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PFLEIDERER GRAJEWO S.A.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1ST – JUNE 30TH 2013

PFLEIDERER GRAJEWO S.A.

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(all amounts in PLN thousand)

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Interim condensed statement of comprehensive income

	Jan 1– Jun 30 2013	Jan 1– Jun 30 2012	Apr 1 – Jun 30 2013	Apr 1 – Jun 30 2012
	unaudited	unaudited	unaudited	unaudited
Continuing operations				
Revenue	323,736	352,313	159,688	169,983
Cost of sales	(281,312)	(310,261)	(138,880)	(144,475)
Gross profit	**42,424**	**42,052**	**20,808**	**25,508**
Other income	4,298	763	2,351	114
Distribution costs	(14,612)	(13,649)	(7,580)	(6,817)
Administrative expenses	(15,505)	(13,022)	(6,937)	(6,187)
Other expenses	(3,185)	(630)	(192)	(812)
Operating profit	**13,420**	**15,514**	**8,450**	**11,806**
Finance income	107,223	45,981	10,821	37,094
Finance costs	(16,169)	(49,109)	(3,078)	(29,248)
Net finance income	**91,054**	**(3,128)**	**7,743**	**7,846**
Profit before tax	**104,474**	**12,386**	**16,193**	**19,652**
Income tax expense	(33,305)	2,242	(1,204)	1,315
Net profit	**71,169**	**14,628**	**14,989**	**20,967**
Other comprehensive income				
Effective portion of changes on fair-value measurement of hedging instruments	(1,490)	660	(1,490)	829
Total comprehensive income for the period	**69,679**	**15,288**	**13,499**	**21,796**
Basic earnings per share (PLN)	1.43	0.29	0.30	0.42
Diluted earnings per share (PLN)	1.43	0.29	0.30	0.42

(all amounts in PLN thousand)

Interim condensed statement of changes in equity

	Share capital	Share premium	Statutory reserve funds	Cash flow hedges	Retained earnings	Total
As at Jan 1 2012	**16,376**	**289,806**	**154,958**	**0**	**63,883**	**525,023**
Comprehensive income for the period						
Net profit	0	0	0	0	14,628	14,628
Effective portion of gains on fair-value measurement of hedging instruments	0	0	0	660	0	660
Total comprehensive income for the period	**0**	**0**	**0**	**660**	**14,628**	**15,288**
Transactions with owners recognised in equity						
Transfer of 2011 net profit to statutory reserve funds	0	0	40,801	0	(40,801)	0
Total transactions with owners recognised in equity	**0**	**0**	**40,801**	**0**	**(40,801)**	**0**
As at June 30th 2012 (unaudited)	**16,376**	**289,806**	**195,759**	**660**	**37,710**	**540,311**

	Share capital	Share premium	Statutory reserve funds	Cash flow hedges	Retained earnings	Total
As at Jan 1 2013	**16,376**	**289,806**	**195,759**	**0**	**35,085**	**537,026**
Comprehensive income for the period						
Net profit	0	0	0	0	71,169	71,169
Effective portion of gains on fair-value measurement of hedging instruments	0	0	0	(1,490)	0	(1,490)
Total comprehensive income for the period	**0**	**0**	**0**	**(1,490)**	**71,169**	**69,679**
Transactions with owners recognised in equity						
Transfer of 2012 net profit to statutory reserve funds	0	0	12,003	0	(12,003)	0
Total transactions with owners recognised in equity	**0**	**0**	**12,003**	**0**	**(12,003)**	**0**
As at Jun 30 2013 (unaudited)	**16,376**	**289,806**	**207,762**	**(1,490)**	**94,251**	**606,705**

PFLEIDERER GRAJEWO S.A.

