



CAPITAL GROUP OF GRUPA KĘTY S.A.

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2014
ENDED ON 30 JUNE 2014 PREPARED PURSUANT TO THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS**

Consolidated semi-annual report PSr 2014

(Pursuant to § 82 Clause 2 and § 83 Clause 3 of the Minister of Finance's Ordinance of 19 February 2009 - Journal of Laws No. 33, item 259) for the issuers of securities involved in the production, construction, trading or servicing activities for the first half of the financial year 2014 covering the period from 01.01.2014 to 30.06.2014, comprising the interim condensed consolidated financial statements pursuant to the International Financial Reporting Standards in the Polish currency (PLN) and the interim condensed financial statements pursuant to the International Financial Reporting Standards in the Polish currency (PLN).

7 August 2014

(delivery date)

GRUPA KĘTY SPÓŁKA AKCYJNA	
(Issuer's full name)	
KĘTY	Metal (met)
<small>(Issuer's short name)</small>	<small>(sector according to the WSE classification / industry)</small>
32-650	Kęty
<small>(postal code)</small>	<small>(town/city)</small>
Kościuszki	111
<small>(street)</small>	<small>(building number)</small>
33 844 60 00	33 845 30 93
<small>(telephone number)</small>	<small>(fax number)</small>
kety@grupakety.com	www.grupakety.com
<small>(e-mail)</small>	<small>(website)</small>
549-000-14-68	070614970
<small>(Tax ID Number - NIP)</small>	<small>(Statistical ID Number - REGON)</small>

SELECTED FINANCIAL FIGURES

Figures concerning the consolidated financial statements pursuant to the IFRS

ITEMS OF THE PROFIT AND LOSS ACCOUNT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	in '000' PLN		in '000' EUR	
	First half of 2014	First half of 2013	First half of 2014	First half of 2013
Net sales revenue	851 596	713 967	203 809	169 427
Net profit on operating activity	109 527	58 704	26 213	13 931
Profit before tax	99 215	52 099	23 745	12 363
Net profit	83 406	59 883	19 961	14 210
Net profit (loss) for shareholders of the predominant entity	83 406	59 883	19 961	14 210
Total net income (loss)	81 070	54 157	19 402	12 852
Total net income (loss) for shareholders of the predominant entity	81 070	54 157	19 402	12 852
Net cash flow from operating activity	119 830	108 156	28 678	25 666
Net cash flow from investing activity	-43 531	-49 809	-10 418	-11 820
Net cash flow from financial activity	-67 443	-58 211	-16 141	-13 814
Total net cash flow	8 856	136	2 119	32
Net profit of shareholders of the predominant entity per a single regular share (in PLN/EUR)	8.90	6.49	2.13	1.54
Diluted net profit for shareholders of the predominant entity per a single regular share (in PLN/EUR)	8.89	6.46	2.13	1.53
BALANCE SHEET ITEMS	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Total assets	1 758 425	1 716 099	422 607	413 797
Liabilities and provisions for liabilities	638 695	590 721	153 499	142 439
Long-term liabilities	104 308	124 281	25 069	29 967
Short-term liabilities	534 387	466 440	128 431	112 471
Equity of the shareholders of the predominant entity	1 119 730	1 125 378	269 108	271 359
Share capital	67 244	67 138	16 161	16 189
Number of shares	9 380 788	9 323 488	9 380 788	9 323 488
Book value per share (in PLN/EUR)	119.36	120.70	28.69	29.10
Diluted book value per share (in PLN/EUR)	119.36	120.36	28.69	29.02
Dividend per share – declared or paid (in PLN/EUR)	0.00	10.00	0.00	2.41

Figures concerning the separate financial statements pursuant to the IFRS

ITEMS OF THE PROFIT AND LOSS ACCOUNT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	in '000' PLN		in '000' EUR	
	First half of 2014	First half of 2013	First half of 2014	First half of 2013
Net sales revenue	330 451	271 893	79 086	64 521
Net profit on operating activity	99 684	95 826	23 857	22 740
Profit before tax	98 507	90 578	23 575	21 495
Net profit	98 229	91 916	23 509	21 812
Total net income	101 655	86 387	24 329	20 500
Net cash flow from operating activity	25 022	64 285	5 988	15 255
Net cash flow from investing activity	-10 632	-10 334	-2 545	-2 452
Net cash flow from financial activity	-423	-49 726	-101	-11 800
Total net cash flow	13 967	4 225	3 343	1 003
Net profit per a single regular share (in PLN/EUR)	10.49	9.96	2.51	2.36
Diluted profit per a single regular share (in PLN/EUR)	10.46	9.92	2.50	2.35
BALANCE SHEET ITEMS	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Total assets	1 057 723	933 017	254 205	224 975
Liabilities and provisions for liabilities	343 718	233 949	82 607	56 411
Long-term liabilities	62 851	74 819	15 105	18 041
Short-term liabilities	280 867	159 130	67 502	38 370
Equity	714 005	699 068	171 599	168 564
Share capital	67 244	67 138	16 161	16 189
Number of shares	9 380 788	9 323 488	9 380 788	9 323 488
Book value per share (in PLN/EUR)	76.11	74.98	18.29	18.08
Diluted book value per share (in PLN/EUR)	76.11	74.77	18.29	18.03
Dividend per share – declared or paid (in PLN/EUR)	0.00	10.00	0.00	2.41

The above financial figures for the first half of 2014 and of 2013 were translated into EUR as follows:

- assets and liabilities – at the average exchange rate of the National Bank of Poland (NBP) as at 30.06.2014 – 4.1609 PLN/EUR and as at 31.12.2013 – 4.1472 PLN/EUR;

- the items of the profit and loss account, of the statement of comprehensive income and of the cash flow statement – at the exchange rate being an arithmetic mean of the exchange rates of the NBP for the last two days of each month: first half of 2014 – 4.1784 PLN/EUR; first half of 2013 – 4.2140 PLN/EUR.

CAPITAL GROUP OF GRUPA KĘTY S.A.
Consolidated financial statements for the period from 1 January 2014 to 30 June 2014 (in '000' PLN)

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**Complementary information and explanations to these consolidated interim financial statements form
their integral part**

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I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	01.04.2014 - 30.06.2014 2 nd quarter present year (not audited)	01.01.2014 - 30.06.2014 Two quarters present year (not audited)	01.04.2013 - 30.06.2013 2 nd quarter previous year (not audited)	01.01.2013 - 30.06.2013 Two quarters previous year (not audited)
Total operating income, including:		441 697	857 301	382 848	719 518
Sales revenue	7	438 744	851 596	379 554	713 967
Other operating income		2 953	5 705	3 294	5 551
Change of inventories of finished goods and work in progress		5 468	7 470	(1 677)	17 043
Cost of manufacturing products for own needs		2 549	5 379	2 651	5 786
Total operating costs, including:		(388 581)	(760 623)	(350 716)	(683 643)
Depreciation/Amortisation		(20 201)	(39 657)	(19 911)	(39 405)
Materials and energy		(262 481)	(520 925)	(244 776)	(466 098)
External services		(38 658)	(66 107)	(25 006)	(54 547)
Taxes and charges		(3 065)	(5 917)	(3 130)	(6 320)
Employee benefits		(59 413)	(115 748)	(53 264)	(107 516)
Other operating costs		(4 763)	(12 269)	(4 629)	(9 757)
Net profit on operating activity		61 133	109 527	33 106	58 704
Financial income		339	774	513	1 030
Financial costs		(2 537)	(11 086)	(3 279)	(7 635)
Profit before tax		58 935	99 215	30 340	52 099
Income tax expense	10	(6 294)	(15 809)	12 547	7 784
Net profit on continued activity		52 641	83 406	42 887	59 883
For non-controlling shareholders		0	0	0	0
For the predominant entity's shareholders		52 641	83 406	42 887	59 883
Net profit per a single share for the shareholders of the predominant entity (in PLN)	30				
Basic		5.62	8.90	4.65	6.49
Diluted		5.62	8.89	4.63	6.46

Dariusz Mańko

President of the Management Board

Adam Piela

Member of the Management Board

Andrzej Stempak

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.04.2014 - 30.06.2014 2 nd quarter present year (not audited)	01.01.2014 - 30.06.2014 Two quarters present year (not audited)	01.04.2013 - 30.06.2013 2 nd quarter previous year (not audited)	01.01.2013 - 30.06.2013 Two quarters previous year (not audited)
Net profit for the period	52 641	83 406	42 887	59 883
Other comprehensive income*:	2 241	(2 336)	(3 657)	(5 726)
Cumulative translation adjustment	(972)	(6 398)	665	2 223
Valuation of cash flow hedging instruments	1 825	2 707	(3 771)	(7 976)
Result from cash flow hedge	1 986	2 120	(1 231)	(1 436)
Income tax related to other comprehensive income	(598)	(765)	680	1 463
Comprehensive income for the period	54 882	81 070	39 230	54 157
Comprehensive income for:				
Non-controlling shareholders	0	0	0	0
Shareholders of the predominant entity	54 882	81 070	39 230	54 157

**All items of other comprehensive income, when certain conditions are met in further periods, will be reclassified to profit or losses.*

Dariusz Mańko

*President of the Management
Board*

Adam Piela

*Member of the Management
Board*

Andrzej Stempak

*President of the Management
Board*

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	Note	30.06.2014 (not audited)	31.12.2013 (audited)
I. Fixed assets		992 177	1 005 933
Property, plant and equipment	11	824 150	842 048
Intangibles		53 847	52 031
Goodwill	12	17 561	17 561
Investment properties		12 659	12 649
Other investments		10	11
Other receivables		6 271	4 878
Advance payments for the purchase of fixed assets		11 101	7 579
Assets due to deferred income tax		66 578	69 176
II. Current assets		766 248	710 166
Inventories	14	260 265	239 312
Current tax receivables		1 013	4 171
Trade and other receivables	13	418 307	389 503
Short-term investments		82	24
Derivative financial instruments	26	2 604	2 035
Cash and cash equivalents	8	83 977	75 121
Total assets		1 758 425	1 716 099

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Andrzej Stempak

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (cont.)

