CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT
OF THE CD PROJEKT CAPITAL GROUP
FOR THE PERIOD BETWEEN 1 JANUARY AND 30 JUNE 2015

CD PROJEKT

Disclaimer

This English language translation has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.

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General information

I. Parent entity

Name:	CD PROJEKT S.A.
Legal status:	Joint-stock company
Headquarters:	Jagiellońska 74, 03-301 Warsaw
Country of registration:	Poland
Principal scope of activity:	CD PROJEKT S.A. is the holding company of the CD PROJEKT Capital Group which focuses on videogame development as well as global digital distribution
Keeper of records:	District Court for the City of Warsaw in Warsaw – Poland; 13th Commercial Department of the National Court Register (Sąd Rejonowy dla m.st. Warszawy w Warszawie, XIII Wydział Gospodarczy Krajowego Rejestru Sądowego)
Statistical Identification Number (REGON):	492707333

II. Duration of the Capital Group

The parent entity, CD PROJEKT S.A., and all remaining members of the Capital Group are constituted for an unlimited duration.

III. Reporting period

This condensed interim consolidated financial statement with elements of the condensed interim separate financial statement covers the period between 1 January and 30 June 2015 inclusive. Comparative data is valid for 31 March 2015, 31 December 2014 and 30 June 2014 respectively in the condensed interim consolidated and separate statement of financial position, for the period between 1 January and 30 June 2014 in the condensed interim consolidated and separate profit and loss account, condensed interim consolidated and separate statement of comprehensive income and condensed interim consolidated and separate statement of cash flows, and for the periods between 1 January 2014 and 31 December 2014, and between 1 January and 30 June 2015 in the statement of changes in consolidated and separate equity.

IV. Composition of the governing bodies of the parent entity as of 30 June 2015

Management Board

President of the Board	Adam Kiciński
Vice President of the Board	Marcin Iwiński
Vice President of the Board	Piotr Nielubowicz
Board Member	Adam Badowski
Board Member	Michał Nowakowski

Changes in Management Board composition

No changes in the composition of the Management Board of CD PROJEKT S.A. occurred during the reporting period.

(all figures quoted in PLN thousands unless otherwise specified)

Supervisory Board

Chairwoman of the Supervisory Board	Katarzyna Szwarc
Deputy Chairman of the Supervisory Board	Piotr Pągowski
Secretary of the Supervisory Board	Maciej Majewski
Supervisory Board Member	Grzegorz Kujawski
Supervisory Board Member	Krzysztof Kilian

Changes in Supervisory Board composition

In Current Report no. 8/2015 of 6 May 2015, the Management Board of the Company announced that Mr. Cezary Iwański had tended his resignation as member of the Supervisory Board of the Company, effective on 7 May 2015. The reason for the resignation, as stated in the formal notice, was the potential conflict of interest which could arise due to Mr. Cezary Iwański's appointment as Chairman of the Management Board of BPS TFI S.A.

As disclosed in Current Report no. 13/2015 of 28 May 2015 the Ordinary General Meeting of Shareholders reappointed the following persons to the Supervisory Board for a new term:

- Ms. Katarzyna Szwarc
- Mr. Grzegorz Kujawski
- Mr. Maciej Majewski
- Mr. Piotr Pągowski

and additionally appointed a new member of the Supervisory Board – Mr. Krzysztof Kilian.

V. Licensed auditors

PKF Consult Sp. z o.o.,
Orzycka 6/1B,
02-695 Warsaw

In Current Report no. 14/2015 of 28 May 2015 the Management Board of CD PROJEKT S.A. disclosed that, in accordance with the applicable legal regulations and professional code of conduct, on 28 May 2015 the responsible organ, i.e. the Company's Supervisory Board, selected PKF Consult sp. z o.o. as the licensed auditor responsible for performing audits and reviews of the separate and consolidated financial statements of the Company and its Capital Group for 2015. In making its choice the Supervisory Board acknowledged the need for full independence and objectivity in the auditor selection process, as well as in the discharge of duties by the selected auditor.

VI. Shareholders who control, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of the parent entity as of the publication date of this statement

The shareholder structure is determined on the basis of formal notices issued by shareholders who control at least 5% of the total number of votes at the General Meeting of Shareholders of the parent entity. As of the publication date of this statement the following shareholders controlled at least 5% of votes at the General Meeting:

	No. of shares	Percentage share in share capital	No. of votes at the GM	Percentage share in total number of votes at the GM
Marcin Iwiński	*12 607 501*	*13.28%*	*12 607 501*	*13.28%*
Michał Kiciński [(1)]	*12 281 616*	*12.93%*	*12 281 616*	*12.93%*

(all figures quoted in PLN thousands unless otherwise specified)

Piotr Nielubowicz	*5 985 197*	*6.30%*	*5 985 197*	*6.30%*
PKO TFI S.A. (2)	9 000 000	9.48%	9 000 000	9.48%
AVIVA OFE (3)	4 940 000	5.20%	4 940 000	5.20%
Amplico PTE S.A. (4)	5 003 719	5.27%	5 003 719	5.27%
Other shareholders	45 131 967	47.53%	45 131 967	47.53%

(1) As disclosed in Current Report No. 2/2015 of 23 February 2015.
(2) As disclosed in Current Report No. 19/2011 of 25 February 2011.
(3) As disclosed in Current Report No. 25/2012 of 6 September 2012.
(4) As disclosed in Current Report No. 20/2013 of 11 September 2013.

Changes in shareholder structure of the parent entity

In Current Report No. 2/2015 of 23 February 2015 the Company disclosed that it had received notice from Mr. Piotr Nielubowicz, acting on behalf of himself as well as the remaining parties to the agreement disclosed in Current Report No. 54/2010 of 2 September 2010, namely Mr. Marcin Iwiński, Mr. Michał Kiciński and Mr. Adam Kiciński, to the effect that the agreement existing between the parties and concerning joint purchases of Company shares and acting in concert at General Meetings of Shareholders of the Company had been dissolved on 23 February 2015. As stated by parties to the dissolved agreement, the agreement itself was a consequence of the merger between the CDP Investment Capital Group and OPTIMUS S.A. carried out in 2009-2010, whereas the current overriding concern of those parties who retain executive positions at the Company is to jointly act in the best interests of the Company and its Capital Group by discharging their executive duties.

VII. Changes in stock ownership by members of the Management Board and the Supervisory Board of the parent entity throughout the first half of 2015 and up until the publication date of this statement

Changes in stock ownership by members of the Management Board

	as of 30 Jun 2015	reduction	increase	as of 01 Jan 2015
Marcin Iwiński	*12 607 501*	-	-	*12 607 501*
Piotr Nielubowicz	*5 985 197*	-	-	*5 985 197*
Adam Kiciński	*3 122 481*	-	-	*3 122 481*
Michał Nowakowski	*1 149*	-	-	*1 149*
Adam Badowski	-	-	-	-

(all figures quoted in PLN thousands unless otherwise specified)

	as of 26 Aug 2015	reduction	increase	as of 01 Jan 2015
Marcin Iwiński	*12 607 501*	-	-	*12 607 501*
Piotr Nielubowicz	*5 985 197*	-	-	*5 985 197*
Adam Kiciński	*3 122 481*	-	-	*3 122 481*
Michał Nowakowski	*1 149*	-	-	*1 149*
Adam Badowski	-	-	-	-

Changes in stock ownership by members of the Supervisory Board

	as of 30 Jun 2015	reduction	increase	as of 01 Jan 2015
Katarzyna Szwarc	*10 010*	-	*10 000*	*10*
Piotr Pągowski	-	-	-	-
Grzegorz Kujawski	-	-	-	-
Maciej Majewski	-	-	-	-
Krzysztof Kilian	-	-	-	-
Cezary Iwański (1)	-	-	-	-

(1) Member of the Supervisory Board until 8 May 2015

	as of 26 Aug 2015	reduction	increase	as of 01 Jan 2015
Katarzyna Szwarc	*10 010*	-	*10 000*	*10*
Piotr Pągowski	-	-	-	-
Grzegorz Kujawski	-	-	-	-
Maciej Majewski	-	-	-	-
Krzysztof Kilian	-	-	-	-
Cezary Iwański (1)	-	-	-	-

(1) Member of the Supervisory Board until 8 May 2015

In Current Report no. 5/2015 of 27 April 2015 the Management Board of the Company disclosed that that it had received written notice from a member of the issuer’s Supervisory Board, namely Ms. Katarzyna Szwarc – Chairwoman of the Supervisory Board – to the effect that Ms. Szwarc had purchased 10 000 shares of the Company on the Warsaw Stock Exchange at the average cost of 21.10 PLN per share.

VIII. Subsidiaries – structure of the Capital Group

The following diagram illustrates the structure of the CD PROJEKT Capital Group as of the publication date of this financial statement.

(all figures quoted in PLN thousands unless otherwise specified)

CD PROJEKT S.A.

GOG Ltd.

GOG Poland sp. z o.o.

Brand Projekt sp. z o.o.

CD PROJEKT Inc.

CD PROJEKT Brands S.A.

IX. Validation of published estimates

The Group did not publish any estimates referring to the reporting period.

X. Selected financial highlights

The official PLN/EUR exchange rates published by the National Bank of Poland and valid for the reporting period are as follows:

Reporting period	Average rate *	Minimum rate	Peak rate	Rate on the final day of the reporting period
01 Jan 2015 - 30 Jun 2015	*4.1341*	*3.9822*	*4.3335*	*4.1944*
01 Jan 2014 - 31 Dec 2014	*4.1893*	*4.0998*	*4.3138*	*4.2623*
01 Jan 2014 - 30 Jun 2014	*4.1784*	*4.0998*	*4.2375*	*4.1609*

** Average value of exchange rates on the final day of each month belonging to the reporting period.*

Assets and liabilities listed in the condensed interim consolidated statement of financial position were converted into EUR by applying the exchange rate for the final day of the reporting period, as published by the National Bank of Poland.

Assets and liabilities listed in the condensed interim consolidated profit and loss account and condensed interim consolidated statement of cash flows were converted into EUR by applying the average value of exchange rates for the final day of each month belonging to the reporting period, as published by NBP.

(all figures quoted in PLN thousands unless otherwise specified)

thousands	PLN		EUR	
	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Net revenues from sales of products, goods and materials	512 635	74 588	124 002	17 851
Cost of products, goods and materials sold	132 695	49 721	32 098	11 900
Operating profit (loss)	288 547	5 073	69 797	1 214
Profit (loss) before tax	284 018	6 354	68 701	1 521
Net profit (loss) attributable to equity holders of parent entity	236 252	4 573	57 147	1 094
Net cash flows from operating activities	134 308	7 466	32 488	1 787
Net cash flows from investment activities	(4 363)	4 213	(1 055)	1 008
Net cash flows from financial activities	(144)	(187)	(35)	(45)
Aggregate net cash flows	129 801	11 492	31 398	2 750
Stock volume (in thousands)	94 950	94 950	94 950	94 950
Net profit (loss) per ordinary share attributable to equity holders of parent entity (PLN/EUR)	2.49	0.05	0.60	0.01
Diluted profit (loss) per ordinary share attributable to equity holders of parent entity (PLN/EUR)	2.49	0.05	0.60	0.01
Book value per share (PLN/EUR)	4.27	1.77	1.02	0.42
Diluted book value per share (PLN/EUR)	4.27	1.77	1.02	0.42
Declared or paid out dividend per share (PLN/EUR)	-	-	-	-

thousands	PLN		EUR	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
Total assets	566 906	248 937	15 158	58 404
Liabilities and provisions for liabilities (less accrued charges)	156 849	74 857	37 395	17 563
Long-term liabilities	1 485	2 137	354	501
Short-term liabilities	159 575	78 782	38 045	18 483
Equity	405 846	168 018	96 759	39 420
Share capital	94 950	94 950	22 637	22 277

XI. Statement of the Management Board of the parent entity

Pursuant to the directive of the Finance Minister of 19 February 2009 regarding the publication of periodic and current reports by issuers of securities, the Management Board of the parent entity hereby states that, to the best of its knowledge, this consolidated financial statement and comparative data contained herein have been prepared in accordance with all accounting regulations applicable to the CD PROJEKT Capital Group and that they constitute a true, unbiased and clear description of the finances and assets of the Capital Group as well as its current profit and loss balance.

This condensed interim consolidated financial statement has been prepared in accordance with accounting practices consistent with the International Financial Reporting Standards as legislated by the European Union. Where such practices are not applicable the statement conforms to the Accounting Act of 29 September 1994 (Journal of Laws of the Republic of Poland, 2013, item no. 330 with subsequent changes) and to any secondary legislation based on said Act, as well as to the directive of the Finance Minister of 19 February 2009 regarding the publication of periodic and current reports by issuers of securities (Journal of Laws of the Republic of Poland, No. 2014/133). This statement covers the period between 1 January and 30 June 2015.

XII. Approval of financial statement

This consolidated financial statement of the CD PROJEKT Capital Group was approved for publication by the Management Board of the parent entity on 26 August 2015.