(all amounts in PLN thousand)

Interim condensed statement of financial position

	Note	Jun 30 2013 (unaudited)	Dec 31 2012 Restated (*)
Assets			
Property, plant and equipment		100,837	104,964
Intangible assets		1,910	2,244
Investments in subsidiaries	1	562,343	562,334
Other non-current financial assets		10	10
Non-current loans advanced to subsidiaries	1	449	430
Deferred tax asset		22,692	0
Prepayments for property, plant and equipment		545	472
Non-current assets		**688,786**	**670,454**
Inventories		63 214	61 629
Receivables from income tax		2 201	0
Trade and other receivables		112 854	75 146
Cash and cash equivalents		50 925	1 719
Current loans advanced to subsidiaries	1	0	6 832
Loans advanced to associates		16 234	0
Assets held for sale or distribution		0	611 883
Current assets		**245,428**	**757,209**
Total assets		**934,214**	**1,427,663**
Equity			
Share capital		16,376	16,376
Share premium		289,806	289,806
Statutory reserve funds		207,762	195,759
Cash flow hedges		(1,490)	0
Retained earnings		94,251	35,085
Total equity		**606,705**	**537,026**
Liabilities			
Borrowings and other debt instruments	2	38	24,467
Employee benefit obligations		5,412	5,412
Deferred tax liabilities		0	984
Non-current liabilities		**5,450**	**30,863**
Borrowings and other debt instruments	2	0	457,254
Liabilities to related entities under debt securities	4	209,812	292,005
Trade and other payables		96,991	100,368
Employee benefit obligations		15,256	10,147
Current liabilities		**322,059**	**859,774**
Total liabilities		**327,509**	**890,637**
Total equity and liabilities		**934,214**	**1,427,663**

***) Comparative figures restated, see note paragraph 2b)**

PFLEIDERER GRAJEWO S.A.

(all amounts in PLN thousand)

Interim condensed statement of cash flows

	Jan 1– Jun 30 2013 (unaudited)	Jan 1– Jun 30 2012 (unaudited)
Cash flows from operating activities		
Net profit	**71,169**	**14,628**
Adjustments:	(51,391)	(49,156)
Depreciation and amortisation	6,231	7,012
Foreign exchange gains/losses	(3,910)	10,105
Dividend and interest for the period	3,333	(9,874)
Gain/loss on sale of shares	(91,116)	0
Profit/loss on investing activities	150	56
Income tax expense	33,305	(2,242)
Change in trade and other receivables	2,330	(28,619)
Change in inventories	(1,301)	(766)
Change in trade and other payables	(710)	(24,550)
Change in employee benefit obligations	(473)	23
Result on forward contracts	418	(477)
Other adjustments	352	176
Cash flows from operating activities	**19,778**	**(34,528)**
Interest received	428	46
Interest paid	(92)	(71)
Income tax paid	(59,182)	0
Net cash from operating activities	**(39,068)**	**(34,553)**
Cash flows from investing activities		
Disposal of intangible assets and property, plant and equipment	24	211
Interest received	23	0
Acquisition of a subsidiary	(9)	0
Disposal of a subsidiary	677,336	0
Acquisition of intangible assets and property, plant and equipment	(3,885)	(4,884)
Repayment of loans advanced	4 518	29,659
Loans advanced	(8,460)	0
Net cash from investing activities	**669,546**	**24,986**
Cash flows from financing activities		
Repayment of borrowings and other debt instruments	(483,358)	(20,000)
Increase in borrowings and other debt instruments	38	66,094
Redemption of debt securities	(514,525)	(1,168,748)
Issue of debt securities	432,656	1,168,811
Interest paid	(16,083)	(33,209)
Net cash from financing activities	**(581,272)**	**12,948**
Total net cash flow	**49,206**	**3,381**
Change in cash	49,206	3,381
Cash at beginning of the period	1,719	1,380
Cash at end of the period	**50,925**	**4,761**

Notes to the interim condensed separate financial statements

1. General information

Pfleiderer Grajewo S.A. ("the Company") is a publicly traded joint-stock company registered in Poland.

The Company, under its former name of Zakłady Płyt Wiórowych S.A. of Grajewo, was originally registered on July 1st 1994 by the District Court, Commercial Court of Łomża, in Section B of the Commercial Register, under entry No. 270. Subsequently, on May 9th 2001, it was registered by the District Court of Białystok, 12th Commercial Division of the National Court Register, under entry No. KRS 0000011422. On September 18th 2002, the Company's Management Board received the decision of the District Court of Białystok on entering the Company's new name, Pfleiderer Grajewo S.A., in the National Court Register.

The Company's registered office is located at ul. Wiórowa 1, Grajewo, Poland.

In accordance with the Polish Classification of Business Activities, Pfleiderer Grajewo S.A. is registered under No. 1621 Z.

