



**Consolidated interim financial statements
of**

Ceramika Nowa Gala SA Group

for the period of 1 January – 31 March 2016

including information on quarterly finances referred to in Article 87(1) of the Regulation of the Council of Ministers of 19 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 recognized as equivalent.

Końskie, 16 May 2016

Consolidated statement of profit and loss and other comprehensive income

for the period of 1 January – 31 March 2016

Amounts in PLN thousand (PLN '000).

	Q1 2016	Q1 2015
Revenues	40,067	39,501
Cost of sales	29,210	29,965
Gross profit	10,857	9,536
Other income	11	309
Selling and administrative expenses	10,590	10,149
Other expenses	381	340
Profit before interest and tax	-103	-644
Finance income	15	604
Finance expenses	602	434
Profit from continued operations before tax	-690	-474
Income tax expense	-113	-487
Profit from continued operations after tax	-577	13
Profit from discontinued operations after tax	-	-
Profit	-577	13
Other comprehensive income that may be transferred to the profit in the future		
Exchange rate differences from translation	1	-5
Other comprehensive income that may not be transferred to the profit in the future		
None	-	-
Total comprehensive income	-576	8
Profit attributable to		
shareholders of the parent company	-577	13
non-controlling interests	-	-
	-577	13
Total comprehensive income attributable to		
shareholders of the parent company	-576	8
non-controlling interests	-	-
	-576	8

	Unit	Q1 2016	Q1 2015
Annualized profit (loss)	PLN thousand	-238	1,316
Weighted average number of shares	thousand	46,894	46,894
Basic earnings (loss) per share from continued operations	PLN	-0.005	0.03
Weighted average diluted number of shares	thousand	46,894	46,894
Diluted earnings (loss) per share from continued operations	PLN	-0.005	0.03

Consolidated statement on financial position as at 31 March 2016

Amounts in PLN thousand (PLN '000).

Assets	31.03.2016	31.12.2015
Non-current assets		
Goodwill	18,851	18,851
Other intangible assets	3,738	3,904
Property, plant and equipment	100,184	101,904
Investment property	7,550	7,550
Other financial assets	145	145
Deferred tax assets	11,079	11,081
Total non-current assets	141,547	143,435
Current assets		
Inventory	82,510	84,938
Trade and other receivables	38,027	37,306
Receivables from current income tax	417	343
Other financial assets	-	-
Cash and cash equivalents	9,387	9,894
Other current assets	944	398
Total current assets	131,285	132,879
Fixed assets classified as held for sale in accordance with IFRS 5	-	-
Total assets	272,832	276,314

(continued on the next page)

Consolidated statement on financial position as at 31 March 2016 (contd.)

Amounts in PLN thousand (PLN '000).

Equity and liabilities	31.03.2016	31.12.2015
Equity		
Share capital	46,894	46,894
Reserves	125,274	125,274
Revaluation reserve	-	-
Exchange rate differences from translation	6	5
Other reserves	8,719	8,719
Current portion of retained earnings	14,860	15,437
Equity attributable to the shareholders of the parent company	195,753	196,329
Non-controlling interests	-	-
Total equity	195,753	196,329
Non-current liabilities		
Borrowings	34,231	31,508
Provision for deferred income tax	5,948	6,090
Provision for employee benefits	24	24
Total non-current liabilities	40,203	37,622
Current liabilities		
Trade and other liabilities	23,197	26,360
Current tax liability	18	13
Borrowings	7,260	4,245
Factoring liability	1,019	1,309
Provision for employee benefits	1,376	1,889
Other provisions	4,006	8,547
Total current liabilities	36,876	42,363
Liabilities associated with assets classified as held for sale in accordance with IFRS 5	-	-
Total liabilities	77,079	79,985
Total liabilities and equity	272,832	276,314
Book value (in PLN thousand)	195,753	196,329
Number of shares (in thousand)	46,894	46,894
Book value per share (in PLN)	4.17	4.28
Diluted number of shares (in thousand)	46,894	46,894
Diluted book value per share (in PLN)	4.17	4.28

Consolidated cash flow statement for the period of 1 January – 31 March 2016

Amounts in PLN thousand (PLN '000).

