



A M B R A

THE SPIRIT OF WINE

**Condensed consolidated half-year report  
for the period  
from 1 July 2016 to 31 December 2016  
according to  
the International Financial  
Reporting Standards**

(translation)

*Warsaw, 23 February 2017*

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**AMBRA GROUP**  
**CONSOLIDATED INTERIM REPORT**  
**FIRST HALF 2016/2017**

**1. KEY PERFORMANCE INDICATORS**

(consolidated data in '000 PLN) <sup>1</sup>	First half			Q2		
	2016/2017	2015/2016	% change	2016/2017	2015/2016	% change
Sales volume (in '000 average 0,75 l bottles)	43 769	41 695	5,0%	28 739	27 211	5,6%
Net sales revenue <sup>2</sup>	283 523	255 519	11,0%	186 404	168 711	10,5%
Margin on sales % margin	125 393 44,2%	113 881 44,6%	10,1%	83 070 44,6%	75 521 44,8%	10,0%
Gross profit on sales % margin	101 418 35,8%	89 218 34,9%	13,7%	69 020 37,0%	60 974 36,1%	13,2%
Profit on sales % margin	44 416 15,7%	35 213 13,8%	26,1%	38 222 20,5%	31 448 18,6%	21,5%
EBITDA	47 326	41 905	12,9%	39 024	34 709	12,4%
EBIT % margin	41 727 14,7%	36 201 14,2%	15,3%	36 228 19,4%	31 739 18,8%	14,1%
Net profit attributable to owners of the parent company	26 743	22 713	17,7%	24 165	22 350	8,1%
EPS (in PLN)	1,06	0,90	17,7%	0,96	0,89	8,1%
Net cash flows from operating activities	(5 269)	(12 334)	57,3%	(10 528)	(17 593)	40,2%
Total assets	508 371	509 258	-0,2%	508 371	509 258	-0,2%
Equity attributable to owners of the parent company	253 782	243 375	4,3%	253 782	243 375	4,3%
Net liabilities from loans and borrowings <sup>3</sup>	68 117	76 556	-11,0%	68 117	76 556	-11,0%

- Net sales revenue increase of 11,3% in the first half of 2016/2017 – highest organic growth in the history of the AMBRA Group.
- Increase of still wines sales in Poland by 10,3% - again higher than market.
- Highest ever growth of leading brands on the Romanian market – increase of 29,3% in local currency.
- Sales in the Czech Republic and Slovakia higher by 2,1% in local currency owing to sparkling wines.
- Growing wine sales and reduced marketing expenses supporting CYDR LUBELSKI resulted in overproportionate increase of gross profit on sales by 13,7% as compared with the previous year.
- Higher production volume and very good sales results affected employee related costs, which increased by 11,7%.
- Improvement of operating efficiency: total increase of operating expenses, including employee related expenses amounted to 5,5% - lower than sales increase.
- Further improvement of working capital management and shorter cash conversion cycle resulted in reduction of net interest-bearing debt by PLN 8,4 million or 11,0%.
- EBIT in the amount of PLN 41,7 million higher by PLN 5,5 million as compared with the previous year. After elimination of one-off items EBIT improved by PLN 6,9 million or 19,1%.
- Net profit attributable to owners of the parent company in the amount of PLN 26,7 million – increase by PLN 4,0 million. Adjusted net profit attributable to owners of the parent company increased by PLN 5,1 million or 22,5%.

<sup>1</sup> KPIs are presented in '000 PLN, unless stated otherwise

<sup>2</sup> Net sales revenue after excise tax and customer bonuses

<sup>3</sup> Loans and borrowings liabilities less cash

## 2. INTERIM MANAGEMENT REPORT FOR THE FIRST HALF OF 2016/2017

### 2.1. Management comments

#### Markets and sales

Consumption of wine on the most important market for the AMBRA Group, i.e. in Poland grew at a rate of 5,05%<sup>1</sup> in 2016 – growth similar to the previous year. Traditionally, the main factor in the growth of the wine market remained table wines, but unlike in previous years also sparkling wines grew at a rapid pace and strengthened the dynamics of the whole market.

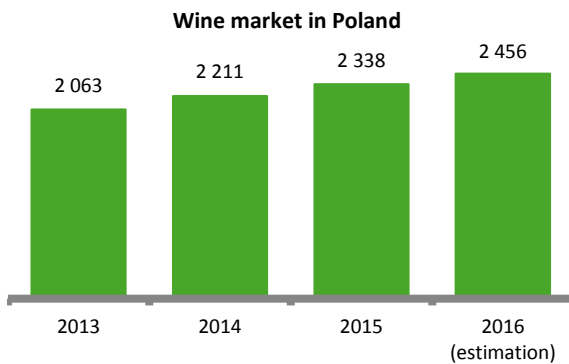


Figure 1. Value of the wine market in Poland in 2013-2015 (in PLN million)  
 Source: AC Nielsen.

First half of 2016/2017 was very successful for the AMBRA Group. The dynamics of sales of the AMBRA Group accelerated to 11,0%, which was the highest organic growth rate in the history of the AMBRA Group, and yet another period in which sales are growing faster than the market.

Our market position has strengthened in all markets where we operate. On the Polish market sales to customers outside the Group increased more than the growth rate of the market, i.e. by 7,7% during this period. The source of sales growth were still wines, which increased in Poland by 10,3% in terms of revenue, well above the market. Growing sales of the FRESCO brand as well as imported wines distributed in grocery stores contributed primarily to dynamics of sales. As in previous periods sales revenue in the CENTRUM WINA wines stores as well as the HoReCa (catering) channel increased rapidly.

#### Consolidated sales revenue for the first half of the financial year

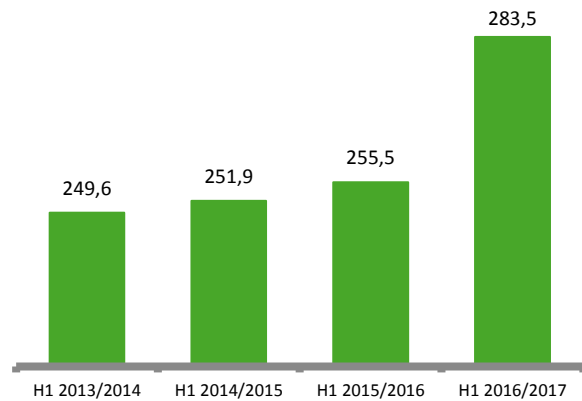


Figure 2. Net sales revenue of the AMBRA Group – 1 half of the financial year (in PLN million).

Foreign markets of the AMBRA Group, including Romania, Czech Republic and Slovakia also achieved very good sales results. The most dynamic growth was reached on the Romanian market, where sales in local currency increased by 29,3%. The main growth driver was the brand ZAREA – the leader of the sparkling wine market in Romania and strengthened its market position in brandy.

#### Sales revenue by market

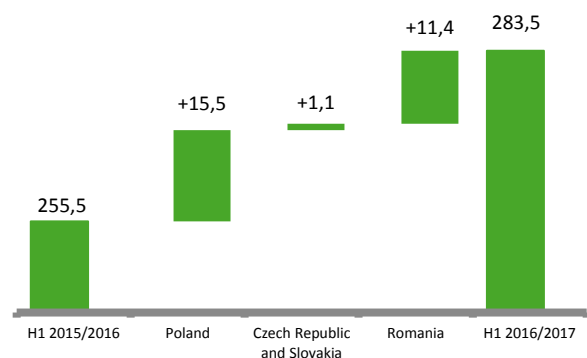


Figure 3. Increase of net sales revenue of the AMBRA Group in the first half of the financial year per geographical segment (in PLN million).

<sup>1</sup> At the date of this report the available market data in Poland covered the period until the end of November 2016. For this reason, consumption in 2016 presented in this report represents period from December 2015 to November 2016.

The main category of sales both in volume and value are in the AMBRA Group still wines. Sales of still wines, focused primarily on the Polish market, grew fastest of all categories. The second category in terms of sales value are sparkling wines which grew even faster than still wines, largely as a result of dynamic growth in sales of the ZAREA sparkling wines in Romania.

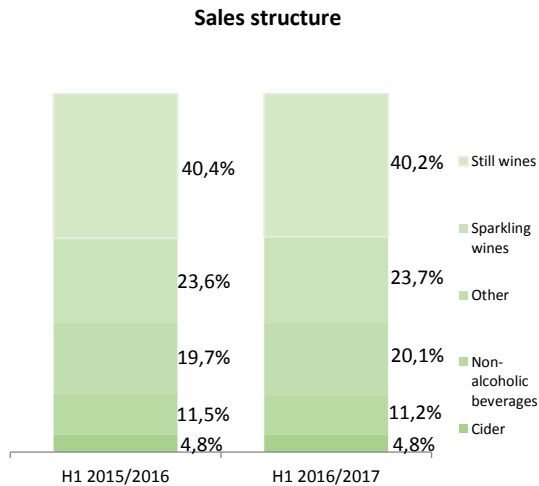


Figure 4. Structure of net sales revenue per category of the AMBRA Group in the first half of the financial year (in %)

#### Financial results and profitability

Dynamic sales growth translated completely into improved financial results. The adverse effect of the weak PLN on margins was largely offset by an increase in average selling price. Marketing expenses lower by PLN 1,5 million (mainly related to the CYDR LUBELSKI) positively affected the gross profit, which rose by 13,7% and was higher than in the previous year by PLN 12,2 million.

Higher production volumes and very good sales and financial results financial contributed to the increase in salaries, which rose by 11,7%. Other operating expenses and depreciation decreased despite the increase in sales, which allowed to earn profit on sales in the amount of PLN 44,4 million, representing an improvement of 26,1%. Improvement of EBIT was slightly lower, due to one-off costs in the amount of PLN 1,4 million. As a result, EBIT increased by 15,3% to PLN 41,7 million.

Net profit attributable to shareholders of AMBRA S.A. earned in the first half of the fiscal year 2016/2017 amounted to PLN 26,7 million and was higher by PLN 4,0 million or 17,7% as compared to the same period last year. Adjusted net profit

attributable to owners of the parent company increased by PLN 5,1 million or 22,5%.

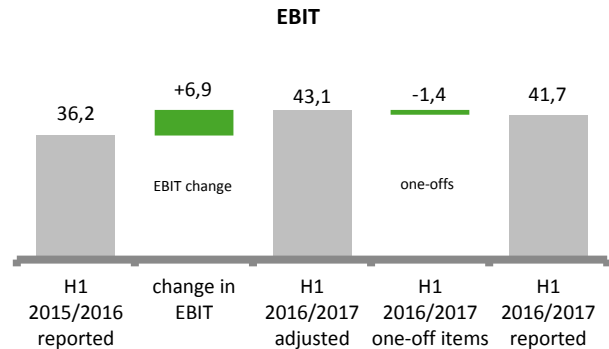


Figure 5. EBIT of the AMBRA Group – reported and adjusted by one-off items for the first half of 2015/2016 and 2016/2017

#### Working capital management and cash flows

In the first half of 2016/2017 the AMBRA Group continued optimization of the working capital, which resulted in lower inventory, while receivables increased significantly lower than sales growth. As a result of these activities cash flows from operating activities improved compared to the same period last year by PLN 7,0 million.

#### Financial situation and debt

Improved cash flows allowed a further decline in interest-bearing debt of the AMBRA Group, which fell by 11,0% to PLN 68,1 million. The decrease in debt was achieved despite a dividend payment in the amount higher by PLN 0,5 million as compared with the previous year, which was a continuation of the trend of dividend growing continuously since 2008/2009.

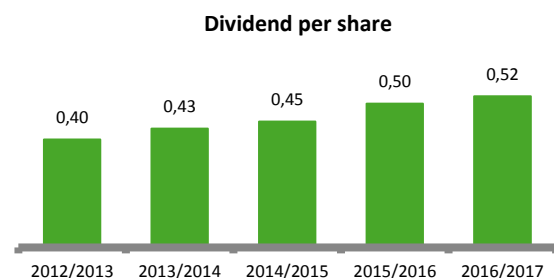


Figure 6. Dividends paid per share (in PLN)

#### Development perspectives and projected financial situation

The AMBRA Group strategic categories are still wines, cider and sparkling wines. Therefore, sales of key brands in these categories will continue to be

actively promoted. Record-breaking sales dynamics might slow down in the following quarters, however, it is expected to sustain a good level of sales growth. Strong activities in the fastest-growing premium channels (wine stores and HoReCa) will be maintained. The cost efficiency program will also be continued in all areas of activities. These actions aim not only to improve the financial results in 2016/2017, but primarily to increase the growth potential of the Group in the coming years.

