

Bridgestone Slovakia s. r. o.

**INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL
STATEMENTS AS AT 31 DECEMBER 2016**

AND

**REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS**

Bridgestone Slovakia s. r. o.

Annual Report

For the 2016 Reporting Period

24 May 2017

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Annual Report

1. KEY INFORMATION ON THE COMPANY

Company:	Bridgestone Slovakia s. r. o.
Seat:	Michalská 9, 811 01 Bratislava
Corporate ID:	44198191

Scope of Business

The principal business activities of **Bridgestone Slovakia s. r. o.** (hereinafter the “Company”) include the purchase and sale of motor vehicle tyres. The Company purchases tyres abroad from Group companies and the sales are carried out in the Slovak Republic.

Company’s Establishment

The Company was established as a limited liability company and incorporated upon its registration in the Commercial Register of the District Court Bratislava 1 on 6 June 2008.

Registered Capital and Partners

The Company’s registered capital amounts to EUR 250 thousand. The share of the individual partners is as follows:

Bridgestone Europe NV/SA, Belgium – 100%

Executives

Artur Sarnecki, registered in the Commercial Register on 23 October 2014
Grzegorz Świdorski, registered in the Commercial Register on 27 March 2013

The executives are authorised to act and sign on behalf of the Company separately.

Significant Events after the Reporting Date

In 2016, no significant events occurred after the reporting date.

Organisational Structure

The Company’s management does not consist of employees of the Company. The Company is managed by employees of Group companies under relevant contracts.

The Company has no organisational units abroad.

2. COMMENTARY ON THE PAST AND EXPECTED DEVELOPMENT OF THE COMPANY

The principal business activities of the Company include the purchase and sale of motor vehicle tyres. The Company sells tyres under the Bridgestone, Firestone, Dayton and FirstStop brand names. Major customers include tyre service shops and motor car service shops. The Company supplies tyres for the following types of car:

- Passenger cars (summer and winter tyres)
- Light utility vehicles
- Trucks
- Buses
- Agricultural machines
- Motorcycles

The Company sells the tyres in the territory of the Slovak Republic.

The Company achieved and expects to achieve revenues from the sale of merchandise and costs of sales in the following amounts (in EUR'000):

	2014	2015	2016	2017*
Revenues from the sale of merchandise	7 182	8 714	10 923	10 480
Costs of sales	6 154	7 524	9 260	9 220
Margin	1 028	1 190	1 663	1 260

* Data based on the 2017 plan

Bridgestone Europe NV/SA is the major supplier of merchandise. The purchase prices are set based on the supplier's valid pricelist.

3. FINANCIAL POSITION

Fixed Assets

The Company is located in leased premises. Non-current tangible assets comprise information technology and assets used for the Company's operations.

Current Assets

The Company's current assets mainly comprise trade receivables in the net amount of EUR 3 355 thousand.

The Company does not record any inventories in stock because it applies the just-in-time method.

Equity

In 2016, the equity increased from EUR 964 thousand to EUR 1 113 thousand. The increase resulted mainly from the 2015 profit. There were no other changes in the registered capital.

Liabilities

Liabilities mainly comprise trade payables, which amount to EUR 1 535 thousand. As at 31 December 2016, the Company did not draw any short-term bank loans.

Revenues and Costs of Sales

The Company's revenues are realised on the territory of the Slovak Republic for the sale of tyres. In 2016, the revenues amounted to EUR 10 923 thousand.

The Company's costs of sales comprise the purchase of tyres from its parent company (Bridgestone Europe NV/SA). In 2016, these costs amounted to EUR 9 260 thousand.

Operating Expenses and Revenues

The bulk of operating expenses is represented by services in the amount of EUR 935 thousand.

Research and Development Costs

In 2016, the Company did not record any research and development costs.

Employees

As at 31 December 2016, the Company had five employees.

Other Expenses and Revenues

In 2016, the Company did not record any extraordinary expenses or revenues.

Profit/(Loss)

The Company reported a profit in 2016.

Acquisition of Treasury Stock and Treasury Shares

None

Proposed Distribution of Profit

The Company's profit will be allocated to retained earnings from previous years.



Grzegorz Świdorski
Executive



Artur Sarnecki
Executive

4: FINANCIAL STATEMENTS FOR 2016

Bridgestone Slovakia s. r. o.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Bridgestone Slovakia s. r. o.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bridgestone Slovakia s. r. o. (the "Company"), which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We evaluated whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2016 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 24 May 2017



Deloitte Audit s.r.o.
Licence SKAu No. 014



Ing. Jozef Hýbl, CA, FCCA, DipIFR
Responsible Auditor
Licence SKAu No. 857

Úč POD

FINANCIAL STATEMENTS



of Enterprises in the Double-Entry Bookkeeping System

Prepared as at 3 1 . 1 2 . 2 0 1 6

Figures are rounded on the right, other data are written from the left. Unfilled lines remain blank.

Data are filled in using block letters (as shown below) by a typewriter or a printer machine in black or dark blue.

Á Ā B Č D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

Tax Registration Number 2 0 2 2 6 1 9 8 3 0	Financial Statements <input checked="" type="checkbox"/> Ordinary	Reporting Entity <input checked="" type="checkbox"/> Small	Month From 0 1	Year 2 0 1 6
Identificatio 4 4 1 9 8 1 9 1	<input type="checkbox"/> Extraordinary	<input type="checkbox"/> Large	For the Period To 1 2	2 0 1 6
SK NACE 4 5 . 3 1 . 0	<input type="checkbox"/> Interim	(Mark with X)	Immediately- Preceding Period From 0 1	2 0 1 5
			To 1 2	2 0 1 5

Accompanying Parts of Financial Statements

 Balance Sheet (Úč POD 1-01)

(in whole Euros)

 Income Statement (Úč POD 2-01)

(in whole Euros)

 Notes (Úč POD 3-01)

(in whole Euros)

Business Name (Name) of the Reporting Entity

B r i d g e s t o n e S l o v a k i a s . r . o .

Seat of the Reporting Entity

Street

Number

M i c h a l s k á

9

Postal Code

Municipality

8 1 1 0 1

B r a t i s l a v a

Commercial Register and Number of Entry of the Company

B r a t i s l a v a I , o d d . S r o , v l . č . 5 2 7 2 9 / B

Phone Number

Fax Number

E-mail Address

Prepared on: 2 4 . 0 5 . 2 0 1 7	Approved on: 2 4 . 0 5 . 2 0 1 7	Signature of a Member of the Statutory Body of the Reporting Entity or a Natural Person Acting as a Reporting Entity:
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Records of the Tax Authority

