



Telephone: +48 22 543 16 00
Telefax: +48 22 543 16 01
E-mail: office@bdo.pl
Internet: www.bdo.pl

BDO Sp. z o.o.
ul. Postępu 12,
02-676 Warsaw
Poland

**Capital Group with Parent Company of
Fabryki Mebli „FORTE” S.A.
Ul.Biała 1
07-300 Ostrów Mazowiecka**

**Report of the independent auditor on the review
of the condensed consolidated financial statements covering the
period from 1 January 2015 to 30 June 2015**

This document is a translation.
The Polish original should be referred to in matters of interpretation.



Telephone: +48 22 543 16 00
Telefax: +48 22 543 16 01
E-mail: office@bdo.pl
Internet: www.bdo.pl

BDO Sp. z o.o.
ul. Postępu 12,
02-676 Warsaw
Poland

Report of the independent auditor on the review of the condensed consolidated financial statements covering the period from 1 January 2015 to 30 June 2015

for the Stockholders and the Supervisory Board of Fabryki Mebli "FORTE" S.A.

We have conducted the review of the attached condensed consolidated financial statement of Fabryki Mebli "FORTE" S.A. with its seat in Ostrów Mazowiecka at Biała street 1, which consists of:

- the consolidated statement on the financial situation prepared as of 30 June 2015,
- consolidated profit and loss account, consolidated statement of comprehensive income, consolidated report on changes in equity, consolidated cash flow statement for the period from 1 January 2015 to 30 June, 2015.

- additional information and explanations.

The Management Board and the Supervisory Board of the Company are responsible for the consistency of the half-year condensed consolidated financial statements with the requirements of the International Accounting Standard 34 "Interim financial reporting" which was approved by the European Union and with other applicable provisions.

Our task was to conduct the review of the report.

We conducted the review pursuant to the provisions of the national standards of financial revision, issued by the National Board of the Certified Auditors. The standards impose the obligation on us to plan and conduct the review in such a manner so as to obtain a moderate certainty that the financial report does not contain any significant irregularities.

We conducted the review mainly by means of an analysis of the data of the financial statements, via insight into the accounts as well as by using the information obtained from the Management and the persons responsible for the finances and the accountancy of the entity.

The scope and the method of the review of the interim condensed consolidated financial statements significantly differs from the audits on which the opinion expressed is based on the consistency of the annual financial report with the accountancy principles (policy) required to be applicable and about its reliability and clarity, therefore we may not issue such an opinion on the report attached.

On the basis of the conducted review we did not identify anything which would not allow us to state that the interim condensed consolidated financial statement was prepared, in all significant aspects, in accordance with the requirements of the International Accounting Standard 34 "Interim financial reporting" which was approved by the European Union.



**BDO Sp. z o.o.
Ul. Postępu 12
02-676 Warsaw**

The entity authorized to audit financial reports no. 3355

Key certified auditor
conducting the report
[illegible signature]

Artur Staniszewski
Audit Partner
Certified auditor reg. no. 9841

for BDO Sp. z o.o.

[illegible signature]

dr Andre Helin
President of the Management Board
Certified auditor reg. no. 90004



Telephone: +48 22 543 16 00
Telefax: +48 22 543 16 01
E-mail: office@bdo.pl
Internet: www.bdo.pl

BDO Sp. z o.o.
ul. Postępu 12,
02-676 Warsaw
Poland

**Fabryki Mebli „FORTE” S.A.
Ul. Biała 1
07-300 Ostrów Mazowiecka**

**Report of the independent auditor on the review
of the condensed financial statements
covering the period from 1 January 2015 to 30 June 2015**

This document is a translation.
The Polish original should be referred to in matters of interpretation.



Telephone: +48 22 543 16 00
Telefax: +48 22 543 16 01
E-mail: office@bdo.pl
Internet: www.bdo.pl

BDO Sp. z o.o.
ul. Postępu 12,
02-676 Warsaw
Poland

Report of the independent auditor on the review of the condensed financial statements covering the period from 1 January 2015 to 30 June 2015

for the Stockholders and the Supervisory Board of Fabryki Mebli "FORTE" S.A.

We have conducted the review of the attached condensed financial statements of Fabryki Mebli "FORTE" S.A. with its seat in Ostrów Mazowiecka at Biała street 1, which consists of:

- the report on the financial situation prepared as of 30 June 2015,
- profit and loss account, report on income, report on changes in equity, cash flow statement for the period from 1 January 2015 to 30 June, 2015.
- additional information and explanations.

The Management Board and the Supervisory Board of the Company are responsible for the consistency of the half-year condensed financial statements with the requirements of the International Accounting Standard 34 "Interim financial reporting" which was approved by the European Union and with other applicable provisions.

Our task was to conduct the review of the report.

We conducted the review pursuant to the provisions of the national standards of financial revision, issued by the National Board of the Certified Auditors. The standards impose the obligation on us to plan and conduct the review in such a manner so as to obtain a moderate certainty that the financial report does not contain any significant irregularities.

We conducted the review mainly by means of an analysis of the data of the financial statements, via insight into the accounts as well as by using the information obtained from the Management and the persons responsible for the finances and the accountancy of the entity.

The scope and the method of the review of the interim condensed financial statements significantly differs from the audits on which the opinion expressed is based on the consistency of the annual financial report with the accountancy principles (policy) required to be applicable and about its reliability and clarity, therefore we may not issue such an opinion on the report attached.

On the basis of the conducted review we did not identify anything which would not allow us to state that the interim condensed financial statement was prepared, in all significant aspects, in accordance with the requirements of the International Accounting Standard 34 "Half-year financial reporting" which was approved by the European Union.

Warsaw, 27th of August 2015



**BDO Sp. z o.o.
Ul. Postępu 12
02-676 Warsaw
The entity authorized to audit financial reports no. 3355**

Key certified auditor
conducting the report
[illegible signature]

Artur Staniszewski
Audit Partner
Certified auditor reg. no. 9841

for BDO Sp. z o.o.

[illegible signature]

dr Andre Helin
President of the Management Board
Certified auditor reg. no. 90004



Ostrów Mazowiecka, 27th of August, 2015

Dear Sirs and Madams, Dear Shareholders,

I am pleased to present you the Consolidated Financial Report of the Forte Capital Group for the first half of 2015.

In this period, the FORTE Group generated a turnover of PLN 447 million, representing an increase of 10,9% compared to the same period in 2014. Our net profit – due to various circumstances described below - showed a contraction by 8,2 % relative to 2014 and amounted to PLN 37 million. Our EBITDA-margin reached 12,4%. We sold a total of 1,7 million pieces of furniture (3,4 million furniture packs).

We remain absolutely confident to achieve our goals for the full year 2015, both in terms of our financial achievements (increase of turnover by more than 10% vs. 2014, EBITDA-Margin above 13%) as well as in terms of reaching our operational aims. The successful completion of our investment projects will enable us to realize our increased sales targets in 2016 and to further improve our productivity.

The reduced profitability in the first half (and there mainly in the second Quarter) is due to a number of especial circumstances:

- accident in our Suwałki factory causing a production standstill for more than 2 weeks,
- early Easter holidays (April 5) resulting in all of the Easter promotions to fall into the first Quarter,
- half of the factory summer breaks consumed in June,
- higher level of employment in order to avoid delays in deliveries as experienced at the end of 2014,
- one-off price concessions to some of the clients who experienced delivery delays at the end of 2014.

The order inflow in the second Quarter shows a plus of over 20% compared to 2014, a fact that makes us very confident to achieve the expected growth in the third Quarter as well as for the full year.

In export sales we expect growth pick-up in the second Quarter for the German speaking countries and a continuation of the excellent development in France, Spain and Portugal as well as in our home market Poland.

Our main investment projects for this year are reaching successful completion.

Our new high-rack warehouse (investment cost of PLN 32 million) with a total space of 15.000 m² has a capacity of 300.000 furniture packs. It will be inaugurated at the beginning of September. It will play an important role in improving the logistical processes in all of our 4 plants. Investments into production machinery in the amount of PLN 15 million will result in an increase of our production capacity to more than 4 million pieces of furniture by the end of the year. Continuous investment allows us to realize growing sales and leads to an optimization of production capability, as well as maintaining high product quality and cost-effective production.

On the cost side we expect a decline of our sales costs (as percentage of sales) to previous levels in the second half of 2015, which will enable us to increase the EBITDA margin above 13% for the full year.

Forte's strategic objectives comprise: maintaining a strong position with large multinational retail distributors and strong focus on selling through these distribution channels, safeguarding the availability of strategic raw materials and optimizing business processes within production, supply chain and customer service.

Our objective for 2016 is to generate EUR 250 million of annual turnover while maintaining an EBITDA-Margin above 13%.

In order to achieve these goals FORTE is

- increasing its sales targets in the various markets,
- constantly updating investment plans to adjust production capacity to those targets,
- improving the efficiency in production and logistics,
- evaluating M&A opportunities and analysing possibilities of vertical integration.

We are pleased that our shareholders are sharing in our confidence to achieve our goals. Investing into FORTE shares at the beginning of the year, investors were able to generate a 8,2 % profit for themselves even not taking the 2 PLN dividend into account. This is a 5 times better result than for the WIG40 (+1,5%). Including the dividend this gain increases to 12% for a period of 8 months.

On behalf of the Management Board, I wish to thank all our employees for their enormous dedication and commitment, without which the Company could not have achieved such results.



Ostrów Mazowiecka, 27th of August, 2015

I also thank all the Shareholders for the trust they have placed in us. Our cooperation renders us ready to achieve our goals for the second half of 2015 and 2016.

Maciej Formanowicz
President of the Management Board



FABRYKI MEBLI „FORTE” CAPITAL GROUP

**Condensed consolidated financial statements for the
period of 6 months ended on 30th June 2015**

Prepared in accordance with the International
Financial Reporting Standards

TABLE OF CONTENTS

Selected financial data	4
Half-year consolidated profit and loss account.....	5
Half-year consolidated statement of comprehensive income.....	6
Half-year consolidated statement of financial situation (balance sheet).....	7
Half-year consolidated cash flow statement.....	8
Half-year consolidated statement of changes in equity.....	9
Consolidated statement of changes in equity	10
Half-year consolidated statement of changes in equity.....	11
Accounting policy and selected explanatory notes	12
1. General information.....	12
2. Composition of the Group	12
3. Composition of the Management Board of the Parent Company	13
4. Approval of the financial statements.....	13
5. Basis for preparation of the interim condensed consolidated financial statements.....	13
6. Declaration of compliance.....	13
7. Changes in accounting principles / principles of presenting data in financial statements	14
8. Amendments to existing standards and new regulations which are not in effect for periods starting from 01 January 2015.....	15
9. Error adjustment.....	18
10. Foreign currency translation.....	18
11. Seasonality of operations.....	18
12. Revenue and costs	18
Sales revenue and geographic structure.	18
Other operating revenue.....	19
Other operating costs	19
Financial revenue	19
Financial costs.....	19
Costs by type	20
13. Information on operating segments.....	20
14. Changes in accounting estimates	20
Inventories revaluation write-downs	22
Write-downs on receivables	22
Impairment write-offS for the value of fixed assets	22
Inventories revaluation write-downs.....	22
15. Income tax	23
16. Tangible fixed assets.....	23
17. Investment properties	24
18. Intangible and legal assets	24
19. Financial assets.....	24
20. Cash and cash equivalents.....	26
21. Share capital and supplementary/reserve capital.....	26
22. Dividend paid and proposed.....	28
23. Earnings per share	28
24. Interest-bearing loans and borrowings	28

25. Financial instruments.....	29
26. Hedge accounting and other derivative financial instruments	29
27. Related party transactions	30
28. Off-balance sheet items.....	31
29. Events which occurred post balance date.....	31

SELECTED FINANCIAL DATA

	in thousand PLN		in thousand EUR	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Data concerning the consolidated financial statement				
Net revenue from sales of products, trade goods and materials and services	446 692	402 792	108 051	96 399
Operating profit (loss)	46 060	49 314	11 141	11 802
Profit (loss) before tax	46 890	51 145	11 342	12 240
Profit (loss) attributable to equity owners of the parent company	37 090	40 402	8 972	9 669
Total net income for the period	42 444	41 379	10 267	9 903
Net cash flow from operating activities	49 804	18 146	12 047	4 343
Net cash flows from investing activities	18 692	20 964	4 521	5 017
Net cash flow from financial activities	41 791	6 078	10 109	1 455
Net increase /decrease in cash and cash equivalents	10 679	3 260	2 583	780
Number of shares (in units)	23 751 084	23 751 084	23 751 084	23 751 084
Profit / loss per ordinary share per equity owner of the parent company (in PLN/EUR)	1,56	1,70	0,38	0,41
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Total assets	636 960	638 730	151 860	149 856
Total liabilities	220 734	217 446	52 626	51 016
Long-term liabilities	111 663	105 085	26 622	24 655
Short-term liabilities	109 071	112 361	26 004	26 362
Equity	412 530	417 590	98 353	97 973
Share capital	23 751	23 751	5 663	5 572
Book value per share (in PLN/EUR)	17,37	17,58	4,14	4,13

HALF-YEAR CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the reporting period ended	
	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Continued activity		
Revenue from sales of goods, products and materials	443 601	398 983
Revenue from sales of services	3 091	3 809
Sales revenue	446 692	402 792
Cost of sales of sold products, goods and materials	(285 682)	(252 344)
Cost of sales of sold services	(1 611)	(1 610)
Cost of sales	(287 293)	(253 954)
Gross profit (loss) from sales	159 399	148 838
Other operating revenue	2 786	1 052
Costs of sales	(94 106)	(80 833)
General administrative costs	(17 612)	(17 371)
Other operating costs	(4 407)	(2 372)
Operating profit (loss)	46 060	49 314
Financial revenue	1 090	1 103
Financial costs	(1 575)	(674)
Profit (loss) on derivative financial instruments	1 315	1 402
Profit (loss) before tax	46 890	51 145
Income tax	(9 799)	(10 746)
Profit (loss) on continued operations of the period	37 091	40 399
Discontinued operations	-	-
Profit (loss) on discontinued operations of the period	-	-
Profit (loss) of the period	37 091	40 399
Attributable to:		
Shareholders of the Parent Company	37 090	40 402
Non-controlling shareholders	1	(3)
Profit (loss) per one share unit per shareholders of Parent Company during period (in PLN):		
- basic	1,56	1,70
- diluted	1,56	1,70

HALF-YEAR CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the reporting period ended	
	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Profit (loss) of the period	37 091	40 399
Other net comprehensive income, including:	5 353	980
Items which in the future will not be reclassified to the profit and loss account	496	436
Revaluation of employee benefit obligations	-	-
Deferred tax regarding employee benefits	-	-
Incentive Scheme	496	436
Items which in the future may be reclassified to the profit and loss account	4 857	544
Foreign exchange differences on foreign subsidiaries from consolidation	(15)	88
Hedge accounting	6 009	563
Income tax on other comprehensive income	(1 137)	(107)
Total comprehensive income for the period	42 444	41 379
Attributable to:		
Shareholders of the Parent Company	42 443	41 382
Non-controlling shareholders	1	(3)

HALF-YEAR CONSOLIDATED STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	30 June 2015 (unaudited)	Status as at 31 December 2014 (audited)	30 June 2014 (unaudited)
ASSETS			
Non-current assets	291 929	282 107	266 728
Tangible fixed assets	225 481	217 009	201 363
Intangible assets	16 488	16 566	16 561
Financial assets	470	464	842
Deferred tax assets	-	-	-
Investment properties	49 490	48 068	47 962
Current assets	345 031	356 623	343 222
Reserves	147 167	149 013	137 376
Trade and other receivables	138 769	144 039	114 036
Receivables due to derivative financial instruments	10 861	4 852	9 882
Receivables due to income tax	-	1	-
Accruals	3 117	2 934	2 334
Financial assets	85	41	198
Cash and cash equivalents	45 032	55 743	79 396
TOTAL ASSETS	636 960	638 730	609 950
LIABILITIES			
Total Equity	416 226	421 284	390 356
Equity (attributable to shareholders of the Parent Company), including:	412 530	417 590	386 649
Share capital	23 751	23 751	23 751
Surplus of share sale above their nominal value	111 646	111 646	111 646
Foreign exchange differences with calculation of foreign entity.	624	640	468
Revaluation reserve from hedging instruments	8 797	3 925	8 004
Incentive Scheme	1 786	1 290	856
Other reserve capital	195 044	167 812	167 714
Retained earnings	70 882	108 526	74 210
Capital attributable to non-controlling shareholders	3 696	3 694	3 707
Long-term liabilities	111 663	105 085	89 131
Interest-bearing loans and borrowings	92 495	86 678	71 375
Deferred income tax provision	13 796	12 425	13 031
Provision for benefits after the employment period	3 324	3 324	2 659
Other provisions	-	-	39
Accruals	49	61	74
Financial liabilities due to lease	1 999	2 597	1 953
Short-term liabilities	109 071	112 361	130 463
Trade and other receivables	68 277	60 831	93 464
Current interest-bearing bank loans and borrowings	10 443	9 822	3 338
Income tax liabilities	1 702	12 669	7 709
Provisions and accrued liabilities	27 377	27 820	25 114
Financial liabilities due to lease	1 272	1 219	838
Total liabilities	220 734	217 446	219 594
TOTAL LIABILITIES	636 960	638 730	609 950