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Condensed interim consolidated financial statement of the CD PROJEKT Capital Group

I. Condensed interim consolidated profit and loss statement

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Sales revenues	**512 635**	**74 588**
Revenues from sales of products	*409 105*	*12 366*
Revenues from sales of services	*69*	*3 313*
Revenues from sales of goods and materials	*103 461*	*58 909*
Cost of products, goods and materials sold	**132 695**	**49 721**
Cost of products and services sold	*63 511*	*5 289*
Value of goods and materials sold	*69 184*	*44 432*
Gross profit (loss) from sales	**379 940**	**24 867**
Other operating revenues	*715*	*3 857*
Selling costs	*27 111*	*15 963*
General and administrative costs	*38 494*	*6 818*
Other operating expenses	*26 503*	*870*
Operating profit (loss)	**288 547**	**5 073**
Financial revenues	*186*	*1 364*
Financial expenses	*4 715*	*83*
Profit (loss) before tax	**284 018**	**6 354**
Income tax	*47 766*	*1 702*
Net profit (loss) from continuing operations	**236 252**	**4 652**
Net profit (loss)	**236 252**	**4 652**
Net profit (loss) attributable to minority interests	*-*	*79*
Net profit (loss) attributable to equity holders of parent entity	*236 252*	*4 573*
Net earnings per share attributable to equity holders of parent entity (in PLN)		
Basic for the reporting period	*2.49*	*0.05*
Diluted for the reporting period	*2.49*	*0.05*
Net earnings per share from continuing operations attributable to equity holders of parent entity (in PLN)		
Basic for the reporting period	*2.49*	*0.05*
Diluted for the reporting period	*2.49*	*0.05*

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

II. Condensed interim consolidated statement of comprehensive income

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Net profit (loss)	**236 252**	**4 652**
Other comprehensive income which will be entered as profit (loss) following fulfillment of specific criteria	*1 112*	*166*
Exchange rate differences on valuation of foreign entities	*1 112*	*166*
Total comprehensive income	**237 364**	**4 818**
Total comprehensive income attributable to minority interests	**-**	**79**
Total comprehensive income attributable to equity holders of parent entity	**237 364**	**4 739**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

III. Condensed interim consolidated statement of financial position

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
FIXED ASSETS	**106 670**	**94 930**	**93 254**	**91 889**
Tangible assets	*5 947*	*5 444*	*5 499*	*6 134*
Intangible assets	*41 544*	*41 303*	*39 602*	*38 459*
Goodwill	*46 417*	*46 417*	*46 417*	*46 417*
Other financial assets	*547*	*547*	*547*	*-*
Deferred income tax assets	*11 934*	*943*	*912*	*540*
Other fixed assets	*281*	*276*	*277*	*339*
CURRENT ASSETS	**460 236**	**169 121**	**155 683**	**170 989**
Inventories	*49 402*	*106 558*	*96 511*	*67 197*
Trade receivables	*223 275*	*14 087*	*6 389*	*27 875*
Current income tax receivables	*-*	*183*	*-*	*2 098*
Other receivables	*12 058*	*10 987*	*10 989*	*7 948*
Other financial assets	*2 773*	*2 768*	*2 745*	*834*
Prepaid expenses	*8 532*	*5 055*	*4 654*	*13 861*
Cash and cash equivalents	*164 196*	*29 483*	*34 395*	*51 176*
TOTAL ASSETS	**566 906**	**264 051**	**248 937**	**262 878**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
EQUITY	**405 846**	**164 521**	**168 018**	**172 591**
Equity attributable to shareholders of the parent entity	**405 846**	**164 521**	**168 018**	**165 892**
Share capital	*94 950*	*94 950*	*94 950*	*94 950*
Supplementary capital, incl. sales of shares above nominal price	*119 730*	*119 730*	*119 730*	*119 730*
Other reserve capital	*2 180*	*1 896*	*1 716*	*1 396*
Exchange rate differences	*2 036*	*2 463*	*924*	*(624)*
Retained earnings	*(49 302)*	*(49 302)*	*(54 514)*	*(54 133)*
Net profit (loss) for the reporting period	*236 252*	*(5 216)*	*5 212*	*4 573*
Minority share capital	-	-	-	***6 699***
LONG-TERM LIABILITIES	**1 485**	**1 445**	**2 137**	**6 175**
Credits and loans	-	-	-	-
Other financial liabilities	*97*	*203*	*260*	*350*
Deferred income tax liabilities	*1 300*	*1 156*	*874*	*4 402*
Deferred revenues	*61*	*59*	*976*	*1 386*
Provisions for employee benefits and similar liabilities	*27*	*27*	*27*	*37*
SHORT-TERM LIABILITIES	**159 575**	**98 085**	**78 782**	**84 112**
Credits and loans	-	-	*4*	*25*
Other financial liabilities	*32 617*	*381*	*397*	*327*
Trade liabilities	*30 365*	*19 282*	*20 532*	*35 943*
Liabilities from current income tax	*45 709*	*445*	*655*	*829*
Other liabilities	*20 051*	*71 926*	*51 808*	*43 898*
Deferred revenues	*4 150*	*5 801*	*5 086*	*2 858*
Provisions for employee benefits and similar liabilities	*261*	*155*	*205*	*185*
Other provisions	*26 422*	*95*	*95*	*47*
TOTAL LIABILITIES	**566 906**	**264 051**	**248 937**	**262 878**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

IV. Condensed interim statement of changes in consolidated equity

PLN thousands	Share capital	Supplementary capital from sales of shares above nominal price	Other reserve capital	Exchange rate differences	Retained earnings	Net profit (loss) for the reporting period	Equity attributable to shareholders of the parent entity	Minority share capital	Total equity
01 Jan 2015 – 30 Jun 2015									
Equity as of 01 Jan 2015	**94 950**	**119 730**	**1 716**	**924**	**(49 302)**	**-**	**168 018**	**-**	**168 018**
Equity after adjustments	**94 950**	**119 730**	**1 716**	**924**	**(49 302)**	**-**	**168 018**	**-**	**168 018**
Cost of incentive program	-	-	*464*	-	-	-	*464*	-	*464*
Distribution of net profit	-	-	-	-	-	-	-	-	-
Introduction (change) in minority capital	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	*1 112*	-	*236 252*	*237 364*	-	*237 364*
Equity as of 30 Jun 2015	**94 950**	**119 730**	**2 180**	**2 036**	**(49 302)**	**236 252**	**405 846**	**-**	**405 846**
01 Jan 2014 – 31 Dec 2014									
Equity as of 01 Jan 2014	**94 950**	**112 438**	**989**	**(790)**	**(41 087)**	**-**	**166 500**	**868**	**167 368**
Adjustments due to accounting errors	-	-	-	-	*(381)*	-	*(381)*	-	*(381)*
Equity after adjustments	**94 950**	**112 438**	**989**	**(790)**	**(41 468)**	**-**	**166 119**	**868**	**166 987**
Cost of incentive program	-	-	*727*	-	-	-	*727*	-	*727*
Distribution of net profit	-	*7 292*	-	-	*(7 292)*	-	-	-	-
Introduction (change) of minority share capital	-	-	-	-	*(5 754)*	-	*(5 754)*	*(335)*	*(6 089)*
Total comprehensive income	-	-	-	*1 714*	-	*5 212*	*6 926*	*(533)*	*6 393*
Equity as of 31 Dec 2014	**94 950**	**119 730**	**1 716**	**924**	**(54 514)**	**5 212**	**168 018**	**-**	**168 018**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

PLN thousands	Share capital	Supplementary capital from sales of shares above nominal price	Other reserve capital	Exchange rate differences	Retained earnings	Net profit (loss) for the reporting period	Equity attributable to shareholders of the parent entity	Minority share capital	Total equity
01 Jan 2014 – 30 Jun 2014									
Equity as of 01 Jan 2014	**94 950**	**112 438**	**989**	**(790)**	**(41 087)**	**-**	**166 500**	868	**167 368**
Equity after adjustments	**94 950**	**112 438**	**989**	**(790)**	**(41 087)**	**-**	**166 500**	868	**167 368**
Distribution of net profit /compensation of net loss	-	*7 292*	-	-	*(7 292)*	-	-	-	-
Cost of incentive program	-	-	*407*	-	-	-	*407*	-	*407*
Introduction (change) of minority share capital	-	-	-	-	*(5 754)*	-	*(5 754)*	*5 752*	*(2)*
Total comprehensive income	-	-	-	*166*	-	*4 573*	*4 739*	*79*	*4 818*
Equity as of 30 Jun 2014	**94 950**	**119 730**	**1 396**	**(624)**	**(54 133)**	**4 573**	**165 892**	6 699	**172 591**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

V. V. Condensed interim consolidated statement of cash flows

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
OPERATING ACTIVITIES		
Net profit (loss)	**236 252**	**4 652**
Total adjustments:	**(136 382)**	**2 576**
Depreciation and amortisation	*2 224*	*1 658*
Interest and profit sharing	*(151)*	*(307)*
Profit (loss) from investment activities	*589*	*(2 079)*
Change in provisions	*26 383*	*(41)*
Change in inventories	*47 109*	*(15 231)*
Change in receivables	*(217 959)*	*(15 904)*
Change in liabilities excluding credits and loans	*9 763*	*36 885*
Change in other assets and liabilities	*(5 729)*	*(2 978)*
Other adjustments	*1 389*	*573*
Cash flows from operating activities	**99 870**	**7 228**
Income tax on profit (loss) before taxation	*47 766*	*1 702*
Income tax (paid) / reimbursed	*(13 328)*	*(1 464)*
A. Net cash flows from operating activities	**134 308**	**7 466**
INVESTMENT ACTIVITIES		
Inflows	**151**	**7 690**
Liquidation of intangible and tangible fixed assets	*-*	*6 664*
Other inflows from investment activities	*151*	*1 026*
Outflows	**4 514**	**3 477**
Purchases of intangible and tangible fixed assets	*3 080*	*2 444*
Purchases of financial assets	*105*	*2*
Other outflows from investment activities	*1 329*	*1 031*
B. Net cash flow from investment activities	**(4 363)**	**4 213**
FINANCIAL ACTIVITIES		
Inflows	**-**	**90**
Credits and loans	*-*	*5*
Other inflows from financial activities	*-*	*85*
Wydatki	**144**	**277**
Repayment of credits and loans	*4*	*1*
Payments of liabilities under financial lease agreements	*140*	*263*
Interest paid	*-*	*13*
C. Net cash flows from financial activities	**(144)**	**(187)**
D. Total net cash flow	**129 802**	**11 492**
E. Change in cash and cash equivalents on balance sheet	**129 802**	**11 492**
F. Cash and cash equivalents at beginning of period	**34 395**	**39 684**
G. Cash and cash equivalents at end of period	**164 196**	**51 176**

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

Clarifications regarding the condensed interim consolidated statement of cash flows

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
The “other adjustments” line item comprises:	**1 389**	**573**
Incentive program costs	*464*	*407*
Exchange rate differences on valuation of foreign entities	*925*	*166*

Warsaw, 26 August 2015

Adam Kiciński	Marcin Iwiński	Piotr Nielubowicz	Adam Badowski	Michał Nowakowski	Aneta Magiera
President of the Board	Vice President of the Board	Vice President of the Board	Board Member	Board Member	Accounting Officer

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Clarifications regarding the Condensed Interim Consolidated Financial Statement

I. Compliance with International Financial Reporting Standards

This condensed interim consolidated financial statement has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and with the International Financial Reporting Standards (hereafter referred to as "IFRS") applicable to interim reporting, adopted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Union and valid for 30 June 2015.

Comparative financial data for the half-year period ending 30 June 2014 has been prepared in accordance with the same accounting principles.

In preparing the condensed interim consolidated financial statement the Company applies the same standards as for its annual consolidated financial statement except for amendments and new standards and interpretation approved by the European Union and applicable to reporting periods beginning on or after 1 January 2015:

- Changes in IFRS (2010-2012) – introduced by way of the annual IFRS amendment procedure,
- Changes in IFRS (2011-2013) – introduced by way of the annual IFRS amendment procedure,
- Changes in IAS 19 – Employee benefits

In 2015 the Group adopted all new standards and intepretations published by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, approved for use in the European Union and applicable to reporting periods beginning on or after 1 January 2015, insofar as such standards apply to the activities carried out by the Group.

Standards and interpretations approved by the IASB but not yet adopted by the EU

- IFRS 9 Financial Instruments (of 24 February 2014) – applicable to reporting periods beginning on or after 1 January 2018

  The new standard replaces the guidelines contained in IAS 39 Financial Instruments: recognition and measurement with regard to classification and measurement of financial assets. It eliminates the distinction between assets held to maturity, assets held for sale and loans/payables, as listed in IAS 39. On initial recognition financial assets are instead grouped into:

  - financial assets masured using the amortised cost method,
  - financial assets measured at fair value.

  A financial asset is measured using the amortised cost method if the following two conditions are fulfilled: the objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

  Gains and losses on financial assets measured at fair value are to be entered into the accounts for the current period unless the investment is not held for trading. IFRS 9 enables financial assets to be measured at fair value on initial recognition and entered into the accounts as Other comprehensive income. This decision is irreversible and can be taken for each asset separately. Assets recognized in this manner cannot be transferred to profit or loss at a later date.

- Changes to IFRS (2012-2014) adopted via the annual IFRS amendment procedure – applicable to reporting periods beginning on or after 1 July 2016

- IFRS 14: Regulatory Deferral Accounts – applicable to reporting periods beginning on or after 1 January 2016.

  This standard was published in the framework of a broader project concerning rate-regulated activities and addressing the comparability of financial statements in areas subject to regulation by supervisory or control organs (depending on the jurisdiction such areas often include heat and energy distribution, trading in electricity and natural gas, telecommunication services etc.)

IFRS 14 does not broadly cover accounting of rate-regulated activities; instead it defines the rules of recognizing revenues and expenses stemming from market regulations which do not fall under the provisions of other IFRS regarding recognition of assets and liabilities.

The applicability of IFRS 14 is limited to cases where the entity in question conducts rate-regulated activities and has recognized amounts in its previous GAAP financial statements that meet the definition of regulatory deferral account balances.

According to IFRS 14 such amounts should instead be reported separately in the statement of financial position and the profit and loss statement. They are not to be subdivided into fixed and operating units and should not be treated as assets or liabilities – instead, they are designated as "regulatory deferral account balances".

The profit and loss account should present net changes in deferral account balances in its other comprehensive income section and in the profit and loss section (or in separate profit and loss statements, where appropriate).

- IFRS 15: Revenue from Contracts with Customers – applicable to reporting periods beginning on or after 1 January 2017.

  IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard introduces a uniform five-step model which is to apply to all revenues earned from contracts with customers.

- Amendment to IAS 16: Property, Plant and Equipment, and to IAS 38: Intangible Assets – acceptable methods of depreciation and amortization (of tangible fixed assets and intangible assets) - applicable to reporting period beginning on or after 1 January 2016.

  With regard to amortization of fixed assets the amendment reiterates that the amortization method should reflect the consumption of the expected future economic benefits embodied in the asset, however it also notes that a revenue-based method is not considered to be an appropriate manifestation of consumption. This is because revenue represents the generation of expected economic benefits rather than the consumption of said benefits. The IASB points out that revenues are affected by a host of other factors, such as inflation, which have nothing to do with the manner in which economic benefits afforded by tangible fixed assets are consumed.

  With regard to intangible assets (covered under IAS 38) the IASB admits that in certain circumstances it might be appropriate to apply a revenue-based amortization strategy. In order for this exception to be applicable the entity in question must be able to show a clear causative link between its revenues and the consumption of economic benefits afforded by an intangible asset, provided that the asset can be interpreted as the right to obtain a specific revenue (i.e. the asset expires once its holder has secured a predetermined revenue) – an example would be the right to mine a gold deposit until such time as a certain revenue is obtained.

- Amendment to IFRS 11: Joint Agreements – acquisition of an interest in a joint operation – applicable to reporting periods beginning on or after 1 January 2016.

  The amendment add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business under IFRS 3.

  The amended standard stipulates that in such cases the acquirer is required to apply all of the principles on business combinations accounting in IFRS 3: Business Combinations (as well as other IFRS, with the exception of those principles that conflict with the guidance in IFRS 11) and disclose all required information applicable to a business combination scenario. Part B of the standard contains more detailed provisions regarding e.g. goodwill and asset impairment tests.

- Changes in IAS 1 Presentation of financial statements, applicable to reporting periods beginning on or after 1 January 2016.

  These changes are meant to encourage entities to apply professional judgment in determining what information should be disclosed in the financial statement, as well as the specific place and order of such disclosures.

- Changes in IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception applicable to reporting periods beginning on or after 1 January 2016.

These changes apply to investment entities, concern consolidation exceptions and introduce a set of guidelines applicable to accounting for such entities.

