



**Consolidated interim financial statements
of**

**Ceramika Nowa Gala SA
Group**

for the period from January 1, 2015 to March 31, 2015

including information on quarterly finances referred to in §87 (1) of the Regulation of the Council of Ministers of 19th February 2009 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-Member State may be recognised as equivalent

Końskie, May 15, 2015

Consolidated statement of profit and loss and other comprehensive income

for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Q1 2015	Q1 2014
Revenues	39,501	41,688
Cost of sales	29,965	30,930
Gross profit on sales	9,536	10,758
Other income	309	290
Selling and administrative expenses	10,149	9,719
Other expenses	340	428
Profit before interest and tax	-644	901
Finance income	604	-
Finance cost	434	726
Share in profits of associates and joint ventures	-	-
Profit before tax	-474	175
Income tax expense	-487	-764
Profit from continued operations	13	939
Profit from discontinued operations	-	-
Profit for the year	13	939
Other comprehensive income that may be transferred to the profit in the future		
Exchange rate differences from translation	-5	-2
Other comprehensive income that may not be transferred to the profit in the future		
Costs pertaining to purchase from treasury shares	-	-
Total comprehensive income	8	937
Profit attributable to		
shareholders of the parent company	13	939
non-controlling interests	-	-
	13	939
Total comprehensive income attributable to		
shareholders of the parent company	8	937
non-controlling interests	-	-
	8	937

	Entity	Q1 2015	Q1 2014
Annualized profit (loss)	PLN thousand	1,316	1,135
Weighted average number of shares*	thousand pcs	46,894	46,895
Basic earning (loss) per share from continued operations	PLN	0,03	0,02
Weighted average diluting number of shares*	thousand pcs	46,894	46,895
Diluted earnings (loss) per share from continued operations	PLN	0.03	0.02

*without treasury shares held by the company

Consolidated statement on financial position

as at March 31, 2015

Amounts in PLN thousand (PLN '000).

Assets	31.03.2015	31.12.2014
Non-current assets		
Goodwill	18,851	18,851
Other intangible assets	4,439	4,614
Property, plant and equipment	108,262	109,595
Investment property	7,550	7,550
Other financial assets	145	145
Deferred tax assets	11,366	11,069
Total non-current assets	150,613	151,824
Current assets		
Inventory	88,774	86,457
Trade and other receivables	36,039	36,015
Receivables from current income tax	1,097	950
Other financial assets	-	-
Cash and cash equivalents	14,497	13,206
Other current assets	1,186	596
Total current assets	141,593	137,224
Assets classified as available for sale in accordance with IFRS 5	-	-
Total assets	292,206	289,048

(continued on the next page)

Consolidated statement on financial position as at March 31, 2015 (contd.)

Amounts in PLN thousand (PLN '000).

Equity and liabilities	31.03.2015	31.12.2014
Equity		
Share capital	46,894	46,894
Reserves	131,770	131,770
Revaluation reserve	-	-
Exchange rate differences from translation	3	8
Other reserves	8,719	8,719
Current portion of retained earnings	13,291	13,278
Equity attributable to the shareholders of the parent company	200,677	200,669
Non-controlling interests	-	-
Total equity	200,677	200,669
Non-current liabilities		
Borrowings	46,148	49,252
Provision for deferred income tax	6,589	6,796
Provision for employee benefits	24	24
Total non-current liabilities	52,761	56,072
Current liabilities		
Trade and other liabilities	27,235	18,714
Current tax liability	20	24
Borrowings	5,558	5,546
Factoring liability	373	0
Provision for employee benefits	1,400	1,019
Other provisions	4,182	7,004
Total current liabilities	38,768	32,307
Liabilities associated with assets classified as held for sale in accordance with IFRS 5	-	-
Total liabilities	91,529	88,379
Total liabilities and equity	292,206	289,048
Book value (in PLN thousand)	200,677	200,669
Number of shares (in thousand pcs)*	46,894	46,894
Book value per share (in PLN)	4.28	4.28
Diluted number of shares (in thousand pcs)*	46,894	46,894
Diluted book value per share (in PLN)	4.28	4.28

