FABRYKI MEBLI "FORTE" CAPITAL GROUP

Consolidated financial statements for the period ended 30 September 2014

Statements prepared in accordance with the International Financial Reporting Standards

Ostrów Mazowiecka, 14 November 2014

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Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

SELECTED FINANCIAL DATA

	PLN		EUR	
Financial data of Fabryki Mebli "Forte" Capital Group	**9 months ended on 30 September 2014**	**9 months ended on 30 September 2013**	**9 months ended on 30 September 2014**	**9 months ended on 30 September 2013**
Net revenue from sales of products, goods, materials and services	591,964	469,887	141,608	111,266
Operating profit / loss	68 497	49,087	16,386	11,623
Profit / loss before tax	70,134	49,536	16,777	11,730
Net profit / loss attributable to the Shareholders of the Parent Company	55,686	39,087	13,321	9,256
Comprehensive income for the period	56,792	38,628	13,586	9,147
Net cash flows from operating activities	28,348	58,489	6,781	13,850
Net cash flows from investment activities	(34,063)	(8,543)	(8,148)	(2,023)
Net cash flows from financial activities	(34,168)	(20,263)	(8,174)	(4,798)
Net increase / decrease in cash and cash equivalents	(39,883)	29,683	(9,541)	7,029
Number of shares (number of items)	23,751,084	23,751,084	23,751,084	23,751,084
Profit / loss per ordinary share (in PLN/EUR)	2.34	1.65	0.56	0.39
	As at 30 September 2014	**As at 31 December 2013**	**As at 30 September 2014**	**As at 31 December 2013**
Total assets	595,110	554,854	142,456	133,790
Total liabilities	189,341	170,247	45,324	41,051
Long-term liabilities	81,177	76,581	19,432	18,466
Short-term liabilities	108,164	93,666	25,892	22,585
Parent undertaking shareholders' equity	402,062	380,896	96,245	91,844
Share capital	23,751	23,751	5,685	5,727
Book value per share (in PLN/EUR)	16.93	16.04	4.05	3.87

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Financial data of Fabryki Mebli "Forte" S.A.	PLN		EUR	
	9 months ended on 30 September 2014	9 months ended on 30 September 2013	9 months ended on 30 September 2014	9 months ended on 30 September 2013
Net revenue from sales of products, goods, materials and services	591,132	470,296	141,409	111,363
Operating profit / loss	62,735	43,904	15,007	10,396
Profit / loss before tax	68,981	47,843	16,501	11,329
Profit / loss of the period	56,359	38,987	13,482	9,232
Comprehensive income for the period	57,355	38,356	13,720	9,082
Net cash flows from operating activities	25,147	54,789	6,016	12,974
Net cash flows from investment activities	(28,962)	(4,532)	(6,928)	(1,073)
Net cash flows from financial activities	(34,173)	(20,264)	(8,175)	(4,798)
Net increase / decrease in cash and cash equivalents	(37,988)	29,993	(9,087)	7,102
Number of shares (number of items)	23,751,084	23,751,084	23,751,023	23,751,023
Declared or paid out dividend per share (in PLN/EUR):	1.50	0.95	0.36	0.22
Profit / loss per ordinary share (in PLN/EUR)	2.37	1.64	0.57	0.39
	As at 30 September 2014	**As at 31 December 2013**	**As at 30 September 2014**	**As at 31 December 2013**
Total assets	580,731	539,725	139,014	130,142
Total liabilities	189,865	170,587	45,449	41,133
Long-term liabilities	79,710	75,381	19,081	18,176
Short-term liabilities	110,155	95,206	26,369	22,957
Equity	390866	369,138	93,565	89,009
Share capital	23,751	23,751	5,685	5,727
Book value per share (in PLN/EUR)	16.46	15.54	3.94	3.75

Individual items of the financial statements have been translated at the rates specified in section 26 of Additional Information to the consolidated quarterly report for QSr 3/2014.

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	9 months ended 30 september 2014	3 months ended 30 September 2014	9 months ended 30 September 2013	3 months ended 30 September 2013
Continued operations				
Revenue from sales of products, goods and materials	586,279	187,296	465,675	165,274
Revenue from sales of services	5,685	1,876	4,212	1,266
Sales revenue	**591,964**	**189,172**	**469,887**	**166,540**
Cost of sales of sold products, goods and materials	(375,984)	(123,640)	(301,347)	(106,131)
Cost of sales of sold services	(2,429)	(819)	(2,514)	(751)
Cost of sales	**(378,413)**	**(124,459)**	**(303,861)**	**(106,882)**
Gross profit (loss) from sales	**213,551**	**64,713**	**166,026**	**59,658**
Other operating revenue	1,802	750	1,320	85
Costs of sales	(118,364)	(37,531)	(93,784)	(33,536)
General administrative expenses	(25,194)	(7,823)	(21,680)	(7,413)
Remaining operating costs	(3,298)	(926)	(2,795)	(1,011)
Profit (loss) on operating activities	**68,497**	**19,183**	**49,087**	**17,783**
Financial revenue	1,545	442	903	508
Financial costs	(1,391)	(717)	(825)	162
Profit (loss) on derivative financial instruments	1,483	81	371	371
Profit (loss) before income tax	**70,134**	**18,989**	**49,536**	**18,824**
Income tax expenses	(14,451)	(3,705)	(10,408)	(3,865)
Profit (loss) on continued operations of the period	**55,683**	**15,284**	**39,128**	**14,959**
Discontinued operations	-	-	-	-
Profit (loss) on discontinued operations of the period	-	-	-	-
Profit (loss) of the period	**55,683**	**15,284**	**39,128**	**14,959**
Attributable to:				
Shareholders of the Parent Company	**55,686**	**15,284**	**39,087**	**14,938**
Non-controlling interest	(3)	-	41	21
Profit (loss) per share attributable to shareholders of the Parent Company in the period (in PLN):				
- basic	2.34	0.64	1.65	0.63
- diluted	(3)	-	41	21

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED STATEMENT OF COMPRESENHIVE INCOME

	9 months ended 30 September 2014	3 months ended 30 September 2014	9 months ended 30 September 2013	3 months ended 30 September 2013
Profit (loss) of the period	**55,683**	**15,284**	**39,128**	**14,959**
Other net comprehensive income, including:	**1,109**	**129**	**(500)**	**3,916**
Items which in the future will not be reclassified to the profit and loss account	**436**	**-**	**-**	**-**
Incentive Scheme	436	-	-	-
Items which in the future may be reclassified to the profit and loss account	**673**	**129**	**(500)**	**3,916**
Foreign exchange differences on subsidiaries from consolidation	113	25	131	(130)
Hedge accounting	691	128	(779)	4,995
Income tax on other comprehensive income	(131)	(24)	148	(949)
Comprehensive income for the period	**56,792**	**15,413**	**38,628**	**18,875**
Attributable to:				
Shareholders of the Parent Company	56,795	15,413	38,589	18,854
Non-controlling interest	(3)	-	41	21

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	As at		
	30 September 2014	**31 December 2013**	**30 September 2013**
ASSETS			
Non-current assets	**269,816**	**254 070**	**251 116**
Tangible fixed assets	204,522	188,588	185,282
Intangible assets	16,583	16,632	16,963
Financial assets	749	888	1,071
Deferred tax assets	-	-	-
Investment properties	47,962	47,962	47,800
Current assets	**325,294**	**300,784**	**280,841**
Inventory	143,480	113,087	109,663
Trade and other receivables	126,354	99,135	99,710
Receivables due to derivative financial instruments	10,010	9,824	8,538
Income tax receivables	-	35	1
Deferred revenues and accruals	2,972	1,853	2,358
Financial assets	6,155	731	800
Cash and cash equivalents	36,323	76,119	59,771
TOTAL ASSETS	**595,110**	**554,854**	**531,957**
EQUITY AND LIABILITIES			
Total equity	**405,769**	**384,607**	**364,945**
Equity (attributable to shareholders of the Parent Company), including:	**402,062**	**380,896**	**361,257**
Share capital	23,751	23,751	23,751
Share premium	111,646	111,646	111,646
Foreign exchange differences on subsidiaries from consolidation	493	380	499
Revaluation reserve from hedging instruments	8,108	7,548	6,618
Incentive Scheme	856	420	198
Other reserve capital	167,812	146,803	146,803
Retained earnings	89,396	90,348	71,742
Capital attributable to non-controlling interest	**3,707**	**3,711**	**3,688**
Long-term liabilities	**81,177**	**76,581**	**57,339**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Interest-bearing loans and borrowings	63,612	58,178	38,898
Deferred income tax provisions	12,854	13,504	13,781
Provisions for benefits after the employment period	2,659	2,659	2,209
Other Provisions	39	39	39
Deferred revenues and accruals	68	86	92
Financial liabilities due to lease	1,945	2,115	2,320
Short-term liabilities			
Trade and other liabilities	**108,164**	**93,666**	**109,673**
Liabilities due to financial derivative instruments:	51,929	54,720	56,460
Current interest-bearing loans and borrowings	7,594	9,259	26,593
Income tax liabilities	9,786	10,963	6,984
Short-term provisions and deferred revenues and accruals	37,922	17,968	18,735
Financial liabilities due to lease	933	756	901
Total liabilities	**189,341**	**170,247**	**167,012**
TOTAL EQUITY AND LIABILITIES	**595,110**	**554,854**	**531,957**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED CASH FLOW STATEMENT

	9 months ended 30 September 2014	3 months ended 30 September 2014	9 months ended 30 September 2013	3 months ended 30 September 2013
Cash flows from operating activities				
Profit / loss of the period	**55,686**	**15,287**	**39,087**	**14,938**
Total adjustments by:	**(27,338)**	**(5,085)**	**19,402**	**7,065**
(Profit)/loss of non-controlling interest	(3)	-	39	19
Depreciation	12,417	4,123	12,458	4,221
Foreign exchange (gains)/losses	848	754	1,684	(1,875)
Net interest and dividends	648	145	739	206
(Profit)/loss on investment activities	(40)	8	83	128
Change in the valuation of derivative financial instruments	374	(24)	(220)	(1,317)
Change in receivables	(27,219)	(12,318)	(10,120)	(1,727)
Change in inventories	(30,393)	(6,104)	(10,544)	(9,580)
Change in liabilities, excluding loans and borrowings	(1,458)	(5,664)	14,668	9,209
Change in accruals and deferrals	18,816	12,163	4,260	4,250
Change in provisions	(649)	(176)	(309)	405
Income tax paid	(16,379)	(1,833)	(4,050)	(1,282)
Current tax recognised in profit and loss account	15,237	3,910	10,581	4,389
Foreign exchange differences	(39)	(67)	133	19
Valuation of the Incentive Scheme	436	-	-	-
Other adjustments	66	-	-	-
Net cash flow from operating activities	**28,348**	**10,202**	**58,489**	**22,003**
Cash flows from investment activities				
Sale of tangible fixed assets and intangible assets	629	270	301	127
Purchase of tangible fixed assets and intangible assets	(29,021)	(7,505)	(8,166)	(4,515)
Real property investment	-	-	(1,028)	-
Dividends received	26	26	25	25
Interest received	14	-	34	9
Repayment of borrowings granted	205	26	623	190
Borrowings granted	-	-	(332)	-

