646 884	**1 086 933**

24. Other operating costs

	31.12.2015	31.12.2014
Liquidation and decomposition of inventories	297 970	182 255
Provision for bad debts	53 792	66 445
Costs of legal proceedings	10 554	19 647
Donations	268 060	11 866
Insurance of receivables	87 539	143 491
Liquidation of property damages costs	47 280	122 515
Provisions for other operational costs	38 746	93 635
Others	119 963	77 881
	923 904	**717 735**

25. Financial costs and revenues

Financial revenue

	31.12.2015	31.12.2014
Interest on receivables	86 463	174 721
Bank interest	28 620	90 648
	115 083	**265 369**

Financial costs

	31.12.2015	31.12.2014
Interest on liabilities	4 161	15 605
Bank interest	209 811	201 623
Interest under the leasing agreements	44 194	121 419
Commissions, charges	206 340	163 361
Net exchange rate differences	181 970	583 960

Costs of capital increase	60 253	-
	706 729	**1 085 968**

26. Income tax

Major components of income tax for the years ended 31 December 2015 and 31 December 2014 are as follows:

	31.12.2015	**31.12.2014** (restated data)
Current income tax	3 171 172	3 438 004
Creation/ reversal of deferred tax	232 615	1 611 588
Corrections of income tax from the previous years	(93 019)	(770 705)
Income tax shown in the profit and loss account	**3 310 768**	**4 278 887**

The difference between the amount of income tax shown in the profit and loss account and the amount calculated on the basic of tax rate is resulting from the following items:

	31.12.2015	**31.12.2014** (restated data)
Gross financial results	17 159 581	22 268 626
The amount of the tax according to the tax rate **19%**	3 260 320	4 231 039
- tax effects of costs which are not revenue-earning costs	50 448	47 848
Current income tax	**3 310 768**	**4 278 887**
Effective tax rate	**19,29%**	**19,22%**

27. Credit risk management

The overall objective of the Company's market risk management is to reduce the volatility of cash flows and potential economic losses caused by the events that may have a negative impact on the individual. Market risk management includes identification, measurement and definition of risk mitigation, including aspects related to currency exchange rates and interest rates.

Credit risk

Credit exposure is monitored currently according with the credit policy realized by the Company. Evaluation of credibility is conducted in relation with clients lending needs over the determined amount. Blank promissory note from certain clients is a security for the Company. The part of the foreign receivables is insured in reputable insurance corporation. Additionally receivables are regularly monitored by financial department.

Sales is stopped and receivables collection is started in connection with overdue receivables according with procedures.

The company is exposed to risk, that the creditors do not pay for their liabilities and cause the Copmany`s losses. The maximum exposition to risk is 67 696 199 PLN at the balance sheet day and it was estimated as balance sheet value of receivables.

			Overdue receivables, which do not lose their values				
Year	**Total**	**Not overdue**	**< 30 days**	**30 - 60 days**	**60- 90 days**	**90-120 days**	**> 120 days**
2015	67 696 199	65 175 867	1 901 047	134 120	-	224 614	260 551
2014	67 744 649	62 895 374	4 332 107	105 688	12 467	4 958	394 055

As of 31 December of 2014 year 68% of all receivables were receivables from the hypermarkets, 20% from the clients of open market and 12% from the foreign customers. The Management Board considers that there is not significant concentration of credit risk, because of the great number of customers. Allowances for bad debts was made for receivables difficult to collect.

Credit risk connected with bank deposits in amount of 14 439 363 PLN, derivatives and other investments is not significant because the Company engages in transactions with institutions with established financial position.

Interest rate risk

Interest rate risk is associated with interest-bearing assets and liabilities. Interest rate fluctuations affect the financial costs and incomes. Increase of interest rates affects increase of the Company's financial cost, especially the cost of interest and the increase of accrued interest.