Place for Registration Number

Presentation Stamp of the Tax Authority

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period	
			1	Gross - Part 1	Net 2	Net 3
				Correction - Part 2		
	Total assets (I. 02 + I. 33 + I. 74)	01		3 3 1 0 1 1 7	3 3 0 1 3 8 7	
				8 7 3 0		2 7 1 0 8 7 0
A.	Non-current assets (I. 03 + I. 11 + I. 21)	02		6 8 5 7 2	5 9 8 4 2	
				8 7 3 0		4 2 8 2 5
A.I.	Total non-current intangible assets (I. 04 to I. 10)	03				
A.I.1.	Capitalised development costs (012) - /072, 091A/	04				
2.	Software (013) - /073, 091A/	05				
3.	Valuable rights (014) - /074, 091A/	06				
4.	Goodwill (015) - /075, 091A/	07				
5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08				
6.	Non-current intangible assets in acquisition (041) - 093	09				
7.	Advance payments for non-current intangible assets (051) - /095A/	10				
A.II.	Total non-current tangible assets (I. 012 to I. 020)	11		4 2 1 7 2	3 3 4 4 2	
				8 7 3 0		1 6 4 2 5
A.II.1.	Land (031) - 092A	12				
2.	Structures (021) - /081, 092A/	13				
3.	Separate movable assets and sets of movables (022) - /082, 092A/	14		4 2 1 7 2	3 3 4 4 2	
				8 7 3 0		1 6 4 2 5

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period
			Gross - Part 1	Net 2	
			1	Correction - Part 2	Net 3
4.	Perennial crops (025) - /085, 092A/	15			
5.	Livestock and draught animals (026) - /086, 092A/	16			
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	17			
7.	Non-current tangible assets in acquisition (042) - 094	18			
8.	Advance payments for non-current tangible assets (052) - /095A/	19			
9.	Correction item to acquired assets (+/- 097) +/- 098	20			
A.III.	Total non-current financial assets (I. 22 to I. 32)	21	2 6 4 0 0	2 6 4 0 0	2 6 4 0 0
A.III.1.	Shares and ownership interests in group companies (061A, 062A, 063A) - /096A/	22	2 6 4 0 0	2 6 4 0 0	2 6 4 0 0
2.	Shares and ownership interests with a participating interest except for group companies (062A) - /096A/	23			
3.	Other held-for-sale securities and ownership interests (063A) - /096A/	24			
4.	Loans to group companies (066A) - /096A/	25			
5.	Loans within a participating interest except to group companies (066A) - /096A/	26			
6.	Other loans (067A) - /096A/	27			
7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28			

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	ASSETS b	Index c	Current Reporting Period		Immediately-Preceding Reporting Period
			1	Gross - Part 1	Net 2
				Correction - Part 2	Net 3
8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29			
9.	Bank accounts bound for period exceeding one year (22XA)	30			
10.	Non-current financial assets in acquisition (043) - /096A/	31			
11.	Advance payments for non-current financial assets (053) - /095A/	32			
B.	Current assets (I. 34 + I. 41 + I. 53 + I. 66 + I. 71)	33	3 2 3 8 6 9 3	3 2 3 8 6 9 3	2 6 6 8 0 4 5
B.I.	Total inventory (I. 35 to I. 40)	34			
B.I.1.	Raw materials (112, 119, 11X) - /191, 19X/	35			
2.	Work-in-progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	36			
3.	Finished goods (123) - 194	37			
4.	Livestock (124) - 195	38			
5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39			
6.	Advance payments for inventory (314A) - /391A/	40			
B.II.	Total non-current receivables (I. 42 + I. 46 to I. 52)	41	1 2 1 0 5 6	1 2 1 0 5 6	7 9 7 6 6
B.II.1	Total trade receivables (I. 43 to I. 45)	42	3 3	3 3	1 3 8 8 1



Ozna- čení a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period	
			1	Gross - Part 1	Net 2	Net 3
				Correction - Part 2		
1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43				
1.b.	Trade receivables within a participating interest except for receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	44				
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	3 3	3 3	1 3 8 8 1	
2.	Net construction contract value (316A)	46				
3.	Other receivables from group companies (351A) - /391A/	47				
4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	48				
5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA) - /391A/	49				
6.	Receivables from derivative transactions (373A, 376A)	50				
7.	Other receivables (335A, 336A, 33XA, 371A, 374A, 375A, 378A) - /391A/	51				
8.	Deferred tax asset (481A)	52	1 2 1 0 2 3	1 2 1 0 2 3	6 5 8 8 5	
B.III.	Total current receivables (I. 54 + I. 58 to I. 65)	53	3 1 1 7 6 3 7	3 1 1 7 6 3 7	2 5 8 8 2 7 9	
B.III.1.	Total trade receivables (I. 55 to I. 57)	54	2 7 1 0 1 3 4	2 7 1 0 1 3 4	9 2 1 0 7 8	
1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	1 0 3 5 3 0 1	1 0 3 5 3 0 1	8 5 6 1	
1.b.	Trade receivables within a participating interest except for receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56				

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period
			Gross - Part 1	Net 2	Net 3
			Correction - Part 2		
1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	1 6 7 4 8 3 3	1 6 7 4 8 3 3	9 1 2 5 1 7
2.	Net construction contract value (316A)	58			
3.	Other receivables from group companies (351A) - /391A/	59			
4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	60	4 0 7 5 0 3	4 0 7 5 0 3	1 6 1 5 9 1 1
5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA, 368A) - /391A/	61			
6.	Social security insurance (336A) - /391A/	62			
7.	Tax assets and subsidies /341, 342, 343, 345, 346, 347) - /391A/	63			5 1 2 9 0
8.	Receivables from derivative transactions (373A, 376A)	64			
9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65			
B.IV.	Total current financial assets (l. 67 to l. 70)	66			
B.IV.1.	Current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67			
2.	Current financial assets excluding current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68			
3.	Treasury stock and treasury shares (252)	69			
4.	Current financial assets in acquisition (259, 314A) - /291A/	70			

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	ASSETS b	Line c	Current Reporting Period		Immediately-Preceding Reporting Period	
			1	Gross - Part 1	Net 3	Net 3
				Correction - Part 2		
B.V.	Financial accounts I. 72 + I. 73	71				
B.V.1.	Cash on hand (211, 213, 21X)	72				
2.	Bank accounts (221A, 22X, +/- 281)	73				
C.	Total accruals and deferrals (I. 75 to I. 78)	74	2 8 5 2	2 8 5 2		
C.1.	Non-current deferred expenses (381A, 382A)	75				
2.	Current deferred expenses (381A, 382A)	76	2 8 5 2	2 8 5 2		
3.	Non-current accrued income (385A)	77				
4.	Current accrued income (385A)	78				

Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period	Immediately-Preceding Reporting Period
			4	5
	TOTAL EQUITY AND LIABILITIES I. 80 + I. 101 + I. 141	79	3 3 0 1 3 8 7	2 7 1 0 8 7 0
A.	Equity I. 80 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 100	80	1 1 1 1 8 7 6	9 6 3 9 5 7
A.I.	Total registered capital (I. 82 to I. 84)	81	2 5 0 0 0 0	2 5 0 0 0 0
A.I.1.	Registered capital (411 or +/- 491)	82	2 5 0 0 0 0	2 5 0 0 0 0
	2. Changes in the registered capital +/- 419	83		
	3. Receivables for subscribed capital (/-/353)	84		
A.II.	Share premium (412)	85		
A.III.	Other capital funds (413)	86		
A.IV.	Legal reserve funds I. 88 + I. 89	87	2 5 0 0 0	2 5 0 0 0
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	2 5 0 0 0	2 5 0 0 0
	2. Reserve fund for treasury stock and treasury shares (417A, 421A)	89		