	Q1 2016	Q1 2015
<u>Operating activities</u>		
Net profit (loss)	-577	13
Amortization and depreciation	3,376	3,327
Interest revenues and expenses	379	411
Revenues and costs from exchange rate differences	158	-301
Gain on disposal of intangible and tangible non-current assets	11	5
Movement of provisions, write-downs, prepayments and accruals	-5,602	-3,031
Income tax expense	-113	-487
Other adjustments	-1	-5
Cash flow from operations before movements in working capital	-2,369	-68
Movement of inventory	2,429	-2,319
Movement of receivables	871	-425
Movement of liabilities	-5,036	9,150
Net cash flow from operations	-4,105	6,338
Received interest from operating activities	1	1
Interest paid on operating activities	-1	-7
Income tax paid	-95	39
Net cash flows from operating activities	-4,201	6,371
<u>Investing activities</u>		
Proceeds from disposal of tangible and intangible non-current assets	36	8
Purchase of tangible and intangible non-current assets	-1,254	-2,268
Net cash from investing activities	-1,218	-2,260

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Consolidated cash flow statement for the period of 1 January – 31 March 2016 (contd.)

Amounts in PLN thousand (PLN '000).

	Q1 2016	Q1 2015
<u>Financing activities</u>		
Proceeds from borrowings	6,116	2,935
*proceeds from factoring	-	373
Repayment of borrowings	-389	-5,907
Repayment of factoring liabilities	-290	-
Interest paid pertaining to financing activities	-381	-417
Net cash from financing activities	5,056	-3,016
Net cash from financing activities	-363	1,095
Cash and cash equivalents at the beginning of the period	9,894	13,206
Exchange rate differences	-144	196
Cash and cash equivalents at the end of the period	9,387	14,497
<u>Structure of cash and cash equivalents:</u>		
Cash available for use	9,195	14,112
Cash unavailable for use	192	385
	9,387	1,497

Consolidated statement of changes in equity

for the period of 1 January – 31 March 2016

Amounts in PLN thousand (PLN '000).

	Share capital	Reserves	Attributable to the shareholders of the parent company					Total	Non-controlling interests	Total equity
			Foreign exchange differences from translation	Reserve capital	Revaluation reserve	Treasury shares	Current portion of retained earnings			
As at 1 January 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	-	-	-	-	-	-	-	-	-	-
As at 31 March 2015	46,894	131,770	3	8,719	-	-	13,291	200,677	-	200,677
As at 1 January 2016	46,894	125,274	5	8,719	-	-	15,437	196,329	-	196,329
Total comprehensive income*	-	-	1	-	-	-	-577	-576	-	-576
Coverage of loss from previous years	-	-	-	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	46,894	125,274	6	8,719	-	-	14,860	195,753	-	195,753

*After Q1 2016, the amount of total income was attributed to the following items: net loss in the amount of PLN 577 thousand, which decreased the value of retained earnings, while foreign exchange differences from translation of the financial statements of the CNG Luxembourg S. à.r. l. subsidiary from EUR into PLN, in the amount of PLN 1 thousand, were recognized (in minus) in the item "foreign exchange differences from translation". After Q1 2015, the amount of total income was attributed to the following items: net profit in the amount of PLN 13 thousand, which increased the value of retained earnings, while foreign exchange differences from translation of the financial statements of the CNG Luxembourg S. à.r. l. subsidiary from EUR into PLN, in the amount of PLN 5 thousand, were recognized (in minus) in the item "foreign exchange differences 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: 4.2615 PLN/EUR as at 31 December 2015 and 4.2684 PLN/EUR as at 31 March 2016;
- 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, prevailing on the last day of each month in the reporting period, were used: 4.1489 PLN/EUR in 2015; 4.3559 PLN/EUR in 2016.

The average exchange rates of the NBP for USD, used for translating the monetary items were as follows: 3.759 PLN/USD as at 31 March 2016 and 3.9011 PLN/USD as at 31 December 2015.