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Purchase of financial assets	(5,916)	(5,916)	-	-
Net cash flow from investment activities	**(34,063)**	**(13,099)**	**(8,543)**	**(4,164)**
Cash flows from financial activities				
Inflow from loans and borrowings taken out	34,274	13,201	20,051	12,636
Repayment of loans and borrowings	(31,331)	(17,439)	(15,965)	(10,900)
Repayment of leasing liabilities	(795)	(209)	(969)	(350)
Dividends paid to shareholders of the Parent Company	(35,627)	(35,627)	(22,564)	(22,564)
Dividend paid to acquire a non-controlling interest	(1)	(1)	-	-
Interest paid	(694)	(174)	(816)	(283)
Other financial inflows	6	3	-	-
Other financial outflows	-	-	-	(2)
Net cash flow from financial activities	**(34,168)**	**(40,246)**	**(20,263)**	**(21,463)**
Net increase (decrease) in cash and cash equivalents	**(39,883)**	**(43,143)**	**29,683**	**(3,624)**
Net foreign exchange differences (from translation, opening balance)	87	70	98	(116)
Opening balance of cash	**76,119**	**79,396**	**29,991**	**63,512**
Closing balance of cash, including:	**36,323**	**36,323**	**59,772**	**59,772**
of limited disposability	-	-	-	-

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 9 months ended on 30 September 2014

	Attributable to the shareholders of the Parent Company									
	Share capital	Share premium	Foreign exchange differences on consolidation	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Total	Equity of non-controlling interest	**Total equity**
As at 1 January 2014	**23,751**	**111,646**	**380**	**420**	**90,348**	**7,548**	**146,803**	**380,896**	**3,711**	**384,607**
Changes in Accounting Policy	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Error adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 1 January 2014 after adjustments	**23,751**	**111,646**	**380**	**420**	**90,348**	**7,548**	**146,803**	**380,896**	**3,711**	**384,607**
Payment of dividend for 2013	-	-	-	-	(35,627)	-	-	(35,627)	(1)	**(35,628)**
Reclassification to reserve capital	-	-	-	-	(21,009)	-	21,009	-	-	**-**
Other adjustments	-	-	-	-	(2)	-	-	(2)	-	**(2)**
Incentive Scheme	-	-	-	436	-	-	-	436	-	**436**
Profit (loss) for the period	-	-	-	-	55,686	-	-	55,686	-	**55,686**
Hedge accounting	-	-	-	-	-	560	-	560	-	**560**
Non-controlling interest profit	-	-	-	-	-	-	-	-	(3)	**(3)**
Foreign exchange differences	-	-	-	-	-	-	-	113	-	**113**
Comprehensive income for the period	-	-	**113**	**436**	**55,686**	**560**	**-**	**56,795**	**(3)**	**56,792**
As at 30 September 2014	**23 751**	**111 646**	**493**	**856**	**89 396**	**8 108**	**167 812**	**402 062**	**3 707**	**405 769**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 3 months ended on 30 September 2014

	Attributable to the shareholders of the Parent Company									
	Share capital	Share premium	Foreign exchange differences on consolidation	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Total	Equity of non-controlling interest	**Total equity**
As at 1 July 2014	**23,751**	**111,646**	**468**	**856**	**74,210**	**8,004**	**167,714**	**386,649**	**3,707**	**390,356**
Reclassification to reserve capital	-	-	-	-	(98)	-	98	-	-	-
Profit (loss) for the period	-	-	-	-	15,284	-	-	15,284	-	15,284
Hedge accounting	-	-	-	-	-	104	-	104	-	104
Foreign exchange differences	-	-	25	-	-	-	-	25	-	25
Comprehensive income for the period	-	-	25	-	15,284	104	-	**15,413**	-	**15,413**
As at 30 September 2014	**23,751**	**111,646**	**493**	**856**	**89,396**	**8,108**	**167,812**	**402,062**	**3,707**	**405,769**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 9 months ended on 30 September 2013

	Attributable to the shareholders of the Parent Company									
	Share capital	Share premium	Foreign exchange differences on consolidation	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Total	Equity of non-controlling interest	Total equity
As at 1 January 2013	**23,751**	**111,646**	**368**	**198**	**64,528**	**7,249**	**137,494**	**345,234**	**3,649**	**348,883**
Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Error adjustments	-	-	-	-	-	-	-	-	-	-
As at 1 January 2013 after adjustments	**23,751**	**111,646**	**368**	**198**	**64,528**	**7,249**	**137,494**	**345,234**	**3,649**	**348,883**
Payment of dividend for 2012	-	-	-	-	(22,564)	-	-	(22,564)	(2)	**(22,566)**
Reclassification to reserve capital	-	-	-	-	(9,309)	-	9,309	-	-	**-**
Profit (loss) for the period	-	-	-	-	39,087	-	-	39,087	-	**14,938**
Hedge accounting	-	-	-	-	-	(631)	-	(631)	-	**4,046**
Non-controlling interest profit	-	-	**-**	**-**	**-**	**-**	**-**	**-**	**41**	**41**
Foreign exchange differences	-	-	131	-	-	-	-	131	-	**(130)**
Comprehensive income for the period	-	-	**131**	**-**	**39,087**	**(631)**	**-**	**38,587**	**41**	**38,628**
As at 30 September 2013	**23,751**	**111,646**	**499**	**198**	**71,742**	**6,618**	**146,803**	**361,257**	**3,688**	**364,945**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for 3 months ended on 30 September 2013

	Attributable to the shareholders of the Parent Company									
	Share capital	Share premium	Foreign exchange differences on consolidation	Incentive Scheme	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Total	Equity of non-controlling interest	**Total equity**
As at 1 July 2013	**23,751**	**111,646**	**629**	**198**	**56,804**	**2,572**	**146,803**	**342,403**	**3,668**	**346,071**
Profit (loss) for the period	-	-	-	-	14,938	-	-	14,938	-	**14,938**
Hedge accounting	-	-	-	-	-	4,046	-	4,046	-	**4,046**
Foreign exchange differences	-	-	(130)	-	-	-	-	(130)	-	**(130)**
Comprehensive income for the period	-	-	(130)	-	14,938	4,046	-	**18,854**	21	**18,875**
As at 30 September 2013	**23,751**	**111,646**	**499**	**198**	**71,742**	**6,618**	**146,803**	**361,257**	**3,688**	**364,945**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

1. General information

The Fabryki Mebli FORTE S.A. Capital Group (the "Group") consists of Fabryki Mebli FORTE S.A. and its subsidiaries (see Note 2). The Group's condensed interim consolidated financial statements covers the period of 9 months ended 30 September 2014, and contains the following comparative data: for the condensed interim consolidated profit and loss account, the condensed interim consolidated statement of comprehensive income and for the condensed interim consolidated cash flow statement – for the period of 9 and 3 months ended 30 September 2013, and for the condensed interim consolidated statement of financial situation and for the condensed interim consolidated statement of changes in equity – for the period of 9 and 3 months ended 30 September 2013 and for the year ended 31 December 2013.

Fabryki Mebli FORTE S.A. ("Parent Company", "Company") was established in Notarial Deed of 25 November 1993. The Apparent Company's seat is located in Ostrowia Mazowiecka, ul. Biała 1.

The Parent Company is entered into the Register of Businesses of the National Court Register maintained by the District Court, 14th Commercial Division of the National Court Register, under KRS number 21840.

The Parent Company was awarded the statistical number REGON: 550398784.

The duration of the Parent Company and entities included in the Capital Group is unlimited.

Main activities of the Parent Company include:

- production of furniture,
- conducting trade activities domestically and abroad,
- provision of services in the scope of marketing, promotion, organisation, exhibitions, conferences.

2. Composition of the Group

As at 30 September 2014, the Fabryka Mebli "FORTE" S.A. Capital Group is composed of:

Parent Entity:

Fabryka Mebli "FORTE" S.A. as the parent company conducts its business through four domestic Branches:

- Ostrów Mazowiecka ul. Biała 1 – HQ – the head office of the Company together with the Management Board and manufacturing plant;
- Suwałki ul. Północna 30 – manufacturing plant;
- Białystok ul. Generała Andersa 11 – manufacturing plant;
- Hajnówka ul. 3-go Maja 51 – manufacturing plant.

and furniture showrooms in Wrocław, Toruń, Przemyśl, Białystok and Warsaw.

The Parent Company forms the Capital Group together with other entities. As at 30 September 2014, the Fabryka Mebli "FORTE" S.A. Capital Group was composed of:

– consolidated subsidiaries:

Subsidiaries (full consolidation method):	Registered office	Scope of activities	Percentage share of the Group in the capital	
			30 September 2014	31 December 2013
MV Forte GmbH	Erkelenz (Germany)	Dealership	100.00%	100.00%
Forte Möbel AG	Baar (Switzerland)	Dealership	99.00%	99.00%
Kwadrat Sp. z o.o.	Bydgoszcz	Real estate service and lease	77.01%	77.01%
**Galeria Kwadrat Sp. z o.o.*	*Bydgoszcz*	*Facilities Management*	*77.01%*	*77.01%*
TM Handel Sp. z o.o. SKA	Ostrów Mazowiecka	Purchase, sale and management of real estate, advisory services regarding conducting business activity and management	100.00%	100.00%
***Fort Investment Sp. z o.o.*	*Ostrów Mazowiecka*	*Purchase, sale and management of real estate, advisory services regarding conducting*	*100.00%*	*100.00%*

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business activity and management

* indirectly related company – 100% subsidiary of Kwadrat Sp. z o.o.

** indirectly related company – 100% subsidiary of TM Handel Sp. z o.o. SKA

– remaining subsidiaries excluded from consolidation on the basis of an significant impact of their financial data on the consolidated statements.

Other entities	Registered office	Scope of activities	Percentage share of the Group in the capital 30 September 2014
Forte Baldai UAB	Vilnius (Lithuania)	Dealership	100%
Forte SK s.r.o.	Bratislava (Slovakia)	Dealership	100%
Forte Furniture Ltd.	Preston, Lancashire (United Kingdom)	Dealership	100%
Forte Iberia SLU	Valencia (Spain)	Dealership	100%
Forte Mobilier SARL	Lyon (France)	Dealership	100%
Forte Mobila SRL	Bacau (Romania)	Dealership	100%
TM Handel Sp. z o.o. SKA	Warsaw	Advisory services regarding conducting business activity and management	100%

As at 30 September 2014 and as at 31 December 2013, the percentage of voting rights held by the Parent Company in the subsidiaries corresponded to the percentage held in the share capital of those entities.

Changes made to the composition of the Group during the reporting period

In the 9-month period ended 30 September 2014, no changes occurred in the structure of the Group.

3. Composition of the Management Board of the Parent Company

Composition of the Management Board of the Parent Company as at 30 September 2014:

- Maciej Formanowicz – President of the Management Board
- Mariusz Jacek Gazda – Member of the Management Board
- Gert Coopmann – Member of the Management Board
- Klaus Dieter Dahlem – Member of the Management Board

Changes in the composition of the Management Board of the Company

On 10 January 2014, Robert Rogowski submitted a statement of resignation from the position of Vice President of the Management Board. On the same day, the Company's Supervisory Board appointed as of 1 March 2014 Mariusz Jacek Gazda as Member of the Management Board of the Parent Company.

On 7 May 2014, the Supervisory Board appointed Maria Małgorzata Florczuk as Member of the Management Board of the Parent Company.

On 28 July 2014, the Supervisory Board appointed as of 1 August 2014 Rafał Prendke as Member of the Management Board of the Parent Company.

4. Basis for preparation of the consolidated financial statements

These condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard ("IAS") 34 and International Financial Reporting Standards ("IFRS") endorsed by the EU.

These condensed consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which have been measured at fair value.

These condensed consolidated financial statements are presented in the Polish zlotys ("PLN") and all figures, unless otherwise stated, are expressed in PLN thousand ("PLN '000").

These consolidated financial statements were drawn up with the assumption of the Company continuing as a going concern in the foreseeable future. As at the date of approval of these financial statements, the Company's Management Board is not aware of any facts or circumstances that would indicate a threat to the continuing activity of the Group for at least 12 months following the balance sheet period as a result of any intended or compulsory withdrawal or significant limitation in the activities of the Group.