### 2.1.1. Reconciliation of reported and adjusted financial results

<i>(in PLN million)</i>	EBIT	Net profit	Net profit attributable to owners of the parent company
<b>First half 2015/2016 - reported</b>	<b>36,2</b>	<b>28,6</b>	<b>22,7</b>
<i>One-off items - I half 2015/2016</i>	-	-	-
<b>First half 2015/2016 - adjusted</b>	<b>36,2</b>	<b>28,6</b>	<b>22,7</b>
Operating activities 2015/2016:			
- Change in segment - Poland	5,6	4,8	4,5
- Change in segment - Czech Republic and Slovakia	0,1	0,1	0,1
- Change in segment - Romania	1,2	1,1	0,4
- Change in segment - other activities	-	0,1	0,1
	6,9	6,1	5,1
<b>First half 2016/2017 - adjusted</b>	<b>43,1</b>	<b>34,7</b>	<b>27,8</b>
<i>One-off items - I half 2016/2017</i>			
- Claims relating to previous periods	(1,4)	(1,1)	(1,1)
	(1,4)	(1,1)	(1,1)
<b>First half 2016/2017 - reported</b>	<b>41,7</b>	<b>33,6</b>	<b>26,7</b>

### 2.2. Significant risk factors

In the Management opinion, changes in wine consumption as well as development of the cider market in Poland will have the most significant influence on the future profits. Based on the historical data related to the Polish wine market and significantly lower consumption of wine per capita in comparison with other European countries, the Management of the AMBRA Group assumes that the wine market in Poland might increase by approx. 5% in the following years. A significant factor in the market growth will also be a change the lifestyle in Poland, as a result of which consumers are moving away from the consumption of spirits, especially vodka and increase wine consumption. The main threat to this growth could be a deterioration of the overall economic situation in Poland and the reduction of social wealth. Cider market growth will largely depend on the capabilities of its promotion. In the next five years the consumption of cider can reach a level of 30-90 million litres.

The market strategy of the AMBRA Group is to strengthen the leadership position of the wine market and the development of other profitable segments of the alcohol market. The development of market position will take place primarily on the basis of key brands such as CIN&CIN, EL SOL, PLISKA and will be supported by marketing activities.

A change of the EUR/PLN exchange rates as well as changes in prices of raw materials might have a significant impact on the results of the AMBRA Group in the future. Changes in interest rates might also impact the financial results in the future, which may affect the amount of interest from bank loans and, indirectly, to the level of the financial costs of the AMBRA Group.

Changes in interest rates and consequently bank loan interest rates may also have an impact on financial results in the future, which may affect the interest rate on bank loans as well as indirectly on the amount of

financial expenses of the AMBRA Group. Given the low level of debt, a possible increase in interest rates should not materially affect the financial results within the next period.

Due to a significant seasonality of sales, the largest portion of revenues is gained in the second quarter of the financial year, i.e. last quarter of the calendar year.

Another important factor to be considered in running a business is tax risk. Its essence is the lack of certainty as to the tax consequences of completed, current or future business operations, as well as introduced new taxes, such as the bank tax or turnover tax on retail. Repeatedly changed and unclear tax regulations are difficult to apply for taxpayers, tax authorities and courts.

### **2.3. Structure of the Group and consolidation method of subsidiaries and associated entities**

<b>Name</b>	<b>Seat</b>	<b>Business activities</b>	<b>Effective share of the parent company as at 31 December 2016</b>	<b>Effective share of the parent company as at 30 June 2016</b>	<b>Relation to AMBRA S.A. and consolidation method as at 31 December 2016</b>
AMBRA S.A.	Warsaw	Manufacturing and sales of alcoholic and soft beverages.	---	---	Parent company
PH Vinex Slaviantsi Poland Sp. z o.o.	Toruń	Wholesale and retail sales of alcoholic and soft beverages.	51%	51%	Directly controlled; acquisition method
TIM S.A.	Bielsko-Biała	Wholesale and retail sales of alcoholic and soft beverages.	51%	51%	Directly controlled; acquisition method
IP Brand Management Sp. z o.o.	Warsaw	Business and management advisory services.	100%	100%	Directly controlled; acquisition method
IP Brand Management Sp. z o.o. Sp. komandytowa	Warsaw	Rental of intellectual property.	100%	100%	Directly controlled; acquisition method
Winezja.pl Sp. z o.o.	Warsaw	Retail sales of alcoholic and soft beverages in specialized stores.	80,01%	80,01%	Directly controlled; acquisition method
Soare Sekt a.s.	Brno, Czech Republic	Sales of alcoholic and soft beverages. Trade of goods and agency in sales of food products.	100%	100%	Directly controlled; acquisition method
Vino Valtice s.r.o.	Valtice, Czech Republic	Trade of goods and agency in sales of food products.	100%	100%	Controlled indirectly through Soare Sekt a.s., acquisition method
Soare Sekt Slovakia s.r.o.	Trebatice, Slovakia	Trade of goods and agency in sales of food and drink products.	100%	100%	Controlled indirectly through Soare Sekt a.s., acquisition method
Zarea s.a. **	Bucharest, Romania	Manufacturing and sales of alcoholic and soft beverages.	51,15%	51,15%	Directly controlled; acquisition method
Karom Drinks s.r.l.	Bucharest, Romania	Manufacturing and sales of alcoholic and soft beverages.	56%	56%	Directly controlled; acquisition method

In addition, AMBRA S.A. is an investor with significant influence over Wine 4 You Sp. z o.o. with its seat in Piaseczno – an associated entity (indirect share through TIM S.A. – a subsidiary of AMBRA S.A. in the amount of 25,5% as at 31 December 2016 and 30 June 2016) accounted for under the equity method

As at 30 June 2016 AMBRA S.A. held also 45% shares in PW LPdV Sp. z o.o. in dissolvency with its seat in Warsaw. As at 30 June 2016 the value of interest in PW LPdV Sp. z o.o. amounted to PLN 0 due to a write-off expensed in 2012/2013. AMBRA S.A. sold all its shares in PW LPdV Sp. z o.o. in dissolvency on 1 July 2016. As at 31 December 2016 AMBRA S.A. held no shares in this entity.



**2.4 Effects of changes in the structure of the company, including mergers, acquisitions or sale of subsidiaries, long-term investments, division, restructuring and discontinued operations**

None.

**2.5. Management Board's statement on the previously published results forecasts for the fiscal year**

The Company has not published forecasts for 2016/2017.

**2.6. Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the general meeting of the company on the date of this report and changes in the ownership structure of significant shareholders in the period from the previous interim report (quarterly report)**

According to information of the Management Board as at the date of this report significant shareholders holding at least 5% share in the Company's share capital are the following entities:

Shareholder	Number of shares	Nominal value of shares (in PLN)	% share in share capital	Number of votes at the General Meeting	% share in votes at the General Meeting
Schloss Wachenheim AG	15 406 644	15 406 644,00	61,12	15 406 644	61,12
AVIVA Otworthy Fundusz Emerytalny AVIVA BZ WBK (Pension Fund)	2 510 000	2 510 000,00	9,96	2 510 000	9,96

Since the previous interim report of the AMBRA Group, i.e. the quarterly report for the first quarter of 2016/2017 published on 10 November 2016 the Management has not received any information about changes in the structure of major shareholders holding at least 5% of the total number of votes at the general meeting.

**2.7. Shares of the company or the rights to them held by the management board and supervisory board members at the date of the interim report with an indication of changes in ownership during the period since the previous interim report (quarterly report)**

Name	Number of shares as at 10.11.2016	Acquisition/sale of shares during the reporting period	Number of shares as at 23.02.2017
Robert Ogór - president of the Board	171 352	-	171 352
Piotr Kaźmierczak - vicepresident of the Board	32 432	-	32 432
Nick Reh - chairman of the Supervisory Board *	100 000	-	100 000
Wilhelm Seiler - member of the Supervisory Board	12 000	-	12 000

\*Including shares purchased by his subsidiaries (REHKIDS charity foundation)

**2.8. Significant law court, arbitration or public authority proceedings**

None.

**2.9. Information on the conclusion by the company or its subsidiary of one or more transactions with related entities, if individually or jointly they are significant and were concluded on terms other than market**

None.

**2.10. Information on granting by the company or its subsidiary guarantees of credit or loans or guarantees**

None.

**2.11. Other information that is relevant to the assessment of the company's personnel, property, financial result and their changes and information that are relevant to assessing the feasibility of the company's obligations**

None, except for described above.

**2.12. Factors that in the company's opinion will affect its results over at least the next quarter**

In the management opinion the Group's future results may be affected by changes in the PLN, CZK and RON against the euro exchange rates, changes in the prices of raw materials and changes in the consumption of wine, cider and other alcohol beverages.

**Robert Ogór**

*President of the Board*

**Grzegorz Nowak**

*Vice-president of the Board*

**Piotr Kaźmierczak**

*Vice-president of the Board, CFO*

*Warsaw, 23 February 2017*

### 3. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE AMBRA GROUP FOR THE FIRST HALF 2016/2017 ACCORDING TO THE IFRS

#### 3.1. Introduction to the consolidated interim report of the AMBRA Group

##### 3.1.1. Name and domicile, registration details and operations and principal activities

The parent company of the AMBRA Group is AMBRA S.A. (further called also "AMBRA").

The parent company of the AMBRA Group (further called also "Group") with its seat in Warsaw was established in accordance with the Company's Statute dated 23 August 1994 for an undefined period. The parent company of the AMBRA Group was registered on 31 August 1994 based on the decision of the District Court of Zamość, V Commercial and Registration Division, under No. RHB 649. On 6 September 2001, AMBRA S.A. was registered in the National Court Register maintained by the District Court of Warsaw, under No. KRS 41726.

The parent company of AMBRA S.A. is Schloss Wachenheim AG (previously: Sektkellerei Schloss Wachenheim AG) seated in Wachenheim (Germany). The ultimate parent company is Günther Reh AG seated in Leiwien (Germany).

AMBRA S.A. – as a parent company of the AMBRA Group – prepares consolidated financial statements. The list of subsidiaries subject to consolidation is presented in section 2.3. of this report.

AMBRA's core business as defined in its Articles of Association includes manufacturing and sales of alcoholic and soft beverages.

Shares of AMBRA S.A. are traded on the Warsaw Stock Exchange in the food and drinks sector.

##### 3.1.2. Duration of the parent company

Both parent company AMBRA S.A. and its subsidiaries have been established for an undefined period.

##### 3.1.3. Shareholders holding at least 5% of total voting rights as at the report date

According to the Management Board's best knowledge as at 31 December 2016 the following entities were significant shareholders holding over 5% of total number of votes at the General Meeting:

Shareholder	Number of shares	Nominal value of shares (in PLN)	% share in share capital	Number of votes at the General Meeting	% share in votes at the General Meeting
Schloss Wachenheim AG	15 406 644	15 406 644,00	61,12	15 406 644	61,12
AVIVA Otworthy Fundusz Emerytalny AVIVA BZ WBK (Pension Fund)	2 510 000	2 510 000,00	9,96	2 510 000	9,96

##### 3.1.4. Reporting period

Consolidated interim report comprises condensed consolidated financial statements and condensed separate financial statements.

Presented financial data comprises consolidated and separate statement of financial position as at 31 December 2016, consolidated and separate statement of profit and loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the period from 1 July 2016 to 31 December 2016 (first half 2016/2017) and consolidated and separate statement of profit and loss and other comprehensive income for the period from 1 October 2016 to 31 December 2016 (second quarter 2016/2017).

Comparative financial data comprises consolidated and separate statement of financial position as at 30 June 2016, i.e. the end of previous financial year 2015/2016 and as at 31 December 2015, i.e. the end of first half of the previous financial year 2015/2016, consolidated and separate statement of profit and loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the period from 1 July 2015 to 31 December 2015 (first half 2015/2016) and consolidated and separate statement of profit and loss and other comprehensive income for the period from 1 October 2015 to 31 December 2015 (second quarter 2015/2016).

Financial data in the consolidated and separate financial statements are presented in thousand Polish zloty, which is both the functional and presentation currency of the Group.

### *3.1.5. Composition of the Management Board and the Supervisory Board*

As at 31 December 2016 the Management Board of AMBRA S.A. comprised the following persons:

- Robert Ogór – president,
- Grzegorz Nowak – vice-president,
- Piotr Kaźmierczak – vice-president.

