



APATOR

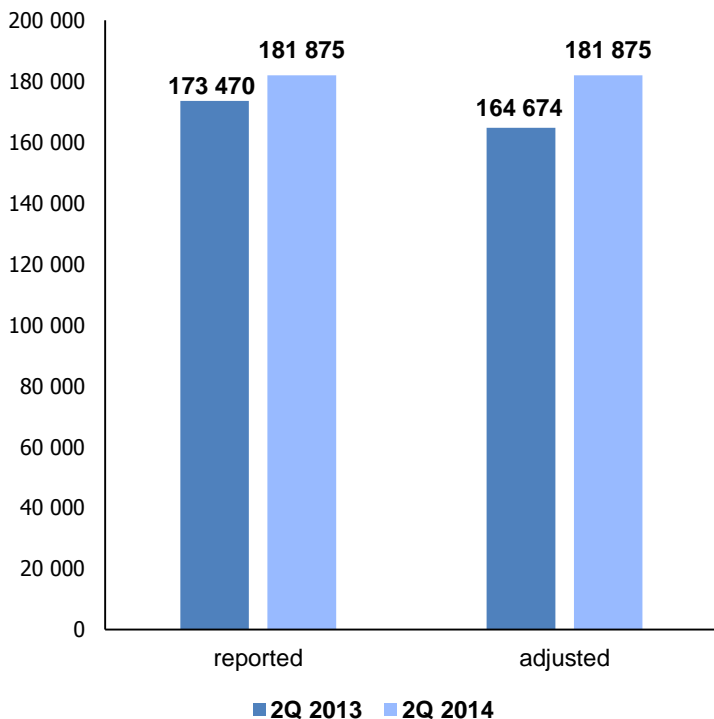


Financial results of Capital Group of Apator for 1H 2014

I. Results of Capital Group of Apator for 1H 2014 – sales

Increase of reported revenues on sales by PLN 8,4 m (4,8%) – influence of Newind (PLN 8,8 m).

Revenues PLN '000

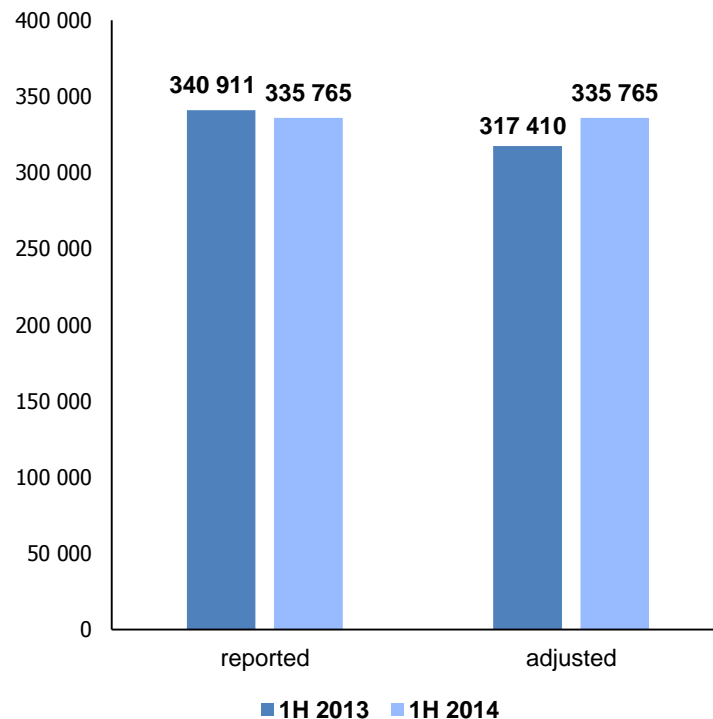


Adjusted revenues on sales significantly higher by PLN 17,2 m (10,4%). Changes:

- increase in lines: electricity by PLN 13,3 m (PGE, Marocco), water and heat by PLN 6 m (Ethiopia, Czech Republic),
- Influence of Elkomtech: PLN 11 m,
- Decrease in lines: ICT by PLN 5 m (delay in performance of key contracts), gas by PLN 4,5 m (Flonidan), switchgear by PLN 2 m (Russia, Turkey).