These condensed interim consolidated financial statements have been prepared in accordance with the same accounting principles and calculation methods as in the last annual financial statements. Hence, they do not include information and disclosures required in full financial statements and should be read together with the annual consolidated financial statements for the financial year ended 31 December 2013.

5. Changes in accounting principles / principles of presenting data in financial statements and error correction

These interim condensed consolidated financial statements have been prepared in accordance with accounting principles described in the Consolidated Financial Statements for the year 2013 in Note 9, taking into account the new standards, which came into force on 1 January 2014 and are essential for the preparation of the consolidated financial statements:

- IFRS 10 *Consolidated Financial Statements*

The new standard was published on 12 May 2011 and is to replace interpretation *SIC 12 Consolidation – Special Purpose Entities* and some of the provisions of *IAS 27 Consolidated and Separate Financial Statements*. The standard defines the notion of control as a determining factor of whether an entity should be covered by consolidated financial statements and contains guidelines helping determine whether an entity exercises control or not.

- IFRS 11 *Joint arrangements*

The new standard was published on 12 May 2011 and is to replace interpretation *SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers* and *IAS 31 Interests In Joint Ventures*. The standard emphasises rights and obligations resulting from a joint agreement regardless of its legal form and eliminates inconsistency in reporting through specific methods of settling shares in jointly controlled entities.

- IFRS 12 *Disclosure of Interests in Other Entities*

The new standard was published on 12 May 2011 and contains requirements regarding disclosures of information concerning connections between entities.

- IAS 27 *Separate Financial Statements*

The new standard was published on 12 May 2011 and results primarily from the transfer of some of the provisions of the existing IAS 27 to the new IFRS 10 and IFRS 11. The standard contains requirements in the scope of presentation and disclosures in separate financial statements of investments in associates, subsidiaries and joint ventures. The standard replaces the existing IAS 27 *Consolidated and Separate Financial Statements.*

- IAS 28 *Investments in Associates and Joint Ventures*

The new standard was published on 12 May 2011 and regards settling investments in associates. It also determines the requirements for using the equity method in investments in associates and in joint entities. The standard replaces the existing IAS 28 *Investments in Associates.*

- Amendments to IAS 32 *Offsetting financial assets and financial liabilities*

Amendments to IAS 32 were published on 16 December 2011 and are applied to annual periods starting on 1 January 2014 or later. These amendments are a reaction to the existing incoherence in applying criteria for offsetting, which exist in IAS 32.

- Guidelines regarding transitional provisions (amendments to IFRS 10, IFRS 11 and IFRS 12)

The guidelines were published on 28 June 2012 and contain additional information with regard to using IFRS 10, IFRS 11 and IFRS 12, which includes the presentation of comparative data in the case of using the above-mentioned standards.

In these interim condensed consolidated financial statements, important judgments made by the Management Board regarding the accounting policies applied by the Group and key sources of uncertainty estimation were the same as described in the Consolidated Financial Statements for the year 2013.

- Investment Entities *(Amendments to IFRS 10, IFRS 12 and IAS 27)*

The guidelines were published on 31 October 2012 and contain other principles regarding the application of IFRS 10 and IFRS 12 in the case of investment fund entities. The application of the abovementioned amendments has no impact on the Group's financial statements.

- Amendments to IAS 36 *Disclosures of the recoverable amount for non-financial assets*

Amendments were published on 29 May 2013 and are applied to annual periods starting on 1 January 2014 or later. The amendments result in modification of the scope of disclosures in relation to impairment of non-financial assets: among others, they require disclosure of the asset's recoverable amount (cash-generating unit) only in periods in which impairment or its reversal was recognised in relation to a given asset (or unit). Moreover, the effect of the amended standard is that a broader and more precise scope of disclosures will be required in the case of determining the recoverable amount as fair value less cost of sales, and in the case of determining fair value less cost of sales using the present value technique (discounted flows), it will be necessary to provide information on the applied discount rate (in the case of recognising impairment or its reversal). The amendments also adjust the scope of disclosures regarding the recoverable amount, regardless of whether it was determined as the value in use or fair value less cost of sales.

The application of the abovementioned amendments has no impact on the Group's financial statements.

- Amendments to IAS 39 *Novation of derivatives and continuing hedge accounting*

Amendments were published on 27 June 2013 and are applied to annual periods starting on 1 January 2014 or later. The amendments allow continued application of hedge accounting (under certain conditions), in the case when a derivative instrument which is a hedging instrument is novated as a result of legal regulations, and the change results in a change of the clearing institution. Amendments to IAS 39 stem from legal changes in many countries, which resulted in mandatory settlement of existing OTC derivatives and their novation through an agreement with the central clearing institution.

The application of the abovementioned amendments has no impact on the Group's financial statements.

Both in the current reporting period and in the comparative period, no adjustment occurred.

Changes made independently by the Group

The Group made a presentation adjustment of comparative data for the 3 quarters of 2013 in note 21 describing transactions with related entities. Borrowings granted by the Parent Company are disclosed as a separate item; therefore, as at 30 September 2013, the balances of receivables from related entities were adjusted for balances of outstanding borrowings.

6. Amendments to existing standards and new regulations which are not in effect for periods starting from 1 January 2014.

In these financial statements, the Group did not opt for early application of the published standards or interpretations before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee but have not yet come into force as at the balance sheet date:

- IFRS 9 *Financial instruments*

The new standard was published on 24 July 2014 and is applied to annual periods starting on 1 January 2018 or later. The standard aims at organising the classification of financial assets and introducing uniform rules of approaching the assessment of impairments regarding all financial instruments. The standard also introduces a new model of hedge accounting in order to standardise the principles of recognising information on risk management in financial statements.

The Group will apply the amended standards in the scope of amendments made from 1 January 2018.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard. The Group has begun analysing the effects of implementing the new standard.

- IFRS 14 *Regulatory Deferral Accounts*

The new standard was published on 30 January 2014 and is applied to annual periods starting on 1 January 2016 or later. The new standard is of transitional nature in relation with the ongoing works of the IASB on regulating the manner of clearing operations in the conditions of price regulation. The standard introduces principles of recognising assets and liabilities resulting from transactions with regulated prices in the case when an entity decides to adopt IFRS.

The group will apply the new standard from 1 January 2016.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- IFRS 15 *Revenue from Contracts with Customers*

The new unified standard was published on 28 May 2014, is applied to annual periods starting on 1 January 2017 or later and its early adoption is permitted. The standard determines uniform framework for recognising revenue and contains principles which will replace most of the detailed guidelines in the scope of recognising revenue which now exist in the IFRS, in particular in IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard. The Group has begun analysing the effects of implementing the new standard.

- Amendments to different standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements 2010–2012)

On 12 December 2013, further amendments were published to seven standards, resulting from the draft amendments to the International Financial Reporting Standards published in May 2012. They primarily apply to annual periods starting on 1 July 2014 or later.

The Group will apply the amended standards in the scope of amendments made from 1 January 2015, unless a different period of entry into force is provided for.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- Amendments to various standards resulting from the annual review of the International Financial Reporting Standards *(Annual Improvements 2011–2013)*

On 12 December 2013, further amendments were published to four standards, resulting from the draft amendments to the International Financial Reporting Standards published in November 2012. They primarily apply to annual periods starting on 1 July 2014 or later.

The Group will apply the amended standards in the scope of amendments made from 1 January 2015, unless a different period of entry into force is provided for.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- Amendments to IAS 19 *Defined benefit plans: employee contributions*

Amendments were published on 21 November 2013 and are applied to annual periods starting on 1 July 2014 or later. The amendments clarify, and in certain cases simplify, the accounting principles for employee contributions (or contributions of other third parties) for defined benefit plans.

The Group will apply the amended standard in the scope of amendments made from 1 January 2015.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- IFRIC 21 *Levies*

The new interpretation was published on 20 May 2013 and is applied to annual periods starting on 1 January 2014 or later. The interpretation contains guidelines regarding in which periods obligations to pay certain levies should be recognised.

The Group applies the new interpretation as of the date determined in the regulation of the European Commission, adopting the interpretation for use in the European Union, i.e. from 1 January 2015.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- Amendments to IFRS 11 *Recognising the acquisition of an interest in a joint operation*

Amendments to IFRS 11 were published on 6 May 2014 and are applied to annual periods starting on 1 January 2016 or later. They aim at presenting detailed guidelines explaining the manner of recognising transactions of acquisition of an interest in joint operations which constitute an undertaking. The amendments require use of the same rules as those used in the case of mergers.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- Amendments to IAS 16 and IAS 38 *Acceptable methods of depreciation and amortisation*

Amendments to IFRS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* were published on 12 May 2014 and are applied to annual periods starting on 1 January 2016 or later. The amendment provides additional explanations regarding acceptable methods of depreciation and amortisation. The amendments aim at indicating that the method of calculating depreciation of property, plant and equipment and amortisation of intangible assets based on revenue is not correct, although in the case of intangible assets, this method may be used in specific circumstances.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.

- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

Amendments to IFRS 16 and 41 were published on 30 June 2014 and are applied to annual periods starting on 1 January 2016 or later. This amendment indicates that bearer plants should be recognised in the same way as property, plant and equipment in the scope of IAS 16. Therefore, bearer plants should be considered taking into account IAS 16 and not IAS 41. Produce of bearer plants is still covered by the scope of IAS 41.

Application of the new standard will have no impact on the Group's financial statements.

The IFRS, in the form approved by the EU, do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB) except for the following standards, interpretations and amendments to them, which as at the date of approval of these financial statements for publication had not yet been adopted for application by the EU:

- IFRS 9 *Financial Instruments* published on 24 July 2014,
- IFRS 14 *Regulatory Deferral Accounts* published on 30 January 2014,
- IFRS 15 *Revenue from Contracts with Customers* published on 28 May 2014,
- Amendments to different standards resulting from the annual review of the International Financial Reporting Standards *(Annual Improvements 2010–2012)* published on 12 December 2013,
- Amendments to different standards resulting from the annual review of the International Financial Reporting Standards *(Annual Improvements 2011–2013)* published on 12 December 2012,
- Amendments to IAS 19 *Defined benefit plans: employee contributions* published on 21 November 2013,
- Amendments to IFRS 11 *Recognising the acquisition of an interest in a joint operation* published on 6 May 2014,
- Amendments to IAS 16 and IAS 38 *Acceptable methods of depreciation and amortisation* published on 12 May 2014,
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* published on 30 June 2014.

7. Foreign currency translation

Transactions expressed in foreign currencies are converted to PLN at the exchange rate applicable as at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to PLN at the average exchange rate of the National Bank of Poland applicable as at the reporting date. The resulting exchange rate differences are recognised under financial revenue/costs or, in cases provided for in the accounting principles (policy), capitalised at the value of assets. Non-monetary assets and liabilities denominated in foreign currencies and recorded at their historical cost as at the date of the transaction. Non-monetary assets and liabilities measured at fair value are converted at the average exchange rate applicable as at the date of the measurement at fair value.

Financial statements of foreign entities are translated to the Polish currency in the following manner:

- individual balance sheet items at average rate, determined by the National Bank of Poland as at the balance sheet date;
- Möbelvertrieb Forte GmbH – EUR – 4.1775
- Forte Möbel AG – CHF – 3.4600
- individual items of the profit and loss account at the exchange rate constituting the arithmetic mean of average exchange rates determined by the National Bank of Poland as of the date ending each month.
- Möbelvertrieb Forte GmbH – EUR – 4.1803
- Forte Möbel AG – CHF – 3.4378

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The exchange differences arising from the translation the presentation currency are taken directly to equity and recognised as a separate item. On disposal of a foreign operation, the cumulative amount of the deferred exchange differences recognised in equity and relating to that particular foreign operation shall be recognised in the profit and loss account.

