



CAPITAL GROUP OF GRUPA KĘTY S.A.

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF
2016 ENDED ON 31 MARCH 2016 PREPARED PURSUANT TO THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS**

Consolidated quarterly report QSr 1/2016

(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 quarter of the financial year 2016 covering the period from 01.01.2016 to 31.03.2016, 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).

20 April 2016

(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 INCOME STATEMENT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	in '000' PLN		in '000' EUR	
	3 months of 2016	3 months of 2015	3 months of 2016	3 months of 2015
Net sales revenue	519 038	465 951	119 157	112 307
Profit on operating activities	66 017	52 177	15 156	12 576
Profit before tax	58 756	39 027	13 489	9 407
Net profit	54 080	35 114	12 415	8 463
Net profit (loss) attributable to the parent's shareholders	54 080	35 114	12 415	8 463
Total net income (loss)	57 617	33 900	13 227	8 171
Total net income (loss) attributable to the parent's shareholders	57 617	33 900	13 227	8 171
Net cash flow from operating activities	72 375	21 526	16 615	5 188
Net cash flow from investing activities	-46 110	-54 425	-10 586	-13 118
Net cash flow from financing activities	-19 364	19 580	-4 445	4 719
Total net cash flow	6 901	-13 319	1 584	-3 210
Net earnings of the parent's shareholders per an ordinary share (in PLN/EUR)	5.73	3.74	1.32	0.90
Diluted net earnings of the parent's shareholders per an ordinary share (in PLN/EUR)	5.72	3.73	1.31	0.90
BALANCE SHEET ITEMS	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Total assets	2 022 862	1 958 692	473 916	459 625
Liabilities and provisions for liabilities	684 715	679 849	160 415	159 533
Long-term liabilities	166 964	171 553	39 116	40 256
Short-term liabilities	517 751	508 296	121 299	119 276
Equity of the parent's shareholders	1 338 147	1 278 843	313 501	300 092
Share capital	67 505	67 505	15 815	15 841
Number of shares	9 453 693	9 441 988	9 453 693	9 441 988
Book value per share (in PLN/EUR)	141.55	135.44	33.16	31.78
Diluted book value per share (in PLN/EUR)	141.34	135.00	33.11	31.68
Dividend per share – declared or paid (in PLN/EUR)	0.00	13.30	0.00	3.12
Figures concerning the separate financial statements pursuant to the IFRS				
ITEMS OF THE INCOME STATEMENT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	in '000' PLN		in '000' EUR	
	3 months of 2016	3 months of 2015	3 months of 2016	3 months of 2015
Net sales revenue	196 174	199 433	45 036	48 069
Profit on operating activities	7 822	18 867	1 796	4 547
Profit before tax	7 954	15 805	1 826	3 809
Net profit	6 243	14 918	1 433	3 596
Total net income	7 319	13 724	1 680	3 308
Net cash flow from operating activities	23 104	20 239	5 304	4 878
Net cash flow from investing activities	-13 916	-20 664	-3 195	-4 981
Net cash flow from financing activities	-9 059	6 633	-2 080	1 599
Total net cash flow	129	6 208	30	1 496
Earnings per ordinary share (in PLN/EUR)	0.66	1.59	0.15	0.38
Diluted earnings per ordinary share (in PLN/EUR)	0.66	1.58	0.15	0.38
BALANCE SHEET ITEMS	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Total assets	964 148	944 775	225 880	221 700
Liabilities and provisions for liabilities	223 731	213 363	52 416	50 068
Long-term liabilities	69 955	70 776	16 389	16 608
Short-term liabilities	153 776	142 587	36 027	33 459
Equity	740 417	731 412	173 465	171 633
Share capital	67 505	67 505	15 815	15 841
Number of shares	9 453 693	9 441 988	9 453 693	9 441 988
Book value per share (in PLN/EUR)	78.32	77.46	18.35	18.18
Diluted book value per share (in PLN/EUR)	78.21	77.29	18.32	18.14
Dividend per share – declared or paid (in PLN/EUR)	0.00	13.30	0.00	3.12

The above financial figures for the first quarter of 2016 and of 2015 were translated into EUR as follows:

- assets and liabilities – at the average exchange rate of the National Bank of Poland (NBP) as at 31.03.2016 – 4.2684 PLN/EUR and as at 31.12.2015 – 4.2615 PLN/EUR;
- the items of the income statement, 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: 1st quarter of 2016 – 4.3559 PLN/EUR; 1st quarter of 2015 – 4.1489 PLN/EUR.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Total operating income, including:		520 298	467 681
Sales revenue	7	519 038	465 951
- including sales to an associate		4	0
Other operating income		1 260	1 730
Share of net profit of entities accounted for using the equity method		1 283	(143)
Change of inventories of finished goods and work in progress		8 658	2 877
Cost of manufacturing products for own needs		2 883	2 674
Total operating costs, including:		(467 105)	(420 912)
Depreciation/Amortisation		(25 385)	(21 427)
Materials and energy		(316 159)	(292 419)
External services		(45 286)	(35 622)
Taxes and charges		(3 355)	(3 313)
Employee benefits		(72 185)	(63 415)
Other operating costs		(4 735)	(4 716)
Profit on operating activities		66 017	52 177
Finance income		828	162
Finance costs		(8 089)	(13 312)
Profit before tax		58 756	39 027
Income tax expense	10	(4 676)	(3 913)
Net profit on continuing operations		54 080	35 114
Attributable to non-controlling shareholders		0	0
Attributable to the parent's shareholders		54 080	35 114
Net earnings per share for the parent's shareholders (in PLN)	31		
Basic		5.73	3.74
Diluted		5.72	3.73

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Net profit for the period	54 080	35 114
Other comprehensive income*:	3 537	(1 214)
Cumulative translation adjustment	(785)	(1 245)
Valuation of cash flow hedging instruments	3 056	1 484
Result from cash flow hedge	1 939	(1 171)
Income tax related to other comprehensive income to be charged to profit or loss	(673)	(282)
Comprehensive income for the period	57 617	33 900
Comprehensive income attributable to:		
Non-controlling shareholders	0	0
Parent's shareholders	57 617	33 900

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

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS	Note	31.03.2016 (not audited)	31.12.2015 (audited)
I. Non-current assets		1 149 085	1 140 961
Property, plant and equipment	11	951 247	947 657
Intangible assets		56 592	57 883
Goodwill	12	19 870	19 866
Investment properties		11 937	11 927
Interests in entities measured using the equity method	22	2 687	1 812
Other investments		11	11
Other receivables		5 793	5 670
Advance payments for the purchase of property, plant and equipment		25 898	23 573
Deferred income tax assets		75 050	72 562
II. Current assets		873 777	817 731
Inventories	14	326 731	323 330
Current tax receivables		3 978	4 315
Trade and other receivables	13	460 398	415 183
Short-term investments		68	71
Derivative financial instruments	27	2 997	2 128
Cash and cash equivalents	8	79 605	72 704
Total assets		2 022 862	1 958 692

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (cont.)

EQUITY AND LIABILITIES	Note	31.03.2016 (not audited)	31.12.2015 (audited)
I. Equity		1 338 147	1 278 843
Share capital		67 505	67 505
Share premium		22 043	22 043
Capital from the issue of non-registered shares	29	1 371	0
Capital from share based payments		14 275	13 959
Result from cash flow hedging transactions		22	(1 872)
Capital from the valuation of hedging instruments		(1 497)	(3 925)
Capital from the valuation of property, plant and equipment		3 003	3 003
Retained earnings		1 260 056	1 205 976
Cumulative translation adjustment		(28 631)	(27 846)
Equity attributable to the parent's shareholders		1 338 147	1 278 843
Equity of non-controlling shareholders		0	0
II. Long-term liabilities		166 964	171 553
Liabilities due to borrowings and finance lease	16	86 068	90 601
Other liabilities		2 123	2 098
Provisions	15	1 470	1 188
Provisions due to employee benefits	15	5 559	5 559
Deferred income		36 791	37 230
Deferred income tax liability		34 953	34 877
III. Short-term liabilities		517 751	508 296
Liabilities due to borrowings and finance lease	16	209 265	224 219
Income tax liabilities		2 327	11 800
Trade and other liabilities	18	267 899	239 070
Provisions and accruals	15	27 806	21 769
Derivative financial instruments	27	5 330	7 857
Deferred income		5 124	3 581
Total equity and liabilities		2 022 862	1 958 692