HALF-YEAR CONSOLIDATED CASH FLOW STATEMENT

	Period of 6 months ended		
	30 June 2015	31 December 2014	30 June 2014
Cash flow from operating activity			
Profit/ (loss) of the period	37 091	75 168	40 399
Adjustments by:	12 713	(41 163)	(22 253)
(Profit)/loss of non-controlling shareholders	1	(17)	(3)
Amortisation	9 345	16 837	8 294
Foreign exchange (profit)/loss	(601)	3 143	96
Net interest and dividends	286	862	503
(Profit)/ Loss on investing activity	(348)	(39)	(48)
Change in the valuation of derivative financial instruments	(1 137)	1 349	398
Change in receivables	5 270	(44 904)	(14 901)
Change in inventories	1 846	(35 926)	(24 289)
Change in liabilities, excluding loans and borrowings	7 838	6 959	4 206
Change in accruals and deferrals	(638)	8 745	6 653
Change in provisions	1 371	(1 032)	(473)
Income tax paid	(20 221)	(18 575)	(14 546)
Current tax recognised in profit and loss account	9 255	20 314	11 327
Foreign exchange differences	(50)	13	28
Provision for retirement benefits	-	332	-
Incentive Scheme valuation	496	870	436
Other adjustments	-	(94)	66
Net cash flow from operating activities	49 804	34 005	18 146
Cash flows from investing activities			
Sale of tangible fixed assets and intangible assets	425	669	359
Purchase of tangible fixed assets and intangible assets	(19 444)	(44 253)	(21 516)
Purchase of shares	(10)	-	-
Dividends received	337	26	-
Interest received	-	17	14
Repayment of borrowings granted	-	531	179
Borrowings granted	-	-	-
Real property investment	-	-	-
Other investment inflows	-	-	-
Other investment outflows	-	-	-
Net cash flow from investment activities	(18 692)	(43 010)	(20 964)
Cash flows from financial activities			
Inflows from loans and borrowings taken out	10 003	42 202	21 073
Repayment of loans and borrowings	(3 059)	(16 228)	(13 892)
Repayment of leasing liabilities	(641)	(1 021)	(586)
Dividends paid to shareholders of the Parent Company	(47 502)	(35 627)	-
Interest paid	(592)	-	(520)
Other financial inflows	-	(935)	3
Net cash flow from financial activities	(41 791)	(11 609)	6 078
Net increase /decrease in cash and cash equivalents	(10 679)	(20 614)	3 260
Net foreign exchange differences (from translation, opening balance)	32	(238)	(17)
Opening balance of cash	55 743	76 119	76 119
Cash at end of period, including:	45 032	55 743	79 396
of limited disposability	-	-	-

HALF-YEAR CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period of 6 months ended on 30 June 2015 (nonaudited)

	Attributable to the shareholders of the Parent Company								Share of non-controlling shareholders	Total Equity
	Equity primary	Surplus of share sale above their nominal value	Foreign exchange differences with calculation of foreign entity.	Incentive Scheme	Retained earnings/ (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital	Total		
as at 01 January 2015:	23 751	111 646	640	1 290	108 526	3 925	167 812	417 590	3 694	421 284
Changes in Accounting Principles (Policy)										
Error corrections										
As at 01 January 2015 after adjustments	23 751	111 646	640	1 290	108 526	3 925	167 812	417 590	3 694	421 284
Payment of dividend for 2014	-	-	-	-	(47 502)	-	-	(47 502)		(47 502)
Reclassification to reserve capital	-	-	-	-	(27 232)	-	27 232	-		-
Inclusion of an entity to consolidation	-	-	-	-	-	-	-	-		-
Other adjustments	-	-	-	-	-	-	-	-		-
Provisions for employee benefits	-	-	-	-	-	-	-	-		-
Incentive Scheme	-	-	-	496	-	-	-	496		496
Current result	-	-	-	-	37 090	-	-	37 090		37 090
Hedge accounting	-	-	-	-	-	4 872	-	4 872		4 872
Minority result	-	-	-	-	-	-	-	-	1	1
Exchange differences	-	-	(16)	-	-	-	-	(16)	1	(15)
Total comprehensive income for the period	-	-	(16)	496	37 090	4 872	-	42 442	2	42 444
as at 30 June 2015:	23 751	111 646	624	1 786	70 882	8 797	195 044	412 530	3 696	416 226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014 (restated)

Attributable to the shareholders of the Parent Company										
	Equity primary	Surplus of share sale above their nominal value	Foreign exchange differences with calculation of foreign entity.	Incentive Scheme	Retained earnings/ (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital	Total	Share of non-controlling shareholders	Total Equity
as at 01 January 2014:	23 751	111 646	380	420	90 348	7 548	146 803	380 896	3 711	384 607
Changes in Accounting Principles (Policy)	-	-	-	-	-	-	-	-	-	-
Error corrections	-	-	-	-	-	-	-	-	-	-
As at 01 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	-	-	-	-	(35 626)	-	-	(35 626)	(1)	(35 627)
Reclassification to reserve capital	-	-	-	-	(21 009)	-	21 009	-	-	-
Inclusion of an entity to consolidation	-	-	-	-	-	-	-	-	-	-
Provisions for employee benefits	-	-	-	-	(355)	-	-	(355)	-	(355)
Incentive Scheme	-	-	-	870	-	-	-	870	-	870
Current result	-	-	-	-	75 168	-	-	75 168	-	75 168
Hedge accounting	-	-	-	-	-	(3 623)	-	(3 623)	-	(3 623)
Minority result	-	-	-	-	-	-	-	-	(16)	(16)
Exchange differences	-	-	260	-	-	-	-	260	-	260
Total comprehensive income for the period	-	-	260	870	74 813	(3 623)	-	72 320	(16)	72 304
as at 31 December 2014:	23 751	111 646	640	1 290	108 526	3 925	167 812	417 590	3 694	421 284

HALF-YEAR CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period of 6 months ended on 30 June 2014 (nonaudited)

	Attributable to the shareholders of the Parent Company							Total	Share of non-controlling shareholders	Total Equity
	Equity primary	Surplus of share sale above their nominal value	Foreign exchange differences with calculation of foreign entity.	Incentive Scheme	Retained earnings/ (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital			
as at 01 January 2014:	23 751	111 646	380	420	90 348	7 548	146 803	380 896	3 711	384 607
Changes in Accounting Principles (Policy)										
Error corrections										
As at 01 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	-	-	-	-	(20 911)	-	20 911	-	-	-
Inclusion of an entity to consolidation	-	-	-	-	-	-	-	-	-	-
Other adjustments					(2)	-		(2)	-	(2)
Provisions for employee benefits	-	-	-	-	-	-	-	-	-	-
Incentive Scheme	-	-	-	436	-	-	-	436	-	436
Current result	-	-	-	-	40 402	-	-	40 402	-	40 402
Hedge accounting	-	-	-	-	-	456	-	456	-	456
Minority result	-	-	-	-	-	-	-	-	(3)	(3)
Exchange differences	-	-	88	-	-	-	-	88	-	88
Total comprehensive income for the period	-	-	88	436	40 402	456	-	41 382	(3)	41 379
as at 30 June 2014:	23 751	111 646	468	856	74 210	8 004	167 714	386 649	3 707	390 356

ACCOUNTING POLICY AND SELECTED EXPLANATORY NOTES

1. General Information

Fabryki Mebli "FORTE" Capital Group The Fabryki Mebli FORTE 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 6 months ended 30 June 2015, 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 6 months ended 30 June 2014, 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 6 months ended 30 June 2014 and for the year ended 31 December 2014.

FABRYKI MEBLI „FORTE” S.A. Fabryki Mebli FORTE S.A. ("Parent Entity", "Company") was established by a Notarial Deed of 25 November 1993. The Apparent Company's seat is located in Ostrów 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 (former 21st Commercial Division), under KRS number 21840.

The Parent Company was assigned Statistical ID (REGON) number: 550398784.

The Parent Company and its subsidiaries comprising the Capital Group have been incorporated for an indefinite term.

Main activities of the Parent Company include:

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

2. Composition of the Group

The Fabryki Mebli FORTE Group includes the following consolidated subsidiaries:

Subsidiaries	Headquarters	Scope of activities	Percentage share of the Group in capital	
			30.06.2015	31.12.2014
MV Forte GmbH	Erkelenz (Germany)	Dealership	100%	100%
Forte Möbel AG	Baar (Switzerland)	Dealership	99%	99%
Kwadrat Sp. z o.o.	Bydgoszcz	Real estate service and lease	77,01%	77,01%
<i>Galeria Kwadrat Sp. z o.o.</i>	<i>Bydgoszcz</i>	<i>Facilities Management</i>	<i>77,01%</i>	<i>77,01%</i>
TM Handel Sp. z o.o. S.K.A.	Ostrów Mazowiecka	Purchase, sale and management of real estate, advisory services regarding conducting business activity and management	100%	100%
<i>**Fort Investment Sp. z o.o.</i>	<i>Ostrów Mazowiecka</i>	<i>Purchase, sale and management of real estate, advisory services regarding conducting business activity and management</i>	<i>100%</i>	<i>100%</i>

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

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

The Group includes subsidiaries, specified in note 19, excluded from consolidation on the basis of an insignificant impact of their financial data on the consolidated statements.

As at 30 June 2015 and as at 31 December 2014, 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

On 13.02.2015 a company DYSTRI-FORTE Sp. z o.o. was registered under the KRS number 0000543794 with its registered seat in Ostrów Mazowiecka, at ul. Biała 1. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of DYSTRI-FORTE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

On 26.02.2015 a company TANNE Sp. z o.o. was registered under the KRS number 0000546082 with its registered seat in Suwałki, at ul. Północna 30. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of TANNE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

3. Composition of the Management Board of the Parent Company

The Composition of the Management Board of the Parent Company as at 30 June 2015 and as at the date of publication of this report is as follows:

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

Changes in the composition of the Management Board

On 02 February 2015, Rafał Prendke submitted a statement of resignation from the position of Member of the Management Board of the Issuer.

4. Approval of the financial statements

These interim condensed consolidated financial statements were authorised for issue by the Management Board on 27 August 2015.

5. Basis for preparation of the interim condensed consolidated financial statements

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

These interim condensed consolidated financial statements are presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand (PLN '000) except when otherwise indicated.

These interim condensed 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 consolidated 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 date as a result of any intended or compulsory withdrawal or significant limitation in the activities of the Group.

6. Declaration of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the EU. At the date of approval of these financial statements for issue, in light of the current process of IFRS endorsement in the EU and the nature of the Group's activities in the scope of the applied accounting rules by the Group entities and there is no difference between the currently enacted IFRS applied by the Group and the IFRSs endorsed by the European Union.

IFRS cover standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Standards Interpretations Committee ("IFRIC").

Principles of accounting accepted for the preparation of the hereby interim condensed consolidated financial statements are compliant with those accepted for the elaboration of annual consolidated financial statements for the financial year ended on 31 December 2014, excluding new standards of accounting and the interpretation applied since 1 January 2015.

The hereby interim condensed consolidated financial statements do not include information and disclosures required within complete financial statements and ought to be read combined with the annual consolidated financial statements for the financial year ended on 31 December 2014.

7. Changes in accounting principles / principles of presenting data in financial statements

Principles (policy) of accounting applied for the preparation of the hereby report for the I half of year 2015 are compliant with those applied while preparing the financial report for the year 2014, with the exclusion of changes specified below.

The same principles for the current and comparative period have been applied. Detailed description of accounting principles accepted by the Capital Group Fabryki Mebli FORTE has been presented within the annual consolidated financial statement for 2014, issued on 17 March 2015.

The following new or changed standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee are effective from 01 January 2015:

- Amendments to the various standards stemming from the International Standards for Financial Reporting (Annual Improvements 2010-2012)
- Amendments to the various standards stemming from the International Standards for Financial Reporting (Annual Improvements 2011-2013)
- Amendment to IAS 19 Defined benefit plans-employee contributions
- Interpretation of IFRIC 21 Public levies

Their implementation had no impact on the results of operations and the financial situation of the Group and only resulted in changes to the applicable principles of accounting or, potentially, in expanding the scope of necessary disclosures or change of used terminology.

Key consequences of applying new regulations:

- Amendments to the various standards stemming from the International Standards for Financial Reporting (Annual Improvements 2010-2012)

On 12 December 2013 further amendments to seven standards were issued, stemming from the draft proposed changes to International Standards for Financial Reporting, published in May of 2012. They apply mostly to annual periods commencing on 1 July 2014 or later.

As a result of the conducted ISFR the following amendments have been introduced to 7 standards:

-ISFR 2 Payments in the form of shares, definition was amended of "vesting conditions" and "market condition" as well as two new definitions of "completion condition" and "service condition" were introduced- within ISFR 3 "Mergers of economic entities" were made more precise, so that the recognized liability on account of contingent payment fulfils the definition of financial liability, is subject to valuation on the day ending the reporting period at fair value and the result of the assessment is included in the statement on profits and losses,

- in ISFR 8 Operating segments the requirement of disclosing information on judgement by management of the criteria combining the applied operating segments are introduced among others, as specified in par. 12 ISFR 8 including a short description of these segments and the applied indicators noting similar economic features of combined on this basis segments,

-in ISFR 13 Fair value a specification for Explanation of Motions to ISFR 13 was introduced, explaining that deletion from ISFR 9 and IAS 39 respectively paragraphs B5, 4,12 and AG79 ought not to be mistakenly interpreted as an intention of the Council of deleting the possibility of valuation of short-term receivables and trade liabilities valued currently according to nominal value, stemming from an invoice,

-in IAS 16 Tangible fixed assets and IAS 38 Intangible assets an information was made more precise on the method of correcting the balance value and redemption of fixed asset components valued for subsequent days ending the reporting periods,

-in IAS 24 Disclosure of information on associated entities clause explaining in more detail the definition of establishing connections between entities has been added.

The application of amended standards has not significant impact on Financial Statements of the Group.

- Amendments to the various standards stemming from the International Standards for Financial Reporting (Annual Improvements 2011-2013)

On 12 December 2013 further amendments were published to four standards pursuant to the draft amendments to the International Standards of Financial Reporting published in November of 2012. They apply mostly to annual periods commencing on 1 July 2014 or later.

As a result of the conducted ISFR the following amendments have been introduced to the following standards:

- ISFR First time application of ISFR,
- ISFR 3 Connections between economic entities
- ISFR 13 Fair value,
- IAS 40 Investment properties

The application of amended standards has not significant impact on Financial Statements of the Group.

- Amendment to IAS 19 Defined benefit plans-employee contributions

Amendment was published on 21 November 2013 and are applied to annual periods starting on 01 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 application of amended standard does not have a significant impact on the financial statements of the Group on account of the lack of plans of specific provisions which would be connected to employee contributions.

- Interpretation of IFRIC 21 Public levies

The interpretation includes guidelines in the scope of identification of the moment of arising the obligation of covering within the accounts of the entity the liabilities on account of the incurring charges towards the State, other than those currently covered by ISFR, ie. IAS Income tax. In some jurisdictions regulations concerning the selected charges indicate the existence of correlations between the arising of an obligation for payment of tax and the occurrence of particular events. Due to a complex nature of these regulations, entities not always had the clarity as to the right moment of recognizing in the accounts of obligations in questions. According to the new interpretation, an action which directly causes such as obligation ought to be regarded as the event which obliges for recognition of liabilities for payment towards the State. If, for example the obligation of payment conduct is dependent on obtaining income in the current period, then the action which causes this obligation is generating of income in the current period. As indicated by the Interpretation Committee, an entity does not have a constructive obligation for payment of a liability in relation to its future actions, despite the fact, that the entity does not have a realistic possibility of ending the conduct of a given activity in the future. It was further noted, that the liability for payment must be recognized gradually if the event which causes the obligation takes place over a certain period of time.

The application of the interpretation has no significant impact on Financial Statements of the Group.

Within this interim condensed consolidated financial statement, key assessments were conducted by the Management Board in relation to the accounting principles applied by the Group and the main sources of estimating uncertainty were the same as ones specified in the Consolidated Financial Statement for 2014

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

The Group did not conduct a presentation adjustment of data for the 1st half of 2014 and/or on 31 December 2014.

8. Amendments to existing standards and new regulations which are not in effect for periods starting from 01 January 2015.

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 01 January 2018 or later. The standard introduces the principles of classifying financial assets and introduces unified rules of assessing the loss of value for all financial instruments. The standard also introduces a new model of hedge accounting in order to unify the principles of incorporating in financial statements the information regarding risk management.

The group will apply the new standard from 01 January 2018.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of the application of the new standard. The Group commenced an analysis of the results of the implementation of a 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 a transitional nature in relation to the ongoing works of the IASB to regulate the manner of settling operations in the conditions of price regulation. The standard introduces the principles of recognising assets and liabilities resulting from transactions with regulated prices in the case when the entity decides to adopt IFRS.

The group will apply the new standard from 01 January 2016.

The application of the new standard will have no impact on the Company's financial statements.

- IFRS 15 Revenues from client contracts

The new standard was published on 28 May 2014 and is applied to annual periods starting on 01 January 2017 or later. Its earlier implementation is also possible. The standard establishes uniform frames of revenue recognition and includes principles which will substitute the majority of detailed guidelines in the scope of recognizing revenues existing currently in IFRS, in particular, in IAS 18 Revenues, IAS 11 Construction service contracts and the related interpretations. Post balancing day the International Accounting Standards Board published a draft of amendments in the accepted standard deferring by a year the date of this standard entering into force.

As at the date of preparation of these financial statements, it is not possible to reliably estimate the impact of the application of the new standard. The Group commenced an analysis of the results of the implementation of a new standard.

- Amendments to IFRS 11 Recognition of share acquisition within own operations

Amendments to IAS 11 were published on 6 May 2014 and are applied to annual periods starting on 1 January 2016 or later. The purpose of changes is to present detailed guidelines explaining the method of recognizing the transactions of share acquisition in joint operations which constitute a venture. The changes require applying principles identical to those which are applied in case of mergers of entities.

The application of the new standard will have no significant impact on the Company's financial statements.

- Amendments to IAS 16 and IAS 38 Explanations in the scope of the accepted methods of depicting depreciation and amortisation.

