CAPITAL GROUP OF GRUPA KĘTY S.A.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2015 ENDED ON 30 JUNE 2015 PREPARED PURSUANT TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated semi-annual report PSr 2015

(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 as amended) for the issuers of securities involved in the production, construction, trading or servicing activities for the first half of the financial year 2015 covering the period from 01.01.2015 to 30.06.2015, comprising the interim condensed consolidated financial statements pursuant to IAS 34 in the Polish currency (PLN) and the interim condensed financial statements pursuant to IAS 34 in the Polish currency (PLN).

13 August 2015
(delivery date)

GRUPA KĘTY SPÓŁKA AKCYJNA	
(Issuer's full name)	
KETY	**Metal (met)**
(Issuer's short name)	(sector according to the WSE classification / industry)
32-650	**Kęty**
(postal code)	(town/city)
Kościuszki	**111**
(street)	(building number)
33 844 60 00	**33 845 30 93**
(telephone number)	**(fax number)**
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549-000-14-68	**070614970**
(Tax ID Number - NIP)	**(Statistical ID Number - REGON)**

SELECTED FINANCIAL FIGURES

Figures concerning the consolidated financial statements pursuant to IFRS				
ITEMS OF THE INCOME STATEMENT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	**in '000' PLN**		**in '000' EUR**	
	First half of 2015	**First half of 2014**	**First half of 2015**	**First half of 2014**
Net sales revenue	960 867	851 596	232 425	203 809
Profit on operating activities	114 478	109 527	27 691	26 213
Profit before tax	106 943	99 215	25 869	23 745
Net profit	92 689	83 406	22 421	19 961
Net profit (loss) attributable to the parent's shareholders	92 689	83 406	22 421	19 961
Total net income (loss)	89 605	81 070	21 675	19 402
Total net income (loss) attributable to the parent's shareholders	89 605	81 070	21 675	19 402
Net cash flow from operating activities	68 438	119 830	16 555	28 678
Net cash flow from investing activities	-107 283	-43 531	-25 951	-10 418
Net cash flow from financing activities	55 087	-67 443	13 325	-16 141
Total net cash flow	16 242	8 856	3 929	2 119
Net earnings per ordinary share attributable to the parent's shareholders (in PLN/EUR)	9.86	8.90	2.39	2.13
Diluted net earnings per ordinary share attributable to the parent's shareholders (in PLN/EUR)	9.84	8.89	2.38	2.13
BALANCE SHEET ITEMS	**30.06.2015**	**31.12.2014**	**30.06.2015**	**31.12.2014**
Total assets	1 943 247	1 797 508	463 296	421 723
Liabilities and provisions for liabilities	779 312	594 276	185 798	139 426
Long-term liabilities	140 943	107 118	33 603	25 132
Short-term liabilities	638 369	487 158	152 196	114 295
Equity of the parent's shareholders	1 163 935	1 203 232	277 497	282 296
Share capital	67 383	67 352	16 065	15 802
Number of shares	9 441 988	9 393 538	9 441 988	9 393 538
Book value per share (in PLN/EUR)	123.27	128.09	29.39	30.05
Diluted book value per share (in PLN/EUR)	123.22	127.67	29.38	29.95
Dividend per share – declared or paid (in PLN/EUR)	0.00	14.41	0.00	3.38

Figures concerning the separate financial statements pursuant to IFRS				
ITEMS OF THE INCOME STATEMENT, COMPREHENSIVE INCOME AND CASH FLOW STATEMENT	**in '000' PLN**		**in '000' EUR**	
	First half of 2015	**First half of 2014**	**First half of 2015**	**First half of 2014**
Net sales revenue	411 067	330 451	99 433	79 086
Profit on operating activities	131 434	99 684	31 793	23 857
Profit before tax	129 862	98 507	31 412	23 575
Net profit	127 936	98 229	30 947	23 509
Total net income	125 338	101 655	30 318	24 329
Net cash flow from operating activities	37 167	25 022	8 990	5 988
Net cash flow from investing activities	-36 114	-10 632	-8 736	-2 545
Net cash flow from financing activities	10 469	-423	2 532	-101
Total net cash flow	11 522	13 967	2 787	3 343
Earnings per ordinary share (in PLN/EUR)	13.61	10.49	3.29	2.51
Diluted earnings per ordinary share (in PLN/EUR)	13.58	10.46	3.28	2.50
BALANCE SHEET ITEMS	**30.06.2015**	**31.12.2014**	**30.06.2015**	**31.12.2014**
Total assets	1 120 251	974 701	267 083	228 680
Liabilities and provisions for liabilities	408 851	260 039	97 475	61 009
Long-term liabilities	88 184	73 429	21 024	17 228
Short-term liabilities	320 667	186 610	76 451	43 782
Equity	711 400	714 662	169 607	167 671
Share capital	67 383	67 352	16 065	15 802
Number of shares	9 441 988	9 393 538	9 441 988	9 393 538
Book value per share (in PLN/EUR)	75.34	76.08	17.96	17.85
Diluted book value per share (in PLN/EUR)	75.31	75.83	17.95	17.79
Dividend per share – declared or paid (in PLN/EUR)	0.00	14.41	0.00	3.38

The above financial figures for the first half of 2015 and of 2014 were translated into EUR as follows:

- assets and liabilities – at the average exchange rate of the National Bank of Poland (NBP) as at 30.06.2015 – 4.1944 PLN/EUR and as at 31.12.2014 – 4.2623 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: first half of 2015 – 4.1341 PLN/EUR; first half of 2014 – 4.1784 PLN/EUR.

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I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	3 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2015 (not audited)	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)
Total operating income, including:		**503 391**	**971 072**	**441 697**	**857 301**
Sales revenue	7	494 916	960 867	438 744	851 596
Other operating income		8 475	10 205	2 953	5 705
Change of inventories of finished goods and work in progress		5 362	8 239	5 468	7 470
Cost of manufacturing products for own needs		3 019	5 693	2 549	5 379
Total operating costs, including:		**(449 614)**	**(870 526)**	**(388 581)**	**(760 623)**
Depreciation/Amortisation		(22 002)	(43 429)	(20 201)	(39 657)
Materials, energy and the value of goods and materials sold		(313 338)	(605 757)	(262 481)	(520 925)
External services		(39 603)	(75 225)	(38 658)	(66 107)
Taxes and charges		(3 564)	(6 877)	(3 065)	(5 917)
Employee benefits		(65 401)	(128 816)	(59 413)	(115 748)
Other operating costs		(5 706)	(10 422)	(4 763)	(12 269)
Profit on operating activities		**62 158**	**114 478**	**61 133**	**109 527**
Finance income		271	433	339	774
Finance costs		5 596	(7 716)	(2 537)	(11 086)
Share of net profit of entities accounted for using the equity method		(109)	(252)	0	0
Profit before tax		**67 916**	**106 943**	**58 935**	**99 215**
Income tax expense	10	(10 341)	(14 254)	(6 294)	(15 809)
Net profit on continuing operations		**57 575**	**92 689**	**52 641**	**83 406**
Attributable to non-controlling shareholders		0	0	0	0
Attributable to the parent's shareholders		**57 575**	**92 689**	**52 641**	**83 406**
Earnings per share attributable the parent's shareholders (PLN)	31				
Basic		6.12	9.86	5.62	8.90
Diluted		6.11	9.84	5.62	8.89

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2015 (not audited)	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)
Net profit for the period	**57 684**	**92 689**	**52 641**	**83 406**
Other comprehensive income*:	**(1 870)**	**(3 084)**	**2 241**	**(2 336)**
Cumulative translation adjustment	1 157	(88)	(972)	(6 398)
Valuation of cash flow hedging instruments	(3 775)	(2 291)	1 825	2 707
Result from cash flow hedge	(67)	(1 238)	1 986	2 120
Income tax related to other comprehensive income	815	533	(598)	(765)
Comprehensive income for the period	**55 814**	**89 605**	**54 882**	**81 070**
Comprehensive income attributable to:				
Non-controlling shareholders	0	0	0	0
Parent's shareholders	**55 814**	**89 605**	**54 882**	**81 070**

**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	30.06.2015 (not audited)	31.12.2014 (audited)
I. Non-current assets		**1 071 513**	**1 016 520**
Property, plant and equipment	11	879 908	851 945
Intangible assets		64 180	52 839
Goodwill	12	17 561	17 561
Investment properties		12 520	12 398
Interests in entities accounted for using the equity method	22	0	240
Other investments		11	11
Other receivables		5 315	7 252
Advance payments for the purchase of property, plant and equipment		27 562	10 190
Deferred income tax assets		64 456	64 084
II. Current assets		**871 734**	**780 988**
Inventories	14	326 564	308 483
Current tax receivables		2 326	2 162
Trade and other receivables	13	458 086	401 896
Short-term investments		73	87
Derivative financial instruments	27	2 013	1 930
Cash and cash equivalents	8	82 672	66 430
Total assets		**1 943 247**	**1 797 508**

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (cont.)