Balance Sheet
Úč POD 1 - 01

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	EQUITY AND LIABILITIES b	Line c	Current Reporting Period	Immediately-Preceding Reporting Period
			4	5
A.V.	Other funds from profit I. 91 + I. 92	90		
A.V.1.	Statutory funds (427, 42X)	91		
2.	Other funds (427, 42X)	92		
A.VI.	Total revaluation reserves (I. 94 to I. 96)	93		
A.VI.1	Asset and liability revaluation reserve (+/- 414)	94		
2.	Financial investments revaluation reserve (+/- 415)	95		
3.	Revaluation reserve from fusions, mergers and separations (+/- 416)	96		
A.VII.	Profit/loss from previous years I. 98 + I. 99	97	6 8 8 9 5 8	4 9 7 8 3 7
A.VII.1.	Retained earnings from previous years (428)	98	6 8 8 9 5 8	4 9 7 8 3 7
2.	Accumulated losses from previous years (-/429)	99		
A.VIII.	Profit/loss for the current reporting period after taxation +/- I. 01 - (I. 81 + I. 85 + I. 86 + I. 87 + I. 90 + I. 93 + I. 97 + I. 101 + I. 141)	100	1 4 7 9 1 8	1 9 1 1 2 0
B.	Liabilities I. 102 + I. 118 + I. 121 + I. 122 + I. 136 + I. 139 + I. 140	101	2 1 8 9 5 1 1	1 7 4 6 9 1 3
B.I.	Total non-current liabilities (I. 103 + I. 107 to I. 117)	102	2 6 6	1 2 9 9
B.I.1.	Total long-term trade payables (I. 104 to I. 106)	103		
1.a.	Trade payables to group companies (321A, 475A, 476A)	104		
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 475A, 476A)	105		
1.c.	Other trade payables (321A, 475A, 476A)	106		
2.	Net construction contract value (316A)	107		
3.	Other payables to group companies (471A, 47XA)	108		
4.	Other payables within a participating interest except for payables to group companies (471A, 47XA)	109		
5.	Other long-term payables (479A, 47XA)	110		
6.	Long-term advance payments received (475A)	111		
7.	Long-term bills of exchange to be paid (478A)	112		
8.	Bonds issued (473A/-/255A)	113		
9.	Social fund payables (472)	114	2 6 6	1 2 9 9
10.	Other non-current payables (336A, 372A, 474A, 47XA)	115		
11.	Long-term payables from derivative transactions (373A, 377A)	116		
12.	Deferred tax liability (481A)	117		

Balance Sheet
(Úč POD 1-01)

DIČ 2 0 2 2 6 1 9 8 3 0

IČO 4 4 1 9 8 1 9 1



Description a	EQUITY AND LIABILITIES b	Line c	Reporting Period	
			Current Reporting Period 4	Immediately-Preceding Reporting Period 5
B.II.	Long-term provisions for liabilities I. 119 + I. 120	118		
B.II.1.	Legal provisions for liabilities (451A)	119		
	2. Other provisions for liabilities (459A, 45XA)	120		
B.III.	Long-term bank loans (461A, 46XA)	121		
B.IV.	Total current liabilities (I. 123 + I. 127 to I. 135)	122	1 6 5 4 2 3 3	1 2 7 1 6 1 8
B.IV.1	Total trade payables (I. 124 to I. 126)	123	1 5 3 4 5 9 4	1 1 7 5 4 5 4
1.a.	Trade payables to group companies (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	1 5 2 6 0 7 1	1 1 4 5 6 0 5
1.b.	Trade payables within a participating interest except for payables to group companies (321A, 322A, 324A, 325A, 32XA, 475A, 476A, 478A, 47XA)	125		
1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	8 5 2 3	2 9 8 4 9
2.	Net construction contract value (316A)	127		
3.	Other payables to group companies (361A, 36XA, 471A, 47XA)	128		
4.	Other payables within a participating interest except for payables to group companies (361A, 36XA, 471A, 47XA)	129		
5.	Payables to partners and participants in an association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130		
6.	Payables to employees (331, 333, 33X, 479A)	131	1 2 7 5 0	1 1 8 5 3
7.	Social security insurance payables (336A)	132	6 3 8 6	5 2 7 9
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	1 0 0 5 0 3	7 9 0 3 2
9.	Payables from derivative transactions (373A, 377A)	134		
10.	Other payables (372A, 379A, 474A, 475A, 479A, 47XA)	135		
B.V.	Short-term provisions for liabilities I. 137 + I. 138	136	5 3 5 0 1 2	4 7 3 9 9 6
B.V.1.	Legal provisions for liabilities (323A, 451A)	137		
2.	Other provisions for liabilities (323A, 32X, 459A, 45XA)	138	5 3 5 0 1 2	4 7 3 9 9 6
B.VI.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	139		
B.VII.	Short-term financial assistance (241, 249, 24X, 473A, I-/255A)	140		
C.	Total accruals and deferrals (I. 142 to I. 145)	141		
C.1.	Non-current accrued expenses (383A)	142		
2.	Current accrued expenses (383A)	143		
3.	Non-current deferred income (384A)	144		
4.	Current deferred income (384A)	145		



Description a	Item b	Line c	Actual	
			Current Reporting Period	Immediately-Preceding Reporting Period
			1	2
.	Net turnover (a portion of Accounting Class 6 under the Act)	01	1 1 1 8 2 2 0 7	8 8 8 0 4 0 4
**	Total operating revenues (I. 03 to I. 09)	02	1 1 1 8 2 5 0 6	8 8 8 6 8 5 8
I.	Revenues from the sale of merchandise (604, 607)	03	1 0 9 2 2 7 8 6	8 7 1 3 8 4 1
II.	Revenues from the sale of own products (601)	04		
III.	Revenues from the sale of services (602, 606)	05	2 5 9 4 2 1	1 6 6 5 6 3
IV.	Changes in inventories (+/- Accounting Group 61)	06		
V.	Own work capitalised (Accounting Group 62)	07		
VI.	Revenues from the sale of non-current intangible assets, non-current tangible assets and raw materials (641, 642)	08		
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	2 9 9	6 4 5 4
**	Total operating expenses (I. 11 + I. 12 + I. 13 + I. 14 + I. 15 + I. 20 + I. 21 + I. 24 + I. 25 + I. 26)	10	1 0 8 8 7 0 3 5	8 6 2 9 5 4 5
A.	Costs of the acquisition of merchandise sold (504, 507)	11	9 2 6 0 4 0 4	7 5 2 4 0 3 3
B.	Consumed raw materials, energy and other non-inventory supplies (501, 502, 503)	12	4 6 8 5 2 9	9 2 4 8 6
C.	Provisions for inventories (+/-) (505)	13		
D.	Services (Accounting Group 51)	14	9 3 4 7 9 7	8 0 8 6 9 0
E.	Total personnel expenses (I. 16 to I. 19)	15	2 1 2 3 2 7	2 1 9 6 9 9
E.1.	Wages and salaries (521, 522)	16	1 5 6 6 8 9	1 5 9 5 0 3
2.	Remuneration of members of company bodies and co-operative (523)	17		
3.	Social insurance expenses (524, 525, 526)	18	5 1 7 1 7	5 6 4 4 6
4.	Social expenses (527, 528)	19	3 9 2 1	3 7 5 0
F.	Taxes and fees (Accounting Group 53)	20	1 0 0	4 3 2
G.	Amortisation and depreciation, and provisions for non-current intangible and non-current tangible assets (I. 22 + I. 23)	21	8 2 7 1	1 2 6 3
G.1.	Amortisation and depreciation of non-current intangible and non-current tangible assets (551)	22	8 2 7 1	1 2 6 3
2.	Provisions for non-current intangible and non-current tangible assets (+/-) (553)	23		
H.	Net book value of non-current assets and raw materials sold (541, 542)	24		
I.	Provisions for receivables (+/-) (547)	25	1 4 6 4	- 2 5 5 2 4
J.	Other operating expenses (543, 544, 545, 546, 548, 549, 555, 557)	26	1 1 4 3	8 4 6 6
***	Operating profit or loss (+/-) (I. 02 - I. 10)	27	2 9 5 4 7 1	2 5 7 3 1 3