Amendments to IFRS 16 Fixed assets and IAS 38 Non-financial values were published on 12 May 2014 and are applied to annual periods starting on 01 January 2016 or later. The change covers additional explanations in relation to the allowable methods of amortization. The target of changes is to indicate that the method of calculating depreciation of tangible fixed assets and intangible values based on revenue is not correct, however, in case of intangible values this method may be applied in certain circumstances.

The application of the new standard will have no significant impact on the Company's financial statements.

- Amendments to IAS 16 and IAS 41 Agriculture: *Production 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 change indicates that production plants ought to be recognized in the same way as tangible fixed assets in the scope of IAS 16. In relation to the above, production plants ought to be recognized through the prism of IAS 16 instead of IAS 41. Agricultural products created by production plants continue to fall under the scope of IAS 41.

The application of the new standard will have no impact on the Company's financial statements.

- Amendments to IAS 27: *Method of property rights in separate financial statements*

Amendments to IAS 27 were published on 12 August 2014 and are applied to annual periods starting on 01 January 2016 or later. Amendments restore within IFRS an option of recognizing within separate financial statements investments in subsidiaries, joint ventures and entities created by means of property rights method. In case of selecting this method it ought to be applied for each investment within a given category.

The application of the new standard will have no significant impact on the Company's financial statements.

- Amendments to IFRS 10 and IAS 28: *Sale or transfer of assets between the investor and his associated unit or joint venture*

Amendments to IFRS 10 and IAS 28 were published on 11 September 2014 and are applied to annual periods starting on 01 January 2016 or later. Amendments clarify accounting of transactions where the parent company loses control over its subsidiary which does not constitute a business in accordance with the definition defined in IFRS 3 "Merge of entities" by means of sale of all or parts of shares within this subsidiary to related entity or to joint venture recognized via method of property rights.

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

- Amendments to the various standards stemming from the International Standards for Financial Reporting (Annual Improvements 2012-2014)

On 25 September 2014, as a result of the conducted review by IFRS, minor amendments to the following 4 standards were introduced:

- IFRS 5 Assets Held for Sale and Discontinued Operations, in the scope of reclassification of assets or group for sale from "those held for sale" to " maintained in order to be transferred to owners" and vice versa,
- IFRS 7 Financial Instruments: disclosure, among others, in the scope of application of amendments to IFRS 7 regarding compensating assets and financial liabilities to interim condensed financial statements,
- IFRS 19 Employee benefits in the scope of currency " corporate obligations of high quality" used for establishing the discount rate,
- IFRS 34 Interim financial reporting, in the scope of clarification in what means should it be indicated that disclosures required by par. 16A IAS 34 have been placed in a different part of the interim report.

They apply mostly to annual periods commencing on 01 January 2016 or later. The Group will apply the amended standards in the scope of amendments made from 01 January 2016, unless a different period of entry into force is provided for. The Group assesses that the application of the amended standards will not have a significant impact on financial statements of the Group, with the exclusion of amendment to IAS 34 which may result in additional disclosures within interim financial statements of the Group.

- Amendments to IAS 1: *Initiative on disclosures*

On 18 December 2014, in the framework of the initiative targeted at improvement of presentations and disclosures within financial reports changes to IAS 1 were published. These changes are to be considered as further encouragement for entities to apply professional judgement when defining which information ought to be disclosed within their financial statements. For example, the changes clarify the significance concerns the entire financial statements and that inclusion of insignificant information may reduce the usefulness of disclosures which are strictly financial in nature. Furthermore, changes clarify that entities ought to apply professional judgement when defining in what place and in what order to present information when disclosing financial information.

The published amendments are accompanied by draft changes to IAS 7 Report on cash flow which increase the requirements regarding disclosures regarding cash flows from financial activities and cash and equivalents of the entity.

Changes may be applied immediately, however, they apply as obligatory to annual periods commencing on 01 January 2016 or later. The Group commenced an analysis of the results of the implementation of changes. The Group will apply changes no later than from 1 January 2016 and their result may be a change of scope and/or form of disclosures presented in financial statements.

- Amendments to IFRS 10, IFRS 12 and IFRS 28: *Investment entities: applying exception in consolidation*

Amendments to IFRS 10, 12 and 28 were published on 18 December 2014 and are applied to annual periods starting on 1 January 2016 or later. Their goal is to clarify the requirements in the scope of accounting within investment units.

The Group assesses that the application of the amended standards will have no impact on consolidated financial statements of the Group.

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 below-listed 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 Revenues from Client Contracts published on 28 May 2014,
- Changes to IFRIC 11 Recognition of purchase of shares in joint actions published on 6 May 2014,
- Amendments to IAS 16 and IAS 38 Explanations in the scope of the accepted methods of depicting depreciation and amortisation published on 12 May 2014,
- Amendments to IAS 16 and IAS 41 Agriculture: Production Plants published on 30 June 2014,
- Amendments to IAS 27: Equity method in separate financial statements published on 12 August 2014,
- Amendments to IFRS 10 and IFRS 28: Sale or transfer of assets between the investor and his associated unit or joint venture published on 11 September 2014,
- Changes in various standards resulting from the annual review of International Standards for Financial Reports (Annual Improvements 2012-2014) published on 25 September 2014,
- Amendments to IAS 1: Initiative on disclosures,
- Amendments to IFRS 10, IFRS 12 and IFRS 28: Investment entities: application of exception to consolidation

9. Error adjustment

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

10. 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 – 4.1944
- Forte Möbel AG – CHF – 4.0142

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 – 4.1341
- Forte Möbel AG – CHF – 3.9495

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.

11. 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	Share %
Q1 2015	255 770	-
Q2 2015	190 922	-
Total 1st half 2015	446 692	-
Q1 2014	212 043	25,78%
Q2 2014	190 749	23,20%
Total 1st half 2014	402 792	
Total 2014	822 414	100,00%

12. Revenue and costs

Sales revenue and geographic structure

Sales revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Revenue from sales of goods, products and materials		
- products	436 615	392 548
- goods	4 244	3 519
- materials	2 742	2 916

Revenue from sales of services	3 091	3 809
Total net revenue from sales	446 692	402 792
Geographic structure:		
- domestic	70 662	64 033
- export	376 030	338 759
Total net revenue from sales	446 692	402 792
- including from related entities	3 040	6 140

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

Other operating revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Release of write-downs on current assets	208	71
Release of write-downs on current assets	-	365
Loss on disposal of property, plant and equipment	-	2
Subsidies	12	256
Compensations	886	164
Revaluation of investment real properties	1 422	
Other	258	194
Total other operating revenue	2 786	1 052

Other operating costs

Other operating costs	For the reporting period ended	
	30.06.2015	30.06.2014
(restated) Creation of revaluation write-downs	25	175
Liquidation and impairment write-downs on property, plant and equipment	-	1
Scrapping of inventory	1 987	1 228
Donations	61	362
Penalties and compensations	1 152	127
Court costs	20	12
Loss from the disposal of fixed assets	1 074	319
Other	88	148
Total other operating costs	4 407	2 372

Financial revenue

Financial revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Dividends	337	-
Exchange differences of financial assets and liabilities	-	-
Interest	753	1 103
Financial revenue, total	1 090	1 103

Financial costs

Financial costs	For the reporting period ended	
	30.06.2015	30.06.2014

Interest on loans and leasing	547	475
Commission on loans	53	41
Exchange differences of financial assets and liabilities	970	141
Other	5	17
Financial costs, total	1 575	674

Costs by type

Costs by type	For the reporting period ended	
	30.06.2015	30.06.2014
Amortisation	9 345	8 294
Consumption of materials and energy	218 770	195 629
External services	83 061	75 710
Taxes and fees	4 063	4 155
Payroll	60 555	56 139
Social insurance and other benefits	14 861	12 664
Other costs by type	4 637	3 265
Costs by type	395 292	355 856
Change in product inventory and accruals	(699)	(8 478)
Manufacturing cost of products for internal purposes	(1 315)	(814)
Costs of sales	(94 106)	(80 833)
General administrative costs	(17 612)	(17 371)
Manufacturing cost of sold products and services	281 560	248 360
Value of goods and materials sold	5 733	5 594
Cost of sales	287 293	253 954

Information on key suppliers

The strategic supplier of raw materials for Forte Group is PFLEIDERER Group the share of which in the turnover exceeded 10 % of revenue from sale of the Group.

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

13. Information on operating segments

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

14. Changes in accounting estimates

As at 30 June 2015, the Group made the following changes in accounting estimates in comparison to 31 December 2014 and 30 June 2014:

Deferrals

Deferrals	Status as at		
	30/06/2015	31/12/2014	30/06/2014
Motor and property insurance	251	704	259
Fairs	7	105	-
Research and development	1 472	1 210	1 065
Corporate services	-	-	-
Business trips	-	28	151
Perpetual usufruct of land	541	-	515
Other	846	887	344
	3 117	2 934	2 334

Change in provisions

Non-current provisions	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Deferred tax assets	-	-	-
Deferred tax provision	13 796	12 425	13 031
Benefits after the employment period	3 324	3 324	2 659
Other provisions	-	-	39

Provisions and accrued liabilities

Long-term accruals	Status as at		
	30.06.2015	31.12.2015	30.06.2014
Long-term accrued income due to:			
Subsidy to purchased tangible fixed assets	49	61	74

Short-term accruals	30.06.2015	31.12.2014	30.06.2014
Accrued expenses due to:			
Commissions	1 821	1 786	1 428
Bonuses for customers	12 207	12 023	9 402
Bonuses	2 360	5 169	3 429
Leaves	2 561	2 561	2 422
Balance sheet audit costs	93	56	87
External services	6 331	4 121	6 827
Other	111	61	197
Short-term provisions:			
Short-term provision for benefits after the employment period	168	167	58
Guarantee repairs	1 701	1 571	1 238
Other provisions	-	281	-
Accrued income due to:			
Subsidy to purchased tangible fixed assets	24	24	24
	27 377	27 820	25 114

The amount PLN 12,207 thousand is a reserve by the Group for future premiums which are payable on account of realized sales for clients from the German, Swiss and Austrian markets. The bonuses will be paid by setting them off against payments occurring after the balance sheet date.

The amount of PLN 6,331 thousand is a provision created by the Group for the costs of external services, in particular: transportation, marketing, insurance of receivables and utilisation services.

As at the balance sheet date ended 30 June 2015, the Group created a provision for the bonus for the Management Board in the amount of PLN 2,360 thousand.

Changing write-downs on assets

	30.06.2015	31.12.2014	30.06.2014
Write-downs updating share value	426	426	426
Write-downs on short-term receivables	2 938	3 196	3 028
Write-downs on tangible fixed assets	3	3	3
Write-downs on inventory	2 394	3 034	4 759

Inventories revaluation write-downs

Inventories revaluation write-downs	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	426	426	414
Creation	-	-	12
Release	-	-	-
Impairment write-off as at balance date	426	426	426

Within the period ended on 30 June 2014 the Group created a write-off on shares of subsidiary of Forte Mobila SLR with seat in Bacau in Romania.

Write-downs on receivables

Write-downs on receivables	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3 196	2 984	2 906
Exchange differences	25	3	-
Creation	25	684	176
Utilisation	3	244	-
Release	(306)	(231)	(54)
Impairment write-off as at balance date	2 937	3 196	3 028

Impairment write-off for the value of fixed assets

Impairment write-off for the value of fixed assets	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3	368	368
Creation	1 100	-	-
Release	1 100	365	365
Impairment write-off as at balance date	3	3	3

Inventories revaluation write-downs

Inventories revaluation write-downs	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3 034	5 450	5 450
Creation	-	376	-
Release	640	2 792	691
Impairment write-off as at balance date	2 394	3 034	4 759

Within the reporting period ended on 30 June 2015 the Group released an impairment write-off on value of reserves in the amount of PLN 640 thousand on account of its use for scrapping of damaged and unfit for further use pallets.

15. Income tax

The main items of tax charge for the year ended 30 June 2015 and 30 June 2014 are as follows:

Income tax	For the reporting period ended	
	30.06.2015	30.06.2014
Current income tax		
Current charge due to income tax	9 249	11 327
Adjustments related to current income tax from previous years	6	-
Deferred income tax		
Relating to the origination and reversal of temporary differences	544	581
Tax charge in the consolidated profit and loss account	9,799	10,746

16. Tangible fixed assets

The balance sheet value of machinery and equipment used as at 30 June 2015 by the Group on the basis of financial lease agreements and lease agreements with the option of repurchase is PLN 4,412 thousand, (as at 31 December 2014: PLN 4,744 thousand, as at 30 June 2014: PLN 3,611 thousand) of which PLN 1,708 thousand concerns leasing of machines and equipment, PLN 2,582 thousand PLN-leasing of transport means and PLN 122 thousand lease of other fixed assets.

Pledged assets as security

Land and buildings with the balance sheet value of PLN 73,842 thousand (As at 31 December 2014: PLN 74,745 thousand, as at 30 June 2014: PLN 74,378 thousand) are covered by mortgages established to secure bank loans.

Additionally, machinery and equipment with the balance sheet value of PLN 42,271 thousand are subject to registered pledge (as at 31 December 2014: PLN 17,973 thousand, as at 30 June 2014: PLN 41,796 thousand).

Capitalised external financing costs in the reporting period ended 30 June 2015 are PLN 63 thousand (As at 31 December 2014: PLN 83 thousand, as at 30 June 2014: PLN 87 thousand).

Capital commitments

As at 30 June 2015 investment liabilities of the Company amount to PLN 964 thousand. (As at 31 December 2014: PLN 1,315 thousand, as at 30 June 2014: PLN 962 thousand). This amount primarily concerns expenditures on tangible fixed assets under construction and the purchase of machinery and equipment.

Non-current assets held for sale

As at 30 June 2015, the Group did not have non-current assets classified as held for sale.

Purchase and sale

In the 6-month period ended 30 June 2015, the Group purchased tangible fixed assets with a value of PLN 18,807 thousand (in the comparative period ended 30 June 2014: PLN 20,600 thousand) and sold tangible fixed assets with a net value of PLN 1,432 thousand). (in the comparative period ended 30 June 2014: PLN 305 thousand).

17. Investment properties

The Group holds investment properties. It comprises a shopping centre in Wrocław with an area of approx. 7 thousand sq m and one in Bydgoszcz with an area of approx. 5 thousand sq m. The properties were classified as investment properties because a vast part of them is leased to unrelated entities.

Due to the planned in Q3 of 2015 transaction of in-kind contribution of investment property in Wrocław, the Parent Company ordered within the reporting period an update of valuation of the property to be conducted by qualified valuer.

As a result of the updated official valuation as at 30 June 2015 an increase of fair value has occurred regarding this property by PLN 1,422 thousand

	Fair value change	
	30.06.2015	31.12.2014
Opening balance at the beginning of the reporting period	48 068	47 962
Status increases (later expenditure)	-	106
- land purchase	-	-
- reclassification of fixed assets under construction	-	-
- revaluation to fair value	1 422	106
Closing balance at the end of the reporting period	49 490	48 068

18. Intangible and legal assets

Research and development expenditure

In the reporting period ended 30 June 2015, the Group made expenditure on research and development recognised in the profit and loss account in the amount of PLN 387 thousand (in the reporting period ended 31 December 2014: PLN 717 thousand).

Description of securities established on intangible assets

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

Intangible assets are intended for sale

As at 30 June 2015, the Group did not have non-current assets classified as held for sale.

19. Financial assets

The percentage share of assets, revenue and results of subsidiaries excluded from consolidation as at 30 June 2015 was as follows:

Other entities	Headquarters	Scope of activities	Percentage share of the Group in the capital
			30.06.2015
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.	Warsaw	Advisory services regarding conducting business activity and management	100%
DYSTRI-FORTE Sp. z o.o	Ostrów Mazowiecka	Storage and warehousing of goods	100%
TANNE Sp. z o.o.	Suwałki ul.	Production activity	100%

On 11 June 2015 the subsidiary Forte Mobila SRL filed a bankruptcy petition in the Bacau Court. Decision regarding termination of activity of Forte Mobila SRL was targeted at liquidation of unprofitable structures within the Capital Group of the Issuer. Filing of bankruptcy petition will have no impact on the financial situation of the Capital Group, particularly it will not influence the current financial result as the Parent Company within the previous periods covered any assets owned within the subsidiary with impairment write-offs.