EQUITY AND LIABILITIES	Note	30.06.2015 (not audited)	31.12.2014 (audited)
I. Equity		**1 163 935**	**1 203 232**
Share capital		67 383	67 352
Share premium		16 081	14 512
Capital from the issue of non-registered shares	29	6 084	1 601
Capital from share based payments		12 332	11 244
Result from cash flow hedging transactions		717	1 438
Capital from the valuation of hedging instruments		(2 750)	(475)
Capital from the valuation of property, plant and equipment		3 174	3 174
Retained earnings		1 088 524	1 131 908
Cumulative translation adjustment		(27 610)	(27 522)
Equity attributable to the parent's shareholders		**1 163 935**	**1 203 232**
Equity of non-controlling shareholders		0	0
II. Long-term liabilities		**140 943**	**107 118**
Liabilities due to borrowings and finance lease	16	50 834	23 307
Other liabilities		2 038	1 981
Provisions	15	2 050	760
Provisions due to employee benefits	15	5 799	5 799
Subsidies		37 905	38 897
Deferred income tax liability		42 317	36 374
III. Short-term liabilities		**638 369**	**487 158**
Liabilities due to borrowings and finance lease	16	233 399	211 855
Income tax liabilities		3 441	10 191
Trade and other liabilities	18	374 296	237 653
Provisions and accruals	15	19 696	22 844
Derivative financial instruments	27	5 449	2 523
Subsidies		2 088	2 092
Total equity and liabilities		**1 943 247**	**1 797 508**

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 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	(721)	(2 275)	0	92 689	(88)	**89 605**	0	**89 605**
Net profit for the period	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*92 689*	*0*	***92 689***	*0*	***92 689***
Other comprehensive income	*0*	*0*	*0*	*0*	*(721)*	*(2 275)*	*0*	*0*	*(88)*	***(3 084)***	*0*	***(3 084)***
Costs of share based payments	0	0	0	1 088	0	0	0	0	0	**1 088**	0	**1 088**
Payment of dividend	0	0	0	0	0	0	0	(136 073)	0	**(136 073)**	0	**(136 073)**
Issue of shares	31	1 569	4 483	0	0	0	0	0	0	**6 083**	0	**6 083**
Equity as of 30 June 2015 (not audited)	**67 383**	**16 081**	**6 084**	**12 332**	**717**	**(2 750)**	**3 174**	**1 088 524**	**(27 610)**	**1 163 935**	**0**	**1 163 935**
Previous year												
Equity as of 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**
Comprehensive income for the period:	0	0	0	0	1 871	2 191	0	83 406	(6 398)	**81 070**	0	**81 070**
Net profit for the period	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*83 406*	*0*	***83 406***	*0*	***83 406***
Other comprehensive income	*0*	*0*	*0*	*0*	*1 871*	*2 191*	*0*	*0*	*(6 398)*	***(2 336)***	*0*	***(2 336)***
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 of 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**

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Cash flow statement	6 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2014 (not audited)
Cash flow from operating activities		
Profit before tax	**106 943**	**99 215**
Adjustments:	44 796	45 105
Share of net profit of entities accounted for using the equity method	252	0
Depreciation/Amortisation	43 429	39 657
Creation/(reversal) of revaluation write-downs	142	0
Profit from net currency translation differences	(942)	3
(Profit) / loss from the sale of property, plant and equipment	(113)	(475)
Interest and share of profits	2 258	3 385
Proceeds/(expenses) related to hedging instruments charged to equity	(721)	2 210
Costs of share based payments	1 088	413
Valuation of currency forwards/futures	33	0
Negative goodwill	(613)	0
Other items (net)	(17)	(88)
Cash flow from operating activities before the change of working capital	**151 739**	**144 320**
Change in inventories	(14 267)	(20 953)
Change in net receivables	(53 931)	(30 197)
Change in short-term liabilities, except for loans	6 824	45 533
Change in provisions	(1 858)	(1 303)
Change in deferred income	(996)	(1 045)
Net cash generated from operating activities	**87 511**	**136 355**
Tax paid	(19 073)	(16 525)
Net cash from operating activities	**68 438**	**119 830**
Cash flow from investing activities		
(+) Proceeds:	324	745
Sale of intangible assets and property, plant and equipment	310	745
Other proceeds	14	0
(-) Expenses:	(107 607)	(44 276)
Acquisition of intangible assets and property, plant and equipment	(95 405)	(40 053)
Expenditure on acquisitions of other entities	(12 202)	(4 163)
Other expenses	0	(60)
Net cash from investing activities	**(107 283)**	**(43 531)**
Cash flow from financing activities		
(+) Proceeds:	110 464	10 364
Net proceeds from the issue of shares	7 685	6 684

Proceeds from borrowings	102 777	3 680
Proceeds from the issue of debt securities	2	0
(-) Expenses:	(55 377)	(77 807)
Repayments of borrowings	(52 946)	(74 276)
Redemption of debt securities	(1)	0
Finance lease rentals	(87)	(39)
Interest	(2 343)	(3 492)
Net cash from financing activities	**55 087**	**(67 443)**
Total net cash flow:	**16 242**	**8 856**
- change in cash due to currency translation differences	0	0
Cash and cash equivalents at the beginning of the period	**66 430**	**75 121**
Cash and cash equivalents at the end of the period	**82 672**	**83 977**

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 30.06.2015 and provide comparative data for the first half of the year which ended on 30.06.2014 as well as figures as at 31.12.2014.
The said financial statements were reviewed by the certified auditor. The statement of comprehensive income, the income statement and notes to the statement of comprehensive income and to the income statement cover additional figures for the period of three months ended on 30.06.2015 and comparative data for the period of three months ended on 30.06.2014; the data 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 a company 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 was assigned its tax identification number **(NIP) 549-000-14-68** as well as its statistical number **(REGON): 070614970.**

The parent company is listed at Warsaw Stock Exchange under No. **ISIN PLKETY000011** and classified in the metal sector.
The effective period of the operation of the parent company and of the entities of the Capital Group is indefinite.

The Group's basic range of activity includes production, 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's name	Shares in the basic capital as at 30.06.2015	Shares in the basic capital as at 31.12.2014	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	Production 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	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 woodwork	Grupa Kęty S.A.	100.00%	100.00%	07/2000	BSS
Alupol LLC	Borodianka, Ukraine	Production 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
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
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	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%	100.00%	5/2014	EPS
Marius Hansen Facader A/S	Viborg, Denmark	Production and assembly of 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%	-	6/2015	ASS

As of the balance sheet date and as of the previous balance sheet date, the Group's share in the total number of votes in subsidiaries equalled the Group's share in the capitals of these entities. Associates are described in note 22.

3. The 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 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 were approved for publication on 13 August 2015.

As of the day of the approval of these financial statements, there are no circumstances implying any threats to the continuation of the operation of 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 2014.

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 accounting principles applicable in the Group and they present a true and fair view of the assets, the financial standing and the 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 2014.

In these interim condensed consolidated financial statements, significant judgments made by the Management Board regarding the accounting principles applied by the Group and the main sources of uncertainty estimation were the same as those described in the consolidated financial statements for 2014.

From 1 January 2015, the Capital Group has been subject to the following standards and interpretations:

- Annual improvements to IFRSs − 2011-2013 Cycle, introducing small amendments to IFRS 1 First-*time Adoption of International Financial Reporting Standards*, IFRS 3 *Business Combinations*, IFRS 13 *Fair Value Measurement* and IAS 40 *Investment Property*.

- IFRIC 21 *Levies*

By the date of the publication of these financial statements, the application of the aforementioned amendments has been approved by the European Union.