Description a	Item b	Line c	Actual	
			Reporting Period	
			1	2
.	Added value (I. 03 + I. 04 + I. 05 + I. 06 + I. 07) - (I. 11 + I. 12 + I. 13 + I. 14)	28	5 1 8 4 7 7	4 5 5 1 9 5
..	Total revenues from financing activities (I. 30 + I. 31 + I. 35 + I. 39 + I. 42 + I. 43 + I. 44)	29	1 7	2 6 9 1
VIII.	Revenues from the sale of securities and ownership interests (661)	30		
IX.	Total revenues from non-current financial assets (I. 32 to I. 34)	31		
IX.1.	Revenues from securities and ownership interests from group companies (665A)	32		
2.	Revenues from securities and ownership interests within a participating interest except for revenues from group companies (665A)	33		
3.	Other revenues from securities and ownership interests (665A)	34		
X.	Total revenues from current financial assets (I. 36 to I. 38)	35		
X.1.	Revenues from current financial assets from group companies (666A)	36		
2.	Revenues from current financial assets within a participating interest except for revenues from group companies (666A)	37		
3.	Other revenues from current financial assets (666A)	38		
XI.	Interest income (I. 40 + I. 41)	39		2 1 9 7
XI.1.	Interest income from group companies (662A)	40		
2.	Other interest income (662A)	41		2 1 9 7
XII.	Foreign exchange gains (663)	42	1 7	4 9 4
XIII.	Gains on revaluation of securities and revenues from derivative transactions (664, 667)	43		
XIV.	Other revenues from financing activities (668)	44		
..	Total costs of financing activities (I. 46 + I. 47 + I. 48 + I. 49 + I. 52 + I. 52 + I. 53 + I. 54)	45	2 9 5 1	4 4 9 3
K.	Securities and ownership interests sold (561)	46		
L.	Expenses related to current financial assets (566)	47		
M.	Provisions for financial assets (+/-) (565)	48		
N.	Interest expense (I. 50 + I. 51)	49	4 2	
N.1.	Interest expense for group companies (562A)	50		
2.	Other interest expense (562A)	51	4 2	
O.	Foreign exchange losses (563)	52	4 4 4	1 8 3 0
P.	Expenses for revaluation of securities and expenses related to derivative transactions (564, 567)	53		
Q.	Other costs of financing activities (568, 569)	54	2 4 6 5	2 6 6 3



Description a	Item b	Line c	Actual	
			Reporting Period	
			1	2
...	Profit/loss from financing activities (+/-) (l. 29 - l. 45)	55	- 2 9 3 4	- 1 8 0 2
....	Profit/loss for the reporting period before taxation (+/-) (l. 27 + l. 55)	56	2 9 2 5 3 7	2 5 5 5 1 1
R.	Income tax (l. 58 + l. 59)	57	1 4 4 6 1 9	6 4 3 9 3
R.1.	Current income tax (591, 595)	58	1 9 9 7 5 7	1 2 3 3 6 3
2.	Deferred income tax (+/-) (592)	59	- 5 5 1 3 8	- 5 8 9 7 0
S.	Profit/loss of partnership transferred to partners (+/- 596)	60		
...	Profit/loss for the reporting period after taxation (+/-) (l. 56 - l. 57 - l. 60)	61	1 4 7 9 1 8	1 9 1 1 1 8

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

Note:

The notes include information stipulated by the regulations relating to the content of the notes to the separate financial statements, for which the reporting entity has the content. All data and information disclosed in these notes arise from the bookkeeping and are linked to the separate financial statements. Value figures are in whole euros unless stipulated otherwise.

I. GENERAL INFORMATION**1. Company Details**

Business name and seat	Bridgestone Slovakia s. r. o. Michalská 9, 811 01 Bratislava
Date of establishment	14 May 2008
Date of incorporation (according to the Commercial Register)	6 June 2008
Business activities	<ul style="list-style-type: none"> - Purchase of goods for resale to end customers (retail) or to other traders (wholesale); - Production of rubber and plastic products; - Maintenance of motor vehicles, excluding the vehicle's engine; - Production of machinery for industries; - Brokerage activities for the rubber and plastic manufacturing sectors; - Brokerage activities in trade; - Advertising and marketing services; - Lease of movable assets; and - Lease of property, residential and non-residential premises with or without the provision of other-than-basic lease-related services.

2. Employees

Item	2016	2015
Full-time equivalent	5	6
Number of employees as at the reporting date	5	5
<i>Of which: Managers</i>	-	-

3. Basis of Preparation for the Financial Statements

These financial statements represent the annual separate financial statements of Bridgestone Slovakia s. r. o. (hereinafter also the "Company"). The financial statements were prepared for the reporting period from 1 January to 31 December 2016 in compliance with Slovak legislation, ie the Act on Accounting and Accounting Procedures for Businesses.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

4. Approval of the 2015 Financial Statements

On 30 June 2016, the Annual General Meeting approved the 2015 financial statements of the Company.

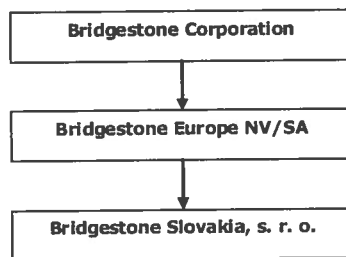
Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

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(Value data in tables are disclosed in whole euros unless stipulated otherwise)

5. Consolidated Financial Statements



Bridgestone Slovakia s. r. o. is a subsidiary of Bridgestone Europe NV/SA (based in Sint-Stevens-Woluwe B-1932 at Kleine Kloosterstraat 10, Belgium), which owns a 100% share in the Company's registered capital. Bridgestone Europe NV/SA, as the parent company, is a subsidiary of Bridgestone Corporation (based in Kyobashi 1-Chome, Chuo-ku, Tokyo 104-8340, Japan), which owns a 99% share in Bridgestone Europe NV/SA's registered capital.