8. Seasonality of operations

Seasonality can be observed in the Group's sales revenue.

The value of sales revenue achieved in the presented reporting periods is presented below:

	Revenues from sales of products, materials, goods and services	Sales revenue – % of share
Q1 2014	212,043	-
Q2 2014	190,749	-
Q3 2014	189,172	-
Total 3 quarters 2014	**591,964**	
Q1 2013	156,537	23.49%
Q2 2013	146,810	22.03%
Q3 2013	166,540	24.99%
Total 3 quarters 2013	**469,887**	**70.41%**
2013	**666,365**	-

9. Information on operating segments

The Parent Company does not identify operating segments within the meaning of IFRS 8.

10. Revenue and costs

Sales revenue and geographic structure

Sales revenue	**For the reporting period ended**	
Revenue from sales of products, goods and materials	**30 September 2014**	**30 September 2013**
- products	575,985	456,518
- goods	5,948	6,744
- materials	4,346	2,413
Revenue from sales of services	**5,685**	**4,212**
Total net revenue from sales	**591,964**	**469,887**
Geographic structure:		
- domestic	105 300	90 073
- export	486 664	379 814
Total net revenue from sales	**591 964**	**469 887**
- including from related entities	7 590	21 141

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Information on key customers

The biggest customer for the products of the Forte Group is Roller GmbH (Germany), whose share in turnover exceeded 10% of the total Group revenue.

There are no formal ties between the customer and the Group.

Other operating revenue

	For the reporting period ended	
Other operating revenue	**30 September 2014**	**30 September 2013**
Reversal of impairment write-downs	595	251
Gain on sale of property, plant and equipment	2	-
Subsidies	262	18
Donations and compensations	706	779
Surplus	-	4
Other	237	268
Total other operating revenue	**1,802**	**1,320**

Other operating costs

	For the reporting period ended	
Other operating costs	**30 September 2014**	**30 September 2013**
Creation of write-downs	203	75
Liquidation and impairment write-downs on property, plant and equipment	1	7
Loss on disposal of property, plant and equipment	327	-
Scrapping of inventory	1,853	1,744
Donations	431	650
Penalties and compensations	292	57
Court costs	14	20
Other	177	242
Total other operating costs	**3,298**	**2,795**

Financial revenue

	For the reporting period ended	
Financial revenue	**30 September 2014**	**30 September 2013**
Dividend	25	26
Surplus of FX gains over FX losses	-	47

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Interest	1,520	830
Other	-	-
Financial revenue, total	**1,545**	**903**

Financial costs

Financial costs	**For the reporting period ended**	
	30 September 2014	**30 September 2013**
Interest on loans and leasing	645	727
Commission on loans	41	36
Surplus of FX losses over FX gains	683	-
Other	22	62
Financial costs, total	**1,391**	**825**

Costs by type

Costs by type	**For the reporting period ended**	
	30 September 2014	**30 September 2013**
Depreciation	12,417	12,458
Consumption of materials and energy	291,456	234,084
External services	113,152	80,238
Taxes and fees	6,157	5,464
Payroll	84,105	69,451
Social insurance and other benefits	18,884	15,221
Other costs by type	4,773	3,936
	530,944	**420,852**
Change in product inventory and accruals	(15,784)	(6,884)
Manufacturing cost of products for internal purposes	(1,068)	(798)
Costs of sales	(118,364)	(93,784)
General administrative expenses	(25,194)	(21,680)
Manufacturing cost of sold products and services	**370,534**	**297,706**
Value of goods and materials sold	**7,879**	**6,155**
Cost of sales	**378,413**	**303,861**

Information on key suppliers

There was no situation where turnover with a selected supplier would exceed 10% of share in the Group's revenue from sales.

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11. Changes in accounting estimates

As at 30 September 2014, the Group made the following changes in accounting estimates in comparison to 31 December 2013 and 30 September 2013:

Change in provisions

Long-term provisions	As at 30 September 2014	31 December 2013	30 September 2013
Deferred tax assets	-	-	-
Deferred tax provision	12,854	13,504	13,781
Benefits after the employment period	2,659	2,659	2,209
Other provisions	39	39	39

Deferred revenues and accruals	As at 30 September 2014	31 December 2013	30 September 2013
Property and motor insurance	919	719	172
Perpetual usufruct	257	-	239
Fairs	-	318	454
Research and development	1 141	570	770
Business trips	95	87	564
Other	560	159	159
in total	**2 972**	**1 853**	**2 358**

Long-term accruals	As at 30 September 2014	31 December 2013	30 September 2013
Long-term accrued income due to:			
Subsidy to tangible fixed assets bought	68	86	92

Short-term accruals	30 September 2014	31 December 2013	30 September 2013
Accruals due to:			
Commissions	1,916	1,294	1,930
Bonuses for customers	11,045	8,451	7,912
Bonuses	3,500	1,500	3,505

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Employee benefits	11,554	2,403	1,323
Balance sheet audit costs	82	159	82
External services	8,310	2,995	2,982
Other costs	195	111	115
Short-term provisions:			
Short-term provision for benefits after the employment period	58	58	-
Guarantee repairs	1,238	973	862
Accrued income due to:			
Subsidy to tangible fixed assets bought	24	24	24
	37,922	**17,968**	**18,735**

The amount of PLN 11,045 thousand is a provision created by the Group for future bonuses payable due to sales to customers particularly from the German and Austrian markets. The bonuses will be paid by setting them off against payments occurring after the balance sheet date.

The amount of PLN 8,310 thousand is a provision created by the Group for the costs of external services, in particular: transportation, marketing, insurance of receivables and utilisation services.

The amount of PLN 11,554 thousand constitutes a provision for employee benefits: for unused leaves (PLN 2,443 thousand) and for salaries for the month of September (PLN 9,111 thousand). During previous reporting periods, the Parent Company booked salaries in actually paid amounts. Due to changes introduced in the process of keeping salary registers resulting from acceleration of management reporting processes, the Parent Company also establishes provisions for current salaries.

The amount of PLN 3,500 thousand constitutes a provision established for the annual bonus for the Management Board.

Changing write-downs on assets

	30 September 2014	31 December 2013	30 September 2013
Write-downs on short-term receivables	3,002	2,984	1,457
Write-downs on tangible fixed assets	3	368	3
Write-downs on inventory	3,768	5,450	3,294

Write-downs on receivables

Receivable write-downs	30 September 2014	31 December 2013	30 September 2013
Write-down as at 1 January	2,984	1,667	1,667
Creation	238	1,642	75
Utilisation	(6)	(30)	-
Release	(214)	(295)	(285)
Impairment at the end of the period	**3,002**	**2,984**	**1,457**

Write-downs on tangible fixed assets

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Write-downs on tangible fixed assets	30 September 2014	31 December 2013	30 September 2013
Write-down as at 1 January	368	41	41
Creation	-	365	-
Release	(365)	(38)	(38)
Impairment at the end of the period	**3**	**368**	**3**

Write-downs on inventory

Inventories revaluation write-downs	30 September 2014	31 December 2013	30 September 2013
Write-down as at 1 January	5,450	3,294	3,294
Increase	-	3,262	-
Decrease	(1,682)	(1,106)	-
Impairment at the end of the period	**3,768**	**5,450**	**3,294**

12. Tangible fixed assets

The balance sheet value of machinery and equipment used as at 30 September 2014 by the Group on the basis of financial lease agreements and lease agreements with the option to buy is PLN 3,773 thousand, of which PLN 981 thousand relates to the lease of machinery and equipment, PLN 2,634 thousand to the lease of means of transport and PLN 158 thousand to the lease of other tangible fixed assets (as at 31 December 2013: PLN 4,124 thousand, as at 30 September 2013: PLN 4,495 thousand).

Assets pledged as security

Land and buildings with the balance sheet value of PLN 74,375 thousand (as at 31 December 2013: PLN 72,910 thousand, and as at 30 September 2013: PLN 70,268 thousand) are covered by mortgages established to secure bank loans.

Additionally, machinery and equipment with the balance sheet value of PLN 13,959 thousand are subject to registered pledge (as at 31 December 2013: PLN 52,916 thousand, and as at 30 September 2013: PLN 54,579 thousand).

Capitalised external financing costs in the reporting period ended 30 September 2014 are PLN 114 thousand (as at 31 December 2013: none, and as at 30 September 2013:none).

Capital commitments

As at 30 September 2014, the Group's capital commitments are PLN 747 thousand (as at 31 December 2013: PLN 1,667 thousand, and as at 30 September 2013: PLN 1,354 thousand). This amount primarily concerns expenditures on tangible fixed assets under construction and the purchase of machinery and equipment.

Purchase and sale

In the 9-month period ended 30 September 2014, the Group purchased tangible fixed assets with a value of PLN 27,694 thousand (in the comparative period ended 30 September 2013: PLN 7,877 thousand) and sold tangible fixed assets with a net value of PLN 576 thousand (in the comparative period ended 30 September 2013: PLN 268 thousand).

To main investments should be included expenses concerning buildings modernization and the purchase of machinery and equipment.

13. Intangible assets

Expenditure on research and development

In the reporting period ended 30 September 2014, the Group made expenditure on research and development recognised in the profit and loss account in the amount of PLN 393 thousand (in the comparative period ended 31 December 2013: PLN 990 thousand, as at 30 September 2013: PLN 706 thousand).

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Due to the completion of development projects, intangible assets have increased by PLN 353 thousand (in the comparative period ended 31 December 2013 by the amount of PLN 733 thousand, whereas in the reporting period ended 30 September 2013 by PLN 375 thousand).

Purchase and sale

In the 9-month period ended 30 September 2014, the Group purchased intangible fixed assets with a value of PLN 407 thousand (in the comparative period ended 31 December 2013: PLN 1,053 thousand, as at 30 September 2013: PLN 1,236 thousand).

Description of securities established on intangible assets

No securities are established on the intangible assets of the Group.

Intangible assets with indefinite useful life

The only intangible asset with indefinite useful life is a trademark. The Parent Company was unable to determine the period of use of the trademark, because there is no foreseeable limit of the period during which it expects to reap economic benefits from the sale under the FORTE trademark. The Parent Company plans to continue its efforts to increase revenues from the sale of FORTE branded goods, and hence, to continue increasing its visibility in the market.

14. Fixed assets classified as held for sale

As at 30 September 2014, the Group did not have non-current assets classified as held for sale.

15. Revaluation reserve from financial instruments

	As at		
	30 September 2014	**31 December 2013**	**30 September 2013**
Opening balance of accumulated result on financial instruments hedging cash flows	7,548	7,249	7,249
Amount recognised in equity in the reporting period due to hedging transactions	4,520	3,777	(408)
Amount recognised in profit and loss account due to:			-
- ineffectiveness of the transactions concluded	(1,483)	(551)	(371)
- conclusion of transactions subject to hedging	(2,346)	(2,857)	-
- discontinuance of hedge accounting	-	-	-
Deferred income tax	(131)	(70)	148
Closing balance of accumulated result on financial instruments hedging cash flows	**8,108**	**7,548**	**6,618**

16. Dividend paid and proposed

On 7 May, 2014, the Management Board of the Parent Company announced the proposed resolutions at the Annual General Meeting (current report No 11/2014) recommending the allocation of net profit for 2013 in the amount of PLN 56,538 thousand for the payment of dividends in the amount of PLN 35,627 thousand and for reserve capital in the amount of PLN 20,911 thousand.

