

Grupa Azoty S.A. Group

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2015**

The opinion contains 2 pages
The supplementary report contains 15 pages
Opinion of the independent auditor
and supplementary report on the audit
of the consolidated financial statements
for the financial year ended
31 December 2015



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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Grupa Azoty S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is Grupa Azoty S.A. with its registered office in Tarnów, ul. Kwiatkowskiego 8 (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Parent Entity, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of Grupa Azoty S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Group's Activities

As required under the Accounting Act, we report that the accompanying report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Sp. z o.o.
Registration No. 458
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Marcin Domagała
Member of the Management Board
Key Certified Auditor
Registration No. 90046

Signed on the Polish original

.....
Jakub Panek
Certified Auditor
Registration No. 11327

8 March 2016

Grupa Azoty S.A. Group

**Supplementary report
on the audit of the
consolidated financial
statements**

**Financial Year ended
31 December 2015**

The supplementary report contains 15 pages
The supplementary report on the audit of the
consolidated financial statements
for the financial year ended
31 December 2015

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation

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1. General

1.1.1. Identification of the Group

1.1.2. Name of the Group

Grupa Azoty S.A. Group

1.1.3. Registered office of the Parent Company of the Group

ul. Kwiatkowskiego 8
33-101 Tarnów

1.1.4. Registration of the Parent Company in the register of entrepreneurs of the National Court Register

Registration court:	District Court for Cracow-Śródmieście in Cracow, XII Commercial Department of the National Court Register
Date:	28 December 2001
Registration number:	KRS 0000075450
Share capital as at the end of reporting period:	PLN 495,977,420

1.1.4. Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

As at 31 December 2015, the Management Board of the Parent Company was comprised of the following members:

- Paweł Jarczewski – President of the Management Board,
- Witold Szczypiński – Vice-President of the Management Board,
- Andrzej Skolmowski – Vice-President of the Management Board,
- Marek Kapłucha – Vice-President of the Management Board,
- Marian Rybak – Vice-President of the Management Board,
- Krzysztof Jałosiński – Vice-President of the Management Board,
- Artur Kopeć – Member of the Management Board.

Based on the resolution of the Supervisory Board dated 19 February 2016, the following persons were dismissed from the Parent Company's Management Board:

- Paweł Jarczewski – President of the Management Board,
- Marek Kapłucha – Vice-President of the Management Board,
- Marian Rybak – Vice-President of the Management Board,
- Krzysztof Jałosiński – Vice-President of the Management Board.

On the same day, based on the resolution of the Supervisory Board, Mariusz Bober was appointed for the position of the President of the Management Board of the Parent Company.

1.2. Information about companies comprising the Group

1.2.1. Companies included in the consolidated financial statements

As at 31 December 2015, the following companies were consolidated by the Group:

Parent Company:

- Grupa Azoty S.A.

Subsidiaries consolidated on the full consolidation basis:

- Grupa Kapitałowa Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., including:
 - Grupa Azoty Zakłady Azotowe Kędzierzyn S.A.,
 - ZAKSA S.A.,
- Grupa Kapitałowa Grupa Azoty Zakłady Chemiczne „Police” S.A., including:
 - Grupa Azoty Zakłady Chemiczne „Police” S.A.,
 - Grupa Azoty Police Serwis Sp. z o.o.,
 - Koncept Sp. z o.o.,
 - Transtech Usługi Sprzętowe i Transportowe Sp. z o.o.,
 - Grupa Azoty AFRICA S.A.,
 - PDH Polska S.A.,
 - Zarząd Morskiego Portu Police Sp. z o.o.,
 - African Investment Group S.A.,
 - AFRIG Trade S.à r.l.,
 - Infrapark Police S.A. w likwidacji,
- Grupa Kapitałowa Grupa Azoty Zakłady Azotowe „Puławy” S.A., including:
 - Grupa Azoty Zakłady Azotowe „Puławy” S.A.,
 - Agrochem Sp. z o.o.,
 - Agrochem Puławy Sp. z o.o.,
 - Gdańskie Zakłady Nawozów Fosforowych „Fosfory” Sp. z o.o.,
 - REMZAP Sp. z o.o.,
 - Zakłady Azotowe Chorzów S.A.,
 - PROZAP Sp. z o.o.,
 - SCF Natural Sp. z o.o.,
 - Elektrownia Puławy Sp. z o.o.,