The application of the aforementioned amendments did not materially affect the Group's accounting policy or these financial statements.

5. Areas of estimates

The main accounting estimates and adopted assumptions are presented in 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
- estimates concerning the valuation of the impairment of assets in Ukraine
- estimates concerning the measurement of the fair value of held assets and liabilities

In the case of estimates related to 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 reporting period would increase by 5,165 thousand PLN (6 months of 2014: 5,720 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 1,004 thousand PLN (30 June 2014: 1,710 thousand PLN).

In the reporting 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 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) 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 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; it is related to the cycle of works in the construction industry, which 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 construction 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 six 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 are presented in note 4 in the Report on the Operations of the Issuer's Capital Group published on 17 March 2015 with the consolidated financial statements for 2014.

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

The results of a given Segment are assessed on the basis of its revenue, EBIT, EBITDA and capital expenditure. EBIT is operating profit. EBITDA is operating profit less amortization/depreciation and reversal/creation of impairment losses for non-current assets.

The Group's financing and its income taxes are managed at the Group's level and are not allocated to operating segments.

Basic economic figures for the Issuer's operating segments:

6 months of 2015:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Income statement								
Sale	211 119	416 802	368 013	20 012	54 034	13 303	(122 416)	960 867
- outside the Group	211 091	312 424	363 171	12 647	53 342	8 192	0	960 867
- to other segments	28	104 378	4 842	7 365	692	5 111	(122 416)	0
Operating profit (EBIT)	39 568	22 473	55 032	(404)	96	(6 049)	3 762	114 478
Depreciation/Amortisation	9 036	21 957	8 406	2 151	856	1 028	(5)	43 429
EBITDA	48 604	44 430	63 438	1 747	952	(5 021)	3 757	157 907
Balance sheet								
Segment's assets	536 113	679 138	540 070	61 221	86 486	523 289	(483 070)	1 943 247
Segment's trade liabilities	68 512	57 243	106 231	4 183	25 295	4 980	(80 910)	185 534
Unallocated liabilities (joint)						715 852	(122 074)	593 778
Total liabilities	68 512	57 243	106 231	4 183	25 295	720 832	(202 984)	779 312
Other								
Capital expenditure on non-current assets	19 692	38 940	25 556	1 733	44	568	0	86 533

Second quarter of 2015:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Income statement								
Sale	103 911	215 042	197 782	11 074	29 972	5 951	(68 816)	494 916
- outside the Group	103 894	155 121	195 738	7 309	29 385	3 469	0	494 916
- to other segments	17	59 921	2 044	3 765	587	2 482	(68 816)	0
Operating profit (EBIT)	20 592	10 395	30 724	(488)	1 542	(3 045)	2 438	62 158
Depreciation/Amortisation	4 594	11 133	4 232	1 083	425	537	(2)	22 002
EBITDA	25 186	21 528	34 956	595	1 967	(2 508)	2 436	84 160
Other								
Capital expenditure on non-current assets	14 782	16 774	20 715	910	33	301	0	53 515

6 months of 2014:

Group's business segments	FPS	EPS	ASS	BAS	BSS	Other	Eliminations	Total
Income statement								
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 non-current 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
Income statement								
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 non-current assets	1 544	6 666	9 896	294	11	997	0	19 408

- 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 for companies not organisationally grouped in the core business segments such as Alu Trans System Sp. z o.o., Alutech Sp. z o.o. w likwidacji 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 column 'Eliminations' in the income statement contains inter-segmental sales. It is mainly related to the sale of aluminium profiles from the EPS to the ASS. In the balance sheet, it is mainly the elimination of the parent company's interests in subsidiaries as well as of inter-segmental receivables and liabilities.

Transaction prices applied in transactions between operating segments are determined at arm's length, 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 length 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.

	30.06.2015 (audited)	31.12.2014 (audited)
Bank deposits (current accounts) and short-term deposits	82 017	64 817
Cash in hand	18	115
Other cash	637	1 498
Cash recognised in the balance sheet	**82 672**	**66 430**

As at 30 June 2015, the Group had unused granted credit funds amounting to 154,000 thousand PLN (180,842 thousand PLN as at 31 December 2014).

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 2014 the amount of 136,073 thousand PLN (14.41 PLN per share for 9,441,988 entitled shares).

16 July 2015 was the day of determining the right to dividend. Pursuant to the resolution of the General Meeting of Shareholders, the dividend will be paid in two instalments:

- 5 August – 10.70 PLN per share;

- 4 December – 3.71 PLN per share.

In 2014, from the profit for 2013, Grupa Kęty S.A. paid the dividend of 93,808 thousand PLN (10 PLN per share).

10. Income tax expense

Main components of tax deduction are as follows:

Income tax structure	**3 months ended on 30.06.2015** (not audited)	**6 months ended on 30.06.2015** (not audited)	**3 months ended on 30.06.2014 (not audited)**	**6 months ended on 30.06.2014 (not audited)**
Current tax	(7 033)	(12 515)	(7 832)	(14 433)
Deferred income tax	(3 308)	(1 739)	1 538	(1 376)
Income tax recognised in the income statement	**(10 341)**	**(14 254)**	**(6 294)**	**(15 809)**

11. Property, plant and equipment

11.1. Purchase and sale

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

	6 months ended on 30.06.2015 (not audited)	**6 months ended on 30.06.2014** (not audited)
Acquisition of property, plant and equipment	86 533	32 408
Net value of sold property, plant and equipment	184	323
Profit (loss) on the sale of property, plant and equipment	134	475

11.2. Impairment losses

In the period of six months of 2015, the Group reversed revaluation write-downs for property, plant and equipment amounting to 722 thousand PLN (six months of 2014 − reversal: 88 thousand PLN). In the aforementioned periods, the Group did not establish any revaluation write-downs for property, plant and equipment.

12. Revaluation write-downs for goodwill

In the period of six months of 2015 and in the period of six months of 2014, due to the lack of indicators of impairment, the Group did not write down goodwill from consolidation.

13. Short-term receivables

	30.06.2015 (not audited)	**31.12.2014** (audited)
Trade receivables	409 649	363 058
Public law receivables (except for the income tax)	10 006	7 065
Down payments (trade-related) for suppliers	4 425	4 307
Receivables from employees	246	164
Prepaid expenses	2 325	2 167
Valuation of construction contracts	21 081	13 547
Settlements related to transactions hedging the aluminium price	5 122	6 136
Other receivables	5 232	5 452
Net receivables	**458 086**	**401 896**

In the period of six months of 2015, the Group created revaluation write-downs for receivables amounting to 672 thousand PLN (six months of 2014: establishment of write-downs amounting to 5,165 thousand PLN). Created revaluation write-downs are presented in 'Other operating costs'. Fair values of the aforementioned receivables do not differ substantially from their book values.

14. Inventories

	30.06.2015 (not audited)	**31.12.2014** (audited)
Materials	134 740	124 863
Work in progress	101 386	93 962
Finished products	84 841	84 025
Trade goods	5 597	5 633
TOTAL	**326 564**	**308 483**

In the period of six months of 2015, the Group created revaluation write-downs for inventories amounting to 180 thousand PLN (six months of 2014: reversal of write-downs amounting to 55 thousand PLN). The amount was recognised in 'Other operating costs'.