EQUITY AND LIABILITIES	Note	30.06.2014 (not audited)	31.12.2013 (audited)
I. Equity		1 119 730	1 125 378
Share capital		67 244	67 138
Capital from the issue of shares above their nominal value (share premium)		9 538	4 563
Capital from the issue of non-registered shares	28	5 082	3 479
Capital from share based payments		10 643	10 230
Result from cash flow hedging transactions		1 036	(835)
Capital from the valuation of hedging instruments		1 568	(623)
Capital from the valuation of fixed assets		3 382	3 382
Retained earnings		1 048 379	1 058 788
Cumulative translation adjustment		(27 142)	(20 744)
Equity of the predominant entity's shareholders		1 119 730	1 125 378
Equity of non-controlling shareholders		0	0
II. Long-term liabilities		104 308	124 281
Liabilities due to borrowings and financial leasing	16	19 663	39 313
Other liabilities		1 937	1 390
Provisions	15	834	834
Provisions due to employee benefits	15	3 724	3 724
Subsidies		39 929	40 352
Provision due to deferred income tax		38 221	38 668
III. Short-term liabilities		534 387	466 440
Liabilities due to borrowings and financial leasing	16	194 425	245 394
Income tax liabilities		5 368	10 861
Trade and other liabilities	18	313 669	185 173
Provisions and accruals	15	18 152	19 584
Derivative financial instruments	26	667	2 700
Subsidies		2 106	2 728
Total equity and liabilities		1 758 425	1 716 099

Dariusz Mańko

Adam Piela

Andrzej Stempak

President of the Management Board

Member of the Management Board

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PRESENT YEAR

For the predominant entity's shareholders

	Share capital	Capital from the issue of shares above their nominal value (share premium)	Capital from the issue of non-registered shares	Capital from share based payments	Result from cash flow hedging transactions	Capital from the valuation of hedging instruments	Capital from the valuation of fixed assets	Retained earnings	Cumulative translation adjustment	Equity of the predominant entity's shareholders	Equity of non-controlling shareholders	Total equity
Equity as at 1 January 2014 (audited)	67 138	4 563	3 479	10 230	(835)	(623)	3 382	1 058 788	(20 744)	1 125 378	0	1 125 378
Total net income for the period	0	0	0	0	1 871	2 191	0	83 406	(6 398)	81 070	0	81 070
Costs of share based payments	0	0	0	413	0	0	0	0	0	413	0	413
Payment of dividend	0	0	0	0	0	0	0	(93 815)	0	(93 815)	0	(93 815)
Issue of shares	106	4 975	1 603	0	0	0	0	0	0	6 684	0	6 684
Equity as at 30 June 2014 (not audited)	67 244	9 538	5 082	10 643	1 036	1 568	3 382	1 048 379	(27 142)	1 119 730	0	1 119 730

PREVIOUS YEAR

Equity as at 1 January 2013 (audited)	66 964	0	0	9 099	(119)	2 033	3 761	961 086	(20 189)	1 022 635	0	1 022 635
Total net income for the period	0	0	0	0	(1 436)	(6 513)	0	59 883	2 223	54 157	0	54 157
Costs of share based payments	0	0	0	419	0	0	0	0	0	419	0	419
Payment of dividend	0	0	0	0	0	0	0	(55 765)	0	(55 765)	0	(55 765)
Payments for shares	0	0	4 197	0	0	0	0	0	0	4 197	0	4 197
Equity as at 30 June 2013 (not audited)	66 964	0	4 197	9 518	(1 555)	(4 480)	3 761	965 204	(17 966)	1 025 643	0	1 025 643

Dariusz Mańko
President of the Management Board

Adam Piela
Member of the Management Board

Andrzej Stempak
President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash flow statement	01.01.2014 - 30.06.2014 First half present year (not audited)	01.01.2013 - 30.06.2013 First half previous year (not audited)
Cash flow from operating activity		
Profit before tax	99 215	52 099
Adjustments:	45 105	46 433
Depreciation/Amortisation	39 657	39 405
Profit from net exchange rate differences	3	3 797
(Profit)/loss from the sale of fixed assets	(475)	(49)
Interest and participation in profits	3 385	4 021
Inflows/(outflows) related to hedging instruments charged to equity	2 210	(1 436)
Costs of options for the management staff	413	419
Other items (net)	(88)	276
Cash flows from operating activity before the change of working capital	144 320	98 532
Change in inventories	(20 953)	1 838
Change in net receivables	(30 197)	25 442
Change in short-term liabilities, except for loans	45 533	(8 758)
Change in provisions	(1 303)	448
Change in deferred income	(1 045)	2 173
Net cash generated from operating activity	136 355	119 675
Tax paid	(16 525)	(11 519)
Net cash from operating activity	119 830	108 156
Cash flow from investing activity		
(+) Inflows:	745	512
Sale of intangibles and property, plant and equipment	745	331
Interest received	0	181
(-) Outflows:	(44 276)	(50 321)
Acquisition of intangibles and property, plant and equipment	(44 216)	(50 321)
Other outflows	(60)	0
Net cash from investing activity	(43 531)	(49 809)
Cash flow from financial activity		
(+) Inflows:	10 364	21 550
Net inflows from the issue of shares	6 684	948
Inflows from borrowings	3 680	20 602
(-) Outflows:	(77 807)	(79 761)
Repayment of borrowings	(74 276)	(75 505)
Financial leasing rentals	(39)	(72)
Interest	(3 492)	(4 184)

Complementary information and explanations to these consolidated interim financial statements form their integral part

CAPITAL GROUP OF GRUPA KĘTY S.A.
Consolidated financial statements for the period from 1 January 2014 to 30 June 2014 (in '000' PLN)

Net cash from financial activity	(67 443)	(58 211)
Total net cash flow:	8 856	136
- change in cash due to exchange rate differences	0	0
Cash and cash equivalents at the beginning of the period	75 121	64 977
Cash and cash equivalents at the end of the period	83 977	65 113

Dariusz Mańko

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Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

COMPLEMENTARY INFORMATION AND EXPLANATIONS

1. General information

These interim condensed consolidated financial statements of Grupa Kęty S.A. cover the period of the first half of the year which ended on 30.06.2014 and provide comparative data with regard to the first half of the year which ended on 30.06.2013. The said financial statements were reviewed by the certified auditor. The statement of comprehensive income, the profit and loss account and notes to the statement of comprehensive income and to the profit and loss account cover additional figures for the period of three months ended on 30.06.2014 and comparative data for the period of three months ended on 30.06.2013; they were not reviewed or audited by the certified auditor.

The Capital Group of Grupa Kęty S.A. ('the Group') comprises the predominant entity, namely Grupa Kęty S.A. ('the predominant entity', 'the Company') and its subsidiaries (see note 2).

Grupa Kęty S.A. is incorporated in Poland with its registered office located in Kęty, at 111 Kościuszki Street; it is entered into the Register of Entrepreneurs under No. **KRS 0000121845** and has its tax identification number (**NIP**) **549-000-14-68** as well as its statistical number (**REGON**): **070614970**.

The predominant entity is listed under No. **ISIN PLKETY000011** at Warsaw Stock Exchange and classified in the metal sector.

The effective period of the operation of the predominant entity as well as of the entities included in the Capital Group is indefinite.

The Group's basic range of activity includes manufacturing, trade and the rendering of services related to the processing of aluminium and its alloys; the production and sale of aluminium systems for the construction industry and activities related to their assembly; the production of materials for plastic and paper packaging, including trade, supply, marketing and other brokerage.

2. Group composition

The Group comprises Grupa Kęty S.A. as well as the following subsidiaries:

Company name	Registered office	Scope of basic business activity	Predominant entity's name	Shares in the basic capital as at 30.06.2014	Shares in the basic capital as at 31.12.2013	Date of control take-over	Reporting segment
Alupol Packaging S.A.	Tychy, Poland	Production of and trade in plastic packaging	Grupa Kęty S.A.	100.00%	100.00%	04/1998	FPS
Aluprof S.A.	Bielsko-Biała, Poland	Manufacture of construction woodwork	Grupa Kęty S.A.	100.00%	100.00%	06/1998	ASS
Alutech Sp. z o.o. w likwidacji	Kęty, Poland	Production, trade and provision of services	Grupa Kęty S.A.	100.00%	100.00%	03/1999	Other
Dekret Centrum Rachunkowe Sp. z o.o.	Kęty, Poland	Accounting and bookkeeping services	Grupa Kęty S.A.	100.00%	100.00%	09/1999	Other
Alu Trans System Sp. z o.o.	Wrocław, Poland	Production activity	Grupa Kęty S.A.	100.00%	100.00%	04/2000	Other
Aluprof Hungary Kft.	Dunakeshi, Hungary	Sale of aluminium systems	Aluprof S.A.	100.00%	100.00%	07/2000	ASS
Metalplast-Stolarka Sp. z o.o.	Goleszów, Poland	Manufacture and assembly of construction woodwork	Grupa Kęty S.A.	100.00%	100.00%	07/2000	BSS
Alupol LLC	Borodianka, Ukraine	Manufacture of aluminium sections	Grupa Kęty S.A.	100.00%	100.00%	12/2004	EPS
Aluprof Deutschland GmbH	Schwanewede, Germany	Sale of aluminium systems	Aluprof S.A.	100.00%	100.00%	02/2005	ASS
Aluprof System Romania SRL	Bucharest, Romania	Sale of aluminium systems	Aluprof S.A.	100.00%	100.00%	05/2005	ASS

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Aluprof System Czech s.r.o.	Ostrava, Czech Republic	The sale of window and door joinery from aluminium and PVC	Aluprof S.A.	100.00%	100.00%	05/2005	ASS
Impet Sp. z o.o. w likwidacji	Bielsko-Biała, Poland	Trade – sale of steel systems	Aluprof S.A.	100.00%	100.00%	06/2005	ASS
Aluprof UK Ltd.	Altrincham, UK	Sale of aluminium systems	Aluprof S.A.	100.00%	100.00%	05/2006	ASS
Metalplast KARO Złotów S.A. (ROMB S.A. since 28 July)	Złotów, Poland	Production and provision of services	Aluprof S.A.	100.00%	100.00%	04/2007	BAS
Alupol Packaging Kęty Sp. z o.o.	Kęty, Poland	Production of and trade in plastic packaging	Alupol Packaging S.A.	100.00%	100.00%	05/2009	FPS
Aluform Sp. z o.o.	Tychy, Poland	Production and trade	Grupa Kęty S.A.	100.00%	100.00%	06/2009	EPS
Aluprof System Ukraina Sp. z o.o.	Kiev, Ukraine	Trade – sale of steel systems	Aluprof S.A.	100.00%	100.00%	11/2009	ASS
Aluprof Serwis Sp. z o.o.	Bielsko-Biała, Poland	Logistics and transport	Aluprof S.A.	100.00%	100.00%	01/2012	ASS
Grupa Kęty Italia s.r.l.*	Milan, Italy	Trading intermediation	Grupa Kęty S.A.	100.00%	0.00%	5/2014	EPS
Marius Hansen Facader A/S*	Viborg, Denmark	Manufacture and assembly of construction woodwork	Aluprof S.A.	100.00%	0.00%	6/2014	ASS

* the companies established in the first half of 2014 are described in note 21.

As of 30 June 2014 and 31 December 2013, the Group's share in the total number of votes in subsidiaries equalled the Group's share in the capitals of these entities.

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

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ('IFRS'), including IAS 34.

IFRS comprise standards and interpretations adopted by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC').

These interim condensed consolidated financial statements have been prepared with regard to the Polish zloty (PLN) and all values, unless otherwise specified, are provided in thousands of PLN.

These interim condensed consolidated financial statements have been prepared based on the going concern assumption for the Group's companies in the foreseeable future.

These interim condensed consolidated financial statements have been approved for publication on 7 August 2014.

As of the day of the approval of these financial statements for publication, there are no circumstances implying any threats to the continuation of the activity by the Group's companies.

These interim condensed consolidated financial statements do not comprise all the information and disclosures required in the annual consolidated financial statements and they should be read together with the Group's consolidated financial statements for the year ended on 31 December 2013.

4. Significant accounting principles (policy)

Accounting principles (policy) applied for the preparation of these interim condensed consolidated financial statements are consistent with the ones applied for the preparation of the annual consolidated financial statements of the Company for the year ended on 31 December 2013.