*without treasury shares held by the company

Consolidated cash flow statement

for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Q1 2015	Q1 2014
Operating activities		
Net profit or loss	13	939
Amortization and depreciation	3,327	3,303
Interest revenues and expenses	411	713
Revenues and costs from exchange rate differences	-301	-49
Gain on disposal of intangible and tangible non-current assets	5	-74
Movement of provisions, write downs, prepayments and accruals	-3,031	-4,554
Income tax expense	-487	-764
Other adjustments	-85	1
Cash flow from operations before movements in working capital	-68	-485
Movement of inventory	-2,319	-5,052
Change in receivables	-425	-830
Movement of liabilities	9,150	-1,988
Gross cash flow from operations	-6,338	-8,355
Received interest from operating activities	1	-
Interest paid on operating activities	-7	-
Income tax paid	39	-264
Net cash flows from operating activities	6,371	-8,619
Investing activities		
Proceeds from disposal of tangible and intangible non-current assets	8	23
Purchase of tangible and intangible non-current assets	-2,268,	-1,128
Net cash from operating activities	-2,260	-1,128

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Consolidated cash flow statement for the period from January 1, 2015 to March 31, 2015 (contd.)

Amounts in PLN thousand (PLN `000).

	Q1 2015	Q1 2014
Financing activities		
Proceeds from issue of shares	-	-
Proceeds from borrowings	2,935	13,714
Inflows from other sources of funding*	373	-
Dividends to shareholders of the parent company	-	-
Purchase of treasury shares	-	-
Repayment of borrowings	-5,907	-234
Repayment of other sources of funding**	-	-1,021
Interest paid pertaining to financing activities	-417	-705
Net cash flows from financing activities	-3,016	11,754
Net cash flows from financing activity		
	1,095	2,030
Cash and cash equivalents at the beginning of the period	13,206	5,120
Exchange rate differences	196	48
Cash and cash equivalents at the end of the period	14,497	7,198
Structure of cash and cash equivalents:		
Cash available for use	14,112	7,162
Cash unavailable for use	385	36
	14,497	7,198

*proceeds from factoring

**repayment of factoring liabilities

Consolidated statement of changes in equity for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Attributable to the shareholders of the parent company							TOTAL	Non-controlling interests	Total equity
	Share capital	Reserves	Foreign exchange differences from translation	Reserve capital	Revaluation reserve	Treasury shares	Current portion of retained earnings			
As at January 1, 2014	56,114	150,907	6	8,720	-	-24,377	10,806	202,176	-	202,176
Total comprehensive income*	-	-	-2	-	-	-	939	937	-	937
Coverage of loss from previous years	-	-	-	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-	-	-	-
Purchase of shares	-	-	-	-	-	-	-	-	-	-
As at March 31, 2014	56,114	150,907	4	8,720	-	-24,377	11,745	203,113	-	203,113
As of January 1, 2015	46,894	131,770	8	8,719	-	-	13,278	200,669	-	200,669
Total comprehensive income*	-	-	-5	-	-	-	13	8	-	8
Coverage of loss from previous years	-	-	-	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-	-	-	-
Purchase of shares	-	-	-	-	-	-	-	-	-	-
As at March 31, 2015	46,894	131,770	3	8,719	-	-	13,291	200,677	-	200,677

*After Q1 2015, the amount of total income comprises of: net profit in the amount of PLN 13 thousand, which increased the value of retained earnings and foreign exchange differences from translation of the financial statements of CNG Luxembourg subsidiary from EUR into PLN, in the amount of PLN 5 thousand (in minus) which was recognized in the item foreign exchange difference from translation. After Q1 2014, the amount of total income are: net profit in the amount of PLN 939 thousand, which increased the value of retained earnings and foreign exchange differences from translation of the financial statements of CNG Luxembourg subsidiary from EUR into PLN, in the amount of PLN 2 thousand included (in minus) which was recognized in the item foreign exchange difference from translation.