15. Provisions and accruals

In the reporting period, the Group increased the result by 1,739 thousand PLN due to the revaluation of provisions and deferred income tax assets. In addition, in the reporting period, the Group introduced the following changes in the value of provisions:

	As at 01.01.2015	Increases	Utilisation	Currency translation differences	As at 30.06.2015
Long-term provisions	**6 559**	**1 290**	**0**	**0**	**7 849**
provision for jubilee bonuses and retirement benefits	5 799	0	0	0	5 799
costs of warranty repairs	760	1 290	0	0	2 050
Short-term provisions and accruals:	**22 844**	**12 267**	**(15 391)**	**(24)**	**19 696**
provision for jubilee bonuses and retirement benefits	1 462	0	0	0	1 462
provision for the costs of unused holiday	5 002	5 638	(3 354)	1	7 287
costs of annual bonus	12 020	4 803	(11 261)	4	5 566
environmental protection costs	344	270	(344)	0	270
costs of warranty repairs	50	0	(50)	0	0
costs of damages	2 560	0	0	0	2 560
for incurred costs	10	186	0	0	196
costs of auditing financial statements	206	13	(208)	0	11
other	1 190	1 357	(174)	(29)	2 344

	As at 01.01.2014	Increases	Utilisation	Currency translation differences	As at 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 costs of auditing financial statements	256	0	(169)	0	87
for incurred costs	210	30	(205)	0	35
other	2 057	327	(119)	(129)	2 136

16. Interest-bearing bank loans and credits and liabilities due to lease

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

Long-term loans:

Borrower	Lender	Loan currency	31.12.2014	Increases (decreases)	30.06.2015
Grupa Kęty S.A.	BNP Paribas Polska	PLN	20 904	14 139	35 043
Alupol Packaging S.A.	Bank PKO BP	PLN	2 306	(1 537)	769
Aluprof S.A.	Bank PEKAO SA	PLN	0	15 000	15 000
	Total loans		**23 210**	**27 602**	**50 812**
Aluprof Romania	Liabilities due to finance lease	RON	97	(75)	22
	Total lease		**97**	**(75)**	**22**
Total long-term loans and lease			**23 307**	**27 527**	**50 834**

Short-term loans:

Borrower	Lender	Loan currency	31.12.2014	Increases (decreases)	30.06.2015
Grupa Kęty S.A.	Bank PKO BP	PLN, EUR, USD	1 682	4 515	6 197
Grupa Kęty S.A.	BNP Paribas Polska	PLN, EUR	18 553	9 697	28 250
Grupa Kęty S.A.	ING Bank Polska	EUR, PLN	9	16	25
Grupa Kęty S.A.	Bank PeKaO S.A.	EUR, USD, CHF	71 645	(23 777)	47 868
Grupa Kęty S.A.	Bank Societe Generale	PLN, EUR	15 768	(1 383)	14 385
Alupol Packaging S.A.	Bank PKO BP	PLN, EUR	6 380	(1 788)	4 592
Alupol Packaging S.A.	BNP Paribas	PLN	5 117	(5 111)	6
Alupol Packaging S.A.	Bank PKO BP	PLN	3 748	(3 171)	577
Alupol Packaging Kęty Sp. z o.o.	Bank PKO BP	PLN	4 206	29 619	33 825
Alupol Films Sp. z o.o.	Bank PEKAO S.A.	PLN	0	1 732	1 732
Aluprof S.A.	PEKAO S.A.	PLN, EUR, USD	27 267	(2 346)	24 921
Aluprof S.A.	Societe Generale S.A.	GBP, USD, EUR	1 456	2 542	3 998
Aluprof S.A.	BNP Paribas	PLN, EUR	499	(110)	389
Aluprof S.A.	BPH S.A.	EUR	7 619	(3 671)	3 948
Aluprof S.A.	PKO BP	EUR	0	2 097	2 097
Metalplast Stolarka Sp. z o.o.	Bank PEKAO S.A.	PLN, EUR, USD	12 659	(2 701)	9 958
Metalplast Stolarka Sp. z o.o.	BNP Paribas	PLN	9 816	(96)	9 720
Metalplast Stolarka Sp. z o.o.	ING Bank Polska	PLN, USD	21 393	9 512	30 905
Alu Trans System Sp. z o.o.	PKO BP	PLN	3 947	1 252	5 199
ROMB S.A.	Bank PKO BP	PLN	0	4 540	4 540
	Total loans		**211 764**	**21 368**	**233 132**
Aluprof Romania	Liabilities due to finance lease	RON	8	126	134
MHF A/S	Liabilities due to finance lease	DKK	83	50	133
	Total lease		**91**	**176**	**267**
Total short-term loans and lease			**211 855**	**21 544**	**233 399**

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 2014.

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

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

As at 30-06-2015	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	Third part of the 2012 programme
Number of granted options	91 600	91 600	91 600	61 500	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	0
Number of options which do not meet non-market parameters: C and D	22 900	22 900	45 800	36 900	36 900	36 900
Number of options assumed for valuation	68 700	68 700	45 800	24 600	24 600	24 600
Programme launch date	30 September 2009	30 September 2010	23 September 2011	24 September 2012	24 September 2013	8 September 2014
Date of acquiring rights to options	30 September 2012	30 September 2013	30 September 2014	30 September 2015	30 September 2016	30 September 2017
Programme termination date	30 September 2015	30 September 2016	30 September 2017	30 September 2018	30 September 2019	30 September 2020
Total programme period	36 months	36 months	36 months	36 months	36 months	36 months
The remaining period to acquire rights	Period ended	Period ended	Period ended	3 months	15 months	27 months
Option exercise price	66.54 PLN per share	117.63 PLN per share	125.57 PLN per share	117.10 PLN per share	117.10 PLN per share	117.10 PLN per share

On 23 April 2015, the General Meeting of Shareholders of Grupa Kęty S.A. adopted a new programme of the issue of shares for employees for the years 2015-2023. The programme comprises 180,000 shares and is divided, as in the case of previous programmes, into three parts. Particular parts of the programme will be launched in 2015 and in further years. As of the date of these financial statements, the period to acquire rights to the first part of the programme has not been launched yet.

18. Trade and other liabilities

	30.06.2015 (not audited)	31.12.2014 (audited)
Short-term liabilities:	**374 296**	**237 653**
Trade liabilities towards non-related parties	185 534	175 158
Liabilities due to the purchase of property, plant and equipment	7 629	20 924
Liabilities due to dividend	136 073	0
Total financial liabilities (under IFRS 7)	**329 236**	**196 082**
Public law liabilities (except for income tax liabilities)	21 632	21 466
Down payments (trade-related) from customers	7 500	4 968
Remuneration liabilities	10 759	10 345
Other liabilities	5 169	4 792
Total non-financial liabilities	**45 060**	**41 571**

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 six months of 2015 as compared to the period of the first six months of 2014, material changes in particular items of revenue and costs had place in the following areas:
- an increase in sales revenue by 109,271 thousand PLN results from the increase in sale volume in the main segments and from the change in prices of the basic raw material, i.e. aluminium, and rates of exchange;
- an increase in other operating income by 4,500 thousand PLN results from the recognition of negative goodwill amounting to 613 thousand PLN and results from the payment of BI indemnity amounting to 5,850 thousand PLN;
- an increase in depreciation costs by 3,772 thousand PLN results from the Group's expenditure on property, plant and equipment;
- an increase in the costs of materials by 84,832 thousand PLN results from the increase in sale and related increase in output, and from the change in prices of the basic raw material, i.e. aluminium, and rates of exchange;
- an increase in the costs of external services by 9,118 thousand PLN results from the increase in output and sale and the related increase in purchases of services from subcontractors and cooperating parties;
- an increase in the costs of employee benefits by 13,068 thousand PLN results mainly from the increase in sale and the increase in remunerations, and the increase in employment in the Group;
- a decrease in finance costs by 3,370 thousand PLN results mainly from lesser depreciation of hryvnia and the effects of lesser negative currency translation differences in the Group's companies operating in Ukraine.

20. Discontinued operations

In the period of six months of 2015 and in the period of six months of 2014, the Group did not discontinue any significant activities.

21. Business combinations

In June 2015, a subsidiary Aluprof S.A. established its subsidiary in Belgium. On 30 June 2015, the new company acquired from another entity a business involving trade in aluminium systems.
The purpose of the acquisition of the said business is to increase the sale of aluminium systems in Benelux countries and in northern France.
The acquired business was carried out under Schelfhaut brand. In 2014, this business generated sales revenue of ca. 25,447 thousand PLN and net result of 1,387 thousand PLN.
The temporary settlement of the fair value of all identified assets and liabilities as of the date of taking control of the enterprise was as follows:

Assets and liabilities	Fair value of acquired assets and liabilities (in '000' PLN)
Property, plant and equipment	221
Inventories	3 814
Schelfhaut brand	9 000
Database of customers	4 100
Deferred income tax liability	(4 320)
Acquired net assets	12 815
Total acquisition price (paid cash)	12 202
Negative goodwill (bargain purchase gain)	613

The main intangible asset resulting from the acquisition comprises Schelfhaut brand with the fair value of 9,000 thousand PLN and the database of customers with the fair value of 4,100 thousand PLN.
The Group assumed three-years' useful life for the brand and three-years' useful life for the database of customers. As a result of the acquisition of Schelfhaut brand, it will be combined with Aluprof brand to form Aluprof-Schelfhaut brand.
As at the date of these financial statements, the process of settling the transaction of the acquisition of the business in Belgium has not been finalised yet; as a result, presented components have temporary value. The above

settlement is of temporary nature, as the Group is still analysing the valuations prepared by an appraiser and acquired assets and liabilities. The termination of the said analysis may result in changes in reported values.