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the parent's shareholders

	Share capital	Share premium	Non-registered capital from the issue of shares	Capital from share based payments	Result from cash flow hedging transactions	Capital from the valuation of hedging instruments	Capital from the valuation of property, plant and equipment	Retained earnings	Cumulative translation adjustment	Equity of the parent's shareholders	Equity of non-controlling shareholders	Total equity
Equity as at 1 January 2016 (audited)	67 505	22 043	0	13 959	(1 872)	(3 925)	3 003	1 205 976	(27 846)	1 278 843	0	1 278 843
Comprehensive income for the period:	0	0	0	0	1 894	2 428	0	54 080	(785)	57 617	0	57 617
<i>Net profit for the period</i>	0	0	0	0	0	0	0	54 080	0	54 080	0	54 080
<i>Other comprehensive income</i>	0	0	0	0	1 894	2 428	0	0	(785)	3 537	0	3 537
Valuation of share based payments	0	0	0	316	0	0	0	0	0	316	0	316
Issue of shares	0	0	1 371	0	0	0	0	0	0	1 371	0	1 371
Equity as at 31 March 2016 (not audited)	67 505	22 043	1 371	14 275	22	(1 497)	3 003	1 260 056	(28 631)	1 338 147	0	1 338 147
Previous year												
Equity as of 1 January 2015 (audited)	67 352	14 512	1 601	11 244	1 438	(475)	3 174	1 131 908	(27 522)	1 203 232	0	1 203 232
Comprehensive income for the period:	0	0	0	0	(1 171)	1 202	0	35 114	(1 158)	33 987	0	33 987
<i>Net profit for the period</i>	0	0	0	0	0	0	0	35 114	0	35 114	0	35 114
<i>Other comprehensive income</i>	0	0	0	0	(1 171)	1 202	0	0	(1 158)	(1 127)	0	(1 127)
Valuation of share based payments	0	0	0	272	0	0	0	0	0	272	0	272
Issue of shares	31	1 569	(1 601)	0	0	0	0	0	0	(1)	0	(1)
Equity as of 31 March 2015 (not audited)	67 383	16 081	0	11 516	267	727	3 174	1 167 022	(28 680)	1 237 490	0	1 237 490

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash flow statement	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Cash flow from operating activities		
Profit before tax	58 756	39 027
Adjustments:	27 133	20 853
Share of net profit of entities accounted for using the equity method	(1 283)	143
Depreciation/Amortisation	25 385	21 427
Recognition/(reversal) of revaluation write-downs	9	9
Profit from net currency translation differences	(134)	(735)
(Profit) / loss from the sale of property, plant and equipment	(146)	(58)
Interest and share of profits	1 533	1 131
Proceeds/(expenses) related to hedging instruments charged to equity	1 939	(1 171)
Share based payments	315	272
Change of the valuation of currency forwards/futures	(242)	(7)
Other items (net)	(243)	(158)
Cash flow from operating activities before the change of working capital	85 889	59 880
Change in inventories	(3 401)	3 141
Change in net receivables	(45 338)	(42 694)
Change in short-term liabilities, except for loans	44 503	14 946
Change in provisions	6 346	1 275
Change in deferred income	1 104	(525)
Net cash generated from operating activities	89 103	36 023
Tax paid	(16 728)	(14 497)
Net cash from operating activities	72 375	21 526
Cash flow from investing activities		
(+) Proceeds:	457	229
Sale of intangible assets and property, plant and equipment	454	222
Sale of financial assets	3	0
Other proceeds	0	7
(-) Expenses:	(46 567)	(54 654)
Acquisition of intangible assets and property, plant and equipment	(46 556)	(54 654)
Granted loans	(11)	0
Net cash from investing activities	(46 110)	(54 425)
Cash flow from financing activities		
(+) Proceeds:	21 182	41 632
Net proceeds from the issue of shares	1 371	1 601
Proceeds from borrowings	19 811	40 031

Complementary information and explanations to the interim consolidated financial statements for their integral part

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(-) Expenses:	(40 546)	(22 052)
Repayments of borrowings	(39 069)	(20 934)
Finance lease rentals	(88)	(18)
Interest	(1 389)	(1 100)
Net cash from financing activities	(19 364)	19 580
Total net cash flow:	6 901	(13 319)
- change in cash due to currency translation differences	0	0
Cash and cash equivalents at the beginning of the period	72 704	66 430
Cash and cash equivalents at the end of the period	79 605	53 111

COMPLEMENTARY INFORMATION AND EXPLANATIONS

1. General information

These interim condensed consolidated financial statements of Grupa Kęty S.A. cover the period of three months ended on 31.03.2016 and provide comparative information with regard to the period of three months ended on 31.03.2015. The figures were not reviewed or audited by the certified auditor.

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

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

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

The effective period of the operation of the parent company 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	Core business	Parent company	Stake in the basic capital as at 31.03.2016	Stake in the basic capital as at 31.12.2015	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	Lease of heat-generation networks	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	Production and assembly of construction woodwork	Grupa Kęty S.A.	100.00 %	100.00 %	07/2000	BSS
Alupol LLC	Borodianka, Ukraine	Manufacture of aluminium profiles	Aluform Sp. z o.o.	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 s.r.l.	Bucharest, Romania	Sale of aluminium systems	Aluprof S.A.	100.00 %	100.00 %	05/2005	ASS
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
Aluprof UK Ltd.	Altrincham, UK	Sale of aluminium systems	Aluprof S.A.	100.00 %	100.00 %	05/2006	ASS

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ROMB S.A.	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	Does not operate	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 %	100.00 %	5/2014	EPS
Marius Hansen Facader A/S	Viborg, Denmark	Production and assembly of construction woodwork	Aluprof S.A.	100.00 %	100.00 %	6/2014	ASS
Aluprof System USA, Inc	Wilmington, USA	Distribution of aluminium systems for the building industry	Aluprof S.A.	100.00 %	100.00 %	7/2014	ASS
Alupol Films Sp. z o.o.	Kęty, Poland	Production and trade	Alupol Packaging Kęty Sp. z o.o.	100.00 %	100.00 %	12/2014	FPS
Aluprof Schelfhaut N.V.	Dendermonde, Belgium	Sale of aluminium systems	Aluprof S.A.	100.00 %	100.00 %	6/2015	ASS

* As part of the Group's restructuring measures, the company's business was transferred to Grupa Kęty S.A. As of the balance sheet date and the previous balance sheet date, the Group's share in the total number of votes in subsidiaries equalled the Group's share in the equity 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 20 April 2016.

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 2015.

The Management Board of Grupa Kęty S.A. hereby declares that, according to their best knowledge, these interim condensed consolidated financial statements and comparable data were prepared according to the Group's accounting principles in force and they present a true and fair view of the financial standing, assets and financial result of the Group.

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 Group for the year ended on 31 December 2015.

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

As regards the estimates concerning the valuation of long-term construction contracts, the Group applies the percentage of completion method for the settlement of long-term contracts. The application of this method requires the Group to estimate the proportion of the works already completed to the total budgeted costs. If the percentage of completion was higher by 5% than the percentage estimated by the Company, the revenue for the period would increase by 3,846 thousand PLN (3 months of 2015: 4,330 thousand PLN). If the actual costs of construction contracts in progress as at the balance sheet date at the time of their completion were higher than the budgeted costs by 1%, gross result would decrease by 1,203 thousand PLN (31 March 2015: 852 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 breakdown into segments providing services to various customer markets, the following seasonal variations may be observed.

The Flexible Packaging Segment records bigger demand prior to the main holidays i.e. Christmas and Easter, with a minimally higher turnover in the second half of each year (up to 11%).

The Extruded Products Segment (historically from a few to 23% higher sales in the second half of the year), 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 a dozen or so to 54% 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. 11 to 27% (based on historical figures for the last 6 years).

7. Information on business segments

The Capital Group's operations comprise five basic operating areas and are 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 is included in item 3 of the Management Board's report on the operations of the Issuer's Capital Group published on 16 March 2016 with the consolidated financial statements for 2015.

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 and establishment of impairment losses for non-current assets.

