

Deloitte

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AUDITOR'S OPINION

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

We have audited the attached financial statements of the ZUE S.A. with the registered office in Cracow, ul. Czapińskiego 3 (hereinafter referred to as the "Company") including the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year from 1 January 2014 to 31 December 2014 and notes to the financial statements including information on accounting principles and other explanatory information as required by the International Accounting Standards, International Financial Reporting Standards and the related interpretations published in the form of regulations of the European Commission.

The Management Board of the Company is responsible for the preparation of the financial statements and the report on activities of the Company in line with applicable laws.

The Management Board of the Company and members of its Supervisory Board are obliged to ensure that the financial statements and the report on activities of the Company meet the requirements of the Polish Accountancy Act of 29 September 1994 (Journal of Laws of 2013, item 330, as amended), hereinafter referred to as the "Accountancy Act."

Our responsibility has been to audit and express an opinion on the compliance of the financial statements with the accounting principles (policy) adopted by the Company and whether the financial statements give a true and fair view, in all material respects, of the financial and economic position as well as the financial result of the Company, and on the correctness of the accounting records on the basis of which the financial statements have been prepared.

We have planned and performed our audit of the financial statements in accordance with:

- chapter 7 of the Accountancy Act; and
- national auditing standards published by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the financial statements so as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) applied by the Company, verification – largely on a test basis – of the bases for the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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

- present fairly and clearly the information material to evaluate the economic and financial position of the Company as at 31 December 2014 as well as its profit or loss in the financial year from 1 January 2014 to 31 December 2014;
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards – in accordance with the provisions of the Accountancy Act and secondary legislation to the Act, and properly maintained accounting records; and
- comply with the laws and the provisions of the Company's Articles of Association which affect the contents of the financial statements.

The financial statements for the financial year ended 31 December 2013 were audited by another eligible entity. On 14 March 2014, the said entity issued an unqualified opinion about the statements.

The Company's report on activities for the financial year 2014 is complete within the meaning of Article 49.2 of the Accountancy Act and the Ordinance by the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent (Journal of Laws of 2014, item 133) and consistent with underlying information disclosed in the audited financial statements.

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Marek Turczyński
Key certified auditor
conducting the audit
No. 90114

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

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Marek Turczyński, Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 12 March 2015

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR 2014

I. GENERAL INFORMATION

1. Details of the audited Company

The Company (hereinafter referred to as the "Company") operates under the company name ZUE S.A. The Company's registered office is located in Cracow, ul. Czapińskiego 3.

The Company operates as a joint-stock company established under a notarial deed concluded on 20 May 2002 before Ewa Holocher, Notary Public in Cracow (Rep. A no. 9592/2002). The Company was entered into the Commercial Register kept by the District Court XI Business and Registry Division in Cracow, section B, under entry number 8990/05/381, based on the decision of 30 October 2002. Currently the Company is recorded in the Register of Entrepreneurs kept by the District Court in Cracow XI Commercial Division of the National Court Register under KRS number 0000135388.

The Company's tax identification number (*NIP*) assigned by the Revenue Office in Cracow on 5 November 2002 is 679-27-40-329.

The Company operates pursuant to the Polish Companies Act.

The share capital of the Company as at 31 December 2014 amounted to PLN 5,757,520.75 and was divided into 23,030,083 ordinary shares with a par value of PLN 0.25 each.
No changes to the Company's share capital occurred during the financial year.

Calendar year is the Company's financial year.

Composition of the Company's Management Board as at the date of the opinion:

- | | |
|------------------------|-----------------------------------|
| – Wiesław Nowak | – Management Board President |
| – Marcin Wiśniewski | – Management Board Vice-President |
| – Jerzy Czeremuga | – Management Board Vice-President |
| – Maciej Nowak | – Management Board Member |
| – Anna Mroczek | – Management Board Member |
| – Arkadiusz Wierciński | – Management Board Member. |

The following changes to the composition of the Company's Management Board occurred in the period under analysis and by the date of the opinion:

- On 9 January 2014, the Supervisory Board resolved to dismiss Maciej Nowak from the position of the Vice-President of the Management Board as of 9 January 2014 (Resolution no. 3);
- On 9 January 2014, the Supervisory Board resolved to appoint Maciej Nowak as Member of the Management Board as of 9 January 2014 (Resolution no. 4);
- On 9 January 2014, the Supervisory Board resolved to appoint Arkadiusz Wierciński as Member of the Management Board as of 9 January 2014 (Resolution no. 2)

2. Information about the financial statements for the prior financial year

The Company ended its activities in 2013 with net profit of PLN 7,641,695.79. The financial statements of the Company for 2013 were audited by a certified auditor. The audit was performed by authorized entity Roedl Audit Sp. z o.o. that issued an unqualified opinion on the financial statements.

The financial statements for the financial year 2013 were approved by the General Meeting held on 18 June 2014. The General Meeting decided to allocate the entire profit of 2013 to reserve funds.

The separate financial statements for the financial year 2013 were submitted to the National Court Register (KRS) on 25 June 2014.

3. Details of the authorized entity and the key certified auditor acting on its behalf

The auditor was appointed by the Supervisory Board. The audit of the financial statements was performed based on the agreement of 28 July 2014 between the Company and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the financial statements was conducted under the supervision of Marek Turczyński, key certified auditor (no. 90114) in the premises of the Company in the period 8-19 December 2014, 9-20 February 2015 and outside the Company's premises until the date of this opinion.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and key certified auditor confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on Auditors and Their Self-Government, Entities Authorized to Audit Financial Statements and Public Supervision (Journal of Laws of 2009, no. 77, item 649, as amended) to express an unbiased and independent opinion on the financial statements of the Company.