Slight decrease of reported revenues on sales by PLN 5,1 m (1,5%) – influence of Newind (PLN 23,5 m).
Advanced forecast of the year: 44,2% - 46%

Revenues PLN '000



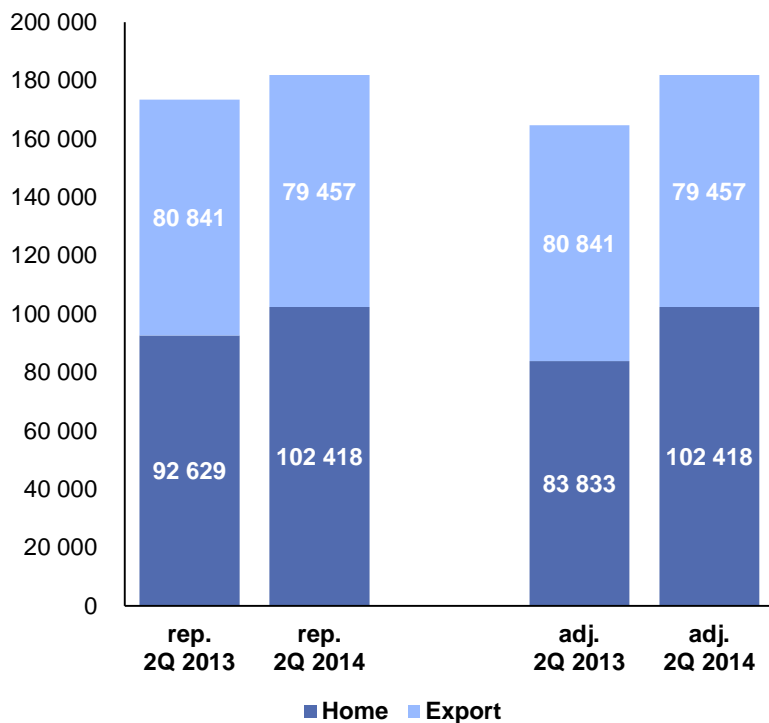
Adjusted revenues on sales higher by PLN 18,4 m (5,8%). Changes:

- increase of lines : water and heat by PLN 10,8 m (home), electricity by PLN 9 m (PGE, Marocco),
- influence of Elkomtech: PLN 11 m,
- decrease in lines: gas by PLN 11,6 m (Flonidan), switchgear by PLN 2,7 m (Russia, Turkey), ICT by PLN 1,1 m (key contracts).

I. Results of Capital Group of Apator for 1H 2014 – home and export

Comparable level of export, decrease of share of export from 46,6% to 43,7%.

Home – export PLN '000



Decrease of share of adjusted export from 49,1% to 43,7%.

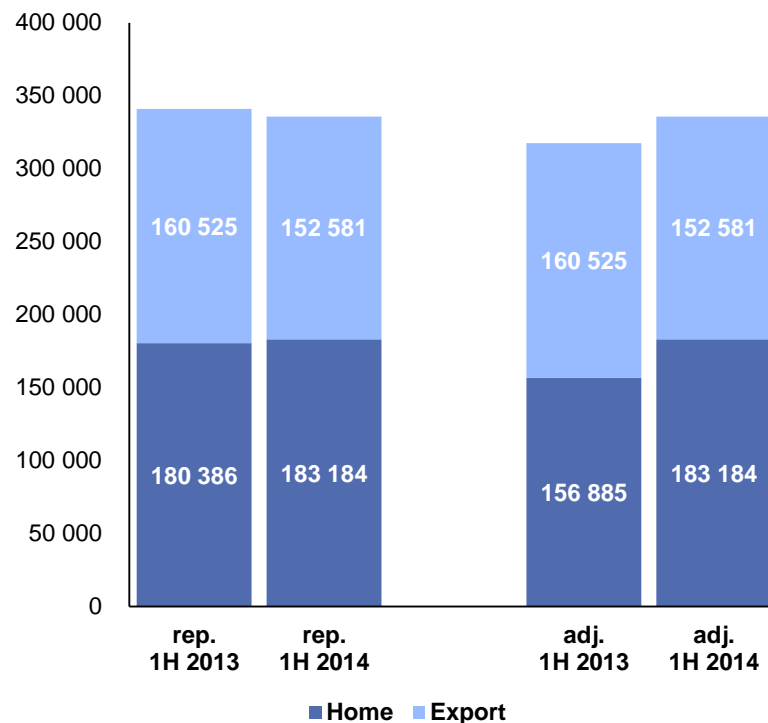
Changes:

- decrease in line: gas by PLN 7 m and switchgear by PLN 3,6 m;
- increase in line: water and heat (Ethiopia, Czech Republic) and in line: electricity (Marocco).

Increase of domestic adjusted sales by PLN 18,6 m (22,2%) – influence of Elkomtech (PLN 11 m) and electricity by PLN 9,2 m – PGE.

Decrease of export by PLN 7,9 m (4,9%) and share of export from 47,1% to 45,4%.

Home - export PLN '000



Decrease of share of adjusted export from 50,6% to 45%:

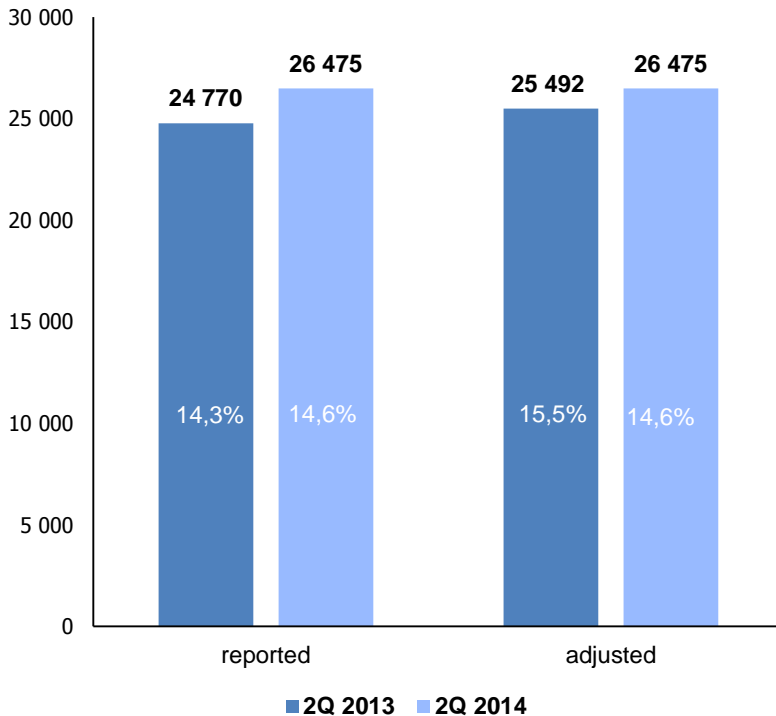
- completion of the contract concerning sales to Dutch market covered by sales to India (gas meters to British market) and to Czech Republic market (gas meters and water meters),
- definite less sales to Turkey (heat cost allocators and switchgear) and Ethiopia (water meters).

Increase of domestic adjusted sales by PLN 26,3 m (16,8%) – influence of Elkomtech (PLN 11 m), increase in line: water and heat by PLN 8 m.

I. Results of Capital Group of Apator for 1H 2014 – result on sales

Increase of reported profit on sales by PLN 1,7 m (6,9%).
Maintaining profitability

