

SEMI-ANNUAL REPORT OF THE MANAGEMENT BOARD ON THE OPERATIONS OF THE MAKARONY POLSKIE GROUP IN THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

RZESZÓW, 27 AUGUST 2015

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1. OPERATIONS OF THE MAKARONY POLSKIE GROUP

1.1. ORGANISATION OF THE MAKARONY POLSKIE GROUP

1.1.1. Organisational structure of the Makarony Polskie Group

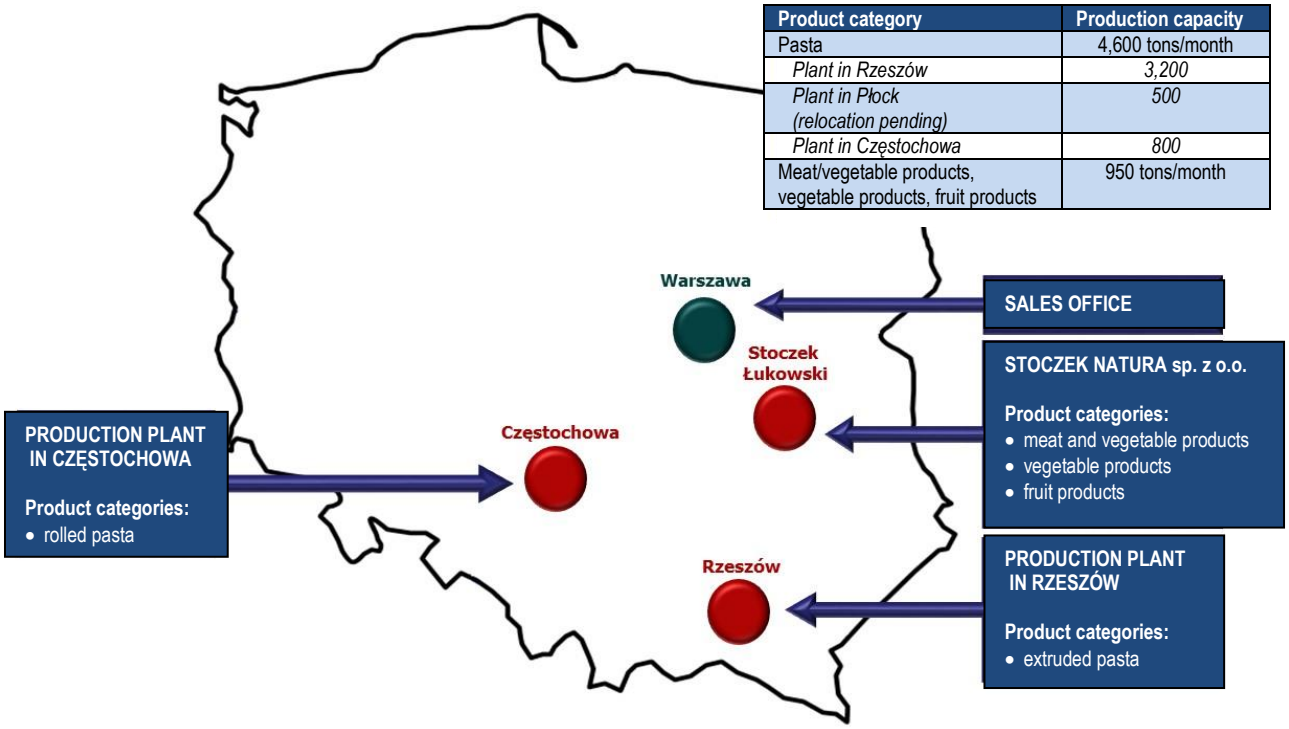
The Makarony Polskie Group ("Group") consists of two companies:

- ✓ Makarony Polskie SA ("Company", "Parent Company") and
- ✓ Stoczek Natura Sp. z o.o. ("Subsidiary").

The Parent Company of the Makarony Polskie Group is **Makarony Polskie SA** with its registered office in Rzeszów, ul. Podkarpacka 15a (the registered office address change from ul. Podkarpacka 15 to ul. Podkarpacką 15a, resulting from administrative and legal changes, was made by the Management Board of the Company at the beginning of August 2015). The Company was registered by the District Court in Rzeszów, 12th Commercial Division of the National Court Register, on 5 July 2004, under the number 0000212001. The term of the Company is unlimited. Apart from the Headquarters and the Production Plant located in Rzeszów, the Company has a Production Plant in Częstochowa and a Production Plant in Płock (which is not running production activities at the present moment).

The Subsidiary **Stoczek Natura Sp. z o.o.** was registered by the District Court for Lublin-Wschód in Lublin based in Świdnik, 6th Commercial Division of the National Court Register, under the number 0000050439. By November 2012 the company was operating under the name Stoczek Sp. z o.o. The decision about the change of name into Stoczek Natura Sp. z o.o. was made by an Extraordinary General Meeting on 25 October 2012. The change was registered by the court on 27 November 2012. The term of the company is unlimited. The share capital of Stoczek Natura Sp. z o.o. as at 31 December 2014, as well as at the date of publishing this report, amounted to PLN 15,207,800 and was divided into 152,078 shares. One hundred percent of shares in the share capital of Stoczek Natura Sp. z o.o. belong to Makarony Polskie SA (the shares in Stoczek Natura Sp. z o.o. were acquired on 1 June 2007).

The current organisation of the Group is as follows:



1.1.2. Changes in the organisation or capital relations of the Makarony Polskie Group

In the first half of 2015 and by the date of publication of this report no changes were introduced in the Makarony Polskie Group which would have a major impact on the structure or organisation of the Group.

Makarony Polskie SA operated based on the following basic organisational units: production plants in Rzeszów and Częstochowa, sales office dealing also with customer service, financial office, and administrative office.

In accordance with the cooperation agreement referred to in clause 3.3 hereof, Makarony Polskie SA sold products of both Makarony Polskie SA and Stoczek Natura Sp. z o.o.

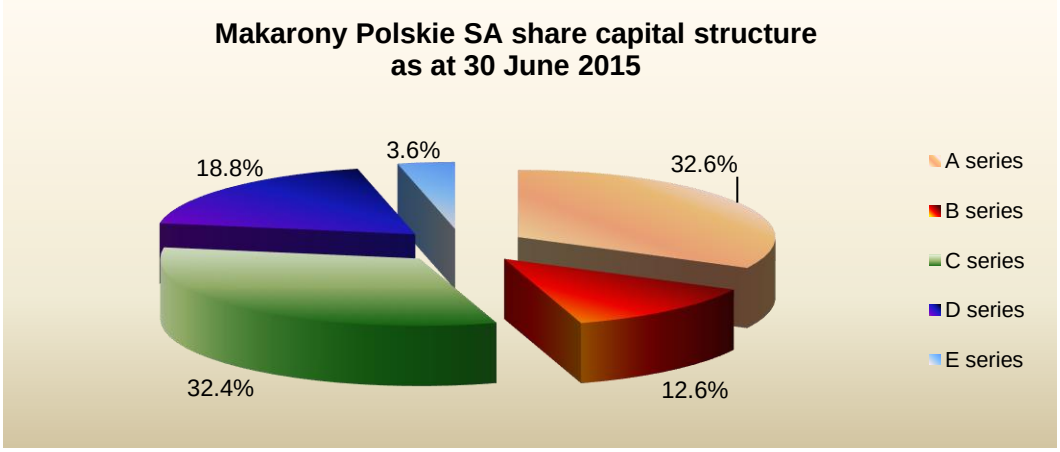
1.2. INFORMATION ABOUT THE SHARES OF MAKARONY POLSKIE SA

Share capital of Makarony Polskie SA as at 30 June 2015:

- ✓ share capital value PLN 27,750,213;
- ✓ total number of shares 9,250,071;
- ✓ total number of votes in General Meeting 9,250,071.

Makarony Polskie SA share capital structure:

- ✓ 3,013,250 ordinary bearer shares, A series;
- ✓ 1,169,750 ordinary bearer shares, B series;
- ✓ 3,000,000 ordinary bearer shares, C series;
- ✓ 1,735,821 ordinary bearer shares, D series;
- ✓ 331,250 ordinary bearer shares, E series.



Since April 2007 the shares of Makarony Polskie SA has been listed on the Warsaw Stock Exchange.

MAKARONY POLSKIE SA SHARES QUOTATIONS ON REGULATED MARKET



	2013-01-02	2013-07-02	2014-01-02	2014-07-02	2015-01-02	2015-03-11	2015-08-11	Change since 2013-01-02
Makarony Polskie [PLN[	2.06	3.10	3.80	4.70	6.03	5.97	6.45	213%
WIG20 [points]	2,626.21	2,284.76	2,430.72	2,381.06	2,309.39	2,294.37	2,219.57	-15%
WIG-Spożywczy [points]	3,718.83	3,110.28	3,330.37	2,682.65	2,452.15	2,950.63	3,319.68	-11%

The price of Makarony Polskie SA shares grew by 213% in the period between 2 January 2013 and 11 August 2015. For comparison, the WIG-Spożywczy [Food Sub-index of the Warsaw Stock Exchange] reflected an 11% drop in the same period, and the index of the largest stock companies WIG20 lost 15% in value.

Factors affecting the value of the Company shares included continuous improvement of profitability and financial liquidity of the Makarony Polskie Group.

1.2.1. Shareholders holding more than 5% votes in the General Meeting of Makarony Polskie SA

Shareholders who held directly or indirectly through their subsidiaries at least 5% of the total number of votes in the General Meeting of the Company were as follows as at the date of preparing the report (based on the information possessed):

Shareholder	Number of shares	Share capital percentage	Number of votes in the General Meeting	Percentage of the total number of votes in the General Meeting
Agro-Technika SA	2,000,000	21.62%	2,000,000	21.62%
Bewa Sp. z o.o	1,793,406	19.39%	1,793,406	19.39%
Elżbieta and Grzegorz Słomkowscy	1,183,040	12.79%	1,183,040	12.79%
Krzysztof Moska*	725,117	,7.84%	725,117	7.84%
Leszek Sobik	491,541	5.31%	491,541	5.31%
Other shareholders	3,056,967	33.05%	3,056,967	33.05%
TOTAL	**9,250,071**	**100.00%**	**9,250,071**	**100.00%**

* The number of shares and votes in the General Meeting results from the documents received from the National Securities Depository (KDPW), which inform about the shares and votes possessed by the persons entitled to participate in the AGMs of the Company as at 26 June 2015. The Company has not received any other notifications about a change in the possession of shares by Mr Krzysztof Moska, particularly as regards notifications to be submitted under Article 69 of the Act on Public Offering.

In 2015 the Company received notifications regarding changes in the possession of shares of Makarony Polskie SA:

- on 13 February 2015 Bewa Sp. z o.o. (legal successor of T.G. BEWA Sp. z o.o.) informed that as a result of acquisition on 9 February 2015 of 200,000 shares of the Company the over 10% share in the total number of votes held by Bewa Sp. z o.o. changed by at least 2%. Bewa Sp. z o.o. informed that on 9 February 2015 it possessed 1,238,955 shares representing 13.39% of the Company share capital and 1,238,955 votes on the shares, representing 13.39% of the total number of votes in the Company, and at moment of notification it possessed 1,438,955 shares representing 15.55% of the share capital of the Company and 1,438,955 votes on the shares, representing 15.55% of the total number of votes. The subsidiaries of Bewa Sp. z o.o. do not hold any shares of the Company;
- on 6 March 2015 Bewa Sp. z o.o. informed that as a result of acquisition on 27 February 2015 of 354,451 shares of the Company the over 10% share in the total number of votes held by Bewa Sp. z o.o. changed by at least 2%. Bewa Sp. z o.o. informed that on 27 February 2015 it possessed 1,438,955 shares representing 15.55% of the Company share capital and 1,438,955 votes on the shares, representing 15.55% of the total number of votes in the Company, and at

moment of notification it possessed 1,793,406 shares representing 19.4% of the share capital of the Company and 1,793,406 votes on the shares, representing 19.4% of the total number of votes. The subsidiaries of Bewa Sp. z o.o. do not hold any shares of the Company. Bewa Sp. z o.o. has not entered into and is not a party to an agreement with a third party, with the object being the transfer of the right of vote resulting from the shares of the Company.