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

Basic economic figures for the Issuer's segments:

3 months of 2016:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Income statement								
Sale	122 130	197 543	225 989	9 475	43 639	3 069	(82 807)	519 038
- outside the Group	122 117	157 424	214 023	6 103	19 307	64	0	519 038
- to other segments	13	40 119	11 966	3 372	24 332	3 004	(82 806)	0
Operating profit (EBIT)	18 290	15 587	33 755	(243)	797	(3 120)	951	66 017
Depreciation/Amortisation	4 843	12 324	5 998	1 096	567	558	(1)	25 385
EBITDA	23 133	27 911	39 753	853	1 364	(2 562)	950	91 402
Balance sheet								
Segment's assets	600 123	641 071	576 193	60 907	104 936	34 955	4 677	2 022 862
Segment's trade liabilities	67 117	49 136	117 966	4 509	22 347	971	(75 376)	186 670
Unallocated liabilities (joint)	0	0	0	0	0	498 045	0	498 045
Total liabilities	67 117	49 136	117 966	4 509	22 347	499 016	(75 376)	684 715
Other								
Capital expenditure on non-current assets	13 833	6 850	6 895	675	68	157	0	28 478

3 months of 2015:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Income statement								
Sale	107 208	201 760	170 231	8 938	24 062	7 352	(53 600)	465 951
- outside the Group	107 197	157 303	167 433	5 338	23 957	4 723	0	465 951
- to other segments	11	44 457	2 798	3 600	105	2 629	(53 600)	0
Operating profit (EBIT)	18 976	12 078	24 165	84	(1 446)	(3 004)	1 324	52 177
Depreciation/Amortisation	4 442	10 824	4 174	1 068	431	491	(3)	21 427
EBITDA	23 418	22 902	28 339	1 152	(1 015)	(2 513)	1 321	73 604
Balance sheet								
Segment's assets	519 167	672 865	483 740	61 367	79 951	412 117	(386 082)	1 843 125
Segment's trade liabilities	68 868	54 140	92 407	4 567	21 481	6 532	(69 844)	178 151
Unallocated liabilities (joint)						422 433	5 051	427 484
Total liabilities	68 868	54 140	92 407	4 567	21 481	428 965	(64 793)	605 635
Other								
Capital expenditure on non-current assets	4 910	22 166	4 841	823	11	267	0	33 018

- 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: non-current 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 income statement contains inter-segmental sale. It is mainly the 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 parent company 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 bears interest at variable interest rates; the level of such rates depends on the interest rate of one-day bank term deposits. Short-term term deposits are made 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.

Fair value of cash and cash equivalents is presented in the table below.

	31.03.2016 (audited)	31.12.2015 (audited)
Bank deposits (current accounts) and short-term deposits	77 040	72 485
Cash in hand	66	22
Other cash	2 499	197
Cash recognised in the balance sheet	79 605	72 704

As at 31 March 2016, the Group held unused granted credit resources amounting to 255,553 thousand PLN (as at 31 December 2015: 248,250 thousand PLN).

9. Dividends paid and proposed for payment

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

Grupa Kęty S.A. intends to allocate the amount of 125,734,116.90 PLN to the dividend for 2015.

Therefore, as intended by the Management Board, the dividend per share is to amount to 13.30 PLN for assumed 9,453,693 shares (previous year: 14.41 PLN per share). The Company proposes the date when the right to dividend is determined to be 15 July 2016, and the dividend payment dates (two instalments) to be 5 August 2016 (47,268,465.00 PLN) and 7 December 2016 (78,465,651.90 PLN). The final decision about the levels and dates concerning the dividend will be made by the General Meeting of Shareholders of Grupa Kęty S.A. to be held on 12 May 2016.

10. Income tax expense

Main components of income tax expense are as follows:

Income tax structure	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Current tax	(7 750)	(5 482)
Deferred tax	3 074	1 569
Income tax recognised in the income statement	(4 676)	(3 913)

11. Property, plant and equipment

11.1. Purchase and sale

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

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Acquisition of property, plant and equipment	28 478	33 018
Net value of sold property, plant and equipment	311	87
Profit (loss) on the sale of property, plant and equipment	174	58

11.2. Impairment losses

In the period of 3 months of 2016, the Group recognised a revaluation write-down of property, plant and equipment amounting to 9 thousand PLN (3 months of 2015 – no write-down was recognised). In the aforementioned periods, the Group did not reverse any revaluation write-downs of property, plant and equipment.

12. Revaluation write-downs for goodwill

In the period of 3 months of 2016 and in the period of 3 months of 2015, due to the lack of indicators of impairment, the Group did not write down goodwill from consolidation.

13. Short-term receivables

	31.03.2016 (not audited)	31.12.2015 (audited)
Trade receivables	405 686	380 660
- including from an associate	520	445
Public law receivables (except for the income tax)	20 062	6 294
Down payments (trade-related) for suppliers	5 518	2 751
Receivables from employees	250	113
Prepaid expenses	3 031	3 199
Valuation of construction contracts	23 131	19 816
Settlements related to transactions hedging the aluminium price	557	494
Other receivables	2 163	1 856
Net receivables	460 398	415 183

In the period of 3 months of 2016, the Group recognised revaluation write-downs for receivables amounting to 280 thousand PLN (in the period of 3 months of 2015: recognition of write-downs amounting to 1,467 thousand PLN). Created revaluation write-downs are presented in 'Other operating costs'.

14. Inventories

	31.03.2016 (not audited)	31.12.2015 (audited)
Materials	132 655	142 893
Work in progress	84 029	78 032
Finished products	94 295	91 634
Trade goods	15 752	10 771
TOTAL	326 731	323 330

In the period of 3 months of 2016, the Group reversed revaluation write-downs for inventories amounting to 55 thousand PLN (in the period of 3 months of 2015: recognition of write-downs amounting to 11 thousand PLN). The amount was recognised in 'Other operating income'.

15. Provisions and accruals

In the reporting period, the Group increased the result from the revaluation of deferred income tax liabilities and assets by 3,074 thousand PLN. In addition, in the reporting period, the Group introduced the following changes in the value of provisions:

	As at 01.01.2016	Increases	Utilisation	Currency translation differences	As at 31.03.2016
Long-term provisions	6 747	282	0	0	7 029
provision for jubilee bonuses and retirement benefits	5 559	0	0	0	5 559
costs of warranty repairs	1 188	282	0	0	1 470
Short-term provisions and accruals:	21 769	9 724	(3 659)	(28)	27 806
provision for jubilee bonuses and retirement benefits	975	0	0	0	975
provision for the costs of unused holiday	5 210	2 552	(767)	(2)	6 993
costs of annual bonus	9 082	2 989	(2 038)	(10)	10 023
environmental protection costs	7	0	(7)	0	0
costs of warranty repairs	45	0	0	0	45
costs of damages	430	0	0	0	430
for incurred costs	4 261	4 055	(248)	(2)	8 066
costs of auditing financial statements	241	6	(238)	0	9
other	1 518	122	(361)	(14)	1 265

	As at 01.01.2015	Increases	Utilisation	Currency translation differences	As at 31.03.2015
Long-term provisions	6 559	0	0	0	6 559
provision for jubilee bonuses and retirement benefits	5 799	0	0	0	5 799
costs of warranty repairs	760	0	0	0	760
Short-term provisions and accruals:	22 844	5 856	(4 525)	(56)	24 119
provision for jubilee bonuses and retirement benefits	1 462	0	0	0	1 462
provision for the costs of unused holiday	5 002	1 218	0	0	6 220
costs of annual bonus	12 020	3 096	(3 820)	(4)	11 292
environmental protection costs	344	110	(344)	0	110
costs of warranty repairs	50	960	0	0	1 010
costs of damages	2 560	0	0	0	2 560
for incurred costs	10	0	(10)	0	0
costs of auditing financial statements	206	14	(206)	0	14
other	1 190	458	(145)	(52)	1 451

16. Interest-bearing bank loans and lease obligations

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

Long-term loans:

Borrower	Lender	Loan currency	31.12.2015	Increases (decreases)	31.03.2016
Grupa Kęty S.A.	BGŻ BNP PARIBAS S.A.	PLN	23 798	(2 171)	21 627
Alupol Packaging Kęty Sp. z o.o.	BGŻ BNP PARIBAS S.A.	PLN	40 000	0	40 000
Aluprof SA	BGŻ BNP PARIBAS S.A.	PLN	26 230	(2 384)	23 846
Total loans			90 028	(4 555)	85 473
Aluprof Romania	Liabilities due to finance lease	RON	110	(6)	104
Aluprof UK		GBP	0	32	32
Metalplast Stolarka Sp. z o.o.		PLN	463	(4)	459
Total lease			573	22	595
Total long-term loans and lease			90 601	(4 533)	86 068