The percentage share of assets, revenue and results of subsidiaries excluded from consolidation as at 30 June 2015 was as follows:

Company Name	Nature of relationship	In total assets	In revenue	In current result
Forte Baldai UAB	Subsidiary	0,05%	0,02%	0,05%
Forte SK S.r.o.	Subsidiary	0,05%	0,12%	0,18%
Forte Furniture Ltd.	Subsidiary	0,05%	0,05%	-0,43%
Forte Iberia S.l.u.	Subsidiary	0,03%	0,11%	0,16%
Forte Mobilier Sari	Subsidiary	0,00%	0,00%	-0,01%
Forte Mobila S.r.l.	Subsidiary	0,00%	0,00%	-0,08%
TM Handel Sp. z o.o.	Subsidiary	0,35%	0,90%	0,19%
DYSTRI-FORTE Sp. z o.o	Subsidiary	0,00%	0,00%	-0,01%
TANNE Sp. z o.o.	Subsidiary	0,00%	0,00%	-0,01%

The percentage share of assets, revenue and results of subsidiaries excluded from consolidation as at 31 December 2014 was as follows:

Company Name	Nature of relationship	In total assets	In revenue	In current result
Forte Baldai UAB	Subsidiary	0,04%	0,03%	0,15%
Forte SK S.r.o.	Subsidiary	0,11%	0,22%	0,48%
Forte Furniture Ltd.	Subsidiary	0,07%	0,06%	0,11%
Forte Iberia S.l.u.	Subsidiary	0,02%	0,09%	-0,15%
Forte Mobilier Sari	Subsidiary	0,01%	0,04%	0,25%
Forte Mobila S.r.l.	Subsidiary	0,02%	0,02%	0,23%
TM Handel Sp. z o.o.	Subsidiary	0,65%	1,55%	0,31%

The percentage share of assets, revenue and results of subsidiaries excluded from consolidation as at 30 June 2014 was as follows:

Company Name	Nature of relationship	In total assets	In revenue	In current result
Forte Baldai UAB	Subsidiary	0,05%	0,03%	0,13%
Forte SK S.r.o.	Subsidiary	0,09%	0,23%	0,29%
Forte Furniture Ltd.	Subsidiary	0,05%	0,06%	0,07%
Forte Iberia S.l.u.	Subsidiary	0,02%	0,09%	-0,23%
Forte Mobilier Sari	Subsidiary	0,05%	0,06%	0,29%

Forte Mobila S.r.l.	Subsidiary	0,02%	0,09%	0,24%
TM Handel Sp. z o.o.	Subsidiary	0,60%	1,81%	0,31%

The Group's shares in other entities are as follows:

for the year ended 30 June 2015 and 30 June 2014

Company Name	Headquarters	Subject of business activity	Carrying value of shares
Meblopol Sp. z o.o.	Poznań	Trade	3
TOTAL			3

20. Cash and cash equivalents

Cash and cash equivalents	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Cash in bank and in hand	11 183	13 273	7 406
Other cash (overnight deposits and deposits under three months, corporate bonds)	33 849	42 470	71 990
Cash in bank and in hand attributable to discontinued operations	-	-	-
Total cash and cash equivalents	45 032	55 743	79 396

Cash and cash equivalents at bank earn interest at floating rates based on daily bank deposit rates. Short-term deposits are conducted for periods of time from one day to three months- depending on the current requirements of the Company for funds and they are subject to negotiated individually interest rates. The fair value of cash and cash equivalents as at 30 June 2015 is PLN 45,032 thousand (As at 31 December 2014: PLN 55,743 thousand, as at 30 June 2014: PLN 79,396 thousand).

As at 30 June 2015, the Group did not hold cash of limited disposability (as at 31 December 2014 and 30 June 2014: did not occur).

21. Share capital and supplementary/reserve capital

Share capital

In the reporting period ended 30 June 2015 there were no changes in the initial capital of the Parent Entity (year 2014: no changes occurred).

Share premium

During the 6 months ended on 30 June 2015 no events occurred which would cause a change in share premium above their nominal value (year 2014: changes also did not occur).

Other capital

	Reserve capital legally established	Other reserve capital	Total
as at 01 January 2015:	1 250	166 562	167 812
Write-down on gains for investments and the financing of the current activities of the Group	-	27 232	27 232
as at 30 June 2015:	1 250	193 794	195 044

	Reserve capital legally established	Other reserve capital	Total
as at 01 January 2014:	1 250	145 553	146 803
Write-down on gains for investments and the financing of the current activities of the Group	-	21 009	21 009
as at 31 December 2014:	1 250	166 562	167 812

	Reserve capital legally established	Other reserve capital	Total
as at 01 January 2014:	1 250	145 553	146 803
Write-down on gains for investments and the financing of the current activities of the Group	-	20 911	20 911
as at 30 June 2014:	1 250	166 464	167 714

Reserve capital from dividend fund and other reserve capitals

	30.06.2015	Status as at 31.12.2014	30.06.2014
Accumulated result obtained on financial instruments securing cash flows at the beginning of the financial period	3 925	7 548	7 548
Amount included in own capital in the reporting period on account of hedge transactions	9 043	(39)	3 724
Amount transferred to the profit and loss account for:			
-ineffectiveness of realized transactions	(1 152)	(1 832)	(1 402)
-realization of hedge transactions	(1 882)	(2 595)	(1 759)
-discontinuation of hedge accounting	-	-	-
Deferred income tax	(1 137)	843	(107)
Accumulated result obtained on financial instruments securing cash flows at the end of the financial period	8 797	3 925	8 004

22. Dividend paid and proposed

By virtue of a resolution of the Annual General Meeting of 19 May 2015, the decision was made to distribute the Company net profit for the financial year 2014 in the amount of PLN 74,612 thousand, allocating PLN 47,502 thousand to the payment of dividend and PLN 27,110 thousand to supplementary capital. The amount of dividend shall amount to PLN 2 per 1 share. The dividend record date was set for 27 May 2015. Dividend was paid on 11 June 2015.

By virtue of a resolution of the Annual General Meeting of 10 June 2014, the decision was made to distribute the Company net profit for the financial year 2013 in the amount of PLN 56,538 thousand, allocating PLN 35,627 thousand to the payment of dividend and PLN 20,911 thousand to supplementary capital. The amount of dividend shall amount to PLN 1,50 per 1 share. The dividend record date was set for 25 June 2014. Dividend was paid on 02 July 2014.

23. Earnings per share

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

	Period of 6 months ended	
	30.06.2015	30.06.2014
Net income (loss) from continued operations	37 091	40 399
Loss from discontinued operations	-	-
Net income (loss)	37 091	40 399
Net profit (loss) attributed to normal shareholders, applied to calculate diluted earnings per share	37 091	40 399

	Period of 6 months ended	
	30.06.2015	30.06.2014
Weighted average number of issued ordinary shares, applied to calculate basic earnings per share	23 751 084	23 751 084
Impact of diluting		
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.

24. Interest-bearing loans and borrowings

Short-term	Nominal interest rate %	Due date	30.06.2015	31.12.2014
mBank S.A. -investment loan in the amount of PLN 2,400 thousand EUR- -short-term portion	1 M EURIBOR	by 31.12.2018	2 517	2 220
mBank S.A. -working capital loan in the amount of 1,00 thousand EUR- -short-term portion	depending on the currency used O/N WIBOR or O/N EURIBOR or O/N LIBOR	by 15.12.2015	4 836	4 461
PKO BP S.A. -investment loan in the amount of PLN 3,500 thousand EUR- -short-term portion	1 M EURIBOR	by 22.12.2018	3 090	3 141
Total short-term			10 443	9 822

Long-term	Nominal interest rate %	Due date	30.06.2015	31.12.2014
mBank S.A. -investment loan in the amount of PLN 2,400 thousand EUR- -long-term portion	1 M EURIBOR	by 31.12.2018	6 095	6 659
PKO BP S.A. -investment loan in the amount of PLN 3,500 thousand EUR- -long-term portion	1 M EURIBOR	by 22.12.2018	7 628	9 322
PKO BP S.A.– working capital credit in the amount of PLN 45,000 thousand - long-term portion	depending on the currency used 1M WIBOR or 1M EURIBOR	by 19.12.2016	38 598	34 098
ING Bank Śląski S.A. -working capital credit in the amount of PLN 40,000 thousand - long-term portion	depending on the currency used 1M WIBOR or 1M EURIBOR or 1M LIBOR	by 31.10.2016	40 174	36 599
Long-term total			92 495	86 678

	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Long-term	92 495	86 678	71 375
Short-term	10 443	9 822	3 338
Total	102 938	96 500	74 713

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

Currency	Status as at		
	30.06.2015	31.12.2014	30.06.2014
PLN	5 043	-	-
EUR	81 947	85 271	72 557
USD	15 948	11 229	2 156
	102 938	96 500	74 713

Within the period of 6 months ended on 30 June 2015 the Group obtained a loan in the amount of PLN 42,202 thousand and conducted repayments of loans for the total amount of PLN 16,28 thousand.

25. 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.

26. Hedge accounting and other derivative financial instruments

Within the Parent Company the hedge accounting of derivative instruments is applied.

Prior to concluding hedging transaction, as well as during its course, the Parent Company confirms and documents that between the changes in fair value of the hedging instrument and changes in fair value of hedging item there is a strong negative correlation. Effectiveness of hedging is subject to ongoing assessment and monitoring. Detailed description of the applied accounting principles for hedging is included within the interim condensed financial statement of the Parent Company in note no.15.

27. 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 6 months ended 30 June 2015 and 30 June 2014 and for the year ended 31 December 2014, respectively.

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

Related entity		Sale to affiliated entities	Purchase from affiliated entities	Receivables from affiliated entities	Liabilities towards affiliated entities
Subsidiaries:					
Forte Baldai UAB	30.06.2015	-	87	-	15
	31.12.2014	-	252	-	21
	30.06.2014	-	125	-	21
Forte SK S.r.o.	30.06.2015	-	545	-	92
	31.12.2014	7	1 907	1	126
	30.06.2014	4	957	4	136
Forte Furniture Ltd.	30.06.2015	-	239	-	41
	31.12.2014	-	502	-	44
	30.06.2014	-	245	-	41
Forte Iberia S.l.u.	30.06.2015	5	496	-	19
	31.12.2014	24	755	-	1
	30.06.2014	23	376	21	-
Forte Mobilier S.a.r.l.	30.06.2015	-	-	-	-
	31.12.2014	-	486	-	-
	30.06.2014	-	251	-	42
Forte Mobila S.r.l.	30.06.2015	-	-	-	-
	31.12.2014	7	491	25	-
	30.06.2014	7	454	1 289	61
TM Handel Sp. z o.o.	30.06.2015	3 035	522	767	402
	31.12.2014	10 887	1 382	2 788	513
	30.06.2014	6 106	696	2 611	604
Total	30.06.2015	3 040	1 889	767	569
	31.12.2014	10 925	5 775	2 814	705
	30.06.2014	6 140	3 104	3 925	905

Loans and credits granted to affiliated entities

As at 0.06.2015 all loans granted to the non-consolidated related entities had been repaid.

Joint venture in which the Parent Company is a venturer

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

Terms of transactions with affiliated entities

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

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

Incentive Scheme for Members of the Management Board of the Parent Company and the issue of series D, E and F subscription warrants with the exclusion of the pre-emptive right to series D, E and F subscription warrants

Detailed description of the Incentive Scheme is enclosed within the interim condensed financial statements of Parent Company within note no. 17.

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

On 22 April 2015 Mr Władysław Frasyniuk submitted a statement of resignation as of 19 May 2015 from performing the function of Member of the Supervisory Board. The resignation was due to personal matters.

The Composition of the Management Board as at 30/06/2015 and as at the date of publication of this report is as follows:

Zbigniew Sebastian – Chairman,

Stefan Golonka

Stanisław Krauz

Tomasz Domagalski

Jerzy Smardzewski

28. Off-balance sheet items

On 27 March 2013 the Parent Company granted four guarantees of bank loans obtained by FURNIREX Sp. z o.o. with its seat in Hajnówka for the financing of technological investment of total value PLN 18,299 thousand. FURNIREX Sp. z o.o. submitted an offer to the Parent Company, in line with which it invested the funds obtained from technological loans in modern investments which were located in the production facility in Hajnówka rented out from Forte S.A. FURNIREX Sp. z o.o., assisted by modern technologies, conducts services of processing of common materials for FORTE and for other furniture producers. Guarantees were given towards BRE Bank S.A. (present mBank S.A.) with validity period until 30 June 2018. As at 30 June 2015, loans balance amounted to PLN 3,781 thousand.

29. Events which occurred post balance date

Parent Company on 3 July concluded with PKO Bank Polski SA the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 13-07-2017
2. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 14-08-2017
3. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 13-09-2017
4. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-10-2017
5. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-10-2017
6. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-11-2017
7. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-11-2017
8. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-12-2017
9. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-12-2017

On 22 July the Parent Company obtained a decision by the District Court in Białystok, 10th Economic Department- Register of Pledges on the entry for mBank S.A. registered pledge on Company on movable assets in the form of machinery and equipment, up to the maximum amount of the security of EUR 3,600,000. The book value of the assets in the accounts of the Parent Company on which the registered pledge was set amounts to PLN 10,691,380.03-according to the status of 31 May 2015. There are no connections between the Company and persons managing and supervising the Company and mBank S.A.

On 27 July 2015 the Management Board of the Parent Company obtained an information that persons authorized for an exchange of subscription warrants of C series (150,000 warrants) on shares of FABRYKI MEBLI "FORTE" S.A. series G, under the conditional share capital increase of Company defined in resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011 related to the realization of Incentive Scheme for Members of the Management Board covered 150,000 Company shares, conducting payment of the issue price of G series shares to the bank account and submitting written declaration of share ownership. All G series shares are ordinary bearer shares of nominal value of PLN 1 each and are not subject to transfer prohibition. Due to the above, the level of company capital shall be amended, pursuant to the issue of new ordinary bearer shares of G series, of total nominal value of PLN 150,000, it shall amount to PLN 23,901,084. Also the volume of votes at the Ordinary General Meeting of the Company from 23,751,084 to 23,901,084 votes. The Company has submitted an adequate petition to the National Depository for Securities and Warsaw Stock Exchange regarding registration of G series shares and their entry into exchange trading.

On 11 August 2015 National Depository for Securities passed a resolution no. 541/15 on registration in KDPW of 150,000 ordinary bearer shares of G series of nominal value of PLN 1 each, issued under the conditional share capital increase of Company defined in resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011, under the condition of a decision made by the company conducting the regulated market on introducing these shares into the exchange trading on the same regulated market in which other shares of the Issuer have been placed. Registering G series shares of the Issuer shall take place within three days from receipt of KDPW documents confirming introduction of these shares into the exchange trading on the regulated market of Warsaw Stock Exchange, no sooner however than on the day indicated by decision of WSE as the day of introduction of these shares into this regulated market exchange.

On 19 August 2015 the Management Board of Warsaw Stock Exchange allowed market exchange trading on the primary market and decided to allow as of 21 August 2015 in regular mode into the exchange trading on the primary market 150,000 ordinary bearer shares of G series of the Issuer of nominal value PLN 1 each share. G series shares issued under conditional increase of the share capital based on the resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011, related to the realization of the Incentive Scheme for the Members of Management Board of the Issuer (resolution no. 20/2011 of Ordinary General Meeting of the Company of 22 June 2011). Introduction of G series shares for exchange trading on 21 August 2015 shall take place subject to the conduct by National Depository for Securities on 21 August 2015 the registration of these shares and marking them with PLFORTE00012 code.

On 19 August 2015 the Management of the Parent Company obtained information regarding the issue by the Operational Department of the National Depository for Securities an information release that as of 21 August 2015 a registration in KDPW of 150.000 shares of the Issuer marked with ISIN „PLFORTE00012” code will take place.

Parent Company on 24 August 2015 concluded with PKO Bank Polski SA the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-09-2017
2. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-09-2017
3. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-10-2017
4. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-10-2017
5. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-11-2017
6. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-11-2017
7. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-12-2017
8. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 15-01-2018
9. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 29-01-2018
10. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-02-2018
11. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 26-02-2018
12. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-03-2018
13. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 27-03-2018
14. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-04-2018
15. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 26-04-2018
16. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 14-05-2018
17. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 28-05-2018
18. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-06-2018

19. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 27-06-2018

The total nominal amount of the transactions amounts to EUR 31 million (EUR 15.5 million for each option type), which is equivalent to the amount of PLN 135,648 thousand. The Agreement does not contain any specific terms which would be different from generally applied terms for this type of transactions or provisions concerning contractual penalties.

Parent Company on 24 August 2015 concluded with mBank S.A. the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-09-2017
2. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-09-2017
3. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-10-2017
4. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-10-2017
5. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-11-2017
6. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-11-2017
7. EUR 500.000 – Put 4,2800-Call 4,6400 with an expiration date 13-12-2017
8. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 15-01-2018
9. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 29-01-2018
10. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-02-2018
11. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 26-02-2018
12. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-03-2018
13. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-03-2018
14. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-04-2018
15. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 26-04-2018
16. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 14-05-2018
17. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 28-05-2018
18. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-06-2018
19. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-06-2018

The total nominal amount of the transactions amounts to EUR 37 million (EUR 18.5 million for each option type), which is equivalent to the amount of PLN 156,843 million. The Agreement does not contain specific conditions different from generally applied conditions for this type of transactions and provisions concerning contractual penalties.

Signature of the person entrusted with bookkeeping:

**Chief Accounting
Anna Wilczyńska**

.....

Signatures of all members of the Management Board:

**President of the Management Board
Maciej Formanowicz**

.....

**Member of the Management Board
Maria Florczuk**

.....

**Member of the Management Board
Klaus Dieter Dahlem**

.....

**Member of the Management Board
Gert Coopmann**

.....

**Member of the Management Board
Mariusz Gazda**

.....

Ostrów Mazowiecka, 27 August 2015



FABRYKI MEBLI „FORTE” S.A.

