

KPMG

Apator S.A.

**Opinion and Report of the Independent Statutory Auditor for the
period 1st January to 30th June 2011**

This opinion contains 2 pages.

The supplementary report contains 9 pages.

*Opinion of the independent statutory auditor and the report supplementing the opinion from audit of the
separate financial statement for the period from 1st January 2011 to 30th June 2011.*

OPINION OF THE INDEPENDENT STATUTORY AUDITOR

For the General Meeting of Apator S.A.

We carried out the audit of attached separate financial statement of the Company APATOR seated in Toruń, ul. Żółkiewskiego 21/29 (the Company), which consists of the separate statement of financial position prepared as of 30th June 2011 and the separate statement of comprehensive income, separate statement of changes in equity and the separate statement of cash flows for the period from 1st January 2011 to 30th June 2011 and the additional information on the accepted accounting principles and the other explanatory information.

Responsibility of the Management and the Supervisory Board

The Management Board of the Company is responsible for accuracy of the accounting books, for preparing and reliable presentation of this separate financial statement pursuant to the International Financial Reporting Standards, which were accepted by the European Union and other applicable regulations and for preparation the Business Report. The Management Board is also responsible for internal control, which is deemed as necessary in order the prepared separate financial statements to be free of any irregularities arisen as a result of intended actions or omissions.

Pursuant to the Accounting Act of 29th September (Dz. U. U. 2009 No. 152, item 1223 as amended) ("Accounting Act") the Management Board and the members of the Supervisory Board or other controlling body of the entity are obliged to ensure that the separate financial statement and the business report comply with the requirements stipulated in this Accounting Act.

Responsibility of the Statutory Auditor

Our task is, basing on carried audit, express the opinion and to prepare the report on this separate financial statement and the correctness of the accounting books being a base for it. The audit of the financial statement was carried out pursuant to provisions of the chapter 7 of the Accounting Act, national financial reporting standards issued by the National Board of Statutory Auditors in Poland and International Financial Reporting Standards. These regulations impose the obligation to observe the ethic principles and to plan and to carry out the audit so that to obtain the reasonable certain that the separate financial statement and accounting books being the base for it are free from any discrepancies.

The audit consists of carrying out the procedures aimed at obtaining the evidences on amounts and information disclosed in the separate financial statement. The selection of audit procedures depends on our opinion, including the assessment of the risk of occurrence of material discrepancy the separate financial statement as a result of willful actions or omissions. Carrying the assessment of such risk, we consider the internal control related to preparation and reliable presentation of the separate financial statement in order to plan the proper procedures to circumstances but not to express the opinion on efficiency of the internal control in the entity. This audit includes also the assessment of the applied accounting principles, the grounds for estimations made by the Management Board of the Company and the assessment of the general presentation of the separate financial statement.

We are convinced that obtained evidences are the sufficient base to issue an opinion.

Opinion

In our opinion the separate financial statement of Apator S.A. presents in a reliable and clear manner the property and financial standing of the Company as of 30th June 2011, financial result and cash flows for the period from 1st January 2011 to 30th June 2011, it was prepared, in all material aspects, pursuant to the International Financial Reporting Standards, which were approved by the European Union, it is compliant with all regulations and provisions of the Articles of Association affecting the content of the separate financial statement and it was prepared based on the correctly prepared, in all material aspects, accounting books.

Other issues

The comparative data as of the date and for the fiscal year ending on 31st December 2010 were presented based on the separate financial statement of the Company for the year ending on 31st December 2010, audited by the other entity authorized to audit financial statement, which on 11th April 2011 issued the opinion with the comment on this separate financial statement.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. number 3546
Chłodna 51, 00-867 Warszawa

Statutory Auditor No. 11995
Partner, Proxy
Rafał Wiza

Statutory Auditor No. 90061
Partner, Proxy
Marek Gajdziński

Poznań, August 30, 2011

Apator S.A.

