



## Results for the second quarter of 2010 Grupa Kęty S.A.

Warsaw, August 2010

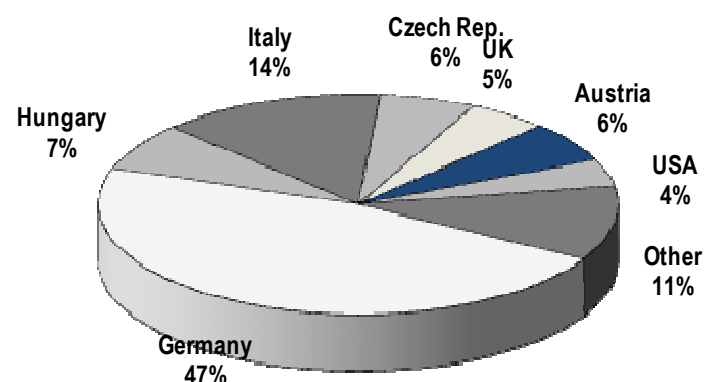
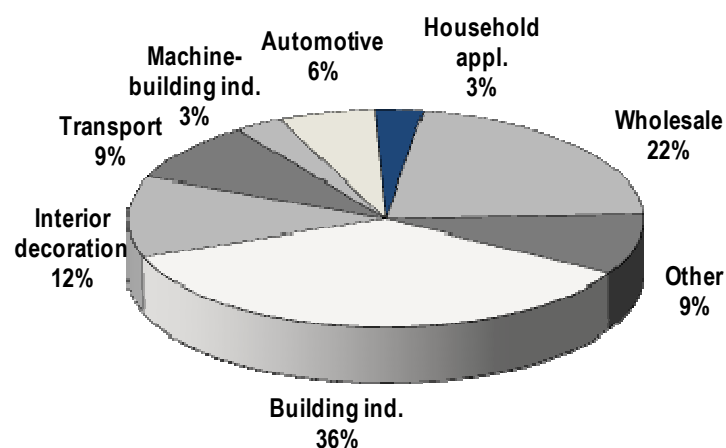
**President of the Management Board - Mr. Dariusz Mańko**  
**Member of the Management Board - Mr. Adam Piela**

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Leader on the market of modern aluminium solutions

# SEGMENTS PERFORMANCE

## Extruded Products Segment



➤ An increase in the volume of sales by 24% and in the value of sales by over 43.5% as compared to the corresponding period in 2009 (including a 31% increase in the value on the internal market).

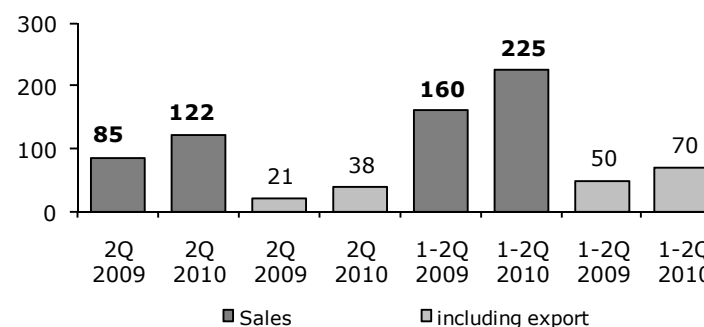
➤ Ca. 80% increase in the sales for export as compared to Q2 2009 (the highest growth rate for the markets in Hungary, Germany, the Czech Republic and Slovenia).

➤ Volumes increase faster than the rate of the reconstruction of premiums and margins.

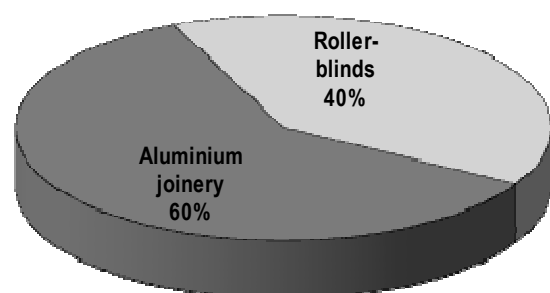
➤ Sourcing new customers at home and abroad with the total potential of ca. 300 tons p.a.

➤ Automotive – deliveries of airbags to RSA and Mexico were launched. New projects related to, for example, components for braking systems.