- Changes in IAS 27 Separate Financial Statements applicable to reporting periods beginning on or after 1 January 2016.

  The change permits the use of the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

- Changes in IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, applicable to reporting periods beginning on or after 1 January 2016 (delayed).

  These changes concern sale or contribution of assets occurring between the investor and an associate or joint venture and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

In the Group's estimate the above standards, interpretations and changes would not have significantly influenced the Group's consolidated financial statement had they been applied at the end of the reporting peiord.

II. Basis for the preparation of the condensed interim consolidated financial statement

This condensed interim consolidated financial statement with elements of condensed interim separate financial statements for the period ending 30 June 2015 was prepared in accordance with IAS 34 (Interim Financial Reporting) as well as with the Finance Minister's regulation of 19 February 2009 regarding current and periodic disclosure of information by issuers of securities and recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Law of the Republic of Poland, No. 33, item 259 with subsequent changes).

This condensed interim consolidated financial statement with elements of condensed interim separate financial statements is valid for 30 June 2015 and presents data for the period between 1 January and 30 June 2015 along with the corresponding reference period in 2014.

The presentation currency in this condensed interim consolidated financial statement with elements of condensed interim separate financial statements is Polish Zloty. All figures are denominated in thousands of Polish Zlotys unless otherwise specified.

This condensed interim consolidated financial statement with elements of condensed interim separate financial statements was prepared on the basis of the historical cost principle. The condensed interim consolidated financial statement with elements of condensed interim separate financial statements does not, by itself, cover all information which the Company is legally required to disclose for the current financial year, and should therefore be read in conjunction with the annual consolidated financial statement for 2014, containing notes which pertain to the 12-month period ending 31 December 2014 and prepared in accordance with IFRS as legislated by the European Union.

This condensed interim consolidated financial statement with elements of condensed interim separate financial statements was not subjected to an audit by an independent auditor. This condensed interim consolidated financial statement with elements of condensed interim separate financial statements was reviewed by an independent auditor.

III. Assumption of going concern and comparability of financial statements

This condensed interim consolidated financial statement is prepared under the assumption that the Group and Company intend to continue as a going concern throughout the 12-month period following the end of the reporting period (i.e. 30 June 2015). At the moment of signing this financial statement the Management Board of the parent entity is not aware of any facts or circumstances which would jeopardize the assumption of going concern within said 12-month period, by way of intentional or forced cessation or significant reduction of continuing operations.

As of the day of preparation of this condensed interim consolidated financial statement with elements of condensed interim separate financial statements for the period ending 30 June 2015 no events have occurred which should have been reflected in the accounts for that period but have not been reflected therein. Additionally, no important events have occurred in relation to the preceding years.

The following presentation changes have been applied to the period between 1 January and 30 June 2014 in order to ensure comparability of financial data:

- For the period between 1 January and 30 June 2014 revenues in the amount of 31 004 thousand PLN were deducted from the “Revenues from sales of services” line item and added to the “Revenues from sales of goods and materials” line item, and additionally revenues in the amount of 19 357 thousand PLN were deducted from the “Cost of goods and services sold” line item and added to the “Value of products and materials sold” line item. This change is associated with a change in presentation of the revenues of GOG Ltd. pursuant to the definition of electronic services. It has no bearing on the Company’s financial result or equity.

- For the period between 1 January and 30 June 2014 the amount of 353 thousand PLN was deducted from the “External services” line item and added to the “Other costs/data transfer and other Internet-related costs” line item in the “Operating costs” section. This change is associated with a change in the presentation of costs in the GOG Ltd. and has no bearing on the Company’s financial result or equity.

- For the period between 1 January and 30 June 2014 the amount of 5 thousand PLN was transferred from the “Cost of products, goods and materials sold” to the “Financial costs” line item and additionally the amount of 11 thousand PLN was transferred to the “Financial revenues” line item. This change is associated with a change in the presentation of exchange rate differences related to transactions with subsidiaries. It has no bearing on the Company’s financial result or equity.

- For the period between 1 January and 30 June 2014 the amount of 320 thousand PLN was transferred from the “Cost of products, goods and materials sold” line item to the “Financial costs” line item and additionally the amount of -723 thousand PLN was transferred to the “Financial revenues” line item, for a total of 1 083 thousand PLN. This change is associated with a change in the presentation of exchange rate differences at the parent company – CD PROJEKT S.A. Additionally, the income tax amount was adjusted by 8 thousand PLN.

In addition to the above, CD PROJEKT S.A. corrected the erroneous account of statistical exchange rate differences on advance royalty fees received from foreign suppliers and presented in its financial statement of 30 June 2014. According to IAS 21 §16 advance payments should be treated as non-monetary items carried at historical cost and reported using the exchange rate at the date of the transaction except for items carried at fair value. No further statistical exchange rate differences arise on reporting dates following the date of the transaction. Accordingly, the following adjustments were made:

- Deferred income tax assets: adjusted by -21 thousand PLN
- Deferred income tax liabilities: adjusted by -13 thousand PLN
- Other liabilities – adjusted by -40 thousand PLN
- Net profit (loss) for the reporting period: adjusted by +32 thousand PLN

The above adjustments changed the Company’s financial result and equity by +32 thousand PLN.

IV. Consolidation principles

Subsidiaries

Subsidiaries are defined as all companies which fall under the Group’s financial and operating control, typically by way of a majority share of votes in their statutory organs. When determining whether or not the Group controls an entity, consideration is given to the existence and potential impact of voting rights which can be exercised or exchanged at a given moment.

Subsidiaries are subject to full consolidation from the date of acquisition of control by the Group and cease to be reported as such on the day control is lost. Acquisition of subsidiaries by the Group follows acquisition accounting rules. The cost of acquisition is defined as the fair value of all assets, issued securities and liabilities incurred or transferred on the date of acquisition. Identifiable assets and liabilities (including conditional liabilities) acquired as a result of a business combination are estimated on the basis of their fair value on the day of acquisition, regardless of any applicable noncontrolling interests. Any positive difference between the cost of acquisition and the fair value of the Group’s share in the identifiable net assets acquired is interpreted as goodwill. If the cost of acquisition is lower than the fair value of the identifiable net assets acquired, the difference is expressed directly in the profit and loss account.

Differences caused by changes in the ownership structure of subsidiary shares are reflected in the financial result for the preceding years.

Any revenues, expenses, settlements and unrealized gains on transactions between companies belonging to the Group are eliminated in full. Unrealized losses are also eliminated unless the nature of the transaction indicates impairment on any of the transferred assets. Accounting practices in use at subsidiary companies are adjusted whenever necessary to ensure compliance with accounting practices adopted by the Group.

Entities covered by the consolidated financial statement

This condensed interim consolidated financial statement for the period between 1 January and 30 June 2015 applies to the following members of the Group:

	capital share	voting share	consolidation method
CD PROJEKT S.A.	parent entity	-	full
GOG Poland sp. z o.o.	100%	100%	full
GOG Ltd.	100%	100%	full
Brand Projekt sp. z o.o.	100%	100%	full
CD PROJEKT Brands S.A.	100%*	100%	full
CD PROJEKT Inc.	100%	100%	full

** Indirectly controlled by CD PROJEKT S.A.*

V. Description of applicable accounting practices

Presentation of results by activity segment

The scope of financial information reported in relation to each of the Group's activity segments is determined by IFRS 8. For each segment the result is based on net profit.

Operating revenues and expenses

Revenues are defined as the gross receipts on any economic benefits from the reported period resulting from (ordinary) economic activities of the Group and leading to an increase in its equity other than from capital increases obtained through shareholder contributions.

Revenues only cover receipts on economic benefits allocated to the Group, whether received or receivable. Revenues from sales are defined as received or receivable payments on sales of material assets and services less the applicable sales and services tax. Revenues are determined on the basis of fair payment, whether received or receivable, adjusted for any trade discounts granted by the Group. Sales revenues are recognized on the date of transfer of the relevant goods and rights of use. Where services are concerned, revenues are valid for the period a given service was performed, depending on the progression of the underlying transaction, i.e. the relationship between the current state of work and the totality of work required to render a given service.

In accordance with the principle of matching revenues and expenses, expenses associated with consumption of materials, goods and finished products are reported in the same period as their corresponding sales revenues.

Financial revenues and expenses

(all figures quoted in PLN thousands unless otherwise specified)

Financial revenues consists mainly of interest on bank deposits of monetary assets, commissions and interest on loans granted, penalty interest on overdue receivables, liabilities, released provisions associated with financial activities, revenues from sales of securities, gains from exchange rate differences, reversal of impairment of investment assets and credit/loan write-offs.

Financial expenses consist mainly of interest on outstanding credits and loans, penalty interest on overdue liabilities, provisions set aside to cover certain or probable losses from financial operations, purchase value of any securities sold, commissions and handling charges, write-downs on interest owed and short-term investment valuations, discounts, exchange rate differences and, in the case of financial lease agreements, any other payments except capital payments.

State subsidies

Subsidies are not recognized until there is a reasonable certainty that a given Group member will fulfill the necessary criteria and receive the subsidy. State subsidies predicated on the condition that the recipient purchases or produces certain fixed assets are recognized in the consolidated statement of financial position in the deferred revenue line item and charged to the financial result systematically throughout the anticipate economic life of such assets.

Current and deferred income tax

The reported revenue is subject to compulsory taxation, whether current or deferred. Current tax is calculated on the basis of taxable income in a given financial year. Tax gain (or loss) differs from net accounting gain (or loss) due to exclusion of taxable deferred revenues and acquisition costs, as well as tax-exempt revenues and expenses. Tax burden is calculated on the basis of tax rates valid for a given financial year. Current tax on items included directly in the equity capital is reported in the equity statement, as opposed to the profit and loss account.

Deferred tax is calculated using the balance sheet method as the amount payable or receivable as a result of the difference between the carrying amount of assets and liabilities and their corresponding tax base amounts.

Deferred income tax liabilities are recognized in correspondence with taxable positive temporary differences. Deferred tax assets are recognized up to the amount of probable reduction in future tax gains by any recognized negative temporary differences. A tax asset or liability is not recognized if the underlying temporary difference is due to goodwill or prior inclusion of another asset or liability in a transaction which does not affect the company’s taxable or accounting revenues.

Deferred income tax liabilities are applied to temporary tax differences resulting from investments in associates and joint ventures unless the Group is capable of controlling the moment of reversal of the temporary difference and the temporary difference is unlikely to reverse in the foreseeable future.

The value of the asset associated with deferred tax is subject to analysis for each balance sheet date. If the expected future tax gains are insufficient to cover the asset or part thereof, it is written off.

Deferred tax is calculated by applying rates which will be in force on the date the corresponding gain is realized or the liability becomes due. Deferred tax is reported in the profit and loss account unless it applies to assets included directly in the equity capital in which case it is also reported in the equity capital.

Value added tax

All revenues, expenses and assets are recorded following deduction of the applicable value added tax, except for:

- cases where value added tax paid when purchasing assets or services cannot be recovered from state authorities, in which case it is reported as part of the purchase cost of a given asset or as an expense;
- receivables and liabilities reported as inclusive of value added tax.

The net amount of value added tax recoverable from or payable to tax authorities is reported in the statement as part of the Group’s receivables or liabilities.

Tangible assets

Tangible assets are recognized on the basis of their cost (purchase price or production cost) following deduction of depreciation and impairment for each reporting period. Borrowing costs associated directly with the purchase or construction of assets which require a long time to become usable or resaleable are added to the cost of construction of such fixed assets up until the beginning of their useful economic life. Revenues from short-term investment of borrowings related to construction of fixed assets is deducted from the borrowing costs following capitalization. Other borrowing costs are reported as expenses in the period during which they were incurred.

Depreciation is calculated for all fixed assets except land holdings and fixed assets being built, throughout their expected useful economic life, using the straight-line method.

Assets held under a financial lease agreement are depreciated throughout their useful economic life in the same way as proprietary assets.

Profits or losses on sales/liquidation or cessation of use of fixed assets are defined as the difference between their sales revenues and net value, and are reported in the profit and loss account.

Intangible assets

Intangible assets are recognized according to their historical cost of purchase or production, following deduction of depreciation and impairment costs. Depreciation is calculated using the straight-line method. Costs of research and development activities are not subject to activation and are reported in the profit and loss account for the period when they were incurred. Costs of development activities can only be capitalized under the following conditions:

- the project is well defined (e.g. development of new software or procedures);
- the asset being built is likely to yield economic benefits;
- project costs can be reliably estimated.

Development costs are depreciated using the straight-line method throughout their expected useful economic life, or reported in proportion to the quantity of products sold.

In this interim consolidated financial statement the Capital Group considers the CD PROJEKT brand name and The Witcher trademark as its intangible assets. The value of trademarks is calculated using the relief from royalty method, which is one of the basic valuation methods for trademarks and other intangible assets in the context of business combinations, in line with IFRS 3 *Business combinations*. Trademark valuation is subject to yearly impairment tests.

Goodwill

Goodwill is defined as the positive difference between the cost of establishing a business combination (also known as acquisition or takeover cost) and the parent company's share in the net fair value of all assets and liabilities (including contingent liabilities) of the controlled entity on the date of acquisition.

Goodwill may be created either as a result of acquisition of a corporate entity, or through acquisition of an enterprise, i.e. an organized part of an entity, which is defined as a set of assets and corresponding liabilities (including contingent liabilities).

Combinations between the parent entity and other entities are accounted for using the purchase method according to which the takeover cost, calculated as the fair value of payment incurred for acquiring control over a corporate entity or part thereof (i.e. an enterprise), is allocated to identifiable assets and liabilities (including contingent liabilities) of the entity being acquired. Any surplus resulting from this allocation procedure is assumed to represent goodwill. Any negative difference between the acquisition cost and the Company's share in the net fair value of identifiable assets and liabilities (including contingent liabilities) on the date of acquisition is treated as revenues and duly reported in the profit and loss account as Other operating revenues (disaggregated).

Goodwill may be created through acquisition of a corporate entity via a court-registered merger or by acquisition of capital shares of the subsidiary. In the former case goodwill is reported in the parent company's accounts and its individual financial statement; in the latter case it is reported in the consolidation documents and in the consolidated financial statement of the Capital Group.

Goodwill is also estimated following purchase of shares in a jointly controlled entity or affiliate. If shares in a jointly controlled entity are acquired by applying the proportional consolidation method, goodwill is accounted and reported as for a controlled entity. If shares are acquired by applying the equity method (whether for a jointly controlled entity or affiliate) goodwill assessment follows the same procedure as for a controlled entity, with the exception that the equity method does not permit the acquired goodwill to be reported in the financial statement.

Impairment of non-financial assets

For each balance sheet date Group members perform an inventory of the net value of all their fixed assets in order to determine whether impairment of assets may have occurred.

If asset impairment is suspected the recoverable amount of each asset is calculated to determine the potential write-down. If a given asset does not produce a cash flow that is substantially separate from cash flows produced by other assets, analysis is performed for the whole group of cash producing assets to which the given asset belongs.