Short-term loans:

Borrower	Lender	Loan currency	31.12.2015	Increases (decreases)	31.03.2016
Grupa Kęty S.A.	Bank PKO BP	PLN	3 312	1 238	4 550
Grupa Kęty S.A.	BNP Paribas Polska	PLN	22 308	(1 088)	21 220
Grupa Kęty S.A.	ING Bank Polska	EUR	3	0	3
Grupa Kęty S.A.	Bank PeKaO S.A.	PLN	42 026	(9 096)	32 930
Grupa Kęty S.A.	Bank Societe Generale	PLN, EUR	3 705	1 331	5 036
Alupol Packaging S.A.	Bank PKO BP	PLN	2 307	(769)	1 538
Alupol Packaging S.A.	BGŻ BNP PARIBAS S.A.	PLN	5 962	38	6 000
Alupol Packaging S.A.	Bank PEKAO SA	PLN	10 088	(5 629)	4 459
Alupol Packaging Kęty Sp. z o.o.	Bank PKO BP	PLN	4 618	(4 618)	0
Alupol Packaging Kęty Sp. z o.o.	Bank PEKAO SA	PLN, EUR	2 489	5 228	7 717
Alupol Packaging Kęty Sp. z o.o.	BGŻ BNP PARIBAS S.A.	PLN	13 377	429	13 806
Aluprof SA	PEKAO S.A.	PLN, EUR	4 561	4 713	9 274
Aluprof SA	Societe Generale S.A.	PLN, EUR	2 650	(839)	1 811
Aluprof SA	BGŻ BNP PARIBAS S.A.	PLN	24 827	2 536	27 363
Aluprof SA	BPH S.A.	EUR	13 935	(13 916)	19
Aluprof SA	PKO BP	EUR	2 131	(2 131)	0
Metalplast Stolarka Sp. z o.o.	Bank PEKAO S.A.	PLN, EUR	33 573	7 532	41 105
Metalplast Stolarka Sp. z o.o.	BGŻ BNP PARIBAS S.A.	PLN	2 127	(2 127)	0
Metalplast Stolarka Sp. z o.o.	ING Bank Polska	PLN, EUR	21 186	(652)	20 534
ROMB S.A.	Bank PKO BP	PLN	47	1 095	1 142
ROMB S.A.	BGŻ BNP PARIBAS S.A.	PLN	4 932	53	4 985
Alupol Films Sp. z o.o.	Bank PEKAO SA	EUR	3 623	142	3 765
Alupol Films Sp. z o.o.	Fortis Bank	PLN	0	1 661	1 661
Total loans			223 787	(14 869)	208 918
Aluprof Romania	Liabilities due to finance lease	RON	9	(9)	0
MHF A/S		DKK	117	(9)	108
Aluprof Schelfhaut		EUR	47	(17)	30
Aluprof UK		GBP	0	17	17
Metalplast Stolarka Sp. z o.o.		PLN	259	(67)	192
Total lease			432	(85)	347
Total short-term loans and lease			224 219	(14 954)	209 265

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 2015.

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

18. Trade and other liabilities

	31.03.2016 (not audited)	31.12.2015 (audited)
Short-term liabilities:	267 899	239 070
Trade liabilities	186 670	167 761
- Including due to an associate	0	1 854
Liabilities due to the purchase of property, plant and equipment	12 847	27 731
Total financial liabilities (under IFRS 7)	199 517	195 492
Public law liabilities (except for income tax liabilities)	45 313	23 576
Down payments (trade-related) from customers	5 892	5 519
Remuneration liabilities	11 506	11 826
Other liabilities	5 671	2 657
Total non-financial liabilities	68 382	43 578

Principles and conditions of the 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 3 months of 2016 as compared to the period of the first 3 months of 2015, material changes in particular items of revenue and costs had place in the following areas:

- the increase in sales revenue by 53,087 thousand PLN results from the increase in the sale volume in the core segments and changes in prices of the basic raw material, i.e. aluminium, and exchange rates;
- the increase in depreciation/amortisation costs by 3,958 thousand PLN results from the Group's investments;
- the increase in the costs of materials by 23,740 thousand PLN results from the increase in sale and related increase in output as well as from changes in prices of the basic raw material, i.e. aluminium, and exchange rates;
- the increase in the costs of external services by 9,664 thousand PLN results mainly from the increase in output and the use of subcontractors;
- the increase in the costs of employee benefits by 8,770 thousand PLN results mainly from the increase in sale, the increase in remunerations and the increase in employment in the Group;
- the decrease in finance costs by 5,223 thousand PLN results mainly from the smaller depreciation of Ukrainian hryvnia than in the first quarter of 2015 and resulting negative currency translation differences in the Group's companies operating in Ukraine.

20. Discontinued operations

In the period of 3 months of 2016 and in the period of 3 months of 2015, the Group did not discontinue any significant operations.

21. Business combinations and acquisitions of non-controlling interests

There were no business combinations in the period.

22. Investments in associates

There were no investments in associates in the reporting period.

23. Objectives and principles of financial risk management

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

24. Capital management

The main aim of the Group's capital management process is to maintain safe equity ratios which would support the Group's operating activities 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 financial periods ended on 31 March 2016 and 31 December 2015, 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 preference shares, equity of the parent's shareholders less capital reserves for unrealised net gains.

	31.03.2016 (not audited)	31.12.2015 (audited)
Interest-bearing lease and loans	295 333	314 820
Trade and other liabilities	270 022	241 168
Less cash and cash equivalents	(79 605)	(72 704)
Net debt	485 750	483 284
Equity	1 338 147	1 278 843
Equity and net debt	1 823 897	1 762 127
Leverage ratio	26.63%	27.43%

25. Contingent liabilities

Item	31.03.2016 (not audited)	31.12.2015 (audited)
Performance bond from the ASS*	69 542	72 772
Building bank guarantees granted by Metalplast Stolarka sp. z o.o.**	27 488	30 342
Building guarantees granted by other companies	694	0
Banking performance bond for a rental contract (expires in the first half of 2016)	418	411
Total granted guarantees	98 142	103 525

* The Group supplies elements under a substantial contract. To secure the performance of the contract, the Group issues an insurance bond with the expiry date 30-11-2016.

**Building guarantees are related to the proper performance of construction services contracts, and their validity dates depend on the terms and conditions of particular contracts.

Apart from aforementioned liabilities, there are no other contingent liabilities.

26. Investment obligations

The table below presents liabilities related to the purchase of property, plant and equipment 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 non-current assets by segments	31.03.2016 (not audited)	31.12.2015 (audited)
Extruded Products Segment	6 554	3 374
Flexible Packaging Segment*	22 292	29 784
Aluminium Systems Segment	10 346	6 269
Building Services Segment	68	0
Building Accessories Segment	1 718	461
Other	0	575
TOTAL	40 978	40 463

27. Derivative financial instruments

Financial assets	31.03.2016 (not audited)	31.12.2015 (audited)
Currency forwards hedging cash flows	1 699	1 646
Futures for the purchase of aluminium hedging cash flows	60	447
Ineffective currency forwards	1 238	35
TOTAL FINANCIAL ASSETS	2 997	2 128
Financial liabilities	31.03.2016 (not audited)	31.12.2015 (audited)
Currency forwards hedging cash flows	2 700	4 303
Futures for the purchase of aluminium hedging cash flows	1 595	3 294
Ineffective currency forwards	921	179
IRS's hedging interest rates	114	81
TOTAL FINANCIAL LIABILITIES	5 330	7 857

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. In the reporting period, the Company entered into IRS's hedging interest rates of overdraft facilities.

The fair value of futures, forwards and IRS's 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. Forwards/futures and derivative instruments which cannot be classified as hedging instruments are recognised as instruments held for trading.

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

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

28. Shareholding structure and transactions with the management staff

28.1. Shareholding structure

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

Entity	Number of shares 31-03-2016	Interest in capital	Number of shares 31-12-2015	Interest in capital
Aviva OFE Aviva BZ WBK	1 691 276	17.89%	1 691 276	17.91%
Nationale Nederlanden PTE (formerly ING PTE)	1 610 534	17.04%	1 610 534	17.06%
OFE PZU "Złota Jesień"	921 000	9.74%	921 000	9.75%
PTE Allianz Polska	499 748	5.29%	499 748	5.29%
Others	4 731 135	50.04%	4 719 430	49.99%
Total*	9 453 693	100%	9 441 988	100%

*The number of shares disclosed as at 31-03-2016 comprises 11,705 shares acquired in March 2016 as part of the implementation of a programme for the management staff. By the date of the approval of these financial statements for publication, the said shares have not been admitted to trade on the stock exchange.