The Company has no other information which would reflect any changes in the number of shares possessed by major shareholders (holding stakes of more than 5% shares).

1.2.2. Shares in the companies of the Makarony Polskie Group held by the managing and supervising staff

The number and nominal value of shares of Makarony Polskie SA and shares in the companies of the Makarony Polskie Group held by the Members of the Management Board as at the date of preparing the report were the following (based on the information possessed):

MANAGEMENT BOARD	Shares held by the Members of the Management Board as at the date of preparing the report			
	for the first half of 2015		for 2014	
	number of shares	nominal value	number of shares	nominal value
Zenon Daniłowski	140,000	420,000	140,000	420,000

In accordance with the information possessed by the Company no changes in the status of shares held by the President of the Management Board of Makarony Polskie SA occurred during the first half of 2015 and by the date of publishing this report.

The number and nominal value of shares of Makarony Polskie SA and shares in the companies of the Makarony Polskie Group held by the Members of the Supervisory Board as at the date of preparing the report were the following (based on the information possessed):

SUPERVISORY BOARD	Shares held by the Members of the Supervisory Board as at the date of preparing the report			
	for the first half of 2015		for 2014	
	number of shares	nominal value	number of shares	nominal value
Grzegorz Słomkowski*	1,183,040	3,549,120	1,183,040	3,549,120
Wiesław Wasilewski	5,000	15,000	5,000	15,000
Marek Rocki	0	0	0	0
Roman Sobiecki	0	0	0	0
Tomasz Jankowski	0	0	0	0

* Total number of shares held by Mr Grzegorz Słomkowski (Deputy Chairman of the Supervisory Board) and his wife.

In accordance with the information possessed by the Company no changes in the status of shares held by the Members of the Supervisory Board occurred during the first half of 2015 and by the date of publishing this report.

The managing and supervising staff of Makarony Polskie SA have no shares in the subsidiaries of the Makarony Polskie Group.

1.3. STAFF OF THE MAKARONY POLSKIE GROUP

1.3.1. Changes in the membership of the Management Board and Supervisory Board

Makarony Polskie SA

The governing bodies of Makarony Polskie SA are the General Meeting, the Supervisory Board and the Management Board.

Supervisory Board of Makarony Polskie SA

From 1 January 2015 to the date of publication of this report, the Supervisory Board consisted of:

- Roman Sobiecki – Chairman of the Supervisory Board,
- Grzegorz Słomkowski – Deputy Chairman of the Supervisory Board,
- Tomasz Jankowski – Member of the Supervisory Board,
- Marek Rocki – Member of the Supervisory Board,
- Wiesław Wasilewski – Member of the Supervisory Board.

Management Board of Makarony Polskie SA

From 1 January 2015 to the date of publication of this report, the Management Board consisted of one person:

- Zenon Daniłowski – President of the Management Board.

On 25 May 2015, in reference to the end of the sixth term of the Company Management Board, the Supervisory Board of Makarony Polskie SA decided that in the seventh term Management Board will consist of one person and again entrusted the function of the President of the Management Board to Mr Zenon Daniłowski.

As at the date of publication of this report, the functions of the Company Proxies were fulfilled by:

- Grażyna Kozielec – since 31 May 2012,
- Beata Majewska-Karp – since 31 May 2012,
- Witold Żarek – since 4 March 2013,
- Piotr Wyszecki – since 13 February 2015,
- Dariusz Cylka – since 13 February 2015.

The rights of proxies granted are binding jointly – a Proxy may represent the Company only in liaison with another Proxy or a Member of the Management Board.

Stoczek Natura Sp. z o.o.

The governing bodies of the Subsidiary Stoczek Natura Sp. z o.o. are the General Meeting and the Management Board.

As at the date of this report publication, the Management Board of Stoczek Natura Sp. z o.o. consisted of:

- Cezary Pietrzak – President of the Management Board,
- Adam Ławnik – Member of the Management Board.

The function of the company Proxy was fulfilled by:

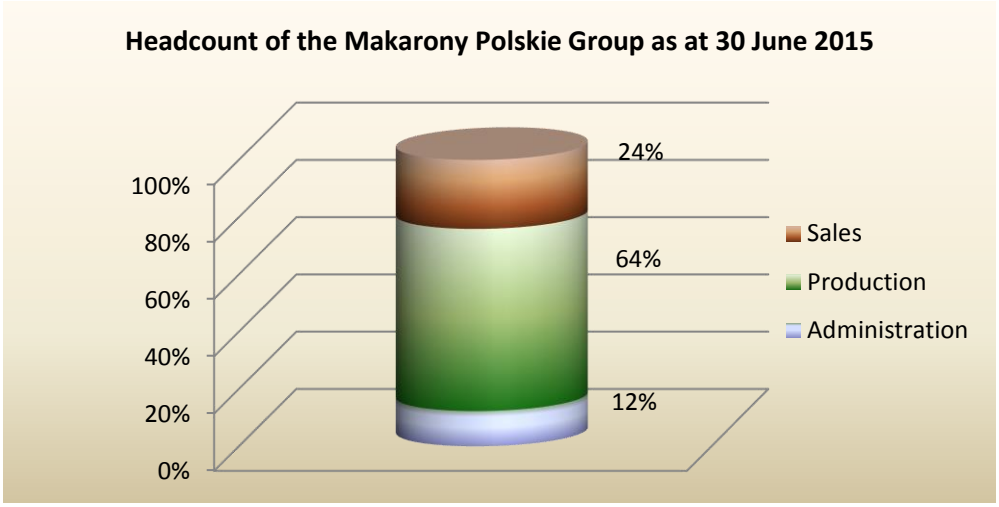
- Alicja Hinz.

The rights of proxies granted are binding jointly – a Proxy may represent the Company only in liaison with another Proxy or a Member of the Management Board.

1.3.2. Headcount structure of the Makarony Polskie Group

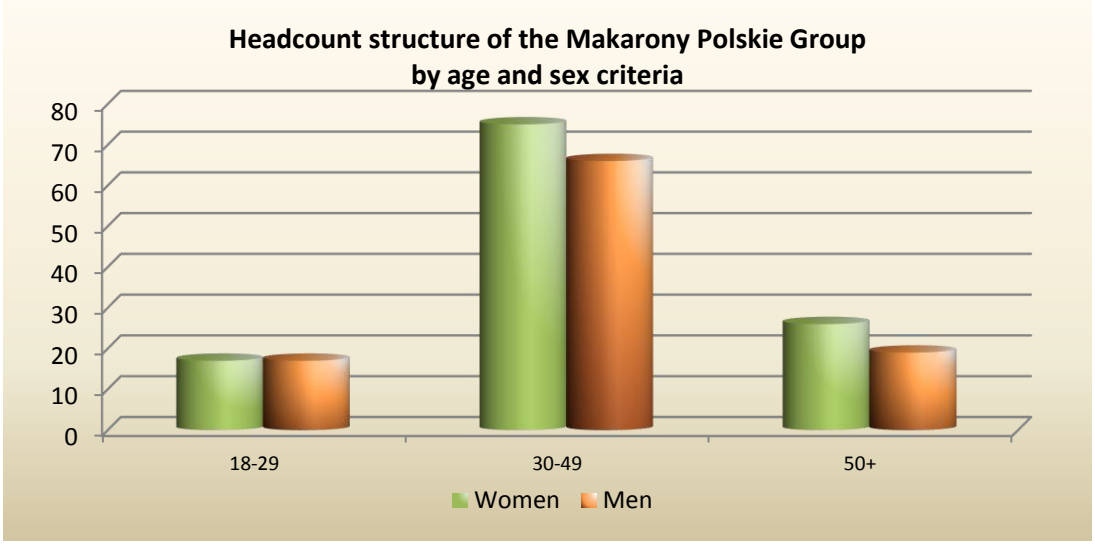
In the first half of 2015 the Group continued the program of headcount optimisation which has been initiated in 2013, assuming stabilisation of staff employed on permanent basis at the level of the necessary minimum and making the headcount of the production plants flexible by making the headcount level dependent on the size of production. The basis of the scheme was continuous care for the proper work organisation (including Lean Manufacturing implementation), as well as effective use of resources.

In accordance with its assumption the Makarony Polskie Group stabilised the total headcount at the level of the necessary minimum. As at 30 June 2015 the headcount of the Makarony Polskie Group was 220 people (compared to 223 people as at the end of the first half of 2014 and 310 people as at the end of the first half of 2013).



The headcount policy concentrated on staff turnover limitation and maintenance of high-quality specialists who thanks to their knowledge and experience ensure the highest level of the business processes carried out by the Group. At the production plants, the flexible forms of employment were maintained in order to adjust the headcount value to the changes in the production size.

The headcount structure of the Makarony Polskie Group as at 30 June 2015, broken down into age and sex groups was the following:



Activities related to development and training implemented by the Group in the first half of 2015 were directed mainly to the staff of the commercial teams and concentrated on improvement of effective sales techniques, communication and conflict solving, which – in the opinion of the Group – should positively translate into the performance of the tasks imposed on the teams.

1.4. SALES STRUCTURE OF THE MAKARONY POLSKIE GROUP – OPERATING SEGMENTS

THE ASSORTMENT OF BRAND PRODUCTS OFFERED BY THE GROUP IN THE FIRST HALF OF 2015 INCLUDED:

- **PASTA:**

  MAKARONY POLSKIE – it is a brand dedicated to the consumers who care for good Polish quality at a reasonable price. The brand portfolio covers the traditional egg-made pasta (rolled) and extruded pasta made of various types of flour, including wholemeal flours acquired from qualified suppliers. The brand has a distinct identity which fits the popular and stable market trend to promote domestic and local food.

  Within the process of managing the Group portfolio, the Makarony Polskie brand was consolidated with the Abak brand, which resulted in the Makarony Polskie/Abak bi-brand. Therefore, the young and dynamically developing Makarony Polskie brand could avail of the rich market tradition of the Abak brand.

  In the first half of 2015 the Makarony Polskie brand offer was extended for 100% spelt flour pasta, which is a dietary and health promoting product. In the same way the current functional products line – Omega 3 pasta and wholesale pasta with increased fibre content – was supplemented.



  In the first quarter of 2015 the Makarony Polskie brand was honoured with the "Dobra Marka 2015" [Good Brand] award.

Our ambition is that the key brand becomes a key to put order to the currently fragmented middle shelf, locating just below the leader and taking over the market share which is now held by a large number of small manufacturers.

SORENTI – it is a brand created with the Italian cuisine lovers in mind. The brand offer includes the most popular forms of pasta produced in 100% of the highest-quality milled hard durum wheat, thanks to which the pasta never overcooks and always remains al dente. The Sorenti brand enjoys quite a high awareness among the domestic market consumers. The consumers appreciate the undisputable quality of the products, as well as the characteristic and elegant design of packaging. The advantage of the Sorenti brand in the tight competition environment is the reasonable price of the products. The Sorenti brand is also a very attractive exports product with a high development and further internationalisation potential.

- **MEAT AND VEGETABLE PRODUCTS**

In the first half of 2015 the assortment of meat and vegetable products covered ready-cooked meals under the brands of Stoczek and Męska Rzecz. The ready-cooked meals of the Group. being classical lunch meals of the Polish cuisine, combine the home taste with the comfort and speed of their preparing. Therefore they perfectly fit the current trends on the food market. Jarred ready-cooked meals offered by the Group record sales volume growth every year. The main source of the growth is the market development of the Męska Rzecz brand assortment. It is a brand dedicated to the broadest group of consumers in that food category, seasoned particularly to fit the men's taste, which competes on the shelf with its very reasonable price. Also the ready-cooked meals under the Stoczek brand were adjusted to the market requirements. The meals gained characteristic seasoning, which was developed in cooperation with an ecological seasonings manufacturer from the Podlasie region.

The Stoczek brand assortment includes also meat and fat products, in the form of lard or high-quality meat in jars. In the first half of 2015 one of the line products, "Grandma's lard with onion" received the "Jakość Tradycja" [Quality & Tradition] certificate. Meat products represent a reply to the growing premium segment. These are products made of high-quality meat without artificial ingredients. This assortment acts as a perfect alternative for the popular canned meat products. The new meat line enjoyed positive welcome among foreign consumers, which results in a systematic extension of distribution outside of the domestic market.