Result on sales PLN '000



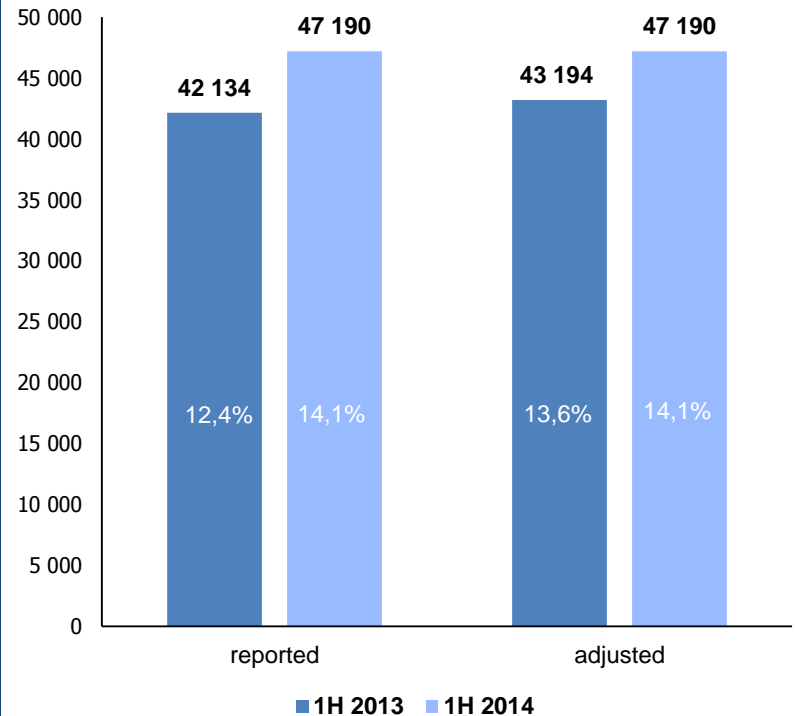
Slight increase of adjusted result on sales by PLN 1 m (3,9%).
Changes:

- increase in line: water and heat (by PLN 3,1 m),
- influence of Elkomtech (PLN 4 m),
- decrease in line: ICT (by PLN 5,6 m).

Decrease of adjusted profitability on sales is caused by decrease of profitability in line: ICT from 44,4% to -9,3%.

Increase of reported result on sales by PLN 5 m (12%) – loss of Newind in 1H2013: PLN -1,1 m.

Result on sales PLN '000



Increase of adjusted result on sales by PLN 4 m (9,3%):

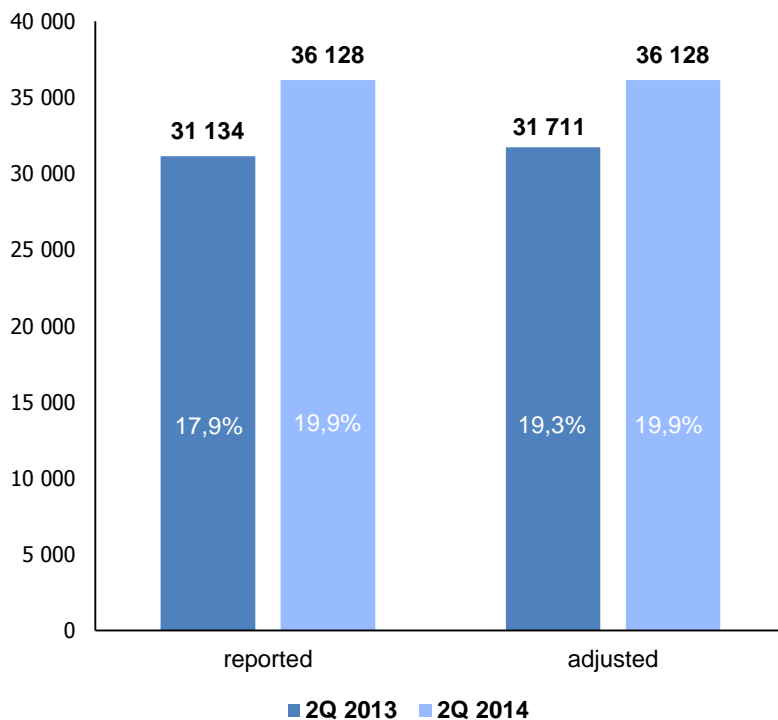
- increase in line: water and heat (by PLN 4,3 m),
- influence of Elkomtech : PLN 4 m.

Maintaining profitability

I. Results of Capital Group of Apator for 1H 2014 – result on sales and EBITDA

Significant increase of reported EBITDA by PLN 5 m (16%).