II. ACCOUNTING PRINCIPLES AND METHODS APPLIED

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, ie euros.
2. The 2016 financial statements were prepared based on the going-concern assumption.
3. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.
4. When measuring assets and liabilities, the prudence principle is followed, ie all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.
5. Revenue recognition – revenues are recognised when the delivery terms are fulfilled, since at that moment significant risks and ownership rights are transferred to the customer.
6. Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. Portions of non-current receivables and portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables as appropriate.
7. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, as well as the disclosed amounts of revenues and expenses during the year. The actual results may differ from these estimates.
8. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

9. Recognition of Individual Items of Assets and Liabilities – Initial Measurement

Upon acquisition, the cost principle is applied (ie the historical cost convention) and individual items of assets and liabilities are measured as follows:

- a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price and the related incidental costs (transportation costs and customs duties).
- b) Non-current tangible and intangible assets acquired by other means – at replacement cost if the assets are acquired for no consideration or are newly identified during a stocktake, ie the amount of consideration given to acquire the assets when recognised.
- c) Purchased inventory:
 - Purchased raw merchandise – at cost. If identical inventories are disposed of, the FIFO method is used. Incidental costs include customs duties, transportation costs, and commissions. Incidental costs are allocated as a variance using the ratio between the total of the balances and additions to variances on the total of the balances and additions to inventories.
- d) Inventory acquired by other means – at replacement cost if the inventories are acquired for no consideration or are newly identified during a stocktake, ie the amount of consideration given to acquire the assets when recognised.
- e) Receivables:
 - When originated or acquired for no consideration – at face value.
 - Where acquired (assigned) for consideration or through a contribution to the registered capital – at cost.

For non-current receivables and non-current interest-bearing borrowings, the provision is included in the *Correction* column where the values of the receivable and loan/borrowing are adjusted to their present value, for example by using the effective interest rate method.

- f) Current financial assets – at cost. The cost is the amount of the consideration given to acquire the assets and the related incidental costs (fees and commissions to brokers, advisors, and stock exchanges).
- g) Deferred expenses and accrued income – at the anticipated face value.
- h) Payables:
 - When incurred – at face value.
 - Where assumed – at cost.
- i) Provisions for liabilities – at the anticipated amount payable.
- j) Bonds, interest-bearing borrowings, and loans:
 - When originated – at face value.
 - Where assumed – at cost.

Interest on bonds, interest-bearing borrowings and loans is recorded on an accrual basis.

- k) Accrued expenses and deferred income – at the anticipated face value.
- l) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the pre-tax accounting profits at the rate of 22% after adjustments for certain items for tax purposes.
- m) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility to carry forward tax losses and to transfer the unclaimed tax loss deductions into future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, ie 21%.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

10. Recognition of Individual Items of Assets and Liabilities – Subsequent Measurement

a) Estimated risks, losses, and impairments related to assets and liabilities are reflected in provisions for liabilities, provisions for assets, and depreciation charges.

- Provisions for liabilities are recognised at the anticipated amount payable. The Company creates a provision for legal and financial services, a provision for employee bonuses and retroactive discounts granted to customers. The amount of provisions and the grounds for their recognition are assessed as at the reporting date.
- Provisions for assets are recorded in the amount of a justifiable assumption of the impairment of assets when compared to their valuation in the accounting books as follows:
 - For receivables overdue by more than 360 days, 180 days, and other overdue receivables, provisions are recorded at 100%, 50%, and 20%, respectively.
- Depreciation plan

Non-current tangible and intangible assets are depreciated according to a depreciation plan that takes into account an estimate of their actual useful lives. Assets are depreciated over their estimated useful lives corresponding to the consumption of future economic benefits arising from such assets. The straight-line accounting depreciation method is applied. Assets are depreciated starting in the month following the month in which such assets are placed into service.

The average useful lives in the depreciation plan are as follows:

<i>Type of Assets</i>	<i>Useful Life</i>	<i>Annual Depreciation Rate</i>
Buildings and structures	20 years	5.00%
Machines and equipment	5 years	20.00%
Transportation means	4 years	25.00%
Fixtures & fittings	5 years	20.00%
Software, office equipment	3 years	33.33%

Tax depreciation is applied using the rates applicable to straight-line depreciation as set out in the Income Tax Act.

11. Translation of Amounts Denominated in Foreign Currency to Slovak Currency

Assets and liabilities denominated in a foreign currency are translated to euros using the reference exchange rate determined and announced by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date. Advances received and made in a foreign currency are not translated as at the reporting date. For foreign currency purchases and sales in euros, and upon the transfer of funds from an account established in a foreign currency to an account established in euros and from an account established in euros to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of a foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

12. Changes in Accounting Principles and Accounting Methods

In 2016, there were no changes in accounting principles and accounting methods.

13. Ownership Interests in Other Companies

Bridgestone Slovakia s. r. o owns a 1/6 ownership interest in ELT Management Company Slovakia s.r.o. ELT Management Company Slovakia s.r.o. was established on 10 December 2015 to operate a joint waste tyre management system as a producer responsibility organisation under Act No. 79/2015 Coll. on Waste and to organise training courses and seminars related to waste tyre management. The Company was incorporated by registration in the Commercial Register on 9 January 2016.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

III. DATA DISCLOSED ON THE ASSETS SIDE OF THE BALANCE SHEET**1. Non-Current Intangible and Tangible Assets**

1.1. Movements in the Accounts of Non-Current Tangible Assets, Accumulated Depreciation, Provisions, and Net Book Value

31 December 2016

	Land	Structures	Separate Movable Assets and Sets of Movables	Perennial Crops	Livestock and Draught Animals	Other Non-Current Tangible Assets	Non-Current Tangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement									
At 1 Jan 2015	-	-	16 884	-	-	-	-	-	16 884
Additions	-	-	-	-	-	-	-	-	25 288
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	42 172	-	-	-	-	-	72 172
Accumulated Depreciation									
At 1 Jan 2015	-	-	459	-	-	-	-	-	459
Additions	-	-	8 271	-	-	-	-	-	8 271
Disposals	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	8 730	-	-	-	-	-	8 730
Provisions									
At 1 Jan 2015	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Jan 2015	-	-	16 425	-	-	-	-	-	16 425
At 31 Dec 2015	-	-	33 442	-	-	-	-	-	33 442