For intangible assets with an indefinite useful economic life this impairment test is performed on a yearly basis and, additionally, whenever impairment is suspected.

Recoverable amount is defined as the greater of the following two values: fair value of the asset less the cost of sale, and the asset's value in use. The latter value is defined as the balance of expected future cash flows produced by the asset, discounted using discount rates which acknowledge the market value of the relevant currency and a risk factor specific to the given asset.

If the recoverable amount of a given asset is lower than its net book value, the book value is lowered to match the recoverable amount. The loss resulting from this operation is accounted as cost in the period during which it was incurred, unless the asset had previously been carried at a revalued amount in which case the impairment is reflected by adjusting the revalued amount.

At the moment of reversal of asset impairment the net value of the asset (or group of assets) is increased to match the newly estimated recoverable amount; it cannot, however, exceed the net value of the asset which would have been reported had the impairment not been recognized during previous financial years. Reversal of asset impairment is recognized as revenues unless the asset had previously been carried at a revalued amount in which case the impairment reversal is reflected by adjusting the revaluation capital.

Investment properties

Investment properties are defined as all properties held for the expected revenues from rent, increase in value, or both. As such, cash flows produced by investment properties are largely independent from those produced by other assets belonging to Group members.

Investment properties may be estimated using the fair value or purchase cost method.

Lease agreements

Lease agreements are considered to be financial in nature if the agreement transfers the totality of potential benefits and risks associated with the lease to the lessee. All other forms of lease agreements are considered operating.

Assets utilized on the basis of financial lease agreements are considered to belong to the relevant Group member and are accounted by their fair value on the date of acquisition. The reported value cannot, however, exceed the current minimum total of lease payments. The lease agreement establishes a liability due to the lessor, which is represented in the account sheet as a financial lease liability. Lease payments are divided into capital and interest payments in such a way that the interest rate for the remaining portion of the liability remains fixed. Financial costs are reported in the profit and loss account. In the context of operating lease agreements, payments are allocated to costs throughout the duration of lease using the straight line method.

Investments in affiliates

Investments in affiliates are accounted on their effective date and at cost. Assessment of such investments for a given balance sheet date is performed on the basis of initial cost minus the write-down associated with any permanent impairment of assets.

Financial assets

On initial recognition each member of the Group classifies each of its financial assets as:

- financial assets designated at fair value through financial result,
- investments held to maturity,
- loans or liabilities,
- financial assets held for sale.

Assets are reported in the Group member's balance sheet at the moment the member enters into a binding agreement. On initial recognition each asset is designated at fair value, which is increased – if the given asset or financial liability is not qualified for designation at fair value through financial result – by the cost of transactions directly attributable to acquisition or issuance of the financial asset or liability.

Financial liabilities

A financial liability is defined as any liability which:

- is associated with a contractual obligation to transfer monetary or other financial assets to another entity, or exchange financial assets or liabilities with another entity on potentially disadvantageous terms;
- is associated with a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are considered equity instruments if the entity offers the rights, options or pro rata warrants to all of its existing owners of the same class of its own non-derivative equity instruments.

On initial recognition each member of the Group classifies each of its financial liabilities as:

- financial liabilities designated at fair value through financial result,
- other financial liabilities.

On initial recognition a financial liability is estimated at fair value, which is increased – if the given liability is not qualified for estimation at fair value through financial result – by the cost of transactions directly related to said liability.

Inventories

The initial value (cost) of an inventory is the sum of all costs (related to purchase, production etc.) incurred in bringing the inventory to its current level and location. The cost of inventories is defined as the original purchase price increased by import duties and other taxes (which cannot be recovered from tax authorities), transport, loading and unloading costs, and any other costs associated with construction of inventories, and reduced by any discounts, rebates and similar deductions. Inventories are valued at initial cost (purchase price or production cost) or at their net sale price, whichever is lower. The net sale price is defined as the estimated sale price reduced by any costs involved in finalizing production, facilitating the sale and finding a buyer (this includes sales and marketing expenses, etc.) In relation to inventories, cost is determined on the "weighted average" basis.

Current production involves development of games. The carrying amount is determined on the basis of all development costs directly attributable to a given project and a justifiable portion of costs not directly attributable to any given project.

At the moment of finalizing development and recognizing costs incurred by a given project said costs are reallocated from Ongoing development to Finished products.

In the case of projects for which a reliable estimate of sales revenues can be provided, a coefficient is derived to enable allocation of costs at the moment of sale. This coefficient depends on the total value of expenses for the finished project (reported as Finished products) in relation to the expected sales revenues.

In the case of projects for which no reliable estimate of sales revenues can be provided and no suitable cost allocation coefficient can be derived the revenues and costs are reported on a 1:1 basis.

Trade and other receivables

Receivables associated with delivery of products and services are entered in the accounts at their nominal value, adjusted for write-downs reflecting any doubtful debts.

Accrued and deferred charges

Each member of the Group includes in its statement of deferred and accrued charges any prepayments and charges related in part or in full to subsequent reporting periods.

Deferred charges are recognized by the Group as allocated to future reporting periods, depending on when the relevant revenue is realized.

Claims related to sale of products which have been produced and accounted for in the reporting period but reported following the end of this period (in accordance with contractual obligations) are reported as trade receivables until the relevant invoices have been received.

Accrued charges are charges associated with payment for products or services which have been received or performed, but which have not been paid for, invoiced or formally agreed upon with the supplier.

GOG Ltd. purchases licensing rights which are recognized as deferred revenues. Contractual payments associated with minimal guarantees are debited and the corresponding sales costs credited following commencement of sales.

Licensing allowances (accrued charges) are recognized once minimal guarantee thresholds are exceeded. The basis for calculating said allowances is the quantity of products sold or the amount of realized revenues.

Cash and cash equivalents

Cash assets are defined as cash on hand and any deposits payable on demand. Cash equivalents represent highly liquid short-term investments easily exchangeable for a known quantity of cash and subject to low depreciation risk.

Assets held for sale and discontinuing operations

Tangible assets held for sale (as well as net disposal groups) are valued at either their carrying amount or their fair value less the cost of sale, whichever is lower.

Tangible assets and disposal groups are classified as held for sale if their carrying amount is expected to be retrieved by way of sale rather than continued use. This condition is only considered fulfilled if the sale transaction is highly likely to occur and the given asset (or disposal group) is available for immediate sale in its present form. Designating a given asset as held for sale conveys the company management's intent to conclude the sale transaction within one year of such a designation being made.

Equity

Equity is treated in accounting practice with distinction to its type and in accordance with the applicable legal constraints, as well as any statutory requirements and conditions expressed in the contracts to which the Group member is a party.

Share capital is reported at nominal value, in the amount consistent with the parent company's statute and its record in the court register.

Supplementary capital is derived from:

- the positive difference between the issue price of shares and their corresponding nominal value less the cost of issuance. Said costs, incurred while establishing a joint-stock company or increasing its share capital, limit the capital to the excess of issue price over the nominal value of shares;
- profit earned and reported as Other capital contributions.

Provisions for liabilities

Provisions are made whenever a Group member faces a liability (whether legal or customary) resulting from past events, it is likely that discharging said liability will reduce the Group member's economic advantage and the liability can be reliably estimated. No provisions are made for future operating losses.

Restructuring cost allowances are made only when the Group member has revealed a detailed and formalized restructuring plan to all interested parties.

Employee benefits

The costs of short-term employee benefits other than those stemming from termination of employment and equity compensation are recognized as liabilities following adjustment for any payments already made and, at the same time, as expenses during the period, unless a given benefit is includable in the cost of construction of an asset. The Group does not provide any employee benefit programs following termination of employment.

On 16 December 2011 the Extraordinary General Meeting of Shareholders of CD Projekt RED S.A. voted to institute an incentive program for persons viewed as crucially important for the Capital Group as a whole and having a decisive influence upon the development of the Group's activity branches. A set of targets were established and the Management Board and Supervisory Board of the Company selected a number of persons who, assuming these profit and marketing goals are met, are rewarded with warrants entitling them to acquire company shares by way of a conditional increase in the Company's share capital. Details are presented in Current Report No. 73/2011 of 17 December 2011.

Bank credits and loans

Any bank credits on which interest is charged (including overdraft facilities) are recognized in the amount of acquired revenues less the cost of acquisition. Financial costs, including commissions charged upon repayment or waivers, as well as direct costs of obtaining credit are reported in the profit and loss account using the accrual accounting method and included in the book value of the instrument adjusted for any repayments made in the reporting period. Accounting practices related to credits are also applied to loans. Loans granted are estimated at their acquisition cost adjusted by applying the effective interest rate.

Trade and other liabilities

Liabilities pertaining to supplies and services are reported in their nominal amount. Financial liabilities and equity instruments are classified according to their commercial substance which depends on contractual obligations. Equity instruments are defined as contracts granting a share in the Group's equity less any applicable liabilities.

Licenses

The value of acquired licenses is reported on the basis of received invoices as the balance of prepaid expenses, increased by contractual uninvoiced minimum guarantees. The cost of acquired licensing rights is entered in the accounts in proportion to sales volume. Once the balance of prepaid expenses is exceeded, the remaining amount is reported in the trade liabilities line item.

Borrowing costs

Borrowing costs associated with the purchase, construction or creation of a qualifying asset are recognized as a component of its acquisition or construction cost (IAS 23).

Dividend payments

Dividends are recognized at the moment the Company shareholders become entitled to receive them.

VI. Functional currency and presentation currency

Functional currency and presentation currency

All items in the financial statement are expressed in the currency of the primary economic environment in which the Group operates (functional currency). The financial statement is presented in Polish Zlotys (PLN), which is the functional and presentation currency of the Group and the Company.

Transactions and balances

Transactions denominated in foreign currencies are converted to the functional currency according to the exchange rate on the date of the transaction. Exchange rate losses and gains on settlement of transactions and on valuation of assets and liabilities denominated in foreign currencies are reported in the profit and loss statement unless deferred in the equity capital as a cash flow hedges and hedges of net investments.

VII. Important values based on professional judgment and estimates

Professional judgment

In applying accounting practices (policies) to the issues listed below, a key aspect – in addition to accounting estimates – is the professional judgment of Company management.

Classification of lease agreements

Group members classify lease agreements as either operating or financial based on their assessment of the degree to which the risk and benefits from possessing the leased asset accrue to the lessee as opposed to the lessor. This assessment is based on the commercial substance of each agreement.

Uncertainty of estimates

This section key assumptions regarding future conditions and other fundamental sources of uncertainty, as of the balance sheet date, which may pose a serious risk of significant adjustments in asset and liability valuation during the coming financial year.

Impairment of assets

Goodwill and trademark value impairment tests require an assessment of the value in use of each cash generating unit to which Group members belong. This assessment is based on a projection of future cash flows generated by individual cash generating units and requires an estimate of the discount rate applied when conducting pending assessment of the value of said flows. The latest test of the CD PROJEKT brand name was conducted on 31 December 2014 while the latest test of The Witcher trademark was conducted on 20 August 2014. Neither test indicated impairment of the corresponding assets. Asset impairment tests at individual subsidiaries were last conducted on 31 March 2015. No circumstances were identified which would suggest impairment of these assets.

Valuation of provisions

Provisions for employee pensions and the incentive program were estimated on the basis of actuarial gains and losses.

Work in progress

In the case of projects for which a reliable estimate of sales revenues can be provided, a coefficient is derived to enable allocation of costs at the moment of sale. This coefficient bases on the total value of expenses for the finished project (reported as Finished products) in relation to the expected sales revenues.

Deferred tax assets

Group members recognize deferred tax assets by anticipating future taxable revenues which may require recognition of such assets. A decrease in future economic performance might render such assumptions invalid.

Deferred tax liabilities

In its current financial condition the Group recognizes deferred income tax liabilities by assuming future tax liabilities arising from positive temporary differences, enabling the given liability to be consumed.

Fair value of financial instruments

Financial instruments for which there is no active market are estimated using appropriate methods. In selecting the suitable methods and assumptions each Group member applies its professional judgment.

Depreciation rates

Depreciation rates are determined on the basis of the expected useful economic life of tangible equity assets and intangible assets. Each Group member performs yearly validations of the assumed useful economic life of its assets, based on current estimates.

VIII. Changes in accounting practices (policies)

The accounting practices (policies) applied in preparing this consolidated financial statement are consistent with those applied in preparing the consolidated financial statement for the year ending 31 December 2014, with the exception of the presentation-related change described in section 3 subsection III “Assumption of going concern and comparability of financial statements”.

4

Additional notes and explanations regarding the condensed interim consolidated financial statement

I. Disclosure of the issuer's significant accomplishments and shortcomings in the reporting period

The significant accomplishments and shortcomings of the CD PROJEKT Capital Group are described in the Management Board report on CD PROJEKT Capital Group activities in the period between 1 January and 30 June 2015.

II. Description of circumstances affecting assets, liabilities, equity, net financial result and cash flows which are unusual due to their type, size or effect

Important events

In Current Report No. 3/2015 of 9 March 2015 the Company disclosed that the validity of collateral pledged as security for the Company's framework agreement with Raiffeisen Bank Polska S.A. concerning forward and derivative transactions had been extended. According to the updated declaration of submission to enforcement issued by the Company the bank may file for a writ of enforcement concerning potential claims resulting from the agreement until 31 March 2021.

In Current Report No. 4/2015 of 13 March 2015 the Company disclosed that it had concluded an amendment to its revolving credit agreement with mBank S.A., signed on 23 May 2013. As specified in the amendment the period during which the Company is entitled to draw upon the revolving credit facility was extended until 2 June 2016. Any outstanding credit must be fully repaid by 30 September 2016.

Additionally, both parties agreed to changes in the collateral associated with the above mentioned agreement, specifically by excluding the guarantees pledged by cdp.pl sp. z o.o. Consequently, both parties agreed to void the blank promissory note which had heretofore served as collateral. The Company issued a replacement promissory note payable to mBank S.A. and avalized by GOG Poland sp. z o.o. together with GOG Ltd. In conjunction with the issuance of this note the Issuer and the guarantors have issued a declaration of voluntary submission to enforcement under a writ of execution issued by mBank S.A., authorizing mBank S.A. to issue such a writ should the Issuer or the guarantors fail to abide by the terms of the credit agreement, and to petition a court of law for a corresponding writ of enforcement no later than on 30 September 2017.

In Current Report No. 15/2015 of 29 May 2015 the Company announced that the limit for forward and derivative transactions carried out under the framework agreement between the Company and Raiffeisen Bank Polska S.A. had been increased. According to the amended agreement the limit for associated transactions was set at 30 000 000 (thirty million) PLN and the Company issued a declaration of voluntary submission to enforcement in an amount not exceeding 45 000 000 (forty five million) PLN as collateral for liabilities emerging under the agreement.

