

Grupa Kęty S.A. Group

Independent Registered Auditor's Opinion

Consolidated financial statements

Group Directors' Report

**Registered Auditor's Report on the audit of the consolidated
financial statements**

For the financial year from 1 January to 31 December 2014

Contents:

Independent Registered Auditor's Opinion

prepared by PricewaterhouseCoopers Sp. z o.o.

Consolidated financial statements

prepared by the Grupa Kęty S.A. Group

Group Directors' Report

prepared by the Management Board of the Parent Company in the Grupa Kęty S.A. Group

**Registered Auditor's Report on the audit of the consolidated
financial statements**

prepared by PricewaterhouseCoopers Sp. z o.o.

Translator's note:

This version of our opinion is a translation of the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters concerning the interpretation of information, views or opinions, the original language version of our opinion takes precedence over this translation.

Independent Registered Auditor's Opinion

To the General Shareholders' Meeting and Supervisory Board of Grupa Kęty S.A.

We have audited the accompanying consolidated financial statements of the Grupa Kęty S.A. Group (hereinafter referred to as "the Group"), in which Grupa Kęty S.A. (hereinafter referred to as "the Parent Company"), Kęty, ul. Kościuszki 111, is the parent company, which comprise the consolidated balance sheet as at 31 December 2014, showing total assets and total liabilities & equity of PLN 1,797,508 thousand, the consolidated income statement for the period from 1 January to 31 December 2014, showing a net profit of PLN 169,031 thousand, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for that financial year, additional information about the adopted accounting policies, and other explanatory notes.

The Parent Company's Management Board is responsible for preparing consolidated financial statements and a Group Directors' Report which comply with the applicable regulations. The Members of the Parent Company's Management Board and Supervisory Board are required to ensure that the consolidated financial statements and Group Directors' Report meet the requirements set out in the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330, as amended, hereinafter referred to as "the Accounting Act").

Our responsibility was to perform an audit of the accompanying consolidated financial statements and to express an opinion on whether these financial statements complied, in all material respects, with the applicable accounting policies and whether they presented, in all material respects, a fair and clear view of the Group's financial position and results of operations.

We conducted our audit in accordance with the following:

- a. the provisions of Chapter 7 of the Accounting Act;
- b. national standards of auditing issued by the National Chamber of Statutory Auditors.

Our audit was planned and performed to obtain reasonable assurance that the consolidated financial statements were free of material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the consolidated financial statements. The audit also included an assessment of the accounting policies applied by the Group and of significant estimates made in the preparation of the consolidated financial statements, as well as an evaluation of the overall presentation thereof. We believe that our audit provided a reasonable basis for our opinion.

Independent Registered Auditor's Opinion

To the General Shareholders' Meeting and Supervisory Board of Grupa Kęty S.A. (cont.)

In our opinion, and in all material respects, the accompanying consolidated financial statements:

- a. give a fair and clear view of the Group's financial position as at 31 December 2014 and of its results of operations for the financial year from 1 January to 31 December 2014 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- b. comply in terms of form and content with the applicable laws;
- c. have been prepared on the basis of properly maintained consolidation documentation.

The information in the Group Directors' Report for the financial year from 1 January to 31 December 2014 is presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions of recognizing information required by the law of a state which is not a member state as being equivalent ("the Decree" – Journal of Laws of 2014, item 133) and is consistent with the information in the audited consolidated financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Michał Mastalerz

Registered Auditor to the Group, Key Registered Auditor
No. 90074

Kraków, 17 March 2015

Grupa Kęty S.A. Group

Registered auditor's report on the audit of the consolidated financial statements for the financial year from 1 January to 31 December 2014

Translator's note:

This version of our opinion is a translation of the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters concerning the interpretation of information, views or opinions, the original language version of our opinion takes precedence over this translation.