5. Areas of estimates

The main accounting estimates and the assumptions adopted have been provided in the applicable notes to the financial statements:

- estimates concerning revaluation write-offs for inventories are presented in note 14
- estimates and assumptions concerning revaluation write-offs for receivables are presented in note 13
- estimates concerning revaluation write-offs for goodwill are presented in note 12
- estimates concerning provisions and accruals are presented in note 15
- estimates concerning the asset due to deferred income tax are presented in note 10

For estimates related to the valuation of income from long-term construction contracts, the Group applies the method of the percentage-based determination of the progress of works based on the progress of costs incurred for particular contracts in relation to the total planned costs for these contracts. The application of this method requires the Group to estimate the proportions of the values of the works already completed with regard to the value of all works to be performed. If, as of 30 June 2014, the proportion was higher by 1% than the proportion estimated by the Group, the amount of the income recognized by the Group would be higher by 2,123 thousand PLN.

In the period, there were no other changes in estimates, except for the ones described in the above items.

6. Seasonal nature of operations

Due to the division into segments servicing various customer markets, the following seasonal variations may be observed:

The Flexible Packaging Segment records bigger demand before the main holidays i.e. Christmas and Easter, with a minimally higher turnover in the second half of each year (up to 10%).

The Extruded Products Segment (historically from a few to 25% higher sales in the second half of the year) and the Aluminium Systems Segment (historically from a dozen or so to 50% higher sales in the second half of the year) and the Building Accessories Segment (historically from 15% to ca. 50% higher sales in the second half of the year) generate the biggest sales in the second half of the year which is related to the cycle of works in the building industry that is one of more significant markets of customers for these Segments. The Building Services Segment is partially subject to the same factors as the EPS and the ASS, i.e. the cycle of works in the building industry, and the number of implemented contracts.

The seasonality of the sale of the Capital Group – due to the importance of particular segments, the sale in the second half of the year was higher by ca. 10 to 28% (based on historical figures for the last 6 years).

7. Information on business segments

The Capital Group's operations are organized into five basic operating sectors and divided into:

- Extruded Products Segment (EPS)
- Flexible Packaging Segment (FPS)
- Aluminium Systems Segment (ASS)
- Building Accessories Segment (BAS)
- Building Services Segment (BSS)

The detailed description of the types of operating segments, assigning companies to particular segments and the information on basic economic figures for particular segments have been included in note 4 of the report on the operations of the Issuer's Capital Group published on 20 March 2014 with the consolidated financial statements for 2013.

As compared to the previous annual financial statements, no changes had place as regards the principles of identifying reporting segments.

The Segment's results are assessed on the basis of revenues, EBIT, EBITDA and capital expenditure. EBIT is operating profit. EBITDA is operating profit less amortization/depreciation and reversal/creation of impairment losses for fixed assets.

The Group's financing and income tax are managed at the level of the whole Group and are not allocated to operating segments.

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Basic economic figures by the Issuer's segments:

First half of 2014:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Profit and loss account								
Sale	193 802	338 150	304 226	20 103	77 934	14 756	(97 375)	851 596
- outside the Group	192 846	258 537	298 942	13 397	77 662	10 212	0	851 596
- to other segments	956	79 613	5 284	6 706	272	4 544	(97 375)	0
Operating profit (EBIT)	34 729	23 627	52 638	1 659	2 723	(5 190)	(659)	109 527
Depreciation/Amortisation	8 807	19 007	7 912	1 993	880	1 063	(5)	39 657
EBITDA	43 536	42 634	60 550	3 652	3 603	(4 127)	(664)	149 184
Balance sheet								
Segment's assets	469 339	624 172	443 817	58 985	111 548	507 343	(456 779)	1 758 425
Segment's trade liabilities	57 915	45 842	86 243	3 034	35 132	6 441	(65 961)	168 646
Unallocated liabilities (joint)						569 388	(99 339)	470 049
Total liabilities	57 915	45 842	86 243	3 034	35 132	575 829	(165 300)	638 695
Other								
Capital expenditure on fixed assets	4 470	12 326	13 096	981	100	1 435	0	32 408

Second quarter of 2014:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Profit and loss account								
Sale	92 073	175 654	168 537	11 582	37 034	7 221	(53 357)	438 744
- outside the Group	91 599	131 051	166 373	7 881	36 834	5 006	0	438 744
- to other segments	474	44 603	2 164	3 701	200	2 215	(53 357)	0
Operating profit (EBIT)	18 522	12 465	31 264	947	(241)	(3 374)	1 550	61 133
Depreciation/Amortisation	4 475	9 775	3 962	1 009	443	540	(3)	20 201
EBITDA	22 997	22 240	35 226	1 956	202	(2 834)	1 547	81 334
Other								
Capital expenditure on fixed assets	1 544	6 666	9 896	294	11	997	0	19 408

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First half of 2013:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Profit and loss account								
Sale	180 634	283 289	246 200	15 696	53 929	11 500	(77 281)	713 967
- outside the Group	179 995	224 233	238 651	10 647	53 650	6 791	0	713 967
- to other segments	639	59 056	7 549	5 049	279	4 709	(77 281)	0
Operating profit (EBIT)	31 183	5 691	37 163	(276)	(13 698)	(4 687)	3 328	58 704
Depreciation/Amortisation	7 924	19 085	8 236	1 906	1 298	965	(9)	39 405
EBITDA	39 107	24 776	45 399	1 630	(12 400)	(3 722)	3 319	98 109
Balance sheet								
Segment's assets	416 008	619 996	398 030	52 971	97 716	463 182	(403 579)	1 644 324
Segment's trade liabilities	56 190	35 431	65 343	1 973	22 535	4 802	(43 061)	143 213
Unallocated liabilities (joint)						475 468	0	475 468
Total liabilities	56 190	35 431	65 343	1 973	22 535	480 270	(43 061)	618 681
Other								
Capital expenditure on fixed assets	20 795	15 387	7 643	1 035	2 177	602	0	47 639

Second quarter of 2013:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Profit and loss account								
Sale	87 253	156 185	140 139	9 609	20 604	5 806	(40 042)	379 554
- outside the Group	87 016	125 236	136 808	6 555	20 537	3 402	0	379 554
- to other segments	237	30 949	3 331	3 054	67	2 404	(40 042)	0
Operating profit (EBIT)	16 660	4 988	25 790	48	(13 410)	(2 625)	1 655	33 106
Depreciation/Amortisation	3 992	9 639	4 177	949	678	482	(6)	19 911
EBITDA	20 652	14 627	29 967	997	(12 732)	(2 143)	1 649	53 017
Other								
Capital expenditure on fixed assets	19 814	7 327	4 311	372	518	16	(0)	32 358

- the item 'Other' contains figures for the units responsible for the centrally managed areas (IT, finances, PR and IR, risk management, equity investments, HR) and figures of companies not organizationally grouped in core business segments such as Alu Trans System Sp. z o.o., Alutech Sp. z o.o. and Dekret Centrum Rachunkowe Sp. z o.o.

- the segment's assets comprise: fixed assets (except for shares and interests in subsidiaries which are reclassified to 'Other' item), inventories, trade and other receivables (except for public law receivables) and derivative financial instruments;

- the item 'Eliminations' in the profit and loss account contains inter-segmental sales. It is mainly sale of aluminium profiles from the EPS to the ASS. In the balance sheet, it is mainly the elimination of shares and interests of the predominant entity in subsidiaries as well as inter-segmental receivables and liabilities.

Transaction prices applied in transactions between operating segments are determined on market terms, as in the case of transactions with unrelated parties.

8. Cash and cash equivalents

Cash at bank accounts bears the interest at variable interest rates the level of which depends on the interest rate of one-day bank term deposits. Short-term term deposits are provided for periods of various lengths from one day to one month depending on the Group's current demand for cash and bear interest at applicable interest rates.

The fair value of cash and cash equivalents is provided in the table below.

	30.06.2014 (not audited)	31.12.2013 (audited)
Bank deposits (current accounts) and short-term deposits	82 617	74 474
Cash at hand	117	112
Other cash	1 243	535
Cash recognised in the balance sheet	83 977	75 121

As at 30 June 2014, the Group held unused granted credit resources in the amount of 167,337 thousand PLN (as at 31 December 2013: 142,805 thousand PLN).

9. Dividends paid and proposed for payment

The result for the period and consolidated result are not distributed.

Grupa Kęty S.A. allocated for the dividend for 2013 the amount of 93,815 thousand PLN (10 PLN per share). The amount comprises the profit from 2013 amounting to 67,297 thousand PLN and retained earnings remaining in the reserve capital of the Company amounting to 26,518 thousand PLN. 17 July 2014 was the day of determining the right to dividend and 6 August 2014 was the dividend payment date.

In 2013, from the profit for 2012, Grupa Kęty S.A. allocated 55,765 thousand PLN (6 PLN per share) for the payment of the dividend.

10. Income tax

The main components of the income tax deduction are as follows:

Income tax structure	01.04.2014	01.01.2014	01.04.2013	01.01.2013
	- 30.06.2014 2 nd quarter present year (not audited)	- 30.06.2014 first half present year (not audited)	- 30.06.2013 2 nd quarter previous year (not audited)	- 30.06.2013 first half previous year (not audited)
Current tax	(7 832)	(14 433)	(6 258)	(10 893)
Deferred tax	1 538	(1 376)	18 805	18 677
Income tax recognised in the profit and loss account	(6 294)	(15 809)	12 547	7 784

11. Property, plant and equipment

11.1. Purchase and sale

Purchase and sale transactions related to property, plant and equipment are presented below.

	First half of 2014 (not audited)	First half of 2013 (not audited)
Acquisition of property, plant and equipment	32 408	47 639
Net value of sold property, plant and equipment	323	282
Profit (loss) on the sale of property, plant and equipment	475	49

11.2. Write-offs for impairment

In the period of six months of 2014, the Group reversed revaluation write-offs for property, plant and equipment amounting to 88 thousand PLN. In this period, the Group did not establish any impairment write-offs for property, plant and equipment. In the period of six months of 2013, the Group did not establish or reverse revaluation write-offs for property, plant and equipment.

12. Revaluation write-offs for goodwill

In the period of six months of 2014 and in the period of six months of 2013, due to the lack of indicators of impairment, the Group did not write off goodwill from consolidation.

13. Short-term receivables

	30.06.2014 (not audited)	31.12.2013 (audited)
Trade receivables	361 824	325 716
Public law receivables (except for the income tax)	6 723	14 063
Down payments (trade-related) for suppliers	4 355	3 352
Receivables from employees	281	146
Prepaid expenses	2 170	1 741
Valuation of construction contracts	36 773	38 783
Settlements related to transactions hedging the aluminium price	1 864	3 086
Other receivables	4 317	2 616
Net receivables	418 307	389 503

In the period of six months of 2014, the Group created revaluation write-offs for receivables amounting to 1,638 thousand PLN. It recognises created revaluation write-offs for receivables in 'Other operating costs'. In the period of six months of 2013, the Group created revaluation write-offs for receivables amounting to 727 thousand PLN. The created revaluation write-offs have been disclosed in 'Other operating costs'.

14. Inventories

	30.06.2014 (not audited)	31.12.2013 (audited)
Materials	109 477	92 112
Work in progress	76 765	62 420
Finished goods	72 144	79 119
Trade goods	1 879	5 661
TOTAL	260 265	239 312

In the period of six months of 2014, the Group reversed revaluation write-offs for inventories amounting to 55 thousand PLN. The amount was recognised in 'Other operating costs'. In the period of six months of 2013, the Group did not establish and did not reverse revaluation write-offs for inventories.

