

KPMG

APATOR S.A.

Opinion and Report of Independent Statutory Auditor
for the period of six months that ends on the 30th June 2012

Opinion covers 2 pages.

Supplementary Report to the opinion covers 9 pages.
Opinion of independent statutory auditor and supplementary report
to the opinion of the audit of concise interim financial statement
for the period of six months that ends on the 30th June 2012.

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KPMG

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THE OPINION OF INDEPENDENT STATUTORY AUDITOR

To the Executive Board of Apator SA

We have conducted the audit of the enclosed concise interim financial statement of Apator S.A. with headquarters in Toruń, ul. Gdańska 4a, local C4 ("Company"). It consists of concise interim statement on financial position prepared at the 30th June 2012, concise statement on total income, concise statement on change in equity, concise interim statement on cash flow for the period of 6 months that ends on the 30th June 2012 and additional information on accepted accounting principles and other selected clarifying data.

Responsibility of the Executive Board and Supervisory Board

Concise interim financial statement was prepared with regard to the duties resulting of Art. 349 of the Polish Commercial Companies Code (Journal of Laws dated 2000 no 94 item 1037 with later amendments) concerning the payment of interim dividend. The Executive Board is responsible for the correctness of accounting books and preparation of this concise interim financial statement according to International Accounting Standards 34 *Interim financial reporting* ("IAS 34") that has been approved by European Union and other obligatory regulations in force. The Executive Board is responsible also for the internal control that considers as necessary the concise interim financial statements to be free of irregularities that occurred due to deliberate actions or errors.

The Executive Board of the Company and the members of the Supervisory Board or other supervising body for entity are obliged to provide the concise interim financial statement to be complied with requirements specified in the Act. It should be in accordance with the Accounting Act, dated the 29th September 1994 (Journal of Laws dated 2009 no. 152 item 1223 with later amendments) (act on accounting").

Responsibility of Statutory Auditor

Our task, based on conducted audit is to give the opinion of concise interim financial statement and the correctness of accounting books being the base for its preparation. The audit of concise interim financial statement we have conducted according to provisions of the chapter 7 of the Act on accounting.

It also regards national standards of financial revision issued by the National Chamber of Statutory Auditors and International Standards on Auditing.

The regulations make us obligated to proceed according to the ethical principles, planning, and conducting the audit in that manner in order to achieve rational certainty that concise interim financial statement and accounting books being the base for its preparation are free of significant irregularities.

Auditing is to carry out the procedures aiming at the achievement of the evidence regarding amounts and information disclosed in concise interim financial statement. The selection of procedures for auditing depends on our judgement including the assessment of the risk of occurrence of the significant irregularity in concise interim financial statement. It may be caused due to deliberate action or errors.

During the assessment that risk, we take into consideration internal control related to preparation of concise interim financial statement. It is done in order to plan appropriate procedures suitable to circumstances but not to give the opinion of effectiveness of the operation of internal control in the entity. Auditing also covers the assessment of accounting policy, the legitimacy of approximations made by the Executive Board of the Company and the assessment of general presentation of concise interim financial statement.

We believe that the evidence of auditing achieved by us are enough and suitable base to give the opinion of audit.

Opinion

In our opinion, the enclosed concise interim financial statement of Apator SA has been prepared in all the significant aspects according to the requirements of IAS 34 and it is in accordance with legal regulations and provisions of the Statutes that have got the influence on the content of concise interim financial statement.

It was prepared based on correctly kept accounting books in all significant aspects.

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

/illegible signature/
Statutory Auditor no 11995

Limited Partner, Plenipotentiary

Rafał Wiza

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Statutory Auditor no 90061

Limited Partner, Plenipotentiary

Marek Gajdziński

Poznań, the 28th August 2012

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APATOR S.A

The supplementary report to the opinion on the audit of concise interim financial statement made for the period of 6 months that ends on the 30th June 2012.

The supplementary report to the opinion covers 9 pages.
The supplementary report to the opinion of the audit of concise interim financial statement made for the period of six months that ends on the 30th June 2012

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Apator S.A.

Statement to the opinion of the audit of concise interim financial statement for the period 6 months that ends on the 30th June 2012

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1. General part of the statement

1.1 Identification data of the Company

1.1.1 Name of the Company

Apator S.A.

1.1.2 Headquarters of the Company

ul. Gdańska 4a local C4

87-100 Toruń

1.1.3 Registration in the National Court Register

Registry court: District Court in Toruń, VII Economy Department of the National Court Register

Date: 24th October 2001

Registration number: KRS 0000056456

Share capital at balance day: 3.510.702,80 PLN

1.1.4 Management of the Company

The Management of the Company is the Executive Board.