EBITDA PLN '000

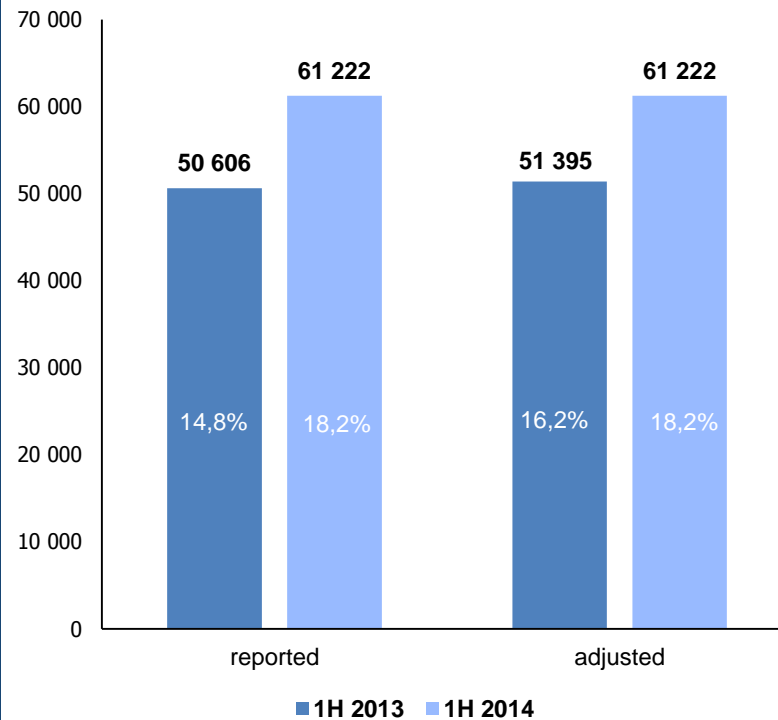


Factors that have the influence on increase of adjusted EBITDA:

- other operating activity in 2Q 2014 (increase by 1,4 m y/y – provisions in Capital Group of Powogaz),
- increase of the profit from joint controlled entities by PLN 1,6 m (GWi).

Significant increase of reported EBITDA by PLN 10,6 m (21%).

EBITDA PLN '000



Factors that have the influence on increase of adjusted EBITDA and profitability:

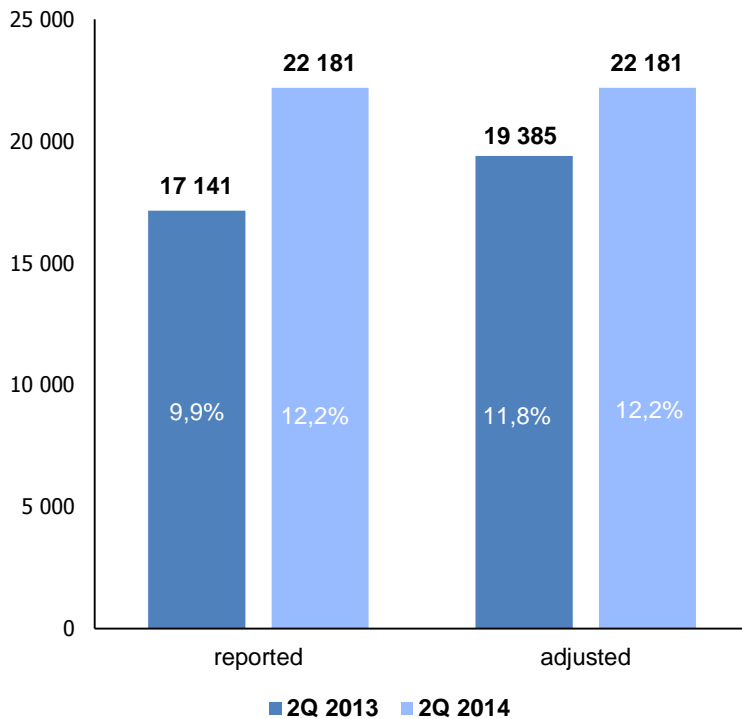
- profit on other operating activity in 1H2014 in the presence of loss in 1H2013 (provisions of Capital Group of Powogaz, sale of property by Pafal),
- increase of profit from joint controlled entities by PLN 1,7 m (GWi).