Financial highlights

Euro exchange rates used for translating the items in the following table:

- as regards balance sheet data, the average exchange rates of the NBP were used: 4.2623 PLN/EUR as at December 31, 2014 and 4.089 PLN/EUR as at March 31, 2015;
- as regards data derived from the statement of comprehensive income and the cash flow statement, the following exchange rates, which constituted the arithmetic average of the NBP rates, were used: 4.1894 PLN/EUR in Q1 2014; 4.1489 PLN/EUR in Q1 2015.

The average exchange rates of the NBP for USD, used for translating the monetary items, were as follows: 3.5072 PLN/USD as at December 31, 2014 and 3.8125 PLN/USD as at March 31, 2015.

Consolidated data	in PLN thousand		in EUR thousand	
	Q1 2015	Q1 2014 (comparable data)**	Q1 2015	Q1 2014 (comparable data)**
I. Revenue	39,501	41,688	9,521	9,951
II. Profit (loss) from operating activities	-644	901	-155	215
III. Profit (loss) before tax	-474	175	-114	42
IV. Net profit (loss)	13	939	3	224
V. Net cash flows from operating activities	6,371	-8,619	1,536	-2,057
VI. Net cash flows from investing activities	-2,260	-1,105	-545	-264
VII. Net cash flows from financing activities	-3,016	11,754	-727	2,806
VIII. Net cash flows (in total)*	1,291	2,078	311	496
IX. Total assets	292,206	289,048	71,461	67,815
X. Liabilities and provisions for liabilities	91,529	88,379	22,384	20,735
XI. Non-current liabilities	52,761	56,072	12,903	13,155
XII. Current liabilities	91,529	88,379	22,384	20,735
XIII. Equity	200,677	200,669	49,077	47,080
XIV. Share capital	46,894	46,894	11,468	11,002
XV. Number of shares	46,893,621	56,114,378	-	-
XVI. Profit (loss) per share (in PLN/EUR)	0.03	0.02	0.01	0.01
XVII. Diluted profit (loss) per share (in PLN/EUR)	0.03	0.02	0.01	0.01
XVIII. Book value per share (in PLN/EUR)	4.28	4.28	1.05	1.00
XIX. Diluted book value per share (in PLN/EUR)	4.28	4.28	1.05	1.00
XX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

* Balance sheet movement of cash, taking into account the movement of revaluation from exchange rate differences.

** Comparable data for the previous year include: in the case of income statement amounts and cash flow statement amounts – data for the first quarter of the previous year, while in the case of balance sheet data – amounts as at December 31 of the previous year.

Separate statement of profit and loss and other comprehensive income

for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Q1 2015	Q1 2014
Revenues	34,436	36,433
Cost of sales	31,278	32,985
Gross profit	3,158	3,448
Other income	27	17
Selling and administrative expenses	5,829	6,357
Other expenses	159	182
Profit before interest and tax	-2,803	-3,074
Finance income	499	59
Finance expenses	129	238
Profit before tax	-2,433	-3,253
Income tax expense	-388	-630
Profit from continued operations	-2,045	-2,623
Profit from discontinued operations	-	-
Profit for the year	-2,045	-2,623
Other comprehensive income that may not be transferred to the profit in the future		
None	-	-
Total comprehensive income	-2,045	-2,623

	Entity	Q1 2015	Q1 2014
Annualized profit (loss)	PLN thousand	-1,280	34,646
Weighted average number of shares*	thousand pcs	46,894	46,895
Basic earning (loss) per share from continued operations	PLN	-0.03	0.74
Weighted average dilutingd number of shares*	thousand pcs	46,894	46,895
Diluted earnings (loss) per share from continued operations	PLN	-0.03	0.74

*without treasury shares held by the company or its subsidiary

Separate statement of financial position

as at March 31, 2015

Amounts in PLN thousand (PLN '000).