Sensitivity of gross financial results to exchange rates fluctuations which are rationally possible is presented in following table:

Interest rate risk

Financial statements item	Accounting value of financial instruments	Average interest rate in 2015	Influence on financial results (Increase by100 pb)	Influence on equity capital (Increase by 100 pb)	Influence on financial results (Decrease by100 pb)	Influence on equity capital (Decrease by100 pb)
<u>Variable rate of interest assets</u>						
Cash at bank	14 439 363	0,50%	144 394	144 394	-144 394	-144 394
			144 394	144 394	-144 394	-144 394

Exchange rate risk

Transactions of purchase goods in foreign currency are the main sources of exchange rate risk. Significant part of trade payables is in foreign currency specially in EUR and USD. The sales is generally conducted in Polish currency.

Sensitivity of financial results to USD and EUR exchange rates fluctuations which are rationally possible is presented in following table:

Exchange rate risk

Financial statement item	Accounting value of financial instruments	Average exchange rate in 2015	Influence on financial results (Increase by20%)	Influence on equity capital (Increase by 20%)	Influence on financial results (Decrease by20%)	Influence on equity capital (Decrease by20%)
Assets denominated in currency						
Receivable in EUR	7 011 991	4,1843	1 402 398	1 402 398	-1 402 398	-1 402 398
Receivable in USD	2 431 015	3,7730	486 203	486 203	-486 203	-486 203
Cash in EUR	404 448	4,1843	80 890	80 890	-80 890	-80 890
Cash in USD	19 831	3,7730	3 966	3 966	-3 966	-3 966
Cash in CHF	607	3,9228	121	121	-121	-121
Liabilities denominated in currency						
Liabilities in EUR	22 434 400	4,1843	-4 486 880	-4 486 880	4 486 880	4 486 880
Liabilities in USD	999 538	3,7730	-199 908	-199 908	199 908	199 908
Total			-2 713 209	-2 713 209	2 713 209	2 713 209

Liquidity risk

The Company is exposed to liquidity risk arising from of the relationship of current liabilities to current assets. Operating activities are carried out under the assumption of maintaining a constant excess liquidity and credit lines. Receivables units are analyzed in Note 10. In accordance with the age structure, 97% of receivables are not overdue on 31 December 2015, and 93% as of 31 December 2014. Management believes that the carrying value of financial assets and liabilities reflect their fair value. In the opinion of the Management Board, because of a significant amount of cash on the balance sheet date, available credit, and good standing of the Company's financial result, the liquidity risk should be assessed as insignificant.

The maturity analysis of financial liabilities in 2015 and 2014 was as follows:

01.01.2015 - 31.12.2015		**Liabilities payable before 31.12.2015**	**Maturity periods**				
Ageing of liabilities	**Total**		**up to 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 360 days**	**> 360 days**
Trade liabilities	53 177 370	10 609 264	22 724 223	12 239 349	5 876 125	1 728 409	-
Lease liabilities	352 461	-	-	-	-	352 461	-
Total	**53 529 831**	**10 609 264**	**22 724 223**	**12 239 349**	**5 876 125**	**2 080 870**	-

01.01.2014 - 31.12.2014		**Liabilities payable before 31.12.2014**	**Maturity periods**				
Ageing of liabilities	**Total**		**up to 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 360 days**	**> 360 days**
Trade liabilities	50 170 162	11 191 920	23 300 425	11 867 143	3 692 849	117 825	
Lease liabilities	988 708	-	-	-	-	636 247	352 461
Total	**51 158 870**	**11 191 920**	**23 300 425**	**11 867 143**	**3 692 849**	**754 072**	**352 461**

Price risk

Price of materials is a component which has a major impact on the total profitability of Company. Changes in prices of purchasing raw materials can result from the international demand trends for the selected materials and from the exchange rates. In connection with big fluctuations of raw materials prices on the world markets and exchange rates, purchase department makes comparative analysis of purchases from different sources, to measure profitability of domestic and foreign purchases. It is a one of main instruments of price risk minimization. Another way to minimize price risk is a use of derivatives e.g. forwards to minimize fluctuations of exchange rates. The Company regularly monitors the profitability of individual products and on the basis of these data takes action related to the optimization of the purchase price or the sale of products.

28. Capital management

The main purpose of company capital management is retaining a good credit rating and safe capital indexes, which will support operational activity of the Company and increase value for its shareholders. The Company manages the capital structure and as a result of the economic changes conditions it enters a adjustments are made. For the purpose of retaining or correcting of capital structure, the company can regulate the dividend payment for shareholders, return the capital to shareholders or issue new shares.
In the year ended 31 December 2015 and 31 December 2014, there were no changes in the objectives, policies and processes in this area.