Condensed financial statements for the period
of 6 months ended on 30th June 2015

Prepared in accordance with the International
Financial Reporting Standards

TABLE OF CONTENT

Selected financial data	3
Profit and loss account.....	4
Statement of comprehensive income	5
Statement of financial situation (Balance Sheet)	6
Cash flow statement	7
Statement of changes in equity	8
Statement of changes in equity	9
Statement of changes in equity	10
Principles of accounting policy and selected explanatory notes	11
1. General information	11
2. Basis for elaboration and principles (policy) of accounting	12
3. Error adjustment	12
4. Seasonality of operations	12
5. Revenue and costs	13
Sales revenue and geographic structure.....	13
Other operating revenue.....	13
Other operating costs	14
Financial revenue	14
Financial costs.....	14
Costs by type	14
6. Changes in accounting estimates	15
7. Income tax.....	17
8. Intangible assets	17
9. Cash and cash equivalents	18
10. Share capital and supplementary/reserve capital	18
11. Dividend paid and proposed	19
12. Earnings per share.....	19
13. Interest-bearing loans and borrowings.....	20
14. Financial instruments	20
15. Hedge accounting and other derivative financial instruments.....	21
16. Related party transactions.....	22
17. Transactions involving the management board, key managerial staff and members of their immediate families.....	24
18. Off-balance sheet items	26
19. Events which occurred post balance date	26

SELECTED FINANCIAL DATA

	in thousand PLN		in thousand EUR	
Data concerning the separate financial statement	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Net revenue from sales of products, trade goods and materials and services	445 639	401 737	107 796	96 146
Operating profit (loss)	41 307	44 674	9 992	10 692
Profit (loss) before tax	47 385	51 092	11 462	12 228
Profit (loss) of the period	39 078	41 769	9 453	9 996
Total net income for the period	44 446	42 661	10 751	10 210
Net cash flow from operating activities	48 608	16 536	11 758	3 957
Net cash flows from investing activities	(11 884)	(16 069)	(2 875)	(3 846)
Net cash flow from financial activities	(41 791)	6 075	(10 109)	1 454
Net increase /decrease in cash and cash equivalents	(5 067)	6 542	1 226	1 566
Number of shares (in units)	23 751 084	23 751 084	23 751 084	23 751 084
Declared or paid out dividend per share (in PLN/EUR):	2,00	1,50	0,48	0,36
Profit / loss per ordinary share (in PLN/EUR)	1,65	1,76	0,40	0,42
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Total assets	623 507	622 624	148 652	146 077
Total liabilities	221 548	217 609	52 820	51 054
Long-term liabilities	110 383	103 492	26 317	24 281
Short-term liabilities	111 165	114 117	26 503	26 774
Equity	401 959	405 015	95 832	95 023
Share capital	23 751	23,751	5 663	5 572
Book value per share (in PLN/EUR)	16,92	17,05	4,03	4,00

PROFIT AND LOSS ACCOUNT

	Period of 6 months ended	
	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Continued activity		
Revenue from sales of goods, products and materials	442 862	398 237
Revenue from sales of services	2 777	3 500
Sales revenue	445 639	401 737
Cost of sales of sold products, goods and materials	(284 791)	(251 411)
Cost of sales of sold services	(1 611)	(1 610)
Cost of sales	(286 402)	(253 021)
Gross profit from sales	159 237	148 716
Other operating revenue	2 696	935
Costs of sales	(99 149)	(85 800)
General administrative costs	(17 072)	(16 890)
Other operating costs	(4 405)	(2 287)
Operating profit (loss)	41 307	44 674
Financial revenue	6 170	5 591
Financial costs	(1 407)	(575)
Profit (loss) on derivative financial instruments	1 315	1 402
Profit (loss) before tax	47 385	51 092
Income tax	(8 307)	(9 323)
Profit (loss) on continued operations of the period	39 078	41 769
Discontinued operations	-	-
Profit (loss) on discontinued operations of the period	-	-
Profit (loss) of the period	39 078	41 769
Profit (loss) per share for the period:		
- basic	1,65	1,76
- diluted	1,65	1,76

STATEMENT OF COMPREHENSIVE INCOME

	Period of 6 months ended	
	30 June 2015 (unaudited)	30 June 2014 (unaudited)
Profit (loss) of the period	39 078	41 769
Other net comprehensive income, including:	5 368	892
Items which in the future will not be reclassified to the profit and loss account	496	436
Revaluation of employee benefit obligations	-	-
Deferred tax regarding employee benefits	-	-
Incentive Scheme	496	436
Items which in the future may be reclassified to the profit and loss account	4 872	456
Hedge accounting	6 009	563
Income tax on other comprehensive income	(1 137)	(107)
Total comprehensive income for the period	44 446	42 661

STATEMENT OF FINANCIAL SITUATION (BALANCE SHEET)

	30 June 2015 (unaudited)	Status as at 31 December 2014 (audited)	30 June 2014 (unaudited)
ASSETS			
Non-current assets	281 123	272 857	257 685
Tangible fixed assets	222 901	216 331	200 338
Intangible assets	16 484	16 559	16 785
Investment properties	31 279	29 858	29 751
Financial assets	10 459	10 109	10 811
Current assets	349 384	349 767	338 968
Reserves	146 803	149 013	137 263
Trade and other receivables	138 272	144 545	113 275
Receivables due to derivative financial instruments	10 861	4 852	9 882
Accruals	2 816	2 665	2 193
Financial assets	535	593	491
Cash and cash equivalents	43 097	48 099	75 864
TOTAL ASSETS	623 507	622 624	596 653
LIABILITIES			
Equity	401 959	405 015	376 172
Share capital	23 751	23 751	23 751
Surplus of share sale above their nominal value	111 646	111 646	111 646
Revaluation reserve from hedging instruments	8 797	3 925	8 004
Capital from merger	(1 073)	(1 073)	(1 073)
Incentive Scheme	1 786	1 290	856
Other reserve capital	194 824	167 714	167 714
Retained earnings	62 228	97 762	65 274
Long-term liabilities	110 383	103 492	87 699
Interest-bearing loans and borrowings	92 495	86 678	71 375
Deferred income tax provision	12 625	10 941	11 745
Provision for benefits after the employment period	3 215	3 215	2 552
Accruals	49	61	74
Financial liabilities due to lease	1 999	2 597	1 953
Short-term liabilities	111 165	114 117	132 782
Trade and other receivables	71 042	62 885	96 089
Liabilities due to derivative financial instruments	-	-	-
Current portion of interest-bearing loans and borrowings and securities	10 443	9 821	3 38
Income tax liabilities	1 702	12 669	7 709
Provisions and accrued liabilities	26 706	27 523	24 808
Financial liabilities due to lease	1 272	1 219	838
Total liabilities	221 548	217 609	220 481
TOTAL LIABILITIES AND EQUITY	623 507	622 624	596 653

CASH FLOW STATEMENT

	Period of 6 months ended		
	30 June 2015 (unaudited)	31 December 2014 (audited)	30 June 2014 (unaudited)
Cash flow from operating activity			
Profit/ (loss) of the period	39 078	74 612	41,769
Adjustments by:	9 530	(46 310)	(25 233)
Amortisation	9 156	16 483	8 104
Foreign exchange (profit)/loss	584	3 058	52
Net interest and dividends	(4 826)	(3 629)	(3 986)
(Profit)/ Loss on investing activity	(348)	(105)	(46)
Change in the valuation of derivative financial	(1 137)	1 349	399
Change in receivables	6 276	(45 050)	(13 784)
Change in inventories	2 210	(35 926)	(24 176)
Change in liabilities, excluding loans and borrowings	8 550	7 203	5 022
Change in accruals and deferrals	(980)	8 812	6 691
Change in provisions	1 684	(1 425)	(704)
Income tax paid	(18 727)	(16 301)	(13 388)
Current tax recognised in profit or loss	7 760	18 007	10 135
Provision for retirement benefits	-	332	-
Incentive Scheme valuation	496	870	436
Other adjustments	-	12	12
Net cash flow from operating activities	48 608	28 302	16 536
Cash flows from investing activities			
Sale of tangible fixed assets and intangible assets	425	613	340
Purchase of tangible fixed assets and intangible assets	(17 368)	(43 777)	(21 073)
Sale of financial assets	-	-	-
Purchase of financial assets	(10)	-	-
Dividends received	5 391	4 487	4 461
Interest received	28	83	44
Borrowings granted	(360)	(20)	(20)
Repayment of borrowings granted	10	697	179
Other investment inflows	-	-	-
Other investment outflows	-	-	-
Net cash flow from investment activities	(11 884)	(37 917)	(16 069)
Cash flows from financial activities			
Inflows from loans and borrowings taken out	10 003	42 202	21 073
Repayment of loans and borrowings	(3 059)	(16 228)	(13 892)
Dividends paid	(47 502)	(35 627)	-
Interest paid	(592)	(935)	(520)
Repayment of leasing liabilities	(641)	(1 021)	(586)
Other financial outflows	-	-	-
Net cash flow from financial activities	(41 791)	(11 609)	6 075
Net increase / decrease in cash and cash equivalents	(5 067)	(21 224)	6 542
Net foreign exchange differences	(65)	(46)	45
Opening balance of cash	48 099	69 277	69 277
Cash at end of period, including:	43 097	48 099	75 864
of limited disposability	-	-	-

STATEMENT OF CHANGES IN EQUITY

for the period of 6 months ended on 30 June 2015 (nonaudited)

	Share capital	Surplus of share sale above their nominal value	Retained earnings (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital	Capital from merger	Incentive Scheme	Total
as at 01 January 2015:	23 751	111 646	97 762	3 925	167 714	(1 073)	1 290	405 015
Changes in Accounting Principles (Policy)						-		
Error corrections						-		
As at 01 January 2015 after adjustments	23 751	111 646	97 762	3 925	167 714	(1 073)	1 290	405 015
Write-off of previous years' result for reserve capital	-	-	(27 110)	-	27 110	-	-	-
Dividend for 2014 to be paid	-	-	(47 502)	-	-	-	-	(47 502)
Provisions for employee benefits	-	-	-	-	-	-	-	-
Current result	-	-	39 078	-	-	-	-	39 078
Hedge accounting	-	-	-	4 872	-	-	-	4 872
Incentive Scheme valuation	-	-	-	-	-	-	496	496
Total comprehensive income for the period	-	-	39 078	4 872	-	-	496	44 446
as at 30 June 2015:	23 751	111 646	62 228	8 797	194 824	(1 073)	1 786	401 959

STATEMENT OF CHANGES IN EQUITY

for the year ended on 31 December 2014

	Share capital	Surplus of share sale above their nominal value	Retained earnings (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital	Capital from merger	Incentive Scheme	Total
as at 01 January 2014:	23 751	111 646	80 043	7 548	146 803	(1 073)	420	369 138
Changes in Accounting Principles (Policy)	-	-	-	-	-	-	-	-
Error corrections	-	-	-	-	-	-	-	-
As at 01 January 2014 after adjustments	23 751	111 646	80 043	7 548	146 803	(1 073)	420	369 138
Write-off of previous years' result for reserve capital	-	-	(20 911)	-	20 911	-	-	-
Payment of dividend for 2013	-	-	(35 627)	-	-	-	-	(35 627)
Provisions for employee benefits	-	-	355.	-	-	-	-	(355)
Current result	-	-	74,612	-	-	-	-	74 612
Hedge accounting	-	-	-	(3 623)	-	-	-	(3 623)
Incentive Scheme valuation	-	-	-	-	-	-	870	870
Total comprehensive income for the period	-	-	74 257	(3 623)	-	-	870	71 504
as at 31 December 2014:	23 751	111 646	97 762	3 925	167 714	(1 073)	1 290	405 015

STATEMENT OF CHANGES IN EQUITY

for the period of 6 months ended on 30 June 2014 (nonaudited)

	Share capital	Surplus of share sale above their nominal value	Retained earnings (losses) retained	Revaluation reserve from hedging instruments	Other reserve capital	Capital from merger	Incentive Scheme	Total
as at 01 January 2014:	23 751	111 646	80 043	7 548	146 803	(1 073)	420	369 138
Changes in Accounting Principles (Policy)	-	-	-	-	-	-	-	-
Error corrections	-	-	-	-	-	-	-	-
As at 01 January 2014 after adjustments	23 751	111 646	80 043	7 548	146 803	(1 073)	420	369 138
Write-off of previous years' result for reserve capital	-	-	(20 911)	-	20 911	-	-	-
Dividend for 2013 to be paid	-	-	(35 627)	-	-	-	-	(35 627)
Provisions for employee benefits	-	-	-	-	-	-	-	-
Current result	-	-	41 769	-	-	-	-	41 769
Hedge accounting	-	-	-	456	-	-	-	456
Incentive Scheme valuation	-	-	-	-	-	-	436	436
Total comprehensive income for the period	-	-	41 769	456	-	-	436	42 661
as at 30 June 2014:	23 751	111 646	65 274	8 004	167 714	(1 073)	856	376 172

ACCOUNTING POLICY AND SELECTED EXPLANATORY NOTES

1. GENERAL INFORMATION

FABRYKI MEBLI „FORTE” S.A. (Company) is a joint-stock company with registered seat in Ostrów Mazowiecka, at ul. Biała 1 the shares of which are available within public trading.

Main activities of the Company include:

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

On 27 August 2015 interim condensed financial statement of the Company for the period of 6 months ended on 30 June 2015 was approved for publication by the Management Board.

The Company elaborated also the interim condensed consolidated financial statement of the Company for the period of 6 months ended on 30 June 2015 which was approved for publication by the Management Board on 27 August 2015.

Company's investments

The Company owns investments in the following subsidiaries:

Subsidiaries	Headquarters	Scope of activities	Percentage share of the Group in capital	
			30.06.2015	31.12.2014
MV Forte GmbH	Erkelenz (Germany)	Dealership	100%	100%
Forte Möbel AG	Baar (Switzerland)	Dealership	99%	99%
Forte Baldai UAB	Vilnius (Lithuania)	Dealership	100%	100%
Forte SK S.r.o.	Bratislava (Slovakia)	Dealership	100%	100%
Forte Furniture Ltd.	Preston (United Kingdom)	Dealership	100%	100%
Forte Iberia S.l.u.	Valencia (Spain)	Dealership	100%	100%
Forte Mobilier S.a.r.l.	Lyon (France)	Dealership	100%	100%
Forte Mobila S.r.l.	Bacau (Romania)	Dealership	100%	100%
Kwadrat Sp. z o.o.	Bydgoszcz	Real estate service and lease	77.01%	77.01%
<i>Galeria Kwadrat Sp. z o.o.</i>	<i>Bydgoszcz</i>	<i>Facilities Management</i>	<i>77.01%</i>	<i>77.01%</i>
TM Handel Sp. z o.o.	Warsaw	Advisory services regarding conducting business activity and management	100%	100%
TM Handel Sp. z o.o. S.K.A.	Ostrów Mazowiecka	Purchase, sale and management of real estate, advisory services regarding conducting business activity and management	100%	100%
<i>**Fort Investment Sp. z o.o.</i>	<i>Ostrów Mazowiecka</i>	<i>Purchase, sale and management of real estate, advisory services regarding conducting business activity and management</i>	<i>100%</i>	<i>100%</i>
DYSTRI-FORTE Sp. z o.o	Ostrów Mazowiecka	Storage and warehousing of goods	100%	-
TANNE Sp. z o.o.	Suwałki ul.	Production activity	100%	-

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

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

On 13.02.2015 a company DYSTRI-FORTE Sp. z o.o. was registered under the KRS number 0000543794 with its registered seat in Ostrów Mazowiecka, at ul. Biała 1. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of DYSTRI-FORTE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

On 26.02.2015 a company TANNE Sp. z o.o. was registered under the KRS number 0000546082 with its registered seat in Suwałki, at ul. Północna 30. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of TANNE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

On 11 June 2015 the subsidiary Forte Mobila SRL filed a bankruptcy petition in the Bacau Court. Decision regarding termination of activity of Forte Mobila SRL was targeted at liquidation of unprofitable structures within the Capital Group of the Issuer. Filing of bankruptcy petition will have no impact on the financial situation of the FM Forte SA, particularly it will not influence the current financial result as the Parent Company within the previous periods covered any assets owned within the subsidiary with impairment write-offs.

2. BASIS FOR ELABORATION AND PRINCIPLES (POLICY) OF ACCOUNTING

Basis of elaboration

The hereby interim condensed financial statement of the Company (Interim condensed separate financial statement) has been drawn up in accordance with the International Accounting Standards (IAS) 34-Interim Financial Reporting (IFR 34) and compliant with the appropriate accounting standards applicable to interim financial reporting approved by EU, published and in force at the time of preparation of the hereby interim condensed separate financial statement of the Company.

Unaudited interim separate financial statements do not cover all information and disclosures required within annual financial statement and ought to be read solely together with the Annual Financial Statement of the Company for the year 2014, elaborated in compliance with International Financial Reporting Standards.

Interim financial result ought not to be treated as an indication of financial result for the entire financial year. Within the interim separate financial statement costs which arise during the financial year unevenly are anticipated or deferred only when the above costs ought to be anticipated or ought to be subject to deferral at the end of a given financial year.

The hereby interim condensed separate financial statement has been drawn up i Polish currency in thousand zloty.

Changes in accounting principles / principles of presenting data in financial statements

Changes in standards and new interpretations in force for annual periods commencing on or after 1 January 2015 have been presented in the condensed consolidated financial statement of the Capital Group Fabryki Mebli "FORTE" S.A. for the period of 6 months ended on 30 June 2015.

Summary of significant accounting policies

Principles (policy) of accounting applied to elaboration of interim condensed financial statement in accordance with these which were applied while preparing annual financial statement of the Company for the year ended on 31 December 2014 with the exception of applying changes to standards and new interpretations in force for annual periods commencing on or after 1 January 2015.