Assets	31.03.2015	31.12.2014
Non-current assets		
Intangible assets	479	496
Property, plant and equipment	45,757	47,566
Investments in related parties	78,909	78,859
Other financial assets	121	121
Deferred tax assets	7,040	6,937
Total non-current assets	132,306	133,979
Current assets		
Inventory	62,297	59,724
Trade and other receivables	21,364	36,150
Receivables from current income tax	959	874
Loans granted to subsidiaries	105	107
Cash and cash equivalents	6,813	6,591
Other current assets	771	342
Total current assets	92,309	103,788
Assets classified as available for sale in accordance with IFRS 5	-	-
Total assets	224,615	237,767

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Separate statement of financial position as at March 31, 2015 (contd.)

Amounts in PLN thousand (PLN '000).

Liabilities and equity	31.03.2015	31.12.2014
Equity		
Share capital	46,894	46,894
Capital reserves	139,786	139,786
Revaluation reserve	-	-
Other reserves	-	-
Current portion of retained earnings	-3,904	-1,859
Total equity	182,776	184,821
Non-current liabilities		
Borrowings	8,610	13,575
Provision for deferred income tax	4,940	5,225
Provision for employee benefits	-	-
Other provisions	-	-
Total non-current liabilities	13,550	18,800
Current liabilities		
Trade and other liabilities	18,670	22,829
Current tax liabilities	-	-
Borrowings	5,558	5,546
Provision for employee benefits	1,043	772
Other provisions	3,018	4,999
Total current liabilities	28,289	34,146
Liabilities associated with assets classified as held for sale in accordance with IFRS 5	-	-
Total liabilities	41,839	52,946
Total liabilities and equity	224,615	237,767

	Entity	31.03.2015	31.12.2014
Book value	PLN thousand	182,776	184,821
Number of shares	thousand pcs	46,894	46,894
Book value per share	PLN thousand	3.90	3.94
Diluted number of shares	thousand pcs	46,894	46,894
Diluted book value per share	PLN	3.90	3.94

Separate cash flow statement

for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Q1 2015	Q1 2014
<u>Operating activities</u>		
Net profit or loss	-2,045	-2,623
Amortization and depreciation	1,869	1,848
Interest revenues and costs	64	179
Revenues and costs from exchange rate differences	-121	-11
Gain (loss) on disposal of intangible and tangible non-current assets	-1	23
Movement of provisions, write downs, prepayments and accruals	-2,139	-2,694
Income tax expense	-388	-630
Other adjustments	-	3
Cash flow from operations before movements in working capital	-2,761	-3,905
Movement of inventory	-2,573	-5,349
Movement of receivables	3,548	1,144
Movement of liabilities	8,200	1,950
Gross cash flow from operations	6,414	-6,160
Received interest from operating activities	-	-
Interest paid on operating activities	-	-
Income tax paid	-85	-256
Net cash flows from operating activities	6,329	-6,416
<u>Investing activities</u>		
Proceeds from disposal of tangible and intangible non-current assets	8	3
Purchase of tangible and intangible non-current assets	-1,174	-1,191
Loans granted	-	-252
Net cash from operating activities	-1,166	-1,440

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Separate cash flow statement (contd.)

Amounts in PLN thousand (PLN '000).

	Q1 2015	Q1 2014
<u>Financing activities</u>		
Proceeds from borrowings	1,072	9,254
Purchase of treasury shares	-	-
Repayment of borrowings	-5,905	-232
Interest paid pertaining to financing activities	-124	-231
Net cash flows from financing activities	-4,957	8,791
<u>Net cash flows from activity</u>	206	935
Cash and cash equivalents at the beginning of the period	6,591	1,079
Exchange rate differences	16	10
Cash and cash equivalents at the end of the period	6,813	2,024
<u>Structure of cash and cash equivalents</u>		
Cash available for use	6,578	2,018
Cash unavailable for use	235	6
	6,813	2,024

Separate statement of changes in equity for the period from January 1, 2015 to March 31, 2015

Amounts in PLN thousand (PLN '000).