15. Provisions and accruals

In the reporting period, the Group decreased the result from the revaluation of provisions and assets due to deferred income tax by 1,376 thousand PLN. In addition, in the period, the Group introduced the following changes in the value of provisions:

	01.01.2014	Increases	Utilisation	Exchange rate differences	30.06.2014
Long-term provisions	4 558	0	0	0	4 558
provision for jubilee bonuses and retirement benefits	3 724	0	0	0	3 724
costs of warranty repairs	834	0	0	0	834
Short-term provisions and accruals:	19 584	11 338	(12 641)	(129)	18 152
provision for jubilee bonuses and retirement benefits	1 224	0	0	0	1 224
provision for the costs of unused holiday	3 699	5 915	(2 641)	0	6 973
costs of annual bonus	8 871	4 920	(8 800)	0	4 991
environmental protection costs	707	146	(707)	0	146
costs of damages	2 560	0	0	0	2 560
for incurred costs	256	0	(169)	0	87
for costs of auditing financial statements	210	30	(205)	0	35
other	2 057	327	(119)	(129)	2 136

	01.01.2013	Increases	Utilisation	Exchange rate differences	30.06.2013
Long-term provisions	4 973	1	(8)	0	4 966
provision for jubilee bonuses and retirement benefits	3 881	1	0	0	3 882
costs of warranty repairs	832	0	(8)	0	824
other	260	0	0	0	260
Provisions and accruals:	15 180	10 789	(10 368)	34	15 635
provision for jubilee bonuses and retirement benefits	1 362	0	0	0	1 362
provision for the costs of unused holiday	2 730	3 812	(853)	0	5 689
costs of annual bonus	7 917	4 639	(7 876)	1	4 681
environmental protection costs	0	673	0	0	673
costs of damages	0	188	(64)	0	124
costs of warranty repairs	0	292	(57)	0	235
for incurred costs	1 006	32	(158)	25	905
for costs of auditing financial statements	219	29	(218)	0	30
other	1 946	1 124	(1 142)	8	1 936

16. Interest-bearing bank loans and leasing obligations

The table below demonstrates the changes in the balances of particular loans in the reporting period.

Long-term loans:

Borrower	Lender	Loan currency	31.12.2013	Increases (decreases)	30.06.2014
Grupa Kęty S.A.	BNP Paribas Polska	PLN	20 809	(11 578)	9 231
Alupol Packaging S.A.	Bank PKO BP	PLN	8 414	(3 058)	5 356
Aluprof S.A.	Bank PEKAO S.A.	PLN	10 000	(5 000)	5 000
	Total loans		39 223	(19 636)	19 587
Aluprof Romania	Liabilities due to financial leasing	RON	90	(14)	76
	Total leasing		90	(14)	76
Total long-term loans and leasing			39 313	(19 650)	19 663

Short-term loans:

Borrower	Lender	Loan currency	31.12.2013	Increases (decreases)	30.06.2014
Grupa Kęty S.A.	Bank PKO BP	PLN, EUR, USD	24 105	(586)	23 519
Grupa Kęty S.A.	BNP Paribas Polska	PLN, EUR	11 890	4 313	16 203
Grupa Kęty S.A.	ING Bank Polska	EUR, PLN	2	1	3
Grupa Kęty S.A.	Bank PeKaO S.A.	EUR, USD, CHF	51 453	1 585	53 038
Grupa Kęty S.A.	Bank Societe Generale	PLN, EUR	14 400	847	15 247
Alupol Packaging S.A.	Bank PKO BP	PLN, EUR	32 746	(32 746)	0
Alupol Packaging S.A.	BNP Paribas	PLN	19 978	(19 914)	64
Alupol Packaging S.A.	Bank PKO BP	PLN	880	6 665	7 545
Alupol Packaging Kęty Sp. z o.o.	PEKAO S.A.	USD	0	17	17
Aluprof S.A.	PEKAO S.A.	PLN, EUR, USD	17 566	(6 914)	10 652
Aluprof S.A.	Societe Generale S.A.	GBP, USD, EUR	2949	(2 830)	119
Aluprof S.A.	PKO BP	EUR	0	1	1
Aluprof S.A.	BNP Paribas	PLN, EUR	9	2	11
Metalplast Stolarka Sp. z o.o.	Bank PEKAO S.A.	PLN, EUR, USD	9 492	2 239	11 731
Metalplast Stolarka Sp. z o.o.	BNP Paribas	PLN	9 955	(77)	9 878
Metalplast Stolarka Sp. z o.o.	ING Bank Polska	PLN, USD	46 100	(4 773)	41 327
Alu Trans System Sp. z o.o.	PKO BP	PLN	3 847	165	4 012
Metalplast Karo Złotów S.A.	Bank PKO BP	PLN	0	1 049	1 049
	Total loans		245 372	(50 956)	194 416
Aluprof Czechy	Liabilities due to financial leasing	CZK	22	(13)	9
	Total leasing		22	(13)	9
Total short-term loans and leasing			245 394	(50 969)	194 425

All loans bear interest at Wibor/Euribor rates plus the bank's margin (%).

Loans repayments resulted from the repayment schedule. Borrowings are related to the management of the Group's liquidity.

17. Equity securities

The details of the programme and the principles for measuring the programme costs are described in the consolidated financial statements for 2013.

As at 30 June 2014, the essential elements of the programme are as follows:

The Group recognises the programme related costs proportionally to the period of acquiring rights to options.

Tabular compilation of information about the options for the management staff:

	First part of the 2009 programme	Second part of the 2009 programme	Third part of the 2009 programme	First part of the 2012 programme	Second part of the 2012 programme
Number of granted options	91 600	91 600	91 600	61 500	61 500
Number of options expired due to the failure to comply with the condition of being employed for three years from the programme launch date	0	0	0	0	0
Number of options which do not meet non-market parameters: C and D	22 900	22 900	45 800	36 900	36 900
Number of options assumed for valuation	68 700	68 700	45 800	24 600	24 600
Programme launch date	30 September 2009	30 September 2010	23 September 2011	24 September 2012	24 September 2013
The date of acquiring the rights to purchase shares	30 September 2012	30 September 2013	22 September 2014	23 September 2015	23 September 2016
The date of terminating the acquisition of shares	30 September 2015	30 September 2016	22 September 2017	23 September 2018	23 September 2019
Total programme period	36 months	36 months	36 months	36 months	36 months
The remaining period to acquire rights	Period ended	Period ended	3 months	12 months	24 months
Option exercise price	66.54 PLN per share	117.63 PLN per share	125.57 PLN per share	117.10 PLN per share	141.19 PLN per share

18. Trade and other liabilities

	30.06.2014 (not audited)	31.12.2013 (audited)
Short-term liabilities:	313 669	185 173
Trade liabilities towards non-related parties	168 646	138 317
Liabilities due to the purchase of fixed assets	2 756	8 919
Liabilities due to dividend	93 815	0
Total financial liabilities (under IFRS 7)	265 217	147 236
Public law liabilities (except for the income tax liabilities)	28 901	20 836
Down payments (trade-related) from customers	4 345	5 863
Remuneration liabilities	9 562	8 683
Other liabilities	5 644	2 555
Total non-financial liabilities	48 452	37 937

Principles and conditions of payment of the aforementioned financial liabilities:

Trade liabilities do not bear interest and are usually settled within 30-60 days. Other liabilities do not bear interest and their average payment period is one month.

19. Explaining the reasons for material changes in items of revenue and costs

In the period of the first six months of 2014 as compared to the period of the first six months of 2013, material changes in particular items of revenue and costs had place in the following areas:

- an increase in sales revenue by 137,629 thousand PLN results from the increase in sale volume in all segments;
- an increase in the costs of materials by 54,827 thousand PLN results from the increase in sale and related increase in output;
- an increase in the costs of external services by 11,560 thousand PLN results from the increase in output and sale and the related increase in the purchases of services from subcontractors and cooperating parties;
- an increase in the costs of employee benefits by 8,232 thousand PLN results mainly from the increase in sale and the increase in remunerations and the increase in employment in the Group.

20. Discontinued business

In the period of six months of 2014 and in the period of six months of 2013, the Group did not discontinue any significant activities.

21. Mergers of business entities and acquisitions of non-controlling interests

In June 2014, a subsidiary Aluprof S.A. established its subsidiary in Denmark. The company acquired the business involving the production and assembly of aluminium joinery in Denmark from another entity.

The acquired business was carried out under the brand: "Marcus Hansen Fasader AS". In 2013, this company generated sales revenue of 4,138 thousand PLN and net result of 483 thousand PLN.

The acquisition of the business of Marcus Hansen Fasader AS aims at the increase in the sale of aluminium systems in Denmark.

The temporary settlement of the fair value of all identified assets and liabilities as of the company acquisition day was as follows:

Assets and liabilities components	Fair value of acquired assets and liabilities (in '000' PLN)
Property, plant and equipment	992
Marcus Hansen Fasader AS brand	2 400
Other intangibles	290
Inventories	569
Open construction contracts	1 809
Leasing	41
Employee liabilities	(438)
Other liabilities	(622)
Acquired net assets	5 041
Total acquisition price	4 163
Negative goodwill as a result of the acquisition	878

The main intangible resulting from the acquisition comprises "Marcus Hansen Fasader AS" brand with the fair value of 2,400 thousand PLN. The brand was evaluated at the acquisition date by an independent appraiser. The Group assumed an indefinite useful life for the brand.

As at the date of these financial statements, the process of settling the transaction of the acquisition of Marcus Hansen Fasader AS business has not been finalised yet; as a result, presented components have temporary value.

Following the taking over of the control of MHF business, the Group's revenue in 2014 increased by 424 thousand PLN and the consolidated net profit for the shareholders of the predominant entity increased by 580 thousand PLN.

In addition:

In May 2014, Grupa Kęty S.A. established a company called Grupa Kęty Italy s.r.l. with its registered office in Milan in Italy. The company's share capital is 10,000 EUR. Grupa Kęty holds 100% of shares and 100% of votes in the company. The company is mainly involved in trading intermediation as regards the sale of aluminium profiles in Italy.

On 24 July 2014, Aluprof S.A. registered in the USA a company called Aluprof System USA, Inc. The share capital of the new company will amount to 200 thousand USD and will be taken up in full by ALUPROF S.A. based in Bielsko-Biała. Aluprof System USA, Inc. has been established to create a joint venture with US partners which will be involved in the distribution of aluminium systems in the territory of Northern and Central Americas.

22. Objectives and principles of financial risk management

The objectives and rules of managing financial risk did not change as compared to those published in the last annual financial statements.

23. Capital management

The main aim of the Group's capital management process is to retain safe equity ratios which would support the Group's operating activity and increase shareholder value.

The Group manages the capital structure and, as a result of changes in economic conditions, amends it. To retain or adjust the capital structure, the Group may change the payment of dividend to shareholders, return the capital to shareholders or issue new shares. In the financial period ended on 30 June 2014 and 31 December 2013, no changes were introduced to objectives, principles and processes in this area.

The Group monitors equity using the leverage ratio which is the ratio of net debt to total equity increased with net debt. According to the Group's principles, the ratio should be lower than 50%. The Group's net debt includes interest-bearing borrowings, trade and other liabilities, less cash and cash equivalents. Equity comprises convertible privileged shares, equity for shareholders of the predominant entity less capital reserves for unrealised net gains.

