



CONSOLIDATED

ANNUAL REPORT

**OF THE IMPEXMETAL CAPITAL GROUP
FOR 2013**

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated annual report RS 2013

(in accordance with § 82.2 and § 83.3 of the Ordinance of the Minister of Finance of 19 February 2009 - Journal of Laws No. 33, item 259)
for the issuers of securities dealing with production, construction, trade or services

for 2013 financial year covering the period from 1 January 2013 to 31 December 2013
including condensed consolidated financial statements in line with: IAS/IFRS
in: PLN th

submitted on: 17 April 2014

IMPEXMETAL S.A. (full name of the issuer)			
IMPEXMET (short name of the issuer)	Metalowy (met) (sector as classified by WSE)		
00-842 (postal code)	Warszawa (city)		
Łucka (street)		7/9 (number)	
+48 22 658 65 68 (phone)		+48 22 658 64 05 (fax)	
info@impexmetal.com.pl (e-mail)		www.impexmetal.com.pl (www)	
525-00-03-551 (Tax Identification Number - NIP)		011135378 (Statistical number - REGON)	

Deloitte Polska Sp. z o.o. Sp.k.
(entity authorized to audit)

SELECTED FINANCIAL DATA	in PLN'000		In EUR'000	
	1.01. - 31.12.2013	1.01. - 31.12.2012	1.01. - 31.12.2013	1.01. - 31.12.2012
I. Sales revenue	2 728 681	2 596 293	647 989	622 075
II. Operating profit (loss)	72 819	79 112	17 293	18 955
III. Gross profit (loss) before tax	74 591	79 491	17 713	19 046
IV. Net profit (loss) from continued activities attributable to equity of the parent	59 852	70 207	14 213	16 822
V. Net profit (loss)	86 134	50 631	20 455	12 131
VI. Net profit (loss) attributable to equity of the parent	72 737	56 468	17 273	13 530
VII. Net cash flows from operating activities	141 018	45 410	33 488	10 880
VIII. Net cash flows from investing activities	(196 569)	(5 999)	(46 680)	(1 437)
IX. Net cash flows from financing activities	55 649	(48 789)	13 215	(11 690)
X. Total net cash flows	98	(9 378)	23	(2 247)
XI. Number of shares without treasury shares – 7 210 000 units as at 31.12.2013 and 6 332 707 units as at 31.12.2012	192 790 000	193 667 293	192 790 000	193 667 293
XII. Net earnings (loss) / diluted earnings (loss) of the parent per ordinary share (in PLN/EUR)	0.38	0.29	0.09	0.07
XIII. Weighted average of shares without treasury shares	193 159 397	193 801 912	193 159 397	193 801 912
XIV. Net earnings (loss) / diluted earnings (loss) of the parent per share/weighted numbers of shares (in PLN/EUR)	0.38	0.29	0.09	0.07
As at	31.12.2013	31.12.2012	31.12.2013	31.12.2012
XV. Assets	1 834 028	1 690 164	442 233	413 425
XVI. Non-current liabilities	131 096	71 356	31 611	17 454
XVII. Current liabilities	567 811	567 419	136 914	138 794
XVIII. Equity	1 071 153	986 326	258 283	241 262
XIX. Equity attributable to equity holders of the parent	958 489	888 497	231 117	217 332
XX. Share capital	94 661	94 661	22 825	23 155
XXI. Number of shares without treasury shares	192 790 000	193 667 293	192 790 000	193 667 293
XXII. Book value/diluted book value per share of the parent (in PLN/EUR)	4.97	4.59	1.20	1.12



**Consolidated financial statement
of the Impexmetal Capital Group
for the year ended 31 December 2013**



Impexmetal Capital Group

Consolidated annual report for the period from 1 January to 31 December 2013,
prepared in line with IFRS as endorsed by the European Union

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013 AND FOR 2012, RESPECTIVELY