Until 10 October 2016 the Supervisory Board of AMBRA S.A. comprised the following persons:

- Nick Reh - chairman,
- Wilhelm Seiler – vice-chairman,
- Jarosław Szlendak – member,
- Oliver Gloden – member,
- Boris Schlimbach – member,
- Rafał Konieczny – member.

On 11 October 2016 the General Meeting of AMBRA S.A. appointed the following persons to the Supervisory Board for a new term:

- Nick Reh - chairman,
- Patrycja Piątek – independent member,
- Jarosław Szlendak – independent member,
- Wilhelm Seiler – member,
- Oliver Gloden – member,
- Boris Schlimbach – member,
- Horst Hillesheim – member.

As at 31 December 2016 the Supervisory Board performed its duties in the above composition.

On 6 February 2017 Boris Schlimbach was appointed a vice-chairman of the Supervisory Board.

The composition of the Management Board of AMBRA S.A. has not changed during the first half of 2016/2017 and at the date of this report.

### *3.1.6. Approval of the financial statements*

Interim separate and consolidated financial statements were approved for publication by the Management Board on 23 February 2017.

### 3.1.7. *Going concern*

Consolidated financial statements of the AMBRA Group and the financial statements of the entities of the AMBRA Group have been prepared on a going concern basis assuming continuation of their operations in the foreseeable future. The Management of the parent company did not specify any circumstances indicating a serious threat to the continuation of business by the Group.

### 3.1.8. *Basis for preparation of the consolidated financial statements*

Condensed interim consolidated financial statements of the AMBRA Group and condensed interim separate financial statements of AMBRA S.A. presented in the interim report are prepared in accordance with IAS 34 *Interim Financial Reporting* and with the International Accounting Standards (IAS) and the International Financial Reporting Standards in a version approved by the European Union ("EU IFRS"), and, in matters not ruled by the above mentioned standards, by the Polish Accounting Act dated 29 September 1994 (Journal of Laws 2002, no. 76, pos. 694, with amendments) and other regulations based on this Act as well as in accordance with the Decree of the Minister of Finance dated 19 February 2009 on the current and periodical reports of the public companies (Journal of Laws 2014, pos. 133). Interim consolidated and separate financial statements presented in the interim report are prepared in accordance with the Group accounting principles described in detail in the annual consolidated report for the previous financial year, i.e. for the period from 1 July 2015 to 30 June 2016 published on 13 September 2016. Therefore the interim report should be read along with the annual consolidated report for the previous financial year audited by the independent auditor.

An amendment to the Accounting Act obliged the Group to prepare the consolidated financial statements starting from the period beginning from 1 July 2005 in accordance with EU IFRS. As at the date of the annual report there are no significant differences between the IFRS accounting principles adopted by the Group and the EU IFRS principles.

In the consolidated interim financial statements the Group generally adopted the historical cost principle, except for accounting for the financial instruments valued to fair value through the income statement.

Preparation of the financial statements in conformity with the IFRS requires the Management to use certain critical accounting estimates, which affect the adopted principles and presented values of assets, liabilities, revenues and expenses. The estimations and resulting assumptions are based on historical experience and other conditions considered reasonable in certain circumstances, and their results are basis for estimation of assets and liabilities values, which do not result directly from other sources. The actual value might vary from the estimated value. The change in estimates is accounted for in the period when the change of estimation took place, or in the current and future periods when the change in estimate concerns both current and future periods. Accounting principles presented below were applied to all periods presented in the consolidated financial statements as well as to the restatement of the opening balance as at 1 July 2005 in accordance with the IFRS

The EU IFRS comprise all International Accounting Standards, International Financial Reporting Standards as well as relevant Interpretations, except for Standards and Interpretations that are awaiting approval of the EU and Standards and Interpretations approved by the EU that are not yet applied.

The Group has not exercised the possibility of early application of the Standards and Interpretations that are published and approved by the EU but will be applied after the balance sheet date. Moreover, as at the balance sheet date the process of estimation of influence of the new Standards and Interpretations on the financial statements of the Group for the period when the Standards and Interpretations will be applied for the first time has not been completed. According to preliminary assessment of the Management the above mentioned changes will not have a significant influence on the consolidated financial statements of the Group.

***Status of the EU approval of the IFRS***

The IAS/IFRS approved by the EU do not vary substantially from the IAS/IFRS adopted by the International Accounting Standards Board („IASB”), except for the interpretations presented below that have not been adopted as at 31 December 2016:

- IFRS 14 *Regulatory Deferral Accounts* issued on 30 January 2014. The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.
- IFRS 16 *Leases* issued on 13 January 2016, effective from 1 January 2019.
- Amendments to IFRS 10 and IAS 28 issued on 11 September 2014 r.; deferred indefinitely by the IASB).
- Amendments to IAS 12 issued on 19 January 2016, effective from 1 January 2017.
- Amendments to IAS 7 issued on 29 January 2016, effective from 1 January 2017.
- Clarifications to IFRS 15 issued on 12 April 2016, effective from 1 January 2018.
- Amendments to IFRS 2 issued on 20 June 2016, effective from 1 January 2018.
- Amendments to IFRS 4 issued on 12 September 2016, effective from 1 January 2018.
- Annual Improvements to IFRS Standards 2014-2016 Cycle issued on 8 December 2016, effective from 1 January 2017 or 1 January 2018.
- IFRIC 22 *Foreign Currency Transactions and Advanced Consideration* issued on 8 December 2016, effective from 1 January 2018.
- Amendments to IAS 40 issued on 8 December 2016, effective from 1 January 2018.

The Management Board is currently analysing consequences and impact of the above mentioned standards on the financial statements.

***Early adoption of Standards and Interpretations***

The Group has not adopted earlier any Standards, amendments to Standards and Interpretations during the preparation of the separate financial statements. New regulations adopted for the first time in the attached financial statements are presented in the following paragraph.

***Standards adopted for the first time***

No standards were adopted for the first time in the hereby interim report.

***Voluntary change of accounting principles***

The Group has not changed voluntarily any accounting principles adopted previously during the preparation of the attached financial statements.

The accounting principles have been consistently applied by all entities of the Group.

***3.1.9. Selected financial data***

Selected financial data presented in the interim report have been translated into EUR as follows:

- Items of the consolidated statement of comprehensive income and consolidated statement of cash flows for the year have been translated using the exchange rate calculated as a mathematical average of average exchange rates announced by the National Bank of Poland at the end of each month. The exchange rate amounted to EUR 1 = PLN 4,3708 for the first half of 2016/2017, EUR 1 = PLN 4,3080 for the 2015/2016 financial year and EUR 1 = PLN 4,2354 for the first half of 2015/2016.
- Items of the consolidated statement of financial position have been translated using the average exchange rate announced by the National Bank of Poland at the balance sheet date. The exchange rate amounted to EUR 1 = PLN 4,4240 as at 31 December 2016, EUR 1 = PLN 4,4255 as at 30 June 2016 and EUR 1 = PLN 4,2615 as at 31 December 2015.

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*Selected consolidated financial data in PLN thousand and EUR thousand*

	in '000 PLN			in '000 EUR		
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Net sales revenue (after excise tax and customer bonuses)	283 523	424 140	255 519	64 867	98 455	60 329
Margin on sales	125 393	181 179	113 881	28 689	42 057	26 888
Gross profit on sales	101 418	138 954	89 218	23 203	32 255	21 065
EBITDA	47 326	45 256	41 905	10 828	10 505	9 894
EBIT	41 727	33 985	36 201	9 547	7 889	8 547
Net profit from continued activities	33 593	25 288	28 594	7 686	5 870	6 751
Current net profit attributable to owners of the parent company	26 743	17 869	22 713	6 119	4 148	5 363
Total net cash flows	(3 136)	1 951	7 816	(717)	453	1 845
Non-current assets	188 121	187 762	187 158	42 523	42 427	43 918
Current assets	320 250	223 997	322 100	72 389	50 615	75 584
Total assets	508 371	411 759	509 258	114 912	93 042	119 502
Long-term liabilities	33 546	27 992	17 636	7 583	6 325	4 138
Short-term liabilities	186 318	111 635	216 402	42 115	25 225	50 781
Total equity	288 507	272 132	275 220	65 214	61 492	64 583
Total equity attributable to owners of the parent company	253 782	240 295	243 375	57 365	54 298	57 110
Share capital	25 207	25 207	25 207	5 698	5 696	5 915
EPS (in PLN)	1,06	0,71	0,90	0,24	0,16	0,21
Diluted EPS (in PLN)	1,06	0,71	0,90	0,24	0,16	0,21
Book value per share (in PLN)	10,07	9,53	9,66	2,28	2,15	2,27
Diluted book value per share (in PLN)	10,07	9,53	9,66	2,28	2,15	2,27
Declared/paid dividend per share	0,52	0,50	0,50	0,12	0,12	0,12

### 3.2. Condensed interim consolidated statement of financial position

		<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>Note</i>	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible fixed assets	3.6.1.	104 113	103 254	101 579
Other intangible fixed assets	3.6.2.	44 199	44 198	43 917
Goodwill	3.6.2.	15 898	16 281	16 152
Investment property	3.6.1.	14 643	14 785	14 291
Investments in associates		706	706	660
Other long-term assets		205	201	396
Deferred tax asset	3.6.12.	8 357	8 337	10 163
<b>Total non-current assets</b>		<b>188 121</b>	<b>187 762</b>	<b>187 158</b>
<b>Current assets</b>				
Inventory	3.6.3.	95 995	107 250	97 002
Income tax receivables		207	53	118
Short-term receivables and other current assets	3.6.4.	217 322	106 828	209 292
Cash and cash equivalents		6 726	9 866	15 688
<b>Total current assets</b>		<b>320 250</b>	<b>223 997</b>	<b>322 100</b>
<b>TOTAL ASSETS</b>		<b>508 371</b>	<b>411 759</b>	<b>509 258</b>



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		<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>Note</i>	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		25 207	25 207	25 207
Share premium		67 718	67 718	67 718
Translation reserve		3 221	3 369	1 637
Retained earnings		130 893	126 132	126 100
Net profit attributable to owners of the parent company		26 743	17 869	22 713
<b>Total equity attributable to owners of the parent company</b>		<b>253 782</b>	<b>240 295</b>	<b>243 375</b>
Non-controlling interest		34 725	31 837	31 845
<b>Total equity</b>	3.4.	<b>288 507</b>	<b>272 132</b>	<b>275 220</b>
<b>Long-term liabilities</b>				
Long-term liabilities from loans and borrowings	3.6.5.	30 072	23 806	13 432
Long-term trade and other liabilities		389	389	457
Employee benefits		211	211	201
Deferred tax liabilities	3.6.12.	2 874	3 586	3 546
<b>Total long-term liabilities</b>		<b>33 546</b>	<b>27 992</b>	<b>17 636</b>
<b>Short-term liabilities</b>				
Short-term liabilities from loans and borrowings	3.6.5.	44 771	25 097	78 812
Income tax liabilities		7 117	759	5 451
Short-term trade and other liabilities	3.6.6.	134 430	85 779	132 139
<b>Total short-term liabilities</b>		<b>186 318</b>	<b>111 635</b>	<b>216 402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>508 371</b>	<b>411 759</b>	<b>509 258</b>

3.2.1. *Book value per share*

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>Book value</b>	<b>253 782</b>	<b>240 295</b>	<b>243 375</b>
<i>Number of shares</i>	25 206 644	25 206 644	25 206 644
<b>Book value per share (in PLN)</b>	<b>10,07</b>	<b>9,53</b>	<b>9,66</b>
<i>Diluted number of shares</i>	25 206 644	25 206 644	25 206 644
<b>Diluted book value per share (in PLN)</b>	<b>10,07</b>	<b>9,53</b>	<b>9,66</b>

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**3.3. Condensed interim consolidated statement of profit and loss and other comprehensive income**