	30.06.2014	31.12.2013
Interest-bearing leasing and loans	214 088	284 707
Trade and other liabilities	315 606	186 563
Less cash and cash equivalents	(83 977)	(75 121)
Net debt	445 717	396 149
Equity	1 119 730	1 125 378
Equity and net debt	1 565 447	1 521 527
Leverage ratio	28.47%	26.04%

24. Contingent liabilities

Item	30.06.2014	31.12.2013
Bank guarantee for LC Corp Sky Tower concerning the proper performance of the contract*	3 593	3 593
Construction bank guarantees granted by Metalplast Stolarka sp. z o.o.**	41 079	43 899
Total granted guarantees	44 672	47 492

* The Group executed construction works in Sky Tower skyscraper in Wrocław. The guarantee expires on 31.01.2015.

**Construction guarantees are related to the proper implementation of construction services contracts, and their validity dates depend on the provisions of particular contracts.

No other contingent liabilities are present apart from above liabilities.

25. Investment obligations

The table below presents the liabilities related to the purchase of fixed assets by segments. The amounts will be allocated to the construction of production halls and the purchase of new plant and machinery.

Contractual liabilities related to the purchase of property, plant and equipment by segments	30.06.2014 (not audited)	31.12.2013 (audited)
Extruded Products Segment	7 437	930
Flexible Packaging Segment	24 472	18 787
Aluminium Systems Segment	4 730	1 407
Building Services Segment	0	0
Building Accessories Segment	493	283
TOTAL	37 132	21 407

26. Derivative financial instruments

Financial assets	30.06.2014 (not audited)	31.12.2013 (audited)
Currency forwards hedging cash flows	573	1 924
Futures for the purchase of aluminium hedging cash flows	2 031	111
TOTAL FINANCIAL ASSETS	2 604	2 035
Financial liabilities	30.06.2014 (not audited)	31.12.2013 (audited)
Currency forwards hedging cash flows	201	76
Futures for the purchase of aluminium hedging cash flows	466	2 624
TOTAL FINANCIAL LIABILITIES	667	2 700

In comparison to the principles described in the most recent annual financial statements, the Group did not introduce any changes in the methods of qualifying and evaluating financial instruments.

The fair value of the futures or forward contracts is calculated on the basis of the present net value of the future cash flows related to these contracts, quoted market prices of forward contracts calculated with the application of the present interest rates. Forwards/futures and derivative instruments which cannot be qualified as hedging instruments are recognised as instruments held for trading.

Fair value of currency forward contracts is determined by reference to the present forward rates for contracts of similar maturity periods.

The valuation is based on market valuations of identical transactions in commercial banks.

27. Shareholding structure and transactions with the management staff

27.1. Shareholding structure

The shareholding structure of Grupa Kęty S.A. is as follows:

Entity	No. of shares	Interest	No. of shares	Interest
	as at 30.06.2014	in capital	as at 31.12.2013	in capital
Aviva OFE Aviva BZ WBK	1 691 276	18.03%	1 691 276	18.14%
ING OFE	1 610 534	17.17%	1 610 534	17.27%
OFE PZU Złota Jesień	921 000	9.82%	921 000	9.88%
PTE Allianz Polska	499 748	5.33%	-	-
OFE Bankowy PKO BP	-	-	586 929	6.30%
Others	4 658 230	49.65%	4 513 749	48.41%
Total	9 380 788	100%	9 323 488	100%

27.2. Transactions with Members of the Management Board

In the reporting period, the Management Board acquired 2,700 series E shares at the issue price of 124.79 PLN and 30,450 series F shares at the issue price of 117.63 PLN due to the implementation of the share options programme. See note 17 for more information about the programme.

The Group did not conclude any other transactions with the members of the Management Board apart from those specified above.

27.3. Remunerations of the Group's top management

Management Board:	First half of 2014	First half of 2013
Costs of short-term employee benefits	752	720
Costs of the provision for annual bonuses and other benefits	1352	720
Total costs of remunerations for the members of the Management Board	2 104	1 440
The valuation of the costs of options for treasury shares due in the case the programme is implemented*	181	186
Total payments to the members of the Management Board	2 285	1 626

* The details of the programme are described in note 17. If the market conditions for the allocation of options are not fulfilled, despite the recognition of the costs of the programme, eligible persons will not acquire the right to subscribe for shares.

By top management, the Group means management boards of subsidiaries and proxies of the predominant entity.

Remunerations and benefits under the options programme due to the members of the Management Board, top management and members of the Company's Supervisory Board are as follows:

	First half of 2014	First half of 2013
Management Board of the predominant entity*	2 285	1 626
Top management*	3 614	3 281
Supervisory Board	280	274
Total	6 179	5 181

* The presented remunerations cover the costs of provisions for annual bonuses for the management staff and share options costs recognised in the profit and loss account. The details of the share options programme are described in note 17. Pursuant to the principles of the programme and IFRS 2, the costs of share options constitute the valuation of the options programme as at the date of its launch. The costs of the options are recognised in the profit and loss account on a straight line basis throughout the validity period of the programme, i.e. 36 months. According to IFRS 2, the costs presented in such a way constitute the cost of

remunerations for the Company, but do not reflect the value of possible benefits that employees may obtain in the future on this account. Employees' possible benefits depend in the levels of share prices in the future as compared to the acquisition price resulting from the conditions for particular parts of the options programme.

27.4. Participation of the top management in the employee shares programme

As described in detail in note 17, the Group has implemented an options programme for the management staff.

In the reporting period, the Management Board exercised 2,700 options from the third part of the 2006 programme and 30,450 options from the second part of the 2009 programme.

In addition, after meeting the programme conditions, the Management Board will acquire, under the terms and conditions of the programme, the right to purchase up to 40,600 share options from the third part of the 2009 programme and up to 27,280 options from the first part of the 2012 programme as well as up to 27,280 options from the second part of the 2012 programme. The costs of related benefits recognised in the profit and loss account for the period of six months of 2014 came to 181 thousand PLN (186 thousand PLN for the period of six months of 2013).

The options for the shares of Grupa Kęty S.A. were granted to members of the top management.

In the reporting period, the members of the top management exercised 12,750 options from the second part of the 2009 programme.

In addition, after meeting the programme conditions, the members of the top management will acquire the right to purchase up to 51,000 share options from the third part of the 2009 programme and up to 34,220 options from the first part as well as 34,220 options from the second part of the 2012 programme.

The costs of options for the top management charged to the result amounted in the period of six months of 2014 to 226 thousand PLN (234 thousand PLN in the period of six months of 2013).

28. Shares issue and capital increase

Implementing the programme of the issue of employee shares described in note 17 of this information, in the reporting period, eligible employees took up 52,200 series F shares from the third part of the 2009 programme for the issue price of 117.63 PLN per share and 4,350 series D shares from the third part of the 2006 programme for the issue price of 124.79 PLN per share.

Shares taken up in 2014	Issue price	Number	Value ('000' PLN)	Date of registration by the National Depository for Securities	Registration in the National Court Register
Series F shares – the 2009 programme	117.63	9 000	1 059	16-01-2014	YES
Series D shares – the 2006 programme	124.79	4 350	543	07-03-2014	YES
Series F shares – the 2009 programme	117.63	43 200	5 082	15-05-2014	NO
TOTAL		56 550	6 684		

Below, we are presenting the method of settling proceeds from the issue.

Shares	Number of shares	Acquisition year	Value ('000' PLN)	Amount charged to share capital	Amounts charged to the share premium	Amounts of remaining capitals by the time of the registration by the National Court Register
Series D shares – the 2006 programme	12 325	2013	1 538	31	1 507	0
Series F shares – the 2009 programme	16 500	2013	1 941	41	1 900	0
Series F shares – the 2009 programme	9 000	2014	1 059	23	1 036	0
Series D shares – the 2006 programme	4 350	2014	543	11	532	0

Series F shares – the 2009 programme	43 200	2014	5 082	0	0	5 082
TOTAL			10 163	106	4 975	5 082

29. Fair value measurement techniques (fair value hierarchy)

The Group measures at fair value investment properties and derivative financial instruments.

The carrying amount of investment properties is based on the fair values determined on the basis of the valuation conducted by a qualified independent expert experienced in the scope of the valuation of investment properties. The approach applied by the expert was based on compared market prices of rents in accordance with the income method and straight capitalisation of gross revenue technique. Fair value of investment properties is classified at the so-called 'Level 1'.

The fair value of futures and forwards is calculated on the basis of the present net value of the future cash flows related to these contracts, quoted market prices of forwards calculated with the application of the present interest rates.

Fair value of currency forward contracts is determined by reference to the present forward rates for contracts of similar maturity periods.

As compared to the previous financial year, the Group did not change the method of measuring derivatives.

Derivatives are recognised as assets when their measurement is positive, and as liabilities when their measurement is negative. Gains and losses due to changes in the fair value of derivatives which do not meet the principles of hedge accounting are recognized in the financial result for the reporting year.

In the case of determining fair value on the basis of market quotations, it is classified at the so-called 'Level 1'. In the case of derivatives held by the Group, fair value is determined on the basis of other inputs that are observable either directly or indirectly. As a result, the value is classified at the so-called 'Level 2' of the fair value hierarchy.

Fair value hierarchy	30.06.2014 (not audited)	31.12.2013 (audited)
Assets		
Investment properties	12 659	12 649
Hedging derivatives	2 604	2 035
TOTAL ASSETS	15 263	14 684
Liabilities		
Hedging derivatives	667	2 700
TOTAL LIABILITIES	667	2 700

30. Profit per a single share

Below, we present the data related to the profit and the number of shares used to calculate the basic and diluted profit per a single share:

	6 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2013 (not audited)
Net profit for shareholders of the predominant entity	83 406	59 883
Weighted average number of regular shares assumed for the calculation of the profit per a single regular share	9 367 365	9 227 988
Weighted average number of regular shares assumed for the calculation of diluted profit per a single regular share	9 387 193	9 266 249
Basic profit per a single share from the basic profit for the period per shareholders of the predominant entity (in PLN)	8.90	6.49

Diluted profit per a single share from the basic profit for the period per shareholders of the predominant entity (in PLN)	8.89	6.46
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In the reporting period, eligible employees took up 52,200 series F shares from the second part of the 2009 programme and 4,350 series E shares from the third part of the 2006 programme.

The average market price for the Company's share in the period of six months of 2014 was 212.40 PLN. The closing price as at 30.06.2014 amounted to 226.95 PLN.

The potential number of regular shares associated with the employee options programme increasing the number of shares and assumed for the calculation of the diluted profit per a single share is 19,828 shares.

31. Events after the reporting period

On 24 July 2014, Aluprof S.A. registered in the USA a company called Aluprof System USA, Inc. The information concerning the new company is available in note 21.

Except for the aforementioned events, after the reporting period, there were no significant events which should be included in the consolidated financial statements.

Signatures of all Members of the Management Board

Dariusz Mańko
President of the Management Board

Adam Piela
Member of the Management Board

.....

.....