III. Note 3. Disclosure of important changes in estimates

Changes in fixed assets (by category) between 1 January and 30 June 2015

PLN thousands	Land holdings	Buildings and structures	Machinery and equipment	Vehicles	Other fixed assets	Fixed assets under construction	Total
Gross carrying amount as of 01 Jan 2015	**-**	**3 540**	**6 054**	**1 491**	**147**	**-**	**11 232**
Increases from:	**-**	**615**	**859**	**-**	**65**	**136**	**1 675**
- purchases	*-*	*615*	*859*	*-*	*65*	*136*	*1 675*
- lease agreements	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- reclassification	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Reductions from:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- sales	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- liquidation	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- reclassification	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Gross carrying amount as of 30 Jun 2015	**-**	**4 155**	**6 913**	**1 491**	**212**	**136**	**12 907**
Amortization as of 01 Jan 2015	**-**	**1 295**	**3 972**	**394**	**72**	**-**	**5 733**
Increases from:	**-**	**185**	**873**	**149**	**20**	**-**	**1 227**
- amortization	*-*	*185*	*873*	*149*	*20*	*-*	*1 227*
Reductions from:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- sales	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- liquidation	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Amortization as of 30 Jun 2015	**-**	**1 480**	**4 845**	**543**	**92**	**-**	**6 960**
Impairment losses as of 01 Jan 2015	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Impairment losses as of 30 Jun 2015	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Net carrying amount as of 30 Jun 2015	**-**	**2 675**	**2 068**	**948**	**120**	**136**	**5 947**

Amount of contractual commitments for future acquisition of tangible fixed assets

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Leasing of passenger cars	*793*	*843*	*941*	*856*
Subsidy - deployment of integrated ERP software	*-*	*-*	*-*	*185*
Total	**793**	**843**	**941**	**1 041**

Changes in intangible assets between 1 January and 30 June 2015

PLN thousands	Trademarks	Patents and licenses	Computer software	Goodwill	Intangible assets under construction	Other	Total
Gross carrying amount as of 01 Jan 2015	**15 104**	**1 208**	**13 846**	**46 417**	**1 412**	**17 096**	**95 083**
Increases from:	**-**	**40**	**518**	**-**	**2 381**	**-**	*2 939*
- purchases	-	*40*	*518*	-	*2 381*	-	*2 939*
- reclassification	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-
Reductions from:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- sales	-	-	-	-	-	-	-
- liquidation	-	-	-	-	-	-	-
- reclassification	-	-	-	-	-	-	-
Gross carrying amount as of 30 Jun 2015	**15 104**	**1 248**	**14 364**	**46 417**	**3 793**	**17 096**	**98 022**
Amortization as of 01 Jan 2015	**-**	**355**	**8 709**	**-**	**-**	**-**	**9 064**
Increases from:	**-**	**70**	**927**	**-**	**-**	**-**	**997**
- amortization	-	*70*	*927*	-	-	-	*997*
Reductions from:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- liquidation	-	-	-	-	-	-	-
- sales	-	-	-	-	-	-	-
Amortization as of 30 Jun 2015	**-**	**425**	**9 636**	**-**	**-**	**-**	**10 061**
Impairment losses as of 01 Jan 2015	-	-	-	-	-	-	-
Impairment losses as of 30 Jun 2015	-	-	-	-	-	-	-
Net carrying amount as of 30 Jun 2015	**15 104**	**823**	**4 728**	**46 417**	**3 793**	**17 096**	**87 961**

Amount of contractual commitments for future acquisition of intangible assets

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
ERP/BI/Workflow B2B software	*636*	*648*	*1 008*	-
Total	**636**	**648**	**1 008**	**-**

Changes in goodwill

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Gross carrying amount at beginning of period	**46 417**	**46 417**	**46 417**	**46 417**
Increases due to acquisition of entities	-	-	-	-
Reductions due to business combinations	-	-	-	-
Gross carrying amount at end of period	**46 417**	**46 417**	**46 417**	**46 417**
Impairment losses	**-**	**-**	**-**	**-**
Net goodwill	**46 417**	**46 417**	**46 417**	**46 417**

Changes in estimated value of inventories

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Other materials	*362*	*1 669*	*6 918*	-
Semi-finished products and production in progress	*16 698*	*99 376*	*88 461*	*59 552*
Finished products	*31 864*	-	*50*	*1 658*
Goods	*478*	*5 513*	*1 082*	*6 293*
Gross inventories	**49 402**	**106 558**	**96 511**	**67 503**
Inventory impairment losses	-	-	-	*306*
Net inventories	**49 402**	**106 558**	**96 511**	**67 197**

Changes in estimated receivables

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Trade and other receivables	**235 333**	**25 257**	**17 378**	**37 921**
- from affiliates	-	*2*	-	*3*
- from external entities	*235 333*	*25 072*	*13 110*	*35 820*
- income tax receivables	-	*183*	*4 268*	*2 098*
Impairment lossess	**1 283**	**1 275**	**521**	**1 770**
Gross receivables	**236 616**	**26 532**	**17 899**	**39 691**

Changes in impairment losses on receivables

PLN thousands	Trade receivables	Other receivables
AFFILIATES		
Impairment losses as of 01 Jan 2015	**116**	**-**
Increases	**-**	**-**
Reductions	**-**	**-**
Impairment losses as of 30 Jun 2015	**116**	**-**
EXTERNAL ENTITIES		
Impairment losses as of 01 Jan 2015	**405**	**732**
Increases, including:	**43**	**-**
- Impairment losses on past-due and contested receivables	*43*	*-*
Reductions, including:	**13**	**-**
- utilization of impairment write-downs	*10*	*-*
- elimination of impairment losses due to collection of receivables	*3*	*-*
Impairment losses as of 30 Jun 2015	**435**	**732**
Aggregate impairment losses as of 30 Jun 2015	**551**	**732**

Current and past-due trade receivables as of 31 Mar 2015

PLN thousands	Total	Days overdue					
		<0	0 - 60	61 - 90	91 - 180	181 - 360	>360
AFFILIATES							
gross receivables	*116*	*-*	*-*	*-*	*-*	*-*	*116*
impairment losses	*116*	*-*	*-*	*-*	*-*	*-*	*116*
Net receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EXTERNAL ENTITIES							
gross receivables	*223 710*	*193 136*	*29 728*	*41*	*318*	*52*	*435*
impairment losses	*435*	*-*	*-*	*-*	*-*	*-*	*435*
Net receivables	**223 275**	**193 136**	**29 728**	**41**	**318**	**52**	**-**
TOTAL							
gross receivables	*223 826*	*193 136*	*29 728*	*41*	*318*	*52*	*551*
impairment losses	*551*	*-*	*-*	*-*	*-*	*-*	*551*
Net receivables	**223 275**	**193 136**	**29 728**	**41**	**318**	**52**	**-**

Prepaid expenses

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Non-life insurance	*151*	*141*	*26*	*66*
Business travel insurance	*1*	*1*	*2*	*14*
License fees	*7 850*	*4 605*	*4 395*	*13 467*
Online access to legal support portal	*-*	*-*	*1*	*3*
Civil law transaction tax on capital increases	*-*	*-*	*9*	*9*
Software, licenses	*319*	*162*	*120*	*113*
Air travel	*6*	*-*	*15*	*4*
Other prepaid expenses	*205*	*146*	*86*	*185*
Total prepaid expenses	**8 532**	**5 055**	**4 654**	**13 861**

Negative temporary differences requiring recognition of deferred tax assets

PLN thousands	31 Dec 2014	increases	reductions	30 Jun 2015
Provisions for other employee benefits	*178*	*24 471*	*164*	*24 485*
Valuation of forward contracts under the incentive program	*-*	*31 687*	*-*	*31 687*
The Witcher trademark	*2 518*	*-*	*-*	*2 518*
Other provisions	*92*	*850*	*149*	*793*
Negative exchange rate differences	*210*	*361*	*210*	*361*
Revaluation of forward contract at fair value	*-*	*530*	*-*	*530*
Employee compensation and social security expenses payable in future reporting periods	*120*	*245*	*119*	*246*
Provisions for lease expenses	*67*	*-*	*67*	*-*
Incentive program	*1 716*	*464*	*-*	*2 180*
Reserve and asset offsets	*(116)*	*116*	*-*	**-**
Revaluation of long-term receivables - interest due	*16*	*-*	*3*	*13*
Total negative temporary differences	**4 801**	**58 724**	**712**	**62 813**
Tax rate (Poland)	*19%*	*19%*	*19%*	*19%*
Deferred tax assets at end of reporting period	**912**	**11 157**	**135**	**11 934**

Positive temporary differences requiring recognition of deferred tax liabilities

PLN thousands	31 Dec 2014	increases	reductions	30 Jun 2015
Positive exchange rate differences	*80*	*998*	*80*	*998*
CD PROJEKT brand name	*4 087*	*918*	*-*	*5 005*
Revaluation of saleable financial assets at fair value	*-*	*19*	*-*	*19*
Estimated share in external entities	*475*	*-*	*-*	*475*
Other sources	*74*	*307*	*39*	*342*
Reserve and asset offsets	*(116)*	*116*	*-*	*-*
Total positive temporary differences	**4 600**	**2 358**	**119**	**6 839**
Tax rate (Poland)	*19%*	*19%*	*19%*	*19%*
Deferred tax liabilities at end of reporting period	**874**	**449**	**23**	**1 300**

Net deferred tax assets/liabilities

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Deferred tax assets	*11 934*	*943*	*912*	*540*
Deferred tax liabilities - continuing operations	*1 300*	*1 156*	*874*	*4 402*
Net deferred tax assets/liabilities	**10 634**	**(213)**	**38**	**(3 862)**

Provisions for employee benefits and similar liabilities

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Provisions for retirement benefits and pensions	*28*	*28*	*28*	*39*
Provisions for other employee benefits	*260*	*154*	*204*	*183*
Total, including:	**288**	**182**	**232**	**222**
- long-term provisions	*27*	*27*	*27*	*37*
- short-term provisions	*261*	*155*	*205*	*185*

Changes in provisions

PLN thousands	Provisions for retirement benefits and pensions	Provisions for other employee benefits	Total
As of 01 Jan 2015	**28**	**204**	**232**
Provisions created	-	*274*	*274*
Benefits paid out	-	*191*	*191*
Provisions dissolved	-	*27*	*27*
As of 30 Jun 2015, including:	**28**	**260**	**288**
- long-term provisions	*27*	-	*27*
- short-term provisions	*1*	*260*	*261*

PLN thousands	Provisions for retirement benefits and pensions	Provisions for other employee benefits	Total
As of 01 Jan 2014	**39**	**143**	**182**
Provisions created	-	*211*	*211*
Benefits paid out	-	*171*	*171*
Provisions dissolved	-	-	-
As of 30 Jun 2014, including:	**39**	**183**	**222**
- long-term provisions	*37*	-	*37*
- short-term provisions	*2*	*183*	*185*

Other provisions

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Provisions for liabilities, including:	**26 422**	**95**	**95**	**47**
- provisions for costs invoiced in future months but applicable to the current month	*332*	-	-	*2*
- provisions for employee compensation dependent on the Company's financial results	*24 299*	-	-	-
- provisions for settlement of expenses	-	-	-	*5*
- provisions for audits and attestation of financial statements	*39*	*29*	*32*	*19*
- provisions for consulting expenses	-	-	-	*15*
- provisions for bought-in services	*292*	*57*	*57*	-
- provisions for audit expenses	-	*3*	-	-
- provisions for licensing liabilities	*131*	*6*	*6*	*6*
- provisions for depreciation of licenses	*341*	-	-	-
- other provisions	*988*	-	-	-
Total, including:	**26 422**	**95**	**95**	**47**
- long-term provisions	-	-	-	-
- short-term provisions	*26 422*	*95*	*95*	*47*

Changes in other provisions

PLN thousands	Provisions for warranty-covered repairs and returns	Other provisions	Total
As of 01 Jan 2015	**-**	**95**	**95**
Provisions created	-	*26 479*	*26 479*
Benefits paid out	-	*98*	*98*
Provisions dissolved	-	*54*	*54*
As of 30 Jun 2015, including:	**-**	**26 422**	**26 422**
- long-term provisions	-	-	-
- short-term provisions	-	*26 422*	*26 422*

PLN thousands	Provisions for warranty-covered repairs and returns	Other provisions	Total
As of 01 Jan 2014	**6**	**122**	**128**
Provisions created	-	*29*	*29*
Benefits paid out	*5*	*104*	*109*
Provisions dissolved	*1*	-	*1*
As of 30 Jun 2014, including:	**-**	**47**	**47**
- long-term provisions	-	-	-
- short-term provisions	-	*47*	*47*

IV. Note 4. Disclosure of financial instruments

Fair value and carrying amount of financial instruments per class

PLN thousands	Carrying amount				Fair value *			
	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
FINANCIAL ASSETS								
Receivables associated with supply of products and services, and other receivables	**235 333**	**25 074**	**17 378**	**35 823**	**235 333**	**25 074**	**17 378**	**35 823**
- trade receivables	*223 275*	*14 087*	*6 389*	*27 875*	*223 275*	*14 087*	*6 389*	*27 875*
- other receivables	*12 058*	*10 987*	*10 989*	*7 948*	*12 058*	*10 987*	*10 989*	*7 948*
Financial assets held for sale	**547**	**547**	**547**	**-**	**547**	**547**	**547**	**-**
- shares in other entities	*547*	*547*	*547*	*-*	*547*	*547*	*547*	*-*
Financial assets carried at fair value through profit and loss, including:	**2 773**	**2 768**	**2 745**	**834**	**2 773**	**2 768**	**2 745**	**834**
- investment fund shares	*2 773*	*2 768*	*2 745*	*818*	*2 773*	*2 768*	*2 745*	*818*
- forward contracts	*-*	*-*	*-*	*16*	*-*	*-*	*-*	*16*
Cash and cash equivalents	**164 196**	**29 483**	**34 395**	**51 176**	**164 196**	**29 483**	**34 395**	**51 176**
- cash on hand and bank deposits	*164 196*	*29 483*	*34 395*	*51 176*	*164 196*	*29 483*	*34 395*	*51 176*

** The fair value of cash assets and receivables approximates their respective carrying amounts.*

PLN thousands	Carrying amount				Fair value *			
	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
FINANCIAL LIABILITIES								
Credits and loans subject to interest payments, including:	**-**	**-**	**4**	**25**	**-**	**-**	**4**	**25**
- other short-term liabilities	*-*	*-*	*4*	*25*	*-*	*-*	*4*	*25*
Other miscellaneous (long-term) liabilities, including:	**97**	**203**	**260**	**350**	**97**	**203**	**260**	**350**
- liabilities from financial lease contracts and lease contracts with a buyout option	*97*	*203*	*260*	*350*	*97*	*203*	*260*	*350*
Trade and other liabilities	**50 416**	**91 208**	**72 340**	**79 881**	**50 416**	**91 208**	**72 340**	**79 881**
- trade liabilities	*30 365*	*19 282*	*20 532*	*35 943*	*30 365*	*19 282*	*20 532*	*35 943*
- other short-term liabilities	*20 051*	*71 926*	*51 808*	*43 938*	*20 051*	*71 926*	*51 808*	*43 938*
Financial liabilities estimated at fair value	**31 687**	**-**	**-**	**-**	**31 687**	**-**	**-**	**-**
- forward contracts associated with the incentive program	*31 687*	*-*	*-*	*-*	*31 687*	*-*	*-*	*-*
Financial liabilities including:	**930**	**381**	**397**	**327**	**930**	**381**	**397**	**327**
- other financial liabilities	*419*	*381*	*397*	*327*	*419*	*381*	*397*	*327*
- other financial liabilities estimated at fair value through profit or loss	*511*	*-*	*-*	*-*	*511*	*-*	*-*	*-*