The proposal of the Management Board regarding the payment of dividends has been approved by the Supervisory Board. In the case of approval of resolutions by the General Meeting, the dividend will be paid on 9 July 2014 and it shall amount to PLN 1.50 per 1 share.

By virtue of a resolution of the Annual General Meeting of 28 May 2013, the decision was made to distribute the Company net profit for the financial year 2012 in the amount of PLN 31,873 thousand, allocating PLN 22,564 thousand to the payment of dividend and PLN 9,309 thousand to supplementary capital. The amount of dividend per share amounted to PLN 0.95. The dividend record date was set for 18 June 2013. Dividend was paid on 2 July 2013.

17. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	For the 9 months ended	
	30 September 2014	**30 September 2013**
Net income (loss) from continued operations	55,686	39,087
Loss from discontinued operations	-	-
Net income (loss)	55,686	39,087
Net profit (loss) attributed to normal shareholders, applied to calculate diluted earnings per share	55,686	39,087

	For the 3 months ended	
	30 September 2014	**30 September 2013**
Weighted average number of issued ordinary shares, applied to calculate basic earnings per share	23,751,084	23,751,084
Impact of dilution:		
Bonds convertible into shares	-	-
Adjusted weighted average number of ordinary shares used for calculating diluted earnings per share	23,751,084	23,751,084

In the period between the balance sheet date and the date of compiling these financial statements, no other transactions on ordinary shares or potential ordinary shares occurred.

18. Interest-bearing bank loans

Breakdown of loans due to currency type (translated into PLN, in PLN `000)

Currency	As at	
	30 September 2014	**31 December 2013**
PLN	-	300
EUR	63,334	66,521
USD	7,872	616
	71,206	**67,437**

Short-term	Nominal interest rate %	Due date	30 September 2014	31 December 2013
PKO BP S.A. – investment loan in the amount of EUR 3,500 thousand – short-term part	1 M EURIBOR	until 22 December 2018	3,077	-
PKO BP S.A. – investment loan in the amount of EUR 3,000 thousand – short-term part	1 M WIBOR	until 30 June 2014	-	300
PKO BP S.A. – investment loan in the amount of	1 M EURIBOR	until 31	-	3,681

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EUR 3,550 thousand – short-term part		March 2014		
HSBC Bank Polska S.A. – investment loan in the amount of EUR 3,500 thousand – short-term part	3 M EURIBOR	until 19 June 2015	-	5,278
m Bank S.A.- investment loan in the amount of EUR 2,400 thousand – short-term part	1 M EURIBOR	until 31 December 2018	1,602	-
m Bank S.A.- working capital credit in the amount of EUR 1,000 thousand – short-term part	depending on the currency used O/N WIBOR or O/N EURIBOR or O/N LIBOR	until 16 December 2014	2,915	-
Total short-term liabilities			**7,594**	**9,259**

Long-term	Nominal interest rate %	Due date	30 September 2014	31 December 2013
PKO BP S.A. – investment loan in the amount of EUR 3,500 thousand – long-term part	1M EURIBOR	until 22 December 2018	5,790	1,840
PKO BP S.A. – working capital credit in the amount of PLN 45,000 thousand – long-term part	depending on the currency used 1M WIBOR or 1M EURIBOR	until 19 December 2016	20,877	24,883
ING Bank Śląski S.A. – working capital credit in the amount of PLN 35,000 thousand – long-term part	depending on the currency used 1M WIBOR or 1M EURIBOR or 1M LIBOR	until 31 October 2015	30,008	28,816
HSBC Bank Polska S.A. – investment loan in the amount of EUR 3,500 thousand – long-term part	3 M EURIBOR	until 19 June 2015	-	2,639
m Bank S.A.- investment loan in the amount of EUR 2,400 thousand – long-term part	1 M EURIBOR	until 31 December 2018	6,941	-
Total long-term liabilities			**63,612**	**58,178**

19. Financial instruments

During the reporting period, there were no changes in the classification financial instruments and no movements between individual hierarchy levels of financial instruments' fair value.

20. Hedge accounting and other derivative financial instruments

Fair value foreign exchange contracts

As at 30 September 2014, the fair value of foreign exchange contracts that meet the criteria for hedge accounting amounted to PLN 10,010 thousand and as the effective value it was recognised in total in Provisions from revaluation and receivables from derivative financial instruments.

The following table contains data on the fair values and the related settlement terms, as well as summary information on the amount (volume) that constitutes the basis of future payments and the price of execution of effective forward contracts.

Currency	Amount in currency	Type of transaction	Date of conclusion	Date of performance	Exchange rate	Name of the Bank	Valuation
EUR	14,000	Put Option	March 2013	September 2014 –	4.2000	PKO BP S.A.	588

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

				February 2015			
EUR	14,000	Call Option	March 2013	September 2014 – February 2015	4.7110-4.7580	PKO BP S.A.	-
EUR	8,000	Put Option	May 2013	March 2015 – April 2015	4.1800-4.2000	PKO BP S.A.	411
EUR	8,000	Call Option	May 2013	March 2015 – April 2015	4.6760-4.7000	PKO BP S.A.	(10)
EUR	10,000	Put Option	November 2013	August 2015 – September 2015	4.2500	PKO BP S.A.	984
EUR	10,000	Call Option	November 2013	August 2015 – September 2015	4.6300	PKO BP S.A.	(101)
EUR	6,500	FX forward	January 2014	October 2014 – November 2014	4.2985-4.3065	PKO BP S.A.	717
EUR	6,000	Put Option	March 2014	January 2016 – March 2016	4.3000	PKO BP S.A.	781
EUR	6,000	Call Option	March 2014	January 2016 – March 2016	4.7465	PKO BP S.A.	(80)
EUR	29 000	Put Option	April 2014	January 2015- April 2016	4,2100-4,2500	PKO BP S.A.	2,688
EUR	29 000	Call Option	April2014	January 2015- April 2016	4,4520-4,6850	PKO BP S.A.	(565)
Total						**PKO BP S.A.**	**5,413**
EUR	6,000	Put Option	January 2013	October2014 – December 2014	4.2000	mBank S.A.	2,061
EUR	6,000	Call Option	January 2013	October 2014 – December 2014	4.8000	mBank S.A.	-
EUR	8,000	Put Option	June 2013	May 2015 – June 2015	4.3000-4.3500	mBank S.A.	1,082
EUR	8,000	Call Option	June 2013	May 2015 – June 2015	4.7530-4.8610	mBank S.A.	(8)
EUR	4,000	Put Option	August 2013	July 2015	4.2600	mBank S.A.	395
EUR	4,000	Call Option	August 2013	July 2015	4.8000	mBank S.A.	(5)
EUR	15,000	Put Option	January 2014	October 2015 – December 2015	4.2200-4.2710	mBank S.A.	1,525
EUR	15,000	Call Option	January 2014	October 2015 – December 2015	4.5870-4.5900	mBank S.A.	(330)
EUR	7 000	Put Option	August 2014	May 2015- July 2015	4,2300	mBank S.A.	690
EUR	7 000	Call Option	August 2014	May 2015- July 2015	4,5870-4,5900	mBank S.A.	(320)
Total						**mBank S.A.**	**3,235**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

EUR	9,000	Put Option	March 2014	July 2015- December 2015	4,2600	ING Bank Śląski S.A.	956
EUR	9,000	Call Option	March 2014	July 2015- December 2015	4,7305	ING Bank Śląski S.A.	(66)
EUR	6,000	Put Option	June 2014	May 2015- June 2015	4,2000	ING Bank Śląski S.A.	517
EUR	6,000	Call Option	June 2014	May 2015- June 2015	4,6135	ING Bank Śląski S.A.	(245)
EUR	3,000	Put Option	August 2014	July 2015	4,2500	ING Bank Śląski S.A.	322
EUR	3,000	Call Option	August 2014	July 2015	4,6412	ING Bank Śląski S.A.	(122)
Total						**ING Bank Śląski S.A.**	**1,362**

21. Related party transactions

Business transactions

The following table presents the total amounts of transactions concluded with related entities not included in the consolidation, for the period of 9 months ended 30 September 2014 and 30 September 2013 and for the year ended 31 December 2013, respectively.

Related undertaking		**Sales to related undertakings**	**Purchases from related undertakings**	**Receivables from related undertakings**	**Liabilities to related undertakings**
Subsidiaries:					
Forte Baldai UAB	30/09/2014	-	188	-	21
	31/12/2013	-	253	49	-
	30/09/2013	-	-	113	-
Forte SK S.r.o.	30/09/2014	6	1,428	1	168
	31/12/2013	168	1,947	-	138
	30/09/2013	168	1,466	2	162
Forte Furniture Ltd.	30/09/2014	-	372	-	43
	31/12/2013	-	475	-	40
	30/09/2013	-	356	-	41
Forte Iberia S.l.u.	30/09/2014	24	565	-	1
	31/12/2013	6	757	-	62
	30/09/2013	5	568	-	64
Forte Mobilier S.a.r.l.	30/09/2014	-	376	-	42
	31/12/2013	-	338	1	41
	30/09/2013	-	213	316	42

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Forte Mobila S.r.l.	30/09/2014	7	491	2	-
	31/12/2013	345	465	138	-
	30/09/2013	148	381	1,565	43
TM Handel Sp. z o.o. SKA	30/09/2014	7,553	1,029	1,616	531
	31/12/2013	26,499	4,415	3,729	309
	30/09/2013	20,820	3,064	7,133	713
Total	**30/09/2014**	**7,590**	**4,449**	**1,619**	**806**
	31/12/2013	**27,018**	**8,650**	**3,917**	**590**
	30/09/2013	**21,141**	**6,048**	**9,129**	**1,065**

Transactions with related entities regard the sale of products, goods and services and the purchase of services.

Loans and advances to related undertakings

The table below presents balance of loans granted to non-consolidated subsidiaries as at 30 September 2014:

Related undertaking	Loan amount	Loan currency	Due date	Loan balance as at 30 September 2014	Interest amount as at 30 September 2014
Subsidiaries:					
Forte SK S. r. o.	1,260	PLN	December 2015	122	-
Forte Mobilier S.a.r.l.	80	EUR	June 2017	229*	1
Forte Baldai UAB	25	EUR	December 2018	94**	-
Total:				**445**	**1**
Of which:					
Short-term part:					
Forte SK S. r. o.				54	-
Forte Mobilier S.a.r.l.				83	1
Forte Baldai UAB				26	-
Total:				**163**	**1**
Long-term part:					
Forte SK S. r. o.				113	-
Forte Mobilier S.a.r.l.				188	-
Forte Baldai UAB				78	-
Total:				**282**	-

* borrowing repaid in full on 31 October 2014

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

** borrowing repaid in full on 1 October 2014

These loans were granted on market terms (variable interest rate based on EURIBOR/WIBOR plus a margin.

Balance of loans granted to non-consolidated subsidiaries as at 31 December 2014:

Related undertaking	Loan amount	Loan currency	Due date	Loan balance as at 31 December 2013	Interest amount as at 31 December 2013
Subsidiaries: Forte SK S. r. o.	1,260	PLN	December 2015	383	2
Forte Mobil S. r. l.	330	EUR	September 2014	283	-
Forte Mobilier S.a.r.l.	80	EUR	June 2017	290	1
Forte Baldai UAB	25	EUR	December 2018	104	-
Total:				**1,060**	**3**

Joint venture in which the Parent Company is a venturer

The Group's Parent Company does not conduct joint ventures.

Terms and conditions of transactions with related parties

All transactions with related entities are conducted under terms used by the Group in relations with unrelated entities.