3. ERROR ADJUSTMENT

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

4. SEASONALITY OF OPERATIONS

Seasonality can be observed in the Company'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	Share %
Q1 2015	254 932	-
Q2 2015	190 707	-
Total 1st half 2015	445 639	-
Q1 2014	211 980	25,8 %
Q2 2014	189 757	23,1 %
Total 1st half 2014	401 737	48,9%
Total 2014	821 631	100,00%

5. REVENUE AND COSTS

Sales revenue and geographic structure

Sales revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Revenue from sales of goods, products and materials		
- products	435 871	391 773
- goods	4 244	3 520
- materials	2 747	2 944
Revenue from sales of services	2 777	3 500
Total net revenue from sales	445 639	401 737
Geographic structure:		
- domestic	70 346	63 687
- export	375 293	338 050
Total net revenue from sales	445 639	401 737
- including from related entities	17 796	19 514

Information on key customers

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

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

Other operating revenue

Other operating revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Release of write-downs on current assets	208	55
Release of write-downs on current assets	-	365
Loss on disposal of property, plant and equipment	-	-
Revaluation of investment real properties	1 421	-
Subsidies	12	256
Compensations	886	164
Other	169	95
Total other operating revenue	2 696	935

Other operating costs

Other operating costs	For the reporting period ended	
	30.06.2015	30.06.2014
(restated) Creation of revaluation write-downs	25	176
Liquidation and impairment write-downs on property, plant and equipment	-	1
Loss on disposal of property, plant and equipment	1 074	320
Scrapping of inventory	1 987	1 229
Donations	61	362
Penalties and compensations	1 152	127
Court costs	20	12
Other	86	60
Total other operating costs	4 405	2 287

Financial revenue

Financial revenue	For the reporting period ended	
	30.06.2015	30.06.2014
Dividends	5 391	4 461
Interest	779	1 130
Financial revenue, total	6 170	5 591

Financial costs

Financial costs	For the reporting period ended	
	30.06.2015	30.06.2014
Interest on loans and leasing	547	474
Commission on loans	53	41
Exchange differences of financial assets and liabilities	803	43
Other	4	17
Financial costs, total	1 407	575

Costs by type

Costs by type	For the reporting period ended	
	30.06.2015	30.06.2014
Amortisation	9 156	8 104
Consumption of materials and energy	218 690	195 543
External services	90 739	83 132
Taxes and fees	4 015	4 093
Payroll	58 187	53 971
Social insurance and other benefits	14 631	12 442
Other costs by type	4 377	3 057
	399 795	360 342
Change in product inventory and accruals	(817)	(8 695)
Manufacturing cost of products for internal purposes	(1 314)	(814)
Costs of sales	(99 149)	(85 800)
General administrative costs	(17 072)	(16 890)
Manufacturing cost of sold products and services	281 443	248 143
Value of goods and materials sold	4 959	4 878
Cost of sales	286 402	253 021

Information on key suppliers

The strategic supplier of raw materials for Forte Group is PFLEIDERER Group the share of which in the turnover exceeded 10 % of revenue from sale of the Group.

There are no formal ties between the supplier and the Company.

6. CHANGES IN ACCOUNTING ESTIMATES

As at 30 June 2015, the Group made the following changes in accounting estimates in comparison to 31 December and 30 June 2014:

Deferrals

Accruals	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Motor and property insurance	251	704	259
Fairs	7	105	-
Research and development works	1 472	1 210	1 065
Corporate services	-	-	-
Business trips	-	28	151
Perpetual usufruct of land	540	-	515
Other	546	618	203
	2 816	2 665	2 193

Non-current provisions	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Deferred tax assets	-	-	-
Deferred tax provision	12 625	10 941	11 745
Benefits after the employment period	3 215	3 215	2 552
Other provisions	-	-	-

Provisions and accrued liabilities

Long-term accruals	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Long-term accrued income due to:			
Subsidy to purchased tangible fixed assets	49	61	74

Short-term accruals	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Accrued expenses due to:			
Commissions	1 821	1 786	1 428
Bonuses for customers	11 668	12 023	9 402
Leaves	2 561	2 561	2 306
Bonuses	2 360	5 169	3 429
Balance sheet audit costs	32	56	32
External services	6 332	4 121	6 827
Other	41	45	63

Short-term provisions:			
Short-term provision for benefits after the employment period	167	167	59
Guarantee repairs	1 700	1 571	1 238
Accrued income due to:			
Subsidy to purchased tangible fixed assets	24	24	24
	26 706	27 523	24 808

The amount of PLN 11,668 thousand is a provision created by the Group for future bonuses payable due to sales realised in 2015 to customers from, above all, 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 6,332 thousand is a provision created by the Group for the costs of external services, in particular: transportation, marketing, insurance of receivables and utilisation services.

As at the balance sheet date ended 30 June 2015, the Group created a provision for the bonus for the Management Board in the amount of PLN 2,360 thousand.

Changing write-downs on assets

	30.06.2015	31.12.2014	30.06.2014
Write-downs updating share value	426	426	426
Write-downs on short-term receivables	2 837	3 022	3 028
Write-downs on tangible fixed assets	3	3	3
Write-downs on inventory	2 394	3 034	4 759

Write-downs on receivables

Write-downs on receivables	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3 022	2 906	2 906
Creation	25	591	176
Utilisation	(2)	(244)	-
Release	(208)	(231)	(54)
Impairment write-off as at balance date	2 837	3 022	3 028

Impairment write-offs for the value of fixed assets

Impairment write-offs for the value of fixed assets	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3	368	368
Creation	1 100	-	-
Release	(1 100)	(365)	(365)
Impairment write-off as at balance date	3	3	3

Write-downs on inventory

Inventories revaluation write-downs	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	3 034	5 450	5 450
Creation	-	376	-
Release	(640)	(2 792)	(691)
Impairment write-off as at balance date	2 394	3 034	4 759

Within the reporting period ended on 30 June 2015 the Group released an impairment write-off on value of reserves in the amount of PLN 640 thousand on account of its use for scrapping of damaged and unfit for further use pallets.

Inventories revaluation write-downs

Inventories revaluation write-downs	30.06.2015	31.12.2014	30.06.2014
Impairment write-off as at 1 January	426	426	414
Creation	-	-	12
Release	-	-	-
Impairment write-off as at balance date	426	426	426

7. INCOME TAX

Income tax	For the reporting period ended	
	30.06.2015	30.06.2014
Current income tax		
Current charge due to income tax	7 754	10 135
Adjustments related to current income tax from previous years	6	-
Deferred income tax		
Relating to the origination and reversal of temporary differences	547	812.
Tax expense reported in the profit and loss account	8 307	9 323

8. INTANGIBLE ASSETS

The balance sheet value of machinery and equipment used as at 30 June 2015 by the Group on the basis of financial lease agreements and lease agreements with the option of repurchase is PLN 4,412 thousand, (as at 31 December 2014: PLN 4,744 thousand, as at 30 June 2014: PLN 3,611 thousand) of which PLN 1,708 thousand concerns leasing of machines and equipment, PLN 2,582 thousand PLN-leasing of transport means and PLN 122 thousand lease of other fixed assets.

Pledged assets as security

Land and buildings with the balance sheet value of PLN 73,842 thousand (As at 31 December 2014: PLN 74,745 thousand, as at 30 June 2014: PLN 74,378 thousand) are covered by mortgages established to secure bank loans.

Additionally, machinery and equipment with the balance sheet value of PLN 42,271 thousand are subject to registered pledge (as at 31 December 2014: PLN 17,973 thousand, as at 30 June 2014: PLN 41,796 thousand).

Capitalised external financing costs in the reporting period ended 30 June 2015 are PLN 63 thousand (As at 31 December 2014: PLN 83 thousand, as at 30 June 2014: PLN 87 thousand).

Capital commitments

As at 30 June 2015 investment liabilities of the Company amount to PLN 964 thousand. (As at 31 December 2014: PLN 1,315 thousand, as at 30 June 2014: PLN 962 thousand). This amount primarily concerns expenditures on tangible fixed assets under construction and the purchase of machinery and equipment.

Purchase and sale

In the 6-month period ended 30 June 2015, the Group purchased tangible fixed assets with a value of PLN 16,731 thousand (in the comparative period ended 30 June 2014: PLN 20,156 thousand) and sold tangible fixed assets with a net value of PLN 1,432 thousand (in the comparative period ended 30 June 2014: PLN 286 thousand).

9. CASH AND CASH EQUIVALENTS

For the purposes of the interim condensed cash flow statement, cash and its equivalents comprise the following items:

Cash and cash equivalents	Status as at		
	30.06.2015	31.12.2014	30.06.2014
Cash in bank and in hand	9 249	5 629	3 874
Other cash (overnight deposits and deposits under three months, corporate bonds)	33 848	42 470	71 990
Cash in bank and in hand attributable to discontinued operations	-	-	-
Total cash and cash equivalents	43 097	48 099	75 864

Cash and cash equivalents at bank earn interest at floating rates based on daily bank deposit rates. Short-term deposits are conducted for periods of time from one day to three months- depending on the current requirements of the Company for funds and they are subject to negotiated individually interest rates. The fair value of cash and cash equivalents as at 30 June 2015 is PLN 44,097 thousand (As at 31 December 2014: PLN 48, 099 thousand, as at 30 June 2014: PLN 75,864 thousand).

As at 30 June 2015, the Group did not hold cash of limited disposability (as at 31 December 2014 and 30 June 2014: did not occur).

10. SHARE CAPITAL AND SUPPLEMENTARY/RESERVE CAPITAL

Share capital

In the reporting period ended 30 June 2015 there were no changes in the initial capital of the Parent Entity (year 2014: no changes occurred).

Share premium

During the 6 months ended on 30 June 2015 no events occurred which would cause a change in share premium above their nominal value (year 2014: changes also did not occur).

Other capital

	Reserve capital legally established	Other reserve capital	Total
as at 01 January 2015:	1 250	166 464	167 714
Write-down on gains for investments and the financing of the current activities of the Group	-	27 110	27 110
as at 30 June 2015:	1 250	193 574	194 824

	Reserve capital legally established	Other reserve capital	Total
as at 01 January 2014:	1 250	145 553	146 803
Write-down on gains for investments and the financing of the current activities of the Group	-	20 911	20 911
as at 30 June 2014:	1 250	166 464	167 714

Reserve capital from dividend fund and other reserve capitals

	30.06.2015	Status as at 31.12.2014	30.06.2014
Accumulated result obtained on financial instruments securing cash flows at the beginning of the financial period	3 925	7 548	7 548
Amount included in own capital in the reporting period on account of hedge transactions	9 043	(39)	3 724
Amount transferred to the profit and loss account for:			
-ineffectiveness of realized transactions	(1 152)	(1 832)	(1 402)
-realization of hedge transactions	(1 882)	(2 595)	(1 759)
-discontinuation of hedge accounting	-	-	-
Deferred income tax	(1 137)	843	(107)
Accumulated result obtained on financial instruments securing cash flows at the end of the financial period	8 797	3 925	8 004

11. DIVIDEND PAID AND PROPOSED

By virtue of a resolution of the Annual General Meeting of 19 May 2015, the decision was made to distribute the Company net profit for the financial year 2014 in the amount of PLN 74,612 thousand, allocating PLN 47,502 thousand to the payment of dividend and PLN 27,110 thousand to supplementary capital. The amount of dividend shall amount to PLN 2 per 1 share. The dividend record date was set for 27 May 2015. Dividend was paid on 11 June 2015.

By virtue of a resolution of the Annual General Meeting of 10 June 2014, the decision was made to distribute the Company net profit for the financial year 2013 in the amount of PLN 56,538 thousand, allocating PLN 35,627 thousand to the payment of dividend and PLN 20,911 thousand to supplementary capital. The amount of dividend shall amount to PLN 1,50 per 1 share. The dividend record date was set for 25 June 2014. Dividend was paid on 02 July 2014.

12. EARNINGS PER SHARE

Calculation of number of shares used for calculating the indicator of profit(loss) per one share was disclosed within the note 22 of the interim consolidated financial statement.

13. INTEREST-BEARING LOANS AND BORROWINGS

Short-term	Nominal interest rate %	Due date	30.06.2015	31.12.2014
mBank S.A. -investment loan in the amount of PLN 2,400 thousand EUR- -short-term portion	1 M EURIBOR	by 31/12/2018	2 517	2 220
mBank S.A. -working capital loan in the amount of 1,00 thousand EUR- -short-term portion	depending on the currency used O/N WIBOR or O/N EURIBOR or O/N LIBOR	by 15/12/2015	4 836	4 461
PKO BP S.A. -investment loan in the amount of PLN 3,500 thousand EUR- -short-term portion	1 M EURIBOR	by 22/12/2018	3 090	3 141
Total short-term			10 443	9 822

Long-term	Nominal interest rate %	Due date	30.06.2015	31.12.2014
mBank S.A. -investment loan in the amount of PLN 2,400 thousand EUR- -long-term portion	1 M EURIBOR	by 31/12/2018	6 095	6 659
PKO BP S.A. -investment loan in the amount of PLN 3,500 thousand EUR- -long-term portion	1 M EURIBOR	by 22/12/2018	7 628	9 322
PKO BP S.A.- working capital credit in the amount of PLN 45,000 thousand - long-term portion	depending on the currency used 1M WIBOR or 1M EURIBOR	by 19/12/2016	38 598	34 098
ING Bank Śląski S.A. -working capital credit in the amount of PLN 40,000 thousand - long-term portion	depending on the currency used 1M WIBOR or 1M EURIBOR or 1M LIBOR	by 31/10/2016	40 174	36 599
Long-term total			92 495	86 678

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

Currency	Status as at		
	30.06.2015	31.12.2014	30.06.2014
PLN	5 043	-	-
EUR	81 947	85 271	72 557
USD	15 948	11 229	2 156
	102 938	96 500	74 713

Within the period of 6 months ended on 30 June 2015 the Group obtained a loan in the amount of PLN 42,202 thousand and conducted repayments of loans for the total amount of PLN 16,228 thousand.

14. 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.

15. HEDGE ACCOUNTING AND OTHER DERIVATIVE FINANCIAL INSTRUMENTS

Fair value foreign exchange contracts

As at 30 June 2015, the fair value of foreign exchange contracts that meet the criteria for hedge accounting amounted to PLN 10,861 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 Bank	Fair value
EUR	10 000	Put option	11.2013	08.2015-09.2015	4,2500	PKO BP S.A.	779
EUR	10 000	Call option	11.2013	08.2015-09.2015	4,6300	PKO BP S.A.	(2)
EUR	6 000	Put option	03.2014	01.2016-03.2016	4,2500	PKO BP S.A.	808
EUR	6 000	Call option	03.2014	01.2016-03.2016	4,6300	PKO BP S.A.	(25)
EUR	26 000	Put option	04.2014	01.2015-04.2016	4,2500	PKO BP S.A.	1957
EUR	26 000	Call option	04.2014	01.2015-04.2016	4,6850	PKO BP S.A.	(156)
EUR	3 000	Put option	08.2014	08.2016	4,2500	PKO BP S.A.	376
EUR	3 000	Call option	08.2014	08.2016	4,6550	PKO BP S.A.	(96)
EUR	9 000	Put option	10.2014	09-10.2016	4,2300	PKO BP S.A.	1 080
EUR	9 000	Call option	10.2014	09-10.2016	4,5800	PKO BP S.A.	(490)
EUR	9 000	Put option	06.2015	07-09.2017	4,2260	PKO BP S.A.	1 227
EUR	9 000	Call option	06.2015	07-09.2017	4,5800	PKO BP S.A.	(1 299)
Total						PKO BP S.A.	4 159
EUR	4 000	Put option	08.2013	07.2015	4,2600	mBank S.A.	285
EUR	4 000	Call option	08.2013	07.2015	4,8000	mBank S.A.	-
EUR	14 500	Put option	01.2014	10.2015-12.2015	4,2200-4,2710	mBank S.A.	1 323
EUR	14 500	Call option	01.2014	10.2015-12.2015	4,5870-4,5900	mBank S.A.	(66)
EUR	7 000	Put option	08.2014	05-07.2016	4,2300	mBank S.A.	774
EUR	7 000	Call option	08.2014	05-07.2016	4,6000	mBank S.A.	(215)
EUR	6 000	Put option	10.2014	08-09.2016	4,2200-4,2500	mBank S.A.	718
EUR	6 000	Call option	10.2014	08-09.2016	4,6000	mBank S.A.	(331)
EUR	15 000	Put option	11.2014	10-12.2016	4,2300	mBank S.A.	1 855
EUR	15 000	Call option	11.2014	10-12.2016	4,6100	mBank S.A.	(867)
EUR	10 500	Put option	12.2014	01-03.2017	4,3000-4,6670	mBank S.A.	1 700
EUR	10 500	Call option	12.2014	01-03.2017	4,6030-4,6770	mBank S.A.	(659)
Total						mBank S.A.	4 517
EUR	9 000	Put option	03.2014	07.2015-12.2015	4,2600	ING Bank Śląski S.A.	846

EUR	9 000	Call option	03.2014	07.2015-12.2015	4,7305	ING Bank Śląski S.A.	(5)
EUR	6 000	Put option	06.2014	05-06.2016	4,2000	ING Bank Śląski S.A.	570
EUR	6 000	Call option	06.2014	05-06.2016	4,6135	ING Bank Śląski S.A.	(154)
EUR	6 000	Put option	08.2014	07.2016	4,2500	ING Bank Śląski S.A.	368
EUR	6 000	Call option	08.2014	07.2016	4,6412	ING Bank Śląski S.A.	(86)
EUR	7 500	Put option	12.2014	01-03.2016 08 -09.2016 11.2016.	4,3000	ING Bank Śląski S.A.	1 092
EUR	7 500	Call option	12.2014	07.2016	4,6412	ING Bank Śląski S.A.	(388)
EUR	32 000	Put option	06.2015	01-06.2017	4,2000	ING Bank Śląski S.A.	3 815
EUR	32 000	Call option	06.2015	01-06.2017	4,4818	ING Bank Śląski S.A.	(3 873)
Total						ING Bank Śląski S.A.	2,185

16. RELATED PARTY TRANSACTIONS

The following table presents total amounts of transactions concluded with related entities:

Related entity		Sale to affiliated entities	Purchase from affiliated entities	Receivables from affiliated entities	Liabilities towards affiliated entities
Subsidiaries:					
MV Forte GmbH	30.06.2015	17	7 642	53	3 227
	31.12.2014	1 174	14 678	1 041	2 644
	30.06.2014	98	7 461	18	3 129
Forte Möbel AG	30.06.2015	14 737	1 031	3 196	410
	31.12.2014	28 132	2 816	5 441	387
	30.06.2014	13 274	892	3 192	149
Forte Baldai UAB	30.06.2015	-	87	-	15
	31.12.2014	-	252	-	21
	30.06.2014	-	125	-	21
Forte SK S.r.o.	30.06.2015	-	545	-	92
	31.12.2014	7	1 907	1	126
	30.06.2014	4	957	4	136
Forte Furniture Ltd.	30.06.2015	-	239	-	41
	31.12.2014	-	502	-	44
	30.06.2014	-	245	-	41
Forte Iberia S.l.u.	30.06.2015	5	496	-	19
	31.12.2014	24	755	-	1
	30.06.2014	23	376	21	-

Forte Mobilier S.a.r.l.	30.06.2015	-	-	-	-
	31.12.2014	-	486	-	-
	30.06.2014	-	251	-	42
Forte Mobila S.r.l.	30.06.2015	-	-	-	-
	31.12.2014	7	491	25	-
	30.06.2014	7	454	1 289	61
TM Handel Sp. z o.o.	30.06.2015	3 035	522	767	402
	31.12.2014	10 887	1 382	2 788	513
	30.06.2014	6 106	696	2 611	604
TM Handel Sp. z o.o. SKA	30.06.2015	1	-	-	-
	31.12.2014	1	10	-	-
	30.06.2014	1	-	-	-
Fort Investment Sp. z o.o. *	30.06.2015	1	-	-	-
	31.12.2014	1	-	-	-
	30.06.2014	1	-	-	-
Total	30.06.2015	17 796	10 562	4 016	4 206
	31.12.2014	40 233	23 279	9 296	3 736
	30.06.2014	19 514	11 457	7 135	4 183

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

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

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

Loans and credits granted to affiliated entities

On 21 May 2015 the Group granted a loan to the subsidiary Fort Investment with its registered seat in Ostrów Mazowiecka for the amount of PLN 2,100 thousand. The loan is to be paid in several drawings, agreed between the Parties. The total payment of the loan will take place on 31 December 2015. Repayment term of the loan was set for 31 December 2020.