➤ The use of production capabilities at the level of 80%.

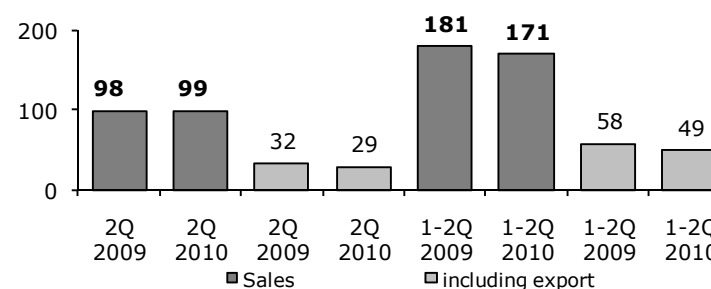
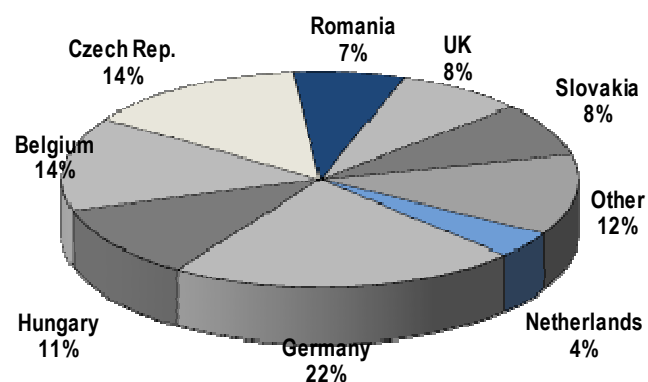


## Aluminium Systems Segment

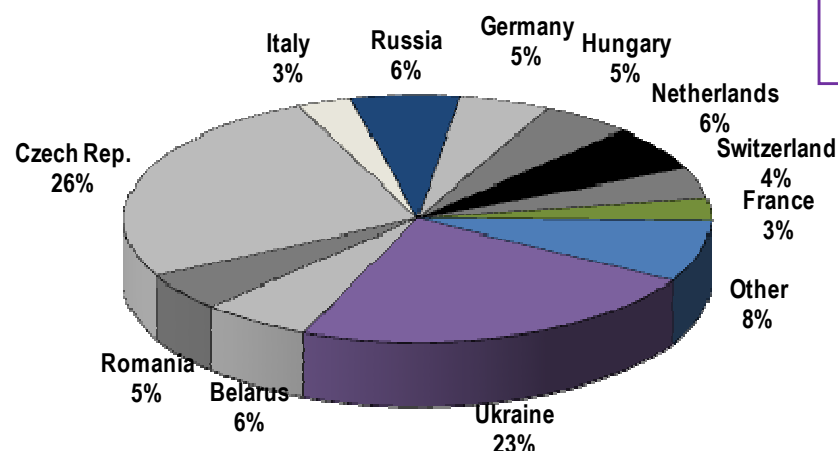
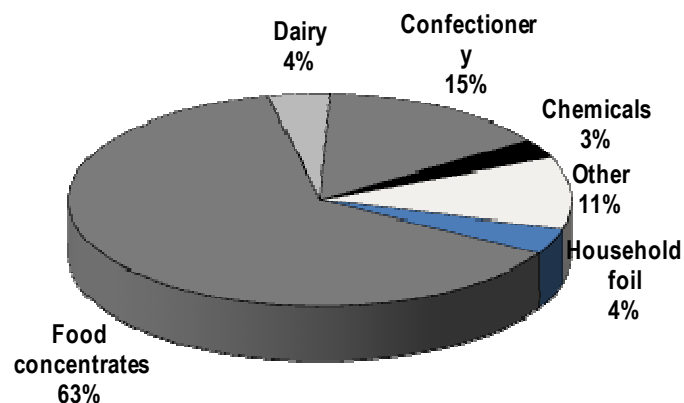


- An increase in the sales on the internal market by ca.6%
- A decrease in the sales on export markets by ca.9% mainly on the market of Belgium and Slovakia.
- We carried out positive tests of the compliance of systems with EN standards in Germany, the UK; positive Secure By Design tests – required for procurements
- Some of the new facilities to be built in Aluprof systems:

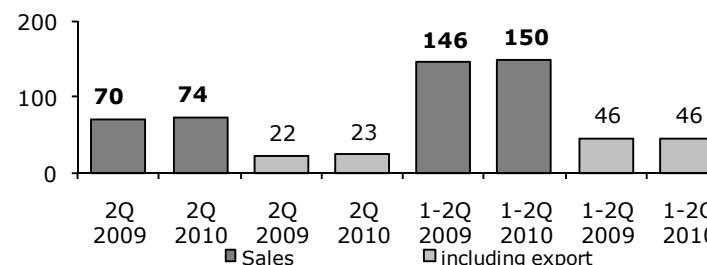
Gagarin Plaza in Odessa, a 17-storey building in Kiev, Athlete's Village in London (for Olympic athletes), the University in Miskolc, Kupiec Polski (roller-blinds).



## Flexible Packaging Segment

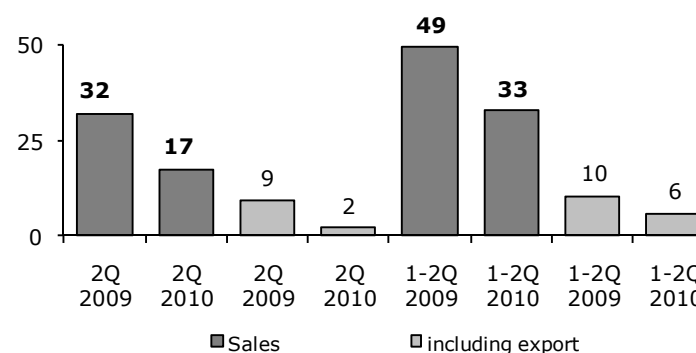
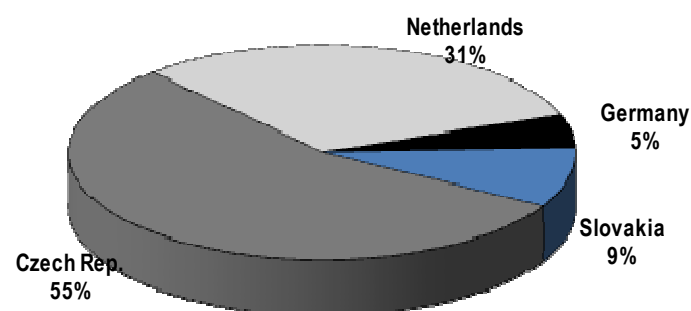


- An increase in the value of sales in Q2 by ca. 4.6% as compared to the corresponding period in 2009.
  - Maintaining margins in Q2 at the last year's level despite the fast growth of the prices of raw materials.
  - New businesses with Nestle Group after being assigned the global supplier status for this company at the beginning of 2010:
- Food concentrates - the production and sale of laminates for the markets of the whole Europe, including Germany, Switzerland, Austria, France, Italy, the Netherlands, Spain and other.
- Ice-cream market - first deliveries of foils for Manhattan, Kit Kat, Princessa ice-cream.
- Signing an agreement for the delivery of a 10-colour rotogravure printer and tandem extruder device.
  - The use of production capabilities at the level of 80%.

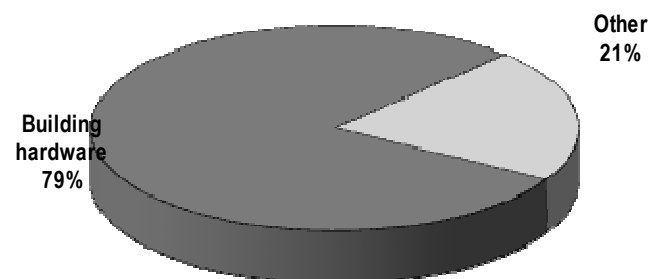


## Building Services Segment

- A decrease in the sales by ca. 45% as compared to the corresponding period in 2009 (including over 75% in export).
- The development of the cooperation with building companies on the markets of Western Europe.
- Sourcing new facilities with the total value of ca. 12 million PLN (including the Ministry of the State Treasury, UKE Hamburg, the court building in Konin). The orders portfolio for 2010 covered in ca. 85%.