Kęty, 7 August 2014

Signature of the person entrusted with bookkeeping

Andrzej Stempak
President of the Management Board
Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

II. INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

	Note	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)	3 months ended on 30.06.2013 (not audited)	6 months ended on 30.06.2013 (not audited)
Total operating income, including:		277 210	438 011	235 566	371 635
Sales revenue		170 943	330 451	148 575	271 893
Other operating income		384	1 677	1 042	1 690
Dividends		105 883	105 883	85 949	98 052
Change of inventories of finished goods and work in progress		4 150	3 439	1 632	4 952
Cost of manufacturing products for own needs		1 271	2 828	1 181	2 668
Total operating costs, including:		(188 279)	(344 594)	(153 190)	(283 429)
Depreciation/Amortisation		(7 331)	(14 271)	(7 175)	(14 142)
Materials and energy		(113 028)	(218 927)	(104 694)	(194 023)
External services		(26 712)	(49 551)	(20 569)	(34 612)
Taxes and charges		(1 423)	(2 619)	(1 387)	(2 927)
Employee benefits		(20 422)	(39 502)	(18 753)	(36 798)
Other operating costs		(19 363)	(19 724)	(612)	(927)
Net profit on operating activity, including dividend		94 352	99 684	85 189	95 826
Financial income		355	552	44	103
Financial costs		(905)	(1 729)	(2 066)	(5 351)
Profit before tax		93 802	98 507	83 167	90 578
Income tax expense	11	801	(278)	455	1 338
Net profit on continued activity		94 603	98 229	83 622	91 916
Net profit for the period per a single share (in PLN)					
Basic profit per a single share	28	10.11	10.49	9.06	9.96
Diluted profit per a single share	28	10.10	10.46	9.02	9.92

In the reporting period, the Company did not discontinue any operations.

Dariusz Mańko

President of the Management Board

Adam Piela

Member of the Management Board

Andrzej Stempak

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)	3 months ended on 30.06.2013 (not audited)	6 months ended on 30.06.2013 (not audited)
Net profit for the period	94 603	98 229	83 622	91 916
Other comprehensive income*, including:	2 605	3 426	(2 781)	(5 529)
Valuation of cash flow hedging instruments	2 392	3 240	(2 319)	(5 459)
Result from cash flow hedge	668	802	(890)	(1 095)
Income tax related to other comprehensive income	(455)	(616)	428	1 025
Comprehensive income for the period	97 208	101 655	80 841	86 387

**All items of other comprehensive income, when certain conditions are met in further periods, will be reclassified to profit or losses.*

Dariusz Mańko
President of the Management Board

Adam Piela
Member of the Management Board

Andrzej Stempak
President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	30.06.2014 (not audited)	31.12.2013 (audited)
I. Fixed assets		716 271	727 192
Property, plant and equipment		307 513	312 115
Intangibles		5 746	5 679
Shares and interests		402 737	409 282
Advance payments for fixed assets		275	116
II. Current assets		341 452	205 825
Inventories	14	71 091	60 241
Current tax receivables		0	1 300
Trade and other receivables	13	251 245	140 782
Derivative financial instruments	20	1 802	155
Cash and cash equivalents	9	17 314	3 347
Total assets		1 057 723	933 017
EQUITY AND LIABILITIES			
I. Equity		714 005	699 068
Share capital		67 244	67 138
Capital from the issue of shares above their nominal value (share premium)		9 538	4 563
Capital from the issue of shares not registered in the National Court Register	26	5 082	3 479
Capital from the valuation of fixed assets		3 382	3 382
Capital from share based payments		10 643	10 230
Capital from the valuation of hedging instruments		1 019	(1 604)
Result from cash flow hedging transactions		(32)	(835)
Retained earnings		617 129	612 715
II. Long-term liabilities		62 851	74 819
Liabilities due to borrowings	16	9 231	20 809
Provisions due to employee benefits	15	1 334	1 334
Subsidies		34 031	34 105
Provision due to deferred income tax		18 255	18 571
III. Short-term liabilities		280 867	159 130
Liabilities due to borrowings	16	109 510	103 364
Income tax liabilities		1 018	0
Trade and other liabilities	18	161 611	43 933
Provisions and accruals	15	6 764	7 640
Derivative financial instruments	20	544	2 136
Subsidies		1 420	2 057
Total equity and liabilities		1 057 723	933 017

Dariusz Mańko

Adam Piela

Andrzej Stempak

President of the Management Board

Member of the Management Board

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED CASH FLOW STATEMENT

	6 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2013 (not audited)
Cash flow from operating activity		
Profit before tax	98 507	90 578
Adjustments:	23 530	19 421
Depreciation/Amortisation	14 271	14 142
Revaluation write-offs of interests in subsidiaries	6 760	0
(Profit)/loss from net exchange rate differences	3	3 797
Change in realised result from transactions hedging the price of aluminium charged to equity	803	(1 095)
(Profit)/loss from the sale of fixed assets	(214)	(21)
Interest and participation in profits	1 663	2 365
Costs of options for the management staff	240	241
Other items (net)	4	(8)
Cash flows from operating activity before the change of working capital	122 037	109 999
Change in inventories	(10 850)	4 222
Change in net receivables	(110 463)	(64 131)
Change in short-term liabilities, except for loans	24 776	11 586
Change in provisions	(875)	285
Change in subsidies	(711)	665
Net cash generated from operating activity	23 914	62 626
Tax refunded/(paid)	1 108	1 659
Net cash from operating activity	25 022	64 285
Cash flow from investing activity		
(+) Inflows:	290	57
Sale of intangibles and property, plant and equipment	290	57
(-) Outflows:	(10 922)	(10 391)
Acquisition of intangibles and property, plant and equipment	(10 880)	(10 391)
Acquisition of subsidiaries	(42)	0
Net cash from investing activity	(10 632)	(10 334)
Cash flow from financial activity		
(+) Inflows:	9 116	4 868
Net inflows from the issue of shares	6 684	948
Inflows from borrowings	2 432	3 920
(-) Outflows:	(9 539)	(54 594)
Repayments of borrowings	(7 868)	(51 965)
Interest	(1 671)	(2 629)
Net cash from financial activity	(423)	(49 726)

CAPITAL GROUP OF GRUPA KĘTY S.A.
Consolidated financial statements for the period from 1 January 2014 to 30 June 2014 (in '000' PLN)

Total net cash flow:	13 967	4 225
change in cash due to exchange rate differences	0	0
Cash and cash equivalents at the beginning of the period	3 347	1 149
Cash and cash equivalents at the end of the period	17 314	5 374

Dariusz Mańko

*President of the Management
Board*

Adam Piela

Member of the Management Board

Andrzej Stempak

*President of the Management
Board*

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital from the issue of shares above their nominal value (share premium)	Capital from the issue of non-registered shares	Capital from share based payments	Result from cash flow hedging transactions	Capital from the valuation of hedging instruments	Capital from the valuation of fixed assets	Retained earnings	Total equity
Equity as at 1 January 2014	67 138	4 563	3 479	10 230	(835)	(1 604)	3 382	612 715	699 068
Total income for the period	0	0	0	0	803	2 623	0	98 229	101 655
Issue of employee shares	106	4 975	1 603	0	0	0	0	0	6 684
Options costs	0	0	0	413	0	0	0	0	413
Distribution of profit for the purpose of dividend payment	0	0	0	0	0	0	0	(93 815)	(93 815)
Equity as at 30 June 2014	67 244	9 538	5 082	10 643	(32)	1 019	3 382	617 129	714 005
Previous year									
Equity as at 1 January 2013	66 964	0	0	9 099	(119)	1 398	3 761	600 804	681 907
Total income for the period	0	0	0	0	(1 095)	(4 434)	0	91 916	86 387
Issue of shares	0	0	4 197	0	0	0	0	0	4 197
Options costs	0	0	0	419	0	0	0	0	419
Distribution of profit for the purpose of dividend payment	0	0	0	0	0	0	0	(55 765)	(55 765)
Equity as at 30 June 2013	66 964	0	4 197	9 518	(1 214)	(3 036)	3 761	636 955	717 145

Dariusz Mańko
President of the Management Board

Adam Piela
Member of the Management Board

Andrzej Stempak
President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

Kęty, 7 August 2014

COMPLEMENTARY INFORMATION AND EXPLANATIONS

1. General information

Grupa KĘTY S.A. ('the Company') is a joint-stock company incorporated in Poland with its registered office located in Kęty, at 111 Kościuszki Street.

These interim condensed separate financial statements of Grupa Kęty S.A. cover the period of the first half of the year which ended on 30.06.2014 and provide comparative data with regard to the first half of the year which ended on 30.06.2013. The said financial statements were reviewed by the certified auditor. The statement of comprehensive income, the profit and loss account and notes to the statement of comprehensive income and to the profit and loss account cover additional figures for the period of three months ended on 30.06.2014 and comparative data for the period of three months ended on 30.06.2013; the figures were not reviewed or audited by the certified auditor.

The Company is entered into the Register of Entrepreneurs under **No. KRS 0000121845** and has its tax identification number (**NIP**) **5490001468**.

Grupa Kęty S.A. has the statistical number - **REGON: 070614970**.

In accordance with the classification of Warsaw Stock Exchange, the Company operates in the metallurgical sector.

The Company's range of activity includes manufacturing, trade and the rendering of services related to the processing of aluminium and its alloys. In addition, the Company is engaged in the trade, supply, marketing and other brokerage.

2. Basis for the preparation of the interim condensed separate financial statements

These interim condensed separate financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union ('IFRS'), including IAS 34.

IFRS comprise standards and interpretations adopted by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'). These interim condensed separate financial statements have been prepared with regard to the Polish zloty (PLN) and all values, unless otherwise specified, are provided in thousands of PLN. These interim condensed separate financial statements have been prepared based on the going concern assumption for the Company in the foreseeable future. As of the day of the approval of these financial statements for publication, there are no circumstances implying any threats to the continuation of the Company's activity.

These interim condensed separate financial statements do not comprise all the information and disclosures required in the annual financial statements and they should be read together with the Company's financial statements for the year ended on 31 December 2013.

These interim condensed separate financial statements have been approved for publication on 7 August 2014.

3. Significant accounting principles (policy)

Accounting principles (policy) applied for the preparation of these interim condensed separate financial statements are consistent with the ones applied for the preparation of the annual financial statements of the Company for the year ended on 31 December 2013.

4. Areas of estimates

The changes in the estimates are described in notes 12, 13, 14, 15 and 25. Apart from the changes mentioned in above items, there were no other changes in estimates.

5. Seasonal nature of operations

The Company's core objects comprise the production of aluminium profiles. The biggest sales related to that are generated in the second half of the year (historically the sale in the second half of the year is higher than the sale in the first half of the year by a few to even 25%). It is related to the cycle of works in the building industry that accounts for a considerable share of serviced markets of customers in this Segment.

6. Information on business segments

As at the balance sheet date, the Company did not have any internal operating segments. The information about operating segments of the Capital Group is provided in the consolidated financial statements.

7. Investments in subsidiaries

In May 2014, the Company established a company called Grupa Kęty Italy s.r.l. with its registered office in Milan in Italy. The company's share capital is 10,000 EUR. Grupa Kęty holds 100% of shares and 100% of votes in the company. The company is mainly involved in trading intermediation as regards the sale of aluminium profiles in Italy.

8. Changes in the Company's organisational structure

There were no major changes in the Company's organisational structure in the period.