** The fair value of liabilities due to credits and loans, and of other liabilities, approximates their respective carrying amounts.*

Changes in value of financial instruments

01 Jan 2015 – 30 Jun 2015	Financial assets carried at fair value through profit or loss	Financial assets held for sale	Loans granted and receivables	Financial liabilities estimated at fair value	Other financial liabilities
At beginning of period	**2 745**	**547**	**51 773**	**-**	**73 001**
Increases, including:	***2 773***	**-**	***399 529***	***31 687***	***51 443***
Cash assets	-	-	*164 196*	-	-
Trade and other receivables	-	-	*235 333*	-	-
Trade and other liabilities	-	-	-	-	*50 416*
Credits and loans	-	-	-	-	-
Financial lease liabilities	-	-	-	-	*516*
Financial assets carried at fair value through profit or loss	*2 773*	-	-	-	-
Financial liabilities estimated at fair value through profit or loss	-	-	-	*31 687*	*511*
Reductions, including:	***2 745***	**-**	***51 773***	**-**	***73 001***
Repayment of credits and loans	-	-	-	-	*4*
Cash assets	-	-	*34 395*	-	-
Trade and other receivables	-	-	*17 378*	-	-
Trade and other liabilities	-	-	-	-	*72 340*
Financial lease contracts	-	-	-	-	*657*
Financial assets carried at fair value through profit or loss	*2 745*	-	-	-	-
At end of period	**2 773**	**547**	**399 529**	**31 687**	**51 443**

(all figures quoted in PLN thousands unless otherwise specified)

Hierarchy of financial instruments carried at fair value

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
LEVEL 1				
Assets carried at fair value				
Financial assets carried at fair value through financial result, including:	**2 773**	**2 768**	**2 745**	**818**
- *investment fund shares*	*2 773*	*2 768*	*2 745*	*818*
LEVEL 2				
Assets carried at fair value				
Derivatives:	**-**	**-**	**-**	**16**
- *forward exchange contract - EUR*	-	-	-	*12*
- *forward exchange contract - USD*	-	-	-	*4*
Liabilities estimated at fair value				
Derivatives:	**511**	**-**	**-**	**-**
- *forward exchange contract - EUR*	*317*	-	-	-
- *forward exchange contract - USD*	*194*	-	-	-
Others:	**31 687**	**-**	**-**	**-**
- *forward contracts associated with the incentive program*	*31 687*	-	-	-
LEVEL 3				
Assets carried at fair value				
Financial assets carried at fair value through financial result, including:	**547**	**547**	**547**	**-**
- *shares in other entities*	*547*	*547*	*547*	-

The following three-tier hierarchy applies to financial instruments carried at fair value:

Level 1 – quoted price of equivalent assets and liabilities on active markets

Level 2 – fair value estimated on the basis of observable market-based inputs

Level 3 – fair value estimated on the basis of unobservable inputs which cannot be corroborated by market data

V. Note 5. Other important information

Operating costs

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Depreciation	*2 005*	*1 581*
Consumption of materials and energy	*1 135*	*853*
External services	*25 183*	*20 225*
Taxes and fees	*378*	*240*
Employee compensation, social security and other benefits	*50 770*	*14 143*
Business travel	*874*	*719*
Other costs, including:	*7 065*	*4 368*
- data transfer and other Internet-related costs	*1 510*	*353*
- advisory services	*324*	*6*
- recruitment and relocation costs	*181*	*151*
- participation in fair, exhibitions and conferences	*532*	*1 070*
- use of company cars	*45*	*136*
- representation and advertising	*3 482*	*2 384*
- insurance premiums	*77*	*114*
- other costs	*914*	*154*
Change in the balance of finished products and work in progress	*(21 805)*	*(19 348)*
Cost of products and services sold	*63 511*	*5 259*
Value of goods and materials sold	*69 184*	*43 929*
Exchange rate differences on operating activities	*-*	*533*
Total	**198 300**	**72 502**
Selling costs	*27 111*	*15 963*
General and administrative costs	*38 494*	*6 818*
Cost of products, goods and materials sold	*132 695*	*49 721*
Total	**198 300**	**72 502**

Other operating revenues

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Elimination of write-downs for receivables	*3*	*545*
Subsidies	*39*	*610*
Offset on damages, penalties and fines received	*-*	*21*
Reinvoicing revenues	*560*	*132*
Profit from sales of fixed assets	*-*	*1 347*
Dissolution of unused provisions	*67*	*1*
Other revenues, including:	***46***	***1 174***
- surplus working assets	*18*	*-*
- lease buyouts	*-*	*8*
- goods and materials received free of charge	*12*	*17*
- other reinvoicing revenues	*-*	*4*
- receipt of past-due receivables previously written off	*4*	*-*
- civil law transaction tax reimbursements	*-*	*1 118*
- other miscellaneous operating revenues	*12*	*27*
Other sales	*-*	*27*
Total	**715**	**3 857**

Other operating expenses

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Creation of provisions for future liabilities	*25 287*	*27*
Revaluation of trade receivables	*43*	*60*
Loss on sales of fixed assets	*-*	*12*
Reinvoicing expenses	*560*	*132*
Donations	*7*	*-*
Unrecoverable withholding tax	*526*	*3*
Others, including:	***80***	***636***
- disposal of spent consumables	*40*	*67*
- involuntary shortfall in working assets	*37*	*5*
- unrecoverable receivables written off	*-*	*521*
- other expenses	*3*	*43*
Total	**26 503**	**870**

Financial revenues

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Revenues from interest:	***151***	***382***
- on bank deposits	*151*	*320*
- on trade settlements	*-*	*62*
Other financial revenues, including:	***35***	***982***
- revenues from sales of investments	*-*	*335*
- revenues from investment fund shares	*-*	*1*
- investment fund valuation	*28*	*15*
- forward contract valuation	*-*	*386*
- other miscellaneous revenues	*7*	*245*
Total financial revenues	**186**	**1 364**

Financial expenses

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Interest payments:	***10***	***36***
- on bank loans	*-*	*13*
- on lease agreements	*10*	*23*
Other financial expenses, including:	***4 705***	***47***
- exchange rate differences	*4 073*	*5*
- foreign exchange forward transactions	*616*	*-*
- bank fees	*16*	*42*
Total financial expenses	**4 715**	**83**

VI. Note 6. Operating segments

The operations of the CD PROJEKT Capital Group are divided into three activity segments:

- Videogame development
- Global digital videogame distribution
- Other activities

A description of the Group’s activities in each of its operating segments can be found in the Management Board report on CD PROJEKT Capital Group activities for the period between 1 January and 30 June 2015.

Disclosure of operating segments for the period between 01 Jan and 30 Jun 2015

PLN thousands	Sales revenues	Sales to external clients	Sales between segments and internal turnover	Profit/loss per segment	Total assets per segment
CONTINUING OPERATIONS					
Videogame development	*458 630*	*448 592*	*10 038*	*249 937*	*417 396*
Global digital videogame distribution	*63 961*	*63 899*	*62*	*6 859*	*49 949*
*Other activities **	*3 445*	*143*	*3 302*	*(12 828)*	*139 195*
Consolidation adjustments (incl. adjustments from business combinations)	(13 401)	-	(13 402)	(7 716)	(39 634)
DISCONTINUED OPERATIONS	-	-	-	-	-
TOTAL	**512 635**	**512 634**	**-**	**236 252**	**566 906**

* The Other activities segment comprises part of the individual result of CD PROJEKT S.A. in the amount of -13 172 thousand PLN, representing the activity of its investment branch.

Segmented consolidated statement of financial position as of 30 Jun 2015

PLN thousands	Videogame development	Global digital videogame distribution	Other activities	Consolidation eliminations (incl. adjustments from business combinations)	Total
FIXED ASSETS	**31 157**	**5 283**	**99 249**	**(29 019)**	**106 670**
Tangible fixed assets	*3 436*	*1 072*	*1 439*	*-*	*5 947*
Intangible assets	*20 917*	*4 164*	*59 819*	*(43 356)*	*41 544*
Goodwill	*-*	*-*	*-*	*46 417*	*46 417*
Investments in subsidiaries	*-*	*-*	*32 112*	*(32 112)*	*-*
Other financial assets	*-*	*-*	*547*	*-*	*547*
Deferred income tax assets	*6 774*	*47*	*5 081*	*32*	*11 934*
Other fixed assets	*30*	*-*	*251*	*-*	*281*
CURRENT ASSETS	**386 239**	**44 666**	**39 946**	**(10 615)**	**460 236**
Inventories	*49 400*	*-*	*2*	*-*	*49 402*
Trade receivables	*218 603*	*5 769*	*93*	*(1 190)*	*223 275*
Receivables due to current income tax	*-*	*-*	*211*	*(211)*	*-*
Other receivables	*12 873*	*3 589*	*4 810*	*(9 214)*	*12 058*
Other financial assets	*-*	*-*	*2 773*	*-*	*2 773*
Prepaid expenses	*563*	*7 868*	*101*	*-*	*8 532*
Cash and cash equivalents	*104 800*	*27 440*	*31 956*	*-*	*164 196*
TOTAL ASSETS	**417 396**	**49 949**	**139 195**	**(39 634)**	**566 906**

PLN thousands	Videogame development	Global digital videogame distribution	Other activities	Consolidation eliminations (incl. adjustments from business combinations)	Total
EQUITY	**310 722**	**15 394**	**108 551**	**(28 821)**	**405 846**
Equity attributable to shareholders of the parent company	***310 722***	***15 394***	***108 551***	***(28 821)***	***405 846***
Share capital	*7 050*	*86*	*94 950*	*(7 136)*	*94 950*
Supplementary capital from sales of shares above their nominal value	-	*1 188*	*110 936*	*7 606*	*119 730*
Other reserve capital	-	-	*2 180*	-	*2 180*
Exchange rate differences	*9*	*1 637*	-	*390*	*2 036*
Retained earnings	*53 726*	*5 624*	*(86 687)*	*(21 965)*	*(49 302)*
Net profit (loss) for the reporting period	*249 937*	*6 859*	*(12 827)*	*(7 716)*	*236 252*
LONG-TERM LIABILITIES	**241**	**18**	**1 467**	**(241)**	**1 485**
Other financial liabilities	-	-	*97*	-	*97*
Deferred income tax liabilities	*199*	-	*1 342*	*(241)*	*1 300*
Deferred revenues	*31*	*14*	*16*	-	*61*
Provisions for employee benefits and similar liabilities	*11*	*4*	*12*	-	*27*
SHORT-TERM LIABILITIES	**106 443**	**34 537**	**29 177**	**(10 572)**	**159 575**
Credits and loans	-	-	-	-	-
Other financial liabilities	*7 883*	-	*24 734*	-	*32 617*
Trade liabilities	*6 950*	*24 347*	*238*	*(1 170)*	*30 365*
Liabilities from current income tax	*44 629*	*1 291*	-	*(211)*	*45 709*
Other liabilities	*20 453*	*4 746*	*4 043*	*(9 191)*	*20 051*
Deferred revenues	*447*	*3 697*	*6*	-	*4 150*
Provisions for retirement benefits and similar liabilities	*20*	*114*	*127*	-	*261*
Other provisions	*26 051*	*342*	*29*	-	*26 422*
TOTAL LIABILITIES	**417 396**	**49 949**	**139 195**	**(39 634)**	**566 906**

Segmented consolidated profit and loss account for the period between 01 Jan and 30 Jun 2015

PLN thousands	Videogame development	Global digital videogame distribution	Other activities	Consolidation eliminations (incl. adjustments from business combinations)	Total
Sales revenues	**458 630**	**63 961**	**3 445**	**(13 401)**	**512 635**
Revenues from sales of products	*418 963*	*-*	*-*	*(9 858)*	*409 105*
Revenues from sales of services	*157*	*-*	*3 432*	*(3 520)*	*69*
Revenues from sales of goods and materials	*39 510*	*63 961*	*13*	*(23)*	*103 461*
Cost of products, goods and materials sold	**99 943**	**42 282**	**282**	**(9 812)**	**132 695**
Cost of products and services sold	*63 235*	*-*	*276*	*-*	*63 511*
Value of goods and services sold	*36 708*	*42 282*	*6*	*(9 812)*	*69 184*
Gross profit (loss) from sales	**358 687**	**21 679**	**3 163**	**(3 589)**	**379 940**
Other operating revenues	*581*	*85*	*153*	*(104)*	*715*
Selling costs	*16 458*	*10 318*	*826*	*(491)*	*27 111*
General and adminitrative costs	*12 157*	*2 195*	*27 240*	*(3 098)*	*38 494*
Other operating expenses	*26 407*	*79*	*121*	*(104)*	*26 503*
Operating profit (loss)	**304 246**	**9 172**	**(24 871)**	**-**	**288 547**
Financial revenues	*65*	*9*	*7 633*	*(7 521)*	*186*
Financial expenses	*3 610*	*1 158*	*87*	*(140)*	*4 715*
Profit (loss) before taxation	***300 701***	**8 023**	**(17 325)**	**(7 381)**	**284 018**
Income tax	50 764	*1 164*	*(4 497)*	*335*	*47 766*
Profit (loss) from continuing operations	**249 937**	**6 859**	**(12 828)**	**(7 716)**	**236 252**
Net profit (loss) attributable to equity holders of the parent entity	249 937	6 859	(12 828)	(7 716)	236 252

Description of differences in presentation of activity segments or in the measurement of profit or loss per activity segment compared to the most recent annual consolidated financial report

A change has occurred with regard to presentation of activity segments compared to the 2014 consolidated financial report: the current report excludes internal settlements and transactions between companies belonging to the same operating segment. Other (inter-segment) consolidation eliminations are reported as a separate item in the financial statement – "Consolidation adjustments (incl. adjustments from business combinations)" In 2014 and earlier the results of individual segments were reported as arithmetical sums of totals reported by all entities comprising a given segment, while consolidation adjustments were applied on the level of the Capital Group.

Reconciliation of the total of the reportable segments' measures of profit or loss with the Group's profit or loss before tax expenses and discontinued operations

The relevant information can be found in Note 6 Operating Segments.

Information regarding key clients

The CD PROJEKT Capital Group cooperates with external clients whose individual share in the Group's consolidated revenue exceeds 10%, as described below.