	Share capital	Reserves	Other reserves	Revaluation reserve	Treasury shares	Current portion of retained earnings	Total equity
As at January 1, 2014	56,114	123,456	-	-	-538	35,237	214,269
Total comprehensive income*	-	-	-	-	-	-2,623	-2,623
Coverage of loss from previous years	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-
As at March 31, 2014	56,114	123,456	-	-	-538	32,614	211,646
As at January 1, 2015	46,894	139,786	-	-	-	-1,859	184,821
Total comprehensive income*	-	-	-	-	-	-2,045	-2,045
Coverage of loss from previous years	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-
As at March 31, 2015	46,894	139,786	-	-	-	-3,904	182,776

*After Q1 2015, the amount of total income was: a net loss in the amount of PLN 2,045 thousand which decreased the amount of retained earnings. After Q1 2014, the amount of total income was: a net loss in the amount of PLN 2,623 thousand which decreased the amount of retained earnings.

Financial highlights

Euro exchange rates used for translating the items in the following table:

- as regards balance sheet data, the average exchange rates of NBP were used: 4.2623 PLN/EUR as at December 31, 2014 and 4.089 PLN/EUR as at March 31, 2015;
- as regards data derived from the statement of comprehensive income and the cash flow statement, the following exchange rates, which constituted the arithmetic average of the NBP rates, were used: 4.1894 PLN/EUR in Q1 2014; 4.1489 PLN/EUR in Q1 2015.

The average exchange rates of the NBP for USD used for translating the monetary items were as follows: 3.5072 PLN/USD as at December 31, 2014 and 3.8125 PLN/USD as at March 31, 2015.

Individual data	in PLN thousand		in EUR thousand	
	Q1 2015	Q1 2014 (comparable data)**	Q1 2015	Q1 2014 (comparable data)**
I. Revenue	34,436	36,433	8,300	8,696
II. Profit (loss) before interests and tax	-2,803	-3,074	-676	-734
III. Profit (loss) before tax	-2,433	-3,253	-586	-776
IV. Net profit (loss)	-2,045	-2,623	-493	-626
V. Net cash flows from operating activities	6,329	-6,416	1,525	-1,531
VI. Net cash flows from investing activities	-1,166	-1,440	-281	-344
VII. Net cash flows from financing activities	-4,957	8,791	-1,195	2,098
VIII. Net cash flows (in total)*	222	945	54	226
IX. Total assets	224,615	133,979	54,932	31,433
X. Liabilities and provisions for liabilities	41,839	52,946	10,232	12,422
XI. Non-current liabilities	13,550	18,800	3,314	4,411
XII. Current liabilities	28,289	34,146	6,918	8,011
XIII. Equity	182,776	184,821	44,699	43,362
XIV. Share capital	46,894	46,894	11,468	11,002
XV. Number of shares	46,893,621	56,114,378	-	-
XVI. Profit (loss) per share (in PLN/EUR)	-0.03	0.74	-0.01	0.18
XVII. Diluted profit (loss) per share (in PLN/EUR)	-0.03	0.74	-0.01	0.18
XVIII. Book value per share (in PLN/EUR)	3.90	3.94	0.95	0.92
XIX. Diluted book value per share (in PLN/EUR)	3.90	3.94	0.95	0.92
XX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

*balance sheet movement of cash, taking into account the movement of revaluation from exchange rate differences

**Comparable data for the previous year include: in the case of income statement amounts and cash flow statement amounts – data for the first quarter of the previous year, while in the case of balance sheet data – amounts as of 31 December of the previous year.

Additional Information

to the consolidated quarterly report for Q1 2015 prepared by a group of companies whose parent company is Ceramika Nowa Gala SA, including separate quarterly financial statement of the parent company

1. Principles adopted in the preparation of the consolidated quarterly report

When preparing the consolidated financial statements, the company applies the accounting principles consistent with the International Financial Reporting Standards. All data have been derived from the accounting records of the Company, its subsidiaries, off-balance sheet records and consolidation documents.