9. Cash and cash equivalents

For the purpose of the preparation of the interim condensed cash flow statement, cash and cash equivalents are composed of the following items:

	30.06.2014 (not audited)	31.12.2013 (audited)
Bank deposits (current accounts) and short-term deposits	17 314	3 347
Cash recognised in the balance sheet	17 314	3 347

As of 30 June 2014, Grupa Kęty S.A. held unused granted credit resources in the amount of 70,056 thousand PLN with regard to which all conditions precedent had been complied with (72,456 thousand PLN as at 31 December 2013).

10. Dividends paid and proposed for payment

The result for the period is not distributed.

Grupa Kęty S.A. allocated for the dividend for 2013 the amount of 93,815 thousand PLN (10 PLN per share). The amount comprises the profit from 2013 amounting to 67,297 thousand PLN and retained earnings remaining in the reserve capital of the Company amounting to 26,518 thousand PLN. 17 July 2014 was the day of determining the right to dividend and 6 August 2014 was the dividend payment date.

In 2013, from the profit for 2012, Grupa Kęty S.A. allocated 55,765 thousand PLN (6 PLN per share) for the payment of the dividend.

11. Income tax

The main components of the tax deduction for the continued business in the profit and loss account are as follows:

	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)	3 months ended on 30.06.2013 (not audited)	6 months ended on 30.06.2013 (not audited)
Current income tax				
Current income tax deduction recognised in the profit and loss account	(616)	(1 210)	41	41
Deferred income tax:				
Recognition (reversal) of tax losses	(175)	(350)	825	1 447
Related to the establishment and reversal of temporary differences	1 592	1 282	(411)	(150)
Tax deduction recognised in the profit and loss account	801	(278)	455	1 338

12. Property, plant and equipment

12.1. Purchase and sale

Purchase and sale transactions related to property, plant and equipment are presented below.

	6 months of 2014	6 months of 2013
Acquisition of property, plant and equipment	9 062	11 151
Net value of sold property, plant and equipment	76	36
Profit (loss) on the sale of property, plant and equipment	214	21
The value of liquidated fixed assets due to their faster using up	82	47

In the period of three months of 2014 and in the period of three months of 2013, the Company did not establish impairment write-offs for property, plant and equipment.

13. Trade and other receivables

	30.06.2014 (not audited)	31.12.2013 (audited)
Short-term receivables		
Trade receivables from related parties	55 528	60 670
Trade receivables from other entities	95 611	75 309
Down payments (trade-related) for suppliers	268	788
Receivables from employees	19	38
Settlements related to transactions hedging the aluminium price	1 864	3 086
Receivables due to dividend from subsidiaries	96 725	0
Other receivables	1 230	891
Net receivables	251 245	140 782

In the period of six months of 2014, the Company created revaluation write-offs of receivables amounting to 12,205 thousand PLN (in the period of six months of 2013: 413 thousand PLN). The Company recognises created revaluation write-offs of receivables in 'Other operating costs'.

In the period of six months of 2014, the Company reversed revaluation write-offs of receivables amounting to 420 thousand PLN (in the period of six months of 2013, the Company reversed revaluation write-offs of

receivables amounting to 476 thousand PLN). The reversal of the revaluation write-offs resulted from the receipt of the payment subject to write-offs.

The reversal of revaluation write-offs was presented in 'Other operating income' or in 'Financial income' as received interest complying with the nature of receivables.

14. Inventories

	30.06.2014 (not audited)	31.12.2013 (audited)
Materials	26 507	19 258
Work in progress	29 419	19 513
Finished goods	15 168	21 470
TOTAL	71 091	60 241

In the period of six months of 2014 and in the period of six months of 2013, the Company did not establish or reverse revaluation write-offs of inventories.

15. Provisions and accruals

In the reporting period, the Company reversed, to increase the result, the provision due to deferred income tax amounting to 272 thousand PLN.

Changes in provisions and accruals:

	31.12.2013	Increases	Utilisation	30.06.2014
Provisions and accruals	8 974	5 694	(6 570)	8 098
the long-term part of the provision for jubilee bonuses and retirement benefits	1 334	0	0	1 334
short-term provision for jubilee bonuses and retirement benefits	640	0	0	640
provision for the costs of unused holiday	1 339	2 700	(1 339)	2 700
costs of annual bonus	4 504	2 817	(4 504)	2 817
cogeneration fees	692	147	(692)	147
costs of damages	430	0	0	430
provision for the costs of auditing financial statements	35	30	(35)	30

	31.12.2012	Increases	Utilisation	30.06.2013
Provisions and accruals	6 714	4 920	(4 635)	6 999
the long-term part of the provision for jubilee bonuses and retirement benefits	1 453	0	0	1 453
short-term provision for jubilee bonuses and retirement benefits	626	0	0	626
provision for the costs of unused holiday	903	2 367	(903)	2 367
costs of annual bonus	3 685	2 107	(3 685)	2 107
cogeneration fees	0	416	0	416
provision for the costs of auditing financial statements	47	30	(47)	30

16. Interest-bearing bank loans

The table below demonstrates the changes in the balances of particular loans in the period of six months of 2014.

Loan	Lender	Loan currency	31.12.2013	Increases (decreases)	30.06.2014
Long-term	BNP Paribas	PLN	20 809	(11 578)	9 231
Short-term loan	Bank PKO BP	PLN, EUR, USD	24 105	(586)	23 519
Short-term loan	BNP Paribas Polska	PLN, EUR	11 890	4 313	16 203
Short-term loan	ING Bank Polska	EUR, PLN	2	1	3
Short-term loan	Bank PeKaO S.A.	EUR, USD, CHF	51 453	1 585	53 038
Short-term loan	Bank Societe Generale	PLN, EUR	14 400	847	15 247
Cash loan short-term	Alutech Sp. z o.o.	PLN	1 514	(14)	1 500
Total loans			124 173	(5 432)	118 741

All loans bear interest at Wibor/Euribor rates plus the bank's margin (%).

Loans repayments resulted from the repayment schedule. The borrowings are related to the Company's liquidity management.

17. Share options for the management staff

The details of the programme and the principles for measuring the programme costs are described in the annual financial statements for 2013. The Group recognises the programme related costs proportionally to the period of acquiring rights to options.

Tabular compilation of information about the options for the management staff:

30-06-2014	First part of the 2009 programme	Second part of the 2009 programme	Third part of the 2009 programme	First part of the 2012 programme	Second part of the 2012 programme
Number of granted options	91 600	91 600	91 600	61 500	61 500
Number of options expired due to the failure to comply with the condition of being employed for three years from the programme launch date	0	0	0	0	0
Number of options which do not meet non-market parameters: C and D	22 900	22 900	45 800	36 900	36 900
Number of options assumed for valuation	68 700	68 700	45 800	24 600	24 600
Number of options accepted for valuation and granted to employees of Grupa Kęty S.A.	39 450	39 450	26 300	14 136	14 136
Number of options accepted for valuation and granted to employees of subsidiaries	29 250	29 250	19 500	10 464	10 464
Programme launch date	30 September 2009	30 September 2010	23 September 2011	24 September 2012	24 September 2013
The date of acquiring the rights to purchase shares	30 September 2012	30 September 2013	22 September 2014	23 September 2015	23 September 2016
The date of terminating the acquisition of shares	30 September 2015	30 September 2016	22 September 2017	23 September 2018	23 September 2019
Total programme period	36 months	36 months	36 months	36 months	36 months
The remaining period to acquire rights	Period ended	Period ended	3 months	12 months	24 months
Option exercise price	66.54 PLN per share	117.63 PLN per share	125.57 PLN per share	117.10 PLN per share	141.19 PLN per share

18. Trade and other liabilities

	30.06.2014 (not audited)	31.12.2013 (audited)
Trade liabilities towards related parties	7 086	4 681
Trade liabilities towards non-related parties	43 835	25 861
Down payments (trade-related) from customers	875	1 937
Public law liabilities (except for the income tax liabilities)	11 636	6 476
Remuneration liabilities	3 358	2 898
Securities	4	5
Liabilities due to the purchase of fixed assets	487	1 542
Liabilities due to dividend	93 815	0
Other	515	533
TOTAL SHORT-TERM LIABILITIES	161 611	43 933

19. Explaining the reasons for material changes in items of revenue and costs

In the period of six months of 2014 as compared to the period of six months of 2013, material changes in particular items of revenue and costs had place in the following areas:

Sales revenue – an increase in sales revenue by 58,558 thousand PLN – related mainly to the increase in the amount of sold products by ca. 6,090 tons.

Dividend income – an increase in dividend income by 7,831 thousand PLN in the period is related to the increase in the results of subsidiaries in 2013 and related increase in dividend.

External services – an increase in the costs of external services by 14,939 thousand PLN is related to the increase of the number of services acquired from cooperating parties due to the increase in the sale by 6,090 tons.

Costs of materials and energy – an increase in the costs of materials and energy amounting to 24,904 thousand PLN is related to the quantitative increase in the sale by ca. 6,090 tons of aluminium products, and the associated increase in the consumption of raw materials. The increase in the costs of materials consumption was partially set off with the decrease in aluminium prices; aluminium is the basic raw material consumed by the Company. According to the Company's estimates, the average price of aluminium decreased in the period of six months of 2014 as compared to the period of six months of 2013 by ca. 700 PLN per ton, i.e. by ca. 12%. As a result, average purchase prices of the raw material decreased by ca. 950 PLN per ton, i.e. 12.6%.

Costs of employee benefits – an increase in the costs of employee benefits by 2,704 thousand PLN results from the increase in the sale and is related to the increase in employment by almost 4% and an increase in remunerations.

Other operating costs – an increase in other operating costs by 18,797 thousand PLN is related mainly to the establishment of revaluation write-offs of receivables from Alupol Ukraina amounting to 8,635 thousand PLN; the establishment of revaluation write-offs of interests in Alupol Ukraina amounting to 6,760 thousand PLN; and the establishment of revaluation write-offs of receivables in non-related parties amounting to 3,527 thousand PLN.

20. Financial instruments

Financial assets	30.06.2014 (not audited)	31.12.2013 (audited)
Currency forwards hedging cash flows	126	115
Futures for the purchase of aluminium hedging cash flows	1 676	40
TOTAL FINANCIAL ASSETS	1 802	155
Financial liabilities	30.06.2014 (not audited)	31.12.2013 (audited)
Currency forwards hedging cash flows	77	545
Futures for the purchase of aluminium hedging cash flows	467	1 591
TOTAL FINANCIAL LIABILITIES	544	2 136

21. Objectives and principles of financial risk management

The objectives and principles of financial risk management are described in the annual financial statements for 2013 published on 20 March 2014. No changes had place in the objectives and principles of risk management as compared to the ones described in the financial statements for 2013.

22. Capital management

The capital is managed at the level of the Capital Group of Grupa Kęty S.A.

23. Contingent liabilities and assets

Item	30.06.2014 (not audited)	31.12.2013 (audited)
Bank guarantee for LC Corp Sky Tower concerning the proper performance of the contract*	3 593	3 593
Total granted guarantees	3 593	3 593

* The Company executed construction works in Sky Tower skyscraper in Wrocław. The guarantee expires on 31.01.2015.

In addition, the Company received or granted guarantees and sureties presented in the table below.