29. Conditional liabilities

	Amount as of 31.12.2015	Term of expiry
Guarantee issued for MLP Moszna I Sp. z o.o. for security of liabilities execution	164 000 EUR	31.12.2016
Total amount of letters of credit opened in banks	1 224 345 USD	
guarantee payment GR Sarantis SA liabilities granted to the following entities:		
Dobis Sp. z o.o., Pland	350 000 EUR	06.10.2016
Aptar Italia SPA, Italy	9 338 EUR	indefinite
Aptar Dortmund GMBH, Germany	63 955 EUR	indefinite
Czech Aerosol AS, Czech Republic	210 933 EUR	indefinite
PPF Hasco-Lek S.A., Poland	45 398 EUR	indefinite
Heinz Glas Działdowo Sp. z o.o., Poland	188 839 PLN	indefinite
Maspex GMW Sp. z o.o., Poland	88 591 EUR	indefinite
Nolato Jaycare LTD, the UK	2 719 GBP	12.09.2016
Ongropack Kft., Hungary	90 205 EUR	indefinite
Sklarny Moravia AS, Czech Republic	25 043 EUR	indefinite

30. Tax settlements

Regulations regarding VAT, corporate and personal income tax, social insurance contributions are liable to frequent changes. As a result, there are often no references to recorded regulations or legal precedents. Regulations which are in force are ambiguous, causing differences in opinions about legal interpretations of tax regulations between bodies of state administration and companies. Tax settlements and other settlements (e.g. customs and currency) can be a subject of control conducted by bodies of state administration, which are able to impose significant fines, and additional liabilities may be charged with interest. These facts create tax risk in Poland which is higher than in countries with more developed tax systems. Tax settlements may be subject to inspection for a period of five years from the end of the year in which the tax was due. As a result of inspections, the existing tax settlements may be subject to additional tax liabilities.

31. The reasons of differences between balance sheet changes of some items and changes resulting from cash flow statement

	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014
Balance sheet change of trade receivables and other receivables	(1 031 899)	3 716 636
Change resulting from investment receivables	50	(10)
Change of receivables in cash flow	**(1 031 849)**	**3 716 626**

	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014
Balance sheet change of long term liabilities	(352 462)	(727 112)
Balance sheet change of trade liabilities and other liabilities	7 359 488	(3 249 182)
Change in lease liabilities	636 247	1 442 935
Change resulting from investment liabilities	(56 849)	837
Change of liabilities in cash flow	**7 586 425**	**(2 532 522)**

	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Net accounting value of fixed assets sold	301 425	26 704
Profit from fixed assets sold	183 255	18 179
Change resulting from investment receivables	(50)	10
Income from fixed assets and intangibles sale	**484 630**	**44 893**

	01.01.2015- 31.12.2015	01.01.2014 - 31.12.2014
Accounting value of fixed assets and intangibles purchased	(710 043)	(354 163)
Change resulting from investment liabilities	56 849	(837)
Expenses for purchase of fixed assets and intangibles	**(653 194)**	**(355 000)**

32. Structure of employment

Average employment in Company was as follows:

	31.12.2015	31.12.2014
Sales and marketing	109,7	113,1
Storage and production	81,0	80,1
Administration	56,3	53,8
	247,0	**247,0**

33. Salaries of key management personnel

Total value of salaries paid in 2015 for key management personnel was 3 844 528 PLN. In 2014 total amount of salaries paid for key management personnel was 3 516 342 PLN. There were no payments in form of company's shares and no long-term benefits for employees.

34. Salary of the statutory auditor or entity authorized to analysis of financial statements

The salary of the statutory auditor for the audit of annual financial statement of Company was 60 000 PLN.

35. Events after date of balance sheet day

On 29 January 2016 it was granted a loan to a related company Polipak Sp. o.o. in the amount of 3 000 000 PLN with maturity on January 29, 2017 year.

Piaseczno, 23th February 2016.

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*