I. Results of Capital Group of Apator for 1H 2014 – net profit

Definite increase of reported net profit by PLN 5 m (29,4%). Increase of profitability.
Result of 2 Q 2013 includes the loss on sale of Newind: - PLN 1,3 m.

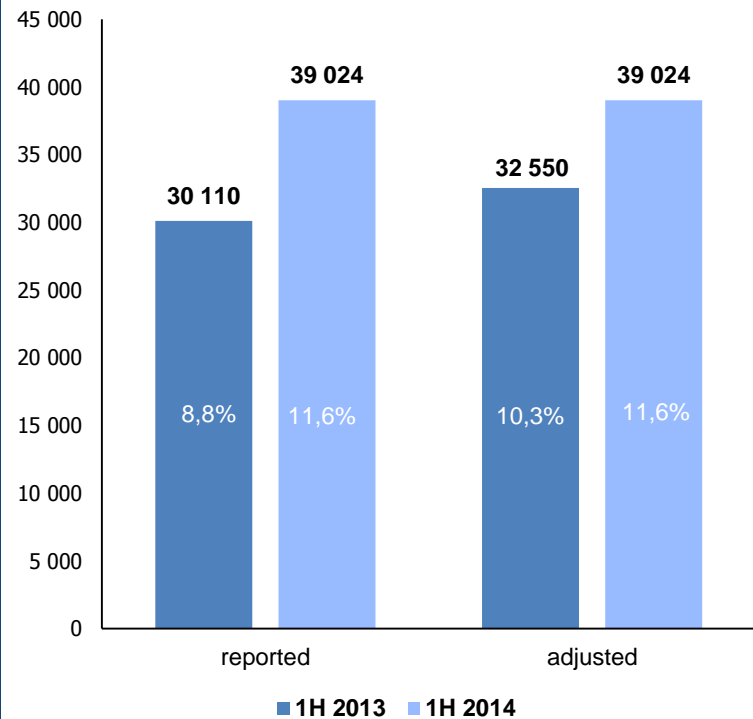
Increase of reported net profit by PLN 8,9 m (29,6%). The result of 1H 2013 includes the loss on sale of Newind: PLN -1,3 m. There is no threat of performance of the forecast of the year: 50% - 52%.

Net profit PLN '000



Growth factors of adjusted net profit and profitability are the same like for EBITDA.
Negative influence on net profit had the financial activity (loss PLN -0,7 m – result on exchange differences and interest on loans).

Net profit PLN '000

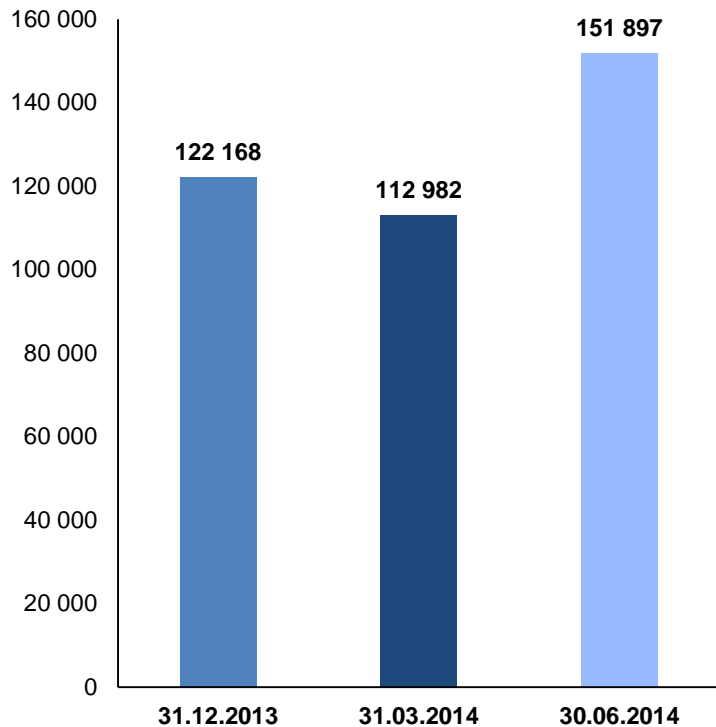


Growth factors of adjusted net profit and profitability are the same like for EBITDA.
Negative influence on net profit had the financial activity (loss – PLN 1,6 m – result on exchange differences and interest on loans).