- **VEGETABLE PRODUCTS**

In the first half of 2015 the vegetable products assortment covered mainly salads and pickles under the brand name of Tenczynek – traditional vegetable additions which make meals more attractive and differentiated, both cold and hot. The products have a loyal group of consumers.

Moreover, this assortment fits the exports policy of the Group – the Tenczynek brand is positioned on the "ethnic food" shelves as a premium product.

In 2015 the "Ogórki kartuskie" cucumbers and beetroot with horseradish were awarded the prestigious "Poznaj Dobrą Żywność" [Know Good Food] mark. Pickled cucumbers and grated beetroot ware awarded the "Jakość Tradycja" [Quality and Tradition] certificate.

- **FRUIT PRODUCTS**

  In the first half of 2015, the fruit products assortment covered plum and other fruit jams (Stoczek and Tenczynek) as well as syrups (Tenczynek) – manufactured to the highest quality without artificial colouring or preservatives. In 2015 Stoczek and Tenczynek branded plum jam was awarded the "Jakość Tradycja" [Quality and Tradition] certificate, and in 2014 received the "Poznaj Dobrą Żywność" [Know Good Food] mark.

  The fruit products of the Group have long enjoyed high interest on export markets, particularly in Germany and China.

  Works on the product group portfolio extension with new taste segments and BIO type products are pending.

PRIVATE LABEL PRODUCTS ASSORTMENT:

Products identified with a third party brand are present in each segment of our commercial offer. As regards private label we are a leading manufacturer of rolled and extruded pasta, as well as an important manufacturer of meat/vegetable products, vegetable products and fruit products. Moreover, Stoczek Natura Sp. z o.o. offers salty stuffing and sweet fillings for the bakery sector and catering.

In the first half of 2015 cooperation with the standing recipients of the Group was developed by adding new categories and new assortment of meat/vegetable products, vegetable products and fruit products. At the same time new projects regarding pasta products were carried out, including extension of the pasta assortment for products made of wholemeal and spelt meal, as well as large forms of pasta (used for filling).

Large interest of large and small shop chains in the purchases of private label products from the Polskie Makarony Group confirms the high quality of products and the organisational efficiency of the Group and contributes to the competitive position and reliability of the Group.

1.4.1. Sales revenues by product groups

Sales revenues of the Makarony Polskie Group in the first half of 2015 amounted to PLN 63.7 million and were by PLN 5.5 million higher than in the same period of 2014.

In the first half of 2015 the Makarony Polskie Group carried out sales of the following product groups, generating the respective revenues on that account:

PLN '000	01.01.2015–30.06.2015	01.01.2015–30.06.2014
Pasta	49,180	46,526
Meat and vegetable products	6,965	5,548
Vegetable products	1,579	1,891
Fruit products	3,260	2,696
Other	2,694	1,497
Total	**63,678**	**58,158**

In the first half of 2015 the sales value in the pasta category was higher by about PLN 2.7 million (approx. 6%) than in the first half of 2014. The growth resulted from the extension of product offer sold to the existing contractors with the new types and forms of pasta (spelt flour and wholemeal flour, large fusilli and macaroni), as well as attraction of new contractors, e.g. Raya Distribution. The Group recorded over 5% YoY quantitative growth of sales in the pasta category, reaching over 17,200 tons in the first half of 2015.

Sales of meat and vegetable products in the analysed period increased by approximately PLN 1.4 million, up to nearly PLN 7.0 million. The roughly 25.5% growth (first half of 2015 vs first half of 2014) resulted from a well prepared promotional campaign of Stoczek and Męska Rzecz ready-cooked meals, as well as attraction of some new contracts for manufacturing shop chain branded products. Further growth of the category is planned in future, including by introduction of market novelties, e.g. ready-cooked kebab. Additionally, the sales of new products will be combined with promotional cross-selling together with the products of other food manufacturers.

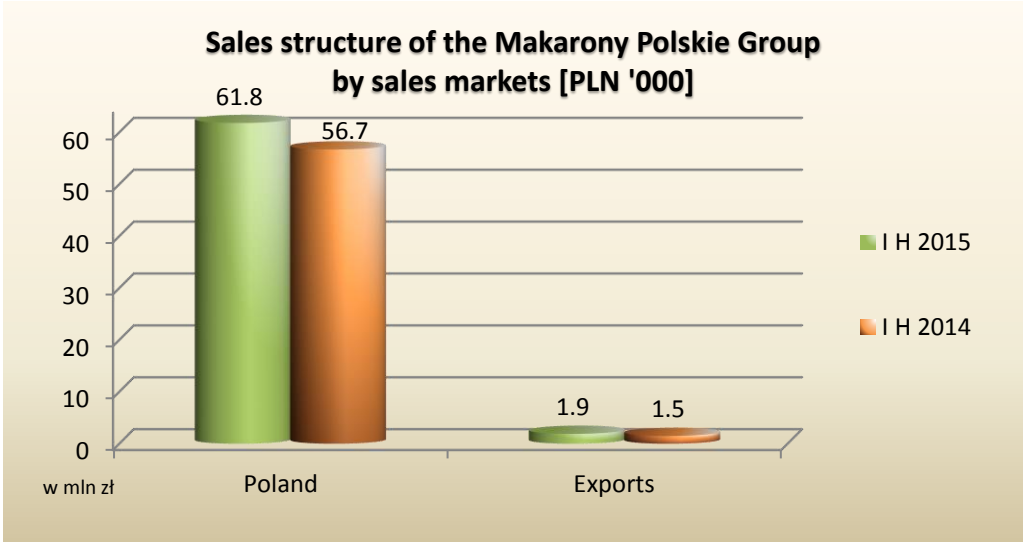
In the first half of 2015 the Group recorded a drop in the sales of vegetable products (PLN -0.3 million compared to the first half of 2014). The group plans a growth in that category in the coming periods, owing to the volume products from the new harvest, e.g. pickled cucumber.

Sales of fruit products increased in the first half of 2015 by nearly PLN 0.6 million (21%) compared to the first half of 2014.

1.4.2. Sales revenues by sales markets

The Makarony Polskie Group sales markets may be divided into domestic sales and exports.
The domestic market covers the following sales channels:
- private label – a channel offering products under the own brands of domestic and foreign shop chains,
- traditional and modern trade – channels dealing with the sale of the Group own brands;
- B2B and institutions.

Exports cover direct export sales.



PLN '000	I H 2015	I H 2014	% change YoY
Sales revenues	63,678	58,158	9.5

In the first half of 2015 the sales amounted to PLN 63.7 million, including PLN 61.8 million on the domestic market and PLN 1.9 million in exports. In the same period of 2014, the values were PLN 56.7 million and PLN 1.5 million, respectively.

Below presented is the analysis of the particular sales channels.

DOMESTIC MARKET:

- **PRIVATE LABEL CHANNEL TOOK THE LARGEST SHARE IN THE GROUP REVENUES (59.5%):**

  I H 2015: PLN 37.9 million (growth by 7.1% YoY)

  I H 2014: PLN 35.4 million

  This results from the consequent building by the Group of its position of a leading domestic supplier of pasta as well as meat/vegetable products, vegetable products and fruit products.
  In the private label channel comparable growth was achieved on the sales of pasta and ready-cooked products.

  The main recipients in that channel are such shop networks as: Jeronimo Dystrybucja Polska, Lidl, Auchan, Żabka, Tesco, Intermarche, Stokrotka.

- **ANOTHER IMPORTANT PART OF THE GROUP REVENUES RESPONSIBLE FOR 21.0% OF THE TOTAL DOMESTIC SALES IS THE SALES OF THE GROUP OWN BRANDS (MAKARONY POLSKIE, SORENTI, STOCZEK, TENCZYNEK AND MĘSKA RZECZ) MADE THROUGH THE TRADITIONAL AND MODERN TRADE CHANNELS:**

  I H 2015: PLN 13.4 million (drop by 2.2% YoY)
  I H 2014: PLN 13.7 million

  The policy of the Group regarding care for the proper profitability level of own brands contributed to a slight drop in sales (approx. 2.2%). Gradually but consequently, the Group was resigning in the first half of 2015 from the sales of non-profitable items and was ordering the product portfolio offered on the market. This refers both to the products manufactured by Stoczek Natura Sp. z o.o. and Makarony Polskie SA. The activities translated directly into the generated net sales margin.

  In 2015 the Group has carried out systematic activities towards the improvement of its brands on the market and increasing their availability on the market (numeric distribution). New customers, which have not been serviced so far, were attracted, including foreign, domestic and local shop chains. Moreover, in cooperation with the existing customers, advanced works are pending on the implementation of new products in various categories, which are expected by the market. In accordance with the assumptions, the products are going to extend the basic product offer of the Group, increasing its attractiveness for the market and final recipients.

  For the purpose of achievement of the ambitious targets of the Group as regards brand products sales development, at the beginning of 2015 the internal sales structure was reorganised and additionally supported with new professional staff. In 2015 the sales representatives of the Group have been undergoing a series of training aimed at improving their competencies in the effective sales techniques.

- **B2B AND INSTITUTIONS REPRESENTED APPROX. 16.5% OF THE TOTAL REVENUES OF THE GROUP IN THE FIRST HALF OF 2015:**

  I H 2015: PLN 10.5 million (growth by 38.2% YoY)
  I H 2014: PLN 7.6 million

  Sales in the B2B and institutions channel in the first half of 2015 amounted to about PLN 10.5 million and were by approx. PLN 2.9 million (38.32%) higher than in the first half of 2014. The growth resulted from:

- development of the B2B channel at Stoczek Natura Sp. z o.o. and the consequent sales increase by roughly PLN 1.0 million YoY;
- increased sales in the B2B channel at Makarony Polskie SA by about PLN 1.9 million.

Within the B2B channel the Group develops the sales of pasta and semi-products, such as sweet fillings and salty stuffing for the bakery sector. This comparatively new form of operations of the Group has enjoyed positive market reception since its very beginning, which is reflected in attracting new recipients and extension of cooperation with the existing recipients. As regards commercial offer improvement, activities have been carried out in order to develop and tailor the offer, as well as to increase competitiveness of the Group. Additionally, at the Stoczek production plant, the Company has developed a new form of service, consisting in jars and cans filling for customers, as a subcontractor.

In the second half of 2015 the Group plans to increase the sales channel headcount and diversify the product offer in reply to customer inquiries.

FOREIGN MARKET:

Exports (in the form of direct sales) represented approx. 3.0% of the total revenues of the Group

I H 2015: PLN 1.9 million (28,2% increase YoY)
I H 2014: PLN 1.5 million

Export sales of the Group was fully performed by the Group own team. In the first half of 2015 export sales amounted to about PLN 1.9 million. The result was higher by approx. 28.2% compared to the same period of 2014.

At the present moment, the Group has been implementing a long-term strategy of attracting new sales markets, whereas the established direct relations with final recipients have positively translated in the margin level. In the first half of 2015 the Group was present on the following markets, among others: Austria, Egypt, France, Ireland, Germany, Portugal, Romania, Slovakia, Ukraine and the UK.

In the analysed period Makarony Polskie SA continued to implement the project focusing on supporting exports sales, which has been co-financed from the EU funds in the amount of over PLN 0.4 million. Thanks to the funds, the representatives of the Group participated in the largest fairs in the world, including GULFOOD in Dubai or SIAL China in Shanghai.

Availing of the possibility to attract finance from other sources, the Group was also represented on such fairs as Food Africa in Cairo, SIAL Canada in Toronto and some minor events, e.g. in Algeria and Denmark.

Sales on foreign markets were built based on:

- exports of the manufacturer's brand products, which contribute to the global characteristics of the company;
- private labels products of the respective recipients, often based on the recipients' own recipes.