		<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>	<b>1.10.2016 - 31.12.2016</b>	<b>1.10.2015 - 31.12.2015</b>
	<i>Note</i>	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>	<i>Q2 2016/2017</i>	<i>Q2 2015/2016</i>
Net sales revenue	3.6.7.	283 523	255 519	186 404	168 711
Cost of materials and merchandise sold		(158 130)	(141 638)	(103 334)	(93 190)
<b>Margin on sales</b>		<b>125 393</b>	<b>113 881</b>	<b>83 070</b>	<b>75 521</b>
Marketing, distribution, licence and commission expenses	3.6.8.	(23 975)	(24 663)	(14 050)	(14 547)
<b>Gross profit on sales</b>		<b>101 418</b>	<b>89 218</b>	<b>69 020</b>	<b>60 974</b>
Other expenses from operating activities	3.6.9.	(16 030)	(16 626)	(8 538)	(9 222)
Employee expenses	3.6.10.	(35 373)	(31 675)	(19 464)	(17 334)
Depreciation and amortization		(5 599)	(5 704)	(2 796)	(2 970)
<b>Profit on sales</b>		<b>44 416</b>	<b>35 213</b>	<b>38 222</b>	<b>31 448</b>
Other operating revenue	3.6.11.	1 015	2 462	686	1 544
Other operating expenses	3.6.11.	(3 704)	(1 474)	(2 680)	(1 253)
<b>EBIT</b>		<b>41 727</b>	<b>36 201</b>	<b>36 228</b>	<b>31 739</b>
Interest income		13	-	-	-
Interest expenses		(840)	(1 014)	(477)	(544)
Other financial revenue		595	413	72	347
Other financial expenses		(124)	(605)	(52)	(366)
<b>Profit before tax</b>		<b>41 371</b>	<b>34 995</b>	<b>35 771</b>	<b>31 176</b>
Current income tax		(8 505)	(6 927)	(7 650)	(6 231)
Deferred income tax		727	526	1 047	913
Total income tax		(7 778)	(6 401)	(6 603)	(5 318)
<b>Net profit from continued activities</b>		<b>33 593</b>	<b>28 594</b>	<b>29 168</b>	<b>25 858</b>
<b>Current net profit</b>		<b>33 593</b>	<b>28 594</b>	<b>29 168</b>	<b>25 858</b>
Current net profit attributable to owners of the parent company		26 743	22 713	24 165	22 350
Non-controlling interest		6 850	5 881	5 003	3 508
<b>Other comprehensive income</b>		<b>(226)</b>	<b>509</b>	<b>702</b>	<b>767</b>
Other comprehensive income attributable to owners of the parent company		(148)	431	577	(234)
Other comprehensive income attributable to non-controlling interest		(78)	78	125	1 001
<b>Total comprehensive income</b>		<b>33 367</b>	<b>29 103</b>	<b>29 870</b>	<b>26 625</b>
Comprehensive income attributable to owners of the parent company		26 595	23 144	24 742	22 116
Comprehensive income attributable to non-controlling interest		6 772	5 959	5 128	4 509

### 3.3.1. Earnings per share

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>	<b>1.10.2016 - 31.12.2016</b>	<b>1.10.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>	<i>Q2 2016/2017</i>	<i>Q2 2015/2016</i>
<b>Current net profit attributable to owners of the parent company</b>	<b>26 743</b>	<b>22 713</b>	<b>24 165</b>	<b>22 350</b>
<i>Weighted average number of common shares</i>	<i>25 206 644</i>	<i>25 206 644</i>	<i>25 206 644</i>	<i>25 206 644</i>
<b>EPS (in PLN)</b>	<b>1,06</b>	<b>0,90</b>	<b>0,96</b>	<b>0,89</b>
<i>Diluted weighted average number of common shares</i>	<i>25 206 644</i>	<i>25 206 644</i>	<i>25 206 644</i>	<i>25 206 644</i>
<b>Diluted EPS (in PLN)</b>	<b>1,06</b>	<b>0,90</b>	<b>0,96</b>	<b>0,89</b>

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**3.4. Condensed interim consolidated statement of changes in equity**

	Share capital	Share premium	Translation reserve	Retained earnings	Current net profit attributable to owners of the parent company	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
<i>First half 2016/2017</i>								
<i>1.07.2016 - 31.12.2016</i>								
<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>3 369</b>	<b>126 132</b>	<b>17 869</b>	<b>240 295</b>	<b>31 837</b>	<b>272 132</b>
Current net profit	-	-	-	-	26 743	26 743	6 850	33 593
Distribution of profit	-	-	-	17 869	(17 869)	-	-	-
Dividend payment	-	-	-	(13 108)	-	(13 108)	-	(13 108)
Dividend payment - subsidiaries	-	-	-	-	-	-	(3 884)	(3 884)
FX differences from translation of foreign entities	-	-	(148)	-	-	(148)	(78)	(226)
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>3 221</b>	<b>130 893</b>	<b>26 743</b>	<b>253 782</b>	<b>34 725</b>	<b>288 507</b>
<i>Financial year 2015/2016</i>								
<i>1.07.2015 - 30.06.2016</i>								
<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>1 206</b>	<b>119 468</b>	<b>19 017</b>	<b>232 616</b>	<b>28 092</b>	<b>260 708</b>
Current net profit	-	-	-	-	17 869	17 869	7 419	25 288
Distribution of profit	-	-	-	19 017	(19 017)	-	-	-
Dividend payment	-	-	-	(12 603)	-	(12 603)	-	(12 603)
Dividend payment - subsidiaries	-	-	-	-	-	-	(6 258)	(6 258)
Change in the Group structure	-	-	-	250	-	250	1 882	2 132
FX differences from translation of foreign entities	-	-	2 163	-	-	2 163	702	2 865
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>3 369</b>	<b>126 132</b>	<b>17 869</b>	<b>240 295</b>	<b>31 837</b>	<b>272 132</b>
<i>First half 2015/2016</i>								
<i>1.07.2015 - 31.12.2015</i>								
<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>1 206</b>	<b>119 468</b>	<b>19 017</b>	<b>232 616</b>	<b>28 092</b>	<b>260 708</b>
Current net profit	-	-	-	-	22 713	22 713	5 881	28 594
Distribution of profit	-	-	-	19 017	(19 017)	-	-	-
Dividend payment	-	-	-	(12 603)	-	(12 603)	-	(12 603)
Dividend payment - subsidiaries	-	-	-	-	-	-	(3 518)	(3 518)
Change in the Group structure	-	-	-	218	-	218	1 312	1 530
FX differences from translation of foreign entities	-	-	431	-	-	431	78	509
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>1 637</b>	<b>126 100</b>	<b>22 713</b>	<b>243 375</b>	<b>31 845</b>	<b>275 220</b>

### 3.5. Condensed interim consolidated statement of cash flows

	<u>1.07.2016 - 31.12.2016</u>	<u>1.07.2015 - 31.12.2015</u>
	<i>First half</i>	<i>First half</i>
	<u>2016/2017</u>	<u>2015/2016</u>
<b>Cash flows from operating activities</b>		
Current net profit	26 743	22 713
Adjustments:		
Non-controlling interest	6 850	5 881
Depreciation and amortization	5 599	5 704
FX gains/losses	(18)	(213)
Gains/losses on investing activities	(154)	(284)
Interests and dividends	827	1 014
Current income tax	8 505	6 927
Operating profit before changes in working capital and provisions	48 352	41 742
Change in receivables	(110 494)	(110 343)
Change in inventory	11 255	4 074
Change in liabilities, except loans and borrowings	48 651	53 611
Change in provisions	(712)	308
Change in deferred tax asset	(20)	(843)
Net cash from operating activities	(2 968)	(11 451)
Income tax paid	(2 301)	(883)
<b>Net cash flows from operating activities</b>	<b>(5 269)</b>	<b>(12 334)</b>
<b>Cash flows from investing activities</b>		
Cash receipts		
Sales of non-current assets	231	2 374
Interest received	13	-
	244	2 374
Cash paid		
Acquisition of non-current assets	(6 219)	(5 369)
	(6 219)	(5 369)
<b>Net cash flows from investing activities</b>	<b>(5 975)</b>	<b>(2 995)</b>

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	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
<b>Cash flows from financing activities</b>		
Cash receipts		
Bank loans and borrowings received	25 940	40 280
	25 940	40 280
Cash paid		
Dividends paid	(16 992)	(16 121)
Interest paid	(840)	(1 014)
	(17 832)	(17 135)
<b>Net cash flows from financing activities</b>	<b>8 108</b>	<b>23 145</b>
<b>Total net cash flows</b>	<b>(3 136)</b>	<b>7 816</b>
Change in FX rates on cash	(4)	27
<b>Balance sheet change of cash:</b>	<b>(3 140)</b>	<b>7 843</b>
Opening balance of cash	9 866	7 845
Closing balance of cash	6 726	15 688

### 3.6. Explanatory notes to the consolidated financial statements

#### 3.6.1. Tangible fixed assets and investment property

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>
Land and buildings	60 329	61 169	59 554
Production, plant and machinery	31 180	30 920	30 509
Vehicles	6 204	5 640	5 972
Other tangible fixed assets	910	952	917
Construction in progress and prepayments	5 490	4 573	4 627
<b>Total tangible fixed assets</b>	<b><u>104 113</u></b>	<b><u>103 254</u></b>	<b><u>101 579</u></b>
Investment property in Romania - Karom Drinks s.r.l.	14 643	14 785	14 291
<b>Total investment property</b>	<b><u>14 643</u></b>	<b><u>14 785</u></b>	<b><u>14 291</u></b>

Adequacy of the useful lives of assets and the depreciation methods are verified annually.

In the first half of 2016/2017 additions to tangible fixed assets comprised primarily renewal of production, plant and car fleet. Total acquisition values amounted to PLN 5 907 thousand (land and buildings – PLN 1 405 thousand, production, plant and machinery – PLN 2 359 thousand, vehicles – PLN 1 731 thousand, other – PLN 412 thousand).

#### 3.6.2. Goodwill and other intangible fixed assets

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<u>2016/2017</u>	<u>2015/2016</u>	<u>2015/2016</u>
PH Vinex Slavianski Poland Sp. z o.o.	1 392	1 392	1 392
TiMS.A.	20 177	20 177	20 177
CENTRUM WINA	7 322	7 322	7 322
Winezja.pl Sp. z o.o.	2 101	2 101	2 101
Soare Sekt a.s.	11 074	11 070	10 813
Soare Sekt Slovakia s.r.o.	255	256	256
Zarea s.a.	1 878	1 880	1 856
<b>Total goodwill</b>	<b><u>44 199</u></b>	<b><u>44 198</u></b>	<b><u>43 917</u></b>
Trademarks	12 844	12 961	13 065
Software	1 495	1 682	754
Other intangible fixed assets	911	1 153	1 448
Prepayments	648	485	885
<b>Total other intangible fixed assets</b>	<b><u>15 898</u></b>	<b><u>16 281</u></b>	<b><u>16 152</u></b>



Change in the goodwill items with respect to foreign subsidiaries - Soare Sekt a.s., Soare Sekt Slovakia s.r.o. and Zarea S.A. resulted from translation of these items from foreign currency to PLN as at the reporting date.

Intangible assets with indefinite useful life were assessed for existence of potential impairment indication. No such indication of impairment was identified as at 31 December 2016.

### 3.6.3. Inventory

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Raw materials	11 912	12 560	9 588
Work in progress	7 384	8 989	6 034
Finished goods	21 477	25 247	20 717
Merchandise	54 128	58 990	59 702
Prepayments	1 094	1 464	961
<b>Total inventory</b>	<b>95 995</b>	<b>107 250</b>	<b>97 002</b>

Inventory is presented net of provision in the consolidated statement of financial position. Change in inventory provision is presented in section 3.6.12.

### 3.6.4. Short-term receivables and other current assets

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Trade and other receivables from related non-consolidated parties	2 544	2 230	3 068
Trade receivables from third parties	210 369	98 663	197 973
Tax receivables (excl. income tax)	1 281	2 312	3 899
Social security receivables	23	13	41
Other receivables	1 475	1 775	1 991
Other current assets	1 630	1 835	2 320
<b>Total short-term receivables and other current assets</b>	<b>217 322</b>	<b>106 828</b>	<b>209 292</b>

Receivables are presented net of allowances in the consolidated statement of financial position. Change in allowances for receivables is presented in section 3.6.12.

Intercompany balances from non-consolidated related parties are presented in section 3.6.13.

An increase of the short-term trade receivables is primarily attributable to seasonality of operations of the AMBRA Group described in section 2.2. – the most significant part of sales revenue is earned in the second quarter of the financial year, i.e. the fourth quarter of the calendar year.