I. Results of Capital Group of Apator for 1H 2014 – working capital and debt

Share of working capital in revenues on sales of LTM increased in relation to the previous quarter from 16,9% to 22,4%.

Net working capital PLN '000

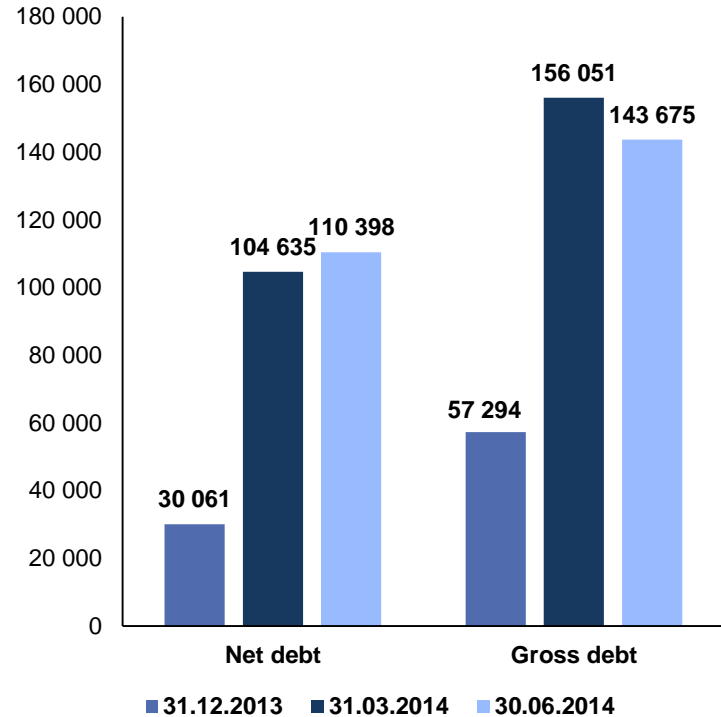


Increase of working capital by PLN 38,9 m (34%) resulted from:

- increase of inventories and receivables,
- commencement of consolidation of Elkomtech SA (PLN 20,8 m).

Safe debt
Net debt: 0,94x LTM EBITDA

Debt PLN '000

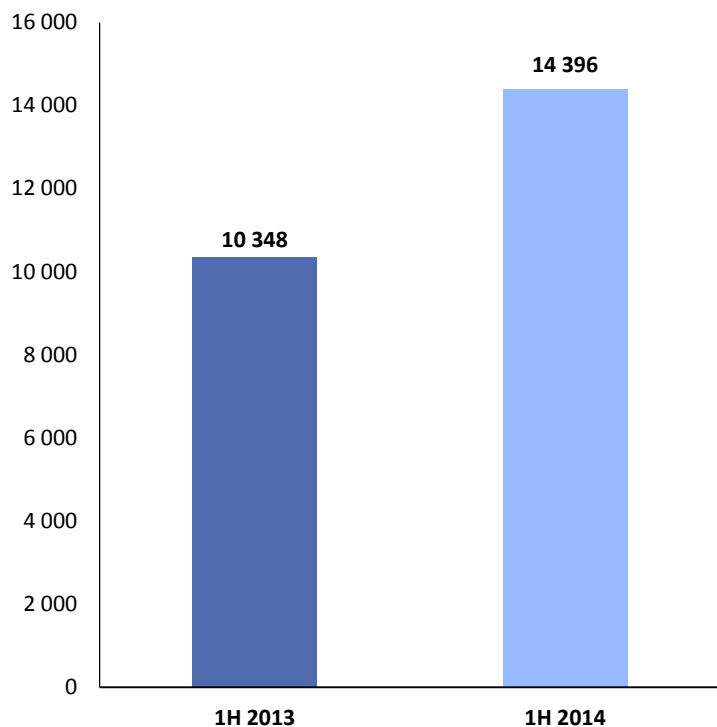


Slight increase of net debt by PLN 5,8 m.
Decrease of gross debt by PLN 12 m does not cause the decrease of net debt due to significant decrease of cash (by PLN 18 m).