On 30 June 2015 the Group concluded an Annex to the Loan Agreement concluded on 4 April 2013 with the related entity Galeria Kwadrat Sp. z o.o. The Annex establishes repayment term of the loan for 30 June 2021.

The balance of granted loans as at 30/06/2015 is presented within the table below:

Related entity	Amount of loan in currency	Loan currency	Payment term	Loan balance as at 30.12.2014 in PLN thousand	Interest amount as at 30.06.2015
Subsidies:					
Kwadrat Sp. z o. o.	439	EUR	June 2018	1 366	5
Galeria Kwadrat Sp. z o.o.	1,254	PLN	June 2021	1 020	8
Fort Investment Sp. z o.o.	20	PLN	December 2015	10	-
Fort Investment Sp. z o.o.	2,100	PLN	December 2020	360	-
Total:				2 756	13
including:					
Short-term portion:					
Kwadrat Sp. z o.o.				341	5
Galeria Kwadrat Sp. z o.o.				170	8
Fort Investment Sp. z o.o.				10	-

Total:	521	13
Long-term portion:		
Kwadrat Sp. z o. o.	1,025	-
Galeria Kwadrat Sp. z o.o.	850	-
Fort Investment Sp. z o.o.	360	-
Total:	2,235	-

Balance of loans granted to subsidiaries as at 31/12/2014:

Related entity	Loan amount	Loan currency	Payment term	Loan balance as at 31.12.2014	Value of interest due as at 31.12.2014
Subsidies:					
Kwadrat Sp. z o. o.	439	EUR	June 2018	1 388	6
Galeria Kwadrat Sp. z o.o.	1 254	PLN	June 2020	1 020	9
Forte SK S. r. o.	1 260	PLN	December 2015	41	-
Fort Investment Sp. z o.o.	20	PLN	December 2015	20	-
Total:				2 469	15
including:					
Short-term portion:					
Kwadrat Sp. z o. o.				347	6
Galeria Kwadrat Sp. z o.o.				170	9
Forte SK S. r. o.				41	-
Fort Investment Sp. z o.o.				20	-
Total:				578	15
Long-term portion:					
Kwadrat Sp. z o. o.				1 041	-
Galeria Kwadrat Sp. z o.o.				850	-
Total:				1 891	-

17. TRANSACTIONS INVOLVING THE MANAGEMENT BOARD, KEY MANAGERIAL STAFF AND MEMBERS OF THEIR IMMEDIATE FAMILIES.

Incentive Scheme for Members of the Management Board of the Parent Company and the issue of series D, E and F subscription warrants with the exclusion of the pre-emptive right to series D, E and F subscription warrants

On 10 June 2014 a General Meeting of Shareholders of FABRYKI MEBLI „FORTE” S.A., approved a launch of the Incentive Scheme for the Members of Management Board ("Incentive Scheme").

The purpose of the Incentive Scheme is to strive for further development of the Capital Group of the Company and its subsidiaries ("Capital Group") by creating motivational mechanisms for persons responsible for Company management, which would refer to the financial results of the Capital Group and an increase of share value.

The programme is of settlement program character via emission of capital instruments in exchange for services provided - total of 356,220 subscription warrants of the Company in 3 series with issue price equal to the arithmetic mean of rate of shares of the Company listed on WSE, calculated on the basis of ratings of these shares in the period from 28 April 2014 to 10 June 2014.

The issue price of Company share of H series was established via resolution of the Supervisory Board of 27 October 2014 for the amount 46.19. Each warrant authorizes to obtain one share of H series for the 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	<p>1/ non-reporting by auditor any significant concerns to the consolidated annual financial statements of the Capital Group for the financial year 2014;</p> <p>2) increase by at least 10% of net profit per Company's share as at 31 December 2014 compared to the result as at 31 December 2013</p> <p>3) increase by at least 10% of the average price of the Company's shares on the Warsaw Stock Exchange in December 2014 compared to the average price of the Company's shares on the WSE in December 2013</p> <p>3/ 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</p>	<p>1/ non-reporting by auditor any significant concerns to the consolidated annual financial statements of the Capital Group for the financial year 2015;</p> <p>2) increase by at least 10% of net profit per Company's share as at 31 December 2015 compared to the result as at 31 December 2014</p> <p>3) increase by at least 10% of the average price of the Company's shares on the Warsaw Stock Exchange in December 2015 compared to the average price of the Company's shares on the WSE in December 2014</p>	<p>1/ non-reporting by auditor any significant concerns to the consolidated annual financial statements of the Capital Group for the financial year 2016;</p> <p>2) increase by at least 10% of net profit per Company's share as at 31 December 2016 compared to the result as at 31 December 2015</p> <p>3) increase by at least 10% of the average price of the Company's shares on the Warsaw Stock Exchange in December 2016 compared to the average price of the Company's shares on the WSE in December 2015</p>

Increase in net profit per one share of the Company, constituting a condition for the offering of warrants for a given period is established on the basis of consolidated annual accounts of the Capital Group, reviewed by the expert auditor and approved via a resolution of the Ordinary Meeting of Shareholders.

The execution of warrant rights may occur no earlier than after a year from the formal decision on their takeover and no later than until 30 November 2018.

Series of the incentive scheme are treated as separate programmes in the meaning of IFRS 2.

Fair value of the incentive scheme

Fair value for the programme for E series was established in the amount PLN 991 thousand. The statements prepared as at 30 June 2015 recognised the amount of PLN 496 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.

Changes in the composition of the Supervisory Board

On 22 April 2015 Mr Władysław Frasyniuk submitted a statement of resignation as of 19 May 2015 from performing the function of Member of the Supervisory Board. The resignation was due to personal matters.

The Composition of the Management Board as at 30.06.2015 and as at the date of publication of this report is as follows:

Zbigniew Sebastian – Chairman,
 Stefan Golonka
 Stanisław Krauz
 Tomasz Domagalski
 Jerzy Smardzewski

18. OFF-BALANCE SHEET ITEMS

On 27 March 2013 the Parent Company granted four guarantees of bank loans obtained by FURNIREX Sp. z o.o. with its seat in Hajnówka for the financing of technological investment of total value PLN 18,299 thousand. FURNIREX Sp. z o.o. submitted an offer to the Parent Company, in line with which it invested the funds obtained from technological loans in modern investments which were located in the production facility in Hajnówka rented out from Forte S.A. FURNIREX Sp. z o.o., assisted by modern technologies, conducts services of processing of common materials for FORTE and for other furniture producers.

Guarantees were given towards BRE Bank S.A. (present mBank S.A.) with validity period until 30 June 2018. As at 30 June 2015, loans balance amounted to PLN 3,781 thousand.

19. EVENTS WHICH OCCURRED POST BALANCE DATE

Parent Company on 3 July concluded with PKO Bank Polski SA the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 13-07-2017
2. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 14-08-2017
3. EUR 2.000.000 – Put 4,2700-Call 4,5166 with an expiration date 13-09-2017
4. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-10-2017
5. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-10-2017
6. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-11-2017
7. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-11-2017
8. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 13-12-2017
9. EUR 2.500.000 – Put 4,2700-Call 4,5166 with an expiration date 27-12-2017

On 22 July the Parent Company obtained a decision by the District Court in Białystok, 10th Economic Department- Register of Pledges on the entry for mBank S.A. registered pledge on Company on movable assets in the form of machinery and equipment, up to the maximum amount of the security of EUR 3,600,000. The book value of the assets in the accounts of the Parent Company on which the registered pledge was set amounts to PLN 10,691,380.03-according to the status of 31 May 2015. There are no connections between the Company and persons managing and supervising the Company and mBank S.A.

On 27 July 2015 the Management Board of the Parent Company obtained an information that persons authorized for an exchange of subscription warrants of C series (150,000 warrants) on shares of FABRYKI MEBLI "FORTE" S.A. series G, under the conditional share capital increase of Company defined in resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011 related to the realization of Incentive Scheme for Members of the Management Board covered 150,000 Company shares, conducting payment of the issue price of G series shares to the bank account and submitting written declaration of share ownership. All G series shares are ordinary bearer shares of nominal value of PLN 1 each and are not subject to transfer prohibition. Due to the above, the level of company capital shall be amended, pursuant to the issue of new ordinary bearer shares of G series, of total nominal value of PLN 150,000, it shall amount to PLN 23,901,084. Also the volume of votes at the Ordinary General Meeting of the Company from 23,751,084 to 23,901,084 votes. The Company has submitted an adequate petition to the National Depository for Securities and Warsaw Stock Exchange regarding registration of G series shares and their entry into exchange trading.

On 11 August 2015 National Depository for Securities passed a resolution no. 541/15 on registration in KDPW of 150,000 ordinary bearer shares of G series of nominal value of PLN 1 each, issued under the conditional share capital increase of Company defined in resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011, under the condition of a decision made by the company conducting the regulated market on introducing these shares into the exchange trading on the same regulated market in which other shares of the Issuer have been placed.

Registering G series shares of the Issuer shall take place within three days from receipt of KDPW documents confirming introduction of these shares into the exchange trading on the regulated market of Warsaw Stock Exchange, no sooner

however than on the day indicated by decision of WSE as the day of introduction of these shares into this regulated market exchange.

On 19 August 2015 the Management Board of Warsaw Stock Exchange allowed market exchange trading on the primary market and decided to allow as of 21 August 2015 in regular mode into the exchange trading on the primary market 150,000 ordinary bearer shares of G series of the Issuer of nominal value PLN 1 each share. G series shares issued under conditional increase of the share capital based on the resolution no. 21/2011 of Ordinary General Meeting of the Company of 22 June 2011, related to the realization of the Incentive Scheme for the Members of Management Board of the Issuer (resolution no. 20/2011 of Ordinary General Meeting of the Company of 22 June 2011). Introduction of G series shares for exchange trading on 21 August 2015 shall take place subject to the conduct by National Depository for Securities. on 21 August 2015 the registration of these shares and marking them with PLFORTE00012 code

On 19 August 2015 the Management of the Parent Company obtained information regarding the issue by the Operational Department of the National Depository for Securities an information release that as of 21 August 2015 a registration in KDPW of 150.000 shares of the Issuer marked with ISIN „PLFORTE00012” code will take place.

Parent Company on 24 August 2015 concluded with PKO Bank Polski SA the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-09-2017
2. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-09-2017
3. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-10-2017
4. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-10-2017
5. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-11-2017
6. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 27-11-2017
7. EUR 500.000 – Put 4,2800-Call 4,6670 with an expiration date 13-12-2017
8. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 15-01-2018
9. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 29-01-2018
10. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-02-2018
11. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 26-02-2018
12. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-03-2018
13. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 27-03-2018
14. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-04-2018
15. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 26-04-2018
16. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 14-05-2018
17. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 28-05-2018
18. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 13-06-2018
19. EUR 1.000.000 – Put 4,2800-Call 4,6670 with an expiration date 27-06-2018

The total nominal amount of the transactions amounts to EUR 31 million (EUR 15.5 million for each option type), which is equivalent to the amount of PLN 135,648 million. The Agreement does not contain any specific provisions different from generally applicable provisions for this type of transactions and any provisions concerning contractual penalties.

The Company on 24 August 2015 concluded with mBank S.A. the following zero cost sale transaction of Call option and purchase Put option, securing against exchange rate risk:

1. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-09-2017
2. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-09-2017
3. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-10-2017
4. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-10-2017
5. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-11-2017
6. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-11-2017
7. EUR 500.000 – Put 4,2800-Call 4,6400 with an expiration date 13-12-2017
8. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 15-01-2018
9. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 29-01-2018
10. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-02-2018
11. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 26-02-2018
12. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-03-2018
13. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-03-2018
14. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-04-2018
15. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 26-04-2018
16. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 14-05-2018
17. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 28-05-2018
18. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 13-06-2018
19. EUR 1.000.000 – Put 4,2800-Call 4,6400 with an expiration date 27-06-2018

The total nominal amount of the transactions amounts to EUR 37 million (EUR 18.5 million for each option type), which is equivalent to the amount of PLN 156,843 million. The Agreement does not contain any specific provisions different from generally applicable provisions for this type of transactions and any provisions concerning contractual penalties.

Signature of the person entrusted with bookkeeping:

Anna Wilczyńska

.....

Signatures of all members of the Management Board:

**President of the Management Board
Maciej Formanowicz**

.....

**Member of the Management Board
Maria Florczuk**

.....

**Member of the Management Board
Klaus Dieter Dahlem**

.....

**Member of the Management Board
Gert Coopmann**

.....

**Member of the Management Board
Mariusz Gazda**

.....

Ostrów Mazowiecka, 27 August 2015



FABRYKI MEBLI „FORTE” CAPITAL GROUP

Half-year Management Board's report
on the operations of the Capital Group
in the first half of 2015

FABRYKI MEBLI
„FORTE” S.A.
ul. Biała 1
07-300 Ostrów Mazowiecka
Polska
www.forte.com.pl

Ostrów Mazowiecka, 27th August, 2015

TABLE OF CONTENTS

1. Basic information on Capital Group FORTE	3
1.1. Information on Parent Company of the Group	3
1.2. Management Board of Parent Company	4
1.3. Mission and policy of the Capital Group of Fabryki Mebli FORTE	4
1.4. Key events participated by the Parent Company in the first half of 2015	5
1.5. Awards and honours	5
2. Short description of other achievements or failures of Capital Group of the Issuer in the period of which the mid-year report concerns, together with the indication of key events related to them.	Błąd! Nie zdefiniowano zakładki.
3. Listings of Fabryki Mebli "FORTE" S.A.	7
4. Indication of results of changes within the structure of economic entity, including due to combining economic units, merger and sale of entities of Capital Group of the Issuer, long-term investments, divisions, restructuring and discontinuing of activities.	8
5. Management Board's position regarding the viability of meeting previously published forecasts for a particular year.	8
6. 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.	8
7. Summary of the number of Issuer's shares or stock options held by the Issuer's managers and supervisors as at the date of the submission of the quarterly report.	8
8. Indication of court proceedings, competent for arbitration or public administration body.	9
9. Information regarding conclusion by the Issuer or its subsidiary one or more transactions with affiliated entities.	9
10. Information regarding credit or loan guarantees granted by the Issuer or by its subsidiary- jointly to one entity or one subsidiary, provided that the total value of the existing guarantees constitutes the equivalent of at least 10% of the Issuer's equity.	9
11. Other information which in the opinion of the Issuer are significant for the assessment of his human resources situation, financial standing and financial result and changes to it as well as 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	9
12. Indication of factors which in the opinion of the Issuer will impact the obtained results by the Issuer and its Capital Group in the perspective of at least the following quarter.	9
13. Description of threats and risks related to the other months of the financial year.	9
14. Information on change of economic situation and conditions of activity conduct which might have a significant impact on the fair value of financial assets and liabilities of the Issuer.	9
15. Information on non-repayment of loan or credit or breach of key provisions of loan agreement or credit agreement in relation to which no remedial actions were taken until the end of the reporting period.	10
16. Currency exchange rates.	10
17. Statement of the Management Board concerning the entity authorised to audit financial statements of the Issuer.	10
18. Statement of the Management Board concerning reliability of preparation of the financial statements by the Issuer and the consolidated financial statements of Capital Group of the Issuer.	10

I. CURRENT FINANCIAL-OPERATIONAL SITUATION

The hereby report on activities of the Capital Group of the Issuer of Fabryki Mebli "FORTE" in the first half of 2015 was drawn up on the basis of § 90 Ordinance of the Minister of Finance of 19 February 2009 on the current and periodic information provided by issuers of securities and the conditions of regarding as equivalent of the information required by the member state (Polish Journal of Laws of 28 January 2014, item 133).

1. Basic information on Capital Group Fabryki Mebli FORTE

1.1. Information on Parent Company of the Group

FABRYKI MEBLI „FORTE” S.A. ("Parent Company", "Company") was established by a Notarial Deed of 25 November 1993. The Apparent Company's seat is located in Ostrów 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 is unlimited.