22. Transactions involving the Management Board, key managerial staff and members of their immediate families.

Incentive Scheme for the Members of the Management Board of the Parent Company and the issue of series A, B and C subscription warrants with the exclusion of the pre-emptive right to series A, B and C subscription warrants

On 10 June 2014, the Annual General Meeting of FABRYKI MEBLI "FORTE" S.A. approved the introduction of an incentive scheme for Members of the Company Management Board ("Incentive Scheme").

The purpose of the Incentive Scheme is to strive for the development of the Company's Capital Group and its subsidiaries ("Capital Group") by creating incentive mechanisms for individuals responsible for management, which would relate to financial results of the Capital Group and the increase in value of the Company's shares.

This scheme is settled through the issue of capital instruments in exchange for the services provided – a total of 356,220 registered Subscription warrants of the Company in three series with an issue price equal to the arithmetic mean of the price of the Company's shares listed on the WSE, calculated on the basis of quotations of these shares in the period from 28 April 2014 to 10 June 2014.

The issue price of series H shares of the Company will be determined by amount by a resolution of the Supervisory Board adopted no later than 31 October 2014. Each Warrant entitles to a subscription for one series H share at issue price.

The table below presents the scope of the adopted incentive scheme, in accordance with the agreed Rules of the Incentive Scheme.

	Series D	**Series E**	**Series F**
Number of Subscription warrants	118,740	118,740	118,740
Vesting period	10.06.2014- 31.12.2014	01.01.2015 - 31.12.2015	01.01.2016- 31.12.2016
Conditions for entitlement to acquire Warrants	1/ the certified auditor not reporting significant reservations to the consolidated annual financial	1/ the certified auditor not reporting significant reservations to the consolidated annual financial	ie certified auditor not reporting significant reservations to the consolidated annual financial statements of the Capital Group

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

statements of the Capital Group for the financial year 2014,	statements of the Capital Group for the financial year 2015,	for the financial year 2016,
2/ increase of net profit per Company's share by at least 10% as at 31 December 2014 compared to the status as at 31 December 2013	crease of net profit per Company's share by at least 10% as at 31 December 2015 compared to the status as at 31 December 2014	crease of net profit per Company's share by at least 10% as at 31 December 2016 compared to the status as at 31 December 2015
3/ increase by at least 10% of the average price of the Company's shares on the WSE, calculated on the basis of all quotations of these shares in December 2014 compared to the average price of the Company's shares on the WSE calculated on the basis of all quotations of these shares in December 2013	crease by at least 10% of the average price of the Company's shares on the WSE, calculated on the basis of all quotations of these shares in December 2015 compared to the average price of the Company's shares on the WSE calculated on the basis of all quotations of these shares in December 2014	crease by at least 10% of the average price of the Company's shares on the WSE, calculated on the basis of all quotations of these shares in December 2016 compared to the average price of the Company's shares on the WSE calculated on the basis of all quotations of these shares in December 2015
4/ serving as a Member of the Management Board for at least six months in the given period and remaining at the position at the end of the given period, as well as obtaining acknowledgement of fulfilment of duties of the Member of the Management Board of the Company during the given period		

The increase of net profit per Company's share, which is the condition for offering Warrants due for that period, is determined on the basis of the consolidated annual financial statements of the Capital Group, reviewed by a certified auditor and approved by a resolution of the Company's Annual General Meeting.
Rights from Warrants may be exercised no sooner than after a year from the formal decision regarding their subscription and no later than 30 November 2018.

Each series of the incentive scheme is treated as a separate scheme within the meaning of IFRS 2.

Fair value of the incentive scheme

The fair value of the incentive scheme for series D was determined at PLN 871 thousand. The statements prepared as at 30 June 2014 recognised the amount of PLN 436 thousand – in the increase of equity in the item: Incentive Scheme and in costs of employee benefits.

Participation of senior executives in the employee programmes and schemes

None occurred during the reporting period.

23. Changes in the composition of the Supervisory Board

In the reporting period, the composition of the Supervisory Board did not change.

24. Significant events after the reporting period.

the Parent Company entered into the following zero-cost transactions regarding the sale of Call options and the purchase of Put options hedging from currency risk:

- on 16 October 2014 with mBank S.A.

1. 1,500,000 EUR Put 4.2500 – Call 4.5440 with an expiration date 2016-08-16
2. 1,500,000 EUR Put 4.2500 – Call 4.5440 with an expiration date 2016-08-29
3. 1,500,000 EUR Put 4.2500 – Call 4.5440 with an expiration date 2016-09-15
4. 1,500,000 EUR Put 4.2500 – Call 4.5440 with an expiration date 2016-09-28

- on 28 October 2014 with PKO Bank Polski S.A.:

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

1. 1,500,000 EUR Put 4.2300 – Call 4.5800 with an expiration date 2016-09-15
2. 1,500,000 EUR Put 4.2300 – Call 4.5800 with an expiration date 2016-09-28
3. 3,000,000 EUR Put 4.2300 – Call 4.5800 with an expiration date 2016-10-17
4. 3,000,000 EUR Put 4.2300 – Call 4.5800 with an expiration date 2016-10-27

On 27 October 2014, the Parent Company signed an annex to the investment loan agreement of 23 December 2013 with PKO Bank Polski S.A. By virtue of this annex, the final period of the loan was extended until 31 October 2014.

On 12 November 2014, the Parent Company signed an annex to the loan agreement of 24 June 2003 with ING Bank Śląski S.A. By virtue of this annex, the loan amount was increased from PLN 35,000 thousand to PLN 40,000 thousand and the final period of the loan was extended until 31 October 2016

25. Off-balance sheet items

On 27 March 2013, the Parent Company issued four guarantees for loans taken out by FURNIREX Sp. z o.o. with its registered seat in Hajnówka to finance a technological investment in a total amount of PLN 18,299 thousand.
FURNIREX Sp. z o.o. made an offer to that Parent Company, according to which it invested the funds received under the technological loans in modern investments located in the production area in Hajnówka leased from Forte S.A. FURNIREX Sp. z o.o. uses modern technologies to provide services of processing and trusted material for FORTE and other furniture manufacturers.
Guarantees were made to BRE Bank S.A. (currently mBank S.A.) and they are valid until 30 June 2018. As at 30 September 2014, loans balance amounted to PLN 4,940 thousand.

26. Management Board's report on the activities of the Issuer's Capital Group

Group performance and basic economic and financial parameters:

Description	9 months ended 30 September 2014	9 months ended 30 September 2013	Change %	3 months ended 30 September 2014	3 months ended 30 September 2013	Change %
Sales revenue	591,964	469,887	*26,0%*	189,172	166,540	*13,6%*
Cost of sales	(378,413)	(303,861)	*24,5%*	(124,459)	(106,882)	*16,4%*
Gross profit from sale	213,551	166,026	*28,6%*	64,713	59,658	*8,5%*
Gross profit margin from sale %	*36,1%*	*35,3%*		*34,2%*	*35,8%*	
Costs of sales	(118,364)	(93,784)	*26,2%*	(37,531)	(33,536)	*11,9%*
General administrative expenses	(25,194)	(21,680)	*16,2%*	(7,823)	(7413)	*5,5%*
Operating profit (EBIT)	68,497	49,087	*39,5%*	19,183	17,783	*7,9%*
EBITDA	80,914	61,545	*31,5%*	23,306	22,004	*5,9%*
Profit before tax	70,134	49,536	*41,6%*	18,989	18,824	*0,9%*
Net profit	55,683	39,128	*42,3%*	15,248	14,959	*1,9%*
Net return on sales %	*9,4%*	*8,3%*		*8,1%*	*9,0%*	

- After three quarters of 2014, the FORTE Group generated **sales revenue** in the amount of PLN 592.0 million compared to PLN 469.9 million in the corresponding period of 2013 (an increase of 26.0%).

Achievement of sales results considerably better than in the comparative period of the previous year was possible thanks to the fact that by presenting a broad offer of programmes, the FORTE Group flexibly and quickly responds to the needs of the market and demanding customer. Every year, the Group introduces approx. 1,500 new articles into its offer. They are recognised by customers while being presented at furniture fairs.

The Group continues and intends to further develop cooperation with European designers within the scope of new furniture design. FORTE furniture means high quality, as demonstrated by the fact that the ratio of complaints remains far below the average for the industry.
The FORTE Group, as the leader in sales of self-assembly furniture, is also currently developing a line of assembled furniture. In this way, it responds to a new, growing demand of the market, diversifies the assortment of customers, gaining a customer profile different from the current one, as well as expands the distribution network and the trade potential.

• The Group maintains the **gross sales profit margin** at a satisfactory level (36.1% as compared to 35.3% after Q3 of 2013). Gross profit on sales amounted to PLN 213.6 million and increased compared to the corresponding period of the previous year by 28.6%.
The main reasons for the improvement in profitability include: positive impact of increased production scale on lower unit costs, stable situation on the basic raw materials prices market and consistent budget policy.

• **Cost of sales** amounted to PLN 118.4 million and increased by 26.2% in relation to a comparative period of 2013. Sales costs to sales revenues ratio was 20.0% and remained at the same level as in the analogical period of the last year.
The most important item in this group of expenses is transportation costs. The transportation costs to sales revenue ratio after Q3 of 2014 was 7.8% compared to 7.0% after Q3 of 2013.
The increase is caused by the growing amount of assembled furniture transports as well as a change in strategy of providing significantly higher volumes. The Parent Company decided to perform deliveries to key customers in a manner adjusted specifically to their needs. At the same time, the Group is optimising logistics costs thanks to introducing the minimum acceptance value.

• **General costs** amounted to PLN 25.2 million in relation to PLN 21.7 million in the comparative period. The general costs to revenue ratio was 4.3% against 4.6% in the previous year.

• After 3 quarters of 2014, the Group recorded a very significant **increase in operating profit** (39.5%).
It amounted to PLN 68.5 million (11.6% of revenue) compared to PLN 49.1 million (10.4% of revenue) in 2013.
• The **net profit** generated in the reporting period amounted to PLN 55.7 million (9.4% of revenue), as compared with PLN 39.1 million in the corresponding period of the previous year (8.3% of revenue).

Characteristics of the balance sheet structure	**31 September 2014**		**31 December 2013**		**% Change**
	in PLN '000	% of total assets	in PLN '000	% of total assets	**2014/2013**
Fixed assets	269,816	*45,3%*	254,070	45.8%	*6,2%*
Current assets	325,294	*54,7%*	300,784	54.2%	*8,1%*
Total assets	**595,110**		**554,854**	**100%**	*7,3%*
Equity	405,769	*68,2%*	384,607	69.3%	*5,5%*
Long-term liabilities and provisions	81,177	*13,6%*	76,581	13.8%	*6,0%*
Short-term liabilities and provisions	108,164	*18,2%*	93,666	16.9%	*15,5%*
Total liabilities	**595,110**		**554,854**	**100%**	

After Q3 2014, the Group recorded an increase in the balance sheet total by PLN 40.3 million.

Within current assets, the growth concerned primarily the inventory and receivables items. Trade and other receivables increased by PLN 27.2 million in relation to the end of 2013. This was related with an increase in sales in current periods. Inventories increased by PLN 30.4 million, which is related with building a buffer for the increased sales in the fourth quarter of the year.

The non-current assets increased by PLN 15.7 million due to surplus of capital expenditure over depreciation. Capital expenditure concerned, in particular, purchase of production machinery and equipment.

Equity and liabilities saw a material change in provisions and accruals.

Provisions increased by PLN 20.0 million. Increase compared to the end of 2013 is mainly due to the change in recognition of costs in the Parent Company. Organisational changes aimed at improving and speeding up management reporting have necessitated booking of a considerable portion of current costs through provisions.

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Bank loan liabilities after three quarters of 2014 increased by PLN 3.8 million. The increase in bank loan balance arises from the Group's foreign exchange risk management policy. By taking out loans in EUR, the Group balances the balance sheet currency exposure, thus limiting the impact of volatility in the EUR/PLN on the financial results of the Group.