The Executive Board at the 30th June 2012 consisted of:

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

1.2. Identification data of key statutory auditor and body entitled to conduct the audit of financial statements

1.2.1 Identification data of key statutory auditor

Name and surname: Marek Gajdziński
Registration number: 90061

Name and surname: Rafał Wiza
Registration number: 11995

1.2.2 Identification data of entitled body

Firm: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. Polish limited liability partnership
Headquarters: Warsaw
Address: ul. Chłodna 51, 00-867 Warszawa
Registration number: KRS 0000339379
Registry court: District Court for the City of Warsaw in Warsaw, XII Economy Department of the National Court Register
NIP code: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. Polish limited liability partnership is entered in the list of entities entitled to conduct the audit of financial statements under number 3546.

1.3 Information on individual financial statement for the previous financial year.

Financial statement for the financial year that ends on the 31st December 2011 was audited by KPMG Audyt Sp. z o.o. Sp. k. Polish limited liability partnership and the opinion of it has been given without any restrictions.

The financial statement was approved by the General Shareholders Meeting on the 18th June 2012 and it decided that the profit for previous financial year will be dividend in the following:

- Dividend: 24.830.271,00 PLN
- Supplementary capital: 12.901.281,16 PLN

The financial statement was submitted to Registry Court on the 22nd June 2012. The financial report was submitted to publication in Official Gazette of the Republic of Poland B on the 26th June 2012 .It has not been published till now.

1.4 Scope of work and responsibility

The hereby statement was prepared for the Executive Board of Apator SA with headquarters in Toruń, ul.Gdańska 4a local C4 and it regards concise interim financial statement prepared at the 30th June 2012. The concise interim financial statement includes;

- concise interim financial position statement prepared at the 30th June 2012,
- concise interim total income statement,
- concise interim statement on changes in equity
- concise interim cash flow statement for the period of six months that ends on the 30th June 2012
- additional information on accounting principles accepted and other selected clarifying pieces of information.

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

The auditing of concise interim financial statement was conducted according to the contract dated the 6th June 2012 concluded based on the resolution of the Supervisory Board dated the 23rd January 2012 on selection of the entity entitled to audit the financial statement.

The auditing of concise interim financial statement, we conducted suitably to the provisions of the chapter 7 of the Accounting Act, national standards of financial auditing issued by the National Chamber of Statutory Auditors in Poland and International Standards of Auditing.

The auditing of concise interim financial statement was conducted in the headquarters of the Company in the period since the 30th July 2012 till the 3rd August 2012.

The Executive Board is responsible for the correctness of accounting books and preparation of concise interim financial statement according to the requirements of International Accounting Standard 34 *Interim financial reporting* ("IAS 34") that has been approved by European Union and other regulations in force.

Our task was based on audit conducted to give the opinion and make complementary report on this concise interim financial statement and the correctness of accounting books kept being the base for making the statement.

On the day of publishing of this report, the Executive Board of the Company made the statement on compliance of concise interim financial statement prepared for auditing in accordance with International Accounting Standard 34 *Interim Financial Reporting*. It had been approved by European Union. The Executive Board made the statement on lack of occurrence of not disclosed events in concise interim financial statement that had significant influence on data in the auditing period and included in financial statement.

During auditing of concise interim financial statement, the Executive Board of the Company has submitted required by us all statements, clarifications and pieces of information and made available all the documents and pieces of information necessary to give the opinion and prepare the report.

Key statutory auditors and KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k. Polish limited liability partnership comply with the requirement of independent

auditors for auditing company according to art. 56 para 3 and 4 of the Act dated the 7th May 2009 on statutory auditors and their council, entities entitled for auditing of financial statements and public supervision (Journal of Laws No. 77 item 649).

The scope of planned and performed works has not been in any manner limited. The scope and manner of audit conducted is the result of the auditor's documentation made by us stored in headquarters of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. Polish limited liability partnership.

2. Financial analysis of the Company

2.1 General analysis of concise interim financial statement

2.1.1 Statement on financial position

Assets	30.06.2012 000'PLN	% assets	31.12.2011 000'PLN	% assets
Fixed assets				
Tangible fixed assets	63027	21,7	56240	21,8
Intangibles	3033	1,1	3173	1,2
Investment properties	1405	0,5	1405	0,5
Other long-term financial assets	125 889	43,4	125862	48,7
Long-term borrowings granted	206	0,1	324	0,1
Long-term receivables	1112	0,4	1117	0,4
Deferred income tax assets	22380	7,6	2334	1,0
Total fixed assets	217052	74,8	190455	73,7
Current assets				
Inventories	24702	8,5	22289	8,6
Trade receivables and other	35802	12,3	37402	14,5
Short-term borrowings granted	210	0,1	230	0,1
Cash and its equivalent	2483	0,9	80	0,0