	<i>note</i>	Period ended 31/12/2013	Period ended 31/12/2012
Continuing operations			
Revenue from sales of products		2 139 032	2 135 334
Revenue from sales of goods and materials		589 649	460 959
Total revenue from sales	7	2 728 681	2 596 293
Cost of products sold		2 023 530	1 996 160
Value of goods and materials sold		511 350	417 861
Cost of products, goods and materials sold	9	2 534 880	2 414 021
Gross profit (loss) on sales		193 801	182 272
Selling expenses		48 868	45 053
General and administrative costs		64 990	67 196
Other operating revenue	10	25 039	28 689
Other operating expenses	11	32 163	19 600
Operating profit (loss)		72 819	79 112
Financial revenue	13	31 756	39 583
Financial expenses	14	29 984	39 204
Profit (loss) before tax		74 591	79 491
Income tax	15	9 388	6 408
Net profit (loss) from continuing operations		65 203	73 083
Attributable to:			
Equity holders of the parent		59 852	70 207
Minority shareholders		5 351	2 876
Net profit (loss) from discontinuing operations		20 931	(22 452)
Net profit (loss)		86 134	50 631
Attributable to:			
Equity holders of the parent		72 737	56 468
Minority shareholders		13 397	(5 837)
Net profit (loss) per share attributable to equity holders of the parent (in PLN)	16	0.38	0.29
Diluted earnings (loss) per ordinary share		0,38	0,29
Net profit (loss) per share from continuing operations attributable to equity holders of the parent (in PLN)	16	0.31	0.36
Diluted earnings (loss) from continuing operations per ordinary share (in PLN)		0.31	0.36

Explanatory notes to financial report are its integrated part.



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STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013 AND FOR 2012, RESPECTIVELY

	<i>note</i>	Period ended 31/12/2013	Period ended 31/12/2012
Net profit (loss)		86 134	50 631
Income in capital to be classified on the financial result		(4 151)	358
Exchange differences on translation of foreign operations		38	(2 485)
Hedging instruments of cash flows	35	(3 645)	2 331
Revaluation of assets available to sell and other assets	36	(1 140)	782
Revaluation of other assets	36	-	1 051
Income deferred tax regarding income in capitals		596	(1 321)
Income in capital not classified on the financial result		106	-
Valuation of pension benefits and similar	37	131	-
Income deferred tax regarding income in capitals		(25)	-
Income recognised in net capital		(4 045)	358
Total comprehensive income		82 089	50 989
Attributable to:			
Equity holders of the parent		69 157	56 838
Minority shareholders		12 932	(5 849)

CONSOLIDATED INCOME STATEMENT - discontinued operations FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013 AND FOR 2012, RESPECTIVELY

	Period ended 31/12/2013	Period ended 31/12/2012
Discontinued operations		
Revenue from sales of products	1 150	1 353
Revenue from sales of goods and materials	26	816
Total revenue from sales	1 176	2 169
Cost of sold products	1 150	1 353
Value of goods and materials sold	5	297
Cost of products, goods and materials sold	1 155	1 650
Gross profit (loss) on sales	21	519
Other operating revenue	39 235	5 499
Other operating expenses	8 908	8 119
Operating profit (loss)	30 348	(2 101)
Financial revenue	9	14
Financial expenses	7 129	21 025
Profit (loss) before tax	23 228	(23 112)
Income tax	2 297	(660)
Net profit (loss) from discontinued operations	20 931	(22 452)

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CONSOLIDATED BALANCE SHEET PREPARED AS AT 31 DECEMBER 2013 AND 31 DECEMBER 2012

	<i>note</i>	<u>31/12/2013</u>	<u>31/12/2012</u>
ASSETS			
Non-current assets			
Property, plant and equipment	18	559 370	572 219
Investment property	19	33 868	32 204
Intangible assets	20	9 134	9 670
Goodwill	21	47 086	47 086
Investments in controlled entities	22	11 881	11 900
Available-for-sale financial assets	28	272 185	135 114
Deferred tax assets	23	1 057	371
Receivables and other non-current assets	24	211	235
Total non-current assets		934 792	808 799
Current assets			
Inventories	25	395 809	386 430
Trade and other receivables	26	366 219	421 382
Granted loans	46	53 924	-
Derivative financial instruments	27	4 352	5 464
Available-for-sale financial assets	28	14	303
Income tax receivables		3 772	5 939
Other assets	29	5 369	5 265
Cash and cash equivalents	30	36 606	36 211
Total current assets		866 065	860 994
Held-for-sale assets (*)	31	33 171	20 371
Total assets		1 834 028	1 690 164

(*) Discontinued operations of HMN Szopienice S.A. in liquidation.

Explanatory notes to financial report are its integrated part.