Consolidated data	in PLN thousand		in EUR thousand	
	Q1 2016	Q1 2015 (comparable data)**	Q1 2016	Q1 2015 (comparable data)**
I. Revenues	40,067	39,501	9,198	9,521
II. Profit (loss) from operating activities	-103	-644	-24	-155
III. Profit (loss) before tax	-690	-474	-158	-114
IV. Net profit (loss)	-577	13	-132	3
V. Net cash flows from operating activities	-4,201	6,371	-964	1,536
VI. Net cash flows from investing activities	-1,218	-2,260	-280	-545
VII. Net cash flows from financing activities	5,056	-3,016	1,161	-727
VIII. Net cash flows (total)*	-507	1,291	-116	311
IX. Total assets	272,832	276,314	63,919	64,840
X. Liabilities and provisions for liabilities	77,079	79,985	18,058	18,769
XI. Non-current liabilities	40,203	37,622	9,419	8,828
XII. Current liabilities	36,876	42,363	8,639	9,941
XIII. Equity	195,753	196,329	45,861	46,070
XIV. Share capital	46,894	46,894	10,986	11,004
XV. Number of shares	46,893,621	46,893,621	-	-
XVI. Profit (loss) per share (in PLN/EUR)	-0.01	0.03	0.00	0.01
XVII. Diluted profit (loss) per share (in PLN/EUR)	-0.01	0.03	0.00	0.01
XVIII. Book value per share (in PLN/EUR)	4.17	4.28	0.98	1.00
XIX. Diluted book value per share (in PLN/EUR)	4.17	4.28	0.98	1.00
XX. Declared or paid dividend per share (in PLN/EUR)	-	-	-	-

* Balance sheet movement of cash accounting for the movement of revaluation from foreign exchange 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 31 December of the previous year.

Separate statement of profit and loss and other comprehensive income

for the period of 1 January - 31 March 2016

Amounts in PLN thousand (PLN '000).

	Q1 2016	Q1 2015
Revenue	35,429	34,436
Cost of sales	30,459	31,278
Gross profit	4,970	3,158
Other income	7	27
Selling and administrative expenses	6,384	5,829
Other expenses	122	159
Profit before interest and tax	-1,529	-2,803
Finance income	53	499
Finance expenses	207	129
Profit from continued operations before tax	-1,683	-2,433
Income tax expense	-149	-388
Profit from continued operations after tax	-1,534	-2,045
Profit from discontinued operations after tax	-	-
Profit for the year	-1,534	-2,045
Other comprehensive income that may not be transferred to the profit in the future		
None	-	-
Total comprehensive income	-1,534	-2,623

	Unit	Q1 2016	Q1 2015
Annualized profit (loss)	PLN thousand	9,438	-1,280
Weighted average number of shares	thousand	46,894	46,894
Basic earnings (loss) per share from continued operations	PLN	0.2	-0.03
Weighted average diluted number of shares	thousand	46,894	46,894
Diluted earnings (loss) per share from continued operations	PLN	0.20	-0.03

Separate statement of financial position as at 31 March 2016

Amounts in PLN thousand (PLN '000).

Assets	31.03.2016	31.12.2015
Non-current assets		
Intangible assets	400	420
Property, plant and equipment	40,934	41,474
Investments in related parties	77,994	77,944
Other financial assets	121	121
Deferred tax assets	6,990	7,046
Total non-current assets	126,439	127,005
Current assets		
Inventory	62,759	61,443
Trade and other receivables	32,053	42,931
Receivables from current income tax	-	-
Loans granted to subsidiaries	204	116
Cash and cash equivalents	1,469	2,603
Other current assets	563	155
Total current assets	97,048	107,248
Fixed assets classified as held for sale in accordance with IFRS 5	-	-
Total assets	223,487	234,253

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Separate statement of financial position as at 31 March 2016 (contd.)

Amounts in PLN thousand (PLN '000).