The group is composed of the following business entities whose financial statements are consolidated on a line-by-line basis:

- Ceramika Nowa Gala SA – parent company;
- Ceramika Nowa Gala II Sp. z o.o. – subsidiary;
- Ceramika Gres SA – subsidiary;
- CNG Luxembourg S.à.r.l. – subsidiary;
- Energia Park Trzemoszna Sp. z o.o. – company controlled by subsidiaries (currently, the company does not carry out any business activity).

Except for CNG Luxembourg S.à.r.l. subsidiary, the accounts of the subsidiary companies are conducted based on the same accounting principles as in the parent company. The accounts of CNG Luxembourg S.à.r.l. are maintained in accordance with accounting standards applicable in Luxembourg and its financial statements are subject to relevant transformations in the consolidation process.

This consolidated interim financial statement was compiled in line with IAS 34. The applied accounting principles are the same as those which governed the preparation of the financial statement for the year 2014.

These consolidated interim financial statements were prepared with the assumption that the companies which belong to the group would continue their activities in the foreseeable future. On the day of approval of these financial statements for publication, there were no circumstances which would indicate any threat to the continuation of activities conducted by the companies of the group.

These consolidated interim financial statements do not contain all information and disclosures which are required to be included in the annual consolidated financial statements. Hence, all information contained herein should be read in conjunction with the consolidated financial statements of the Group for the financial year which ended on December 31, 2014, prepared in accordance with IFRS.

2. Seasonal character of the issuer's business

Similarly to other sectors, the ceramic tile industry is characterized by seasonal demand for the sold goods. The lowest demand is observed in winter (1st quarter and the last two months of the year), whereas the highest demand usually falls on summer months.

3. Impact of unusual events on the financial statements

- PLN 2,730 thousand;
- offsetting the dividend from Ceramika Nowa Gala II Sp. z o.o. subsidiary (see: section 12).
The transaction influences the separate financial statements only and is eliminated from the consolidated financial statements.

4. Information on essential adjustments in provisions, including the provision and assets resulting from deferred income tax and write-downs on assets

- creating provisions for liabilities: PLN 3,367 thousand;
- utilizing provisions for liabilities: PLN 5,836 thousand;
- increasing provisions for deferred income tax: PLN 161 thousand;
- utilizing provisions for deferred income tax: PLN 366 thousand;
- increasing deferred income tax assets: PLN 1,976 thousand;
- utilizing deferred income tax assets: PLN 1,692 thousand.

5. Business segments

The organizational structure of the group is a functional one. Four key areas can be distinguished: sales, production, finance, administration and logistics. The key decisions regarding the ongoing operations and the Group's growth strategy are taken by the management board. The group specializes in the production of ceramic stoneware tiles which are sold under two brands: Ceramika Nowa Gala and Ceramika Gres. The sales policy is determined jointly for the whole group. In accordance with the requirements of IFRS 8, only one operating segment has been distinguished.

5.1. Information on geographic segments

Amounts in PLN thousand (PLN '000).

	DOMESTIC		EXPORT		TOTAL	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
Revenues	32,790	35,342	6,711	6,346	39,501	41,688
Cost of sales	22,615	24,457	4,649	4,587	27,264	29,044
Sales result	10,175	10,885	2,062	1,759	12,237	12,644
Unallocated costs					2,701	1,886
Gross profit					9,536	10,758

Assets	31.03.2015	31.12.2014	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Trade receivables	28,515	28,099	5,834	5,923	34,349	34,022
Other receivables (unallocated)					1,690	1,993
					36,039	36,015

None of the export countries exceeds 10% of the share in consolidated revenues.

All fixed assets of the group are located in Poland. CNG Luxembourg subsidiary does not own fixed assets and does not manufacture goods or conduct trade operations.

5.2. Information on product segment

The Group specializes in the production of ceramic stoneware tiles and supplementary elements, sold within one joint offer. The remaining sales are marginal and consist of raw materials or services.

Amounts in PLN thousand (PLN '000).