The Group still maintains high financial liquidity. The closing balance of cash was PLN 36.3 million.

25.1. Factors and events visibly affecting financial results

In addition to the factors listed in item 25 there were no other unusual or particularly significant factors and events that could impact the Group's financial results.

25.2. Issue, redemption and repurchase of securities

Did not occur.

25.3. Management Board's position regarding the viability of meeting previously published forecasts for a particular year

The Issuer did not publish financial result forecasts for 2014.

25.4. Information on shareholders having, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Issuer's general meeting as of the date of submission of the quarterly report

Item	Shareholder	Number of held shares and votes	% stake in share capital	% share in the overall number of votes
1.	MaForm Holding AG	7,013,889	29,53%	29,53%
2.	MetLife Otwarty Fundusz Emerytalny	3,488,989	14,69%	14,69%
3.	Aviva Otwarty Fundusz Emerytalny	1,324,480	5,58%	5,58%
4.	ING Otwarty Fundusz Emerytalny	1,200,000	5,05%	5,05%

25.5. Key events in which the issuer participated in 2014 and until the date of publication of the Management Board's Report and awards and honours

<table>
<tr>
<td>I Q

2014</td>
<td>JANUARY

9-11 January 2014- BEGROS Fair Verbandmesse in Cologne, Germany
13-19 January 2014- IMM Fair in Cologne, Germany
19-22 January 2014- NEC Fair in Birmingham, United Kingdom
23-26 January 2014- Feria del Mueble in Zaragoza, Spain
29 January 2014- Award for the ATTENTION program in the category "Dining room" in the 12th edition of the contest for the best furniture industry products organised by "Meble Plus – Product of the Year 2014"
28-31 January 2014- Partnertage Fair in Barntrup, Germany

FEBRUARY

18-21 February 2014- Home Decor International Fair, Poznań
18-21 February 2014 - Gold medal at the Poznań International Fair in the cabinet furniture category – SNOW program – MEBLE POLSKA 2014 Fair

MARCH

19 March 2014 - Status of the Company of the Year 2013 in the SWIG80 index in the competition "Bulls and Bears" organised by the daily Parkiet (19 March 2014)

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II Q **2014**	**APRIL** • 12-14 April 2014- EMV Fair in Nuremberg, Germany • 23 April 2014 - Distinction in the category Best Exporter awarded by the jury of the 16th Edition of the 500 List of *Rzeczpospolita* for the biggest companies in Poland **MAY** • 13-16 May 2014- Steinhoff Group Fair in Barntrup, Germany • 19-22 May 2014- Partnertage Fair in Barntrup, Germany **JUNE** • 2–15 June 2014 — 2nd Universal National Exhibition "Competitive Poland" at International Poznań Fair, where FORTE received a jubilee UNE medal. • 10–13 June 2014 — Partnership Days, Ostrów Mazowiecka
III Q **2014** **till publication date**	**SEPTEMBER** • 2–5 September 2014 — International Furniture Fair in Ostróda, where the Saint Tropez collection claimed the 1st place in the storage furniture category (Expo Awards 41) • 14–18 September 2014 — MOW Barntrup Fair, Germany **OCTOBER** • 25–26 October 2014 — ALLIANCE Fair, Rheinbach, Germany

25.6. Listings of Fabryki Mebli "FORTE" S.A. shares

Shares of Fabryki Mebli "FORTE" S.A. are listed on the Warsaw Stock Exchange in Warsaw in the continuous trading system.

Key data on FORTE shares:

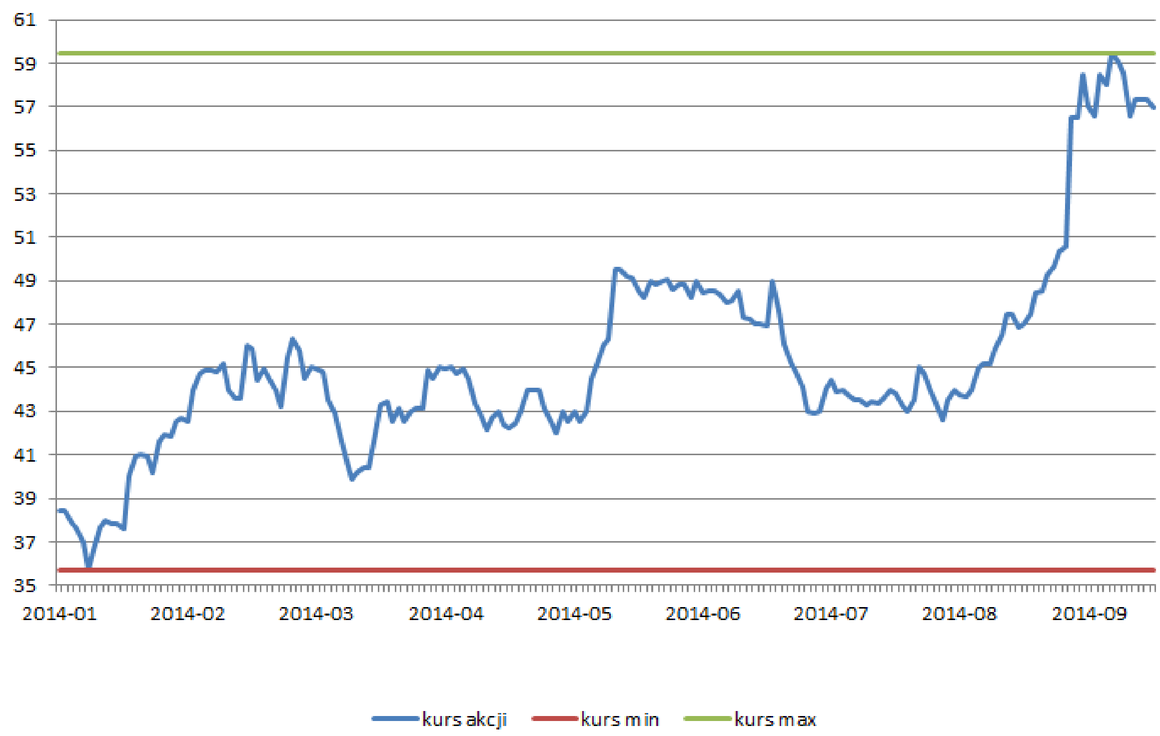
Key data	**Q3 2014**	**2013**
Company's net profit in PLN '000	56,359	56,538
The highest share price in PLN	59.45	38.50
The lowest share price in PLN	35.70	12.65
Share price at the end of the period in PLN	56.97	38.50
P/E indicator as of the end of the period	24.01	16.17
Number of shares on the stock exchange (in items)	23,751,084	23,751,084
Average daily trading volume (in items)	31,871	36,479

Forte S.A. share price for the three quarters of 2014

Chart showing price of shares of Forte S.A. in 2014.

(source: http://www.QPwinfostrefa.pl/GPWIS2/pl/emitents/auotations/FORTE.PLFORTEOOQ12')

kurs akcji	*share price*



25.7. Summary of the number of Issuer's shares or stock options held by the Issuer's managers and supervisors

- Zbigniew Sebastian – Chairman of the Supervisory Board – 300 shares with a nominal value of PLN 1 each,
- Dariusz Bilwin – Proxy – 1,500 shares with a nominal value of PLN 1 each.
- Maria Florczuk – Member of the Management Board – 750,000 shares with a nominal value of PLN 1 each.

25.8. Information on pending proceedings before court, arbitration panel or public administration body

The Issuer is not a party to the proceedings in which the value of the dispute would constitute, individually or collectively, 10% of its equity.

25.9. Information on conclusion by the Issuer or its subsidiary of one or more transactions with related entities.

All transactions with related entities are conducted under terms used by the Issuer in relations with unrelated entities.

Detailed information about transactions with capital-related entities are included in note 19.

25.10. Information on granting by the Issuer or Issuer's subsidiary a loan or borrowing surety or a guarantee – in total to one entity or a subsidiary – if the total value of the existing sureties or guarantees is equal to at least 10% of the Issuer's shareholders' equity.

Did not occur.

25.11. Other information considered by the Issuer as important in the assessment of the Issuer's personnel, asset and financial standing, financial result and changes to such items; information relevant to the assessment of the Issuer's ability to fulfill obligations

None.

25.12. Information on factors which in the Issuer's opinion will affect performance of the Issuer and its Capital Group during at least the following quarter.

The status of current orders is considerably higher than during the corresponding period of the previous year, which suggests a possibility of maintained advantageous sales dynamics also in subsequent months.

A challenge for the Group is to ensure the timely delivery of the increased number of orders both in terms of manufacturing and logistics. The Group is taking up internal measures to further improve manufacturing processes as well as to expand the current manufacturing and storage areas. Individual plants are undergoing reconstruction of production lines and reorganisation of work systems. The machinery park is systematically upgraded and supplemented with new, more efficient production lines. The IT base which supports manufacturing, logistics and broadly understood customer service processes is under constant development.

Prices of the basic raw materials, particularly chipboard, are important from the point of view of the Group's results. However, the Management Board does not expect significant increases in prices of raw materials in the coming months. The conditions on markets for strategic raw materials is currently stable.

25.13. Events that occurred after the date of preparation of the financial statements that were not included in these statements, but which may have a significant impact on the future financial results of the Issuer.

None.

27. Currency exchange rates

Individual items of assets and liabilities were converted at the average FX rate of the National Bank of Poland as of 30 September 2014, 31 December 2013 and 30 September 2013, amounting to: PLN 4.1775 PLN 4.1472 and PLN 4.2163 against 1 EUR.

Individual items of the profit and loss account and the cash flow statement were converted at the rate being an arithmetic mean of the rates of the National Bank of Poland as at the last day of each month in the period of 9 months ended 30 September 2014 and 30 September 2013, and amounting to: PLN 4.1803 and PLN 4.2110 against 1 EUR.

President of the Management Board

Maciej Formanowicz

Member of the Management Board

Mariusz Gazda

Member of the Management Board

Klaus Dieter Dahlem

Member of the Management Board

Gert Coopmann

Member of the Management Board

Maria Florczuk

Ostrów Mazowiecka, 14 November 2014

FABRYKI MEBLI "FORTE" S.A.