In the videogame development segment the trade partnership between CD PROJEKT S.A. and two of its clients generated sales revenues exceeding 10% of the consolidated sales revenues of the CD PROJEKT Capital Group In the first half of 2015:

- client I: 94 134 thousand PLN, which represents 18.36% of the Group's consolidated sales revenues,
- client II: 80 611 thousand PLN, which represents 15.72% of the Group's consolidated sales revenues.

The above mentioned clients are not affiliated with CD PROJEKT S.A. or its subsidiaries.

In other operating segments no single external entity accounted for more than 10% of the consolidated sales revenue of the CD PROJEKT Capital Group.

VII. Note 7. Information regarding seasonal or cyclical activities

CD PROJEKT S.A. usually takes between 2 and 4 years to produce a game. Initial development work occurs before the previous game in the series is complete and ready to be released. The Witcher 2 debuted on the PC in May 2011 while the Xbox 360 edition was released on 17 April 2012. The release of CD PROJEKT RED's newest game – The Witcher 3: Wild Hunt – took place on 19 May 2015. The following games have been announced by CD PROJEKT RED and are currently under development:

- Hearts of Stone – first expansion pack for The Witcher 3: Wild Hunt (scheduled for release in October 2015)
- Blood and Wine – second expansion pack for The Witcher 3: Wild Hunt (scheduled for release in 2016)
- Cyberpunk 2077 (release date not yet announced)

The digital videogame distribution market is characterized by seasonal fluctuations in revenues. On an annual basis, the highest evenues are typically obtained in the fourth quarter while the lowest revenues correspond to the third quarter. Sales in Q2 and Q4 are boosted by promotional activities organized in these periods. Ultimately, however, sales volume is primarily dependent on the release schedule.

VIII. Note 8. Issue, redemption or repayment of debt and capital securities

Issue of debt securities

Not applicable.

Issue of capital securities

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Number of shares (thousands)	*94 950*	*94 950*	*94 950*	*94 950*
Nominal value per share (PLN)	*1*	*1*	*1*	*1*
Share capital (PLN thousands)	**94 950**	**94 950**	**94 950**	**94 950**

IX. Note 9. Dividends paid out or announced

No dividends were paid out to shareholders of the parent company in the reporting period.

X. Note 10. Transactions with affiliates

Rules governing transactions with affiliates

Intragroup transactions are conducted in accordance with the Directive of the Finance Minister of 10 September 2009 specifying the rules for estimating the income of legal entities and avoiding double taxation when adjusting the income of affiliated legal entities (Journal of Laws of the Republic of Poland 2009, no. 160, item 1268), later amended by the Directive of the Finance Minister of 17 June 2013 (Journal of Laws of the Republic of Poland; 3 July 2013).

The prices of goods and services exchanged within the Group are estimated according to the above mentioned directive, by applying the comparable uncontrolled price method, the resale price method or the reasonable profit margin (“cost plus”) method. Method selection is preceded by a thorough analysis of each transaction. The division of responsibilities, asset exposure and assignment of substantial risks and rewards in each intragroup transactions are adjusted in such a way as to closely reflect similar transactions concluded by unaffiliated entities. For significant transactions exceeding the limits specified in Art. 9a section 2 of the corporate income tax law all participating entities submit the required tax forms.

Transactions with members of the Management Board and other affiliated entities

Name of affiliate	Sales to affiliates		Receivables from affiliates				Liabilities due to affiliates			
	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
MANAGERS OF GROUP MEMBER COMPANIES AND THEIR PROXIES*										
Adam Kiciński	2	2	-	-	-	-	1	3	2	1
Marcin Iwiński	3	3	-	-	-	-	14	22	4	16
Piotr Nielubowicz	3	3	-	-	-	-	1	1	-	-
Michał Nowakowski	5	5	-	2	-	-	3	11	-	-
Adam Badowski	1	1	-	-	-	3	-	-	-	-
*Edyta Wakuła ***	1	1	-	-	-	-	-	-	-	-
Robert Wesołowski	-	3	-	-	-	-	-	-	-	-
Michał Gembicki	-	1	-	-	-	-	-	-	-	-
Guillaume Rambourg	-	-	-	-	-	-	-	-	122	-
*Piotr Karwowski ***	-	1	-	-	-	-	-	-	-	-

** The table lists only those members of the management boards of Group member companies, and proxies thereof, with whom the parent entity or other entities belonging to the Group have concluded transactions in the respective reporting periods.*

*** proxy*

Gross remuneration of Management Board members paid out by CD PROJEKT S.A. as contractual salaries amounted to 900 thousand PLN for the period between 1 January and 30 June 2015 and did not change with respect to the corresponding period in 2014. Additionally, results for the current reporting period include provisions for estimated future liabilities emerging under the incentive program for Management Board members which is in force at the Company. These provisions, in the amount of 31 687 thousand PLN, are presented in the section concerning financial instruments. Provisions have been created due to the fact that minimal thresholds which render Management Board members eligible to collect bonuses under the incentive program have been exceeded on the level of the Group as well as in the videogame development segment. The basis for recognizing such entitlements for certain members of the Management Board is the consolidated net result of the Group in the years 2012-2015, while for the remaining members of the Management Board the corresponding basis is the net result of the videogame development segment in the years 2014-2015.

Remuneration paid out to members of the Supervisory Board of CD PROJEKT S.A. for the period between 1 January and 30 June 3015 did not appreciably change in comparison to the corresponding period in 2014.

(all figures quoted in PLN thousands unless otherwise specified)

XI. Note 11. Bad loans and violations of loan agreements not subject to recovery proceedings as of the balance sheet date

Loans granted

Not applicable.

Loans granted as of 30 June 2015, including loans granted to Management Board members

Not applicable.

XII. Note 12. Changes in conditional assets or liabilities following the end of the most recent financial year

Liabilities on bills of exchange in association with loans received

Not applicable.

Conditional liabilities from guarantees and collateral pledged

thousands of currency units	pledged in association with	Currency	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Agora S.A.						
Promissory note agreement	*Collateral for licensing and distribution agreement*	*PLN*	*11 931*	*11 931*	*11 931*	*11 931*
Declaration of submission to enforcement	*Collateral for licensing and distribution agreement*	*PLN*	*11 931*	*11 931*	*11 931*	*11 931*
mBank S.A.						
Promissory note agreement	*Credit agreement*	*PLN*	*13 500*	*13 500*	*16 500*	*16 500*
Promissory note agreement	*Credit agreement*	*PLN*	*30 000*	*30 000*	*30 000*	*30 000*
Promissory note agreement	*Credit agreement*	*PLN*	-	-	-	*15 000*
Promissory note endorsement	*Collateral for credit*	*PLN*	*58 500*	*58 500*	*61 500*	*61 500*
Declaration of submission to enforcement	*Collateral for credit*	*PLN*	*58 500*	*58 500*	*61 500*	*61 500*
Contractual assignment of receivables	*Collateral for credit*	*PLN*	-	-	-	*5 000*
Registered pledge of The Witcher trademark	*Collateral for credit*	*PLN*	*45 000*	*45 000*	*45 000*	*45 000*
Promissory note agreement	*Collateral for bank payment guarantee no. 02111KPA14*	*PLN*	-	-	-	*3 000*
Declaration of submission to enforcement	*Collateral for bank payment guarantee no. 02111KPA14*	*PLN*	-	*3 000*	*3 000*	*3 000*
Declaration of submission to enforcement	*Credit limit agreement no. 02/447/11/L/UR concerning derivative transactions*	*PLN*	-	-	-	*1 100*
mLeasing Sp. z o.o.						
Promissory note agreement	*Lease agreement no. Optimus1/WA/135724/2012*	*PLN*	-	-	*141*	*141*
Promissory note agreement	*Lease agreement no. CDPROJEKT/WA/123240/2011*	*PLN*	-	-	-	*54*
Promissory note agreement	*Lease agreement no. CDPROJEKT/WA/132776/2011*	*PLN*	-	-	-	*69*
Promissory note agreement	*Lease agreement no. CDPROJEKT/WA/132780/2011*	*PLN*	-	-	-	*59*
Promissory note agreement	*Lease agreement no. CDPROJEKT/WA/136047/2012*	*PLN*	-	-	-	*57*
Promissory note agreement	*Lease agreement no. CDPROJEKT/WA/136061/2012*	*PLN*	-	-	-	*57*
Millennium Leasing Sp. z o.o.						

(all figures quoted in PLN thousands unless otherwise specified)

Promissory note agreement	*Lease agreement no. K 182762*	*PLN*	*470*	*470*	*470*	*470*
Global Collect Services BV						
Contract of guarantee	*Guarantee of discharge of liabilities by GOG Ltd.*	*EUR*	*155*	*155*	*155*	*155*
Mazovian Unit for the Implementation of European Union Programs (Mazowiecka Jednostka Wdrażania Programów Unijnych)						
Promissory note agreement	*Co-financing agreement no. RPMA.02.03.00-14-012/09 RPO MV 2007-2013 Task 2.3*	*PLN*	*-*	*-*	*-*	*1 105*
Promissory note agreement	*Co-financing agreement no. RPMA.01.05.00 -14-638/08 RPO MV 2007-2013 Task 1.5*	*PLN*	*429*	*429*	*429*	*429*
Promissory note agreement	*Co-financing agreement no. RPMA.01.05.00 -14-639/08 RPO MV 2007-2013 Task 1.5*	*PLN*	*-*	*-*	*-*	*302*
Promissory note agreement	*Co-financing agreement no. RPMA.01.07.00 -14-010/11 RPO MV 2007-2013 Task 1.7*	*PLN*	*148*	*148*	*148*	*148*
Ministry of Economy						
Promissory note agreement	*Co-financing agreement no. POIG.06.05.02-00-146/13-00*	*PLN*	*265*	*265*	*265*	*350*
Promissory note agreement	*Co-financing agreement no. POIG.06.05.02-00-148/13-00*	*PLN*	*235*	*235*	*235*	*326*
Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości)						
Promissory note agreement	*Co-financing agreement no. UDA-POIG.08.02.00-14-524/13-00; POIG Task 8.2*	*PLN*	*839*	*941*	*941*	*941*
Raiffeisen Bank Polska S.A						
Guarantee of discharge of cash pool liabilities	*Cash pool agreement*	*PLN*	*15 000*	*15 000*	*15 000*	*15 000*
Guarantee of discharge of cash pool liabilities	*Cash pool agreement*	*USD*	*500*	*500*	*500*	*-*
Declaration of submission to enforcement	*Framework agreement concerning forward and derivative transactions*	*PLN*	*45 000*	*15 000*	*15 000*	*-*

Konami Digital Entertainment B.V.						
Contract of guarantee	*Guarantee of discharge of liabilities by cdp.pl Sp. z o.o.*	*EUR*	*-*	*-*	*200*	*100*

(all figures quoted in PLN thousands unless otherwise specified)

XIII. Note 13. Changes in the structure of the Capital Group and its member entities during the reporting period

Not applicable.

XIV. Note 14. Agreements which may, in the future, result in changes in the proportion of stock ownership by shareholders and bondholders

On 16 December 2011 the Extraordinary General Meeting of Shareholders of the parent company voted to institute an incentive program for persons regarded as having a key influence on the performance of the Company. The resolution was accompanied by a conditional increase in Company capital in an amount not exceeding 1.9 million PLN which represents 2% of the current share capital of the parent company. The incentive program may result in changes in the proportion of stock ownership by shareholders.

XV. Note 15. Fiscal settlements

Fiscal settlements and other areas of activity governed by legal regulations (such as import duties or currency exchange) may be subject to audits by administrative bodies authorized to impose high penalties and sanctions. The lack of entrenched legal regulations in Poland leads to numerous ambiguities and inconsistencies in this regard. Interpretation of existing tax law frequently varies from state organ to state organ as well as between state organs and business entities, giving rise to areas of uncertainty and conflict. These conditions increase tax risks in Poland beyond the level encountered in states with more developed fiscal systems.

Fiscal settlements may be subject to state audits within five years following the end of the period in which tax payment was remitted.

Tax Capital Group

On 1 January 2014 CD PROJEKT S.A. as the controlling entity, and Brand Projekt sp. z o.o. established a Tax Capital Group (further referred to as TCG) under Art. 1a of the Corporate Income Tax Act. The corresponding notarized agreement was submitted for registration by the head of the appropriate Tax Office. According to the agreement the TCG is established for a period of three consecutive fiscal years, from 1 January 2014 until 31 December 2016 or until such time as the TCG forefeits the status of a taxable person, if occurring before 31 December 2016.

Under the Corporate Income Tax Act the TCG is treated as a distinct taxable person for the purposes of levying the Corporate Income Tax (CIT). Consequently, companies belonging to the TCG cease to be regarded as individual taxable persons for as long as the TCG remains in force. The tax base for the TCG is the aggregate taxable income of its member companies, calculated as the difference between their aggregate income and aggregate losses. The TCG is only considered a distinct entity for the purposes of levying the Corporate Income Tax – its member companies continue to be regarded as separate taxable entities for the purposes of levying the Value Added Tax (VAT), the civil law transaction tax and any personal income taxes.

Companies which make up the TCG are obligated to fulfill a number of criteria, including the following: the controlling entity’s share in the share capital of any other entities forming the TCG must be at least 95%; no member of the TCG may have tax arrears; the TCG must obtain profits equal to at least 3% of its revenues; all transactions with entities external to the TCG must be concluded on market terms. Violation of any of these criteria results in dissolution of the TCG and forfeiture of its taxable person status irrespective of the three-year duration for which the TCG was originally established. At the moment of dissolution each company forming the TCG becomes an individual taxable person for the purposes of levying the Corporate Income Tax.

XVI. Note 16. Legal proceedings

The following legal proceedings occurred during the reporting period (the presented status is valid for the publication date of this statement):

Litigation in which CD PROJEKT S.A. is the plaintiff or claimant

1. CD PROJEKT S.A. (formerly Optimus S.A.) vs. State Treasury

On 15 February 2006 the Management Board of Optimus S.A. filed a complaint in the District Court for the City of Kraków, 1st Civil Department seeking monetary damages from the State Treasury in the amount of 35 650.6 thousand PLN in relation to the decision issued by the Inspector of Treasury Control on 27 December 2001 in which the VAT liabilities of the Company were estimated at 16 367.4 thousand PLN. This decision was upheld by the Trasury Chamber in Kraków on 3 April 2002, and by the Treasury Office on 21 November 2002, which applied the universal succession principle to hold the Company responsible for tax liabilities incurred by its legal predecessor. On 24 November 2003 the Supreme Administrative Court in Warsaw vacated these decisions as unlawful.

On 9 December 2008 the District Court for the City of Kraków issued an interlocutory judgment holding the Optimus claim valid in rem. This judgment concerned the validity of the Company's claim for monetary damages. On 19 May 2009 this judgment was vacated by the Appelate Court for the City of Kraków, 1st Civil Department, which remanded the case to the District Court for further proceedings.