4. Availability of data and representations by the Company's management

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations were provided to the authorized entity and the key certified auditor as confirmed by the written representation of the Management Board of the Company of 12 March 2015.

II. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY

Presented below are the main items of the profit or loss, statement of financial position and financial ratios describing the financial performance of the Company and its economic and financial position compared to the analogous figures of 2013.

<u>Main items of profit or loss</u> <u>(PLN '000)</u>	<u>2014</u>	<u>2013</u>
Revenue	637,976	402,796
Operating expenses	(619,611)	(396,912)
Profit (loss) on operating activities	15,784	8,254
Net profit (loss)	10,622	7,642
<u>Main items of statement of financial position</u> <u>(PLN '000)</u>		
Inventory	17,921	18,010
Trade and other receivables	176,478	171,696
Current assets	271,177	248,262
Total assets	425,838	390,169
Equity	202,963	192,435
Current liabilities (including short-term provisions and accruals)	176,045	151,924
Trade and other payables	130,021	88,318
Total liabilities	222,875	197,734
<u>Profitability and performance indicators</u>	<u>2014</u>	<u>2013</u>
– Return on sales	2%	2%
– Net return on equity	6%	4%
– Total asset turnover	1.50%	1.03%
– Debtor days	98	145
– Creditor days	63	77
– Days sales of inventory	10	16
<u>Liquidity/Net working capital</u>		
– Debt ratio	52%	51%
– Equity to assets ratio	48%	49%
– Net working capital (PLN '000)	95,132	96,338
– Current ratio	1.54	1.63
– Quick ratio	1.44	1.52

An analysis of the above figures and ratios indicated the following trends in 2014:

- increase in return on sales and net return on equity;
- increase in total assets turnover;
- decrease in debtor and creditor days and days sales of inventory;
- increase in Company's debt ratio;
- decrease in equity to assets ratio;
- decrease in net working capital; and
- decrease in liquidity ratios.

III. DETAILED INFORMATION

1. Evaluation of accounting system

The Company's documentation specifying the adopted accounting principles is compliant in all material aspects with the requirements of Article 10 of the Accountancy Act. The principles have been applied in a continuous manner and have not changed when compared with the principles applied in the previous year. The opening balance following from the approved financial statements for the previous financial year has been properly entered into the accounting records of the audited period.

We have verified the accounting system on the basis of tests performed as part of the audit and have not found any irregularities likely to have an impact on the financial statements. However, our audit has not concerned the entire accounting system used by the Company.

The Company performed a physical count of assets and liabilities within the scope necessary to confirm the existence of presented assets and liabilities.

2. Information about the audited financial statements

The audited financial statements were prepared as at 31 December 2014 and include:

- statement of financial position as at 31 December 2014 showing the balance sheet total of PLN 425,838,234.06;
- statement of comprehensive income for the period from 1 January 2014 to 31 December 2014 showing a net profit of PLN 10,621,692.00 and total comprehensive income of PLN 10,528,161.03;
- statement of changes in equity for the period from 1 January 2014 to 31 December 2014 showing an increase in equity of PLN 10,528,161.03;
- statement of cash flows for the period from 1 January 2014 to 31 December 2014 showing an increase in cash of PLN 21,470,891.60; and
- notes to the financial statements including information on accounting principles and other explanatory information.

3. Information about selected material items of the financial statements

The financial statements present the structure of assets and liabilities and items of profit or loss.

Property, plant and equipment

Property, plant and equipment in the Company include:

- non-current assets of PLN 68,140,625.07.
- non-current assets under construction of PLN 406,213.80.

The notes correctly describe changes in non-current assets and non-current assets under construction and disclose any revaluation write-downs on such assets.

Long-term investments

The Company's long-term investments include:

- shares in subsidiaries of PLN 2,942,271.06.

The notes correctly describe changes in investments during the financial year.

Inventories

The structure of inventories has been correctly presented in the respective note to the statement of financial position.

Receivables

Ageing of trade receivables has been correctly presented in the respective note to the statement of financial position.

Payables

Credit facilities with a description of security and maturity dates have been specified in the notes to the financial statements. Ageing of payables has been correctly presented in the respective note to the statement of financial position.

Major items of the Company's payables include:

- trade and other payables of PLN 130,020,755.10;
- short-term payables following from retentions under construction contracts of PLN 18,121,876.48l; and
- liabilities under employee benefits of PLN 13,049,852.41.

Prepayments, accruals and provisions for liabilities

The explanatory notes to prepayments, accruals and provisions for liabilities correctly present the structure of the items. Deferred expenses and income have been correctly classified with respect to the audited financial year. Provisions for liabilities have been determined at reliably estimated amounts. The items have been recognized completely and correctly in all material respects in relation to the financial statements as a whole.

4. Completeness and correctness of drawing up notes and explanations and the Company's report on activities

The Company confirmed the validity of the going concern basis in preparation of the financial statements. The notes to the financial statements contain the rules governing the measurement of assets and liabilities, profit or loss and principles of preparation of the financial statements.

The notes to the financial statements give a correct and complete description of important items and a fair presentation of other material information required under the IFRS.

The Company's report on activities in the financial year 2014 has been prepared by the Management Board of the Company and attached to the financial statements. The report contains information required under Article 49.2 of the Accountancy Act and the Ordinance by the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent (Journal of Laws of 2014, item 133). We have audited the report with respect to the disclosed information derived directly from the audited financial statements.

IV. FINAL COMMENTS

Management Board's Statement

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a written statement of the Company's Management Board according to which the Company complied with applicable laws.

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Marek Turczyński
Key certified auditor
conducting the audit
No. 90114

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

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Warsaw, 12 March 2015