28.2. Transactions with Members of the Management Board

In the reporting period, the Group did not conduct any transactions with members of the Management Board apart from those described below.

28.3. The costs of the remunerations of the Group's top management

Management Board:	3 months of 2016	3 months of 2015
Costs of short-term employee benefits	411	411
Costs of the provision for annual bonuses and other benefits	424	411
Total costs of remunerations of the members of the Management Board	835	822
The valuation of the costs of options for treasury shares due when the programme is implemented*	230	103
Total payments to the members of the Management Board	1 065	925

* 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 parent company.

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:

	3 months of 2016	3 months of 2015
Management Board of the parent company*	1 065	925
Top management*	2 342	1 879
Supervisory board	156	151
Total	3 563	2 955

* The presented remunerations cover the costs of provisions for annual bonuses for the management staff and share options costs recognised in the income statement. 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 options are recognised in the income statement 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 level of share prices in the future as compared to the acquisition price resulting from the conditions for particular parts of the options programme.

28.4. 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.

Under the programme, the members of the Management Board hold options entitling them to purchase 11,604 shares from the first part of the 2012 programme. In the period, members of the Management Board did not subscribe for any shares of the Company.

In addition, after meeting the programme conditions, the members of the Management Board will acquire the right, according to the terms and conditions of the programme, to purchase up to 27,280 options from the second part of the 2012 programme and up to 28,000 options from the third part of the 2012 programme as well as up to 15,000 options from the first part of the 2015 programme. The costs of related benefits recognised in the income statement for the period of 3 months of 2016 amounted to 230 thousand PLN (103 thousand PLN for 3 months of 2015). 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, according to the terms and conditions of the programme, subscribed for 11,705 shares from the first part of the 2012 programme.

In addition, after meeting the programme conditions, the members of the top management will acquire the right to purchase up to 27,520 options from the second part; 31,000 options from the third part of the 2012 programme; and 35,000 share options from the first part of the 2015 programme.

The costs of options for the top management charged to the result amounted in the period of 3 months of 2016 to 497 thousand PLN (114 thousand PLN in the period of 3 months of 2015).

In the reporting period, members of the top management did not subscribe for any shares of Grupa Kęty S.A.

29. Shares issue and capital increase

In the reporting period, as part of the implementation of the options programme for the management staff, eligible persons subscribed for 11,705 shares of the Company at 117.10 PLN per share. In addition, the Company issued 14,455 share options under the 2012 programme for the management staff entitling their holders to subscribe for series G shares at the issue price of 117.10 PLN per share; and 7,500 options for series F shares under the 2009 programme for the management staff at the issue price of 125.57 PLN. As at 31.03.2015, the aforementioned shares were not subscribed for.

Below, we present the method of recognising proceeds from employee-related issues of shares.

Shares	No. of shares	Acquisition year	Value ('000' PLN)	Amounts charged to share capital	Amounts charged to share premium
Series E shares – the 2006 programme	13 375	2013	1 669	33	1 636
Series F shares – the 2009 programme	85 200	2013	6 547	213	6 334
Series F shares – the 2009 programme	9 000	2014	1 059	23	1 036
Series E shares – the 2006 programme	4 350	2014	543	11	532
Series F shares – the 2009 programme	43 200	2014	5 082	108	4 974
Series F shares – the 2009 programme	12 750	2014	1 601	32	1 569
Series F shares – the 2009 programme	48 450	2015	6 083	121	5 962
Series G shares – the 2012 programme*	11 705	2016	1 371	-	-
TOTAL	228 030		23 955	541	22 043

*By the balance sheet date, the shares have not been registered in the National Court Register.

30. Fair value measurement methods (fair value hierarchy)

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

The carrying amount of investment properties is based on fair values determined on the basis of the valuation conducted by a qualified independent expert experienced in 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 3'.

The fair value of futures and forwards is calculated on the basis of the present net value of 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 forwards is determined by reference to the present forward rates for contracts with similar maturity.

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 recognised in profit or loss 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	Fair value hierarchy level	31.03.2016 (not audited)	31.12.2015 (audited)
Assets			
Investment properties	3	11 937	11 927
Hedging derivatives	2	2 997	2 128
TOTAL ASSETS		14 934	14 055
Liabilities			
Hedging derivatives	2	5 330	7 857
TOTAL LIABILITIES		5 330	7 857

31. Earnings per share (EPS)

Below, we present the data related to earnings and the number of shares applied to calculate basic and diluted earnings per share:

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Net profit attributable to the parent's shareholders	54 080	35 114
Weighted average number of ordinary shares assumed for the calculation of earnings per ordinary share	9 443 017	9 393 538
Weighted average number of ordinary shares assumed for the calculation of diluted earnings per ordinary share*	9 452 120	9 417 227
Basic earnings per ordinary share from the basic profit for the period attributable to the parent's shareholders (in PLN)	5.73	3.74
Diluted earnings per share from the basic profit for the period attributable to the parent's shareholders (in PLN)	5.72	3.73

In the reporting period, eligible employees subscribed for 11,705 series G shares at 117.10 PLN. In addition, eligible employees are entitled to subscribe for 14,455 series G shares from the first part of the 2012 programme at 117.10 PLN per share and 7,500 shares from the third part of the programme at 125.57 PLN.

The average market price for the Company's share in the period of 3 months of 2016 was 289.40 PLN. The closing price as at 31.03.2016 was 320.00 PLN.

The potential number of ordinary shares associated with the employee options programme increasing the number of shares and assumed for the calculation of diluted earnings per share is 9,103 shares.

32. Events after the reporting period

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

II.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

INTERIM CONDENSED INCOME STATEMENT

	Note	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Total operating income, including:		197 289	213 547
Sales revenue		196 174	199 433
Other operating income		1 115	1 044
Dividends		0	13 070
Change of inventories of finished goods and work in progress		(600)	2 944
Cost of manufacturing products for own needs		1 316	1 251
Total operating costs, including:		(190 183)	(198 875)
Amortisation/Depreciation		(8 438)	(7 537)
Materials and energy		(125 850)	(141 436)
External services		(29 463)	(25 880)
Taxes and charges		(1 403)	(1 515)
Employee benefits		(24 402)	(21 458)
Other operating costs		(627)	(1 049)
Net profit on operating activities, including dividend		7 822	18 867
Finance income		907	53
Finance costs		(775)	(3 115)
Profit before tax		7 954	15 805
Income tax expense	11	(1 711)	(887)
Net profit on continuing operations		6 243	14 918
Net earnings per share for the period (PLN)			
Basic earnings per share	28	0.66	1.59
Diluted earnings per share	28	0.66	1.58

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Net profit for the period	6 243	14 918
Other comprehensive income*, including:	1 076	(1 194)
Valuation of cash flow hedging instruments	(949)	(29)
Result from cash flow hedge	1 939	(1 171)
Income tax related to other comprehensive income	86	6
Comprehensive income for the period	7 319	13 724

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

INTERIM CONDENSED BALANCE SHEET

ASSETS	Note	31.03.2016 (not audited)	31.12.2015 (audited)
I. Non-current assets		731 245	735 330
Property, plant and equipment		344 804	348 876
Intangible assets		6 291	6 300
Shares and interests		380 048	380 042
Advance payments for property, plant and equipment		102	112
II. Current assets		232 903	209 445
Inventories	14	72 393	72 012
Current tax receivables		789	410
Trade and other receivables	13	150 303	126 729
Derivative financial instruments	20	372	1 377
Cash and cash equivalents	9	9 046	8 917
Total assets		964 148	944 775
EQUITY AND LIABILITIES			
I. Equity		740 417	731 412
Share capital		67 505	67 505
Share premium	26	22 043	22 043
Non-registered capital from the issue of shares	26	1 371	0
Capital from the valuation of property, plant and equipment		3 003	3 003
Capital from share based payments		14 274	13 959
Capital from the valuation of hedging instruments		(1 562)	(699)
Result from cash flow hedging transactions		(131)	(2 070)
Retained earnings		633 914	627 671
II. Long-term liabilities		69 955	70 776
Liabilities related to loans	16	21 627	23 798
Provisions due to employee benefits	15	1 459	1 459
Subsidies		32 004	32 279
Deferred income tax liability		14 865	13 240
III. Short-term liabilities		153 776	142 587
Liabilities related to loans	16	65 239	72 854
Trade and other liabilities	18	75 174	57 785
Provisions and accruals	15	10 079	8 609
Derivative financial instruments	20	2 184	2 239
Subsidies		1 100	1 100
Total equity and liabilities		964 148	944 775