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

31 December 2015

	Land	Structures	Separate Movable Assets and Sets of Movables	Perennial Crops	Livestock and Draught Animals	Other Non-Current Tangible Assets	Non-Current Tangible Assets in Acquisition	Advance Payments Made	Total
Initial Measurement									
At 1 Jan 2015	-	-	26 702	-	-	-	-	-	26 702
Additions	-	-	16 884	-	-	-	-	-	16 884
Disposals	-	-	26 702	-	-	-	-	-	26 702
Transfers	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	16 884	-	-	-	-	-	16 884
Accumulated Depreciation									
At 1 Jan 2015	-	-	25 897	-	-	-	-	-	25 897
Additions	-	-	1 264	-	-	-	-	-	1 264
Disposals	-	-	26 702	-	-	-	-	-	26 702
At 31 Dec 2015	-	-	459	-	-	-	-	-	459
Provisions									
At 1 Jan 2015	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Jan 2015	-	-	805	-	-	-	-	-	805
At 31 Dec 2015	-	-	16 425	-	-	-	-	-	16 425

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

2. Receivables**2.1. Ageing Structure of Receivables**

31 December 2016

Item	Maturity		Total
	Within Maturity	Overdue	
Current Receivables			
Trade receivables	742 349	137 471	879 820
Other receivables from group companies	1 035 301	-	1 035 301
Other receivables within a participating interest except for receivables from group companies	1 156 116	-	1 156 116
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	116 748	-	116 748
Other receivables	-	-	-
Total Current Receivables	3 050 514	137 471	3 187 985

31 December 2015

Item	Maturity		Total
	Within Maturity	Overdue	
Current Receivables			
Trade receivables	846 533	413 098	1 259 631
Other receivables from group companies	8 561	-	8 561
Other receivables within a participating interest except for receivables from group companies	1 615 911	-	1 615 911
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	51 290	-	51 290
Other receivables	-	-	-
Total Current Receivables	2 522 295	413 098	2 935 393

For receivables, the common maturity period is 45 days. The cash pool, ie receivables from the subsidiary and the parent company, bears interest equal to the relevant PRIBID rate.

2.2. Provision for Receivables

Balance sheet items for which provisions were recorded:

Item	Balance as at 1 Jan 2016	Creation	Reversal Owing to the Cessation of Justifiability	Reversal Owing to the Derecognition of Assets	Balance as at 31 Dec 2016
Trade receivables	347 113	-	347 113	-	-
Other receivables from group companies	-	-	-	-	-
Other receivables within a participating interest except for receivables from group companies	-	-	-	-	-
Receivables from partners, members and participants in an association	-	-	-	-	-
Other receivables	-	-	-	-	-
Total	347 113	-	347 113	-	-

The Company creates provisions for receivables based on their ageing structure. For receivables overdue for more than 360 days, 180 days, and other receivables overdue, provisions are recorded at 100%, 50%, and 20%, respectively.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

2.3. Deferred Tax Asset

<i>Item</i>	31 Dec 2016	31 Dec 2015
Temporary differences between the carrying amount of assets and the tax base:		
<i>Tax-deductible</i>	33 443	16 425
<i>Taxable</i>	32 150	12 663
Temporary differences between the carrying amount of liabilities and the tax base:		
<i>Tax-deductible</i>	575 007	286 382
<i>Taxable</i>	-	-
Temporary differences between the carrying amount of accumulated depreciation and the tax base:		
<i>Tax-deductible</i>	-	347 113
<i>Taxable</i>	-	337 781
Possibility of carrying forward tax loss	-	-
Possibility of transferring unclaimed tax deductions	-	-
Income tax rate (in %)	21	22
Deferred tax asset	121 023	65 885
Claimed tax asset:		
<i>Recognised as a decrease in costs</i>	(55 138)	(58 970)
<i>Recognised in equity</i>	-	-
Deferred tax liability	-	-
Change in a deferred tax liability:		
<i>Recognised as an expense</i>	-	-
<i>Recognised in equity</i>	-	-

3. **Financial Accounts**3.1. Breakdown of the Company's Financial Assets

<i>Item</i>	31 Dec 2016	31 Dec 2015
Cash		
Cash on hand, stamps and vouchers	-	-
Current accounts in a bank or a branch of a foreign bank	-	-
Bank accounts – term deposits	-	-
Cash in transit	-	-
Total	-	-

IV. DATA DISCLOSED ON THE LIABILITIES SIDE OF THE BALANCE SHEET**1. Equity**1.1. Description of Equity

The registered capital comprises the contribution made by Bridgestone Europe NV/SA in the amount of EUR 250 000.

1.2. Creation of the Reserve Fund

The Company created its reserve fund in the amount of EUR 25 000, ie 10% of the registered capital (EUR 250 000), pursuant to Article 124 (1).

1.3. Distribution of Profit or Settlement of Loss for 2015

<i>Item</i>	2015
Accounting Profit	191 120
<i>Distribution of Accounting Profit</i>	2016
Allotment to the legal reserve fund	-
Allotment to statutory and other funds	-
Allotment to the social fund	-
Allotment to increase the registered capital	-
Settlement of a loss from previous years	-
Transfer to retained earnings from previous years	191 120
Distribution of share in profit to partners, members	-
Other	-
Total	191 120

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2. Provisions for Liabilities**2.1. Legal and Other Provisions for Liabilities**

31 December 2016

<i>Item</i>	<i>Balance as at 1 Jan 2016</i>	<i>Creation</i>	<i>Use</i>	<i>Cancellat- ion</i>	<i>Balance as at 31 Dec 2016</i>
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	-	-	-	-	-
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	-	-	-	-	-
Other short-term provisions for liabilities	473 996	710 012	473 996	-	710 012
<i>Audit 2016</i>	7 000	7 000	7 000	-	7 000
<i>Provision for unbilled supplies</i>	94 836	164 218	94 836	-	164 218
<i>Provision for billed supplies</i>	27 476	28 446	27 476	-	28 446
<i>Provision for product returns</i>	520	1 461	520	-	1 461
<i>Provision for IACO servicing fees</i>	(8 110)	(7 414)	(8 110)	-	(7 414)
<i>Interest on borrowings 2016</i>	-	20	-	-	20
<i>Employee bonuses</i>	19 588	8 440	19 588	-	8 440
<i>Estimate of unused vacation days</i>	3 935	5 705	3 935	-	5 705
<i>Promotional items</i>	15 618	41 275	15 618	-	41 275
<i>Provision for retroactive discount</i>	153 130	213 601	153 130	-	213 601
<i>Provision for TPS year-end adjustment</i>	-	-	-	-	-
<i>Provision for ECO TAX</i>	-	-	-	-	-
<i>Provision for returned products</i>	3 980	31 000	3 980	-	31 000
<i>Provision for additional discount</i>	28 757	34 571	28 757	-	34 571
<i>Provision for IT outsourcing</i>	450	400	450	-	400
<i>Other</i>	1 226	1 901	1 226	-	1 901
<i>Product returns</i>	3 200	4 398	3 200	-	4 398
<i>Insurance of receivables</i>	2 400	-	2 400	-	-
<i>Provision for corporate income tax</i>	119 991	193 000	119 991	-	193 000