## Building Accessories Segment

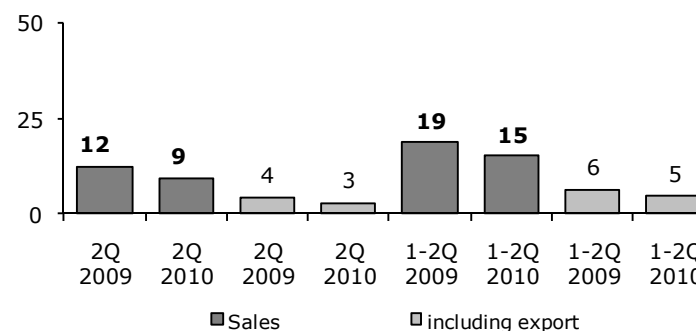
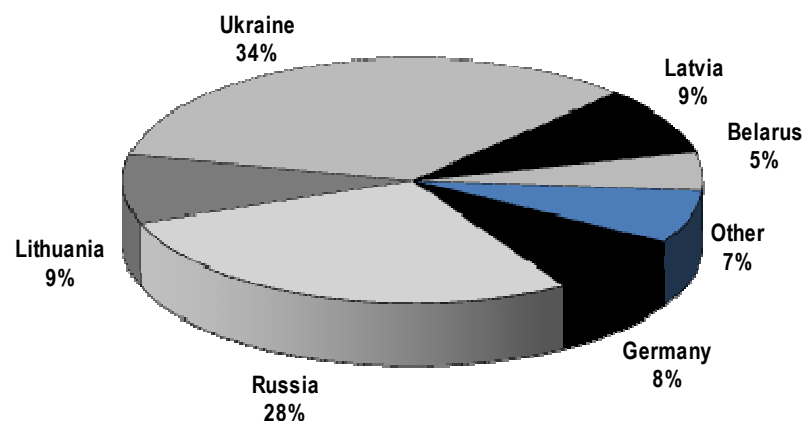


➤ A decrease in the internal sales by ca. 18% as compared to the corresponding period in 2009 as a result of the overall situation on the building market and the rescheduling of the launch of the works due to the financing and weather conditions.

➤ On export markets, the appreciation of the Polish currency and the decrease in the sales mainly to Russia, Latvia and Lithuania were the factors affecting the level of sales.

➤ Sourcing new customers from Russia and Bulgaria.

➤ Launching the production of single-point door locks, new structures of catches for wooden windows, a brake and a limiter for aluminium systems.



## CONSOLIDATED RESULTS

## Basic financial figures for the second quarter of 2010

|          | 2Q 2009 | 2Q 2010 | Change | 1-2Q 2009 | 1-2Q 2010 | Change |
|----------|---------|---------|--------|-----------|-----------|--------|
| EUR/PLN  | 4.45    | 4.01    | -10%   | 4.47      | 4.00      | -11%   |
| USD/PLN  | 3.27    | 3.16    | -3%    | 3.36      | 3.02      | -10%   |
| EUR/USD  | 1.36    | 1.27    | -7%    | 1.33      | 1.33      | 0%     |
| AL. (3M) | 1524    | 2122    | +39%   | 1459      | 2159      | +48%   |

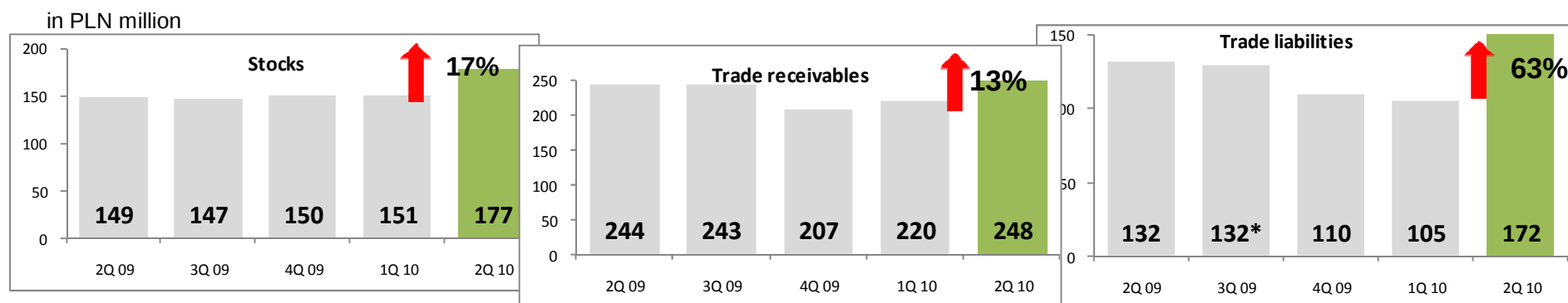
⚡ An increase in sales by ca. 2.5% as compared to 2009 (including an increase in export sales by 7.4%).