### 3.6.5. Liabilities from loans, borrowings and other debt instruments

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Long-term liabilities from bank loans	29 771	23 484	12 995
Long-term lease liabilities	193	211	326
Long-term liabilities from other borrowings	108	111	111
<b>Total long-term liabilities from loans and borrowings</b>	<b>30 072</b>	<b>23 806</b>	<b>13 432</b>
Short-term liabilities from bank loans	44 656	24 924	78 676
Short-term lease liabilities	115	173	136
<b>Total short-term liabilities from loans and borrowings</b>	<b>44 771</b>	<b>25 097</b>	<b>78 812</b>

Repayments of bank loans proceed timely and in accordance with loan agreements.

Information on foreign exchange risk and interest risk are presented in note 3.6.17.

### 3.6.6. Short-term trade and other liabilities

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Short-term trade and other liabilities - related non-consolidated parties	2 138	446	1 507
Short-term trade liabilities - third parties	65 681	50 402	73 160
Prepayments received	415	84	121
Accruals	32 485	21 988	26 557
Liabilities from taxes (excl. income tax)	30 538	9 126	27 244
Social security liabilities	1 518	1 488	1 471
Other	1 655	2 245	2 079
<b>Total short-term trade and other liabilities</b>	<b>134 430</b>	<b>85 779</b>	<b>132 139</b>

The accruals balance comprised primarily accrued customer bonuses. Change in customer bonus accrual is presented in section 3.6.12.

Liabilities from taxes comprised primarily from the VAT and excise tax payables.

Intercompany balances to non-consolidated related parties are presented in section 3.6.13.

**3.6.7. Net sales revenue**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>
Revenue on sales of finished goods	191 476	178 476
Revenue on sales of merchandise	193 105	179 102
Customer bonuses	(47 257)	(49 431)
Excise tax	(53 801)	(52 628)
<b>Total net sales revenues</b>	<b>283 523</b>	<b>255 519</b>

**3.6.8. Marketing, distribution and commission expenses**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>
Distribution	15 616	14 438
Marketing	7 413	8 957
Commissions	627	637
Licence fees	319	631
<b>Total marketing, distribution, licence and commision expenses</b>	<b>23 975</b>	<b>24 663</b>

**3.6.9. Other expenses from operating activities**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>
Energy, water, heating oil, maintenance and repairs	3 321	3 378
Rental expenses	3 314	3 405
Car fleet related expenses	2 288	2 274
IT and office expenses	1 722	1 814
Taxes and fees	1 166	1 269
Advisory and market research services	1 060	1 204
Insurance expenses	726	757
Business trips and representation expenses	651	596
Membership fees	66	158
Protection of trademarks	63	26
Other	1 653	1 745
<b>Total other expenses from operating activities</b>	<b>16 030</b>	<b>16 626</b>

**3.6.10. Employee benefits**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Payroll expenses	28 748	25 810
Social security	4 444	4 114
Jubilee and retirement payments	45	11
Other	2 136	1 740
<b>Total employee expenses</b>	<b>35 373</b>	<b>31 675</b>

**3.6.11. Other operating revenue and expenses**

*Other operating revenue*

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Sales of services	529	386
Profit from sales of fixed assets	158	287
Compensation received	127	183
Reversals of allowances for assets	86	779
Written off liabilities	-	20
Other	115	807
<b>Total other operating revenue</b>	<b>1 015</b>	<b>2 462</b>

*Other operating expenses*

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Penalties, claims and compensations	1 690	13
Allowances/write-offs on assets	1 244	880
Donations	306	219
Loss on sales of fixed assets	4	3
Other	460	359
<b>Total other operating expenses</b>	<b>3 704</b>	<b>1 474</b>

### 3.6.12. Estimates

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 30.06.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<i>Deferred tax asset</i>			
Opening balance	8 337	9 320	9 320
Change	20	(983)	843
Closing balance	<u>8 357</u>	<u>8 337</u>	<u>10 163</u>
<i>Deferred tax liabilities</i>			
Opening balance	3 586	3 238	3 238
Change	(712)	348	308
Closing balance	<u>2 874</u>	<u>3 586</u>	<u>3 546</u>
<i>Write-offs - non-current assets</i>			
Opening balance	3 738	3 738	3 738
Change	-	-	-
Closing balance	<u>3 738</u>	<u>3 738</u>	<u>3 738</u>
<i>Write-offs - inventory</i>			
Opening balance	4 493	2 608	2 608
Change	724	1 885	469
Closing balance	<u>5 217</u>	<u>4 493</u>	<u>3 077</u>
<i>Write-offs - receivables</i>			
Opening balance	6 827	6 755	6 755
Change	1 155	72	100
Closing balance	<u>7 982</u>	<u>6 827</u>	<u>6 855</u>
<i>Accruals for customer bonuses</i>			
Opening balance	13 845	10 606	10 606
Change	9 264	3 239	10 803
Closing balance	<u>23 109</u>	<u>13 845</u>	<u>21 409</u>

### 3.6.13. Intercompany transactions

Schloss Wachenheim AG with its seat in Germany is the parent company exercising direct control over the AMBRA Group.

Detailed information on transactions between the AMBRA Group and other related non-consolidated parties and on receivables and liabilities are presented in the summary below.

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	<i>First half 2016/2017</i>					
	Receivables	Liabilities	Revenue from sales of finished goods, merchandise and services	Purchases of materials and merchandise	Dividends	Cost of services
<i>Parent company</i>						
Schloss Wachenheim AG	2	2 009	-	2 723	8 011	-
<i>Non-consolidated related parties</i>						
Compagnie Européenne des Vins Mousseux	-	129	-	278	-	-
Material Einkaufskontor GmbH	356	-	600	-	-	181
<i>Associated entities</i>						
Wine 4 You Sp. z o.o.	2 186	-	4 043	1	-	-
Board Members of AMBRA S.A.	41	-	-	-	106	-

Transactions between AMBRA S.A. – a parent company of the AMBRA Group and its subsidiaries eliminated upon consolidation are presented in note 4.5.15.

Transactions with related parties are based on common market conditions.

Amounts not paid are not secured and will be settled in cash. No guarantees have been granted or received. No costs related to doubtful receivables from related parties.

#### *3.6.14. Operating segments*

The Group established its operating segments according to IFRS 8 *Operating Segments* applied from 1 January 2009. Management of the Group is divided between primary business activities comprising manufacturing and sales of alcoholic and soft beverages and other activities comprising investment properties located in Romania. Each segment is a component of the Group earning revenues and incurring expenses in accordance with IFRS 8.

The following segments are identified within the Group:

- Primary business activities - Poland,
- Primary business activities – Czech Republic and Slovakia,
- Primary business activities - Romania,
- Other activities – investment property (Romania).

Segmental reporting for the first half and for the second quarter of 2016/2017 are presented on the following page.

In comparison with the previous financial year there were no changes in the basis for segment presentation. Revenue of each segment comprise both intrasegment sales and export sales (beyond the segment).

In 2016/2017 as well as in the previous year the company did not have a supplier whose contribution to the supplies exceeded 10%. Also sales revenue derived from a single customer of the company do not exceed 10% of total sales revenue.

No operating segments are identified on the separate financial statement level.

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*Operating segments – first half of the financial year*

	Primary business activities						Other activities		Eliminations		Total consolidated	
	Poland		Czech Republic and Slovakia		Romania		Investment property					
	First half		First half		First half		First half		First half		First half	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
External sales	216 382	200 916	20 527	19 409	46 614	35 194	-	-	-	-	283 523	255 519
Intrasegment sales	12 007	10 718	18	12	-	-	-	-	(12 025)	(10 730)	-	-
<b>Total net sales revenue</b>	<b>228 389</b>	<b>211 634</b>	<b>20 545</b>	<b>19 421</b>	<b>46 614</b>	<b>35 194</b>	-	-	<b>(12 025)</b>	<b>(10 730)</b>	<b>283 523</b>	<b>255 519</b>
Cost of materials and merchandise sold	(132 159)	(121 586)	(13 702)	(13 107)	(24 344)	(17 782)	-	-	12 075	10 837	(158 130)	(141 638)
Marketing, distribution, licence and commission expenses	(18 639)	(20 930)	(1 617)	(1 340)	(3 719)	(2 393)	-	-	-	-	(23 975)	(24 663)
<b>Gross profit on sales</b>	<b>77 591</b>	<b>69 118</b>	<b>5 226</b>	<b>4 974</b>	<b>18 551</b>	<b>15 019</b>	-	-	<b>50</b>	<b>107</b>	<b>101 418</b>	<b>89 218</b>
Other expenses from operating activities	(12 540)	(13 260)	(1 063)	(1 091)	(2 275)	(2 147)	(156)	(138)	4	10	(16 030)	(16 626)
Employee expenses	(27 619)	(25 466)	(1 511)	(1 270)	(6 230)	(4 926)	(13)	(13)	-	-	(35 373)	(31 675)
Depreciation and amortization	(5 001)	(5 129)	(37)	(77)	(488)	(427)	(73)	(71)	-	-	(5 599)	(5 704)
<b>Profit/(loss) on sales</b>	<b>32 431</b>	<b>25 263</b>	<b>2 615</b>	<b>2 536</b>	<b>9 558</b>	<b>7 519</b>	<b>(242)</b>	<b>(222)</b>	<b>54</b>	<b>117</b>	<b>44 416</b>	<b>35 213</b>
Other operating revenue	862	1 523	40	46	36	870	129	101	(52)	(78)	1 015	2 462
Other operating expenses	(3 445)	(1 091)	(13)	(82)	(234)	(262)	-	-	(12)	(39)	(3 704)	(1 474)
<b>EBIT</b>	<b>29 848</b>	<b>25 695</b>	<b>2 642</b>	<b>2 500</b>	<b>9 360</b>	<b>8 127</b>	<b>(113)</b>	<b>(121)</b>	<b>(10)</b>	-	<b>41 727</b>	<b>36 201</b>
Interest revenue	281	359	-	-	-	-	-	-	(268)	(359)	13	-
Interest expenses	(485)	(499)	(22)	(79)	(330)	(434)	(280)	(361)	277	359	(840)	(1 014)
Other financial revenue	578	358	17	55	-	-	-	-	-	-	595	413
Other financial expenses	(100)	(577)	(21)	(22)	(3)	(6)	-	-	-	-	(124)	(605)
<b>Profit/(loss) before tax</b>	<b>30 122</b>	<b>25 336</b>	<b>2 616</b>	<b>2 454</b>	<b>9 027</b>	<b>7 687</b>	<b>(393)</b>	<b>(482)</b>	<b>(1)</b>	-	<b>41 371</b>	<b>34 995</b>
Income tax	(6 024)	(4 926)	(544)	(445)	(1 277)	(1 092)	67	62	-	-	(7 778)	(6 401)
<b>Net profit/(loss)</b>	<b>24 098</b>	<b>20 410</b>	<b>2 072</b>	<b>2 009</b>	<b>7 750</b>	<b>6 595</b>	<b>(326)</b>	<b>(420)</b>	<b>(1)</b>	-	<b>33 593</b>	<b>28 594</b>
<b>Assets, equity and liabilities</b>												
Non-current assets	256 952	242 920	366	736	36 186	34 101	14 573	14 153	(119 956)	(104 752)	188 121	187 158
Current assets	256 233	279 572	19 499	20 557	56 426	57 390	241	76	(12 149)	(35 495)	320 250	322 100
Equity	342 053	338 185	6 861	5 424	45 846	40 199	135	(926)	(106 388)	(107 662)	288 507	275 220
Liabilities	171 132	184 307	13 004	15 869	46 766	51 292	14 679	15 155	(25 717)	(32 585)	219 864	234 038

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*Operating segments – second quarter of the financial year*