The scope of the Company's business includes:

- manufacture and veneering of wood and wood-based products,
- paper finishing,
- trade at home and abroad.

2. Basis of preparation

a) Statement of compliance

These interim condensed separate financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and do not contain all the information required in annual financial statements. Therefore, these interim condensed separate financial statements should be read together with the annual separate financial statements for the financial year ended December 31st 2012.

These interim condensed separate financial statements of the Company are published along with the interim condensed consolidated financial statements of the Pfleiderer Grajewo Group. To obtain a full view of the Company's financial standing and performance, these financial statements should be read together with the interim condensed consolidated financial statements of the Pfleiderer Grajewo Group.

All figures disclosed in these financial statements are expressed in the złoty (PLN) and rounded to the nearest thousand, unless indicated otherwise.

These interim condensed separate financial statements of the Company for the period January 1st – June 30th 2013 were approved by the Management Board of the Parent on August 23rd 2013.

b) Adopted accounting policies

These interim condensed separate financial statements have been prepared in accordance with the accounting policies presented in the audited financial statements of Pfleiderer Grajewo S.A. for the financial year ended December 31st 2012.

The above accounting policies were applied with respect to all the periods covered by these interim condensed financial statements, except for the amendments introduced as part of improvements to International Financial Reporting Standards, 2009–2011 Cycle (IAS 16 Property, Plant and Equipment). As a result of the amendments, the Company reclassified spare parts with useful lives of more than one year, previously disclosed under current assets (Inventories) to Property, plant and equipment. Accordingly, the Company restated its statement of financial position as at December 31st 2012. The value of spare parts reclassified to property, plant and equipment was PLN 1,908 thousand.

In addition, as of 2013 the Company has changed the classification of exchange differences on operating activities. Exchange differences on operating activities, realised and unrealised, are disclosed under cost of sales. In the finance section of the statement of comprehensive income, the Company presents exchange differences on financing activities (loans, forward contracts concerning the finance section).

The change in presentation resulted in a PLN 2,181 thousand increase in gross profit and operating profit for the first half of 2013 and a PLN 936 thousand decrease in gross profit and operating profit for the first half of 2012.

(all amounts in PLN thousand)

Supplementary notes to the interim condensed separate financial statements

1. Investments in subsidiaries and associates

The Company's investments in subsidiaries and associates comprise:

	Jun 30 2013	Dec 31 2012
Shares in subsidiaries	562,343	562,334
Non-current loans advanced to subsidiaries	449	430
Current loans advanced to subsidiaries	0	6,832
Current loans advanced to associates	16,234	0
	579,026	**569,596**

2. Borrowings and other debt instruments

	Jun 30 2013	Dec 31 2012
Non-current liabilities		
Borrowings from related entities	0	24,467
Non-current portion of interest-bearing bank borrowings	38	0
Total	**38**	**24,467**
Current liabilities		
Overdraft facilities	0	2,052
Current portion of interest-bearing bank borrowings	0	453,583
Interest payable on bank borrowings	0	1,619
Total	**0**	**457,254**

2.1. Bank borrowings

On June 26th and 27th 2013, Pfleiderer Grajewo S.A. and the subsidiaries Pfleiderer Prospan S.A. and Silekol Sp. z o.o. entered into new credit facility agreements. The total credit limit available under the facilities with four banks amounts to PLN 300,000 thousand and ensures financial liquidity of the Company and its subsidiaries for the next five years.

Repayment terms and schedules for bank borrowings as at June 30th 2013:

(all amounts in PLN thousand)

Lender	Interest rate	Maturity date	Security	As at Jun 30 2013 Current portion	Non-current portion
Millennium S.A.	1M WIBOR + bank margin	Jun 25 2018	mortgages, pledges	0	0
Millennium S.A.	1M WIBOR + bank margin	Jun 25 2016	mortgages, pledges	0	38
Alior Bank S.A.	1M WIBOR + bank margin	Jun 25 2018	mortgages	0	0
Alior Bank S.A.	1M WIBOR + bank margin	Jun 25 2016	mortgages	0	0
BZ WBK S.A.	1M WIBOR + bank margin	Jun 25 2018	mortgages, pledges	0	0
BZ WBK S.A.	1M WIBOR + bank margin	Jun 25 2016	mortgages, pledges	0	0
BOŚ Bank S.A.	1M WIBOR + bank margin	Jun 25 2018	mortgages, pledges	0	0
			Total	**0**	**38**

2.1.1. Credit facility agreement with Bank Millennium S.A.

On June 26th 2013, the Company entered into two credit facility agreements with Bank Millennium S.A., for an aggregate of PLN 100,000 thousand, including a PLN 75,000 thousand multi-purpose credit facility agreement and an up to PLN 25,000 thousand overdraft facility agreement.