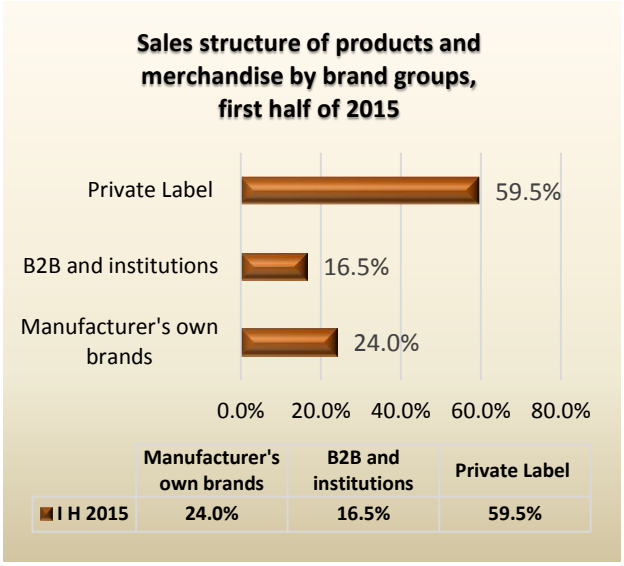
In developing their activities, the Group companies try to avail of the favourite market trends, consisting in the good opinion on the Polish food and Polish manufacturers, who apply modern manufacturing technologies and abide by the highest world's quality standards. Also important is the so called "ethnic food" trend, which has now been gaining significance.

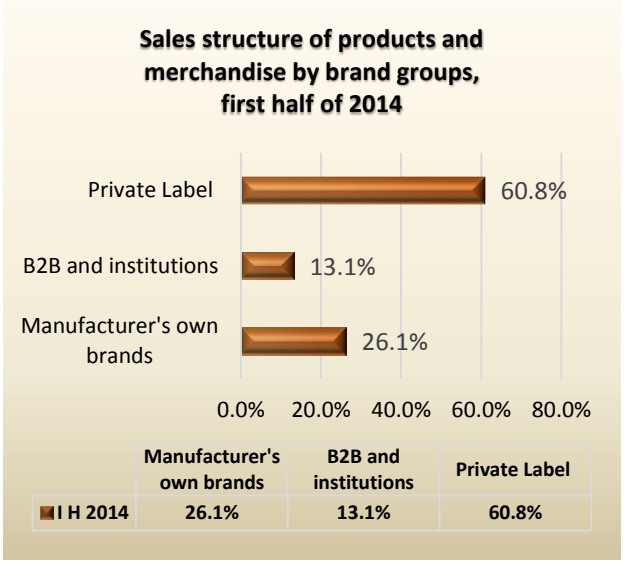
MAJOR RECIPIENT:

In the first half of 2015 the Company implemented the recipients diversification process. Only one recipient exceeded the threshold of 10% share in the consolidated sales revenues (total for brand and private label products). This was Jeronimo Martins Dystrybucja Sp. z o.o., with its share of over 32.7% (sales of approx. PLN 20.9 million). Cooperation with the Biedronka chain is carried out on partner basis and is advantageous for the Makarony Polskie Group. The companies of Makarony Polskie SA and Stoczek Natura Sp. z o.o. have no formal relations with the said customer, except for commercial contracts.

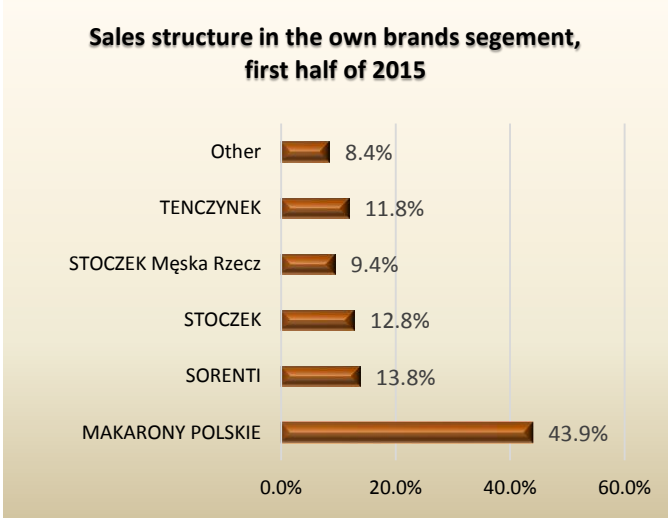
1.4.3. Sales revenues by own brand and private label

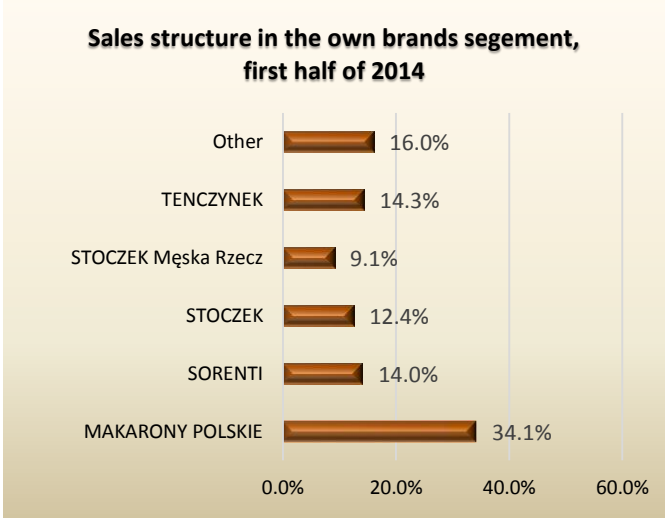
Sales revenues on the manufacturer's own brands in the first half of 2015 were similar to those of the first half of 2014. The sales structure of products and merchandise by brands is presented in the following charts.





Fulfilling the assortment strategy assumptions, consisting in focusing of commercial forces on 5 basic brands of the manufacturer (Makarony Polskie, Męska Rzecz, Stoczek, Tenczynek, Sorenti), sales teams reduced the share of sales of other brands (Solare, Staropolski and Famil-Jada) for the benefit of the key brands. As a result of the activities, share of sales of the five basic brands in the segment of the manufacturer's own brands increased by roughly 8 p.p.





The key brand of Makarony Polskie consolidated the sales potential of the Abak brand. Moreover, it has been extended for the health promoting and functional products line. At the end of the first half of 2015 the Makarony Polskie brand covered for the following product lines: popular extruded pasta, including a form dedicated to the younger consumers, traditional egg-made rolled pasta, wholemeal pasta, functional pasta with Omega3 and spelt flour pasta. This is reflected in the dynamically growing importance of the brand in the Company sales.

The Sorenti brand consists of pasta manufactured in 100% from hard durum wheat and is offered in the forms most popular on the market.

Brands dedicated to meat/vegetable products, vegetable products and fruit products gain its share in sales on the level similar to the preceding period. This is a result of consequent strategy consisting in strengthening the local position.

In the first half of 2015 the Męska Rzecz brand included two assortment lines: classical ready-cooked meals and the so called "Ein-Topf" [complete lunch] meals.

The Stoczek brand covered the line of ready-cooked meals typical for the Polish cuisine, jarred meat (the highest quality equivalent of the popular canned meat), lard, or high-sugar-content jams.

The Tenczynek brand was based on vegetable products, including lunch salads and pickles, as well as fruit syrups and low-sugar-content jams.

2. FINANCIAL RESULTS OF THE MAKARONY POLSKIE GROUP

2.1. PRINCIPLES OF PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were prepared based on the International Financial Reporting Standards (IFRS) in the form approved by the EU, as well as in accordance with the requirements set out in the Regulation of the Minister of Finance of 19 February 2009 on current and periodical information to be disclosed by the securities issuers (Journal of Laws No. 33/2009, item 259).

The presented consolidated financial statements were prepared based on the historical cost concept, except for some assets which were measured at fair value, i.e. assets acquired through the assets purchase transaction from Gardenau Sp. z o.o., the assets acquired through the Stoczek Natura Sp. z o.o. purchase transaction, including goodwill originating from the transaction, as well as the assets acquired through the Abak Sp. z o.o. purchase transaction, and investment land.

The Parent Company (Makarony Polskie SA) and the Subsidiary (Stoczek Natura Sp. z o.o.) prepare their own financial statements in accordance with the IFRS.
The financial statements of the Makarony Polskie Group companies were prepared in Polish zlotys [PLN], whereas all values presented in the financial statements are stated in thousands of zlotys [PLN '000], unless otherwise indicated.
The term of operations of the particular Group companies is unlimited. The consolidated financial statements of the Makarony Polskie Group was prepared on going concern basis applied in reference to the Group companies, as regards foreseeable future, and in the scope which is not going to change significantly. The Group did not carry out any activities which would have been abandoned in the first half of 2015.
The financial statements of all companies were prepared for the same reporting period, by application of cohesive financial principles. The reporting year of the Group companies is a calendar year.

The Selected financial data presented in EUR comply with § 90.1.1 of the Regulation of the Minister of Finance of 19 February 2009:

- the items of the statement of financial position were converted at the mean exchange rate announced by the National Bank of Poland and binding as at the balance-sheet dates: EUR 1 = PLN 4.1944 as at 30 June 2015, and EUR 1 = PLN 4.2623 as at 31 December 2014;
- the items of the statement of comprehensive income and statement of cash flows were converted at the rate being the arithmetic mean of the mean rates announced by the National Bank of Poland and binding as at the last day of each month of the first half of 2015

(i.e. EUR 1 = PLN 4.1341) and as at the end of each month of the first half of 2014 (i.e. EUR 1 = PLN 4.1784).

2.2. LIST OF COMPANIES SUBJECT TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2015

Stoczek Natura Sp. z o.o. with its registered office in Stoczek Łukowski	
Nature of relationship as at 30 June 2014	direct subsidiary
Consolidation method	full
Control/major influence take-over date	1 June 2007
Percentage stake held as at 30 June 2014	100%

Stoczek Natura Sp. z o.o. is controlled by Makarony Polskie SA.

Makarony Polskie SA has, directly and indirectly, the capacity to manage the financial and operating policies of Stoczek Natura Sp. z o.o. for the purpose of gaining economic benefits on the operations of the latter.

2.3. PRESENTATION OF THE BASIC ECONOMIC AND FINANCIAL ITEMS OF THE COMPANY AND GROUP OF MAKARONY POLSKIE

2.3.1. Concise consolidated statement of comprehensive income, as well as the structure of assets and equity/liabilities in the consolidated statement of financial position of the Makarony Polskie Group

Makarony Polskie Group [PLN '000]	**01.01.2015–30.06.2015**	**01.01.2014–30.06.2014**
Sales	**63,678**	**58,158**
Net revenues on the sales of products and services	60,915	56,112
Net revenues on the sales of materials and merchandise	2,763	2,046
Prime cost	**50,595**	**44,951**
Cost of manufacturing of the products and services sold	47,945	43,207
Value of merchandise and materials sold	2,650	1,744
Gross profit (loss) on sales	**13,083**	**13,207**
Cost of sales	7,787	7,689
General management costs	2,276	2,152
Other revenues	1,082	462
Other costs	162	104
Profit (loss) on continued operations	**3,940**	**3,724**
Financial revenues	152	200
Financial costs	939	1,154

Profit (loss) on business activities	**3,153**	**2,770**
Gross profit (loss)	**3,153**	**2,770**
Income tax – current part	0	0
Income tax – deferred part	777	957
Net profit (loss)	**2,376**	**1,813**

STATEMENT OF OTHER COMPREHENSIVE INCOME, NET – HEDGE ACCOUNTING

Makarony Polskie Group [PLN '000]	**01.01.2015–30.06.2015**	**01.01.2014–30.06.2014**
Net comprehensive income	2,376	1,813
Profit/loss on account of hedge accounting application	58	- 55
Total net comprehensive income	2,434	1,758

In the first half of 2015 the consolidated income amounted to PLN 63.7 million and was higher by about 9.5% compared to the first half of 2014. At the same time the cost of products, services, merchandise and materials sold in the first half of 2015 amounted to roughly PLN 50.6 million (about 13.0% growth). In consequence, the gross sales result generated in the first half of 2015 was by approx. 1.0% lower than the result generated in the first half of 2014. This originated from the aggressive commercial policy of the Group aimed at gaining new market share. In the subsequent periods this will enable better production capacity utilisation and distribution of the fixed costs of production and – in effect – profitability improvement.

The result on operating activities (EBIT) in the first half of 2015 amounted to PLN 3.9 million compared to PLN 3.7 million in the first half of 2014, i.e. growth by approx. 5.4%. The profitability of the operating activities equalled 6.2% vs 6.4% in the first half of 2014.

Net profit in the first half of 2015 amounted to PLN 2.4 million compared to PLN 1.8 million in the first half of 2014, meaning growth by about 31.0%. Sales profitability calculated on the net profit level amounted to 3.7% (3.1% in the first half of 2014).