	Primary business activities						Other activities				Total consolidated	
	Poland		Czech Republic and Slovakia		Romania		Investment property		Eliminations			
	Q2		Q2		Q2		Q2		Q2		Q2	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
External sales	138 420	128 170	15 315	14 054	32 669	26 487	-	-	-	-	186 404	168 711
Intrasegment sales	8 790	8 241	5	6	-	-	-	-	(8 795)	(8 247)	-	-
<b>Total net sales revenue</b>	<b>147 210</b>	<b>136 411</b>	<b>15 320</b>	<b>14 060</b>	<b>32 669</b>	<b>26 487</b>	-	-	<b>(8 795)</b>	<b>(8 247)</b>	<b>186 404</b>	<b>168 711</b>
Cost of materials and merchandise sold	(84 577)	(78 547)	(10 134)	(9 337)	(17 422)	(13 619)	-	-	8 799	8 313	(103 334)	(93 190)
Marketing, distribution, licence and commission expenses	(10 093)	(11 843)	(1 225)	(956)	(2 732)	(1 748)	-	-	-	-	(14 050)	(14 547)
<b>Gross profit on sales</b>	<b>52 540</b>	<b>46 021</b>	<b>3 961</b>	<b>3 767</b>	<b>12 515</b>	<b>11 120</b>	-	-	<b>4</b>	<b>66</b>	<b>69 020</b>	<b>60 974</b>
Other expenses from operating activities	(6 564)	(7 217)	(655)	(641)	(1 245)	(1 288)	(78)	(86)	4	10	(8 538)	(9 222)
Employee expenses	(15 252)	(13 814)	(798)	(700)	(3 407)	(2 812)	(7)	(8)	-	-	(19 464)	(17 334)
Depreciation and amortization	(2 489)	(2 683)	(18)	(39)	(252)	(213)	(37)	(35)	-	-	(2 796)	(2 970)
<b>Profit/(loss) on sales</b>	<b>28 235</b>	<b>22 307</b>	<b>2 490</b>	<b>2 387</b>	<b>7 611</b>	<b>6 807</b>	<b>(122)</b>	<b>(129)</b>	<b>8</b>	<b>76</b>	<b>38 222</b>	<b>31 448</b>
Other operating revenue	589	1 340	17	27	14	180	73	66	(7)	(69)	686	1 544
Other operating expenses	(2 457)	(935)	(2)	(51)	(234)	(262)	-	-	13	(5)	(2 680)	(1 253)
<b>EBIT</b>	<b>26 367</b>	<b>22 712</b>	<b>2 505</b>	<b>2 363</b>	<b>7 391</b>	<b>6 725</b>	<b>(49)</b>	<b>(63)</b>	<b>14</b>	<b>2</b>	<b>36 228</b>	<b>31 739</b>
Interest revenue	139	181	-	-	-	-	-	-	(139)	(181)	-	-
Interest expenses	(300)	(261)	(11)	(36)	(164)	(246)	(139)	(182)	137	181	(477)	(544)
Other financial revenue	61	312	11	35	-	-	-	-	-	-	72	347
Other financial expenses	(41)	(368)	(18)	(2)	7	4	-	-	-	-	(52)	(366)
<b>Profit/(loss) before tax</b>	<b>26 226</b>	<b>22 576</b>	<b>2 487</b>	<b>2 360</b>	<b>7 234</b>	<b>6 483</b>	<b>(188)</b>	<b>(245)</b>	<b>12</b>	<b>2</b>	<b>35 771</b>	<b>31 176</b>
Income tax	(5 182)	(4 096)	(474)	(426)	(981)	(877)	34	81	-	-	(6 603)	(5 318)
<b>Net profit/(loss)</b>	<b>21 044</b>	<b>18 480</b>	<b>2 013</b>	<b>1 934</b>	<b>6 253</b>	<b>5 606</b>	<b>(154)</b>	<b>(164)</b>	<b>12</b>	<b>2</b>	<b>29 168</b>	<b>25 858</b>



### 3.6.15. Off-balance sheet items

Contingent liabilities balance did not change since the end of the previous interim reporting period, i.e. the end of the first quarter of 2016/2017.

The probability of outflow of funds with respect of the above mentioned contingent liabilities is estimated as low.

As at 31 December 2016 no contingent assets existed.

### 3.6.16. Capital management

The Group performs the capital management in order to assure that its subsidiaries will be able to continue operations while maximizing their profitability for their shareholders owing to optimization of indebtedness to equity ratio. General strategy of the Group has not change since financial prior year.

The Group capital structure comprises indebtedness that constitutes bank loans, cash and cash equivalents and equity including share capital, capital reserves and retained earnings.

Debt-to-equity and share-of-equity-in-total-assets ratios as at 31 December 2016, 30 June 2016 and 31 December 2015 were as follows.

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<i>Long-term liabilities from loans, borrowings and other debt instruments</i>	30 072	23 806	13 432
<i>Short-term liabilities from loans, borrowings and other debt instruments</i>	44 771	25 097	78 812
Total liabilities from loans, borrowings and other debt instruments	<b>74 843</b>	<b>48 903</b>	<b>92 244</b>
Equity	288 507	272 132	275 220
<b>Debt / equity</b>	<b>0,26</b>	<b>0,18</b>	<b>0,34</b>
Equity	288 507	272 132	275 220
Total assets	508 371	411 759	509 258
<b>Equity %</b>	<b>0,57</b>	<b>0,66</b>	<b>0,54</b>
Liabilities	219 864	139 627	234 038
Total assets	508 371	411 759	509 258
<b>Liabilities %</b>	<b>0,43</b>	<b>0,34</b>	<b>0,46</b>

In 2016/2017 AMBRA S.A. is required to maintain the share of equity in total assets ratio on a level no lower than 40%.

### 3.6.17. Financial instruments

Fair value measurement of financial instruments was classified on the same levels of fair value hierarchy as in the previous financial year ended 30 June 2016.

Classification of financial instruments has not changed since the end of the previous reporting period, i.e. first quarter of the current financial year 2016/2017 ended 30 September 2016. A detailed summary of the classification of financial instruments is presented in the annual report of the AMBRA Group for the previous financial year 2015/2016 ended on 30 June 2016.

The book value of financial instruments as at 31 December 2016 approximates their fair value.

During the half-year period there were no changes in the business or economic circumstances affecting the fair value of financial assets and liabilities of the AMBRA Group.

#### *Financial assets*

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Other non-current assets (receivables, other financial assets not consolidated or valued at equity)	205	201	396
Short-term receivables and other current assets	214 388	102 668	203 032
Cash and cash equivalents	6 726	9 866	15 688
<b>Total financial assets</b>	<b><u>221 319</u></b>	<b><u>112 735</u></b>	<b><u>219 116</u></b>

#### *Financial liabilities*

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Long-term bank and other loans	29 879	23 595	13 106
Long-term trade and other liabilities	389	389	457
Short-term bank and other loans	44 656	24 924	78 676
Short-term trade and other liabilities (excl. tax liabilities)	102 374	75 165	103 424
<b>Total financial liabilities</b>	<b><u>177 298</u></b>	<b><u>124 073</u></b>	<b><u>195 663</u></b>

#### *Credit risk*

The Group is exposed to credit risk, i.e. risk that debtors would not be able to meet their liabilities and, as a consequence, the Group would suffer losses.

Maximum exposure to credit risk is assessed as carrying value of trade and other receivables and loans granted.

In the Management Board opinion credit concentration risk is moderate owing to numerous debtors of the Group entities. The Group entities undertake activities mitigating credit risk that comprise checking credibility of debtors, establishing credit limits, monitoring debtors' financial condition, obtaining collaterals (bills of exchange,

mortgage and pledges on assets) and insurance of receivables. Taking into consideration the above activities, credit risk has been adequately accounted for in the financial statements through doubtful debts provisions.

*Liquidity risk*

The Group is exposed to liquidity risk, i.e. risk of loss of ability to pay its liabilities in certain periods. The risk results primarily from potential restriction of access to financial markets, which may result in lack of possibility to obtain new financing or refinancing its current indebtedness.

Maximum amount of exposure to liquidity risk related to loan liabilities is assessed as carrying value of liabilities from bank and other loans.

In the Management Board opinion the value of cash and cash equivalents, available bank loan limits and a good financial condition of the Group result in an assessment of the liquidity risk as insignificant.

*Foreign exchange risk*

The Group bears foreign exchange risk primarily with respect to purchases of raw materials and merchandise denominated in foreign currencies.

*Interest risk*

Maximum exposure to interest risk is assessed as carrying value of liabilities from bank and other loans.

*3.6.18. Significant litigation settlements*

None.

*3.6.19. Adjustments of prior periods errors*

None.

*3.6.20. Dividends*

On 11 October 2016 the general meeting of AMBRA S.A. passed a resolution to pay the dividend in the amount of PLN 13 107 454,88. The Company's profit distributed to its shareholders amounted to PLN 0,52 per share. Dividend day was set on 20 October 2016. Dividend was paid on 3 November 2016. All shares in AMBRA S.A. were entitled to dividend.

*3.6.21. Events after the end of the reporting period*

None.

*3.6.22. Functional and presentation currency and translation principles*

Functional currency of AMBRA S.A. and its subsidiaries and presentation currency of the consolidated financial statements is Polish zloty (PLN). The AMBRA Group comprises the following foreign entities: Soare Sekt a.s. and VINO Valtice s.r.o. which functional currency is Czech crown (CZK), Soare Sekt Slovakia s.r.o. which functional currency is euro (EUR) as well as Karom Drinks s.r.l. and S.C. Zarea s.a. which functional currency is Romanian lei (RON).

Financial statements of the foreign subsidiaries have been translated into PLN as follows:

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- Statements of profit and loss and other comprehensive income for each month have been translated using an average exchange rates set by the National Bank of Poland ("NBP") as at the end of each month.
- Statements of financial position have been translated using an average exchange rates set by the NBP as at the reporting date.

Foreign exchange rates used for translation of the financial statements of foreign subsidiaries were as follows:

*First half 2016/2017*

	foreign exchange rates as at					
	31.07.2016	31.08.2016	30.09.2016	31.10.2016	30.11.2016	31.12.2016
CZK	0,1615	0,1611	0,1596	0,1601	0,1640	0,1637
EUR	4,3684	4,3555	4,3120	4,3267	4,4384	4,4240
RON	0,9784	0,9774	0,9675	0,9603	0,9836	0,9749

*First half 2015/2016*

	foreign exchange rates as at					
	31.07.2015	31.08.2015	30.09.2015	31.10.2015	30.11.2015	31.12.2015
CZK	0,1534	0,1566	0,1560	0,1574	0,1578	0,1577
EUR	4,1488	4,2344	4,2386	4,2652	4,2639	4,2615
RON	0,9412	0,9555	0,9600	0,9616	0,9574	0,9421

**Robert Ogór**

*President of the Board*

**Grzegorz Nowak**

*Vice-president of the Board*

**Piotr Kaźmierczak**

*Vice-president of the Board, CFO*

*Warsaw, 23 February 2017*

**4. SELECTED DATA FROM CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS OF AMBRA S.A. FOR THE FIRST HALF 2016/2017 ACCORDING TO THE IFRS**

**4.1. Condensed interim statement of financial position**

		<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>Nota</i>	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Tangible fixed assets	4.5.1	68 107	67 846	67 001
Intangible fixed assets	4.5.2.	8 483	8 547	7 971
Long-term receivables		177	173	158
Shares	4.5.3.	62 149	62 774	62 058
Long-term loan receivables	4.5.4.	14 269	13 991	-
Deferred tax asset		9 730	9 266	10 455
<b>Total non-current assets</b>		<b>162 915</b>	<b>162 597</b>	<b>147 643</b>
<b>Current assets</b>				
Inventory	4.5.5.	50 321	55 792	55 636
Short-term receivables and other current assets	4.5.6.	118 962	64 620	115 113
Short-term loan receivables		-	-	15 120
Cash and cash equivalents		1 038	2 013	9 013
<b>Total current assets</b>		<b>170 321</b>	<b>122 425</b>	<b>194 882</b>
<b>TOTAL ASSETS</b>		<b>333 236</b>	<b>285 022</b>	<b>342 525</b>

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		<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
		<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		25 207	25 207	25 207
Share premium		67 718	67 718	67 718
Retained earnings		105 784	104 844	104 844
Current net profit		21 835	14 048	16 390
<b>Total equity</b>	4.3.	<b>220 544</b>	<b>211 817</b>	<b>214 159</b>
<b>Long-term liabilities</b>				
Long-term liabilities from loans, borrowings and other debt instruments	4.5.7.	20 080	14 684	13 079
Long-term trade and other liabilities		389	389	457
Employee benefits		211	211	201
<b>Total long-term liabilities</b>		<b>20 680</b>	<b>15 284</b>	<b>13 737</b>
<b>Short-term liabilities</b>				
Short-term liabilities from loans, borrowings and other debt instruments	4.5.7.	8 427	4 196	38 168
Income tax liabilities		4 498	66	3 033
Short-term trade and other liabilities	4.5.8.	79 087	53 659	73 428
<b>Total short-term liabilities</b>		<b>92 012</b>	<b>57 921</b>	<b>114 629</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>333 236</b>	<b>285 022</b>	<b>342 525</b>