31 December 2015

<i>Item</i>	<i>Balance as at 1 Jan 2015</i>	<i>Creation</i>	<i>Use</i>	<i>Cancellat- ion</i>	<i>Balance as at 31 Dec 2015</i>
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	-	-	-	-	-
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	-	-	-	-	-
Other short-term provisions for liabilities	616 391	473 996	616 391	-	473 996
<i>Audit 2015</i>	11 000	7 000	11 000	-	7 000
<i>Provision for unbilled supplies</i>	-	94 836	-	-	94 836
<i>Provision for billed supplies</i>	74 070	27 476	74 070	-	27 476
<i>Provision for product returns</i>	380	520	380	-	520
<i>Provision for IACO servicing fees</i>	23 397	(8 110)	23 397	-	(8 110)
<i>Interest on borrowings 2015</i>	-	-	-	-	-
<i>Employee bonuses</i>	6 933	19 588	6 933	-	19 588
<i>Estimate of unused vacation days</i>	3 993	3 935	3 993	-	3 935
<i>Promotional items</i>	35 979	15 618	35 979	-	15 618
<i>Provision for retroactive discount</i>	353 184	153 130	353 184	-	153 130
<i>Provision for TPS year-end adjustment</i>	-	-	-	-	-
<i>Provision for ECO TAX</i>	23 616	-	23 616	-	-
<i>Provision for returned products</i>	12 940	3 980	12 940	-	3 980
<i>Provision for additional discount</i>	5 000	28 757	5 000	-	28 757
<i>Provision for IT outsourcing</i>	9 000	450	9 000	-	450
<i>Other</i>	10 959	1 226	10 959	-	1 226
<i>Product returns</i>	2 200	3 200	2 200	-	3 200
<i>Insurance of receivables</i>	13 880	2 400	13 880	-	2 400
<i>Provision for corporate income tax</i>	29 860	119 991	29 860	-	119 991

Bridgestone Slovakia s. r. o.

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Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

3. Liabilities**3.1. Payables Within and After Maturity Including the Group and Breakdown of Payables by Residual Maturity**

<i>Item</i>	31 Dec 2016	31 Dec 2015
Non-Current Liabilities:		
Liabilities with residual maturity of over 5 years	-	-
Liabilities with residual maturity of between 1 and 5 years	-	-
Total non-current liabilities	-	-
Current Liabilities:		
Liabilities within maturity	1 564 450	1 246 963
Overdue liabilities	3 531	24 655
Total current liabilities	1 567 981	1 271 618

3.2. Social Fund Payables

	31 Dec 2016	31 Dec 2015
Initial balance	1 299	958
Creation of social fund debited to costs	1 566	1 349
Creation of social fund from profit	-	-
Other creations in the social fund	-	-
Total creation of the social fund	1 566	1 349
Drawing from the social fund	(2 599)	(1 008)
Closing Balance	266	1 299

V. REVENUES**1. Operating Revenues****1.1. Revenues from the Sale of Merchandise, Own Products and Services**

Revenues from the Sale of Own Outputs and Merchandise by Major Business Segment and by Major Geographical Segment:

<i>Country</i>	<i>Tyres</i>		<i>Services – Service Fees</i>		<i>Total</i>	
	2016	2015	2016	2015	2016	2015
Slovakia	10 922 786	8 713 841	-	-	10 922 786	8 713 841
Abroad	-	-	259 421	166 563	259 421	166 563
Total	10 922 786	8 713 841	259 421	166 563	11 182 207	8 880 404

Net turnover

<i>Item</i>	31 Dec 2016	31 Dec 2015
Revenues from own products	-	-
Revenues from the sale of services	259 421	166 563
Revenues from merchandise	10 922 786	8 713 841
Revenues from construction contracts	-	-
Revenues from real estate for sale	-	-
Other revenues related to ordinary activities	-	-
Total Net Turnover	11 182 207	8 880 404

1.2. Revenues from the Capitalisation of Costs and Operating Revenues, Revenues from Financing Activities and Revenues of Extraordinary Scope or Occurrence

<i>Item</i>	2016	2015
Material items from the capitalisation of costs	-	-
Other material items of operating revenues	-	-
Revenues from financing activities	-	-
<i>Foreign exchange gains, of which:</i>	17	494
<i>Foreign exchange gains as at the reporting date</i>	-	-
<i>Other material items of revenues from financing activities</i>	-	-
Revenues of extraordinary scope or occurrence	-	-

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Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

VI. EXPENSES**1. Operating Expenses****1.1. Costs of Services, Other Operating Expenses, Finance Costs and Expenses of Extraordinary Scope or Occurrence**

Item	2016	2015
Costs of services provided	-	-
<i>Cost of the auditor, audit firm, of which:</i>	11 204	10 560
<i>Costs of auditing separate financial statements</i>	-	-
<i>Other assurance audit services</i>	-	-
<i>Related audit services</i>	-	-
<i>Tax advisory</i>	-	-
<i>Other non-audit services</i>	-	-
Other material items of costs of provided services	-	-
Other material items of operating expenses	-	-
Finance costs, of which:	-	-
<i>Foreign exchange losses, of which:</i>	444	1 830
<i>Foreign exchange losses as at the reporting date</i>	-	-
<i>Other material items of finance costs</i>	2 465	2 663
Expenses of extraordinary scope or occurrence	-	-

VII. INCOME TAX

The income tax rate for 2016 amounts to 22%. The Company applied no tax relief.

The corporate income tax rate amounting to 21%, effective from 1 January 2017, was used for the deferred tax calculation.

	2016			2015		
	Tax Base	Tax	Tax in %	Tax Base	Tax	Tax in %
Profit/loss prior to taxation	292 535			255 513		
<i>Of which:</i>						
<i>Theoretical tax</i>		64 358	22		56 213	22
Tax non-deductible expenses	288 522	63 475	22	293 692	64 612	22
Difference between accounting and tax depreciation	2 470	543	22	(4 279)	(941)	22
Difference between accounting and tax accumulated depreciation	338 437	74 456	22	(5 415)	(1 191)	22
Revenues exempt from taxation	-	-	-	-	-	-
Tax loss carried forward	-	-	-	-	-	-
Total	920 964	202 835	-	275 918	118 693	-
Current income tax		199 757			123 363	22
Deferred income tax		(55 138)			(58 970)	22
Total Income Tax		144 619			64 393	

VIII. OTHER ASSETS AND OTHER LIABILITIES**1. Contingent Liabilities**

The Company does not recognise any contingent liabilities or future rights and obligations other than those recognised on the balance sheet.

Tax returns remain open and may be subject to review over a period of five years. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a potential further review over the five-year period.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

IX. RELATED PARTIES

Related parties include Bridgestone Europe, the parent company holding a 100% share in the registered capital; Bridgestone CR, s. r. o. (fellow subsidiary); Bridgestone Austria GmbH (fellow subsidiary); and Bridgestone Magyarország KFT (fellow subsidiary).

Transactions between the aforementioned parties and the Company are made on an arm's length basis and at market prices. The Executive makes all decisions on related party transactions. These transactions are commented on in the relevant notes to the financial statements.