Report supplementing the opinion

from the audit of the separate financial statement for the period from 1st

January 2011 to 30th June 2011

Report supplementing the opinion contains 9 pages.

*Report supplementing the opinion from the audit of the separate financial statement for the year ending on 30th June
2011*

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1. General part

1.1. Data identifying the Company

1.1.1. Name of the Company Apator S.A.

1.1.2. Registered office

ul. Żółkiewskiego 21/29 87-100 Toruń

1.1.3. Registration of the company in the National Court Register

Registering Court: Register Court in Toruń, 7th Business Department of the National Court Register

Date: 24th October 2001

Register No.: KRS 0000056456

Share capital at the end of the period: ' 3,510,702.80 PLN

1.1.4. Manager of Entity

The position of the manager of the entity is held by the Management Board.

The Management Board of the PCompany as of 30th June 2011 consisted of:

- Janusz Niedźwiecki President of the Management Board
- Tomasz Habryka - Member of the Management Board
- Jerzy Kuś - Member of the Management Board

1.2. Data identifying the statutory auditor and entity authorized to audit financial statements

1.2.1. Data identifying the statutory auditor:

Name: Marek Gajdziński

Register No.: 90061

Name: Rafał Wiza

Register No.: 11995

1.2.2. Data identifying the authorized entity

Company: KPMG Spółka z ograniczoną odpowiedzialnością
Sp.k.

Seat office: Warsaw

Address: ul. Chłodna 51, 00-867 Warszawa

Register No.: KRS 0000339379

Registering Court: District Court for the capital city of Warsaw in Warsaw
12th Business Department of the National Court Register, NIP

Number: 527-26-15-362

KPMG Audyt SPółka z ograniczoną odpowiedzialnością sp.k. is entered into the list of the entites authorized to audit the financial statements under the number 3546.

January 2011 to 30th June 2011

1.3. Information on the separate financial statement for the previous fiscal year

The separate financial statement for the fiscal year ending on 31st December 2010 was audited by Korycka, Budziak & Audytorzy Sp. z o.o. and obtained the opinion of the statutory auditor with the following comment:

"Having no objections to the correctness and accuracy of the audited financial statement we note that the Company presents in the statement of financial position the particular items of equity without considering the effects of translation made under IAS 29 "Financial Reporting in Hyperinflationary Economies". The effects of translation of equity and reasons for not recognizing them in the statement of financial position are presented in the Note to Financial Statement (Note 15). This issue was noted in the opinions from audits of the financial statement for the years 2005-2009".

The separate financial statement was approved by the General Meeting on 20th June 2011, which stated that the profit for the previous fiscal year in the amount 41,259,924.88 PLN was divided as follows:

- Dividend 21,064,216.80 PLN,
- Supplementary capital 20,195,708.08 PLN.

The separate financial statement was submitted in the Register Court on 1st July 2011. The financial statement was submitted to be published in Monitor Polski B on 29th July 2011 and to the date of this report has not been published.

1.4. Scope of activities and responsibility

This report was prepared for the General Meeting of Apator S.A., seated in Toruń, ul. Żółkiewskiego 21/29 and refers to the separate financial statement, which consists of the separate statement of financial position prepared as of 30th June 2011 and the separate statement of comprehensive income, separate statement of changes in equity and the separate statement of cash flows for the period from 1st January 30 to 30th June and the additional information on the accepted accounting principles and the other explanatory information.

The audited entity prepares the separate financial statement pursuant to the International Financial Reporting Standards, which were approved by the European Union based on decision of the Extraordinary General Meeting of Shareholders of 20th December 2004.

The audit of the separate financial statement was carried out pursuant to the agreement of 11th April 2011 concluded under the resolution of the Supervisory Board of 1st March 2011 referring to the selection of the entity authorized to audit the financial statement.

The audit of the separate financial statement was carried out pursuant to provisions of the chapter 7 of the Accounting Act, national financial reporting standards issued by the National Board of Statutory Auditors in Poland and International Financial Reporting Standards.