At the same time, Pfleiderer Prospan S.A., a subsidiary of the Company, entered into an overdraft facility agreement with Bank Millennium S.A., for up to PLN 10,000 thousand. Moreover, subsidiary Silekol Sp. z .o.o. entered into an overdraft facility agreement with Bank Millennium S.A., for up to PLN 10,000 thousand. The total liabilities of all the three borrowers under the four credit facility agreements with Bank Millennium S.A. may not exceed the aggregate of PLN 100,000 thousand. The multi-purpose credit facility agreement provides for the repayment of the entire loan after five years from its execution, while the overdrafts are to be repaid in full after three years. The facilities will be used to finance day-to-day operations of the borrowers.

The four credit facilities will be secured primarily with a mortgage on developed properties (cross-collaterized for the benefit of the other three banks), i.e. the Company's production plant in Grajewo and the Wieruszów production plant owned by Pfleiderer Prospan S.A., as well as with a pledge over the production plants' machinery. Additionally, both Pfleiderer Prospan S.A. and Silekol Sp. z o.o. issued guarantees of up to PLN 115,000 thousand for the liabilities of the Company under the credit facilities. In addition, Pfleiderer Grajewo SA provided a guarantee to the amount of PLN 11,500 thousand both Pfleiderer Prospan SA and Silekol Sp. z o.o..

2.1.2. Credit facility agreement with Alior Bank S.A.

On June 26th 2013, the Company entered into a PLN 75,000 thousand credit facility agreement with Alior Bank S.A., to ensure financing of its day-to-day operations. The facility is to be repaid in full after five years from the execution of the agreement. At the same time, the Company and the subsidiaries Pfleiderer Prospan S.A. and Silekol Sp. z o.o. entered into an overdraft facility agreement with Alior Bank S.A., for up to PLN 25,000 thousand, under which the bank granted the Company an overdraft limit of PLN 25,000 thousand and separate sub-limits of PLN 10,000 thousand to Pfleiderer Prospan S.A. and Silekol Sp. z o.o. The facility, repayable in full after three years from the execution of the agreement, is to finance the day-to-day operations of the borrowers. The total liabilities of all the three borrowers under the two credit facility agreements with Alior Bank S.A. may not exceed the aggregate of PLN 100,000 thousand.

The four credit facilities will be secured primarily with a mortgage on developed properties (cross-collaterized for the benefit of the other three banks), i.e. the Company's production plant in Grajewo and the Wieruszów production plant owned by Pfleiderer Prospan S.A., as well as with a pledge on the machinery of the Pfleiderer Prospan S.A. production plant. Additionally, both Pfleiderer Prospan S.A. and Silekol Sp. z o.o. issued guarantees of up to PLN 115,000 thousand for the liabilities of the Company under the credit facilities. In addition, Pfleiderer Grajewo SA provided a guarantee to the amount of PLN 11,500 thousand both Pfleiderer Prospan SA and Silekol Sp. z o.o..

2.1.3. Credit facility agreement with Bank Zachodni WBK S.A.

On June 26th 2013, the Company entered into a PLN 45,000 thousand multi-purpose credit facility agreement with Bank Zachodni WBK S.A. The credit facility, designed to ensure liquidity and finance capital expenditure, is to be repaid in full after five years from the execution of the agreement. At the same time, the Company and the subsidiaries Pfleiderer Prospan S.A. and Silekol Sp. z o.o. entered into an overdraft facility agreement with Bank Zachodni WBK S.A., for up to PLN 15,000 thousand (a joint overdraft limit for all the three borrowers). The facility, designed to ensure liquidity and finance capital expenditure, is to be repaid in full after three years from the execution of the agreement. The total liabilities of the three borrowers under the two agreements with Bank Zachodni WBK S.A. may not exceed an aggregate of PLN 60,000 thousand.