**Registered auditor's report on the audit
of the consolidated financial statements
for the financial year from 1 January to 31 December 2014**

**To the General Shareholders' Meeting and Supervisory Board of
Grupa Kęty S.A.**

This report contains 13 consecutively numbered pages and consists of:

	Page
I. General information about the Group.....	2
II. Information about the audit.....	7
III. The Group's results, financial position and significant items of the consolidated financial statements	8
IV. The independent registered auditor's statements.....	11
V. Final information and comments.....	13

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

I. General information about the Group

- a. The Parent Company in the Grupa Kęty S.A. Group ("the Group") is Grupa Kęty spółka akcyjna ("the Parent Company"), Kęty, ul. Kościuszki 111.
- b. The Parent Company was formed on the basis of a Notarial Deed drawn up at the Notarial Office of Paweł Błaszczak, a notary public, in Warsaw on 3 March 1992 and registered in Rep. A No. 1413/92. On 9 July 2002, the Parent Company was entered in the Register of Businesses maintained by the District Court in Kraków, 12th Business Department of the National Court Register, with the reference number KRS 0000121845.
- c. The Parent Company was assigned a tax identification number (NIP) 549-00-01-468 for making tax settlements and a statistical business identification number (REGON) 070614970 for statistical purposes.
- d. As at 31 December 2014, the Parent Company's registered share capital amounted to PLN 23,452 thousand and consisted of 9,380,788 shares with a par value of PLN 2.50 each. In addition, as at the date of transition to International Financial Reporting Standards as adopted by the European Union, the share capital was restated in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies", by PLN 43,900 thousand. As at 31 December 2014, the Group's equity amounted to PLN 1.203.232 thousand.

On 23 February 2015, an increase in the Parent Company's share capital to PLN 23,484 thousand was registered in the National Court Register. After the registration the number of shares amounted to 9,393,538.

- e. As at 31 December 2014, the Parent Company's shareholders were as follows:

Name	Number of shares held	Par value of shares held (PLN'000)	Type of shares held	Votes (%)
OFE Aviva BZ WBK	1,691,276	4,228	ordinary	18.0
ING OFE	1,610,534	4,026	ordinary	17.2
OFE PZU "Złota Jesień"	921,000	2,303	ordinary	9.8
PTE Allianz Polska	499,748	1,249	ordinary	5.3
Other shareholders	4,670,980	11,677	ordinary	49.7
	9,393,538	23,483		100.0

The number of shares presented as at 31 December 2014 includes 12,750 shares taken up by the authorized persons in December 2014, registered by the Central Securities Depository of Poland and admitted to public trading in 2015.

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

I. General information about the Group (cont.)

As at 31 December 2013, the Parent Company's shareholders were as follows:

Name	Number of shares held	Par value of shares held (PLN'000)	Type of shares held	Votes (%)
OFE Aviva BZ WBK	1,691,276	4,228	ordinary	18.1
ING OFE	1,610,534	4,026	ordinary	17.3
OFE PZU "Złota Jesień"	921,000	2,303	ordinary	9.9
OFE Bankowy PKO BP	586,929	1,467	ordinary	6.3
Other shareholders	4,513,749	11,284	ordinary	48.4
	9,323,488	23,308		100.0

- f. In the audited period, the Group's operations consisted of manufacturing, trading and service activities in the area of processing of aluminium and its alloys and in the area of manufacturing packaging materials from plastics and paper.
- g. In the financial year, the following people were on the Parent Company's Management Board:
- Dariusz Mańko President of the Management Board;
 - Adam Piela Member of the Management Board.
- h. The Parent Company is an issuer of securities admitted to trading on the Warsaw Stock Exchange and, in accordance with the requirements of the Accounting Act, it prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial
statements for the year from 1 January to 31 December 2014

I. General information about the Group (cont.)

i. As at 31 December 2014, the Grupa Kęty S.A. Group consisted of the following entities:

Name	Type of equity relationship (% of ownership rights)	Consolidation method	Auditor	Opinion type	Balance sheet date
Grupa Kęty S.A.	Parent company	N/A	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2014
Alupol Packaging S.A.	Subsidiary (100%)	Acquisition accounting	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2014
Aluprof S.A.	Subsidiary (100%)	Acquisition accounting	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2014
Alutech Sp. z o.o. in liquidation	Subsidiary (100%)	Acquisition accounting	Zespół Weryfikacji Sprawozdań i organizacji rachunkowości REKORD-WESPRA Sp. z o.o.	unqualified	31 December 2014
Dekret Centrum Rachunkowe Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	Zespół Weryfikacji Sprawozdań i organizacji rachunkowości REKORD-WESPRA Sp. z o.o.	unqualified	31 December 2014
Alu Trans System Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	PKF Consult Sp. z o.o.	with an explanatory paragraph (negative equity)	31 December 2014
Aluprof Hungary Kft.	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Metalplast-Stolarka Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2014
Alupol LLC	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial
statements for the year from 1 January to 31 December 2014