- Grupa Kapitałowa Grupa Azoty Polskie Konsorcjum Chemiczne Sp. z o.o., including:
 - Grupa Azoty Polskie Konsorcjum Chemiczne Sp. z o.o.,
 - Grupa Azoty AUTOMATYKA Sp. z o.o.,
 - Grupa Azoty Jednostka Ratownictwa Chemicznego Sp. z o.o.,
 - Grupa Azoty PROREM Sp. z o.o.,
- Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki „Siarkopol” S.A.,
- Grupa Azoty ATT Polymers GmbH,
- Grupa Azoty „Folie” Sp. z o.o.,
- Grupa Azoty KOLTAR Sp. z o.o.

The following subsidiaries were consolidated for the first time during the year ended 31 December 2015:

- Grupa Azoty „Folie” Sp. z o.o. – subject to consolidation for the period from 1 January to 31 December 2015.

The following subsidiaries were consolidated until the date control by the Parent Company ceased:

- Hotel Centralny Sp. z o.o. w likwidacji – subject to consolidation for the period from 1 January to 8 June 2015.

1.2.2. Entities excluded from consolidation

As at 31 December 2015, the following subsidiaries of the Group were not consolidated:

- „Supra” Agrochemia Sp. z o.o.,
- Konsorcjum EKO TECHNOLOGIES,
- „STO-ZAP” Sp. z o.o.,
- Grupa Azoty „Compounding” Sp. z o.o.

1.3. Key Certified Auditor and Audit Firm Information

1.3.1. Key Certified Auditor information

Name and surname:	Marcin Domagała
Registration number:	90046

1.3.2. Audit Firm information

Name:	KPMG Audyt Sp. z o.o.
Address of registered office:	ul. Inflancka 4A, 00-189 Warsaw
Registration number:	KRS 0000104753
Registration court:	District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register
Share capital:	PLN 125,000
NIP number:	526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 458.

1.4. Prior period consolidated financial statements

The consolidated financial statements as at and for the financial year ended 31 December 2014 were audited by KPMG Audyt Sp. z o.o. and received an unmodified opinion.

The consolidated financial statements were approved at the General Meeting of the Parent Company on 18 June 2015.

The consolidated financial statements were submitted to the Registry Court on 2 July 2015.

1.5. Audit scope and responsibilities

This report was prepared for the General Meeting of Grupa Azoty S.A. with its registered office in Tarnów, ul. Kwiatkowskiego 8 and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements were audited in accordance with the contract dated 10 July 2012, concluded on the basis of the resolution of the Supervisory Board dated 21 May 2012 on the appointment of the auditor and the annex to the contract dated 23 December 2014, concluded on the basis of the resolution of the Supervisory Board dated 6 November 2014.

We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”) and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance.

We audited the consolidated financial statements at the Group entities during the period from 12 to 30 November 2015 and from 11 January to 5 February 2016.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements.

The Management Board of the Parent Company submitted a statement, dated as at the same date as this report, as to the true and fair presentation of the accompanying consolidated financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information were provided to us by Management of the Group and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2015, item 1011 with amendments).

1.6. Information on audits of the financial statements of the consolidated companies

1.6.1. Parent Company

The separate financial statements of the Parent Company for the year ended 31 December 2015 were audited by KPMG Audyt Sp. z o.o., certified auditor number 458, and received an unmodified opinion.