ASSETS [PLN '000]	30 June 2015	31 December 2014
FIXED ASSETS	**87,702**	**88,313**
Tangible fixed assets	70,187	70,634
Investment properties	1,244	1,244
Goodwill	5,946	5,946
Other intangible fixed assets	9,954	10,091
Long-term financial assets		
Deferred income tax assets	267	288
Other long-term assets	104	110
CURRENT ASSETS	**39,013**	**38,266**
Inventories	12,621	11,570
Short-term receivables	25,065	24,958
Receivables on account of corporate income tax		
Loans granted		
Cash and cash equivalents	1,152	1,534
Other short-term assets	175	204
ASSETS HELD FOR SALE		
TOTAL ASSETS	**126,715**	**126,579**

EQUITY/LIABILITIES [PLN '000]	30 June 2015	31 December 2014
EQUITY CAPITAL	**68,321**	**67,460**
Share capital	27,750	27,750
Other reserve capital	37,628	35,034
Retained profit/loss (profit/loss from previous years)	567	533
Net result	2,376	4,143
LONG-TERM LIABILITIES	**26,361**	**23,376**
Deferred income tax provision	2,239	1,482
Long-term bank credits and loans	14,695	13,233
Provision for retirement benefits and equivalent (long-term)	200	235
Deferred income (long-term)	7,833	8,089
Long-term financial liabilities	1,394	337
SHORT-TERM LIABILITIES	**32,033**	**35,743**
Short-term bank credits and loans	8,882	11,994
Short-term financial liabilities	487	267
Financial liabilities on account of dividend	1,573	
Other short-term liabilities	20,410	22,844
Corporate income tax payables		
Deferred income (short-term)	556	558
Provision for retirement benefits and equivalent (short-term)	76	80
Other short-term provisions	49	
TOTAL LIABILITIES	**58,394**	**59,119**
TOTAL EQUITY/LIABILITIES	**126,715**	**126,579**

As at 30 June 2015 fixed assets were worth roughly PLN 87.7 million (69% of total assets) compared to PLN 88.3 million at the end of 2014 (0.7% drop vs the end of 2014). The main change in fixed

assets was a resultant of depreciation (PLN 2.2 million in the first half of 2015) and capital investments.

As at 30 June 2015 current assets represented over PLN 39.0 million, which means that they grew by about 2.0% compared to the end of 2014 (PLN 38.3 million). The largest impact on the change in the current assets was brought about inventories increase by roughly PLN 1.1 million, i.e. by over 9.0% compared to the end of 2014.

Equity capital as at the balance-sheet date amounted to approx. PLN 68.3 million, and represented roughly 54.0% of the value of equity/liabilities. The equity capital grew by 1.3% compared to PLN 67.5 million at the end of 2014. The main change resulted from the consolidated profit for the first half of 2015 amounting to PLN 2.4 million and assignment of a part of 2014 net profit to dividend in the amount of PLN 1.6 million.

Long-term liabilities equalled PLN 26.4 million and grew by 20.8% (from PLN 23.4 million) compared to the balance as at the end of 2014, mainly due to the changes in credit agreements introduced in the first half of 2015 (new agreement on long-term working capital facility at BZ WBK SA, as well as extension of the period of finance and introduction of new repayment schedules for the existing credit facilities, which resulted in their assignment to long-term credits and loans), and capital investments under the project of extruded pasta production consolidation in Rzeszów, which was partially financed with lease.

Short-term liabilities as at 30 June 2015 amounted to PLN 32.0 million and decreased compared to PLN 35.7 million as at the end of 2014. This resulted mainly from reduction of the value of short-term credits and loans (drop by approx. PLN 3.1 million or 26%) and reduction of the value of other liabilities item (drop by about PLN 0.9 million or 17%).

The equity/liabilities reflect the valuation of a transaction aimed at interest rate risk hedge (IRS) made in relation to hedging cash flows for a long-term credit agreement entered into with BZ WBK SA.

2.3.2. Concise individual statement of comprehensive income, as well as the structure of assets and equity/liabilities in the individual statement of financial position of the Makarony Polskie SA

Makarony Polskie SA	01.01.2015–30.06.2015	01.01.2014–30.06.2014
Sales	**61,132**	**55,765**
Net revenues on the sales of products and services	50,514	47,275
Net revenues on the sales of materials and merchandise	10,618	8,490
Prime cost	**48,344**	**43,355**
Cost of manufacturing of the products and services sold	38,198	35,857
Value of merchandise and materials sold	10,146	7,498
Gross profit (loss) on sales	**12,788**	**12,410**
Cost of sales	7,602	7,489
General management costs	1,877	1,729

Other revenues	620	301
Other costs	153	93
Profit (loss) on continued operations	**3,776**	**3,400**
Financial revenues	306	383
Financial costs	964	1,129
Profit (loss) on business activities	**3,118**	**2,654**
Gross profit (loss)	**3,118**	**2,654**
Income tax – current part	0	
Income tax – deferred part	734	839
Net profit (loss)	**2,384**	**1,815**
Including net profit (loss) assigned to:		
Shareholders of the Parent Company	2,384	1,815
Non-controlling interest		
Basic net earnings per share in PLN	0.26	0.20
Diluted net earnings per share in PLN	0.26	0.20
Other comprehensive income/loss, net		
Total comprehensive income, net	**2,384**	**1,815**
Net comprehensive income assigned to:		
Shareholders of the Parent Company	2,384	1,815
Non-controlling interest		

STATEMENT OF OTHER COMPREHENSIVE INCOME, NET – HEDGE ACCOUNTING

Makarony Polskie SA	**01.01.2015–30.06.2015**	**01.01.2014–30.06.2014**
Net comprehensive income	2,384	1,815
Profit/loss on account of hedge accounting application	58	- 55
Total net comprehensive income	2,442	1,760

The value of income in the first half of 2015 was PLN 61.1 million, i.e. by about 10.0% higher (approx. PLN 5.4 million) compared to the first half of 2014. At the same time the cost of services, merchandise and materials sold in the first half of 2015 amounted to roughly PLN 48.3 million, meaning approx. 11.5% growth (about PLN 5.0 million). In consequence, the net result on sales generated in the first half of 2015 is by about 3.0% higher than the result for the first half of 2014. The company implemented aggressive commercial policy aimed at gaining new market share. In the subsequent periods this will enable better production capacity utilisation and distribution of the fixed costs of production and – in effect – profitability improvement.

In the first half of 2015 the result on operating activities (EBIT) was PLN 3.8 million, compared to PLN 3.4 million in the first half of 2014, i.e. roughly 11.1% growth. Profitability of operating activities equalled 6.2% vs 6.1% in the first half of 2014.

Net profit in the first half of 2015 amounted to PLN 2.4 million, which is approx. 31.3% higher compared to PLN 1.8 million in the first half of 2014. Sales profitability calculated on net profit level amounted to 3.7% (vs 3.3% in the first half of 2014).

ASSETS	30 June 2015	31 December 2014
FIXED ASSETS	**76,469**	**76,037**
Tangible fixed assets	49,817	49,265
Investment properties	642	642
Goodwill		
Other intangible fixed assets	5,329	5,442
Long-term financial assets	20,578	20,578
Deferred income tax assets		
Other long-term assets	103	110
CURRENT ASSETS	**43,508**	**43,552**
Inventories	10,383	8,856
Short-term receivables	25,705	26,766
Receivables on account of corporate income tax		
Loans granted	6,145	6,265
Cash and cash equivalents	1,125	1,513
Other short-term assets	150	152
ASSETS HELD FOR SALE		
TOTAL ASSETS	**119,977**	**119,589**

EQUITY/LIABILITIES	30 June 2015	31 December 2014
EQUITY CAPITAL	**64,767**	**63,897**
Share capital	27,750	27,750
Other reserve capital	34,633	32,172
Retained profit/loss (profit/loss from previous years)		
Net result	2,384	3,975
LONG-TERM LIABILITIES	**26,339**	**23,367**
Deferred income tax provision	2,253	1,519
Long-term bank credits and loans	14,695	13,233
Provision for retirement benefits and equivalent (long-term)	164	189
Deferred income (long-term)	7,833	8,089
Long-term financial liabilities	1,394	337
SHORT-TERM LIABILITIES	**28,871**	**32,325**
Short-term bank credits and loans	8,882	11,994
Short-term financial liabilities	487	208
Financial liabilities on account of dividend	1,573	
Other short-term liabilities	17,257	19,515
Corporate income tax payables		
Deferred income (short-term)	556	558
Provision for retirement benefits and equivalent (short-term)	67	50
Other short-term provisions	49	
TOTAL LIABILITIES	**55,210**	**55,692**
TOTAL EQUITY/LIABILITIES	**119,977**	**119,589**

As at 30 June 2015 the fixed assets were worth about PLN 76.5 million (approx. 64.0% of total assets) compared to PLN 76.0 million at the end of 2014 (growth by about 0.6% compared to the end

of 2014). The main change in fixed assets was a resultant of depreciation and capital investments made.

Current assets represented approx. PLN 43.5 million and compared to the end of 2014 decreased by 0.1% (from PLN 43.6 million). The largest changes in current assets were contributed by the items of inventories (growth by PLN 1.5 million or 17.2% YoY) and receivables (drop by PLN 1.1 million or 4.0% YoY).

Equity capital as at the balance sheet date amounted to approx. PLN 64.8 million, representing 54.0% of the value of equity/liabilities and increased by 1.4% vs PLN 63.9 million at the end of 2014. The growth resulted from profit for the first half of 2015 amounting to PLN 2.4 million and assignment of a part of 2014 profit for dividend in the amount of PLN 1.6 million.

Long-term liabilities amounted to PLN 26.3 million and grew by 12.9% (from PLN 23.3 million) compared to the balance as at the end of 2014, mainly due to the changes in credit agreements introduced in the first half of 2015 (new agreement on long-term working capital facility at BZ WBK SA, as well as extension of the period of finance and introduction of new repayment schedules for the existing credit facilities, which resulted in their assignment to long-term credits and loans), and capital investments under the project of extruded pasta production consolidation in Rzeszów, which was partially financed with lease.

Short-term liabilities as at 30 June 2015 amounted to approx. PLN 28.9 million and decreased compared to PLN 32.3 million at the end of 2014, which resulted mainly from reduction in the value of short-term credits and loans (drop by about PLN 3.1 million or 25.9%) and reduction of the value of the item of other liabilities (drop by PLN 0.7 million or 3.5%, in consideration of 2015 financial liabilities on account of dividend).

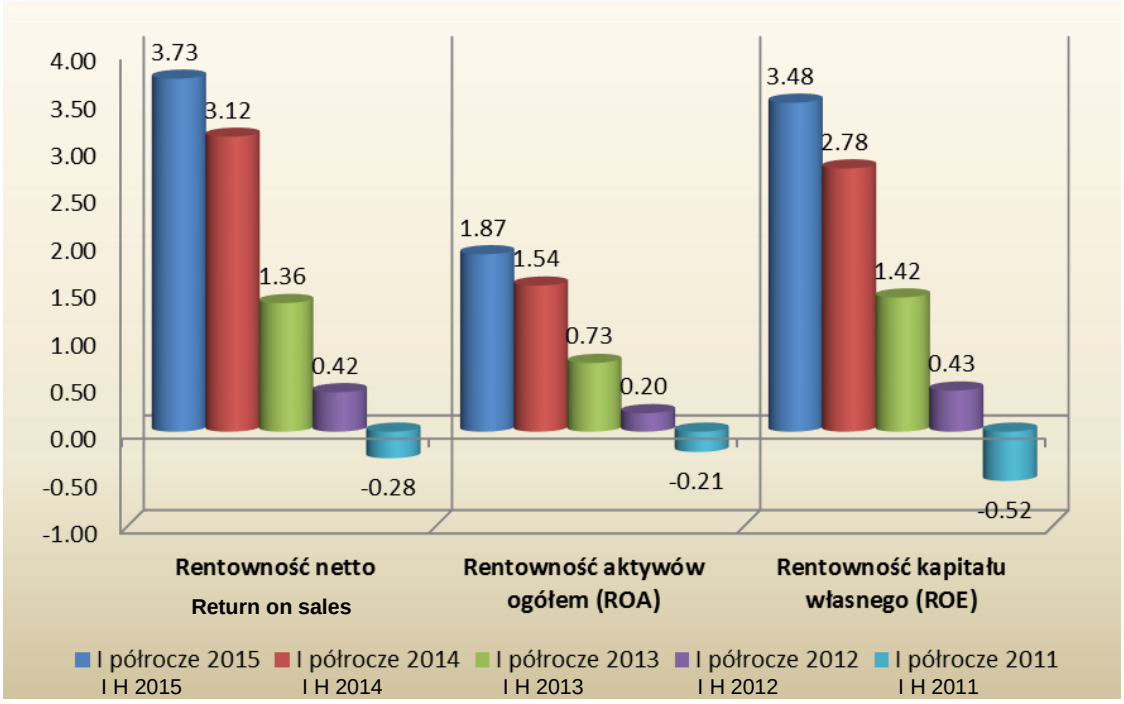
The equity/liabilities reflect the valuation of a transaction aimed at interest rate risk hedge (IRS) made in relation to hedging cash flows for a long-term credit agreement entered into with BZ WBK SA.