The four credit facilities will be secured primarily with a mortgage on developed properties (cross-collaterized for the benefit of the other three banks), i.e. the Company's production plant in Grajewo and the Wieruszów production plant owned by Pfleiderer Prospan S.A., as well as with a pledge over the machinery of the Company's production plant. Moreover, Pfleiderer Grajewo SA granted a surety companies Pfleiderer Prospan SA and Silekol Sp. z o.o. the total amount of PLN 15,000 thousand.

2.1.4. Credit facility agreement with Bank Ochrony Środowiska S.A.

On June 27th 2013, the Company entered into a PLN 40,000 thousand multi-purpose credit facility agreement with Bank Ochrony Środowiska S.A. to finance the Company's day-to-day operations. The facility is to be repaid after five years from the date of execution of the agreement.

The credit facility will be secured primarily with a mortgage on developed properties (cross-collaterized for the benefit of the other three banks), i.e. the Company's production plant in Grajewo and the Wieruszów production plant owned by Pfleiderer Prospan S.A., as well as with a pledge over the machinery of the Company's production plant.

The criterion based on which the agreements are considered significant is the value of the Company's equity.

(all amounts in PLN thousand)

2.1.5. Syndicated credit facility agreement

Under the syndicated credit facility agreement, Pfleiderer Grajewo S.A. was given an overdraft facility and long-term and short-term credit facilities. As at December 30th 2012, the amount outstanding under these facilities was PLN 457,254 thousand.

As at December 31st 2012, the repayment terms and schedules for the credit facility were as follows:

				As at Dec 31 2012	
	Interest rate	**Maturity date**	**Security**	**Current portion**	**Non-current portion**
Syndicate of five banks Tranche B	WIBOR + bank margin	Mar 16 2012	mortgages, pledges	2,171	0
Syndicate of five banks Tranche A	WIBOR + bank margin	Dec 30 2013	mortgages, pledges	455,083	0
			Total	**457,254**	**0**

On January 29th 2013, Pfleiderer Grajewo S.A. made an early repayment of a part of the syndicated credit facility extended to the Group under a credit facility agreement concluded on March 16th 2010 by the Company and its subsidiaries, Pfleiderer Prospan S.A. and Silekol Sp. z o.o., with a bank syndicate comprising Bank PEKAO S.A., Bank Zachodni WBK S.A., BRE Bank S.A., BNP Paribas Bank Polska S.A. (formerly Fortis Bank Polska S.A.) and Bank Gospodarki Żywnościowej S.A.

A part of Pfleiderer Grajewo S.A.'s proceeds from the sale of shares in Pfleiderer OOO on January 23rd 2013 was used to repay a substantial portion of the syndicated credit facility. From January 24th to January 29th 2013, the Parent repaid the full tranche A of the syndicated credit facility, amounting to PLN 460,000 thousand, and on January 29th 2013 a part of tranche B of the syndicated credit facility, amounting to PLN 88,375 thousand, was repaid.

On March 18th 2013, the syndicated credit facility extended to Pfleiderer Grajewo S.A. and its subsidiaries, Pfleiderer Prospan S.A. and Silekol Sp. z o.o., by a bank syndicate comprising Bank PEKAO S.A., Bank Zachodni WBK S.A., BRE Bank S.A., BNP Paribas Bank Polska S.A. (formerly Fortis Bank Polska S.A.) and Bank Gospodarki Żywnościowej S.A. was repaid in full. All security interests related to the Facility have been released.

2.2. Borrowings from related entities

As at June 30th 2013, liabilities under a loan received from a related entity, Pfleiderer Service GmbH, was PLN 0.00 (PLN 24,467 thousand as at December 31st 2012).

3. Net financial income

Financial income in the amount of PLN 107,223 thousand include revenues from the sale of shares in Pfleiderer OOO and assets of the subsidiary Pfleiderer MDF OOO in the amount of PLN 91,166 thousand.

4. Liabilities to related entities under debt securities

	Jun 30 2013	Dec 31 2012
Liabilities to related entities under debt securities	209,812	292,005
Total	**209,812**	**292,005**

Liabilities under debt securities, amounting to PLN 209,812 thousand as at June 30th 2013 (PLN 292,005 thousand as at December 31st 2012) relate to commercial paper issued in the form of short-term notes and purchased by subsidiary Pfleiderer Prospan S.A.