The costs of the business acquisition charged to the result amounted to 422 thousand PLN.
The control take-over increased the Group's other operating income in the first half of 2015 by 613 thousand PLN.

22. Investments in associates

There were no investments in associates in the reporting period.

As at 30.06.2015, the Group held 45.5% of shares in Aluprof USA LLC with its registered office in New York. The shares purchase transaction has been described in the annual consolidated financial statements for 2014.

Company name	Place of business	Core business	Parent's name	Shares in the basic capital as at		Profit (loss) allocated to non-controlling interests as at	Accumulated value of non-controlling interests as at		Segment
				30-06-2015	31-12-2014	30-06-2015	30-06-2015	31-12-2014	
Aluprof USA LLC	USA	Distribution of aluminium systems	Aluprof System USA	45.5%	45.5%	(252)	0	240	ASS

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 the presented periods, 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 equity attributable to the parent's shareholders less reserve capitals for unrealised net gains.

	30.06.2015 (not audited)	**31.12.2014** (audited)
Interest-bearing lease and loans	284 233	235 162
Trade and other liabilities	376 334	239 634
Less cash and cash equivalents	(82 672)	(66 430)
Net debt	577 895	408 366
Equity	1 163 935	1 203 232
Equity and net debt	1 741 830	1 611 598
Leverage ratio	**33.18%**	**25.34%**

25. Contingent liabilities

Item	30.06.2015 (not audited)	31.12.2014 (audited)
Bank guarantee for LC Corp Sky Tower concerning the proper performance of the contract*	0	3 593
Building bank guarantees granted by Metalplast Stolarka sp. z o.o.**	30 074	43 899
Total granted guarantees	**30 074**	**47 492**

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

**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. Contractual liabilities related to the purchase of property, plant and equipment

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	30.06.2015 (not audited)	31.12.2014 (audited)
Extruded Products Segment	15 013	8 203
Flexible Packaging Segment*	89 578	7 220
Aluminium Systems Segment	20 940	6 296
Building Services Segment	0	2
Building Accessories Segment	479	691
Other	0	314
TOTAL	**126 010**	**22 726**

*Capital expenditure of the Flexible Packaging Segment amounting to 17,407 thousand PLN is related to the construction of a new plant: Alupol Films sp. z o.o. in 'Krakowski Park Technologiczny' Special Economic Zone.

27. Derivative financial instruments

Financial assets	Hierarchy level	30.06.2015 (not audited)	31.12.2014 (audited)
Currency forwards hedging cash flows	2	1 817	1 568
Futures for the purchase of aluminium hedging cash flows	2	38	362
IRS's hedging interest rates	2	158	0
TOTAL FINANCIAL ASSETS		**2 013**	**1 930**
Financial liabilities		**30.06.2015** (not audited)	**31.12.2014** (audited)
Currency forwards hedging cash flows	2	1 423	560
Futures for the purchase of aluminium hedging cash flows	2	4 026	1 963
TOTAL FINANCIAL LIABILITIES		**5 449**	**2 523**

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 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 30-06-2015	Interest in capital	Number of shares 31-12-2014	Interest in capital
Aviva OFE Aviva BZ WBK	1 691 276	17.91%	1 691 276	18.00%
ING OFE	1 610 534	17.06%	1 610 534	17.15%
OFE PZU "Złota Jesień"	921 000	9.75%	921 000	9.80%
PTE Allianz Polska	499 748	5.29%	499 748	5.32%
Others	4 719 430	49.99%	4 670 980	49.73%
Total	**9 441 988**	**100%**	**9 393 538**	**100%**

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:	First half of 2015	First half of 2014
Costs of short-term employee benefits	822	752
Costs of the provision for annual bonuses and other benefits	1 379	1352
Total costs of remunerations of the members of the Management Board	**2 201**	**2 104**
The valuation of the costs of options for treasury shares due when the programme is implemented*	490	181
Total payments to the members of the Management Board	**2 691**	**2 285**

* 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:

	First half of 2015	First half of 2014
Management Board of the parent company*	2 691	2 285
Top management*	4 342	3 614
Supervisory Board	297	280
Total	**7 330**	**6 179**

* 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.

In the reporting period, the Management Board acquired, exercising options for shares from the third part of the 2009 programme, 30,450 shares at the price of 125.57 per share.

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 27,280 options from the second part of the 2012 programme as well as up to 27,280 options from the third part of the 2012 programme. The costs of related benefits recognised in the income statement for six months of 2015 amounted to 490 thousand PLN (181 thousand PLN for six months of 2014).

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

In the reporting period, members of the top management acquired, exercising options for shares from the third part of the 2009 programme, 18,000 shares at the price of 125.27 per share.

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

The costs of options for members of the top management charged to the result amounted in the period of six months of 2015 to 512 thousand PLN (226 thousand PLN in the period of six months of 2014).

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, eligible persons subscribed for 48,450 series F shares issued as part of the programme for the management staff at the issue price of 125.57 PLN per share. The aforementioned shares were registered in the National Court Register on 9 July 2015.
Below, we present the method of recognising proceeds from employee-related issues of shares.

Shares	Number 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	0	0
TOTAL	**216 325**		**22 584**	**420**	**16 081**

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 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 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 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	**Fair value hierarchy level**	**30.06.2015** (not audited)	**31.12.2014** (audited)
Assets			
Investment properties	3	12 520	12 398
Hedging derivatives	2	2 013	1 930
TOTAL ASSETS		**14 533**	**14 328**
Liabilities			
Hedging derivatives	2	5 449	2 523
TOTAL LIABILITIES		**5 449**	**2 523**

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:

	6 months ended on 30.06.2015 (not audited)	**6 months ended on 30.06.2014 (not audited)**
Net profit attributable to the parent's shareholders	**92 689**	**83 406**
Weighted average number of ordinary shares assumed for the calculation of earnings per ordinary share	9 399 016	9 367 365
Weighted average number of ordinary shares assumed for the calculation of diluted earnings per ordinary share*	9 419 859	9 387 193
Basic earnings per ordinary share from the basic profit for the period attributable to the parent's shareholders (in PLN)	9.86	8.90
Diluted earnings per share from the basic profit for the period attributable to the parent's shareholders (in PLN)	9.84	8.89

In the reporting period, eligible employees subscribed for shares. Eligible employees subscribed for 48,450 series F shares from the third part of the 2009 programme at the price of 125.57 per share.

The average market price for the Company's share in the period of six months of 2015 was 304.07 PLN. The closing price as at 30.06.2015 was 301.00 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 20,843 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.

Signatures of all Members of the Management Board

Dariusz Mańko	Adam Piela
President of the Management Board	*Member of the Management Board*
…….	……..

Kęty, 13 August 2015

Signature of the person entrusted with bookkeeping

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

…….