The audit of the separate financial statement was carried out in the seat of the Company in the period from 13 to 17 June and 1 to 5 August 2011.

The Management Board of the Company is responsible for accuracy of the accounting books, for preparing and reliable presentation of the separate financial statement pursuant to the International Financial Reporting Standards, which were accepted by the European Union and other applicable regulations and for preparation the Business Report.

Our task was, basing on carried audit, to express the opinion and to prepare the supplementing report on this separate financial statement and the correctness of the accounting books being a base for it.

The Management Board of the Company on the date of issue of this report submitted the statement on reliability and clearness of the separate financial statement presented to be audited and on lack of occurrence of the events not disclosed in the separate financial statement affecting significantly the data presented in the separate financial statement for the audited year.

During the audit of the separate financial statement the Management Board submitted the all required statements, explanations and information and provided us with all documents and information necessary to issue the opinion and to prepare the report.

The key statutory auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. meet the requirement of independency from the audited Company in the meaning of Art. 56 sec. 3 and 4 of the Act of 7th May 2009 on the Statutory Auditors and Their Self-Regulation, entities authorized to audit financial statements and on public supervision (Dz. U. No. 77 item 649).

The scope of planned and executed works was not limited in any manner. The scope and manner of the audit results from the prepared working documents, which is in the seat of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

January 2011 to 30th June 2011

2. Financial analysis of the Company

2.1. General analysis of the separate financial statement

2.1.1. Separate statement of financial condition

ASSETS	30.06.2011	%	31.12.2010	%
	000 PLN	assets	000 PLN	assets
Non-current assets				
Property, Plant and Equipment	27 067	12.2	28 769	13.8
Intangible assets	3017	1.4	3 266	1.6
Investment property	1 341	0.6	1 341	0.6
Other long-term financial assets	125 928	56.8	121 354	58.3
Granted long-term loans	390	0.2	481	0.2
Long- term receivables	199	0.1	205	0.1
Assets due to the deferred income tax	2 001	0.9	2 010	1.0
TOTAL NON-CURRENT ASSETS	159 943	72.1	157 426	75.6
Current assets				
Inventories				
Trade receivables and other	17 833	8.0	14 910	7.2
Other short-term financial assets	32 952	14.9	33 140	15.9
Granted short-term loans	456	0.2	692	0.3
Cash and cash equivalents	178	0.1	165	0.1
Short-term accrued and deferred assets	918	0.4	683	0.3
Non-current assets held for resale	1 646	0.7	1 096	0.5
	7 796	3.5	-	•
TOTAL CURRENT ASSETS	61 779	27.9	50 686	24.4
SUM OF ASSETS	221 722	100.0	208 112	100.0
LIABILITIES				
	30.06.2011	%	31.12.2010	%
	PLN '000	assets	PLN '000	assets
Equity				
Share capital	3 511	1.6	3 511	1.7
Other reserve capitals	125 410	56.6	105 214	50.6
Undivided financial result	29 146	13.2	32 483	15.6
Total equity	158 067	71.3	141 208	67.9
Liabilities				
Liabilities due to credits and loans	-	-	18 000	8.7
Long-term liabilities	929	0.4	40	0.0
Provision due to the deferred income tax	1 905	0.9	1 948	0.9
Provisions and liabilities due to employee benefits	4 876	2.2	4 773	2.3
Total long-term liabilities	7 710	3.5	24 761	11.9
Liabilities due to credits and loans	13 829	6.2	19 299	9.3

Trade liabilities and other	32 612	14.7	21 160	10.2
Provisions and short-term liabilities due to employee benefits	1 344	0.6	1 132	0.5
Other short-term provisions	1 160	0.5	552	0.3
Liabilities related to the non-current assets held for sale	7 000	3.2	-	•
Total short-term liabilities	55 945	25.2	42 143	20.3
Total liabilities	63 655	28.7	66 904	32.2
SUM OF LIABILITIES	221 722	100,0	208 112	100,0