⚡ A negative impact of an increase in prices of raw materials and of the EUR/USD relation upon margins (an extended process of transferring the cost of higher raw materials prices to the prices of products).

⚡ Having regard for the result on securing transactions in comparable periods, in the second quarter EBITDA was higher by 7.8% as compared to the previous year (securing transactions in Q2'2010 amounted to +3.0 million PLN as compared to -7.8 million PLN in Q2'2009).

| [PLN million] | 2Q 2009 | 2Q 2010 | Change | 1-2Q 2009 | 1-2Q 2010 | Change |
|---------------|---------|---------|--------|-----------|-----------|--------|
| Sales         | 278.2   | 285.0   | 2%     | 525.9     | 532.9     | 1%     |
| EBITDA        | 51.5    | 44.1    | -15%   | 97.6      | 76.1      | -22%   |
| EBITDA margin | 18.5%   | 15.5%   |        | 18.6%     | 14.2%     |        |
| EBIT          | 35.5    | 26.9    | -24%   | 65.6      | 42.1      | -36%   |
| Net profit    | 20.6    | 19.3    | -6%    | 23.4      | 34.3      | 46%    |

# Working capital management



A systematic increase in the value of stocks resulting from the expected increase in orders in the third quarter and the higher prices of raw materials.

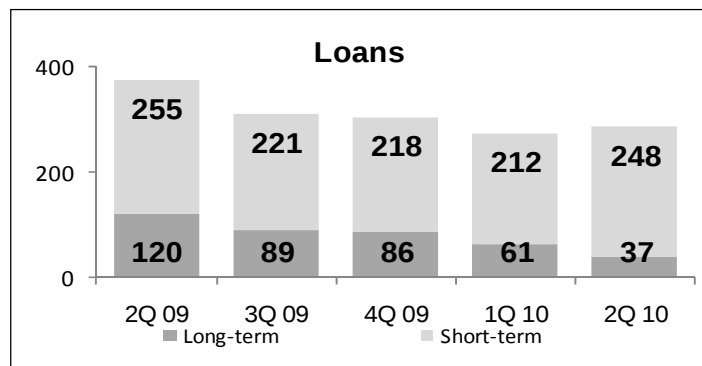
The level of receivables higher than the value generated in the previous year due to the increase in sales.

Higher level of liabilities due to larger purchases of raw materials.

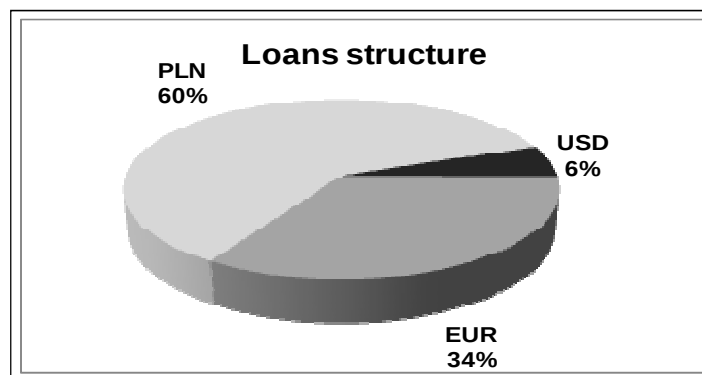


A decrease in working capital by 3% against a 2% increase in the value of sales until 2Q 2009