On 1 August 2014 the District Court for the City of Kraków issued a final judgment closing the proceedings in the court of first instance. The District Court's judgment awarded the Company 1 090.5 thousand PLN plus statutory interest for the period between 15 November 2005 and the remittance date, dismissing the lawsuit on all other counts.

On 9 October 2014 the Company filed an appeal against the District Court's judgment with regard to those sections in which the District Court dismissed the Company's claims, and also the section concerning the cost of legal proceedings associated with the case. Additionally, an appeal against the section in which the District Court affirms the Company's claims was filed by the State Treasury. The first hearing before the Appellate Court in Kraków was held on 18 March 2015. Following statements by the plenipotentiaries of each side the Court adjourned the proceedings until such time as additional testimony could be obtained from an expert witness. The next hearing was scheduled for 2 September 2015.

Other proceedings

No other court, arbitration or administrative proceedings involving the Company as a party were initiated in the reporting period. Regarding proceedings listed in the Company's financial statement for 2014 as pending, no material changes occurred in the reporting period.

XVII. Note 17. Circumstances which may affect the Group's financial result in the future

The activity of CD PROJEKT Capital Group member companies is influenced by external factors, such as changes in micro- and macroeconomic conditions, legal reforms and fiscal regulations. In this sense CD PROJEKT is in a similar position to many other companies conducting business on domestic or international markets.

Significant factors which may affect the Group's standing in the quarter following the close of the reporting period are listed below.

Videogame development

In the quarter immediately following the reporting period and throughout the remainder of the current year the financial results of videogame development segment, as well as those of the Company and the entire Capital Group, will be dominated by continuing sales of The Witcher 3: Wild Hunt, released on 19 May 2015, as well as the first expansion pack for The Witcher 3: Wild Hunt – "Hearts of Stone", which is scheduled for release in October 2015. The market reception of CD PROJEKT RED's newest offerings will also provide a foundation for future Company activities and new development projects, including the next expansion pack, titled "Blood and Wine", scheduled for release in 2016.

Global digital videogame distribution

Much like the videogame development segment the global digital videogame distribution segment will be greatly affected by ongoing sales of The Witcher 3: Wild Hunt and its first expansion pack – “Hearts of Stone”, the latter of which can currently be preordered on GOG.com (bundled with “Blood and Wine”). The results of the global digital videogame distribution segment will also depend on upcoming additions to the GOG.com catalogue, as well as on the success of periodic promotional campaigns.

The Witcher 3: Wild Hunt is the first brand-new triple-A videogame release to make use of the GOG Galaxy technology stack. The aim of GOG Galaxy is to enable the Company to expand its catalogue with additional high-profile videogames and in this way attract new customers.

Other activities

Future results may be affected by the outcome of the litigation presented in Note 16 of this statement.

XVIII. Note 18. Events following the balance sheet date

In Current Report no. 17/2015 of 5 August 2015 the Company announced that the limit for forward and derivative transactions carried out under the framework agreement between the Company and Raiffeisen Bank Polska S.A. had been increased to 50 000 000 (fifty million) PLN and that the Company had issued a blank promissory note, together with the corresponding promissory note declaration, to the Bank as collateral for liabilities emerging under said agreement.

Warsaw, 26 August 2015

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(all figures quoted in PLN thousands unless otherwise specified)

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Condensed interim separate financial statement of CD PROJEKT S.A.

I. Condensed interim separate profit and loss account

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Sales revenues	**459 479**	**14 509**
Revenues from sales of products	*418 964*	*12 828*
Revenues from sales of services	*992*	*1 600*
Revenues from sales of goods and materials	*39 523*	*82*
Cost of products, goods and materials sold	**99 574**	**3 840**
Cost of products and services sold	*62 860*	*3 789*
Value of goods and materials sold	*36 714*	*51*
Gross profit (loss) from sales	**359 905**	**10 669**
Other operating revenues	*733*	*3 897*
Selling costs	*19 983*	*5 672*
General and administrative costs	*36 400*	*4 773*
Other operating expenses	*26 527*	*870*
Operating profit (loss)	**277 728**	**3 251**
Financial revenues	*7 547*	*560*
Financial expenses	*3 531*	*12 800*
Profit (loss) before tax	**281 744**	**(8 989)**
Income tax	*46 584*	*1 341*
Net profit (loss) from continuing operations	**235 160**	**(10 330)**
Net profit (loss)	**235 160**	**(10 330)**
Net earnings per share (in PLN)		
Basic for the reporting period	*2.53*	*(0.11)*
Diluted for the reporting period	*2.53*	*(0.11)*
Net earnings per share from continuing operations (in PLN)		
Basic for the reporting period	*2.53*	*(0.11)*
Diluted for the reporting period	*2.53*	*(0.11)*

Warsaw, 26 August 2015

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II. Condensed interim separate statement of comprehensive income

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
Net profit (loss)	**235 160**	**(10 330)**
Other comprehensive income which will be entered as profit (loss) following fulfillment of specific criteria	-	-
Other comprehensive income which will not be entered as profit (loss)	-	-
Total comprehensive income	**235 160**	**(10 330)**

Warsaw, 26 August 2015

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III. Condensed interim separate statement of financial position

PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
FIXED ASSETS	**89 094**	**78 224**	**78 064**	**91 343**
Tangible assets	*4 311*	*4 411*	*4 603*	*4 255*
Intangible assets	*62 691*	*62 672*	*62 372*	*75 986*
Investments in affiliates	*9 855*	*9 855*	*9 855*	*10 493*
Other financial assets	*547*	*547*	*547*	-
Deferred income tax assets	*11 409*	*464*	*410*	*297*
Other fixed assets	*281*	*276*	*277*	*312*
CURRENT ASSETS	**424 006**	**143 506**	**130 754**	**105 492**
Inventories	*49 402*	*106 558*	*96 511*	*61 107*
Trade receivables	*218 671*	*10 583*	*5 360*	*8 575*
Current income tax receivables	-	*183*	-	*2 030*
Other receivables	*16 307*	*14 173*	*12 981*	*9 693*
Other financial assets	*2 773*	*2 768*	*2 745*	*822*
Prepaid expenses	*638*	*429*	*210*	*314*
Cash and cash equivalents	*136 215*	*8 812*	*12 947*	*22 951*
TOTAL ASSETS	**513 100**	**221 730**	**208 818**	**196 835**

Warsaw, 26 August 2015

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PLN thousands	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
EQUITY	**377 888**	**136 346**	**142 264**	**144 402**
Share capital	*94 950*	*94 950*	*94 950*	*94 950*
Supplementary capital, incl. sales of shares above nominal price	*110 936*	*110 936*	*110 936*	*110 936*
Other reserve capital	*2 180*	*1 896*	*1 716*	*1 396*
Retained earnings	*(65 338)*	*(65 338)*	*(52 931)*	*(52 550)*
Financial result for the current period	*235 160*	*(6 098)*	*(12 407)*	*(10 330)*
LONG-TERM LIABILITIES	**1 708**	**1 672**	**2 363**	**5 897**
Other financial liabilities	*97*	*202*	*260*	*251*
Deferred income tax liabilities	*1 541*	*1 396*	*1 115*	*4 650*
Deferred revenues	*47*	*51*	*965*	*973*
Provisions for employee benefits and similar liabilities	*23*	*23*	*23*	*23*
SHORT-TERM LIABILITIES	**133 504**	**83 712**	**64 191**	**46 536**
Credits and loans	-	-	*4*	*4*
Other financial liabilities	*32 617*	*381*	*397*	*227*
Trade liabilities	*7 293*	*5 545*	*9 286*	*3 243*
Liabilities from current income tax	*44 419*	-	*497*	-
Other liabilities	*22 493*	*77 074*	*53 737*	*42 831*
Deferred revenues	*455*	*464*	*40*	*82*
Provisions for employee benefits and similar liabilities	*147*	*154*	*139*	*106*
Other provisions	*26 080*	*93*	*91*	*43*
TOTAL LIABILITIES	**513 100**	**221 730**	**208 818**	**196 835**

Warsaw, 26 August 2015

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IV. Condensed interim statement of changes in separate equity

PLN thousands	Share capital	Supplementary capital from sales of shares above nominal price	Other reserve capital	Retained earnings	Net profit (loss) for the reporting period	Total equity
01 Jan 2015 – 30 Jun 2015						
Equity as of 01 Jan 2015	**94 950**	**110 936**	**1 716**	**(65 338)**	**-**	**142 264**
Equity after adjustments	**94 950**	**110 936**	**1 716**	**(65 338)**	**-**	**142 264**
Cost of incentive program	-	-	*464*	-	-	*464*
Total comprehensive income	-	-	-	-	*235 160*	*235 160*
Equity as of 30 Jun 2015	**94 950**	**110 936**	**2 180**	**(65 338)**	**235 160**	**377 888**
01 Jan 2014 – 31 Dec 2014						
Equity as of 01 Jan 2014	**94 950**	**110 936**	**989**	**(52 550)**	**-**	**154 325**
Adjustments due to accounting errors	**-**	**-**	**-**	**(381)**	**-**	**(381)**
Equity after adjustments	**94 950**	**110 936**	**989**	**(52 931)**	**-**	**153 945**
Cost of incentive program	-	-	*727*	-	-	*727*
Total comprehensive income	-	-	-	-	*(12 407)*	*(12 407)*
Equity as of 31 Dec 2014	**94 950**	**110 936**	**1 716**	**(52 931)**	**(12 407)**	**142 264**
01 Jan 2014 – 30 Jun 2014						
Equity as of 01 Jan 2014	**94 950**	**110 936**	**989**	**(52 550)**	**-**	**154 325**
Equity after adjustments	**94 950**	**110 936**	**989**	**(52 550)**	**-**	**154 325**
Cost of incentive program	-	-	*407*	-	-	*407*
Total comprehensive income	-	-	-	-	*(10 330)*	*(10 330)*
Equity as of 30 Jun 2014	**94 950**	**110 936**	**1 396**	**(52 550)**	**(10 330)**	**144 402**

Warsaw, 26 August 2015

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V. Condensed interim separate statement of cash flows

PLN thousands	01 Jan 2015 - 30 Jun 2015	01 Jan 2014 - 30 Jun 2014
OPERATING ACTIVIES		
Net profit (loss)	**235 160**	**(10 330)**
Total adjustments:	**(151 928)**	**12 428**
Depreciation and amortisation	*1 532*	*1 251*
Interest and profit sharing	*(7 492)*	*(294)*
Profit (loss) from investment activities	*589*	*11 092*
Change in provisions	*25 997*	*(45)*
Change in inventories	*47 109*	*(16 594)*
Change in receivables	*(215 211)*	*(12 042)*
Change in liabilities excluding credits and loans	*(3 985)*	*28 640*
Change in other assets and liabilities	*(931)*	*12*
Other adjustments	*464*	*407*
Cash flow from operating activities	**83 232**	**2 099**
Income tax on profit (loss) before taxation	*46 583*	*1 341*
Income tax (paid) / reimbursed	*(13 234)*	*(819)*
A. Net cash flow from operating activities	**116 581**	**2 620**
INVESTMENT ACTIVITIES		
Inflows	**7 510**	**8 742**
Liquidation of intangible and tangible fixed assets	-	*6 574*
Liquidation of financial assets	-	*1 500*
Other inflows from investment activities (dividends and interest)	*7 510*	*668*
Outflows	**1 666**	**10 627**
Purchases of intangible and tangible fixed assets	*743*	*10 541*
Purchases of financial assets	*105*	*2*
Other outflows from investment activities	*818*	*84*
B. Net cash flow from investment activities	**5 844**	**(1 885)**
FINANCIAL ACTIVITIES		
Inflows	**1 005**	**2 381**
Credits and loans	-	*3*
Other inflows from financial activities (incl. cash pool activities)	*1 005*	*2 378*
Outflows	**162**	**167**
Repayments of credits and loans	*4*	-
Payments of liabilities under financial lease agreements	*140*	*164*
Interest paid	*18*	*3*
C. Net cash flows from financial activities	**843**	**2 214**
D. Total net cash flows	**123 268**	**2 949**
E. Change in cash and cash equivalents on balance sheet	**123 268**	**2 949**
F. Cash and cash equivalents at beginning of period	**12 947**	**20 002**
G. Cash and cash equivalents at end of period	**136 215**	**22 951**

Warsaw, 26 August 2015

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Other information concerning the separate financial statement of CD PROJEKT S.A.

Changes in write-downs and provisions reported in the condensed interim separate financial statements of CD PROJEKT S.A. for the period between 1 January and 30 June 2015 are as follows:

- 3 thousand PLN - dissolution of write-downs due to collection of receivables,
- 10 thousand PLN – use of write-downs,
- 43 thousand PLN - creation of write-downs for past-due receivables,
- 160 thousand PLN – creation of provisions for other employee benefits,
- 125 thousand PLN – use of provisions for other employee benefits,
- 27 thousand PLN – dissolution of provisions for other employee benefits
- 26 thousand PLN – creation of other provisions,
- 95 thousand PLN – use of other provisions,
- 53 thousand PLN – dissolution of other provisions.

Negative temporary differences requiring recognition of deferred tax assets

PLN thousands	31 Dec 2014	increases	reductions	30 Jun 2015
Provisions for other employee benefits	*174*	*24 471*	*164*	*24 481*
Valuation of forward contracts under the incentive program	*-*	*31 687*	*-*	*31 687*
Other provisions	*92*	*850*	*149*	*793*
Revaluation of long-term receivables	*15*	*-*	*3*	*12*
Revaluation of forward contracts at fair value	*-*	*530*	*-*	*530*
Negative exchange rate differences	*210*	*361*	*210*	*361*
Provisions for lease expenses	*67*	*-*	*67*	*-*
Incentive program	*1 716*	*464*	*-*	*2 180*
Reserve and asset offsets	*(116)*	*116*	*-*	*-*
Total negative temporary differences	**2 158**	**58 479**	**593**	**60 044**
Tax rate (Poland)	*19%*	*19%*	*19%*	*19%*
Deferred tax assets at end of reporting period	**410**	**11 112**	**113**	**11 409**

Positive temporary differences requiring recognition of deferred tax liabilities

PLN thousands	31 Dec 2014	increases	reductions	30 Jun 2015
Positive exchange rate differences	*80*	*998*	*80*	*998*
Revaluation of saleable financial assets at fair value	-	*19*	-	*19*
Valuation of shares in other entitites	*475*	-	-	*475*
CD PROJEKT brand name	*5 356*	*918*	-	*6 274*
Other sources	*73*	*307*	*38*	*342*
Reserve and asset offsets	*(116)*	*116*	-	-
Total positive temporary differences	**5 868**	**2 358**	**118**	**8 108**
Tax rate (Poland)	*19%*	*19%*	*19%*	*19%*
Deferred tax liabilities at end of reporting period	**1 115**	**448**	**22**	**1 541**

Warsaw, 26 August 2015

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