I. General information about the Group (cont.)

Name	Type of equity relationship (% of ownership rights)	Consolidation method	Auditor	Opinion type	Balance sheet date
Aluprof Deutschland GmbH	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Aluprof System Romania SRL	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Aluprof System Czech s.r.o.	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Aluprof UK Ltd.	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
ROMB S.A. (Metalplast KARO Złotów S.A. until 28 July)	Subsidiary (100%)	Acquisition accounting	PKF Consult Sp. z o.o.	unqualified	31 December 2014
Alupol Packaging Kęty Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	PricewaterhouseCoopers Sp. z o.o.	unqualified	31 December 2014
Aluform Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	Zespół Weryfikacji Sprawozdań I organizacji rachunkowości REKORD-WESPRA Sp. z o.o.	unqualified	31 December 2014
Aluprof System Ukraina LLC	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Aluprof Serwis Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	Zespół Weryfikacji Sprawozdań I organizacji rachunkowości REKORD-WESPRA Sp. z o.o.	unqualified	31 December 2014
Grupa Kęty Italia s.r.l.	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Marius Hansen Facader A/S	Subsidiary (100%)	Acquisition accounting	Beierholm Statsautoriseret Revisionspartnerselskab	unqualified	31 December 2014

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial
statements for the year from 1 January to 31 December 2014

I. General information about the Group (cont.)

Name	Type of equity relationship (% of ownership rights)	Consolidation method	Auditor	Opinion type	Balance sheet date
Aluprof System USA, Inc	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014
Alupol Films Sp. z o.o.	Subsidiary (100%)	Acquisition accounting	Unaudited.	N/A	31 December 2014

j. The following changes occurred among the consolidated entities during the financial year:

- on 30 September 2014, Impet Sp. z o.o. was liquidated;
- the following companies were consolidated: Grupa Kęty Italia s.r.l., Marius Hansen Facader A/S, Aluprof System USA, Inc, and Alupol Films Sp. z o.o.

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

II. Information about the audit

- a. The audit of the consolidated financial statements for the financial year from 1 January to 31 December 2014 was conducted by PricewaterhouseCoopers Sp. z o.o., Warsaw, Al. Armii Ludowej 14, registered audit company no. 144. The audit was conducted on behalf of the registered audit company under the supervision of the key registered auditor, registered auditor to the Group, Michał Mastalerz (no. 90074).
- b. PricewaterhouseCoopers Sp. z o.o. was appointed registered auditor to the Group by Resolution No. VIII/12/12 of the Supervisory Board of Grupa Kęty S.A. dated 10 May 2012, on the basis of paragraph 21, clause 2, point 11 of the Parent Company's Articles of Association.
- c. PricewaterhouseCoopers Sp. z o.o. and the key registered auditor conducting the audit are independent of the Group entities within the meaning of Article 56, clauses 2-4 of the Act dated 7 May 2009 on registered auditors and their self-government, registered audit companies and on public supervision (Journal of Laws No. 77, item 649, as amended).
- d. The audit was conducted in accordance with an agreement dated 25 May 2012 in the following periods:
 - interim audit from 15 December to 17 December 2014;
 - final audit from 16 February to 17 March 2015.