The notes have been issued under the Notes Issue Programme Agreement made on July 22nd 2003 with PEKAO S.A. The agreement remains valid until June 30th 2015. The maximum value of the programme is PLN 500,000 thousand.

The notes are issued under the Act on Bonds of June 29th 1995 as unsecured, zero-coupon bearer securities in book-entry form.

The notes are issued to optimise the management of financial liquidity within the Group, reduce the Company's external debt and finance its day-to-day operations.

5. Contingent liabilities and the Company's assets serving as security

5.1. Sureties issued

As at June 30th 2013, the Company issued the following sureties:

Borrower	Creditor	Liability origination date	Liability type	Maximum surety amount (in currency)	Liability amount (in currency) Jun 30 2013	Liability amount (PLN '000) Jun 30 2013	Expiry date
Sureties in EUR:							
Pfleiderer MDF Sp. z o.o.	PKO BP S.A.	Apr 24 2009	surety	1,115	1,115	4,827	Jul 15 2019
			Total	**1,115**	**1,115**	**4,827**	
Sureties in PLN:							
Pfleiderer Prospan S.A., Silekol Sp. z o.o.	BZ WBK S.A.	Jun 26 2013	joint and several liability	15,000	-	0	Jun 25 2016
Pfleiderer Prospan S.A.	Alior Bank S.A.	Jun 26 2013	surety	11,500	-	0	Jun 25 2016
Silekol Sp. z o.o.	Alior Bank S.A.	Jun 26 2013	surety	11,500	-	0	Jun 25 2016
Pfleiderer Prospan S.A.	Millennium S.A.	Jun 26 2013	surety	11,500	-	3	Jun 25 2016
Silekol Sp. z o.o.	Millennium S.A.	Jun 26 2013	surety	11,500	-	2	Jun 25 2016
			Total	**61,000**	**-**	**5**	

The sureties set forth in the table above comprise:

a) Surety of EUR 1,115 thousand (PLN 4,827 thousand) issued to Pfleiderer MDF Sp. z o.o. in connection with a credit facility given Pfleiderer MDF Sp. z o.o. by PKO BP S.A. As at June 30th 2013, Pfleiderer MDF Sp. z o.o.'s liability under the facility was PLN 168,251 thousand. The surety expires on July 15th 2019.

b) Surety of PLN 15,000 thousand issued to Pfleiderer Prospan S.A. and Silekol Sp. z o.o. in connection with a credit facility given Pfleiderer Grajewo S.A. and the subsidiaries Pfleiderer Prospan S.A. and Silekol Sp. z o.o. at BZ WBK S.A. As at June 30th 2013, the borrowers' liability under the facility was PLN 0. The surety expires on June 25th 2016.

c) Surety of PLN 11,500 thousand issued to Pfleiderer Prospan S.A. in connection with a credit facility given Pfleiderer Prospan S.A. by Alior Bank S.A. As at June 30th 2013, Pfleiderer Prospan S.A.'s liability under the facility was PLN 0. The surety expires on June 25th 2016.

d) Surety of PLN 11,500 thousand issued to Silekol Sp. z o.o. in connection with a credit facility given Silekol Sp. z o.o. by Alior Bank S.A. As at June 30th 2013, Silekol Sp. z o.o.'s liability under the facility was PLN 0. The surety expires on June 25th 2016.

e) Surety of PLN 11,500 thousand granted to Pfleiderer Prospan S.A. for the repayment of a credit facility contracted by Pfleiderer Prospan S.A. at Bank Millennium S.A. As at June 30th 2013, Pfleiderer Prospan S.A.'s liability under the facility was PLN 3 thousand. The surety expires on June 25th 2016.

f) Surety of PLN 11,500 thousand granted to Silekol Sp. z o.o. in connection with a credit facility given Silekol Sp. z o.o. by Bank Millennium S.A. As at June 30th 2013, Silekol Sp. z o.o.'s liability under the facility was PLN 1 thousand. The surety expires on June 25th 2016.