For:	Purpose	Amount	Maturity
Aluprof S.A.	Security for a working capital loan	5 000	31-12-2014
Alupol Packaging Kęty Sp. z o.o.	Trade credit surety	5	No maturity
Alupol Packaging S.A.	Trade credit surety	10	No maturity
Metalplast Stolarka sp. z o.o.	Surety for guarantees granted by the Company to Bank PeKaO S.A.	3 737	31-10-2018
Metalplast Stolarka sp. z o.o.	Surety for guarantees granted by the Company to Euler Hermes	2 367	11-04-2017
Metalplast Stolarka sp. z o.o.	A line for insurance guarantees of Euler Hermes – an aval	20 000	No maturity
Metalplast Stolarka sp. z o.o., Aluprof, Alupol, Alupol Packaging	Limit for the hedging of forwards and futures	22 500	31-10-2015

Guarantees and sureties received from subsidiaries:

From:	Purpose	Amount	Maturity
Aluprof S.A.	Loan security	25 000	30-12-2016
Aluprof S.A.	Loan security	5 000	31-12-2014
Alupol Packaging Kęty sp. z o.o.	Loan security	50 000	30-12-2016

In addition:

- Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alutrans Sp. z o.o., Aluform Sp. z o.o., Alupol Packaging Kęty Sp. z o.o., Metalplast „KARO” Złotów S.A. entered into an agreement with PKO BP S.A. for an overdraft facility up to the total amount of 130 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan.

- Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Aluform Sp. z o.o., Alupol Packaging Kęty Sp. z o.o. and Metalplast Stolarka Sp. z o.o. entered into an agreement with PeKaO S.A. concerning a credit limit in the current account up to the total amount of 100 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan.

- Grupa Kęty S.A. and Metalplast Stolarka sp. z o.o. entered into an agreement with ING S.A. for an overdraft facility up to the total amount of 65 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan.

- Grupa Kęty S.A., Metalplast Stolarka Sp. z o.o., Aluprof S.A. and Alupol Packaging S.A. entered into an agreement with BNP Paribas Bank Polska S.A. for an overdraft facility up to the total amount of 50 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan.

- Grupa Kęty S.A. and Metalplast Stolarka Sp. z o.o. entered into an agreement with BNP Paribas Polska S.A. for a guarantee facility up to the total amount of 30 million PLN, and Grupa Kęty S.A. granted its surety for the said agreement.

24. Investment obligations

As at 30 June 2014, the Company obliged itself to incur expenditure on property, plant and equipment amounting to 7,437 thousand PLN (as at 31 December 2013, the investment obligations amounted to 930 thousand PLN). The amounts are allocated to the purchase of new machines and plant.

25. Related party transactions

Transactions within the Capital Group for the period from 1 January 2014 to 30 June 2014 and as at 30 June 2014.

Related party	Sale	Purchase	Receivables	Liabilities	Dividends
Aluprof S.A.	64 409	1 896	42 162	634	66 725
Alupol Packaging S.A.	447	0	119	0	30 000
Alutrans Sp. z o.o.	5 361	34	4 720	12	0
Dekret Sp. z o.o.	372	647	65	134	190
Aluprof Hungary Sp. z o.o.	22	313	6	177	0
Metalplast Stolarka Sp. z o.o.	5 190	133	5 341	3	0
Alupol Ukraina Sp. z o.o.	1 553	0	1 216	0	0
Alutech Sp. z o.o. w likwidacji	2	0	0	0	0
Metalplast Karo Złotów S.A.	367	4	161	1	0
Aluform Sp. z o.o.	806	24 534	243	6 125	8 968
Alupol Packaging Kęty Sp. z o.o.	4 764	45	1 412	0	0
Grupa Kęty Italia SRL	0	0	83	0	0
Total	83 293	27 606	55 528	7 086	105 883

Apart from the above-mentioned transactions, in the period of six months of 2014, the Company did not carry out any other related party transactions.

However, due to the current geopolitical situation in Ukraine, a proper analysis of the recoverability of assets located in Ukraine has been performed. As a result, the Company established, in other operating costs, a revaluation write-off of receivables from Alupol Ukraina Sp. z o.o. amounting to 8,635 thousand PLN. In

addition, the Company carried out impairment test for interests in Alupol Ukraina LLC, and the test demonstrated the necessity of creating, in other operating costs, a revaluation write-off of interests in Alupol Ukraina Sp. z o.o. amounting to 6,760 thousand PLN.

The transactions with the Management Board and the Supervisory Board are described in note 27 of the interim condensed consolidated financial statements. There were no other significant transactions with related parties apart from the above transactions and balances.

25.1. Transactions with Members of the Management Board

In the reporting period, the Management Board acquired 2,700 series E shares at the issue price of 124.79 PLN and 30,450 series F shares at the issue price of 117.63 PLN due to the implementation of the share options programme. See note 17 for more information about the programme.

The Company did not conclude any other transactions with the members of the Management Board apart from those specified above.

25.2. Remunerations of the Company's top management

Management Board:	6 months of 2014	6 months of 2013
Costs of short-term employee benefits	752	720
Costs of the provision for annual bonuses and other benefits	1352	720
Total costs of remunerations for the members of the Management Board	2 104	1 440
The valuation of the costs of options for treasury shares, due in the case the programme is implemented*	181	186
Total payments to the members of the Management Board	2 285	1 626

* The details of the programme are described in notes 25.3 and 17. If the market conditions for the allocation of options are not fulfilled, despite the recognition of the costs of the programme, eligible persons will not acquire the right to subscribe for shares.

Remunerations and benefits under the options programme due to the members of the Management Board, top management and members of the Company's Supervisory Board are as follows:

	6 months of 2014	6 months of 2013
Proxies of the predominant entity*	295	296
Management Board of the predominant entity*	2 285	1 626
Supervisory Board	280	274
TOTAL	2 860	2 196

* The presented remunerations cover the costs of provisions for annual bonuses for the management staff and share options costs recognised in the profit and loss account. The details of the share options programme are described in note 17. Pursuant to the principles of the programme and IFRS 2, the costs of share options constitute the valuation of the options programme as at the date of its launch. The costs of the options are recognised in the profit and loss account on a straight line basis throughout the validity period of the programme, i.e. 36 months. According to IFRS 2, the costs presented in such a way constitute the cost of remunerations for the Company, but do not reflect the value of possible benefits that employees may obtain in the future on this account. Employees' possible benefits depend on the shaping of share prices in the future as compared to the acquisition price resulting from the conditions for particular parts of the options programme.

25.3. Participation of the top management in the employee shares programme

As described in details in note 17, the Group has implemented an options programme for the management staff.

In the reporting period, the Management Board exercised 2,700 share options from the third part of the 2006 programme and 30,450 share options from the second part of the 2009 programme.

In addition, after meeting the programme conditions, the Management Board will acquire, under the terms and conditions of the programme, the right to purchase up to 40,600 share options from the third part of the 2009 programme and up to 27,280 options from the first part of the 2012 programme as well as up to 27,280 options from the second part of the 2012 programme. The costs of related benefits recognised in the profit and loss account for the period of six months of 2014 came to 181 thousand PLN (186 thousand PLN for the period of six months of 2013).

In the reporting period, the Proxies exercised 9,000 options from the third part of the 2009 programme (fulfilled conditions 'a', 'b' and 'd').

In addition, after meeting the programme conditions, the Proxies will acquire the right to purchase up to 9,000 share options from the third part of the 2009 programme and up to 8,060 share options from the first part as well as up to 8,060 share options from the second part of the 2012 programme.

The costs of related benefits recognised in the profit and loss account for the period of six months of 2014 came to 53 thousand PLN (55 thousand PLN for the period of six months of 2013).

26. Issue of shares

Implementing the programme of the issue of employee shares described in note 17 of this information, in the reporting period, eligible employees took up 52,200 series F shares from the third part of the 2009 programme for the issue price of 117.63 PLN per share and 4,350 series D shares from the third part of the 2006 programme for the issue price of 124.79 PLN per share.

Shares taken up in 2014	Issue price	Number	Value ('000' PLN)	Date of registration by the National Depository for Securities	Registration in the National Court Register
Series F shares – the 2009 programme	117.63	9 000	1 059	16-01-2014	YES
Series D shares – the 2006 programme	124.79	4 350	543	07-03-2014	YES
Series F shares – the 2009 programme	117.63	43 200	5 082	15-05-2014	NO
TOTAL		56 550	6 684		

Below, we are presenting the method of settling proceeds from the issue.

Shares	Number of shares	Acquisition year	Value ('000' PLN)	Amount charged to share capital	Amounts charged to the share premium	Amounts of remaining capitals by the time of the registration by the National Court Register
Series D shares – the 2006 programme	12 325	2013	1 538	31	1 507	0
Series F shares – the 2009 programme	16 500	2013	1 941	41	1 900	0
Series F shares – the 2009 programme	9 000	2014	1 059	23	1 036	0
Series D shares – the 2006 programme	4 350	2014	543	11	532	0
Series F shares – the 2009 programme	43 200	2014	5 082	0	0	5 082
TOTAL			10 162	106	4 975	5 082

27. The methods of the measurement at fair value of financial instruments disclosed at fair value (fair value hierarchy)

The fair value of futures and forwards is calculated on the basis of the present net value of the future cash flows related to these contracts, quoted market prices of forwards calculated with the application of the present interest rates.

Fair value of currency forward contracts is determined by reference to the present forward rates for contracts of similar maturity periods.

As compared to the previous financial year, the Company did not change the method of measuring derivatives.

Derivatives are recognised as assets when their measurement is positive, and as liabilities when their measurement is negative. Gains and losses due to changes in the fair value of derivatives which do not meet the principles of hedge accounting are recognized in the financial result for the reporting year.

In the case of determining fair value on the basis of market quotations, it is classified at the so-called 'Level 1'. In the case of derivatives held by the Company, fair value is determined on the basis of other inputs that are observable either directly or indirectly. As a result, the value is classified at the so-called 'Level 2' of the fair value hierarchy.

Fair value hierarchy	30.06.2014 (not audited)	31.12.2013 (audited)
Financial assets		
Hedging derivatives	1 802	155
Financial liabilities		
Hedging derivatives	544	2 136

28. Profit per a single share

Below, we present the data related to the profit and the number of shares used to calculate the basic and diluted profit per a single share:

	6 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2013 (not audited)
Net profit	98 229	91 916
Weighted average number of regular shares assumed for the calculation of the profit per a single regular share	9 367 365	9 227 988
Weighted average number of regular shares assumed for the calculation of diluted profit per a single regular share	9 387 193	9 266 249
Basic profit per a single share (in PLN)	10.49	9.96
Diluted profit per a single share (in PLN)	10.46	9.92

In the reporting period, eligible employees took up 9,000 series F shares from the second part of the 2009 programme, 43,200 series F shares from the third part of the 2009 programme and 4,350 series E shares from the third part of the 2006 programme.

The average market price for the Company's share in the period of six months of 2014 was 212.40 PLN. The closing price as at 30.06.2014 amounted to 226.95 PLN.

The potential number of regular shares associated with the employee options programme increasing the number of shares and assumed for the calculation of the diluted profit per a single share is 19,828 shares.

29. Events after the reporting period

After the balance sheet date, there were no significant events to be included in these financial statements.

Signatures of all Members of the Management Board

Dariusz Mańko
President of the Management Board

Adam Piela
Member of the Management Board

.....
Kęty, 7 August 2014

.....

Signature of the person entrusted with bookkeeping

Andrzej Stempak
President of the Management Board
Dekret Centrum Rachunkowe Sp. z o.o.

.....
Kęty, 7 August 2014