Financial statements for the period ended 30 September 2014

Statements prepared in accordance with the International Financial Reporting Standards

Ostrów Mazowiecka, 14 November 2014

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

PROFIT AND LOST ACCOUNT

	For the reporting period ended			
	9 months ended 30 September 2014	**3 months ended 30 September 2014**	**9 months ended 30 September 2013**	**3 months ended 30 September 2013**
Continued operations				
Revenue from sales of products, goods and materials	585 904	187 667	466 486	165 917
Revenue from sales of services	5 228	1 728	3 810	1 336
Sales revenue	**591 132**	**189 395**	**470 296**	**167 253**
Cost of sales of sold products, goods and materials	(375 297)	(123 886)	(301 853)	(106 577)
Cost of sales of sold services	(2 429)	(819)	(2 515)	(752)
Cost of sales	**(377 726)**	**(124 705)**	**(304 368)**	**(107 329)**
Gross profit (loss) from sales	**213 406**	**64 690**	**165 928**	**59 924**
Other operating revenue	1 656	721	1 209	57
Costs of sales	(124 634)	(38 834)	(99 554)	(35 516)
General administrative expenses	(24 481)	(7 591)	(20 895)	(7 161)
Remaining operating costs	(3 212)	(925)	(2 784)	(1 002)
Profit (loss) on operating activities	**62 735**	**18 061**	**43 904**	**16 302**
Financial revenue	6 048	457	4 388	561
Financial costs	(1 285)	(710)	(820)	72
Profit (loss) on derivative financial instruments	1 483	81	371	371
Profit (loss) before income tax	**68 981**	**17 889**	**47 843**	**17 306**
Income tax expenses	(12 622)	(3 299)	(8 856)	(3 418)
Profit (loss) on continued operations of the period	**56 359**	**14 590**	**38 987**	**13 888**
Discontinued operations	-	-	-	-
Profit (loss) on discontinued operations of the period	-	-	-	-
Profit (loss) of the period	**56 359**	**14 590**	**38 987**	**13 888**
Profit (loss) per share attributable to the period (in PLN):				
- basic	2,37	0,61	1,64	0,58
- diluted	2,37	0,61	1,64	0,58

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF COMPREHENSIVE INCOME

	9 months ended 30 September 2014	3 months ended 30 September 2014	9 months ended 30 September 2013	3 months ended 30 September 2013
Profit (loss) of the period	**56,359**	**14,590**	**38,987**	**13,888**
Other net comprehensive income, including:	**996**	**104**	**(631)**	**4,046**
Items which in the future will not be reclassified to the profit and loss account	**436**	**-**	**-**	**-**
Incentive Scheme	436	-	-	-
Items which in the future may be reclassified to the profit and loss account	**560**	**104**	**(631)**	**4,046**
Hedge accounting	691	128	(779)	4,995
Income tax on other comprehensive income	(131)	(24)	148	(949)
Comprehensive income for the period	**57,355**	**14,694**	**38,356**	**17,934**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	As at		
	30 September 2014	31 December 2013	30 September 2013
ASSETS			
Fixed assets	**260 490**	**245,283**	**242 249**
Tangible fixed assets	203 786	188,036	184 639
Intangible assets	16 575	16,620	16 949
Financial assets	10 378	10,876	10 910
Investment properties	29 751	29,751	29 751
Current assets	**320 241**	**294,442**	**277 554**
Inventory	143 010	113,087	109 114
Trade and other receivables	126 651	99,486	99 967
Receivables due to derivative financial instruments	10 010	9,824	8 538
Deferred revenues and accruals	2 629	1,788	2 302
Financial assets	6 622	980	1 053
Cash and cash equivalents	31 319	69,277	56 580
TOTAL ASSETS	**580 731**	**539,725**	**519 803**
EQUITY AND LIABILITIES			
Total equity	**390 866**	**369,138**	**350 598**
Share capital	23 751	23,751	23 751
Share premium	111 646	111,646	111 646
Revaluation reserve from hedging instruments	8 108	7,548	6 618
Business combination capital	(1 073)	(1,073)	(1 073)
Incentive Scheme	856	420	198
Other reserve capital	167 714	146,803	146 803
Retained earnings	79 864	80,043	62 655
Long-term liabilities	**79 710**	**75,381**	**56 325**
Interest-bearing loans and borrowings	63 612	58,178	38 898
Deferred income tax provision	11 534	12,450	12 915
Provision for benefits after the employment period	2 552	2,552	2 100
Deferred revenues and accruals	67	86	92
Financial liabilities due to lease	1 945	2,115	2 320

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Short-term liabilities	**110 155**	**95,206**	**112 880**
Trade and other liabilities	54 261	56,528	60 078
Current interest-bearing loans and borrowings	7 594	9,259	26 423
Income tax liabilities	9 786	10,963	6 979
Provisions and deferred revenues and accruals	37 581	17,700	18 499
Financial liabilities due to lease	933	756	901
Total liabilities	**189 865**	**170,587**	**169 205**
TOTAL EQUITY AND LIABILITIES	**580 731**	**539,725**	**519 803**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN ‘000) 2014

CASH FLOWS STATEMENT

	As at			
	9 months ended 30 September 2014	**3 months ended 30 September 2014**	**9 months ended 30 September 2013**	**3 months ended 30 September 2013**
Cash flows from operating activities				
Profit / loss of the period	**56 359**	**14 590**	**38 987**	**13 888**
Total adjustments by:	**(31 212)**	**(5 979)**	**15 802**	**6 414**
Depreciation	12 148	4 044	12 195	4 127
Foreign exchange (gains)/losses	800	748	1 698	(1 804)
Net interest and dividends	(3 855)	131	(2 713)	196
(Profit)/loss on investing activities	(38)	8	83	128
Change in the valuation of derivative financial instruments	374	(25)	(219)	(1 316)
Change in receivables	(27 160)	(13 760)	(9 945)	(3 442)
Change in inventories	(29 923)	(5 747)	(9 996)	(9 186)
Change in liabilities, excluding loans and borrowings	(934)	(5 572)	14 705	10 100
Change in accruals and deferrals	19 021	12 330	4 333	4 228
Change in provisions	(916)	(212)	(887)	299
Income tax paid	(14 847)	(1 459)	(3 047)	(984)
Current tax recognised in profit or loss	13 670	3 535	9 595	4 068
Valuation of the Incentive Scheme	436	-	-	-
Other adjustments	12	-	-	-
Net cash flow from operating activities	**25 147**	**8 611**	**54 789**	**20 302**
Cash flows from investing activities				
Sale of tangible fixed assets and intangible assets	610	270	300	127
Purchase of tangible fixed assets and intangible assets	(28 559)	(7 486)	(7 941)	(4 499)
Sale of financial assets	(5 916)	(5 916)	-	-
Dividends received	4 487	26	3 438	25
Interest received	65	21	84	45
Borrowings granted	(20)	-	(1 586)	-
Repayment of borrowings granted	371	192	1 173	189
Net cash flow from investment activities	**(28 962)**	**(12 893)**	**(4 532)**	**(4 113)**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

Cash flows from financial activities				
Inflow from loans and borrowings taken out	34 274	13 201	20 051	12 636
Repayment of loans and borrowings	(31 331)	(17 439)	(15 965)	(10 900)
Dividends paid	(35 627)	(35 627)	(22 564)	(22 564)
Interest paid	(694)	(174)	(817)	(284)
Repayment of leasing liabilities	(795)	(209)	(969)	(350)
Net cash flow from financial activities	**(34 173)**	**(40 248)**	**(20 264)**	**(21 462)**
Net increase (decrease) in cash and cash equivalents	**(37 988)**	**(44 530)**	**29 993**	**(5 273)**
Net foreign exchange differences	30	**(15)**	13	(41)
Opening balance of cash	**69 277**	**75 864**	**26 574**	**61 894**
Closing balance of cash, including:	**31 319**	**31 319**	**56 580**	**56 580**
of limited disposability	-	-	-	-

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF CHANGES IN EQUITY

for 9 months ended on 30 September 2014

	Share capital	Share premium	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Business combination capital	Incentive Scheme	Total
As at 1 January 2014	**23,751**	**111,646**	**80,043**	**7,548**	**146,803**	**(1,073)**	**420**	**369,138**
Changes in accounting policy	-	-	-	-	-	-	-	-
Error adjustments	-	-	-	-	-	-	-	-
As at 1 January 2014 after adjustments	**23,751**	**111,646**	**80,043**	**7,548**	**146,803**	**(1,073)**	**420**	**369,138**
Reclassification to reserve capital	-	-	(20,911)	-	20,911	-	-	-
Payment of dividend for 2013	-	-	(35,627)	-	-	-	-	**(35,627)**
Incentive Scheme	-	-	-	-	-	-	436	436
Profit (loss) for the period	-	-	56,359	-	-	-	-	56,369
Hedge accounting	-	-	-	560	-	-	-	560
Comprehensive income for the period	**-**	**-**	**56,359**	**560**	**-**	**-**	**436**	**57,355**
As at 30 September 2014	**23,751**	**111,646**	**79,864**	**8,108**	**167,714**	**(1,073)**	**856**	**390,866**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF CHANGES IN EQUITY

for 3 months ended on 30 September 2014

	Share capital	Share premium	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Business combination capital	Incentive Scheme	Total
As at 1 July 2014	**23,751**	**111,646**	**65,274**	**8,004**	**167,714**	**(1,073)**	**856**	**376,172**
Profit (loss) for the period	-	-	14,590	-	-	-	-	14,590
Hedge accounting	-	-	-	104	-	-	-	104
Comprehensive income for the period	**-**	**-**	**14,590**	**104**	**-**	**-**	**-**	**14,964**
As at 30 September 2014	**23,751**	**111,646**	**79,864**	**8,108**	**167,714**	**(1,073)**	**856**	**390,866**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF CHANGES IN EQUITY

for the year ended on 31 December 2013

	Share capital	Share premium	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Business combination capital	Incentive Scheme	Total
As at 1 January 2013	**23,751**	**111,646**	**55,541**	**7,249**	**137,494**	**(1,073)**	**198**	**334,806**
Changes in accounting policy	-	-	-	-	-	-	-	-
Error adjustments	-	-	-	-	-	-	-	-
As at 1 January 2013 after adjustments	**23,751**	**111,646**	**55,541**	**7,249**	**137,494**	**(1,073)**	**198**	**334,806**
Reclassification to reserve capital	-	-	(9,309)	-	9,309	-	-	-
Payment of dividend for 2012	-	-	(22,564)	-		-	-	**(22,564)**
Provisions for employee benefits	-	-	(163)	-	-	-	-	(163)
Profit (loss) for the period	-	-	56,538	-	-	-	-	56,538
Hedge accounting	-	-	-	299	-	-	-	299
Valuation of the Incentive Scheme	-	-	-	-	-	-	222	222
Comprehensive income for the period	-	-	**56,375**	**299**	-	-	**222**	**56,896**
As at 31 December 2013	**23,751**	**111,646**	**80,043**	**7,548**	**146,803**	**(1,073)**	**420**	**369,138**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF CHANGES IN EQUITY

for 9 months ended on 30 September 2013

	Share capital	Share premium	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Business combination capital	Incentive Scheme	Total
As at 1 January 2013	**23,751**	**111,646**	**55,541**	**7,249**	**137,494**	**(1,073)**	**198**	**334,806**
Changes in accounting policy	-	-	-	-	-	-	-	-
Error adjustments	-	-	-	-	-	-	-	-
As at 1 January 2013 after adjustments	**23,751**	**111,646**	**55,541**	**7,249**	**137,494**	**(1,073)**	**198**	**334,806**
Reclassification to reserve capital	-	-	(9,309)	-	9,309	-	-	-
Payment of dividend for 2013	-	-	(22,564)	-		-	-	**(22,564)**
Profit (loss) for the period	-	-	38,987	-	-	-	-	38,987
Hedge accounting	-	-	-	(631)	-	-	-	(631)
Comprehensive income for the period	**-**	**-**	**38,987**	**(631)**	**-**	**-**	**-**	**38,356**
As at 30 September 2014	**23,751**	**111,646**	**62,655**	**6,618**	**146,803**	**(1,073)**	**198**	**350,598**

Financial statements for the 9- and 3- month period ended 30 September 2014 (in PLN '000) 2014

STATEMENT OF CHANGES IN EQUITY

for 3 months ended on 30 September 2013

	Share capital	Share premium	Retained earnings	Revaluation reserve from hedging instruments	Other reserve capital	Business combination capital	Incentive Scheme	Total
As at 1 July 2013	**23,751**	**111,646**	**48,767**	**2,572**	**146,803**	**(1,073)**	**198**	**332,664**
Profit (loss) for the period	-	-	13,888	-	-	-	-	13,888
Hedge accounting	-	-	-	4,046	-	-	-	4,046
Comprehensive income for the period	**-**	**-**	**13,888**	**4,046**	**-**	**-**	**-**	**17,934**
As at 30 September 2013	**23,751**	**111,646**	**62,655**	**6,618**	**146,803**	**(1,073)**	**198**	**350,598**