Equity and liabilities	31.03.2016	31.12.2015
Equity		
Share capital	46 894	46 894
Reserves	133 237	133 237
Revaluation reserve	-	-
Other reserves	-	-
Current portion of retained earnings	7 393	8 927
Total equity	187,524	189,058
Non-current liabilities		
Borrowings	5,346	5,613
Provision for deferred income tax	3,961	4,165
Provision for employee benefits	-	-
Other provisions	-	-
Total non-current liabilities	9,307	9,778
Current liabilities		
Trade and other liabilities	15,460	23,681
Current tax liability	-	-
Borrowings	7,260	4,245
Provision for employee benefits	977	1,483
Other provisions	2,959	6,008
Total current liabilities	26,656	35,417
Liabilities associated with assets classified as held for sale in accordance with IFRS 5	-	-
Total liabilities	35,963	45,195
Total equity and liabilities	223,487	234,253

	Unit	31.03.2016	31.12.2015
Book value	PLN thousand	187,524	189 058
Number of shares	thousand	46,894	46 894
Book value per share	PLN thousand	4.00	4.03
Diluted number of shares	thousand	46,894	46 894
Diluted book value per share	PLN	4.00	4.03

Separate cash flow statement for the period of 1 January – 31 March 2016

Amounts in PLN thousand (PLN '000).

	Q1 2016	Q1 2015
<u>Operating activities</u>		
Net profit (loss)	-1,534	-2,045
Amortization and depreciation	1,877	1,869
Interest revenues and expenses	25	64
Foreign exchange gains (losses)	71	-121
Gain (loss) on disposal of intangible and tangible non-current assets	-1	-1
Movement of provisions, write-downs, prepayments and accruals	-3,964	-2,139
Income tax expense	-149	-388
Other adjustments	-	-
Cash flow from operations before movements in working capital	-3,675	-2,761
Movement of inventory	-1,316	-2,573
Movement of receivables	-1,998	3,548
Movement of liabilities	3,162	8,200
Cash flow from operations before tax	-3,827	6,414
Received interest from operating activities	-	-
Interest paid on operating activities	-3	-
Income tax paid	-	-85
Net cash flows from operating activities	-3,830	6,329
<u>Investing activities</u>		
Proceeds from disposal of tangible and intangible non-current assets	14	8
Dividends received from subsidiary companies	1,217	-
Purchase of tangible and intangible non-current assets	-1,052	-1,174
Loans granted to subsidiaries	-88	-
Net cash from investing activities	91	-1,166

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Separate cash flow statement (contd.)

Amounts in PLN thousand (PLN `000).

	Q1 2016	Q1 2015
Financing activities		
Proceeds from borrowings	3,125	1,072
Repayment of borrowings	-388	-,5,905
Interest paid pertaining to financing activities	-75	-124
Net cash from financing activities	2,662	-4,957
Net cash from financing activities	-1,077	206
Cash and cash equivalents at the beginning of the period	2,603	6,591
Exchange rate differences	-57	16
Cash and cash equivalents at the end of the period	1,469	6,813
Structure of cash and cash equivalents:		
Unrestricted cash	1,341	6,578
Restricted cash	128	235
	1,469	6,813

Separate statement of changes in equity for the period of 1 January - 31 March 2016

Amounts in PLN thousand (PLN '000).

	Share capital	Reserves	Other reserves	Revaluation reserve	Treasury shares	Current portion of retained earnings	Total equity
As at 1 January 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 31 March 2015	46,894	139,786	-	-	-	-3,904	182,776
As at 1 January 2016	46,894	139,786	-	-	-	-1,859	184,821
Total comprehensive income*	-	-	-	-	-	-1,534	-1,534
Coverage of loss from previous years	-	-	-	-	-	-	-
Division of profit from previous years	-	-	-	-	-	-	-
As at 31 March 2016	46,894	133,237	-	-	-	7,393	187,524

*After Q1 2016, the amount of total income was attributed to the following items: net loss of PLN 1,534 thousand, which decreased the amount of retained earnings. After Q1 2015, the amount of total income was attributed to the following items: net loss in the amount of PLN 2,045 thousand, which decreased the amount of retained earnings.