**Impexmetal Capital Group**Consolidated annual report for the period from 1 January to 31 December 2013,
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	<i>note</i>	31/12/2013	31/12/2012
EQUITY AND LIABILITIES			
Equity			
Share capital	32	94 661	94 661
Treasury shares (negative value)	33	(24 441)	(22 498)
Supplementary capital due to issue of shares above their face value	34	28 867	28 867
Capital due to hedge accounting	35	(2 528)	325
Capital due to valuation of pension benefits and similar	37	161	-
Capital due to revaluation of assets available to sell	36	334	1 258
Exchange differences on translation of controlled entities		10 227	10 142
Retained earnings, including:	38	851 208	775 742
Reserve capital		78 222	78 222
Profit of the equity holders of the parent in the current year		72 737	56 468
Equity attributable to equity holders of the parent		958 489	888 497
Equity attributable to minority shareholders		112 664	97 829
Total equity		1 071 153	986 326
Long-term liabilities and provisions for liabilities			
Loans and bank credit facilities	39	54 842	2 896
Liabilities on lease	40	1 001	246
Provisions due to retirement and similar benefits	41	3 868	4 515
Deferred tax provisions	42	65 840	60 516
Other long-term provisions	43	683	683
Other liabilities	44	4 862	2 500
Total long-term liabilities and provisions		131 096	71 356
Short-term liabilities and provisions for liabilities			
Trade and other liabilities	45	193 023	217 627
Loans and bank credit facilities	39	355 904	337 161
Liabilities on lease	40	42	34
Derivative financial instruments	46	6 627	4 474
Income tax liabilities		157	106
Liabilities due to retirement and similar benefits	41	3 423	3 028
Other short-term provisions	43	8 307	4 324
Other equity and liabilities	44	328	665
Total short-term liabilities and provisions		567 811	567 419
Total liabilities		698 907	638 775
Liabilities related to held-for-sale assets (*)	31	63 968	65 063
Total equity and liabilities		1 834 028	1 690 164

(*) Discontinued operations of HMN Szopienice S.A. in liquidation.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013 AND FOR 2012, RESPECTIVELY

Capital attributable to equity holders of the parent

<i>note</i>	Share capital	Treasury shares*	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Exchange differences on translation of foreign operations	Capital due to valuation of pension benefits and similar	Retained earnings	Capital due to minority shareholders	Total
As at 1 January 2013	94 661	(22 498)	28 867	325	1 258	10 142	-	775 742	97 829	986 326
Comprehensive income for 2013	-	-	-	(2 853)	(924)	36	161	72 737	12 932	82 089
Treasury shares buy-back 33	-	(1 943)	-	-	-	-	-	-	-	(1 943)
Capital from consolidation (change in stakes)	-	-	-	-	-	49	-	2 729	2 082	4 860
Dividend payment	-	-	-	-	-	-	-	-	(179)	(179)
As at 31 December 2013	94 661	(24 441)	28 867	(2 528)	334	10 227	161	851 208	112 664	1 071 153

Capital attributable to equity holders of the parent

<i>note</i>	Share capital	Treasury shares*	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Exchange differences on translation of foreign operations	Capital due to valuation of pension benefits and similar	Retained earnings	Capital due to minority shareholders	Total
As at 1 January 2012	94 661	(21 360)	28 867	(1 577)	-	12 358	-	730 455	100 509	943 913
Comprehensive income for 2012	-	-	-	1 580	1 258	(2 468)	-	56 468	(5 849)	50 989
Treasury shares buy-back 33	-	(1 138)	-	-	-	-	-	-	-	(1 138)
Capital from consolidation (change in stakes)	-	-	-	322	-	252	-	(838)	(6 718)	(6 982)
Dividend payment	-	-	-	-	-	-	-	-	(456)	(456)
Other (**)	-	-	-	-	-	-	-	(10 343)	10 343	-
As at 31 December 2012	94 661	(22 498)	28 867	325	1 258	10 142	-	775 742	97 829	986 326

(*) Treasury shares in the price of purchase, purchased for redemption or further re-sale in the amount of 7 210 000 units as at 31.12.2013 and 6 332 707 units as at 31.12.2012.

(**) Change of retained profits in the period of 12 months ended on 31.12.2012 in the amount of PLN th. (10 343) and capitals attributable to the minority stakes in the amount of PLN th. 10 343 concern the liabilities of subsidiary HMN Szopienice SA in liquidation towards State Treasury due to refundment of public aid and allocating them to the minority shareholders.