4.1.1. *Book value per share*

	<u>31.12.2016</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>Book value</b>	<b>220 544</b>	<b>211 817</b>	<b>214 159</b>
<i>Number of shares</i>	25 206 644	25 206 644	25 206 644
<b>Book value per share (in PLN)</b>	<b>8,75</b>	<b>8,40</b>	<b>8,50</b>
<i>Diluted number of shares</i>	25 206 644	25 206 644	25 206 644
<b>Diluted book value per share (in PLN)</b>	<b>8,75</b>	<b>8,40</b>	<b>8,50</b>

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**4.2. Condensed interim statement of profit and loss and other comprehensive income**

		<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>	<b>1.10.2016 - 31.12.2016</b>	<b>1.10.2015 - 31.12.2015</b>
	<i>Note</i>	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>	<i>Q2 2016/2017</i>	<i>Q2 2015/2016</i>
Net sales revenue	4.5.9.	159 504	151 725	107 255	100 592
Cost of materials and merchandise sold		(86 513)	(83 010)	(58 135)	(55 338)
<b>Margin on sales</b>		<b>72 991</b>	<b>68 715</b>	<b>49 120</b>	<b>45 254</b>
Marketing, distribution, licence and commission expenses	4.5.10.	(15 366)	(17 859)	(8 109)	(9 884)
<b>Gross profit on sales</b>		<b>57 625</b>	<b>50 856</b>	<b>41 011</b>	<b>35 370</b>
Other expenses from operating activities	4.5.11.	(9 951)	(10 402)	(5 068)	(5 503)
Employee expenses	4.5.12.	(20 187)	(18 605)	(11 241)	(9 970)
Depreciation and amortization		(4 195)	(4 011)	(2 102)	(1 959)
<b>Profit on sales</b>		<b>23 292</b>	<b>17 838</b>	<b>22 600</b>	<b>17 938</b>
Other operating revenue	4.5.13.	700	681	487	531
Other operating expenses		(2 299)	(873)	(2 178)	(763)
<b>EBIT</b>		<b>21 693</b>	<b>17 646</b>	<b>20 909</b>	<b>17 706</b>
Interest income		280	359	139	180
Interest expenses		(250)	(339)	(158)	(171)
Other financial revenue		4 603	4 039	932	1 192
Other financial expenses		(99)	(1 978)	(38)	(1 774)
<b>Profit before tax</b>		<b>26 227</b>	<b>19 727</b>	<b>21 784</b>	<b>17 133</b>
Current income tax		(4 857)	(3 557)	(4 857)	(3 509)
Deferred income tax		465	220	828	329
Total income tax		(4 392)	(3 337)	(4 029)	(3 180)
<b>Net profit from continued activities</b>		<b>21 835</b>	<b>16 390</b>	<b>17 755</b>	<b>13 953</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>21 835</b>	<b>16 390</b>	<b>17 755</b>	<b>13 953</b>



4.2.1. *Earnings per share*

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>	<b>1.10.2016 - 31.12.2016</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>	<i>Q2 2016/2017</i>
<b>Net profit</b>	<b>21 835</b>	<b>16 390</b>	<b>17 755</b>
<i>Weighted average number of common shares</i>	25 206 644	25 206 644	25 206 644
<b>EPS (in PLN)</b>	<b>0,87</b>	<b>0,65</b>	<b>0,70</b>
<i>Diluted weighted average number of common shares</i>	25 206 644	25 206 644	25 206 644
<b>Diluted EPS (in PLN)</b>	<b>0,87</b>	<b>0,65</b>	<b>0,70</b>

**4.3. Condensed interim statement of changes in equity**

	Share capital	Share premium	Retained earnings	Current net profit	Total equity
<i>First half 2016/2017</i>					
<i>1.07.2016 - 31.12.2016</i>					
<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>104 844</b>	<b>14 048</b>	<b>211 817</b>
Current net profit	-	-	-	21 835	21 835
Distribution of profit	-	-	14 048	(14 048)	-
Dividend payment	-	-	(13 108)	-	(13 108)
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>105 784</b>	<b>21 835</b>	<b>220 544</b>

*Financial year 2015/2016*  
1.07.2015 - 30.06.2016

<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>103 704</b>	<b>13 743</b>	<b>210 372</b>
Current net profit	-	-	-	14 048	14 048
Distribution of profit	-	-	13 743	(13 743)	-
Dividend payment	-	-	(12 603)	-	(12 603)
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>104 844</b>	<b>14 048</b>	<b>211 817</b>

*First half 2015/2016*  
1.07.2015 - 31.12.2015

<b>Opening balance</b>	<b>25 207</b>	<b>67 718</b>	<b>103 704</b>	<b>13 743</b>	<b>210 372</b>
Current net profit	-	-	-	16 390	16 390
Distribution of profit	-	-	13 743	(13 743)	-
Dividend payment	-	-	(12 603)	-	(12 603)
<b>Closing balance</b>	<b>25 207</b>	<b>67 718</b>	<b>104 844</b>	<b>16 390</b>	<b>214 159</b>

**4.4. Condensed interim statement of cash flows**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
<b>Cash flows from operating activities</b>		
Current net profit	21 835	16 390
Adjustments:		
Depreciation and amortization	4 195	4 011
FX gains/losses	7	(14)
Gains/losses on investing activities	(98)	1 303
Interests and dividends	(4 072)	(3 732)
Current income tax	4 857	3 557
Operating profit before changes in working capital and provisions	26 724	21 515
Change in receivables	(54 346)	(54 049)
Change in inventory	5 471	6 326
Change in liabilities, except loans and borrowings	25 428	22 296
Change in deferred tax asset	(464)	(219)
Net cash from operating activities	2 813	(4 131)
Income tax paid	(425)	365
<b>Net cash flows from operating activities</b>	<b>2 388</b>	<b>(3 766)</b>
<b>Cash flows from investing activities</b>		
Cash receipts		
Dividends received	4 042	3 712
Sales of non-current assets	176	2 006
Other	624	-
	4 842	5 718
Cash paid		
Acquisition of non-current assets	(4 474)	(3 784)
	(4 474)	(3 784)
<b>Net cash flows from investing activities</b>	<b>368</b>	<b>1 934</b>

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	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>
<b>Cash flows from financing activities</b>		
Cash receipts		
Bank loans and borrowings received	9 627	21 677
	9 627	21 677
Cash paid		
Dividends paid	(13 108)	(12 603)
Interest paid	(250)	(339)
	(13 358)	(12 942)
<b>Net cash flows from financing activities</b>	<b>(3 731)</b>	<b>8 735</b>
<b>Total net cash flows</b>	<b>(975)</b>	<b>6 903</b>
<b>Balance sheet change of cash</b>	<b>(975)</b>	<b>6 903</b>
Opening balance of cash	2 013	2 110
Closing balance of cash	1 038	9 013

#### 4.5. Explanatory notes to the separate financial statements

##### 4.5.1. Tangible fixed assets

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Land and buildings	30 045	30 502	29 545
Production, plant and machinery	29 343	29 182	28 691
Vehicles	3 115	3 399	3 629
Other tangible fixed assets	831	864	774
Construction in progress and prepayments	4 773	3 899	4 362
<b>Total tangible fixed assets</b>	<b>68 107</b>	<b>67 846</b>	<b>67 001</b>

Adequacy of the useful lives of assets and the depreciation methods are verified annually.

In the first half of 2016/2017 additions to tangible fixed assets comprised primarily renewal of production, plant and car fleet. Total acquisition values amounted to PLN 4 248 thousand (land and buildings – PLN 1 404 thousand, production, plant and machinery – PLN 2 023 thousand, vehicles – PLN 475 thousand, other – PLN 346 thousand).

##### 4.5.2. Intangible fixed assets

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half</i>	<i>Financial year</i>	<i>First half</i>
	<i>2016/2017</i>	<i>2015/2016</i>	<i>2015/2016</i>
Trademarks	6 512	6 512	6 512
Software	1 317	1 534	540
Other intangible fixed assets	6	16	33
Prepayments	648	485	886
<b>Total other intangible fixed assets</b>	<b>8 483</b>	<b>8 547</b>	<b>7 971</b>

Intangible assets with indefinite useful life (trademarks) were assessed for existence of potential impairment indication. No such indication of impairment was identified as at 31 December 2016.

#### 4.5.3. Shares

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<b>Subsidiaries</b>			
PH Vinex Slavianski Poland Sp. z o.o.	4 000	4 000	4 000
TiM S.A.	23 659	23 659	23 659
IP Brand Management Sp. z o.o.	15	15	15
IP Brand Management Sp. z o.o. Sp. komandytowa	5 530	5 530	5 530
Winezja.pl Sp. z o.o.	2 849	2 849	2 849
Soare Sekt a.s.	16 925	17 550	17 550
Zarea s.a.	7 229	7 229	7 229
Karom Drinks s.r.l.	1 914	1 914	1 198
Other	28	28	28
<b>Total shares</b>	<b>62 149</b>	<b>62 774</b>	<b>62 058</b>

Data regarding subsidiaries, including AMBRA S.A.'s share in their share capital, is presented in section 2.3.

Change in shares in Soare Sekt a.s. related to return of additional payments to capital.

Shares were assessed for existence of potential impairment indication. No such indication of impairment was identified as at 31 December 2016.

#### 4.5.4. Long-term loan receivables

It represents a loan granted to Karom Drinks s.r.l. with its seat in Bucharest (Romania) – a subsidiary of AMBRA S.A. The loan and due interest is payable on 30 June 2020.

Long-term receivables were assessed for existence of potential impairment indication. No such indication of impairment was identified as at 31 December 2016.

#### 4.5.5. Inventory

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Raw materials	5 060	5 841	5 783
Work in progress	4 327	5 081	4 300
Finished goods	16 261	18 376	18 000
Merchandise	24 673	26 494	27 553
<b>Total inventory</b>	<b>50 321</b>	<b>55 792</b>	<b>55 636</b>

Inventory is presented net of provision in the consolidated statement of financial position. Change in inventory provision is presented in section 4.5.14.

**4.5.6. Short-term receivables and other current assets**

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Trade receivables from related consolidated parties	10 638	2 531	12 884
Trade and other receivables from related non-consolidated parties	358	116	393
Trade receivables from third parties	105 545	50 766	97 963
Other receivables from related consolidated parties	300	8 401	-
Tax receivables (excl. income tax)	770	1 010	1 954
Other receivables	646	797	802
Other current assets	705	999	1 117
<b>Total short-term receivables and other current assets</b>	<b>118 962</b>	<b>64 620</b>	<b>115 113</b>

Receivables are presented net of allowances in the consolidated statement of financial position. Change in allowances for receivables is presented in section 4.5.14.

Intercompany balances from related parties are presented in section 4.5.15.

An increase of the short-term trade receivables is primarily attributable to seasonality of operations of the AMBRA Group described in section 2.2. – the most significant part of sales revenue is earned in the second quarter of the financial year, i.e. the fourth quarter of the calendar year.

**4.5.7. Liabilities from loans, borrowings and other debt instruments**

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Long-term liabilities from bank loans	20 068	14 684	12 995
Long-term lease liabilities	12	-	84
<b>Total long-term liabilities from loans and borrowings</b>	<b>20 080</b>	<b>14 684</b>	<b>13 079</b>
Short-term liabilities from bank loans	8 427	4 148	38 168
Short-term lease liabilities	-	48	-
<b>Total short-term liabilities from loans and borrowings</b>	<b>8 427</b>	<b>4 196</b>	<b>38 168</b>

Repayments of bank loans proceed timely and in accordance with loan agreements.

Information on foreign exchange risk and interest risk are presented in note 4.5.19.

**4.5.8. Short-term trade and other liabilities**

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Trade liabilities from related consolidated parties	67	10 229	293
Trade liabilities from related non-consolidated parties	99	111	114
Trade liabilities from third parties	31 588	22 627	34 168
Advances received	52	61	-
Accruals	26 222	15 187	19 900
Tax liabilities (excl. income tax)	19 766	3 865	17 068
Social security liabilities	667	691	704
Other	626	888	1 181
<b>Short-term trade and other liabilities</b>	<b>79 087</b>	<b>53 659</b>	<b>73 428</b>

The accruals balance comprised primarily accrued customer bonuses. Change in customer bonus accrual is presented in section 4.5.14.

Liabilities from taxes comprised primarily from the VAT and excise tax payables.

Intercompany balances to non-consolidated related parties are presented in section 4.5.15.