Short-term prepayments	1180	0,4	391	0,1
Fixed assets held for sales	8751	3,0	7732	3,0
Total current assets	73128	25,2	68124	26,3
TOTAL ASSETS	290180	100,0	258 579	100,0
LIABILITIES	30.06.2012	%	31.12.2011	%
	000' PLN	liabilities	000' PLN	liabilities
Equity				
Share capital	3511	1,2	3511	1,4
Other capitals	138 111	47,6	125 410	48,5
Capital on evaluation of hedge transactions	(704)	0,2	(1460)	0,6
Not distributed financial result	49969	17,2	37 731	14,6
Total equity	190887	66,3	165192	63,9
Liabilities				
Liabilities due to loans and borrowings	15000	5,2	15000	5,8
Long-term liabilities	1984	0,7	2190	0,9
Provision due to deferred income tax	2370	0,8	2305	0,9
Long-term provisions due to employee benefits	4749	1,6	4556	1,7
Total long-term liabilities	24103	8,3	24051	9,3
Liabilities due to loans and borrowings	18461	6,4	35147	13,6
Trade liabilities and other	47604	16,4	25119	9,7
Short-term provisions for employee benefits	1595	0,6	1618	0,6
Other short-term provisions	530	0,2	452	0,2
Liabilities due to fixed assets held for sales	7000	2,3	7000	2,7
Short-term liabilities	75190	25,9	69336	26,8
Total Liabilities	99293	34,2	93387	36,2
TOTAL LIABILITIES	290180	100,0	258579	100,0

2.1.2 Total income statement

	1.01.2012- 30.06.2012 000'PLN	% revenues on sales	1.01.2011- 30.06.2011 000'PLN	% revenues on sales
Revenues on sales	96299	100,0	73349	100,0
Selling own costs	(73657)	76,5	(55548)	75,7
Gross profit on sales	22642	23,5	17801	24,3
Other operating costs	402	0,5	465	0,6
Selling costs	(4673)	4,9	(6083)	8,3
Overheads	(12227)	12,7	(9099)	12,4
Other operating costs	(539)	0,6	(265)	0,4
Profit on operation	5605	5,8	2819	3,8
Financial revenues	26509	27,5	29 864	40,7

Financial costs	(1559)	1,6	(3118)	4,2
Profit before tax	30 555	31,7	29565	40,3
Income tax	19 414	20,2	(419)	0,6
Net profit for financial year	49969	51,9	29146	39,7
OTHER TOTAL INCOME				
Result on hedge accounting	933	1,0	-	-
Income tax on other total income	(177)	0,2	-	-
Other total net income for financial year	756	0,8	-	-
Total income in total for financial year	50725	52,7	29146	39,7

2.2 Selected financial ratios on the day and for the period of six months that ends on the 30th June 2012

	06.2012	12.2011	06.2011
1. Profitability of net sales			
<u>Net profit for the period/financial year x 100%</u> Revenues on sales	51,9%	24,2%	39,6%
2. Profitability of equity			
<u>Net profit for the period/financial year x 100%</u> Equity – net profit for the period/financial year	35,5%	29,6%	22,6%
3. Quickness of turn over of receivables			
<u>Average gross trade receivables x number of days*</u> revenues on sales	62 days	75 days	79 days
4. Debt rate			
<u>Liabilities x 100%</u> Total liabilities	34,2%	36,1%	31,8%
5. Fluidity ratio			
<u>Current assets</u> Short-term liabilities	1,0	1,0	1,1

- Net revenues include revenues on sales of products, goods and materials
 - Average value of gross receivables due to deliveries and services is arithmetical mean of receivables due to deliveries and services at the beginning and at the end of reporting period, not taking into consideration write downs of their values.
- * Suitably 182 days for the period since the 1st January 2011 till the 30th June 2011 and since the 1st January 2012 till the 30th June 2012 and 365 days for financial year that ends on the 31st December 2011

3. Detail part of the report

3.1 Correctness of the accounting system used

The Company has updated documentation describing the principles of accounting accepted by the Executive Board in the scope required by the regulations of art. 10 of Accounting Act.

During the auditing, we did not find significant irregularities regarding the accounting system, which would not be deleted and could have the significant influence on auditing of concise interim financial statement. The objective of the audit was not to determine the comprehensive opinion about the operation of accounting system.

3.2 Additional information on concise interim financial statement

Data included in additional information on concise interim financial statement that define accepted the accounting principles and include other selected clarifying information have been presented in all significant aspects according to IAS 34. The data are integral part of concise interim financial statement.

3.3 Information on the opinion of independent statutory auditor

Based on conducted audit of concise interim financial statement of the Company prepared at the 30th June 2012 and for the period of six months that ends of that day we gave the opinion without reservations.

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

/illegible signature/
Statutory Auditor no 11995

Limited Partner, Plenipotentiary

Rafał Wiza

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Statutory Auditor no 90061

Limited Partner, Plenipotentiary

Marek Gajdziński

Poznań, the 28th August 2012

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