	CERAMIC PRODUCTS		OTHER SALES		TOTAL	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
Revenues from sales to external customers	39,413	40,971	88	717	39,501	41,688
Purchase of fixed assets	1,805	4,292	-	-	1,805	4,292

5.3. Information on significant customers

Within Q1 2015, sales to none of the customers of the group exceeded 10% of consolidated revenues from sales.

6. Loan agreements concluded in Q1 2015

Neither Ceramika Nowa Gala SA nor its subsidiary companies concluded any loan agreements in Q1 2015.

7. Recommendation of the management board concerning the payment of dividend for 2014

The management board of Ceramika Nowa Gala SA intends to recommend to the General Meeting of Shareholders the payment of dividend from the distributable accumulated profits from previous years. The planned amount of dividend per 1 share is PLN 0.10, thus the total amount to be paid should be PLN 4,689,362.10. The number of shares from which the dividend is to be paid is 46,893,621. The final decision as regards the proposed dividend will be taken by the general meeting of shareholders.

8. Conclusion of an agreement on purchase of fuel gas between the companies of the Group and PGNiG Obrót Detaliczny Sp. z o.o.

On 23 January 2015, Ceramika Nowa Gala SA and its subsidiaries: Ceramika Gres SA and Ceramika Nowa Gala II Sp. z o.o. entered into agreements on purchase of fuel gas with PGNiG Obrót Detaliczny Sp. z o.o. All the agreements have been concluded for an indefinite period. The estimated total value of purchases under these agreements for the period of 5 years will be approx. PLN 130,482 thousand. The most important details concerning the agreement of the highest value are as follows:

- the agreement was concluded by Ceramika Gres SA subsidiary;
- the price to be paid by the subsidiary for received fuel gas will depend on the current tariff;
- the debtor's consent for voluntary submission to enforcement of up PLN 2,500 thousand will be used as a performance bond;
- where the actual annual purchase of fuel gas is lower than the minimum amount specified in the agreement, the subsidiary will be required to pay the seller liquidated damages in the amount of 75% of the price for uncollected fuel gas;
- the agreement has been concluded for an indefinite period;
- the Polish zloty is the currency of the agreement;
- the value of purchases made under the agreement within 5 years is estimated at approx. PLN 58,137 thousand.

9. Changes in off-balance sheet items relative to the annual report for 2014

There have been changes in off-balance sheet items relative to the information disclosed in the last consolidated annual report. The future liability regarding the purchase plant and equipment has decreased to EUR 75 thousand.

10. Important events that took place after the balance sheet date and before the date of the publication of this report

On May 7, 2015, Ceramika Nowa Gala II Sp. z o.o. subsidiary granted a loan to Energia Park Trzemoszna Sp. z o.o. in the amount of PLN 2,000 thousand. The loan is intended to finance the business activity, among others, to secure funds in connection with applying to the President of the ERO for a license for trade in gas.

11. Position of the management board concerning the implementation of financial projections for 2015

The company did not publish any forecasts for 2015.

12. Compensation of dividend from Ceramika Nowa Gala II Sp. z o.o. subsidiary

In accordance with the resolution of the general meeting of shareholders of Ceramika Nowa Gala II Sp. z o.o., the profit of the subsidiary for 2013 in the amount of PLN 11,242,827.77 was allocated in 2014 in full for the payment of dividend to the sole shareholder, Ceramika Nowa Gala SA. The dividend was offset with other accounts in February 2015.

13. Shareholders holding at least 5% of the total number of votes at the General Meeting on the day of publishing the consolidated quarterly report

According to the information obtained by the company, the following shareholders hold shares authorising them to at least 5% of votes at the general shareholders meeting. The provided information was determined based on communications received by the company from shareholders or based on the number of shares from which a given shareholder was authorised for dividend payments.