Kęty, 13 August 2015

II. INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

INTERIM CONDENSED INCOME STATEMENT

	Note	3 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2015 (not audited)	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)
Total operating income, including:		**328 887**	**542 434**	**277 210**	**438 011**
Sales revenue		211 634	411 067	170 943	330 451
Other operating income		6 252	7 296	384	1 677
Dividends		111 001	124 071	105 883	105 883
Change of inventories of finished goods and work in progress		**(7 982)**	**(5 038)**	**4 150**	**3 439**
Cost of manufacturing products for own needs		**1 575**	**2 826**	**1 271**	**2 828**
Total operating costs, including:		**(209 913)**	**(408 788)**	**(188 279)**	**(344 594)**
Depreciation/Amortisation		(7 630)	(15 167)	(7 331)	(14 271)
Materials and energy, and the value of goods and materials sold		(147 626)	(289 062)	(113 028)	(218 927)
External services		(28 266)	(54 146)	(26 712)	(49 551)
Taxes and charges		(1 610)	(3 125)	(1 423)	(2 619)
Employee benefits		(22 007)	(43 465)	(20 422)	(39 502)
Other operating costs		(2 774)	(3 823)	(19 363)	(19 724)
Profit on operating activities		**112 567**	**131 434**	**94 352**	**99 684**
Finance income		144	197	355	552
Finance costs		1 346	(1 769)	(905)	(1 729)
Profit before tax		**114 057**	**129 862**	**93 802**	**98 507**
Income tax expense	11	(1 039)	(1 926)	801	(278)
Net profit on continuing operations		**113 018**	**127 936**	**94 603**	**98 229**
Net earnings per share for the period (PLN)					
Basic earnings per share	28	12.01	13.61	10.11	10.49
Diluted earnings per share	28	11.99	13.58	10.10	10.46

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2015 (not audited)	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)
Net profit for the period	**113 018**	**127 936**	**94 603**	**98 229**
Other comprehensive income*, including:	**(1 103)**	**(2 297)**	**2 605**	**3 426**
Valuation of cash flow hedging instruments	(1 279)	(1 308)	2 392	3 240
Result from cash flow hedge	(66)	(1 237)	668	802
Income tax related to other comprehensive income	242	248	(455)	(616)
Comprehensive income for the period	**111 915**	**125 639**	**97 208**	**101 655**

**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	30.06.2015 (not audited)	31.12.2014 (audited)
I. Non-current assets		**729 215**	**711 907**
Property, plant and equipment		323 702	310 318
Intangible assets		6 359	6 483
Shares and interests		393 172	395 032
Advance payments for property, plant and equipment		5 982	74
II. Current assets		**391 036**	**262 794**
Inventories	14	81 888	106 380
Trade and other receivables	13	295 373	153 945
Derivative financial instruments	20	458	674
Cash and cash equivalents	9	13 317	1 795
Total assets		**1 120 251**	**974 701**
EQUITY AND LIABILITIES			
I. Equity		**711 400**	**714 662**
Share capital		67 383	67 352
Share premium	26	16 081	14 512
Non-registered capital from the issue of shares	26	6 084	1 601
Capital from the valuation of property, plant and equipment		3 174	3 174
Capital from share based payments		12 332	11 244
Capital from the valuation of hedging instruments		(1 750)	(690)
Result from cash flow hedge		(465)	772
Retained earnings		608 561	616 697
II. Long-term liabilities		**88 184**	**73 429**
Liabilities related to loans	16	35 043	20 904
Provisions due to employee benefits	15	1 761	1 761
Subsidies		32 615	33 320
Deferred income tax liability		18 765	17 444
III. Short-term liabilities		**320 667**	**186 610**
Liabilities related to loans	16	98 225	109 157
Income tax liabilities		170	1 639
Trade and other liabilities	18	210 986	63 537
Provisions and accruals	15	7 247	9 330
Derivative financial instruments	20	2 618	1 526
Subsidies		1 421	1 421
Total equity and liabilities		**1 120 251**	**974 701**

INTERIM CONDENSED CASH FLOW STATEMENT

	6 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2014 (not audited)
Cash flow from operating activities		
Profit before tax	**129 862**	**98 507**
Adjustments:	**17 130**	**23 530**
Depreciation/Amortisation	15 167	14 271
Revaluation write-downs for interests in subsidiaries	2 317	6 760
(Profit) / loss from net currency translation differences	(935)	3
Change in realised result on transactions hedging the price of aluminium charged to equity	(1 237)	803
(Profit) / loss from the sale of property, plant and equipment	(25)	(214)
Interest	1 163	1 663
Costs of share based payments	630	240
Other items (net)	50	4
Cash flow from operating activities before the change of working capital	**146 992**	**122 037**
Change in inventories	24 492	(10 850)
Change in net receivables	(143 029)	(110 463)
Change in short-term liabilities, except for loans	13 325	24 776
Change in provisions	(2 083)	(875)
Change in subsidies	(705)	(711)
Net cash generated from operating activities	**38 992**	**23 914**
Tax refunded / (paid)	(1 825)	1 108
Net cash from operating activities	**37 167**	**25 022**
Cash flow from investing activities		
(+) Proceeds:	**106**	**290**
Sale of intangible assets and property, plant and equipment	106	290
(-) Expenses:	**(36 220)**	**(10 922)**
Acquisition of intangible assets and property, plant and equipment	(36 220)	(10 880)
Acquisition of subsidiaries	0	(42)
Net cash from investing activities	**(36 114)**	**(10 632)**
Cash flow from financing activities		
(+) Proceeds:	**41 913**	**9 116**
Net proceeds from the issue of shares	7 685	6 684
Proceeds from borrowings	34 228	2 432
(-) Expenses:	**(31 444)**	**(9 539)**
Repayments of borrowings	(30 212)	(7 868)
Interest	(1 232)	(1 671)
Net cash from financing activities	**10 469**	**(423)**

Total net cash flow:	**11 522**	**13 967**
change in cash due to currency translation differences	0	0
Cash and cash equivalents at the beginning of the period	**1 795**	**3 347**
Cash and cash equivalents at the end of the period	**13 317**	**17 314**

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 of 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	(1 060)	(1 237)	127 936	**125 639**
Net profit for the period	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*127 936*	***127 936***
Other comprehensive income	*0*	*0*	*0*	*0*	*0*	*(1 060)*	*(1 237)*	*0*	***(2 297)***
Valuation of share based payments	0	0	0	0	1 088	0	0	0	**1 088**
Issue of shares	31	1 569	4 483	0	0	0	0	0	**6 083**
Dividend	0	0	0	0	0	0	0	(136 072)	**(136 072)**
Equity as of 30 June 2015 (not audited)	**67 383**	**16 081**	**6 084**	**3 174**	**12 332**	**(1 750)**	**(465)**	**608 561**	**711 400**
Previous year									
Equity as of 1 January 2014 (audited)	**67 138**	**4 563**	**3 479**	**3 382**	**10 230**	**(1 604)**	**(835)**	**612 715**	**699 068**
Comprehensive income for the period:	0	0	0	0	0	2 623	803	98 229	**101 655**
Net profit for the period	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*98 229*	***98 229***
Other comprehensive income	*0*	*0*	*0*	*0*	*0*	*2 623*	*803*	*0*	***3 426***
Costs of share based payments	0	0	0	0	413	0	0	0	**413**
Issue of shares	106	4 975	1 603	0	0	0	0	0	**6 684**
Dividend	0	0	0	0	0	0	0	(93 815)	**(93 815)**
Equity as of 30 June 2014 (not audited)	**67 244**	**9 538**	**5 082**	**3 382**	**10 643**	**1 019**	**(32)**	**617 129**	**714 005**

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 six months ended on 30.06.2015 and provide comparative data for the period of six months ended on 30.06.2014 as well as figures as at 31.12.2014. The said financial statements were reviewed 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 2014.

These interim condensed separate financial statements were approved for publication on 13 August 2015.

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 2014.

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.

5. 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:

	30.06.2015 (not audited)	**31.12.2014** (audited)
Bank deposits (current accounts) and short-term deposits	13 317	1 795
Cash recognised in the balance sheet and in the cash flow statement	**13 317**	**1 795**

As at 30 June 2015, Grupa Kęty S.A. had unused granted credit funds amounting to 64,923 thousand PLN with regard to which all conditions precedent had been complied with (75,574 thousand PLN as at 31 December 2014).

10. Dividends paid and proposed for payment

The result for the reporting period is not distributed.

Grupa Kęty S.A. allocated for the dividend for 2014 the amount of 136,072 thousand PLN (14.41 PLN per share for 9,441,988 entitled shares).

16 July 2015 was the day of determining the right to dividend. Pursuant to the resolution of the General Meeting of Shareholders, the dividend will be paid in two instalments:

- 5 August – 10.70 PLN per share;
- 4 December – 3.71 PLN per share.

In 2014, from the profit for 2013, Grupa Kęty S.A. paid the dividend of 93,808 thousand PLN (10 PLN per share).