2.1.2. Separate statement of comprehensive income

	1.01.2011 -	%	1.01.2010-	%
	30.06.2011	Revenues from sale	30.06.2010	Revenues from sale
	'000 PLN		'000 PLN	
CONTINUED ACTIVITY				
Revenues from sale	73 589	100.00	65 310	100,0
Own cost of sale	(55 365)	75,2	(49 457)	75,7
<i>Gross profit from sales</i>	<i>18 224</i>	<i>24.8</i>	<i>15 853</i>	<i>24.3</i>
Other operating revenues	581	0.8	488	0.8
Distribution costs	(5 984)	8.1	(6 101)	9.3
General administrative expenses	(8 938)	12.2	(8 347)	12.8
Other operating costs	(1 057)	1.4	(940)	1.4
<i>Profit from operational activity</i>	<i>2 826</i>	<i>3.8</i>	<i>955</i>	<i>1.5</i>
Financial income	30 776	41.8	33 934	52.0
Financial costs	(4 037)	5.5	(4 625)	7.1
Net financial revenues	26 739	36.3	29 309	44.9
<i>Profit before tax</i>	<i>29 146</i>	<i>40.2</i>	<i>3.262</i>	<i>46.3</i>
Income tax	(419)	0.6	320	0.5
<i>Net profit for the fiscal year</i>	<i>29 146</i>	<i>39.6</i>	<i>30 582</i>	<i>46.8</i>
OTHER COMPREHENSIVE INCOME				
<i>Total comprehensive income for the fiscal year</i>	<i>29 146</i>	<i>39.6</i>	<i>30 582</i>	<i>46.8</i>

2.2. Selected financial ratios

	06.2011	12.2010	06.2010
1. Net return on sale			
Net profit for the fiscal year x 100%	39.6%	25.4%	46.8%
<hr/>			
Revenues from sale			
2. Return on equity			
Net profit for the fiscal year x 100%	22.6%	41.3%	26.6%
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Equity- net profit for the fiscal year			
3. Receivables turnover rate			
Average gross trade receivables x number of days in period (*)	79 days	61 days	69days
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Revenues from sale			
4. Debt rate			
Liabilities x 100%	31,8%	38.8%	31,2%
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Sum of liabilities			
5. Liquidity ratio			
current assets	1.1	0.9	1.3
<hr/>			
Short-term liabilities			

- Net revenues from sale of products, goods and materials

- Average gross trade receivables are the arithmetic average of trade receivables from the beginning to the end of the reporting period, excluding the revaluation allowances.
- (*) correspondingly 182 days for the period from 1st January 2010 to 30th June 2010 and from 1st January 2011 to 30th June 2011 and 365 days for the fiscal year ending on 31st December 2010.

3. Detailed part

3.1. Correctness of the applied accounting system

The Company has the updated documents describing the accounting principles applied by the Management Board of the Company in the scope required by Art. 10 of the Accounting Act.

During the audit of the separate financial statement we carried out the random review of the correctness of the accounting system operation.

During these works we do not stated any material irregularities in the accounting system, which would not be removed and might affect the separate financial statement in a significant manner. To express the complex opinion on functioning of the mentioned system was not a purpose of this audit.

The Company carried out the stockholding of the assets in the terms specified in Art. 26 of the Accounting Act.

3.2. Additional information to the separate financial statement

The data included in the explanatory notes to the separate financial statement including the description of the material accounting principles and other explanatory information were presented, in all material aspects, as complete and accurate. These data constitute the integral part of the individual financial statement.

3.3. Information on the opinion of the independent statutory auditor

Based on the carried audit of the separate financial statement of the Company prepared as of 30th June 2011 and for the period ending on this date we issue the opinion without any reservations.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. , number 3546 ul. Chłodna 51, 00-867
Warszawa

Statutory Auditor No. 11995
Partner, Proxy
Rafał Wiza

Statutory Auditor No. 90061
Partner, Proxy
Marek Gajdziński

Poznań, August 30, 2011