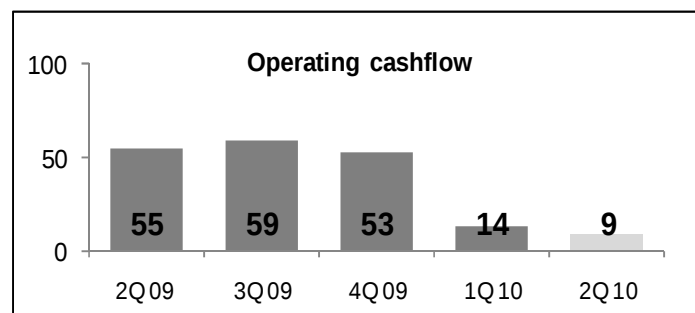
## Debt level



Stable debt level. Net debt was at the level of 216 million PLN. Net debt/equity ratio amounted to 27%.



The maintenance of the partial exposure in EUR as a method of natural hedging of the Company's FX exposure.

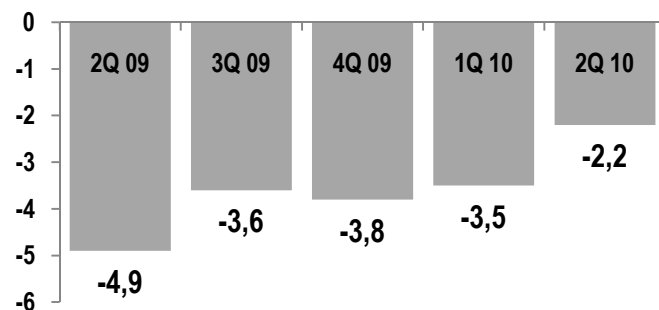


Lower operating cash flow due to the systematic increase in sales as compared to the end of 2009 and of the related working capital.

# Financial activities

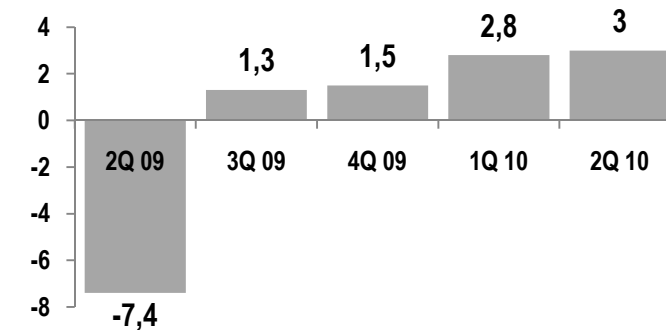
in PLN million

## Interest Loans



in PLN million

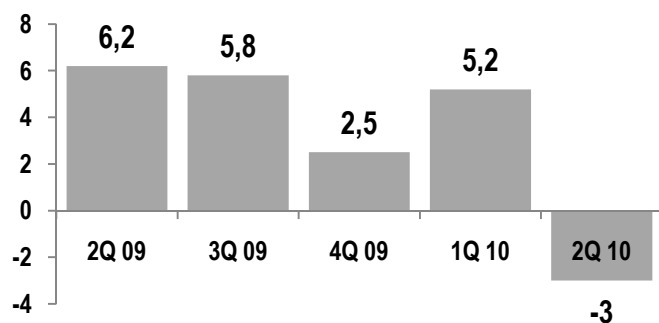
## Hedging



In the second quarter of 2010, the negative impact of the financial activities upon the profit of -2.8 million PLN.

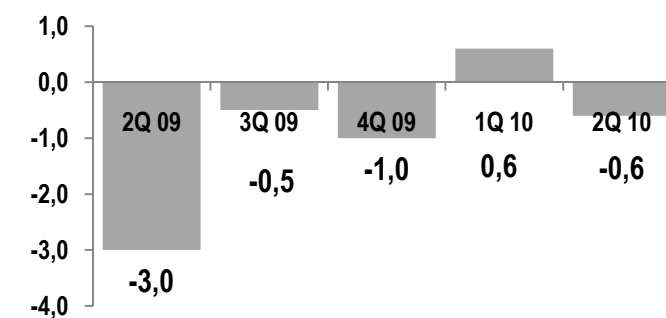
in PLN million

## Loans evaluations



in PLN million

## Other



## Summary

- The results for the second quarter are as expected by the Management Board.
- Expected improvement in margins in further months.
- Expected increases in export sales in H2 2010.
- The Management Board upholds the forecast of results for 2010 published in February 2010.