1.6.2. Other consolidated entities

Entity's name	Authorised auditor	Financial year end	Type of auditor's opinion
Grupa Kapitałowa Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., including:	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty Zakłady Azotowe Kędzierzyn S.A.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
ZAKSA S.A.	Kancelaria Podatkowo-Księgowa „LEX” Sp. z o.o.	31 December 2015	unmodified opinion with emphasis of matter paragraph
Grupa Kapitałowa Grupa Azoty Zakłady Chemiczne „Police” S.A., including:	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty Zakłady Chemiczne „Police” S.A.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty Police Servis Sp. z o.o.	HLB M2 Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion with emphasis of matter paragraph
Koncept Sp. z o.o.	HLB M2 Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion with emphasis of matter paragraph
Transtech Usługi Sprzętowe i Transportowe Sp. z o.o.	HLB M2 Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion with emphasis of matter paragraph
Grupa Azoty Africa S.A.	KPMG Senegal	31 December 2015	unmodified opinion
PDH Polska S.A.		31 December 2016	no obligation to be audited
Zarząd Morskiego Portu Police Sp. z o.o.	HLB M2 Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion with emphasis of matter paragraph
African Investment Group S.A.	Cabinet COREX	31 December 2015	audit in progress
AFRIG Trade S.à.r.l.		31 December 2015	no obligation to be audited
Infrapark Police S.A. w likwidacji		31 December 2015	no obligation to be audited
Grupa Kapitałowa Grupa Azoty Zakłady Azotowe „Puławy” S.A., including:	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
Grupa Azoty Zakłady Azotowe „Puławy” S.A.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
„Agrochem” Sp. z o.o.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
„Agrochem Puławy” Sp. z o.o.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
Gdańskie Zakłady Nawozów Fosforowych „Fosfory” Sp. z o.o.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
REMZAP Sp. z o.o.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
Zakłady Azotowe Chorzów S.A.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
PROZAP Sp. z o.o.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
SCF Natural Sp. z o.o.		31 December 2015	no obligation to be audited
Elektrownia Puławy Sp. z o.o.	PROEKON Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Kapitałowa Grupa Azoty Polskie Konsorcjum Chemiczne Sp. z o.o., including:			
Grupa Azoty Polskie Konsorcjum Chemiczne Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty AUTOMATYKA Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty Jednostka Ratownictwa Chemicznego Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty PROREM Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion
Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki „Siarkopol” S.A.	KPMG Audyt Sp. z o.o. sp. k.	31 December 2015	unmodified opinion
Grupa Azoty ATT Polymers GmbH	KPMG AG	31 December 2015	audit in progress
Grupa Azoty „Folie” Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	audit in progress
Grupa Azoty KOLTAR Sp. z o.o.	KPMG Audyt Sp. z o.o.	31 December 2015	unmodified opinion



2. Financial analysis of the Group

2.1. Summary analysis of the consolidated financial statements

2.1.1. Consolidated statement of financial position

ASSETS	31.12.2015	% of total	31.12.2014	% of total	1.01.2014	% of total
	PLN '000		PLN '000		PLN '000	
			<i>restated</i>		<i>restated</i>	
Non-current assets						
Property, plant and equipment	6 429 767	59.7	5 905 106	59.4	5 736 378	57.7
Investment property	52 204	0.5	54 968	0.6	53 374	0.5
Intangible assets	532 798	4.9	509 964	5.3	519 280	5.3
Goodwill	12 550	0.1	12 600	0.1	11 617	0.1
Investments in subordinated entities	111 095	1.0	110 842	1.1	128 944	1.3
Available-for-sale financial assets	12 370	0.1	12 371	0.1	23 989	0.2
Other financial assets	4 347	0.0	19 054	0.0	53	0.0
Non-current receivables	1 797	0.0	2 932	0.0	3 408	0.0
Deferred tax assets	62 769	0.6	86 941	0.9	103 540	1.0
Other non-current assets	5 226	0.1	4 675	0.1	4 462	0.1
Total non-current assets	7 224 923	67.0	6 719 453	67.6	6 585 045	66.2
Current assets						
Inventories	1 180 599	11.0	1 343 513	13.5	1 147 585	11.5
Other financial assets	502 885	4.7	68 484	0.7	106 822	1.1
Current tax assets	2 156	0.0	6 720	0.1	40 558	0.4
Trade and other receivables	1 078 292	10.0	1 227 334	12.3	1 335 931	13.4
Cash and cash equivalents	753 144	7.0	558 603	5.6	713 024	7.2
Other current assets	32 047	0.3	24 118	0.2	21 016	0.2
Assets held for sale	3 123	0.0	107	0.0	792	0.0
Total current assets	3 552 246	33.0	3 228 879	32.4	3 365 728	33.8
TOTAL ASSETS	10 777 169	100.0	9 948 332	100.0	9 950 773	100.0