INTERIM CONDENSED CASH FLOW STATEMENT

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Cash flow from operating activities		
Profit before tax	7 954	15 805
Adjustments:	13 791	6 355
Amortisation/Depreciation	8 438	7 537
(Profit) / loss from net currency translation differences	28	(698)
Change in realised result on transactions hedging the price of aluminium charged to equity	1 939	(1 171)
(Profit) / loss from the sale of property, plant and equipment	(25)	(25)
Interest and share of profits	582	600
Share based payments	309	159
Expenditure on the acquisition of a subsidiary's business in 2015	(672)	0
Proceeds from the sale of interests in a subsidiary in 2015	3 188	0
Other items	4	(47)
Cash flow from operating activities before the change of working capital	21 745	22 160
Change in inventories	(381)	14 531
Change in receivables	(26 861)	(28 376)
Change in short-term liabilities, except for loans	27 785	14 104
Change in provisions	1 470	(110)
Change in subsidies	(275)	(356)
Net cash generated from operating activities	23 483	21 953
Tax refunded / (paid)	(379)	(1 714)
Net cash from operating activities	23 104	20 239
Cash flow from investing activities		
(+) Proceeds:	34	106
Sale of intangible assets and property, plant and equipment	34	106
(-) Expenses:	(13 950)	(20 770)
Acquisition of intangible assets and property, plant and equipment	(13 950)	(20 770)
Net cash from investing activities	(13 916)	(20 664)
Cash flow from financing activities		
(+) Proceeds:	3 940	11 672
Net proceeds from the issue of shares	1 371	1 601
Proceeds from borrowings	2 569	10 071
(-) Expenses:	(12 999)	(5 039)
Repayments of borrowings	(12 408)	(4 469)
Interest	(591)	(570)
Net cash from financing activities	(9 059)	6 633
Total net cash flow:	129	6 208
change in cash due to currency translation differences	0	0
Cash and cash equivalents at the beginning of the period	8 917	1 795
Cash and cash equivalents at the end of the period	9 046	8 003

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Non-registered capital from the issue of shares	Capital from the valuation of property, plant and equipment	Capital from share based payments	Capital from the valuation of hedging instruments	Result from cash flow hedge	Retained earnings	Total equity
Equity as at 1 January 2016 (audited)	67 505	22 043	0	3 003	13 959	(699)	(2 070)	627 671	731 412
Comprehensive income for the period:	0	0	0	0	0	(863)	1 939	6 243	7 319
<i>Net profit for the period</i>	0	0	0	0	0	0	0	6 243	6 243
<i>Other comprehensive income</i>	0	0	0	0	0	(863)	1 939	0	1 076
Valuation of share based payments	0	0	0	0	315	0	0	0	315
Issue of shares	0	0	1 371	0	0	0	0	0	1 371
Equity as at 31 March 2016 (not audited)	67 505	22 043	1 371	3 003	14 274	(1 562)	(131)	633 914	740 417
Previous year									
Equity as at 1 January 2015 (audited)	67 352	14 512	1 601	3 174	11 244	(690)	772	616 697	714 662
Comprehensive income for the period:	0	0	0	0	0	(23)	(1 171)	14 918	13 724
<i>Net profit for the period</i>	0	0	0	0	0	0	0	14 918	14 918
<i>Other comprehensive income</i>	0	0	0	0	0	(23)	(1 171)	0	(1 194)
Valuation of share based payments	0	0	0	0	272	0	0	0	272
Issue of shares	31	1 569	(1 601)	0	0	0	0	0	(1)
Equity as at 31 March 2015 (not audited)	67 383	16 081	0	3 174	11 516	(713)	(399)	631 615	728 657

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 ul. Kościuszki 111.

These interim condensed separate financial statements of Grupa Kęty S.A. cover the period of 3 months ended on 31.03.2016 and provide comparative data with regard to the period of 3 months ended on 31.03.2015. The said financial statements were not reviewed or audited by the certified auditor.

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

The Company's business statistical number (**REGON**) is: **070614970**.

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

The Company's business includes the production of, trade in 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. The 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 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, there are no circumstances implying any threats to the continuation of the Company's operation.

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 2015.

These interim condensed separate financial statements have been approved for publication on 20 April 2016.

The Management Board of Grupa Kęty S.A. hereby declares that, according to their best knowledge, these interim condensed separate financial statements and comparable data were prepared according to the accounting principles applicable in the Company and they present a true and fair view of the assets, the financial standing and the financial result of the Company.

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 2015.

4. Areas of estimates

Changes in estimates are described in notes 12, 13, 14, 15 and 25. Apart from the changes described in aforementioned notes, there were no other changes in estimates. **Seasonal nature of operations**

The Company's core business comprises 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 23%). 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

There were no investments in subsidiaries in the reporting period.

8. Changes in the Company's organisational structure

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

9. Cash and cash equivalents

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

	31.03.2016 (audited)	31.12.2015 (audited)
Bank deposits (current accounts) and short-term deposits	9 046	8 917
Cash recognised in the balance sheet and in the cash flow statement	9 046	8 917

As at 31 March 2016, Grupa Kęty S.A. had unused granted credit funds amounting to 111,879 thousand PLN with regard to which all conditions precedent had been complied with (103,667 thousand PLN as at 31 December 2015).

10. Dividends paid and proposed for payment

The result for the reporting period is not distributed.

Grupa Kęty S.A. intends to allocate the amount of 125,734,116.90 PLN to the dividend for 2015.

Therefore, as intended by the Management Board, the dividend per share is to amount to 13.30 PLN for assumed 9,453,693 shares (previous year: 14.41 PLN per share). The Company proposes the date when the right to dividend is determined to be 15 July 2016, and the dividend payment dates (two instalments) to be 5 August 2016 (47,268,465.00 PLN) and 7 December 2016 (78,465,651.90 PLN). The final decision about the levels and dates concerning the dividend will be made by the General Meeting of Shareholders of Grupa Kęty S.A. to be held on 12 May 2016.

11. Income tax expense

The main components of the tax deduction for continuing operations in the income statement are as follows:

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Current income tax		
Current income tax deduction recognised in the income statement	0	(45)
Deferred income tax:		
Recognition (reversal) of tax losses	(2 535)	(140)
Related to the establishment and reversal of temporary differences	824	(702)
Tax deduction recognised in the income statement	(1 711)	(887)

12. Property, plant and equipment

12.1. Purchase and sale

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

	3 months of 2016	3 months of 2015
Acquisition of property, plant and equipment	3 475	17 558
Net value of sold property, plant and equipment	95	81
Profit (loss) on the sale of property, plant and equipment	25	25
The value of liquidated property, plant and equipment due to their faster using up	0	0

In the presented periods, the Company did not recognise impairment losses for property, plant and equipment.

13. Trade and other receivables

	31.03.2016 (not audited)	31.12.2015 (audited)
Short-term receivables		
Trade receivables from related parties	44 039	35 340
Trade receivables from other entities	102 474	85 412
Public law receivables (except for the income tax)	0	596
Down payments (trade-related) for suppliers	1 759	948
Receivables from employees	32	10
Settlements related to transactions hedging the aluminium price	557	494
Receivables related to the sale of interests in Alupol LLC	0	3 188
Other receivables	1 442	741
Net receivables	150 303	126 729

In the period of 3 months of 2016, the Company did not recognise revaluation write-downs for receivables (in the period of 3 months of 2015: 827 thousand PLN). The Company recognises created revaluation write-downs for receivables in 'Other operating costs'.

In the period of 3 months of 2016, the Company reversed revaluation write-downs for receivables amounting to 600 thousand PLN (in the period of 3 months of 2015, the Company reversed revaluation write-downs for

receivables amounting to 241 thousand PLN). The reversal of revaluation write-downs resulted from the receipt of the payments subject to write-downs.