**4.5.9. Net sales revenue**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Revenue on sales of finished goods	137 802	138 699
Revenue on sales of merchandise	72 005	66 145
Customer bonuses	(19 797)	(21 846)
Excise tax	(30 506)	(31 273)
<b>Total net sales revenues</b>	<b>159 504</b>	<b>151 725</b>

**4.5.10. Marketing, distribution, licence and commission expenses**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Distribution	8 898	8 744
Marketing	6 365	8 681
Commissions	43	-
Licence fees	60	434
<b>Total marketing, distribution, licence and commission expenses</b>	<b>15 366</b>	<b>17 859</b>



**4.5.11. Other expenses from operating activities**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Rental expenses	2 404	2 442
Energy, water, heating oil, maintenance and repairs	2 323	2 439
Car fleet	1 129	1 117
IT and office expenses	1 081	1 147
Advisory and market research services	655	788
Taxes and fees	638	584
Insurance	439	407
Business trips and representation expenses	321	339
Membership fees	48	153
Protection of trademarks	33	6
Other	880	980
<b>Total other expenses from operating activities</b>	<b>9 951</b>	<b>10 402</b>

**4.5.12 Employee expenses**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Payroll expenses	16 801	15 201
Social security	2 341	2 336
Jubilee and retirement payments	39	9
Other	1 006	1 059
<b>Total employee expenses</b>	<b>20 187</b>	<b>18 605</b>

**4.5.13. Other operating revenue and expenses**

**Other operating revenue**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Sales of services	469	351
Profit from sales of fixed assets	102	109
Compensation received	69	167
Other	60	54
<b>Total other operating revenue</b>	<b>700</b>	<b>681</b>

*Other operating expenses*

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>First half 2015/2016</i>
Penalties, claims and compensations	1 688	-
Allowances/write-offs on assets	254	613
Donations	72	62
Loss from sales of fixed assets	4	3
Other	281	195
<b>Total other operating expenses</b>	<b>2 299</b>	<b>873</b>

**4.5.14. Estimates**

	<b>1.07.2016 - 31.12.2016</b>	<b>1.07.2015 - 30.06.2016</b>	<b>1.07.2015 - 31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<i>Deferred tax asset</i>			
Opening balance	9 266	10 236	10 236
Change	464	(970)	219
Closing balance	9 730	9 266	10 455
<i>Write-offs - non-current assets</i>			
Opening balance	944	944	944
Change	-	-	-
Closing balance	944	944	944
<i>Write-offs - inventory</i>			
Opening balance	3 973	1 885	1 885
Change	403	2 088	153
Closing balance	4 376	3 973	2 038
<i>Write-offs - receivables</i>			
Opening balance	2 023	2 194	2 194
Change	(32)	(171)	507
Closing balance	1 991	2 023	2 701
<i>Accruals for customer bonuses</i>			
Opening balance	9 569	7 522	7 522
Change	8 648	2 047	7 616
Closing balance	18 217	9 569	15 138

#### 4.5.15. Intercompany transactions

Schloss Wachenheim AG with its seat in Germany is the parent company exercising direct control over the AMBRA Group.

Detailed information on transactions between AMBRA S.A. and its subsidiaries and on receivables and liabilities are presented in the summary below.

	<i>First half 2016/2017</i>					
	Receivables, including loan receivables	Liabilities	Sales of merchandise, finished goods and services	Purchases of merchandise, finished goods and services	Dividends and (* ) share in profit	Interest
<i>Parent company</i>						
Schloss Wachenheim AG	2	-	2	-	8 011	-
<i>Subsidiaries</i>						
PH Vinex Slavianski Poland Sp. z o.o.	4	-	220	-	878	-
TIM S.A.	2 299	12	2 784	18	3 164	-
IP Brand Management Sp. z o.o.	-	-	7	-	50	-
IP Brand Management Sp. z o.o. Sp. k.	300	-	7	-	8 547 (*)	-
Winezja.pl Sp. z o.o.	569	-	1 170	-	-	-
Soare Sekt a.s.	1 975	22	5 450	19	-	-
Soare Sekt Slovakia s.r.o.	2 277	-	2 746	-	-	-
Vino Valtice s.r.o.	8	-	-	-	-	-
Karom Drinks s.r.l.	14 269	-	-	-	-	278
Zarea s.a.	3 506	33	3 828	-	-	-
<i>Non-consolidated related parties</i>						
Material Einkaufskontor GmbH	356	-	600	181	-	-
Compagnie Européenne des Vins Mousseux SAS	-	99	-	248	-	-

Transactions with related parties are based on common market conditions.

Amounts not paid are not secured and will be settled in cash, except for loan granted to Karom Drinks s.r.l. secured with mortgage. No guarantees have been granted or received. No costs related to doubtful receivables from related parties.

#### 4.5.16. Operating segments

No operating segments are identified on the separate financial statement level. Operating segments for the AMBRA Group are presented in note 3.6.14.

#### 4.5.17. Off-balance sheet items

Contingent liabilities balance did not change since the end of the previous interim reporting period, i.e. the end of the first quarter of 2016/2017.

The probability of outflow of funds with respect of the above mentioned contingent liabilities is estimated as low.

As at 31 December 2016 no contingent assets existed.

#### 4.5.18. Capital management

The Company performs the capital management in order to assure that its subsidiaries will be able to continue operations while maximizing their profitability for their shareholders owing to optimization of indebtedness to equity ratio. General strategy of the Company has not change since financial prior year.

The Company capital structure comprises indebtedness that constitutes bank loans, cash and cash equivalents and equity including share capital, capital reserves and retained earnings.

Debt-to-equity and share-of-equity-in-total-assets ratios as at 31 December 2016, 30 June 2016 and 31 December 2015 were as follows.

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
<i>Long-term liabilities from loans, borrowings and other debt instruments</i>	20 080	14 684	13 079
<i>Short-term liabilities from loans, borrowings and other debt instruments</i>	8 427	4 196	38 168
Total liabilities from loans, borrowings and other debt instruments	<b>28 507</b>	<b>18 880</b>	<b>51 247</b>
Equity	220 544	211 817	214 159
<b>Debt / equity</b>	<b>0,13</b>	<b>0,09</b>	<b>0,24</b>
Equity	220 544	211 817	214 159
Total assets	333 236	285 022	342 525
<b>Equity %</b>	<b>0,66</b>	<b>0,74</b>	<b>0,63</b>
Liabilities	112 692	73 205	128 366
Total assets	333 236	285 022	342 525
<b>Liabilities %</b>	<b>0,34</b>	<b>0,26</b>	<b>0,37</b>

In 2016/2017 AMBRA S.A. is required to maintain the share of equity in total assets ratio on a level no lower than 40%.

#### 4.5.19. Financial instruments

Fair value measurement of financial instruments was classified on the same levels of fair value hierarchy as in the previous financial year ended 30 June 2016.

Classification of financial instruments has not changed since the end of the previous reporting period, i.e. first quarter of the current financial year 2016/2017 ended 30 September 2016. A detailed summary of the classification of financial instruments is presented in the annual report of AMBRA S.A. for the previous financial year 2015/2016 ended on 30 June 2016.

The book value of financial instruments as at 31 December 2016 approximates their fair value.

During the half-year period there were no changes in the business or economic circumstances affecting the fair value of financial assets and liabilities of AMBRA S.A.

*Financial assets*

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Long-term trade and other receivables	177	173	158
Long-term loan receivables	14 269	13 991	-
Shares in other entities	28	28	28
Short-term receivables and other current assets	117 487	62 611	112 042
Short-term loans receivables	-	-	15 120
Cash and cash equivalents	1 038	2 013	9 013
<b>Total financial assets</b>	<b>132 999</b>	<b>78 816</b>	<b>136 361</b>

*Financial liabilities*

	<b>31.12.2016</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Long-term bank and other loans	20 068	14 684	12 995
Long-term trade and other liabilities	389	389	457
Short-term bank and other loans	8 427	4 148	38 168
Short-term trade and other liabilities (excl. tax liabilities)	58 654	49 103	55 656
<b>Total financial liabilities</b>	<b>87 538</b>	<b>68 324</b>	<b>107 276</b>

*Credit risk*

The Company is exposed to credit risk, i.e. risk that debtors would not be able to meet their liabilities and, as a consequence, the Company would suffer losses.

Maximum exposure to credit risk is assessed as carrying value of trade and other receivables and loans granted.

In the Management Board opinion credit concentration risk is moderate owing to numerous debtors of the Company entities. The Company entities undertake activities mitigating credit risk that comprise checking credibility of debtors, establishing credit limits, monitoring debtors' financial condition, obtaining collaterals (bills of exchange, mortgage and pledges on assets) and insurance of receivables. Taking into consideration the above activities, credit risk has been adequately accounted for in the financial statements through doubtful debts provisions.

*Liquidity risk*

The Company is exposed to liquidity risk, i.e. risk of loss of ability to pay its liabilities in certain periods. The risk results primarily from potential restriction of access to financial markets, which may result in lack of possibility to obtain new financing or refinancing its current indebtedness.

Maximum amount of exposure to liquidity risk related to loan liabilities is assessed as carrying value of liabilities from bank and other loans.

In the Management Board opinion the value of cash and cash equivalents, available bank loan limits and a good financial condition of the Company result in an assessment of the liquidity risk as insignificant.

*Foreign exchange risk*

The Company bears foreign exchange risk primarily with respect to purchases of raw materials and merchandise denominated in foreign currencies.

*Interest risk*

Maximum exposure to interest risk is assessed as carrying value of liabilities from bank and other loans.

*4.5.20. Significant litigation settlements*

None.

*4.5.21. Selected financial data*

Selected financial data presented in the interim report have been translated into EUR as follows:

- Items of the consolidated statement of comprehensive income and consolidated statement of cash flows for the year have been translated using the exchange rate calculated as a mathematical average of average exchange rates announced by the National Bank of Poland at the end of each month. The exchange rate amounted to EUR 1 = PLN 4,3708 for the first half of 2016/2017, EUR 1 = PLN 4,3080 for the 2015/2016 financial year and EUR 1 = PLN 4,2354 for the first half of 2015/2016.
- Items of the consolidated statement of financial position have been translated using the average exchange rate announced by the National Bank of Poland at the balance sheet date. The exchange rate amounted to EUR 1 = PLN 4,4240 as at 31 December 2016, EUR 1 = PLN 4,4255 as at 30 June 2016 and EUR 1 = PLN 4,2615 as at 31 December 2015.

	in '000 PLN			in '000 EUR		
	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>	<i>First half 2016/2017</i>	<i>Financial year 2015/2016</i>	<i>First half 2015/2016</i>
Net sales revenue (after excise tax and customer bonuses)	159 504	241 501	151 725	36 493	56 059	35 823
Margin on sales	72 991	106 500	68 715	16 700	24 722	16 224
Gross profit on sales	57 625	76 697	50 856	13 184	17 804	12 007
EBITDA	25 888	19 352	21 657	5 923	4 492	5 113
EBIT	21 693	11 262	17 646	4 963	2 614	4 166
Net profit from continued activities	21 835	14 048	16 390	4 996	3 261	3 870
Total net cash flows	(975)	(97)	6 903	(223)	(23)	1 630
Non-current assets	162 915	162 597	147 643	36 825	36 741	34 646
Current assets	170 321	122 425	194 882	38 499	27 664	45 731
Total assets	333 236	285 022	342 525	75 325	64 404	80 377
Long-term liabilities	20 680	15 284	13 737	4 675	3 454	3 224
Short-term liabilities	92 012	57 921	114 629	20 798	13 088	26 899
Total equity	220 544	211 817	214 159	49 852	47 863	50 254
Share capital	25 207	25 207	25 207	5 698	5 696	5 915
EPS (in PLN)	0,87	0,56	0,65	0,20	0,13	0,15
Diluted EPS (in PLN)	0,87	0,56	0,65	0,20	0,13	0,15
Book value per share (in PLN)	8,75	8,40	8,50	1,98	1,90	1,99
Diluted book value per share (in PLN)	8,75	8,40	8,50	1,98	1,90	1,99

*4.5.22. Disclosures*

The IAS 34 disclosures not presented in the condensed separate interim financial statements of AMBRA S.A. have been disclosed in the condensed consolidated interim financial statements of the AMBRA Group (section 3 of this report).

*4.5.23. Events after the end of the reporting period*

None.

**Robert Ogór**

*President of the Board*

**Grzegorz Nowak**

*Vice-president of the Board*

**Piotr Kaźmierczak**

*Vice-president of the Board, CFO*

*Warsaw, 23 February 2017*