Financial highlights

Euro exchange rates used to translate the items in the following table:

- as for balance sheet data, the average exchange rates of the NBP were used: 4.2615 PLN/EUR as at 31 December 2015 and 4.2684 PLN/EUR as at 31 March 2016;
- as for 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, prevailing on the last day of each month in the reporting period, were used: 4.1489 PLN/EUR in 2015; 4.3559 PLN/EUR in 2016.

Consolidated data	in PLN thousand		in EUR thousand	
	Q1 2016	Q1 2015 (comparable data)**	Q1 2016	Q1 2015 (comparable data)**
I. Revenue	35,429	34,436	8,134	8,300
II. Profit (loss) from operating activities	-1,529	-2,803	-351	-676
III. Profit (loss) before tax	-1,683	-2,433	-386	-586
IV. Net profit (loss)	-1,534	-2,045	-352	-493
V. Net cash flows from operating activities	-3,830	6,329	-879	1,525
VI. Net cash flows from investing activities	91	-1,166	21	-281
VII. Net cash flows from financing activities	2,662	-4,957	611	-1,195
VIII. Net cash flows (total)*	-1,134	222	-260	54
IX. Total assets	223,487	234,253	52,358	60,048
X. Liabilities and provisions for liabilities	35,963	45,195	8,425	11,585
XI. Non-current liabilities	9,307	9,778	2,180	2,506
XII. Current liabilities	26,656	35,417	6,245	9,079
XIII. Equity	187,524	189,058	43,933	48,463
XIV. Share capital	46,894	46,894	10,986	12,021
XV. Number of shares	46,893,621	46,893,621	-	-
XVI. Profit (loss) per share (in PLN/EUR)	0.20	-0.03	0.05	-0.01
XVII. Diluted profit (loss) per share (in PLN/EUR)	0.20	-0.03	0.05	-0.01
XVIII. Book value per share (in PLN/EUR)	4.00	4.03	0.94	1.03
XIX. Diluted book value per share (in PLN/EUR)	4.00	4.03	0.94	1.03
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 31 December of the previous year.

Additional Information

to the consolidated quarterly report for Q1 2016 prepared by the group of companies for which Ceramika Nowa Gala SA is a parent company, comprising the abridged separate quarterly financial statements 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 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.

Except for the CNG Luxembourg S.à.r.l. subsidiary and Energia Park Trzemoszna Sp. z o.o., the books of the subsidiary companies are kept based on the same accounting principles as those applicable to the parent company. The accounts of CNG Luxembourg S.à.r.l. are kept in accordance with accounting standards applicable in Luxembourg, while those of Energia Park Trzemoszna – in accordance with Polish accounting standards. In the course of the consolidation process, their financial statements are subject to relevant transformations.

These consolidated interim financial statements were compiled in line with IAS 34. The applied accounting principles are the same as those which governed the preparation of the financial statements for 2015.

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 31 December 2015, prepared in accordance with IFRSs.

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 occurs in the summer months.

3. Impact of unusual events on the financial statements

- profit lower due to incomplete utilization of production capacities: PLN 2,799 thousand

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

- creating provisions for liabilities: PLN 1,840 thousand;
- utilizing provisions for liabilities: PLN 6,635 thousand;
- increasing provisions for deferred income tax: PLN 110 thousand;
- utilizing provisions for deferred income tax: PLN 251 thousand;

- increasing deferred income tax assets: PLN 1.458 thousand;
- utilizing deferred income tax assets: PLN 1,473 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: 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		EXPORTS		TOTAL	
	Q1 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Revenues	33,082	32,790	6,985	6,711	40,067	39,501
Cost of sales	21,242	22,615	5,051	4,649	26,293	27,264
Sales result	11,840	10,175	1,934	2,062	13,774	12,237
Unallocated costs	,	,	,	,	2,917	2,701
Gross profit					10,857	9,536

Assets	31.03.2016	31.12.2015	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Trade receivables	30,871	30,325	5,883	5,248	36,754	35,573
Other receivables (unallocated)					1,273	1,733
					38,027	37,306

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

All fixed assets of the companies of the Group are located in Poland. CNG Luxembourg S.à.r.l. subsidiary does not own fixed assets and does not manufacture goods or conduct trade operations.