The reversals of revaluation write-downs were presented in 'Other operating income' or in 'Finance income' as received interest according to the nature of receivables.

14. Inventories

	31.03.2016 (not audited)	31.12.2015 (audited)
Materials	21 092	20 325
Work in progress	31 749	25 242
Finished products	19 552	26 445
TOTAL	72 393	72 012

In the period of 3 months of 2016 and in the period of 3 months of 2015, the Company did not recognise or reverse revaluation write-downs for inventories.

15. Provisions and accruals

In the reporting period, the Company established, for a decrease in the result, the deferred income tax liability amounting to 1,711 thousand PLN.

Changes in provisions and accruals:

	As at 31.12.2015	Increases	Utilisation	As at 31.03.2016
Provisions and accruals	10 068	2 854	(1 384)	11 538
long-term part of the provision for jubilee bonuses and retirement benefits	1 459	0	0	1 459
short-term provision for jubilee bonuses and retirement benefits	363	0	0	363
provision for the costs of unused holiday	1 842	520	0	2 362
costs of annual bonus	4 738	2 248	(921)	6 065
cogeneration fees	493	86	(248)	331
costs of damages	430	0	0	430
costs of onerous contracts	664	0	(181)	483
costs of warranty repairs	45	0	0	45
provision for the costs of auditing financial statements	34	0	(34)	0

	As at 31.12.2014	Increases	Utilisation	As at 31.03.2015
Provisions and accruals	11 091	2 228	(2 338)	10 981
long-term part of the provision for jubilee bonuses and retirement benefits	1 761	0	0	1 761
short-term provision for jubilee bonuses and retirement benefits	558	0	0	558
provision for the costs of unused holiday	1 652	541	0	2 193
costs of annual bonus	6 311	1 577	(1 959)	5 929
cogeneration fees	344	110	(344)	110
costs of damages	430	0	0	430
provision for the costs of auditing financial statements	35	0	(35)	0

16. Interest-bearing bank loans and credits

The table below presents changes in the balances of particular loans in the period of 3 months of 2016.

Loan	Lender	Loan currency	31.12.2015	Increase (decrease)	31.03.2016
Long-term	BNP Paribas	PLN	23 798	(2 171)	21 627
Short-term loan	Bank PKO BP	PLN, EUR, USD	3 312	1 238	4 550
Short-term loan	BNP Paribas Polska	PLN, EUR	22 308	(1 088)	21 220
Short-term loan	ING Bank Polska	EUR, PLN	3	0	3
Short-term loan	Bank PeKaO S.A.	EUR, USD, CHF	42 026	(9 096)	32 930
Short-term loan	Bank Societe Generale	PLN, EUR	3 705	1 331	5 036
Short-term cash loan	Alutech Sp. z o.o.	PLN	1 500	0	1 500
Total loans			96 652	(9 786)	86 866

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 Company's liquidity.

17. Share based payments

The details of the programme and the principles for measuring the programme costs are described in the financial statements for 2015. The Group recognises the programme costs proportionally to the period of acquiring rights to options.

As compared to the information presented in the annual financial statements, there were no significant changes of the valuation and of the method of recognising the costs of the programme of options for the management staff.

18. Trade and other liabilities

	31.03.2016 (not audited)	31.12.2015 (audited)
Trade liabilities towards related parties	7 119	5 405
Trade liabilities towards non-related parties	48 257	28 649
Liabilities related to the acquisition of the business of Alu Trans System	0	771
Down payments (trade-related) from customers	1 384	1 006
Public law liabilities (except for income tax liabilities)	11 816	6 150
Remuneration liabilities	3 521	3 785
Securities	4	5
Liabilities due to the purchase of property, plant and equipment	1 180	11 493
Other	1 893	521
TOTAL SHORT-TERM LIABILITIES	75 174	57 785

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

In the period of 3 months of 2016 as compared to the period of 3 months of 2015, material changes in particular items of revenue and costs had place in the following areas:

Dividend income – a decrease in dividend income by 13,070 thousand PLN in the period related to the dates of approving financial statements and the distribution of profit in subsidiaries.

Amortisation/depreciation costs – an increase in amortisation/depreciation costs by 901 thousand PLN related to the investment process implemented in 2015.

External services – an increase in the costs of external services by 3,583 thousand PLN is related to the increase of the number of services acquired from cooperating parties due to the increase in the sale and due to the increase in the sale volume of more processed products.

Costs of materials and energy – the decrease in the costs of materials and energy by 15,586 thousand PLN is related to the decrease in average aluminium prices compensated for partially by the quantitative increase in

the sale of aluminium products by ca. 770 tons, and the associated increase in the consumption of raw materials. As estimated by the Company, the quotations of the average aluminium price in the period of 3 months of 2016 as compared to the period of 3 months of 2015 decreased by ca. 15.8% against the simultaneous increase in the USD exchange rate by ca. 6.5%.

Costs of employee benefits – an increase in the costs of employee benefits by 2,944 thousand PLN results from an increase in sales, and an increase in employment and remunerations in the second half of 2015.

Other operating costs – a decrease in other operating costs by 422 thousand PLN related mainly to the lower value of revaluation write-downs for receivables.

Finance costs – a decrease in finance costs by 2,340 thousand PLN results mainly from the appreciation of USD against PLN in the first quarter of 2015 with simultaneous depreciation of EUR against PLN, which resulted in the increase in negative currency translation differences in the first quarter of 2015. In the first quarter of 2016, there were no such negative events.

20. Financial instruments

Financial assets	31.03.2016 (not audited)	31.12.2015 (audited)
Currency forwards hedging cash flows	372	950
Futures for the purchase of aluminium hedging cash flows	0	427
TOTAL FINANCIAL ASSETS	372	1 377
Financial liabilities	31.03.2016 (not audited)	31.12.2015 (audited)
Currency forwards hedging cash flows	1 328	31
Futures for the purchase of aluminium hedging cash flows	742	2 127
IRS's hedging interest rates of loans	114	81
TOTAL FINANCIAL LIABILITIES	2 184	2 239

21. Objectives and principles of financial risk management

The objectives and principles of financial risk management are described in the annual financial statements for 2015 published on 16 March 2016. No changes had place in the objectives and principles of risk management as compared to the ones described in the financial statements for 2015.

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	31.03.2016	31.12.2015
Bank guarantee securing production hall rental payments	418	411
Total granted guarantees	418	411

In addition, the Company received or granted guarantees and sureties presented in the table below. According to the Company's present estimates, the guarantees and sureties presented below will not be realised.

Granted guarantees and sureties from subsidiaries

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	27-04-2017
Aluprof S.A.	Surety for an insurance guarantee	694	15-03-2021
Aluprof S.A.	Surety for futures/forwards	27 500	No maturity
Alupol Packaging S.A.	Surety for futures/forwards	5 500	No maturity
Alupol Packaging Kęty sp. z o.o.	Surety for futures/forwards	5 500	No maturity
Alupol Films Sp. z o.o.	Surety for futures/forwards	5 500	No maturity
Metalplast Stolarka Sp. z o.o.	Surety for futures/forwards	5 500	No maturity

Guarantees and securities received from subsidiaries

From:	Purpose	Amount	Maturity
Aluprof S.A.	Loan security	5 000	27-04-2017
Alupol Packaging Kęty Sp. z o.o.	Loan security	50 000	30-12-2016
Aluprof, FPS companies	Surety for futures/forwards	5 500	No maturity

In addition:

- Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alutrans sp. z o.o., Alupol Packaging Kęty sp. z o.o. and Romb S.A. entered into an agreement with PKO BP S.A. concerning an overdraft facility up to the total amount of 80 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan. The amounts of the said loan utilised by other companies as at the balance sheet date amounted to 1,142 thousand PLN. The agreement is valid until 30.09.2016.
- Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alupol Packaging Kęty sp. z o.o., Alupol Films and Metalplast Stolarka sp. z o.o. entered into an agreement with Pekao S.A. for an overdraft facility up to the total amount of 180 million PLN. All the companies being parties to this agreement are jointly and severally liable for the liabilities related to this loan. The amounts of the said loan utilised by other companies as at the balance sheet date amounted to 60,366 thousand PLN. The agreement is valid until 31.10.2016.
- 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. The amount of the said loan utilised by Metalplast Stolarka as at the balance sheet date amounted to 28,104 thousand PLN. The agreement is valid until 30.05.2016.
- Grupa Kęty S.A., Aluprof S.A., Alupol Packaging S.A., Metalplast Stolarka Sp. z o.o., Alupol Packaging Kęty Sp. z o.o., Alupol Films Sp. z o.o. and ROMB S.A. entered into an agreement with BGŻ BNP Paribas Polska S.A. for an overdraft facility 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. The amount of the said loan utilised by the companies as at the balance sheet date amounted to 44,540 thousand PLN. The agreement is valid until 01.06.2016.
- Grupa Kęty S.A. and Metalplast Stolarka sp. z o.o. entered into an agreement with BGŻ BNP Paribas Polska S.A. for a guarantee facility up to the total amount of 20 million PLN, and Grupa Kęty S.A. granted its surety for the said agreement. As at the balance sheet date, Metalplast Stolarka issued guarantees under this agreement amounting to 7,543 thousand PLN. This agreement will be valid until the expiry of the guarantees; and the last guarantees for this loan will expire in 2023.
- Grupa Kęty granted its surety for bills of exchange securing a guarantee line agreement amounting to 20,000 thousand PLN between Metalplast-Stolarka Sp. z o.o. and Euler-Hermes. As at the balance sheet date, the value of issued guarantees amounted to 1,273 thousand PLN. The guarantees are valid until 28.02.2018.
- Grupa Kęty assumed liability for the guarantees of Euler-Hermes issued for customers of Metalplast-Stolarka Sp. z o.o. As at the balance sheet date, the value of issued guarantees amounted to 2,367 thousand PLN. The guarantees are valid until 11.04.2017.

24. Investment obligations

As at 31 March 2016, the Company committed itself to incur expenditure on property, plant and equipment amounting to 5,597 thousand PLN (as at 31 December 2015, the investment obligations amounted to 6,269 thousand PLN). The amounts will be allocated to the purchase of new plant and machinery.

25. Related party transactions

Transactions within the Capital Group for the period from 1 January 2016 to 31 March 2016 and as at 31 March 2016.

Related party	Sale	Purchases	Receivables	Liabilities	Dividends
Aluprof S.A.	38 315	197	41 606	562	0
Alupol Packaging S.A.	331	0	252	0	0
Alu Trans System Sp. z o.o.	1	0	0	0	0
Dekret Sp. z o.o.	201	371	70	149	0
Aluprof Hungary Sp. z o.o.	45	56	25	68	0
Metalplast Stolarka Sp. z o.o.	646	89	409	61	0
Alupol Ukraina LLC	462	1 025	1 364	99	0
Alutech Sp. z o.o. w likwidacji	1	0	0	0	0
Romb S.A.	225	2	155	0	0
Aluform Sp. z .o.o.	483	13 627	216	6 180	0
Alupol Packaging Kęty Sp. z o.o.	2 099	4	1 306	0	0
Aluprof System Czechy sro	0	59	0	0	0
Grupa Kęty Italia srl	0	379	0	0	0
Total	42 809	15 428	44 039	7 119	0

In addition, due to the payment of a portion of receivables by Alupol Ukraina LLC, the company reversed a write-down of 595 thousand PLN.

Apart from the aforementioned transactions, in the period of 3 months of 2015, the Company did not carry out any other related party transactions.

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

25.1. Transactions with Members of the Management Board

In the period, the Company did not conduct any transactions with members of the Management Board apart from those described below.

25.2. Remunerations of the Company's top management

Management Board:	3 months of 2016	3 months of 2015
Costs of short-term employee benefits	411	411
Costs of the provision for annual bonuses and other benefits	424	411
Total costs of remunerations of the members of the Management Board	835	822
The valuation of the costs of options for treasury shares, due in the case the programme is implemented*	230	103
Total payments to the members of the Management Board	1 065	925

* 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:

	3 months of 2016	3 months of 2015
Proxies of the parent company*	194	154
Management Board of the parent company*	1 065	925
Supervisory Board	156	151
TOTAL	1 415	1 230

* The presented remunerations cover the costs of provisions for annual bonuses for the management staff and share options costs recognised in the income statement. 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 options are recognised in the income statement 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 level 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.

Under the programme, the members of the Management Board hold options entitling them to purchase 11,604 shares from the first part of the 2012 programme.

In the period, members of the Management Board did not subscribe for any shares of the Company.

In addition, after meeting the programme conditions, the members of the Management Board will acquire the right, according to the terms and conditions of the programme, to purchase up to 27,280 options from the first part of the 2012 programme and up to 28,000 options from the second part of the 2012 programme as well as up to 15,000 options from the third part of the 2015 programme. The costs of related benefits recognised in the income statement for 3 months of 2016 amounted to 230 thousand PLN (103 thousand PLN for 3 months of 2015). Options to purchase shares were also granted to proxies. In the reporting period, the Proxies, according to the terms and conditions of the programme, subscribed for 3,428 shares from the first part of the 2012 programme.

In addition, after meeting the programme conditions, the Proxies may acquire the right to purchase up to 8,060 share options from the second part of the 2012 programme, up to 8,500 share options from the third part of the 2012 programme as well as up to 6,000 share options from the first part of the 2015 programme.

The costs of related benefits recognised in the income statement for 3 months of 2016 amounted to 71 thousand PLN (31 thousand PLN for 3 months of 2015).

In the period, the members of the top management did not subscribe for any shares of the Company.

26. Issue of shares

In the reporting period, as part of the implementation of the options programme for the management staff, eligible persons subscribed for 11,705 shares of the Company at 117.10 PLN per share. In addition, the Company issued 14,455 share options under the 2012 programme for the management staff entitling their holders to subscribe for series G shares at the issue price of 117.10 PLN per share, and 7,500 options for series F shares under the 2009 programme for the management staff at the issue price of 125.57 PLN. As at 31.03.2015, the aforementioned shares were not subscribed for.

Below, we present the method of recognising proceeds from employee-related issues of shares.

Shares	Number of shares	Acquisition year	Value ('000' PLN)	Amount charged to share capital	Amounts charged to share premium
Series E shares – the 2006 programme	13 375	2013	1 669	33	1 636
Series F shares – the 2009 programme	85 200	2013	6 547	213	6 334
Series F shares – the 2009 programme	9 000	2014	1 059	23	1 036
Series E shares – the 2006 programme	4 350	2014	543	11	532
Series F shares – the 2009 programme	43 200	2014	5 082	108	4 974
Series F shares – the 2009 programme	12 750	2014	1 601	32	1 569
Series F shares – the 2009 programme	48 450	2015	6 083	121	5 962
Series G shares – the 2012 programme*	11 705	2 016	1 371	-	-
TOTAL	228 030		23 955	541	22 043

*By the balance sheet date, the shares have not been registered in the National Court Register.

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

The fair value of futures, forwards and IRS's 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 present interest rates.

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

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 recognised 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	Hierarchy level	31.03.2016 (audited)	31.12.2015 (audited)
Financial assets			
Hedging derivatives	2	372	1 377
Financial liabilities			
Hedging derivatives	2	2 184	2 239

28. Earnings per share

Below, we present the data related to net earnings and the number of shares used to calculate basic and diluted earnings per share:

	3 months ended on 31.03.2016 (not audited)	3 months ended on 31.03.2015 (not audited)
Net profit	6 243	14 918
Weighted average number of ordinary shares assumed for the calculation of earnings per ordinary share	9 443 017	9 393 538
Weighted average number of ordinary shares assumed for the calculation of diluted earnings per ordinary share*	9 452 120	9 417 227
Basic earnings per share (in PLN)	0.66	1.59
Diluted earnings per share (in PLN)	0.66	1.58

In the reporting period, eligible employees subscribed for 11,705 series G shares at 117.10 PLN. In addition, eligible employees are entitled to subscribe for 14,455 series G shares from the first part of the 2012 programme at 117.10 PLN per share and 7,500 shares from the third part of the programme at 125.57 PLN.

The average market price for the Company's share in the period of 3 months of 2016 was 289.40 PLN. The closing price as at 31.03.2016 amounted to 320.00 PLN.

The potential number of ordinary shares associated with the employee options programme increasing the number of shares and assumed for the calculation of diluted earnings per share is 9,103 shares.

29. Events after the reporting period

After the reporting period, there were no significant events which should 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

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Kęty, 20 April 2016

.....

Signature of the person entrusted with bookkeeping

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

.....

Kęty, 20 April 2016