As at December 31st 2012, the Company issued the following sureties:

Borrower	Creditor	Liability origination date	Liability type	Maximum surety amount (in currency)	Liability amount (in currency) Dec 31 12	Liability amount (PLN '000) Dec 31 12	Expiry date
Sureties in EUR:							
Pfleiderer MDF Sp. z o.o.	PKO BP S.A.	Apr 24 2009	surety	1,115	1,115	4,558	Jul 15 2019
Pfleiderer OOO	EBRD	Dec 28 2005	surety	35,000	3,846	15,723	unspecified
			Total	**36,115**	**4,961**	**20,550**	
Sureties in RUB:							
Pfleiderer OOO	Ingka Pro Holding Subholding I B.V.	Nov 16 2012	surety	281,217	281,217	28,600	May 31 2013
			Total	**281,217**	**281,217**	**28,600**	

5.2. Other contingent liabilities

On April 2nd 2012, Pfleiderer Grajewo S.A. (the Parent) and its subsidiary Pfleiderer Prospan S.A. received a decision of the President of the Office of Competition and Consumer Protection, dated March 30th 2012, concerning the instigation of anti-trust proceedings on suspicion that Kronospan Szczecinek Sp. z o.o., Kronospan Mielec Sp. z o.o., Kronopol Sp. z o.o., Pfleiderer Grajewo S.A. and Pfleiderer Prospan S.A. acted in collusion to frustrate competition on the domestic chipboard and fibreboard markets.

During the proceedings, Pfleiderer Grajewo S.A. and Pfleiderer Prospan S.A. provided additional information required by the Office. At present, based on available information, the Parent's Management Board is not able to assess the risk or specify the expected closing date of the proceedings.

Other than the proceedings referred to above, there are no court, arbitration or administrative proceedings pending with respect to any liabilities or debts of the Group companies, whose value would represent 10% or more of the Parent’s equity.

(all amounts in PLN thousand)

6. Material transactions with related entities

The Company's transactions with related entities in the period from January 1st to June 30th 2013 and from January 1st to June 30th 2012:

	Jan 1 – Jun 30 2013					Jan 1 – Jun 30 2012			
Related entity	**Revenue**	**Finance income**	**Revenue Property, plant and equipment and intangible assets**	**Purchase of products, merchandise, materials, and services**	**Finance costs**	**Revenue**	**Finance income**	**Purchase of products, merchandise, materials, and services**	**Finance costs**
Pfleiderer Service GmbH	0	0	0	1,271	623	0	0	1,335	762
Pfleiderer Prospan S.A.	8,993	9,991	43	7,742	4,657	9,024	29,104	7,040	6,604
Pfleiderer MDF Sp. z o.o.	47,743	19	0	24,752	0	55,013	20	24,930	0
Silekol Sp. z o.o.	286	93	0	32,341	0	1,008	639	35,190	0
Pfleiderer OOO	2,764	576	0	41	0	41,924	7,872	249	0
Pfleiderer MDF OOO	0	1,090	0	0	0	18	8,300	0	0
Grajewo OOO	2 284	0	0	0	0	0	0	0	0
Jura Polska Sp. z o.o.	313	0	0	10,881	0	349	0	14,158	0
Pfleiderer GmbH	0	0	0	1,447	0	665	0	1,064	0
Pfleiderer Amsberg GmbH	0	0	0	0	0	0	0	274	0
Pfleiderer Engineering International GmbH	0	0	0	0	0	0	0	85	0
Pfleiderer Neumarkt GmbH	56	0	0	0	0	54	0	0	0
Pergo (Europe) AG	0	0	0	0	0	210	0	0	0
Pfleiderer Holzwerkstoffe GmbH & Co. KG	0	0	0	498	0	0	0	0	0
Pfleiderer Gütersloh GmbH	0	0	0	1,411	0	0	0	0	0
Total	**62,439**	**11,769**	**43**	**80,384**	**5,280**	**108,265**	**49,935**	**84,325**	**7,366**

*) Pfleiderer OOO as at June 30, 2013 is no longer a related party. Presented items of income and expense include the period 01/01 -23/01/2013 and 1.01 – 30/06/2012

(all amounts in PLN thousand)

Receivables from and liabilities to related entities as at June 30th 2013 and December 31st 2012:

	Jun 30 2013			Dec 31 2012		
Related entity	**Loans advanced**	**Other receivables**	**Trade receivables**	**Loans advanced**	**Other receivables**	**Trade receivables**
Pfleiderer Service GmbH	0	0	0	0	0	0
Pfleiderer Prospan S.A.	0	9,991	473	0	0	6,787
Pfleiderer MDF Sp. z o.o.	449	0	23,360	430	0	25,085
Silekol Sp. z o.o.	0	0	5	6,832	0	168
Pfleiderer OOO	0	0	0	120,587 *)	0	11,557
Pfleiderer MDF OOO	0	0	0	175,284 *)	0	2,611
Grajewo OOO	0	0	2 752	0	0	0
Jura Polska Sp. z o.o.	0	0	30	0	0	128
Pfleiderer GmbH	0	0	0	0	69,556*)	0
Pfleiderer Holzwerkstoffe GmbH & Co. KG	0	0	9	0	0	22
Pfleiderer Neumarkt GmbH	0	0	0	0	0	28
Total	**449**	**9,991**	**26,629**	**303,133**	**69,556*)**	**46,386**

*) presented in the statement of financial position under assets held for sale or distribution

(all amounts in PLN thousand)

	Jun 30 2013		Dec 31 2012		
Related entity	**Liabilities under debt securities**	**Trade payables**	**Liabilities under debt securities**	**Liabilities under borrowings**	**Trade payables**
Pfleiderer Service GmbH	0	826	0	24,467	453
Pfleiderer Prospan S.A.	209,812	0	292,005	0	0
Pfleiderer MDF Sp. z o.o.	0	6,653	0	0	1,753
Silekol Sp. z o.o.	0	12,456	0	0	15,710
Pfleiderer OOO	0	0	0	0	243
Jura Polska Sp. z o.o.	0	1,470	0	0	2,222
Pfleiderer GmbH	0	1,484	0	0	515
Pfleiderer Holzwerkstoffe GmbH & Co. KG	0	105	0	0	0
Pfleiderer Gütersloh GmbH	0	64	0	0	0
Pfleiderer Amsberg GmbH	0	0	0	0	8
Pfleiderer Leutkirch GmbH	0	0	0	0	21
Pfleiderer Gütersloh GmbH	0	0	0	0	27
Pfleiderer Engineering International GmbH	0	173	0	0	164
Total	**209,812**	**23,231**	**292,005**	**24,467**	**21,116**

(all amounts in PLN thousand)

Remuneration of members of the Management and Supervisory Boards

The remuneration and bonuses paid to members of the Management and Supervisory Boards of Pfleiderer Grajewo S.A. for the period January 1st – June 30th 2013 and January 1st – June 30th 2012 were as follows:

	Jan 1 – Jun 30 2013	Jan 1 – Jun 30 2012
Remuneration of the Management Board members	1,411	1,623
Remuneration of the Supervisory Board members	312	172
	1,723	**1,795**

As at June 30th 2013 and June 30th 2013, members of the Management and Supervisory Boards of Pfleiderer Grajewo S.A. had no outstanding debt to the Company.

7. Distribution of the 2012 net profit

On June 28th 2013, the Annual General Meeting adopted a resolution to transfer the Company's net profit for the year ended December 31st 2012, totalling PLN 12,003 thousand, to the Company's statutory reserve funds.

8. Events subsequent to the balance-sheet date

After the June 30, 2013, there were no material events that would require disclosure in these interim financial statements of Pfleiderer Grajewo S.A.

Accounting estimates and assumptions

The Company makes estimates and assumptions relating to the future. Such accounting estimates may, by their nature, not correspond to actual performance.

The Company performs regular asset reviews and recognises impairment losses on individual assets in profit or loss. Impairment loss are recognised in particular on trade receivables, as well as inventories of materials and finished goods. In addition, non-current assets employed are also reviewed on an ongoing basis, which includes a review of their useful economic lives and circumstances affecting their recoverable amounts. The amount of provisions for future liabilities under retirement and sick-pension entitlements is determined with an actuarial method on the basis of adopted assumptions.

In the period from January 1st to June 30th 2013, there was no material change in the estimates and judgements relative to the Company's most recent annual separate financial statements for the financial year ended December 31st 2012.

Wojciech Gątkiewicz
President of the Management Board

Rafał Karcz
Member of the Management Board, Chief Financial Officer

Dariusz Tomaszewski
Member of the Management Board, Sales Director

Irena Lenczewska
Person responsible for the accounting records

Grajewo, August 23rd 2013