Grupa Azoty S.A. Group
*The supplementary report on the audit of the consolidated financial statements
for the financial year ended 31 December 2015*
TRANSLATION

EQUITY AND LIABILITIES	31.12.2015	% of total	31.12.2014	% of total	1.01.2014	% of total
	PLN '000		PLN '000		PLN '000	
Equity						
Share capital	495 977	4.6	495 977	5.0	495 977	5.0
Share premium	2 418 270	22.4	2 418 270	24.3	2 418 270	24.3
Hedging reserve	65	0.0	-	-	-	-
Fair value reserve	-	-	-	-	2 346	0.0
Translation reserve	752	0.0	1 403	0.0	(3 681)	0.0
Retained earnings	3 452 224	32.1	2 843 389	28.6	2 649 822	26.6
Total equity attributable to owners of the Parent Company	6 367 288	59.1	5 759 039	57.9	5 562 734	55.9
Non-controlling interest	768 933	7.1	729 097	7.3	707 820	7.1
Total equity	7 136 221	66.2	6 488 136	65.2	6 270 554	63.0
Liabilities						
Loans	1 047 450	9.7	476 932	4.8	634 693	6.4
Employee benefits	326 968	3.2	312 419	3.2	254 613	2.6
Other non-current payables	972	0.0	1 498	0.0	61 821	0.6
Provisions	100 740	0.9	113 106	1.1	119 343	1.2
Government grants	47 036	0.4	39 993	0.4	24 906	0.2
Deferred tax liabilities	245 868	2.3	231 692	2.3	284 068	2.9
Other financial liabilities	16 112	0.2	20 205	0.2	22 513	0.2
Total non-current liabilities	1 785 146	16.7	1 195 845	12.0	1 401 957	14.1
Loans	118 880	1.1	509 259	5.1	604 140	6.1
Employee benefits	33 167	0.3	30 494	0.3	34 008	0.3
Current tax liabilities	18 986	0.1	2 934	0.1	4 903	0.1
Trade and other payables	1 347 227	12.5	1 425 553	14.3	1 313 547	13.2
Provisions	273 447	2.5	211 432	2.1	213 839	2.1
Government grants	5 091	0.1	2 982	0.1	2 936	0.0
Deferred income	1 346	0.0	2 322	0.0	25 921	0.3
Other financial liabilities	57 658	0.5	79 375	0.8	78 968	0.8
Total current liabilities	1 855 802	17.1	2 264 351	22.8	2 278 262	22.9
Total liabilities	3 640 948	33.8	3 460 196	34.8	3 680 219	37.0
TOTAL EQUITY AND LIABILITIES	10 777 169	100.0	9 948 332	100.0	9 950 773	100.0