5.2. Information on product segments

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 2016	Q1 2015	Q1 2016	Q1 2015	Q1 2016	Q1 2015
Revenues from sales to external customers	40,023	39,413	44	88	40,067	39,501
Purchase of fixed assets	2,977	1,805	-	-	2,977	1,805

5.3. Information on significant customers

In Q1 2016, sales to none of the customers of the Group exceeded 10% of consolidated revenues from sales.

6. Loan agreements concluded in Q1 2015

In Q1 2016, neither Ceramika Nowa Gala SA nor its subsidiary companies entered into any loan agreements. After the balance sheet date, the Company was supposed to repay – by 22 April 2016 – a working credit facility contracted to its subsidiary by Bank Handlowy SA. The Company resolved to repay it in total and not to revolve this bank facility.

7. Launching the operations of a subsidiary company based on a licence for trade in gas

On 7 August 2015, by way of a decision of the President of the Energy Regulatory Office, Energia Park Trzemoszna Sp. z o.o. of the Group was granted a licence for trade in gas fuels valid from 2 August 2015 to 31 December 2030. The Group uses this licence to purchase gas for the own use of the companies of the Group. To begin actual activity under the above-mentioned licence, it was necessary to obtain a tariff for trade in gas fuel approved by the President of the ERO and sign agreements with a Distribution System Operator and a Transmission System Operator. Under the Decision of the President of the ERO of 29 January 2016, Energia Park Trzemoszna Sp. z o.o. was assigned an approved tariff for trading in gas. The company also signed agreements with the Distribution System Operator (in February 2016) and the Transmission System Operator (in March 2016). In March 2016, the company began selling gas.

8. Annex to the agreement providing for a loan to a subsidiary company

On 8 February 2016, Ceramika Nowa Gala SA signed an annex under which the loan granted to the CNG Luxembourg S.à.r.l. subsidiary was increased by EUR 20 thousand. The amount of the loan granted to the subsidiary (without accrued interest) is currently EUR 45 thousand.

9. Changes in off-balance sheet items relative to the annual report for 2015

There were changes in off-balance sheet items relative to the information disclosed in the last consolidated annual report. The future liability regarding the purchase of plant and equipment decreased as at the balance sheet date to EUR 69 thousand.

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

The companies of the Group signed annexes to comprehensive agreements on sale and distribution of natural gas concluded with RWE Polska SA (details of those agreements were provided in Current Report 9/2015 of 26 August 2015 and in the consolidated financial statements for 2015). After the balance sheet date, annexed amending the amounts of the seller's margins and extending the duration of the agreements until 31 December 2017 were signed. The other material terms and conditions remained unchanged.

11. Position of the management board concerning the implementation of financial projections for 2016

The Company did not publish any forecasts for 2016.

12. 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 authorizing them to at least 5% of votes at the general shareholders' meeting. The information provided below was determined based on communications received by the Company from shareholders, or based on the number of shares under which a given shareholder was authorized 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%
Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny	4,746,672	10.12%	4,746,672	10.12%

Shareholders holding at least 5% of votes at the general meeting of shareholders in accordance with the consolidated quarterly report for Q3 2015 published on 16 November 2015.

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%

13. 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 were no changes in the company's shareholding structure with respect to its managing and supervisory persons.

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

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

14. 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.

15. 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 under terms other than on the arm's length basis.

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

Neither Ceramika Nowa Gala SA nor its subsidiaries granted in Q1 2016 a loan guarantee, a loan, or credit sureties whose values were equivalent to at least 10% of the Issuer's equity.

17. 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 dynamics of economic development in Poland and on markets to which the Group exports its products;
- uncertainty due to the conflict in Ukraine;
- growth of sales of new product lines;
- decreased cost of natural gas purchases
- seasonal increase in sales in Q2 and Q3 2016.

As regards the parent company, no circumstances occurred that could have had an impact on the assessment of its financial position and that were not disclosed in these financial statements.