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 30.06.2015 (not audited)	6 months ended on 30.06.2015 (not audited)	3 months ended on 30.06.2014 (not audited)	6 months ended on 30.06.2014 (not audited)
Current income tax				
Current income tax deduction recognised in the income statement	(311)	(356)	(616)	(1 210)
Deferred income tax:				
Recognition (reversal) of tax losses	0	(140)	(175)	(350)
Related to the establishment and reversal of temporary differences	(728)	(1 430)	1 592	1 282
Tax deduction recognised in the income statement	**(1 039)**	**(1 926)**	**801**	**(278)**

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 2015	6 months of 2014
Acquisition of property, plant and equipment	27 897	9 062
Net value of sold property, plant and equipment	81	76
Profit (loss) on the sale of property, plant and equipment	25	214
The value of liquidated property, plant and equipment due to their faster using up	0	82

The acquisition of a sections extrusion press is the main item of acquired property, plant and equipment.

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

13. Trade and other receivables

Short-term receivables	**30.06.2015** (not audited)	**31.12.2014** (audited)
Trade receivables from related parties	67 614	50 640
Trade receivables from other entities	106 706	91 811
Down payments (trade-related) for suppliers – related parties	391	991
Down payments (trade-related) for suppliers	434	1 110
Receivables from employees	16	15
Settlements related to transactions hedging the aluminium price	5 122	6 136
Receivables due to the subscription of the company's shares	0	1 601
Receivables due to dividends from related parties	111 000	0
Receivables due to an indemnity	2 436	0
Other receivables	1 654	1 641
Net receivables	**295 373**	**153 945**

In the period of six months of 2015, the Company created revaluation write-downs for receivables amounting to 881 thousand PLN (six months of 2014: 12,205 thousand PLN). The Company recognises created revaluation write-downs for receivables in 'Other operating costs'. In the period of six months of 2015, the Company reversed revaluation write-downs for receivables amounting to 583 thousand PLN (six months of 2014: the Company reversed revaluation write-downs for receivables amounting to 420 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. Fair value of receivables is close to their book value.

14. Inventories

	30.06.2015 (not audited)	**31.12.2014** (audited)
Materials	26 057	45 531
Work in progress	35 487	34 976
Finished products	20 344	25 873
TOTAL	**81 888**	**106 380**

In the period of six months of 2015, the Company reversed revaluation write-downs for inventories amounting to 111 thousand PLN, and in the period of six months of 2014, the Company did not establish 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 1,569 thousand PLN. Changes in provisions and accruals:

	As at 31.12.2014	**Increases**	**Utilisation**	**As at 30.06.2015**
Provisions and accruals	**11 091**	**6 259**	**(8 342)**	**9 008**
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	2 809	(1 652)	2 809
costs of annual bonus	6 311	3 180	(6 311)	3 180
environmental protection costs	344	270	(344)	270
costs of damages	430	0	0	430
provision for the costs of auditing financial statements	35	0	(35)	0

	As at 31.12.2013	**Increases**	**Utilisation**	**As at 30.06.2014**
Provisions and accruals	**8 974**	**5 694**	**(6 570)**	**8 098**
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
environmental protection costs	692	147	(692)	147
costs of damages	430	0	0	430
provision for the costs of auditing financial statements	35	30	(35)	30

16. Interest-bearing bank loans and credits

The table below demonstrates the changes in the balances of particular loans in the period of six months of 2015.

Loan	Lender	Loan currency	31.12.2014	Increase (decrease)	30.06.2015
Long-term	BGŻ BNP Paribas Polska	PLN	20 904	14 139	35 043
Short-term loan	Bank PKO BP	PLN, EUR, USD	1 682	4 515	6 197
Short-term loan	BGŻ BNP Paribas Polska	PLN, EUR	18 553	9 697	28 250
Short-term loan	ING Bank Polska	EUR, PLN	9	16	25
Short-term loan	Bank PeKaO S.A.	EUR, USD, CHF	71 645	(23 777)	47 868
Short-term loan	Bank Societe Generale	PLN, EUR	15 768	(1 383)	14 385
Cash loan – short-term	Alutech Sp. z o.o.	PLN	1 500	0	1 500
	Total loans		**130 061**	**3 207**	**133 268**

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 2014. The Group recognises the programme costs proportionally to the period of acquiring rights to options.

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

As at 30-06-2015	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	Third part of the 2012 programme
Number of granted options	91 600	91 600	91 600	61 500	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	0
Number of options which do not meet non-market parameters: C and D	22 900	22 900	45 800	36 900	36 900	36 900
Number of options assumed for valuation	68 700	68 700	45 800	24 600	24 600	24 600
Number of options assumed for valuation and granted to employees of Grupa Kęty S.A.	39 450	39 450	26 300	14 136	14 136	14 600
Number of options assumed for valuation and granted to employees of subsidiaries	29 250	29 250	19 500	10 464	10 464	10 464
Programme launch date	30 September 2009	30 September 2010	23 September 2011	24 September 2012	24 September 2013	8 September 2014
Date of acquiring rights to options	30 September 2012	30 September 2013	22 September 2014	23 September 2015	23 September 2016	8 September 2017
Programme termination date	30 September 2015	30 September 2016	22 September 2017	23 September 2018	23 September 2019	8 September 2020
Total programme period	36 months	36 months	36 months	36 months	36 months	36 months
The remaining period to acquire rights	Period ended	Period ended	Period ended	3 months	15 months	27 months
Option exercise price	66.54 PLN per share	117.63 PLN per share	125.57 PLN per share	117.10 PLN per share	117.10 PLN per share	117.10 PLN per share

On 23 April 2015, the General Meeting of Shareholders of Grupa Kęty S.A. adopted a new programme of the issue of shares for employees for the years 2015-2023. The programme comprises 180,000 shares and is divided, as in the case of previous programmes, into three parts. Particular parts of the programme will be launched in 2015 and in further years. As of the date of these financial statements, the period to acquire rights to the first part of the programme has not been launched yet.

18. Trade and other liabilities

	30.06.2015 (not audited)	**31.12.2014** (audited)
Trade liabilities towards related parties	6 051	6 039
Trade liabilities towards non-related parties	55 456	41 411
Down payments (trade-related) from customers	1 084	805
Public law liabilities (except for income tax liabilities)	6 610	7 458
Remuneration liabilities	3 635	3 157
Securities	5	4
Liabilities due to the purchase of property, plant and equipment	1 657	4 130
Liabilities due to dividend	136 072	0
Other	416	533
TOTAL SHORT-TERM LIABILITIES	**210 986**	**63 537**

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

In the period of six months of 2015 as compared to the period of six months of 2014, material changes in particular items of revenue and costs had place in the following areas:

Sales revenue − an increase in sales revenue by 80,616 thousand PLN – related mainly to the increase in the amount of sold products by ca. 5%, exchange rates and aluminium prices.

Other operating income − an increase in other operating income by 5,619 thousand PLN – related mainly to the payment of BI indemnity amounting to 5,850 thousand PLN.

Dividend income – an increase in dividend income by 18,188 thousand PLN in the period related to the results of subsidiaries in 2014 and the distribution of the net profit in these companies.

External services – an increase in the costs of external services by 4,595 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 – an increase in the costs of materials and energy by 70,135 thousand PLN is related to the quantitative increase in the sale of aluminium products, and the associated increase in the consumption of raw materials. The increase in the costs of materials consumption resulted mainly from an increase in aluminium prices; aluminium is the basic raw material consumed by the Company. According to the Company's estimates, the average price of aluminium increased in the period of six months of 2015 as compared to the period of six months of 2014 by ca. 5%. At the same time, USD exchange rate increased by ca. 18% and processing bonuses for the material rose by ca. 40%.

Costs of employee benefits – an increase in the costs of employee benefits by 3,963 thousand PLN results from an increase in sale and an increase in remunerations in the second half of 2014.

Other operating costs – a decrease in other operating costs by 15,901 thousand PLN is related to lower value of revaluation write-downs for receivables and lower value of revaluation write-downs for interests in Alupol Ukraina.

20. Financial instruments

Financial assets	**30.06.2015** (not audited)	**31.12.2014** (audited)
Currency forwards hedging cash flows	262	312
Futures for the purchase of aluminium hedging cash flows	38	362
IRS's hedging interest rates of loans	158	0
TOTAL FINANCIAL ASSETS	**458**	**674**
Financial liabilities	**30.06.2015** (not audited)	**31.12.2014** (audited)
Currency forwards hedging cash flows	0	30
Futures for the purchase of aluminium hedging cash flows	2 618	1 496
TOTAL FINANCIAL LIABILITIES	**2 618**	**1 526**

21. Objectives and principles of financial risk management

The objectives and principles of financial risk management are described in the annual financial statements for 2014 published on 17 March 2015. No changes had place in the objectives and principles of risk management as compared to the ones described in the financial statements for 2014.