31 December 2016

Related Party	Transaction Type	Receivables	Payables	Expenses	Revenues
Parent company					
<i>Bridgestone Europe NV</i>	01	-	1 151 755	9 600 247	14 291
Entity which has a joint controlling or substantial influence in the reporting entity		-	-	-	-
Subsidiary					
<i>Bridgestone CR, s. r. o.</i>	01	1 831	21 438	234 069	29 143
<i>Bridgestone EBS</i>	01	-	1 523	17 165	-
<i>Bridgestone Magyarország</i>	01	915	-	-	13 677
<i>Bridgestone Sales Polska sp.zoo</i>	01	114 366	-	243 245	155 274
<i>Bridgestone Baltics SIA</i>	01	1 525	-	-	22 795
<i>Bridgestone FST</i>	01	8 401	-	58 921	23 867
Joint venture	-	-	-	-	-
Associate	-	-	-	-	-
Key management of the reporting entity or its parent company	-	-	-	-	-
Other related parties					
<i>ARS, spol. s r. o.</i>	01	908 262	351 354	705 254	3 350 499

31 December 2015

Related Party	Transaction Type	Receivables	Payables	Expenses	Revenues
Parent company					
<i>Bridgestone Europe NV</i>	01	-	1 088 199	6 953 430	11 665
Entity which has a joint controlling or substantial influence in the reporting entity		-	-	-	-
Subsidiary					
<i>Bridgestone CR, s. r. o.</i>	01	1 994	42 075	296 581	19 890
<i>Bridgestone EBS</i>	01	-	1 533	17 750	-
<i>Bridgestone Magyarország</i>	01	997	-	349	9 945
<i>Bridgestone Sales Polska sp.zoo</i>	01	3 909	-	242 975	30 888
<i>Bridgestone Baltics SIA</i>	01	1 662	-	-	16 575
<i>Bridgestone FST</i>	01	-	-	62 991	77 178
Joint venture	-	-	-	-	-
Associate	-	-	-	-	-
Key management of the reporting entity or its parent company	-	-	-	-	-
Other related parties					

X. EVENTS THAT OCCURED BETWEEN THE REPORTING DATE AND THE DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

From 31 December 2016 up to the issue date of the financial statements, there were no such events that would have a significant impact on the Company's assets and liabilities, except for those referred to above and those resulting from the ordinary course of business operations.

Bridgestone Slovakia s. r. o.

Notes to the Separate Financial Statements

Prepared as at 31 December 2016

(Value data in tables are disclosed in whole euros unless stipulated otherwise)

XI. CHANGES IN EQUITY31 December 2016

<i>Item</i>	<i>Balance as at 1 Jan 2016</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Balance as at 31 Dec 2016</i>
Registered capital	250 000	-	-	-	250 000
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	25 000	-	-	-	25 000
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	497 837	-	-	191 120	688 957
Accumulated loss from previous years	-	-	-	-	-
Profit/loss for the current period	191 120	147 918	-	(191 120)	147 918
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	963 957	147 918	-	-	1 111 875

31 December 2015

<i>Item</i>	<i>Balance as at 1 Jan 2015</i>	<i>Additions</i>	<i>Disposals</i>	<i>Transfers</i>	<i>Balance as at 31 Dec 2015</i>
Registered capital	250 000	-	-	-	250 000
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	25 000	-	-	-	25 000
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	391 576	-	-	106 261	497 837
Accumulated loss from previous years	-	-	-	-	-
Profit/loss for the current period	106 261	191 120	-	(106 261)	191 120
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	772 837	191 120	-	-	963 957

Bridgestone Slovakia s. r. o.**Notes to the Separate Financial Statements****Prepared as at 31 December 2016****(Value data in tables are disclosed in whole euros unless stipulated otherwise)****XII. CASH FLOW**

The cash flow statement is included in Table 1 in the Appendix.

Cash comprises cash on hand, cash equivalents, and cash in banks, ie current accounts, overdraft facility, and a portion of cash in transit.

Breakdown of cash and cash equivalents:

Item	Account	2016	2015
Cash	211	-	-
Stamps and vouchers	213	-	-
Bank accounts	221.1	-	-
Overdraft facility	221.2	-	-
Current financial assets – shares	251.2	-	-
Current financial assets – bonds	252.2	-	-
Total		-	-

The Company used the indirect method of presenting cash flows from operations.

Appendices:

Table 1: Cash Flow Statement

Table 1 - Cash Flow Statement

Item	Description	Actual amount in EUR	
		Current Reporting Period	Previous Reporting Period
Cash flows from operating activities			
Z/S	Profit/loss from ordinary activities before income tax (+/-)	292 537	255 513
A.1.	Non-cash transactions affecting profit/loss from ordinary activities before income tax (+/-)	67 899	(168 853)
	Amortisation and depreciation of non-current intangible and tangible assets (+)	8 271	1 263
	Change in provisions for liabilities (+/-)	61 016	(142 395)
	Change in provisions for assets (+/-)	(347 113)	(25 524)
	Change in expense and revenues accruals (+/-)	(2 852)	-
	Interest charged to income (-)	-	(2 197)
	Other non-cash items (+/-)	348 577	-
A.2.	Effect of changes in working capital on profit/loss from ordinary activities	(1 361 351)	1 087 453
	Change in receivables from operations (-/+)	(1 725 381)	908 019
	Change in payables from operations (+/-)	364 030	179 434
	Cash flow from operating activities, except for income and expenditures listed separately in other sections of the cash flow statement (+/-), (total Z/S+A.1.+A.2.)	(1 000 914)	1 174 113
	Interest received (+)	-	2 197
	Income tax paid (-/+)	(182 206)	(15 174)
A.	Net cash flow from operating activities	(182 206)	1 161 136
Cash flow from investing activities			
	Expenditures for acquisition of non-current intangible assets (-)	-	(16 886)
	Expenditures for acquisition of non-current tangible assets (-)	(25 288)	-
	Expenditures for acquisition of long-term securities and shares in other entities except for securities considered cash equivalents and securities available for sale or trading securities (-)	-	(26 400)
	Expenditures for non-current borrowings provided by the Company to another entity that is a member of the consolidation group (-)	-	(1 059 859)
	Income on repayment of non-current borrowings provided by the Company to another entity that is a member of the consolidation group (+)	1 208 408	-
B.	Net cash flow from investing activities	1 183 120	(1 103 145)
Cash flows from financing activities			
C.1.	Cash flows in equity	-	-
C.2.	Cash flows arising on non-current and current payables from financing activities	-	-
C.	Net cash flows from financing activities	-	-
D.	Net increase or net decrease in cash and cash equivalents (+/-) (aggregate A+B+C)	1 000 914	57 991
E.	Cash and cash equivalents at the beginning of the reporting period	-	-
F.	Cash and cash equivalents at the end of the reporting period prior to reflecting foreign exchange gains/losses quantified as at the reporting date (+/-)	-	-
G.	Foreign exchange gains/losses quantified to cash and cash equivalents as at the reporting date (+/-)	-	-
H.	Cash and cash equivalents at the end of the reporting period adjusted for foreign exchange gains/losses quantified as at the reporting date (+/-) (total of D + E + G)	-	57 991