Equity capital attributable to minority shareholders has been influenced by changes in stakes of the parent entity in subsidiaries, which haven't resulted in the loss of control. The changes have been described in note no 1 w point "Changes in the structure of the Impexmetal Capital Group in 2013".

Explanatory notes to financial report are its integrate

In PLN'000 unless stated otherwise.



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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2013 AND FOR 2012, RESPECTIVELY

	<i>note</i>	Period ended 31/12/2013	Period ended 31/12/2012
Cash flows from operating activities			
Profit (loss) before tax (*)		97 819	56 379
Amortization		52 174	57 867
Net rates differences		(212)	1 562
Interests from financial liabilities		16 545	22 354
Interest and dividends		(5 144)	(7 635)
Profit / loss on investing activity		(17 442)	(11 637)
Changes in working capital			
Receivables (increase) / decrease	49	43 250	(39 124)
Inventories (increase) / decrease		(9 181)	(21 203)
Liabilities (increase) / decrease	49	(36 872)	(11 890)
Provisions and accruals	49	5 919	2 749
Other items		(3 903)	343
Cash generated on operating activities		142 953	49 765
Income tax (paid) / received		(1 935)	(4 355)
Net cash flows from operating activities	30	141 018	45 410
Cash flows from investing operations			
Proceeds			
Proceeds from disposal of tangible assets		23 467	5 375
Proceeds from sales of financial assets		11 621	43 611
Dividends received		399	600
Interest received and granted loans repayment		5 295	6 304
Disposal of bonds		4 306	23 500
Other investing proceeds		1	5 692
Payments			
Purchase of tangible assets		(29 933)	(26 629)
Purchase of financial assets		(117 683)	(44 410)
Granted loans		(54 853)	-
Purchase of bonds		(39 189)	(20 042)
Net cash flows from investing activities	30	(196 569)	(5 999)
Cash flows from financing activities			
Proceeds			
Credits and loans		158 871	91 333
Other financing income		2 620	42
Payments			
Buy-back of treasury shares		(1 943)	(1 138)
Dividends and other payments for the equity of the parent		(3 078)	(456)
Repayment of credits and loans		(85 811)	(115 675)
Payments due to financial lease4		(36)	(96)
Interests paid		(14 974)	(22 530)
Other financial payments		-	(269)
Net cash flows from financing activities	30	55 649	(48 789)
Total net cash flow		98	(9 378)
Impact of exchange rate fluctuations on the balance of cash in foreign currencies		(177)	(1 071)
Change of cash and cash equivalents		(79)	(10 449)
Opening balance of cash and cash equivalents, incl.:		36 753	46 223
- from continuing operations		36 211	44 942
- from discontinued operations		542	1 281
Opening balance of cash of purchased/disposed entities		-	979
Closing balance of cash and cash equivalents, incl.:	30	36 674	36 753
- from continuing operations		36 606	36 211
- from discontinued operations		68	542

In PLN'000 unless stated otherwise.



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CONSOLIDATED STATEMENT OF CASH FLOWS - discontinued operations FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2013 AND FOR 2012, RESPECTIVELY

Discontinued operations	Period ended 31/12/2013	Period ended 31/12/2012
Cash flows from operating activities		
Profit (loss) before tax	23 228	(23 112)
Adjustments	(36 810)	18 363
Interest paid	-	-
Net cash flows generated on operating activities	(13 582)	(4 749)
Cash flows from investing activities		
Proceeds	20 841	6 267
Payments	-	-
Net cash (paid)/generated in connection with investing activities	20 841	6 267
Cash flows from financing activities		
Proceeds	1 305	555
Payments	(9 038)	(2 812)
Net cash flows from financing activities	(7 733)	(2 257)
Change in cash and cash equivalents	(474)	(739)
Opening balance of cash and cash equivalents	542	1 281
Closing balance of cash and cash equivalents	68	542

1. Approval of the financial statement

Presented consolidated financial statement of the Impexmetal Capital Group for 2013 has been approved for publication by the Management Board of Impexmetal S.A. on 16 April 2014.

Signatures:

Małgorzata Iwanejko President of the Management Board

Agata Kęszczyk - Grabowska Chief Accountant