2.4. ASSESSMENT OF THE MANAGEMENT OF THE MAKARONY POLSKIE GROUP FINANCIAL ASSETS

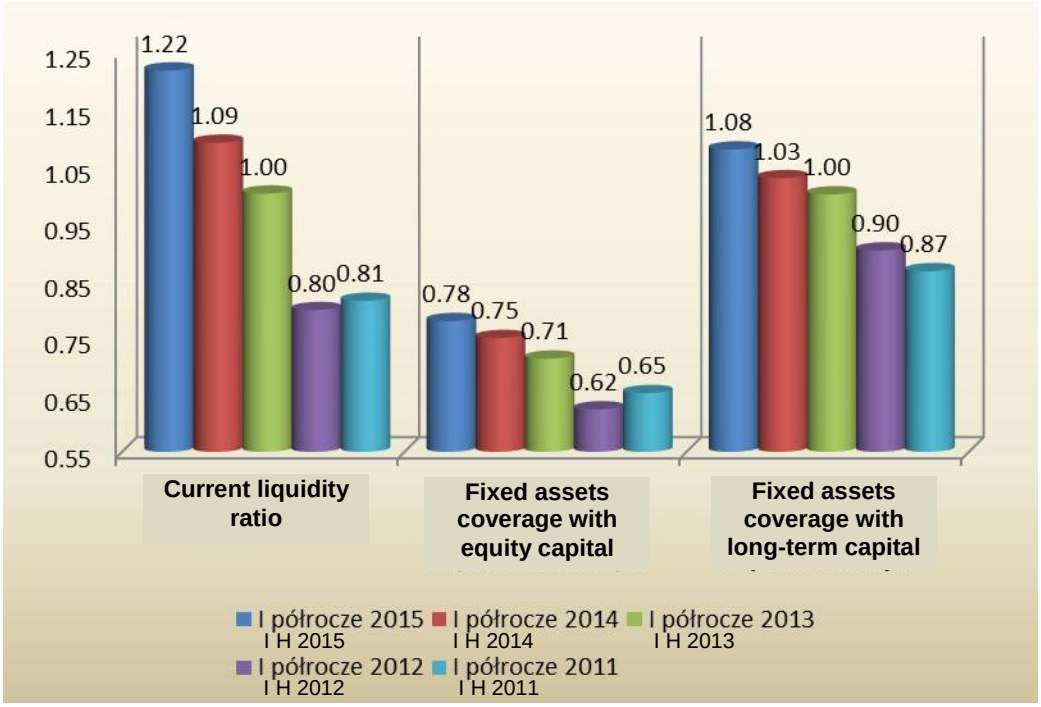
The below presented assessment of the management of the Makarony Polskie Group financial assets was made based on the consolidated financial statements for the period from the first half of 2011 to the first half of 2015.

The values of the particular profitability ratios of the Makarony Polskie Group in the analysed period are presented in the table below.

Specification	Makarony Polskie Group				
	I H 2015	I H 2014	I H 2013	I H 2012	I H 2011
Net sales [PLN '000]	63,678	58,158	66,134	62,133	115,757
Sales profitability *[Gross profit (loss) on sales/net sales]*	20.5%	22.7%	19.5%	17.5%	17.0%
Operating profit margin *[Profit (loss) on continued operations/net sales]*	6.2%	6.4%	3.2%	0.0%	1.8%
Gross profit margin *[Gross profit (loss)/net sales]*	5.0%	4.8%	1.3%	-1.5%	0.7%
Return on sales *[Net profit (loss)/net sales]*	3.7%	3.1%	1.4%	0.4%	-0.3%
Return on assets (ROA) *[Net profit (loss)/total assets]*	1.9%	1.5%	0.7%	0.2%	-0.2%
Return on equity (ROE) *[Net profit (loss)/equity capital]*	3.5%	2.8%	1.4%	0.4%	-0.5%

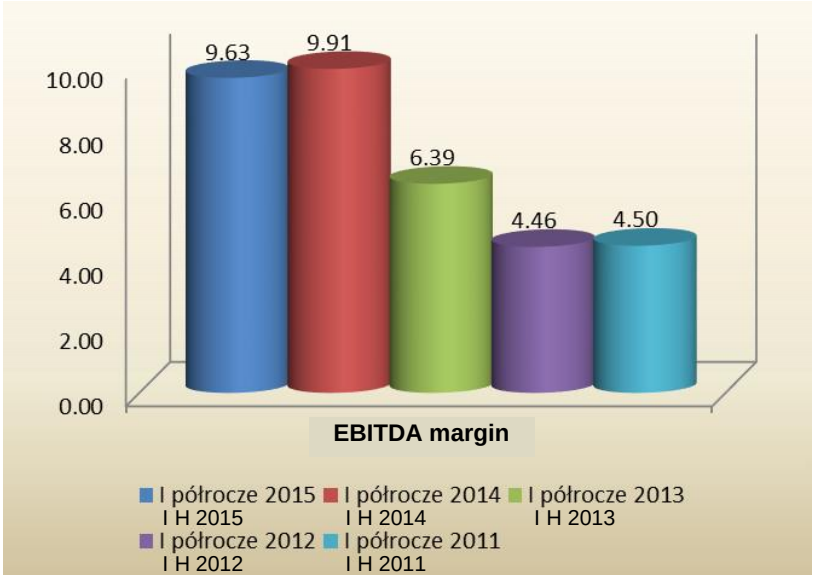


Specification	Makarony Polskie Group				
	I H 2015	I H 2014	I H 2013	I H 2012	I H 2011
Current liquidity ratio *[Current assets/short-term liabilities]*	1.22	1.09	1.00	0.80	0.81
Fixed assets coverage with equity capital *[Equity capital/fixed assets]*	0.78	0.75	0.71	0.62	0.65
Fixed assets coverage with long-term capital *[(Equity capital + long-term liabilities)/fixed assets]*	1.08	1.03	1.00	0.90	0.87



The above specifications and charts presenting profitability ratios, liquidity ratios as well as capital/asset structure reflect improvement of the financial position of the Makarony Polskie Group in the first half of 2015 compared to the preceding periods as regards profitability, capacity to service liabilities as well as security of current activities and capital investment financing.

Specification	Makarony Polskie Group				
	I H 2015	I H 2014	I H 2013	I H 2012	I H 2011
Net sales [PLN '000]	63,678	58,158	66,134	62,133	115,757
EBITDA [PLN '000] *[Profit (loss) on continued operations + depreciation]*	6,133	5,761	4,227	2,773	5,207
EBITDA margin *[EBITDA/net sales]*	9.6%	9.9%	6.4%	4.5%	4.5%



The objective of the Management Board in the subsequent periods is maintenance of EBITDA on the level at least equivalent to that generated in the first half of 2015.

2.5. DESCRIPTION OF FACTORS AFFECTING THE RESULTS GENERATED IN THE FIRST HALF OF 2015

In the first half of 2015 the Makarony Polskie Group generated net profit at the level of PLN 2.4 million. A series of changes were introduced at the Group in order to improve production effectiveness and reduce fixed costs. The following activities, among others, contributed to the generated results.

- **CAPITAL INVESTMENT PROJECTS AT THE PRODUCTION PLANTS IN RZESZÓW AND CZĘSTOCHOWA**

  In the years 2014–2015 the Makarony Polskie Group carried out a series of capital investment projects aimed at improved effectiveness of utilities and raw materials consumption as well as achievement of higher and flexible production capacity:
  - at the production plant in Częstochowa the source of heat generation was changed (from fuel oil into gas). The project completion resulted in heat cost reduction for the plant by about 40%;
  - at the production plant in Rzeszów the project consisting in installing and modernising lines for short pasta forms manufacturing, which enabled production capacity increase for such pasta by about 90%. Moreover, the Group modernised the flour storage base increasing the number of flour silos by 66% and significantly increased the number of pasta silos (by 250%). The projects will contribute to production flexibility and

extension of product offer for pasta made of other types of flour (spelt, wholemeal, rye). Additionally, the plant extended its production capacity as regards new and innovative forms of pasta, including large fusilli, shells and penne (thanks to the purchase of new moulds);

- Makarony Polskie SA signed an agreement in 2014 for the supply of a packing machine by one of the world's leaders in such machines segment. The machine was installed and commissioned in the first half of 2015.

- CHANGE IN RAW MATERIALS SUPPLY CONDITIONS

  In the first half of 2015, compared to the first half of 2014, the Group purchased increased quantities of durum wheat flour, which resulted from the specifics of the commercial contracts signed. The quantities of soft flour purchased were similar to those of last year.

  The Group applies the principle of risk distribution and purchase costs optimisation when selecting suppliers. The Group policy as regards securing raw materials prices with long-term purchase contracts in annual and semi-annual periods made it possible to maintain the average flour and egg pulp purchase prices on a stable level and, thus, avoid major profitability reduction for the manufactured pasta.

  A significant (visible for some quarters now) improvement of the Group financial liquidity, and the related cooperation with suppliers based on production raw materials purchases for cash up to 15% of demand was directly translated into lower purchase prices.

  In the first half of 2015 the Group did not observe any major changes in the raw materials supply conditions.

- ORDERING THE PORTFOLIO OF BRAND PRODUCTS

  In the first half of 2015 the process of brand products portfolio optimisation ended. The activities focused on maximum sales increase by concentration of actions on 5 key brands with simultaneous reduction of importance of the other brands. In the opinion of the Group the largest development potential and capacity to gain further market share is represented by the Makarony Polskie and Męska Rzecz brands.

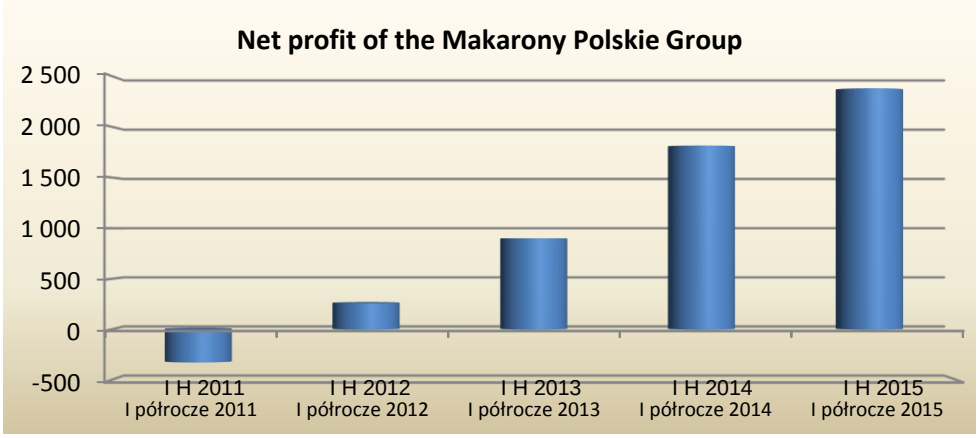
  The actions focused on the maximum use of the synergy effect of the particular brands. The distribution and sales indicators of the new products introduced in 2014 were consequently improved. Intensive activities were devoted to promotion as well as sale and resale support, supplemented with adequate off-site sales stimulation (by assigning the respective tasks and providing incentives/bonuses to the commercial teams).

  The Marketing Team was also intensively working on further new products within the Makarony Polskie brand. The result of the activities in the form of finished products will be visible in the second half of 2015.