2.1.2. Consolidated statement of profit or loss and other comprehensive income

	1.01.2015 - 31.12.2015	% of total sales	1.01.2014 - 31.12.2014	% of total sales
	PLN '000		PLN '000	
CONTINUING OPERATIONS				
Revenue	10 024 405	100.0	9 898 476	100.0
Cost of sales	(7 760 211)	(77.4)	(8 231 565)	(83.1)
Gross profit	2 264 194	22.6	1 666 911	16.9
Selling and distribution expenses	(633 314)	(6.3)	(581 145)	(5.9)
Administrative expenses	(736 546)	(7.4)	(739 977)	(7.5)
Other income	47 664	0.5	58 421	0.6
Other expenses	(111 987)	(1.1)	(101 980)	(1.0)
Results from operating activities	830 011	8.3	302 230	3.1
Finance income	42 910	0.4	45 767	0.5
Finance costs	(47 576)	(0.5)	(58 398)	(0.6)
Net finance costs	(4 666)	(0.1)	(12 631)	(0.1)
Share of profit of equity-accounted investees	13 737	0.1	13 940	0.1
Profit before tax	839 082	8.4	303 539	3.1
Tax expense	(147 234)	(1.5)	(37 731)	(0.4)
Profit from continuing operations	691 848	6.9	265 808	2.7
DISCONTINUED OPERATIONS				
Net loss from discontinued operations	-	-	(753)	(0.0)
Profit for the year	691 848	6.9	265 055	2.7



OTHER COMPREHENSIVE INCOME

Items that will never be reclassified to profit or loss

Remeasurments of defined benefit liability	(6 987)	(0.1)	(23 542)	(0.2)
Tax on items that will never be reclassified to profit or loss	1 309	0.0	4 420	0.0
	(5 678)	(0.1)	(19 122)	(0.2)

Items that are, or may be reclassified to profit or loss

Measurement of hedging instruments	65	0.0	-	-
Net change in fair value of available-for-sale financial assets	-	-	(24)	(0.0)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	(2 912)	(0.0)
Foreign currency translation differences - foreign operations	(526)	(0.0)	7 807	0.1
Tax on items that are or may be reclassified to profit or loss	-	-	559	0.0
	(461)	0.0	5 430	0.1

Other comprehensive income for the year (6 139) (0.1) (13 692) (0.1)

Total comprehensive income for the year 685 709 6.8 251 363 2.6

Profit attributable to:

Equity holders of the Parent Company	609 499	6.1	231 350	2.3
Non-controlling interest	82 349	0.8	33 705	0.4

Total comprehensive income attributable to:

Equity holders of the Parent Company	604 443	6.0	216 144	2.2
Non-controlling interest	81 266	0.8	35 219	0.4

Earnings per share

Basic earnings per share (PLN)	6.14	2.33
Diluted earnings per share (PLN)	6.14	2.33

2.2. Selected financial ratios

	2015	2014 <i>restated</i>	2013 <i>restated</i>
1. Return on sales			
<u>profit for the period x 100%</u> revenue	6.9%	2.7%	7.2%
2. Return on equity			
<u>profit for the period x 100%</u> equity - profit for the period	10.7%	4.3%	12.8%
3. Debtors' days			
<u>average trade receivables (gross) x 365 days</u> revenue	31 days	33 days	34 days
4. Debt ratio			
<u>liabilities x 100%</u> equity and liabilities	33.8%	34.8%	37.0%
5. Current ratio			
<u>current assets</u> current liabilities	1.9	1.4	1.5

- Revenue includes revenue from sales of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, with no deduction made for allowances.

3. Detailed report

3.1. Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

In view of the fact that not all entities being part of the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company, appropriate adjustments to the financial statements of those entities were made to ensure consistency with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2. Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Grupa Azoty S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 No. 169, item 1327 with amendments).

3.3. Method of consolidation

The method of consolidation is described in note 2.8 of the notes to the consolidated financial statements.

3.4. Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 2.8.4 and 2.12.3 of the notes to the consolidated financial statements.

3.5. Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.6. Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of Grupa Azoty S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.7. Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

3.8. Report of the Management Board of the Parent Company on the Group's activities

The report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Sp. z o.o.
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ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Marcin Domagała
Member of the Management Board
Key Certified Auditor
Registration No. 90046

Signed on the Polish original

.....
Jakub Panek
Certified Auditor
Registration No. 11327

8 March 2016