Shareholder	Number of shares taken up	Percentage share in the share capital	Number of votes at the General Meeting	Percentage share in votes at the General Meeting
Waldemar Piotrowski	10,806,249	23.04%	10,806,249	23.04%
MetLife Otwarty Fundusz Emerytalny	9,356,722	19.95%	9,356,722	19.95%
PTE Allianz Polska SA	6,049,157	12.90%	6,049,157	12.90%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	5,834,364	12.44%	5,834,364	12.44%
ING Otwarty Fundusz Emerytalny and ING Dobrowolny Fundusz Emerytalny	3,293,725	7.02%	3,293,725	7.02%
ING Otwarty Fundusz Emerytalny and ING Dobrowolny Fundusz Emerytalny				

Shareholders holding at least 5% of votes at the general meeting of shareholders in accordance with the consolidated quarterly report for the Q3 2014 published on November 14, 2014.

Shareholder	Number of shares taken up	Percentage share in the capital	Number of votes at the general meeting	Percentage share in votes at the general meeting
Waldemar Piotrowski	10,806,249	23.04%	10,806,249	23.04%
MetLife Otwarty Fundusz Emerytalny	9,356,722	19.95%	9,356,722	19.95%
PTE Allianz Polska SA	6,049,157	12.90%	6,049,157	12.90%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	5,834,364	12.44%	5,834,364	12.44%
ING Otwarty Fundusz Emerytalny and ING Dobrowolny Fundusz Emerytalny	3,293,725	7.02%	3,293,725	7.02%

14. Statement of the ownership of the company's shares or rights to shares of its managing and supervisory persons

According to the information obtained by the company, from the date of the publication of the last quarterly report to the date of the publication of this report, there have been no changes in the company's shareholding structure with respect to its managing and supervisory persons.

As of the date of this report, it follows from the information available to the company that:

- Mr. Waldemar Piotrowski acting as President of the Management Board holds: 10,806,249 shares of the company constituting 23.04% of the share capital and authorising their holder to the same number of votes at the general shareholders meeting;
- Mr. Paweł Górnicki acting as Vice-President of the Management Board holds: 352,077 shares of the company constituting 0.75% of the share capital and authorising their holder to the same number of votes at the general shareholders meeting;
- Mr. Zbigniew Polakowski acting as proxy holds: 12,070 shares of the company constituting 0.02 % of the share capital and authorising their holder to the same number of votes at the general shareholders meeting.

15. Information on proceedings to which the Issuer or its subsidiary is a party, whose value constitutes at least 10% of the Issuer's equity

There are no such proceedings.

16. Information on entering by the Issuer or its subsidiary into one or more transactions with related parties, where such transactions are significant, either individually or collectively, and were concluded on terms other than on the arm's length basis

In the period covered by this report, no transactions were concluded with related entities by the company or its subsidiaries, neither individually nor jointly, that would be significant and concluded according to terms other than market terms.

17. Information on granting a loan guarantee, a loan, or credit sureties by Ceramika Nowa Gala SA or its subsidiaries, of values equivalent to at least 10% of the equity of Ceramika Nowa Gala SA

Neither Ceramika Nowa Gala SA nor its subsidiaries granted in Q1 2015 a loan guarantee, a loan, or credit sureties whose values were equivalent to at least 10% of the Issuer's equity. However, on

May 7, 2015, Ceramika Nowa Gala II Sp. z o.o. subsidiary granted a loan in the amount of PLN 2,000 thousand to Energia Park Trzemoszna Sp. z o.o. The loan is intended to finance the business activity, among others, to secure funds in connection with applying to the President of the ERO for a license for trade in gas (an off-balance sheet event).

18. Factors which the company believes to affect the results achieved by the Group at least within the next quarter

The factors which may influence financial results of the group in the nearest future include:

- foreign exchange volatility;
- uncertainty about the pace of economic development in the country, as well as on markets to which the group exports its products;
- uncertainty due to the conflict in Ukraine;
- development of sales of new product lines;
- increase in the cost of purchasing certain raw materials;
- seasonal increase in sales in Q2 and Q3 2015.

In the case of the parent company, there have been no circumstances that may have an impact on the assessment of its financial position and that are not disclosed in this financial statement.