

24 April 2013

Concise assessment of company situation for 2012

Acting pursuant to provisions specified in part III (1) (1) of the "Code of Best Practice for WSE Listed Company, the Supervisory Board of FFiL Śnieżka SA provides the Annual General Meeting of Shareholders and the public with a concise assessment of the company situation prepared by the Supervisory Board.

I. Economic and financial results for 2012

According to the Supervisory Board, the Company and the Capital Group achieved very good sale results in 2012. The sale growth was 13.0% and 4.7% respectively. The Company's operating profit was PLN 25.6 million, while the consolidated operating profit was PLN 56.5 million. The Company's net profit increased to PLN 21.5 million and the consolidated net profit was PLN 47.5 million, which was one of the best performance in Śnieżka's history.

II. Investments

Investments of Śnieżka SA

- In 2012 FFiL Śnieżka SA purchased 932,898 equity shares for redemption, at PLN 31.00 per share, for the total amount of PLN 28.9 million.

Investments at Śnieżka SA Capital Group

Main domestic and foreign investments

- On 5 March 2012, FFiL Śnieżka SA purchased 12% of shares in its subsidiary Śnieżka BelPol Sp. z o.o., with its registered office in Zhodzina (Belarus). At the same time FFiL Śnieżka SA sold 1% of shares held in Śnieżka BelPol Sp. z o.o. to Mr Anatoly Niewmierzycki. As a result of the said transactions, the shareholding in Śnieżka BelPol Sp. z o.o. is as follows: FFiL Śnieżka SA 99.00%, Anatolij Niewmierzycki 1.00%.
- On 17 April 2012, the Annual General Meeting of Shareholders of Śnieżka - Ukraina Sp. z o.o. in Yavoriv, Ukraine, approved the liquidation of Śnieżka Sp. z o.o. with its registered office in Wistowa, Kalush region, Ivano-Frankivsk Voivodeship in Ukraine.
- On 18 April 2012, FFiL Śnieżka SA purchased 1.25% of shares in its subsidiary Śnieżka - Ukraina Sp. z o.o. in Yavoriv, Ukraine. As a result of this transaction, the shareholding in Śnieżka - Ukraina Sp. z o.o. in Yavoriv is as follows: FFiL Śnieżka S.A. 82.52%, other shareholders 17.48%.

- On 19 November 2012 FFiL Śnieżka SA sold 92.12% of shares in the issuer's subsidiary Śnieżka Romania S.R.L with its registered office in Savinesti, Romania. As a result of the said transaction FFiL Śnieżka SA does not hold any shares in Śnieżka Romania S.R.L.

III. Operational activity

In 2012 FFiL Śnieżka SA increased the equity interest in its subsidiary Śnieżka-BelPol Sp. z o.o. operating in Belarus from 88% to 99% of shares held. The change made it easier to manage this company and increased the participation in the profits generated by it.

Year 2012 also saw changes in managing the Śnieżka Capital Group, consisting in disposing of distribution company Śnieżka Romania S.R.L. According to an earlier decision concerning the Romanian market, currently goods are exported to Romania directly from FFiL Śnieżka SA from Poland to distributors, which helped reduce costs related to the presence of Śnieżka on that market.

The Board assesses positively the development of Group's activity in the Ukrainian, Belarusian, Russian and Moldavian markets where good sale results were achieved.

The Supervisory Board assesses the activities taken by the Company's Management Board in 2012 positively. The Supervisory Board assesses the perspectives for growth of the Company and the Capital Group positively as well.

At present the Supervisory Board cannot see any risks which could adversely affect the performance of the Company and the Capital Group to a high extent in the foreseeable future.

Signatures:

1. Mikrut Stanisław	Chairman
2. Pater Jerzy	Deputy Chairman
3. Cymbor Stanisław	Secretary
4. Pater Anna	Member
5. Łapiński Zbigniew	Member
6. Orłowski Dariusz	Member