- CHANGE IN THE CONDITIONS OF CREDIT AND FACTORING AGREEMENTS

  In 2015 Makarony Polskie SA renegotiated the conditions of credit and factoring agreements. The purpose of the change in external sources of finance was attraction of additional capital for financing the current activities of the Company as well as the capital investments at the production plant in Rzeszów, improvement of cash flows on financing activities, e.g. by negotiating grace period in the principal instalments repayment under the long-term credit facility within the nearest future, extension of the liabilities repayment deadlines and reduction of the financial costs of the Makarony Polskie Group in the subsequent periods. The detailed description of the new conditions has been provided in clause 3.2 hereof.

Summing up the projects and activities carried out by the Management Board since 2012, i.e. headcount reduction in sales and production, closure of the Płock plant, closure of the central warehouse in Płock, sales office relocation from Warsaw to Ząbki, investment in extruded pasta production concentration in Rzeszów, investment in heat source change at the production plant in Częstochowa, reduction of the costs of current and long-term finance, contributed to continuous improving of the financial result, which is presented in the chart below.



The objective of the Management Board is to maintain the growing trend in the subsequent years.

2.6. DESCRIPTION OF FACTORS WHICH IN THE OPINION OF THE COMPANY WILL AFFECT THE RESULTS TO BE GENERATED BY THE MAKARONY POLSKIE GROUP IN THE THIRD AND FOURTH QUARTERS 2015

In 2015 the Company has concentrated its activities on:

- **Building engineering and manufacturing advantage through investments in innovation and automation**
  - Development of R&D activities focused on innovative products: functional food, health promoting food, as well as food dedicated to the specific target groups.
    - Interdisciplinary teams were established at Makarony Polskie SA to work on developing innovation in liaison with scientific institutions, as regards the technology of manufacturing new ecological and health promoting products.
    - Research has been carried out at Stoczek Natura Sp. z o.o. in order to adjust to the global trends in food manufacturing: convenience products, health promoting products, products packed in modified atmosphere, and ecological products.
  - Installation of a modern line to pack pasta at the production plant in Rzeszów, which enables organisational and product innovation implementation.
  - Installation of a modern labelling machine on the line in Stoczek Łukowski, enabling hexagonal and cylindrical jars labelling along their circumference.
  - A competition was organised and adjudicated with regard to the plant architectural concept, covering for extension of the production building, packaging warehouse, high-storage warehouse and office building. Construction design for the extension of the production and warehouse building was prepared and valid building permit was obtained. Owing to the fact that the Company plans to apply for EU funds to finance the project, the construction works commencement depends on the dates of accepting applications within the new perspective 2014–2020. Owing to the new EU perspective 2014–2020 which focuses on innovation, the Management Board appointed working teams to determine the areas in which the Group may gain engineering and competitive advantage.

- **Development of private label segment activities**
  - Extension of the product offer directed to new and existing customers with spelt flour and wholemeal products.
  - Extension of the product offer directed to new and existing customers with new forms and shapes of pasta, as well as ready-cooked meat and salads.
  - Activities focused on improvement the sales channel profitability.

- **Increase of domestic market share and distribution level**
  - Improvement of the position of brand products through the strategy of concentration on 5 brands, and particularly on the key brands of Makarony Polskie and Męska Rzecz, as well as continuous portfolio optimisation (both as regards elimination of items which are dying out on the market, and introduction of new products expected by the market).
  - Optimisation and improvement of effectiveness of the sales structures.
  - Development and implementation of mechanisms to cooperate with wholesale customers, local retail networks and large-scale chain shops.
  - Concentration on fast and effective creation of brand assortment availability in the modern channel and implementation of effective distribution policy in the traditional channel.
  - Intensified trade marketing activities to support sale and resale of products and build standing relations with the customers.

- **Exports development**
  - Increased number of customers on the European markets and outside of Europe, including Denmark, Greece, Germany, Portugal, the UK, Egypt, Mongolia, northern Africa and Scandinavian countries.
  - Intensified communication with the current and potential recipients by virtue of participation in sector fairs in the second half of 2015 and organisation of B2B meetings on the target markets, for example.
  - Continued cooperation with Raya Distribution – deliveries and distribution on the Egyptian market of the manufacturer's own brands.
  - Attracting and performing projects focused on supply of products identified with the recipient's own brand, mainly to the African market.
  - Product offer development by offering wholemeal pasta and functional pasta (e.g. Omega 3) on foreign markets.

- **Development of B2B and institutions sales channel, as well as HORECA**
  - Development of pasta categories, as well as meat/vegetable products and fruit products tailored to the specified expectations of the channel customers.
  - Establishing cooperation with other pasta and ready-cooked meals manufacturers in order to supplement the offer for the final recipient.
  - Product offer individualisation and, thus, competitiveness improvement.
  - Use of the production potential of Stoczek Natura Sp. z o.o. as regards product packing as a subcontractor.
  - Further development of semi-products manufacturing based on the production capacity of the plant in Stoczek Łukowski, which includes sweet fillings and salty stuffing.

- Strengthening of the B2B channel at the Makarony Polskie Group by employing professional sales representatives dedicated to that channel.

In the opinion of the Management Board of Makarony Polskie SA, the current financial position of the Group allows for the implementation of the above presented development directions.

2.7. HAZARDS AND RISKS RELATED TO THE COMPANY ACTIVITIES IN THE REMAINING MONTHS OF 2015

In the opinion of the Management Board of Makarony Polskie SA, the current financial position of the Group, its production potential and market position provide opportunities for further development. There are, however, many factors – mainly of external nature – which may directly or indirectly affect the financial results generated in the subsequent quarters.

RISK OF DEPENDENCE ON THE RECIPIENTS

A major part of the revenues is generated by the Group through cooperation with organised commercial networks, which are centralised as regards decision-making. The possible lack of continuity in cooperation with the recipients may affect the sales values. Some commercial agreements do not include strictly determined values of planned purchases to be made by the recipient during the term of the agreement. There is a risk that the recipients will file orders which are different in quantity from those assumed by the Group in its monthly plans, which may result in inability to satisfy the demand or incomplete use of production capacity, which will obviously translate into the Group results. Nevertheless, in the opinion of the Group, the risk is not significant, because the quantities of products supplied so far have not significantly fluctuated within a yearly timeframe, staying at the levels which were possible to foresee. Additionally, the Group has been systematically implementing solutions for recipients diversification and increase of the number of medium-sized customers.

RISK OF MARKET TRENDS CHANGES

The risk may result from the possible changes in consumer behaviour, e.g. owing to growing prices or generally published information, for example, regarding health advantage of a given category of products.

Market trends are monitored on a current basis. The Group companies adjust their offer in a fast and flexible manner, both as regards the very products and the technology of the products manufacturing. The current product offer of the Group has been modified in accordance with market trends, e.g. in reply to health promoting and "fit" products trend and the Group introduced pasta with Omega 3 and spelt flour pasta.

RISK RELATED TO CHANGES IN RAW MATERIALS PRICES

The Group policy as regards securing raw materials prices with long-term purchase contracts in annual and semi-annual periods made it possible to maintain the average flour and egg pulp purchase prices on a stable level and, thus, avoid major profitability reduction for the manufactured pasta.
In relation to the current situation on the grain market, the Group has monitored on a current basis the forecasts regarding both the domestic market and consumer wheat quoting on the world's markets.

Current forecasts:

EURONEXT-MATIF (PARIS)

CONSUMER WHEAT [EUR/t]	13.08.2015	14.08.2015	17.08.2015	18.08.2015	19.08.2015	20.08.2015	21.08.2015	**24.08.2015**	*24.08/21.08*
September 2015	177.50	176.00	175.75	173.75	170.50	169.00	166.75	**163.50**	*-1.9%*
December 2015	183.50	181.25	179.75	178.00	178.00	178.75	176.00	**173.75**	*-1.3%*
March 2016	186.75	184.75	182.25	181.50	181.50	182.25	179.75	**177.50**	*-1.3%*

* Current forecasts for the EUR price level of 1 ton of consumer wheat (September 2015–March 2016).

At the present moment, the situation regarding availability of raw materials seems to be safe. The grains quantities purchased by flour manufactures are slightly higher than last year. Owing to the location of the production plants, the Group purchases production raw materials mainly in the south of Poland.
The situation on the grains market in Poland, as at the date of publishing the report, was as follows:

a) north of Poland – bad crops, dried, still about 20% of wheat is to be harvested;
b) central Poland – in some regions (western Mazovia, Łodź Province, Wielkopolska) bad crops owing to drought;
c) south of Poland – here the crops will be the best, rains have fallen in due time, there was sufficient sun; crops at the level of 8–10 tons per hectare; good quality wheat with proper gluten contents and adequate falling number.

In consideration of the above factors, already at the beginning of the third quarter the Group started to negotiate contracts for the 2015/2016 season. Analysing the quotations received and the conditions negotiated so far, it may be stated that the average price level of flour to be purchased by the Group in the period from October 2015 to September 2016 will be probably close to the flour price level applicable to the period from October 2014 to September 2015.

At the present moment the Company is at the stage of completing negotiations for flour supply contracts in the season 2015/2016, which will cover minimum 80% of demand.

RISK RELATED TO FOREIGN EXCHANGE RATES FLUCTUATION

The Makarony Polskie Group is an importer of semolina and exporter of finished products. The Group products sales prices are determined on case by case basis in consideration to the current foreign exchange rates, such as to ensure satisfactory sales profitability.

PLN weakening may have a negative impact on the profitability level of the Group activities as an importer. In order to minimise foreign exchange rate risk, the money received by the Group from export sales is used to purchase raw materials outside of Poland. Moreover, the Group has strived to minimise foreign exchange risk by rates hedging.

COMPETITION RISK

All areas of activity of the Makarony Polskie Group fall within strong competition segments. There is a risk that increased activity of the competitors, reflected mainly in commercial conditions deterioration, will affect the profitability and revenues of the Group and, thus, achievement of the assumed objectives. The activities of the competitors are monitored on a current basis and carefully analysed by the Group Marketing Department. Therefore, the Group is capable of fast reacting to the possible threats.

RISK OF CHANGING LEGAL AND TAX ENVIRONMENT

The Polish legal and tax system is characterised with frequent changes. An unfavourable factor for the operations of the Group companies may be both the changing legal regulations and differentiated interpretations thereof. In practice, the interpretation of legal regulations by the Polish tax authorities and courts as regards taxes is often non-cohesive. As refers to companies operating on the Polish market the risk of running business is higher than in the countries with stable and long-established legal and tax systems. Legal regulations have been monitored on a current basis by quality teams, whereas the legally imposed changes are implemented in products and on the product packaging without undue delay. The security of the interest of the Company as regards legal changes is ensured by legal teams, which undertake proper steps in due time, with the aim of minimising the possible consequences of such changes.

RISK RELATED DEFLATION PRESSURE

There is a risk of further pressure by the recipients (shop chains and distributors) to lower the prices of the Group products, which is related to the general deflation on the market.

The consumers believe that products should be cheaper and cheaper at shops. Therefore, distributors and shop chains expect further price decreases by manufacturers. Already in the first half of the year, the sales volume increase did not translate to value increase. This may have a negative impact on margins.

INTEREST RATE RISK

Interest rate risk is the risk of losses as a result of change in the interest rates applied by the market and change in the statutory interest. Both the value of revenues and costs of the Group are sensitive to interest rates changes on the market.

To a major extent, the Group finances its activities with credits and loans, which increases the Group's sensitivity to the interest rate risk, both as regards long-term and short-term financial liabilities.

In 2014 the Capital Group availed of external sources of finance taken out at a bank in the form of a revolving credit facility, loan in the current account and investment facilities.

As at 30 June 2015 the Group was liable PLN 23,577 thousand on account of credits and loans taken out.

Currency	Interest rate	Credit/loan balance	Including	
			short-term	long-term
PLN	WIBOR + bank margin	23,577	8,882	14,695

The Group is liable on account of credits and loans to which variable interest rates apply. Therefore, there is a risk of the interest rates increase in reference to the interest level as at the date of signing the agreement.

Owing to the fact that the Group has no assets to which variable interest rates would apply, such as to balance the risk of liabilities, in the reporting period the Group applied an interest rate risk hedging instrument.