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

III. The Group's results, financial position and significant items of the consolidated financial statements

CONSOLIDATED BALANCE SHEET
as at 31 December 2014 (selected lines)

			Change		Structure	
	31.12.2014 PLN'000	31.12.2013 PLN'000	PLN'000	(%)	31.12.2014 (%)	31.12.2013 (%)
ASSETS						
Non-current assets	1,016,520	1,005,933	10,587	1.1	56.6	58.6
Current assets	780,988	710,166	70,822	10.0	43.4	41.4
Total assets	1,797,508	1,716,099	81,409	4.7	100.0	100.0
EQUITY AND LIABILITIES						
Equity	1,203,232	1,125,378	77,854	6.9	66.9	65.6
Non-current liabilities	107,118	124,281	(17,163)	(13.8)	6.0	7.2
Current liabilities	487,158	466,440	20,718	4.4	27.1	27.2
Total equity and liabilities	1,797,508	1,716,099	81,409	4.7	100.0	100.0

CONSOLIDATED INCOME STATEMENT
for the financial year from 1 January to 31 December 2014 (selected lines)

			Change		Structure	
	2014 PLN'000	2013 PLN'000	PLN'000	(%)	2014 (%)	2013 (%)
Total operating income	1,835,161	1,602,941	232,220	14.5	100.0	100.0
Total operating expenses	(1,657,991)	(1,492,795)	(165,196)	11.1	(90.3)	(93.1)
Operating profit	224,626	144,913	79,713	55.0	12.2	9.0
Net profit on continued operations	169,031	153,483	15,548	10.1	9.2	9.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial year from 1 January to 31 December 2014 (selected lines)

			Change		Structure	
	2014 PLN'000	2013 PLN'000	PLN'000	(%)	2014 (%)	2013 (%)
Net profit for the year	169,031	153,483	15,548	10.1	9.2	9.6
Other comprehensive income (net)	(6,661)	(4,322)	(2,339)	54.1	(0.4)	(0.3)
Comprehensive income for the year	162,370	149,161	13,209	8.9	8.8	9.3

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

III. The Group's results, financial position and significant items of the consolidated financial statements (cont.)

Selected ratios characterizing the Group's financial position and results

The following ratios characterize the Group's operating activities, financial results during the year and its financial position as at the balance sheet date compared with the previous years:

	2014	2013	2012
Asset ratios			
- receivables turnover	63 days	68 days	65 days
- inventory turnover	76 days	73 days	69 days
Profitability ratios			
- net profit margin	9%	10%	7%
- gross margin	13%	10%	9%
- return on capital employed	15%	16%	12%
Liability ratios			
- gearing	33%	34%	38%
- payables turnover	36 days	37 days	39 days
	31/12/2014	31/12/2013	31/12/2012
Liquidity ratios			
- current ratio	1.6	1.5	1.5
- quick ratio	1.0	1.0	1.0

The above ratios have been calculated on the basis of the consolidated financial statements.

It was not the purpose of the audit to present the Group in the context of the results of operations and ratios achieved. A detailed interpretation of the ratios requires an in-depth analysis of the Group's operations and its circumstances.

III. The Group's results, financial position and significant items of the consolidated financial statements (cont.)

The observations below are based on the knowledge obtained during the audit of the consolidated financial statements.

The following factors had a significant impact on the Group's results of operations and financial position in the audited year:

- At the end of the financial year, the value of the Group's assets amounted to PLN 1,797,508 thousand. During the year total assets/liabilities and equity increased by PLN 81,409 thousand (i.e. by 4.7%). This increase was mainly financed by the net profit generated by the Group (of PLN 169,031 thousand) and the increase in current trade and other payables of PLN 52,480 thousand, accompanied by the payment of a dividend of PLN 93,808 thousand and the decrease in liabilities in respect of loans and finance leases of PLN 49,545 thousand.
- The Group's liability ratios and the structure of its liabilities have changed. The gearing ratio decreased from 34% as at the end of the previous year to 33% as at the end of the current year. The average payables turnover cycle dropped from 37 days to 36 days respectively.
- Total operating income amounted to PLN 1,835,161 thousand and increased by PLN 232,220 thousand (i.e. by 14.5%) compared with the previous year. The Group's core operations both in the current financial year and the previous financial year consisted of selling finished goods and services within four basic operating segments: extruded goods, aluminium systems, flexible packaging, and construction services. The largest change in sales occurred in the aluminium systems segment (this segment's sales outside the Group increased by PLN 108,838 thousand).
- The costs of materials and energy used and the cost of sales of materials and goods for resale were the largest items of operating expenses and amounted to PLN 1,127,128 thousand in the audited financial period, which constituted 68.0% of the operating expenses. The costs of materials and energy used and the cost of sales of materials and goods for resale increased by PLN 93,235 thousand (i.e. by 9.0%) compared with the previous year.
- Profitability measured with the net profit amounted to 9% and was 1 percentage point lower than in the previous year. The increase in the profitability of sales was largely due to the high level of economic activity on the markets, which translated into increases in sales volumes in all operating segments. In addition, the change in the Group's profitability at the net profit level in 2014 was largely due to the tax charge being much higher (PLN 32,828 thousand), whereas in 2013 the Company recognized significant tax assets in respect of a subsidiary's operations in the SEZ, which led to the increase in the net profit compared with the profit before tax of PLN 19,409 thousand.
- The Group's liquidity has changed slightly. The current ratio increased and amounted to 1.6 as at the end of the audited year (1.5 as at 31 December 2013), whereas the quick ratio remained unchanged and amounted to 1.0.