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	**30.06.2015** (not audited)	**31.12.2014** (audited)
Bank guarantee for LC Corp Sky Tower concerning the proper performance of the contract*	0	3 593
Total granted guarantees	**0**	**3 593**

* The Company executed construction works in Sky Tower skyscraper in Wrocław. The guarantee expired 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	31-12-2015
Metalplast Stolarka sp. z o.o., Aluprof, Alupol, Alupol Packaging	Limit for the hedging of forwards and futures	22 000	31-10-2015

Received guarantees and sureties from subsidiaries

From:	**Purpose**	**Amount**	**Maturity**
Aluprof S.A.	Loan security	5 000	31-12-2015

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. 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 amounts of the said loan utilised by other companies as at the balance sheet date amounted to 45,660 thousand PLN. The agreement is valid until 30.09.2015.
- Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alupol Packaging Kęty sp. z o.o. 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 130 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 30,457 thousand PLN. The agreement is valid until 31.10.2015.

- 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 50 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 30,887 thousand PLN. The agreement is valid until 31.07.2015.
- Grupa Kęty S.A., Aluprof S.A., Alupol Packaging S.A. and Metalplast Stolarka sp. z o.o. entered into an agreement with BGŻ BNP Paribas 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. The amount of the said loan utilised by Metalplast Stolarka as at the balance sheet date amounted to 30,457 thousand PLN. The agreement is valid until 30.06.2015.
- 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 15 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 13,452 thousand PLN. The agreement is valid until 31.07.2015.
- Grupa Kęty granted its surety for bills of exchange securing a guarantee line agreement between Metalplast-Stolarka Sp. z o.o. and Euler-Hermes. As at the balance sheet date, the value of issued guarantees amounted to 3,607 thousand PLN. The guarantee is valid until 28.02.2018.
- Grupa Kęty S.A. and Metalplast Stolarka sp. z o.o. entered into an agreement with PeKaO S.A. for a guarantee facility up to the total amount of 35 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 10,746 thousand PLN. The agreement is valid until 31.10.2025.

24. Contractual liabilities related to the purchase of property, plant and equipment

As at 30 June 2015, the Company obliged itself to incur expenditure on property, plant and equipment amounting to 14,343 thousand PLN (as at 31 December 2014, the investment obligations amounted to 2,905 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 2015 to 30 June 2015 and as at 30 June 2015.

Related party	Sale	Purchases	Receivables	Liabilities	Dividends
Aluprof S.A.	95 441	1 655	129 812	449	71 000
Alupol Packaging S.A.	538	0	40 194	0	40 000
Alutech sp. z o.o. w likwidacji	2	0	0	0	0
Alu Trans System Sp. z o.o.	3 544	41	2 893	7	0
Dekret Sp. z o.o.	383	703	66	139	69
Aluprof Hungary Sp. z o.o.	489	201	41	129	0
Metalplast Stolarka Sp. z o.o.	2 132	197	3 332	42	0
Alupol Ukraina Sp. z o.o.	1 015	2 963	567	832	0
Romb S.A.	516	3	449	0	0
Aluform Sp. z. o.o.	755	23 236	220	4 421	13 002
Alupol Packaging Kęty Sp. z o.o.	3 992	4	1 040	4	0
Aluprof System Czechy sro	0	199	0	28	0
Grupa Kęty Italia srl	0	695	391	0	0
Total	**108 807**	**29 897**	**179 005**	**6 051**	**124 071**

Apart from the aforementioned transactions, in the period of six 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 28 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 reporting period, the Company did not conduct any transactions with members of the Management Board apart from those described below.

25.2. The costs of the remunerations of the Company's top management

Management Board:	6 months of 2015	6 months of 2014
Costs of short-term employee benefits	822	752
Costs of the provision for annual bonuses and other benefits	1 379	1352
Total costs of remunerations of the members of the Management Board	**2 201**	**2 104**
The valuation of the costs of options for treasury shares due when the programme is implemented*	490	181
Total payments to the members of the Management Board	**2 691**	**2 285**

* 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 2015	6 months of 2014
Proxies of the parent company*	506	295
Management Board of the parent company*	2 691	2 285
Supervisory Board	297	280
TOTAL	**3 494**	**2 860**

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

In the reporting period, the Management Board acquired, exercising options for shares from the third part of the 2009 programme, 30,450 shares at the price of 125.57 per share.

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 27,280 options from the second part of the 2012 programme as well as up to 27,280 options from the third part of the 2012 programme. The costs of related benefits recognised in the income statement for six months of 2015 amounted to 490 thousand PLN (181 thousand PLN for six months of 2014).

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

The costs of related benefits recognised in the income statement for six months of 2015 amounted to 143 thousand PLN (53 thousand PLN for six months of 2014).

26. Issue of shares

In the reporting period, eligible persons subscribed for 48,450 series F shares issued as part of the programme for the management staff at the issue price of 125.57 PLN per share. The aforementioned shares were registered in the National Court Register on 9 July 2015.

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

Shares	Number 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	0	0
TOTAL	**216 325**		**22 584**	**420**	**16 081**

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**	**30.06.2015** (not audited)	**31.12.2014** (audited)
Financial assets			
Hedging derivatives	2	458	674
Financial liabilities			
Hedging derivatives	2	2 618	1 526

28. 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:

	6 months ended on 30.06.2015 (not audited)	6 months ended on 30.06.2014 (not audited)
Net profit	**127 936**	**98 229**
Weighted average number of ordinary shares assumed for the calculation of earnings per ordinary share	9 399 016	9 367 365
Weighted average number of ordinary shares assumed for the calculation of diluted earnings per ordinary share*	9 419 859	9 387 193
Basic earnings per share (PLN)	13.61	10.49
Diluted earnings per share (PLN)	13.58	10.46

In the reporting period, eligible employees subscribed for shares. Eligible employees subscribed for 48,450 series F shares from the third part of the 2009 programme at the price of 125.57 per share.

The average market price for the Company's share in the period of six months of 2015 was 304.07 PLN. The closing price as at 30.06.2015 was 301.00 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 20,843 shares.

29. Impairment losses for interests

The Company has a subsidiary Alupol LLC in Ukraine. The increase in market interest rates in the first half of the year and deteriorating economic situation in Ukraine became a good reason to carry out an impairment test for this company. As a result of the test, the Company established an additional revaluation write-down for interests amounting to 2,317 thousand PLN.

	30.06.2015	31.12.2014
Cash-generating units	**Alupol LLC Ukraina**	**Alupol LLC Ukraina**
The basis for recoverable amount	Value in use	Value in use
Value of interests at purchase price	63 500	63 500
Recoverable amount determined under IAS 36	14 700	17 017
Revaluation write-down to recoverable amount	48 800	46 483
Source of data	Forecast	Forecast
Estimate basis	5-year cash flow forecast	5-year cash flow forecast
Marginal growth rate(1)	5%	5%
Applied discount rate(2)	35.50%	31.11%

1) The rate of 5% is the nominal growth rate at the level of expected inflation rate for Ukraine (0% in real terms)
2) The applied discount rate is based on the pre-tax discount rate defined in IAS 36.

The recoverable amount was determined on the basis of discounted cash flows. An increase in the applied discount rate by 5 p.p. would result in the decrease in the recoverable amount of Alupol Ukraina by 3,161 thousand PLN (31.12.2014: a decrease by 2,914 thousand PLN).

The impairment tests carried out by the Company in Alupol Ukraina are based on the assumptions and data available as at the balance sheet date. Any possible changes in interest rates or any potential collapse of the Ukrainian economy after 30.06.2015 will be charged to the results of further years as the events after the reporting period reflecting the development of the economic situation in this country.

30. 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	Adam Piela
President of the Management Board	*Member of the Management Board*
…….	…….

Kęty, 13 August 2015

Signature of the person entrusted with bookkeeping

Andrzej Stempak

President of the Management Board

Dekret Centrum Rachunkowe Sp. z o.o.

…….

Kęty, 13 August 2015