Type of transaction	Date of transaction	Term of transaction	Minimum amount [PLN '000]	Company pays	Company receives	Financial liability [PLN '000]
Interest rate swap (IRS)	Oct. 2013	Oct. 2016	7,500	Fixed rate	Variable 3M WIBOR	102

CREDIT RISK

Credit risk is the risk of failure to service liabilities by the Group contractors. The Group follows the principle of making transactions with contractors of verified creditworthiness. In need, proper security interest is requested in order to reduce the risk of financial losses on account of the contractor's failure to abide by the contract conditions. The Group uses generally available financial information as well as own data regarding transactions when assessing the financial position of its main customers. The Group exposure to the creditworthiness risk of the contractors has been monitored on a standing basis. The credit risk control is possible by virtue of limits verified and approved on a current basis within the Group controlling structures. Additionally, the Group covered the selected contractors with

trade receivables insurance provided by one of the major insurance companies operating in that segment on the Polish market.

The Group is not exposed to a major credit risk of a single contractor or a group of contractors. When assessing the credit risk level, the Group treats related companies as one customer.

2.8. THE STAND OF THE MANAGEMENT BOARD REGARDING THE POSSIBILITY OF MATERIALISATION OF THE PREVIOUSLY PUBLISHED PROJECTED RESULTS FOR 2015

The Makarony Polskie Group has not published any financial projections for the reporting year 2015.

3. MISCELLANEOUS INFORMATION

3.1. COURT LITIGATIONS, ARBITRATION PROCEEDINGS OR ADMINISTRATIVE PROCEEDINGS

In the presented reporting period there were no pending court ligations or any arbitration or administrative proceedings regarding the liabilities or receivables of the Company or its Subsidiary with the total value representing at least 10% of the equity capital of Makarony Polskie SA.

3.2. MAJOR TRANSACTIONS AND EVENTS IN THE FIRST HALF OF 2015 AND POST BALANCE-SHEET DATE

3.2.1. Major transactions and events in the first half of 2015

AGREEMENT WITH JERONIMO MARTINS POLSKA SA

Based on the agreement signed by and between Makarony Polskie SA and Jeronimo Martins Polska SA pasta is sold to the Biedronka chain under the chain's private labels: Vitalia, Pasatni (made of durum flour), Dobrusia and Makaron Szlachecki.

In January 2015 the Company signed an annex to the agreement with Jeronimo Martins Polska SA referring to extension of the cooperation to date with deliveries to the Biedronka chain shops of wholemeal pasta under the Pastani brand. The estimated value of turnover on the products covered with the annex is expected to be about PLN 3 million in 2015. The total estimated value of turnover between Makarony Polskie SA and Jeronimo Martins Polska SA in 2015 is expected at the level of about PLN 45 million.

AGREEMENT WITH RAYA DISTRIBUTION, EGYPT

In January 2015 Makarony Polskie SA signed a five-year agreement on deliveries of the Company branded pasta (Sorenti and Makarony Polskie) to the company of Raya Distribution based in Egypt. Raya Distribution is a food division of the Raya Holding for Technology and Communications, a public company listed on the Cairo Stock Exchange since May 2005.

The contract is a part of the strategy of expansion to foreign markets, which has been implemented by Makarony Polskie SA.

In accordance with the agreement provisions Raya is going to distribute the products in Egypt, Middle East and Africa. The agreement was signed on exclusive basis. Raya committed to collect 3 thousand tons of pasta in 2015.

The agreement was covered with trade receivables insurance granted by one of the major insurance companies operating in that segment on the Polish market.

MAJOR CREDIT AGREEMENTS WITH BZ WBK SA

On 20 May 2015 the Company signed annexes to the agreements with Bank Zachodni WBK SA on loan in the current account, investment facility and working capital facility of the total value of PLN 21.8 million.

The highest value credit agreement is the annexed investment facility agreement of 18 October 2013 amounting to PLN 13.8 million. The initial value of the agreement was PLN 15 million, out of which as at the date of signing the annex the Company repaid a part of principal instalments and the agreement balance dropped to PLN 11.3 million.

The annex to the investment facility agreement covers for the following amendments:

- the liability repayment period was extended by 30 April 2020 (previously 30 September 2018);
- new repayment schedule was introduced;
- repayment of principal instalments was suspended and grace period applicable to principal instalments introduced by December 2015;
- limit amounting to PLN 2.5 million to finance the project at the production plant in Rzeszów was introduced (pervious limit for the same purpose was about PLN 1.3 million);
- the margin and fees charged by the Bank were reduced adequately to the current assessment of the economic standing of the Company and market conditions;
- the cash deposit to secure repayment of one-year's interest was removed from the credit collateral list;
- the value of collateral was adjusted to the increased credit exposure of the Bank.

The facility will be repaid in 52 monthly instalments starting from 31 December 2015, in the following values: 52 instalments of PLN 0.17 million each, plus 53rd settlement instalment amounting to PLN 5.18 million.

The interest rate on the facility was set out based on WIBOR 3M and is not different from the standard applied by the Bank to such credit facilities.

MAJOR CREDIT AGREEMENTS WITH BANK GOSPODARSTWA KRAJOWEGO

- Agreement on loan in the current account with credit limit of PLN 6.0 million

  On 30 June 2015 the Company signed an annex to the agreement with the Bank regarding a loan in the current amount with the credit limit of PLN 6.0 million. The annex covers for the following amendments:

  - credit limit was increased by PLN 1 million (from PLN 5.0 million to PLN 6.0 million);
  - the liability repayment period was extended by 30 June 2016 (previously 30 June 2015);
  - the margin charged by the Bank was reduced adequately to the current assessment of the economic standing of the Company and market conditions;
  - the value of collateral was adjusted to the increased credit exposure of the Bank.

The interest rate on the loan was set out based on WIBOR 3M and is not different from the standard applied by the Bank to such loans.

- Agreement on working capital non-revolving facility in credit account with the limit of PLN 5 million

  On 30 June 2015 the Company signed with the Bank an agreement on working capital non-revolving facility in credit account with the limit of PLN 5 million. The facility was assigned to the repayment of the working capital loan at BGK granted based on the working capital facility agreement No. 13/1004 of 14 June 2013, as amended (current balance of PLN 4 million), and financing of the current business activities.

  The facility will be repaid in 12 quarterly instalments payable on the last day of each quarter, starting from 30 September 2015, as follows: 11 instalments of PLN 0.25 million each and the last 12th settlement instalment of PLN 2.25 million payable on 29 June 2016.

  The interest rate on the facility was set out based on WIBOR 3M and is not different from the standard applied by the Bank to such credit facilities.

SECURITY BONDS GRANTED TO THE COMPANY BY THE SUBSIDIARY – STOCZEK NATURA SP. Z O.O.

- Security bond for loans taken out at BZ WBK SA

  In May 2015 Stoczek Natura Sp. z o.o. signed with Bank Zachodni WBK SA an annex to the security bond agreement securing the agreement on loan in the current account of 18 October 2013 by and between the Bank and Makarony Polskie SA.

  Pursuant to the annex the maximum value of the security bond granted was increased from PLN 6.0 million to PLN 7.5 million, and the period in which the Bank may issue an enforcement title up to the amount of indebtedness under the loan was extended from 30 September 2018 to 31 May 2019.

  The said amendments result from the fact that Makarony Polskie SA signed an annex to the aforesaid loan agreement increasing the credit limit from PLN 4.0 million to PLN 5.0 million and extending the lending period from 30 June 2015 to 31 May 2016, among other things.

- Security bond for loans taken out at BGK

  In June 2015 Stoczek Natura Sp. z o.o. granted security bonds for the credit liabilities of Makarony Polskie SA taken out at Bank Gospodarki Krajowej pursuant to the agreement on loan in current account (including annex) and agreement on working capital non-revolving facility in credit account. The Company informed about the agreements in the current repot No. 20/2015 dated 1 July 2015.

  The total value of the secured credits and loans is PLN 11.0 million, including PLN 5.0 million for the agreement on working capital non-revolving facility in credit account and PLN 6.0 million for the agreement on loan in the current account.

  Security bonds in reference to each of the above loans and credit facilities cover the liability of the borrower existing as at the moment of granting the security bond and those which may arise

in future on account of the said loans and credit facilities, plus interest, commission and costs related thereto, should the borrower fail to pay its liabilities.

The security bond referring to the agreement on loan in the current account is valid until 30 December 2016, whereas the security bond referring to the agreement on working capital non-revolving facility in credit account is valid till 29 December 2018.

3.2.2. Major transactions and events post balance-sheet date

CHANGE OF A MAJOR FACTORING AGREEMENT WITH BZ WBK FAKTOR SP. Z O.O.

In July 2015 the Company signed with BZ WBK Faktor Sp. z o.o., by mail, an annex to the full factoring agreement of 12 December 2013 (the form of factoring assumes the take-over of the risk of customer insolvency).

The annex to the factoring agreement increases the available factoring limit by PLN 1.5 million (from PLN 8.0 million to PLN 9.5 million) and reduces the margin and fees charged by the factor, by adjusting them to the current economic standing of the Company and market conditions.

DIVIDEND PAY-OUT

The Management Board of the Company recommended to the Annual General Meeting to divide the net profit for 2014 amounting to PLN 3,974,619.90 in the following manner:

a) assign PLN 1,572,512.07 to the dividend pay-out, i.e. pay out dividend in the value of PLN 0.17 gross per share;
b) assign the remaining part of the profit amounting to PLN 2,402,107.83 to the supplementary capital of the Company.

On 26 June 2015 the AGM of Makarony Polskie SA decided to pay out dividend in accordance with the proposal of the Management Board. The dividend pay-out date was set for 15 July 2015. The dividend was actually paid out on 3 August 2015. There were 9,250,071 shares of the Company entitled to the dividend.

Additionally, the Management Board of the Company has decided that in the subsequent reporting years it will try to recommend to the AGM the payment of dividend to shareholders, although the possibility to pay out the dividend may depend on the value of profit generated, the current capital investment objectives and the standing of the Company.

3.3. MAJOR TRANSACTIONS WITH RELATED COMPANIES

In the first half of 2015 Makarony Polskie SA did not enter into any major transactions with the Subsidiary – Stoczek Natura Sp. z o.o.

The companies of the Makarony Polskie Group are bound with an agreement on common distribution of the products of Makarony Polskie SA and Stoczek Natura Sp. z o.o. through the distribution network of Makarony Polskie SA. The agreement was signed for the purpose of improving the effectiveness of the Group products sales. Remuneration on account of the agreement was set on arm's length basis.

3.4. CREDIT SECURITY BONDS, LOANS AND GUARANTEES GRANTED

3.4.1. Information about security bonds granted

Makarony Polskie SA

As at 30 June 2015 Makarony Polskie SA had not granted any security bonds.

Stoczek Natura Sp. z o.o.

In the first half of 2015 Stoczek Natura Sp. z o.o. granted security bonds to the Parent Company – Makarony Polskie SA. The balance of the security bonds as at 30 June 2015 is presented in the table below:

Third party liabilities	Name of creditor	Security bond value	Security bond date	Validity date	Balance of the secured liability as at 30.06.2015
Security bond for a loan in current account amounting to PLN 5.0 million*	BZ WBK	PLN 7,500,000	18.10.2013	31.05.2019	PLN 3,124,000
Security bond for investment facility amounting to PLN 13.8 million	BZ WBK	PLN 30,000,000	18.10.2013	30.09.2021	PLN 10,945,000
Security for working capital facility/working capital non-revolving facility in credit account amounting to PLN 5.0 million**	BGK	PLN 5,000,000	30.06.2015	29.12.2018	PLN 4,000,000
Security for a loan in current account amounting to PLN 6.0 million**	BGK	PLN 6,000,000	14.06.2013	30.12.2016	PLN 2,591,000

The changes to the open security bonds which were introduced in the first half of 2015 were described in clause 3.2.1 hereof.

Stoczek Natura Sp. z o.o. received remuneration on account of the security bonds granted to the Parent Company – Makarony Polskie SA in the first half of 2015.

3.4.2. Information on loans granted

As at 30 June 2015 Makarony Polskie SA granted a loan to the Subsidiary – Stoczek Natura Sp. z o.o. in the amount of PLN 6.07 million with the repayment date on 31 December 2016. The interest rate on the loan was set on arm's length basis.

In the first half of 2015 Stoczek Natura Sp. z o.o. did not grant any loans.

3.4.3. Information on guarantees granted

During the first half of 2015 the companies of the Makarony Polskie Group did not grant any guarantees.

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Zenon Daniłowski
President of the Management Board