IV. The independent registered auditor's statements

- a. In the course of the audit the Parent Company's Management Board presented the required information, explanations and representations and provided us with a representation letter confirming the completeness of the data in the consolidation documentation and the disclosure of all the contingent liabilities. They also informed us of the significant post balance sheet events which occurred up to the date of that letter being signed.
- b. The scope of the audit was not limited.
- c. The Group has up-to-date documentation of its accounting policies, approved by the Parent Company's Management Board. The Parent Company's accounting policies were tailored to the Group's needs and ensured the recognition of all events having a material effect on the assessment of the Group's financial position and results, taking account of the prudence principle. There were no changes to the policies or methods used compared with the previous year.
- d. The calculation of goodwill which arose in the audited period and its recognition in the consolidated financial statements were in compliance with International Financial Reporting Standards as adopted by the European Union in all material respects.
- e. The consolidation of equity items and the determination of non-controlling interests were carried out properly in all material respects.
- f. The elimination of mutual balances (receivables and payables) and transactions (revenue and expenses) of the consolidated entities was carried out in accordance with International Financial Reporting Standards as adopted by the European Union in all material respects.
- g. The elimination of unrealized profits/losses included in the carrying value of assets, arising on transactions between the consolidated Group entities and intra-Group dividend payments was carried out in accordance with International Financial Reporting Standards as adopted by the European Union in all material respects.
- h. The consolidation documentation was complete and correct and stored in a manner that ensures its appropriate protection.
- i. The Group's consolidated financial statements for the financial year from 1 January to 31 December 2013 were approved by Resolution No. 2/14 of the General Shareholders' Meeting of the Parent Company dated 21 May 2014 and filed with the National Court Register in Kraków on 27 May 2014.
- j. The consolidated financial statements for the previous year were audited by PricewaterhouseCoopers Sp. z o.o. The registered auditor issued an unqualified opinion.
- k. The notes to the consolidated financial statements present all significant information required by International Financial Reporting Standards as adopted by the European Union.

IV. The independent registered auditor's statements (cont.)

1. The information in the Group Directors' Report for the financial year from 1 January to 31 December 2014 is presented in accordance with the provisions of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognizing information required by the law of a state which is not a member state as being equivalent (Journal of Laws of 2014, item 133) and is consistent with the information in the consolidated financial statements.

Grupa Kęty S.A. Group
Registered auditor's report on the audit of the consolidated financial statements for the year from 1 January to 31 December 2014

V. Final information and comments

This report has been prepared in connection with our audit of the consolidated financial statements of the Grupa Kęty S.A. Group, in which Grupa Kęty S.A., Kęty, ul. Kościuszki 111, is the parent company. The consolidated financial statements were signed by the Parent Company's Management Board on 17 March 2015.

This report should be read in conjunction with the Independent Registered Auditor's unqualified Opinion to the General Shareholders' Meeting and Supervisory Board of Grupa Kęty S.A. dated 17 March 2015, concerning the said consolidated financial statements. The opinion on the consolidated financial statements expresses a general conclusion drawn from the audit and involves assessing the materiality of individual audit findings rather than being a sum of all the evaluations of individual consolidated financial statement components. This assessment takes account of the impact of the facts noted on the truth and fairness of the consolidated financial statements as a whole.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Michał Mastalerz

Registered Auditor to the Group, Key Registered Auditor
No. 90074

Kraków, 17 March 2015