Main activities of the Parent Company include:

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

FABRYKI MEBLI „FORTE” S.A. conducts its activities through its four Branches:

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

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

The Fabryki Mebli FORTE Group includes the following consolidated subsidiaries:

Subsidiaries (full consolidation method):	Headquarters	Scope of activities	Percentage share of the Group in capital	
			30 .06 .2015	31 .12 .2014
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%
<i>Galeria Kwadrat Sp. z o.o.</i>	<i>Bydgoszcz</i>	<i>Facilities Management</i>	<i>77,01%</i>	<i>77,01%</i>
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%
<i>Fort Investment Sp. z o.o.</i>	<i>Ostrów Mazowiecka</i>	<i>Purchase, sale and management of real estate, advisory services regarding conducting business activity and management</i>	<i>100,00%</i>	<i>100,00%</i>

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

** indirectly related Parent 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	Headquarters	Scope of activities	Percentage share of the Group in the capital 30.06.2015
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.	Warsaw	Advisory services regarding conducting business activity and management	100%
DYSTRI-FORTE Sp. z o.o	Ostrów Mazowiecka	Storage and warehousing of goods	100%
TANNE Sp. z o.o.	Suwałki ul.	Production activity	100%

As at 30.06.2015 and as at 31 December 2014, 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

On 13.02.2015 a company DYSTRI-FORTE Sp. z o.o. was registered under the KRS number 0000543794 with its registered seat in Ostrów Mazowiecka, at ul. Biała 1. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of DYSTRI-FORTE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

On 26.02.2015 a company TANNE Sp. z o.o. was registered under the KRS number 0000546082 with its registered seat in Suwałki, at ul. Północna 30. Initial capital of the company amounts to 5 thousand PLN The sole shareholder of TANNE Sp. z o.o. is Fabryki Mebli „Forte” S.A.

1.2. Management Board of Parent Company

The composition of the Management Board as at the balance day of 30 June 2015

Maciej Formanowicz- President of the Management Board

Mariusz Jacek Gazda – Member of the Management Board

Klaus Dieter Dahlem- Member of the Management Board

Gert Coopmann- Member of the Management Board

Maria Małgorzata Florczuk – Member of the Management Board

1.3. Mission and policy of the Capital Group of Fabryki Mebli FORTE

Mission: Production leader, reliable supplier of modern furniture systems, which meets customer needs.

The target of Capital Group Fabryki Mebli FORTE is:

- Constant increase of company value and through this-ensuring higher than normal return on investment for the shareholders,
- Ensure supplies of goods and services which meet the expectations of Recipients in the wide scope of their needs, including specific market conditions,
- Achieve full satisfaction of our Customers,
- Strengthen the opinion of a credible and reliable partner,

- Build creating relations in the working environment by shaping the awareness and personality of people,
- Provide conditions ensuring safety and health at work,
- Conduct activities in an environmentally acceptable way,
- Engage in preserving FSC values

The above policy is realized by the Group through:

- Constant monitoring of activities and their effects in financial terms and of Customer satisfaction, continued improvement of the Organisation Management System with the use of PN-EN ISO 9001:2009 Quality Management Systems,
- Continuous improvement of processes and product design so that their production is safer and their operational parameters meet Customer expectations and needs,
- Forming the attitudes of safe handling through the identification of threats and creation of technical, economical and organisational conditions leading to a reduction of risks,
- Acting in accordance with legal requirements and other regulations regarding the activities of the Organisation, the product, health and safety at work and environmental protection.

The effectiveness and efficiency of the Integrated Quality Management System and FSC is subject to continued commitment and responsibility of the Management Board.

1.4. Key events participated by the Parent Company in the first half of 2015:

I HALF 2015	<p>JANUARY</p> <ul style="list-style-type: none"> • NEC Fair, United Kingdom • IMM Fair in Cologne, Germany <p>FEBRUARY</p> <ul style="list-style-type: none"> • Partnertage Fair in Barntrup, Germany • MEBLE POLSKA FAIRS in Poznań <p>JUNE</p> <ul style="list-style-type: none"> • FORTE 2015 Partner Days Fairs in Ostrów Mazowiecka
------------------------	---

1.5. Awards and honours

- January 2015-title of EXPORT EAGLE granted to FORTE by Rzeczpospolita for the Best Exporter in the Masovian Voivodeship. The award of EXPORT EAGLE in the category of Export Personality granted also to the Chairman of FORTE- Maciej Formanowicz.
- February 2015- distinction of FORTE by editors of Forum Biznesu and Biznes Trendy with an emblem "GOOD BRAND, TRUST, PRESTIGGE"
- March 2015- main award of the editors of the monthly Meble Plus and portal Bienesmeblowy.pl in the contest Product of the 2015 Year for the collection of furniture Kashmir.
- May 2015 – FORTE on the list of " 500 Largest Companies in Poland" of Dziennik Rzeczpospolita.
- June 2015 – III place in ranking „200 Largest Companies in Poland" Weekly Wprost.
- July 2015 – I place in ranking of Meble Plus or the Best Producer of Box Furniture of 2015.

2. Short description of other achievements or failures of Capital Group of the Issuer in the period of which the mid-year report concerns, together with the indication of key events related to them.

Group performance and basic economic and financial parameters:

Description	Total 1st half 2015 in thousand	Total 1st half 2014 in thousand PLN	Change in thousand PLN	Change %
Sales revenue	446 692	402 792	43 900	10,9%
Cost of sales	(287 293)	(253 954)	33 339	13,1%
Gross profit from sales	159 399	148 838	10 561	7,1%
Gross profit margin from sale %	35,7%	37,0%		
Costs of sales	(94 106)	(80 833)	13 273	16,4%
General administrative costs	(17 612)	(17 371)	241	1,4%
Operating profit (EBIT)	46 060	49 314	(3 254)	(6,6%)
EBITDA	55 405	57 608	(2 203)	(3,8%)
Gross profit	46 890	51 145	(4 255)	(8,3%)
Net profit	37 091	40 399	(3 308)	8,2%
Net return on sales %	8,3%	10,0%		

- In the first half of 2015, the FORTE Group generated **sales revenue** in the amount of PLN 446.7 million compared to PLN 402.8 million in the corresponding period of 2014 (an increase of 10,9%).

The highest growth level in turnover was obtained by the Group on the French, Spanish and Polish markets. Also on the German market, very strongly penetrated by FORTE, turnover was higher than within the analogical period in the previous year. It is worth noting that the incoming orders for subsequent periods indicate the likelihood of at least the same dynamics of sale also in the subsequent months of the year will be maintained.

- The Group noted a slight decrease of profitability on the level of gross margin (35,7% against 37% in the first half of 2014) Gross profit on sales amounted to PLN 159,4 million and increased compared to the corresponding period of the previous year by 7,1%.

The key causes of profitability decrease are:

- slightly higher purchase prices of raw materials and less beneficial exchange rate EUR/PLN in the second half of 2015 against 2nd quarter of 2014;
- change in HR policy- due to high targets set out for the second half of 2015 and conclusions drawn from the second half of 2014 the Group modified its approach to direct production personnel management. Instead of seasonal reduction of employment for the 2nd quarter, the number of used annual leaves was increased which allowed to maintain the level of employment from the 1st quarter and ensure access to the appropriate number of trained and experienced employees necessary for realization of an increased production in the 2nd half of 2015.
- accident in the plant in Suwałki caused an accelerated and prolonged to over 4 weeks downtime of part of the factory. At the same time, this caused a temporary increase of production costs in the other plants (overtime work) in order to fully realize orders of clients within that period. The Management Board of the Parent Company assessed that part of these costs will be covered by insurance policy on Loss of Profit post full settlement with the Insurer of the costs of the accident event.

- **Cost of sales** amounted to PLN 94.1 million and increased by 16.4% in relation to a comparative period of 2014. The general costs to revenue ratio was 21,1% against 20,1% in the previous year.

The most important item in this group of expenses is transportation costs. The transportation costs to sales revenue ratio in the first half of 2015 was 7,7% compared to 7,4% in the corresponding period of the previous year. The increase of the ration was impacted by two factors: significantly higher growth dynamics of sale on the Spanish market (+85%), where costs of delivery are the highest and the change related to the method of packing and delivering products strictly according to the needs of the biggest clients, which translates into an increased quality of service and in a long-term-strengthening of relations.

Another factor impacting an increase of costs of sale is a significant increase of storage space versus the one present in 2014 and consequently an increase of costs of their servicing. This change is also the result of experiences from the 2nd half of 2014 and is targeted at ensuring the sufficient space for personnel to service higher volume of orders. The long-term solution will be a new storage area of space of 15 thousand sq m in Ostrów Maz., which will be handed in for use at the beginning of September 2015 and which will have a positive impact on lowering the unit costs of order servicing, starting from Q4 of 2015.

- **General costs** amounted to PLN 17.6 million in relation to PLN 17.4 million in the comparative period. The general costs to revenue ratio was 3.9% against 4.3% in the previous year.
- The above, in majority temporary and concerning solely Q2 of 2015, factors caused in the first half of 2015 a decrease of operating profit (-6,6%) which amounted to PLN 46,1 M (10.3% of revenues) versus PLN 49,3 M (12,2% of revenues) in 2014.
- The **net profit** generated in the reporting period amounted to PLN 37.1 million (8.3% of revenue), as compared with PLN 40.4 million in the corresponding period of the previous year (10% of revenue).

Characteristics of the balance sheet structure	30.06.2015		31.12.2014		% Change 2015/2014
	in PLN '000	% of total assets	in PLN '000	% of total assets	
Non-current assets	291 929	45,8%	282 107	44,2%	3,5%
Current assets	345 031	54,2%	356 623	55,8%	(3,2%)
Total assets	636 960	100%	638 730	100%	(0,3%)
Equity	416 226	65,3%	421 284	66,0%	(1,2%)
Long-term liabilities and provisions	111 663	17,5%	105 085	16,5%	6,3%
Short-term liabilities and provisions	109 071	17,2%	112 361	17,5%	(2,9%)
Total liabilities	636 960	100%	638 730	100%	(0,3%)

Within current assets, the decrease concerned primarily the inventory and receivables items. Trade accounts receivable and other receivables dropped by PLN 5,3 M. This is related to the seasonal drop in sales in the current periods versus the end of 2014.

Decrease in cash balance (by PLN 10,7 M) is mainly due to the fact that payment in June of dividend as well as partial financing of investment purchases from own means were made.

The non-current assets increased by PLN 9.8 million due to surplus of capital expenditure over depreciation. Capital expenditure concerned, in particular, purchase of production machinery and equipment.

Trade and other liabilities and other liabilities increase by PLN 7,4 M.

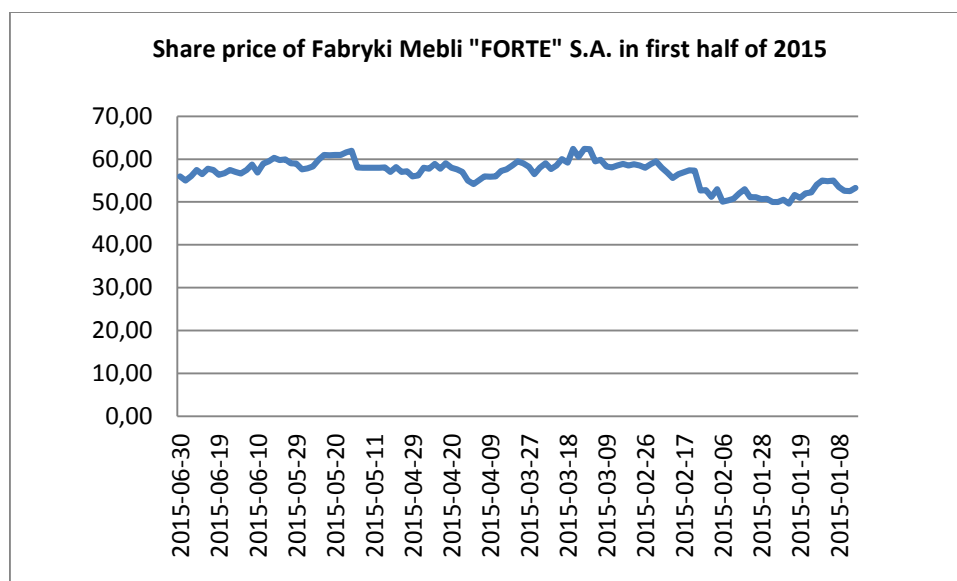
Bank loan liabilities after three quarters of 2015 increased by PLN 6.4 million. The increase in bank loan balance arises from the Group's foreign exchange risk management policy. By taking out loans in EUR, the Group balances the balance sheet currency exposure, thus limiting the impact of volatility in the EUR/PLN on the financial results of the Group.

3. Listings of Fabryki Mebli "FORTE" S.A.

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

Key data concerning FORTE shares:

Key data	Total 1st half 2015	Total 1st half 2014
Company's net profit in PLN '000	39 078	41 769
The highest share price in PLN	62,40	49,50
The lowest share price in PLN	49,50	35,70
Share price at the end of the period in PLN	56,99	49,00
P/E indicator as of the end of the period	34,64	27,86
Number of shares on the stock exchange (in items)	23 751 084	23 751 084
Average daily trading volume (in items)	16 905	31 708



Forte S.A. share price for the three quarters of 2015

(source: <http://www.gpwinfostrefa.pl/GPWIS2/pl/emitents/quotations/FORTE,PLFORTE00012>)

4. Indication of results of changes within the structure of economic entity, including due to combining economic units, merger and sale of entities of Capital Group of the Issuer, long-term investments, divisions, restructuring and discontinuing of activities.

Within the reporting period no changes in the Group structure occurred.

5. 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 2015.

6. 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.

No.	Shareholder	Number of shares and votes	% share in company capital	% share in total number of votes
1.	MaForm SARL	7 763 889	32,69%	32,69%
2.	MetLife Otworthy Fundusz Emerytalny	2 975 474	12,53%	12,53%
3.	Aviva Otworthy Fundusz Emerytalny Aviva BZ WBK	2 300 000	9,68%	9,68%
4.	ING Otworthy Fundusz Emerytalny	1 200 000	5,05%	5,05%

7. Summary of the number of Issuer's shares or stock options held by the Issuer's managers and supervisors as at the date of the submission of the quarterly report .

Issuer's managers and supervisors		Number of shares with nominal value of 1PLN per share
Klaus Dieter Dahlem	Member of the Management Board	50 000
Gert Coopmann	Member of the Management Board	50 000
Zbigniew Sebastian	Chairman of the Supervisory Board	300

8. Indication of court proceedings, competent for arbitration or public administration body.

The Issuer is not a party in any proceeding where value of the dispute would constitute individually or collectively 10% of its equity.

9. Information regarding conclusion by the Issuer or its subsidiary one or more transactions with affiliated entities.

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

Detailed information regarding transactions with affiliated entities are concluded in note 16 of condensed financial statements.

10. Information regarding credit or loan guarantees granted by the Issuer or by its subsidiary- jointly to one entity or one subsidiary, provided that the total value of the existing guarantees constitutes the equivalent of at least 10% of the Issuer's equity.

None.

11. Other information which in the opinion of the Issuer are significant for the assessment of his human resources situation, financial standing and financial result and changes to it as well as 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.

None.

12. Indication of factors which in the opinion of the Issuer will impact the obtained results by the Issuer and its Capital Group in the perspective of at least the following quarter.

Factors which may impact the financial results of the Group in the subsequent months are:

-maintaining very high dynamics of sale in France, Spain/Portugal and an increase of sale dynamics in German speaking counties;

-ensuring an increased logistics-storage space within the Group through handover for use at the beginning of September 2015 of storehouse for high storage with a space of 15 thousand sq m which will improve logistical capacity of the Group;

-increasing production capacity due to increasing present production areas and launching newly purchased machines and production equipment;

-increasing stable level of skilled employees to service an increased volume of production-logistics tasks through adequate HR policy in the 1st half of the year.

13. Description of threats and risks related to the other months of the financial year.

Risk factors which might impact negatively the second half of the year are:

-large exchange rate fluctuations caused by turmoil on financial markets;

-pressure from the side of transport providers for increases of transport rates due to persisting decrease of number of freights in eastern directions (directions primary for our export) and unsolved problem of minimum rate in the Euro zone countries;

-sudden increase of prices for strategic raw materials.

14. Information on change of economic situation and conditions of activity conduct which might have a significant impact on the fair value of financial assets and liabilities of the Issuer.

None.

15. Information on non-repayment of loan or credit or breach of key provisions of loan agreement or credit agreement in relation to which no remedial actions were taken until the end of the reporting period.

None.

16. 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 June 2015, 31 December 2014 and 30 June 2014, PLN 4,1944 PLN 4.2623 and PLN 4.1609 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 6 months ended 30 June 2015 and 30 June 2014, and amounting to: PLN 4.1341 and PLN 4.1784 against 1 EUR.

17. Statement of the Management Board concerning the entity authorised to audit financial statements of the Issuer.

The Management Board of Fabryki Mebli "FORTE" S.A. represents that the entity authorised to audit the financial statements reviewing the annual consolidated financial statements of the Issuer was selected in accordance with the provisions of law and meets the conditions required to issue unbiased and independent audit reports, in line with the regulations in force and professional standards.

18. Statement of the Management Board concerning reliability of preparation of the financial statements by the Issuer and the consolidated financial statements of Capital Group of the Issuer.

The Management Board of Fabryki Mebli "FORTE" S.A. represents that, to the best of their knowledge, the annual consolidated financial statements of the Issuer's Capital Group for 2015 and comparative data were prepared in accordance with the binding accounting principles and truly, accurately and clearly reflect the actual and financial situation and the financial result of the Issuer.

Moreover, the Management Board represents that the annual Management Board's report on the operations contains a true description of the development and achievements as well as the condition of the of the Issuer's Capital Group, including basic risks and threats.

**President of the Management Board
Maciej Formanowicz**

.....

**Member of the Management Board
Maria Florczuk**

.....

**Member of the Management Board
Klaus Dieter Dahlem**

.....

**Member of the Management Board
Gert Coopmann**

.....

**Member of the Management Board
Mariusz Gazda**

.....

Ostrów Mazowiecka, 27 August 2015