I. Results of Capital Group of Apator for 1H 2014 – investments and cash flows

Increase of investment expenditure by PLN 4 m (39%)

Capex PLN '000

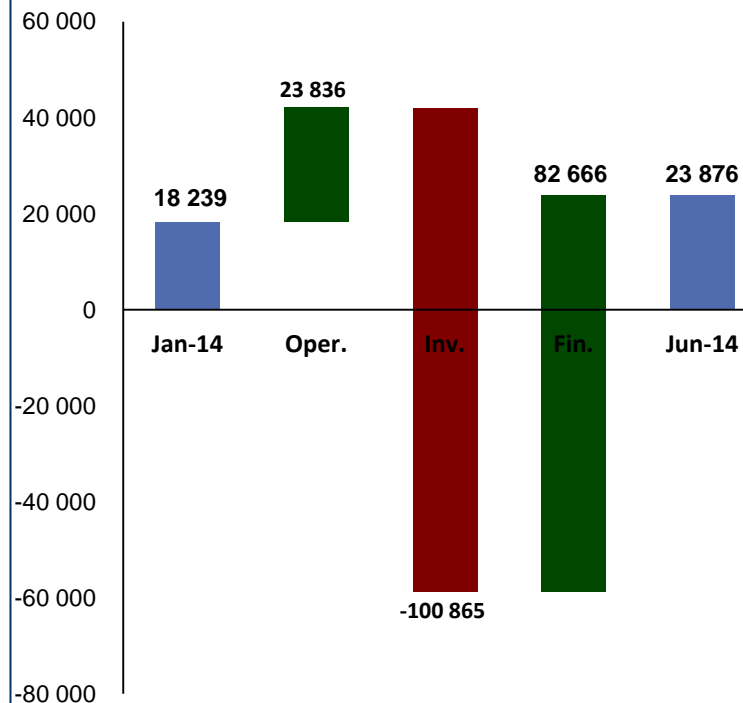


Main investments in 1H2014:

- Apator – PLN 5,2 m (meter test equipment, tooling),
- Apator Metrix – PLN 4,5 m (salt spray chamber, tooling for smart gas meters),
- Apator Powogaz – PLN 3 m (machine tool, device for van wheel mounting).

Structure of cash flow is invariable. Increase of expenses for current capital; increase of investment expenses (also future ones – buyout of Rector, dividend) covered by long-term loan. The value of cash still high at the end of the period.

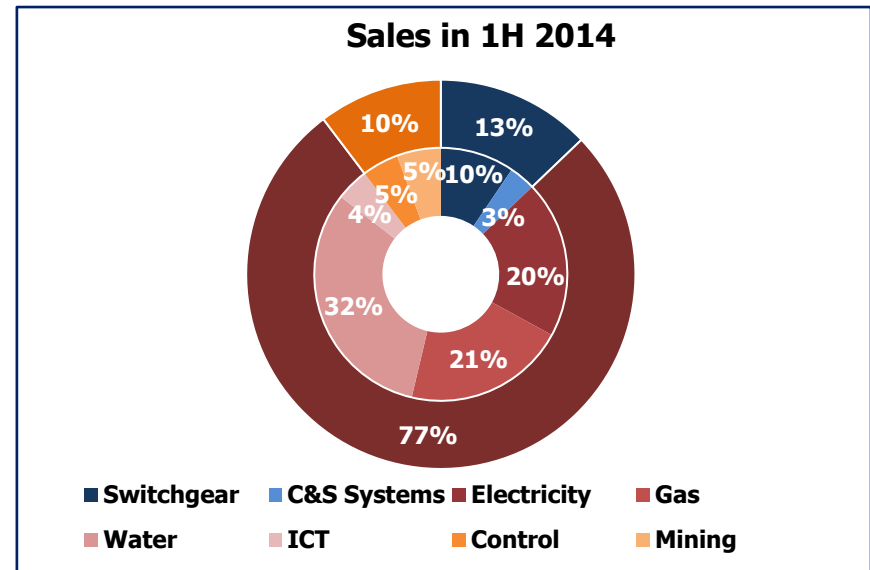
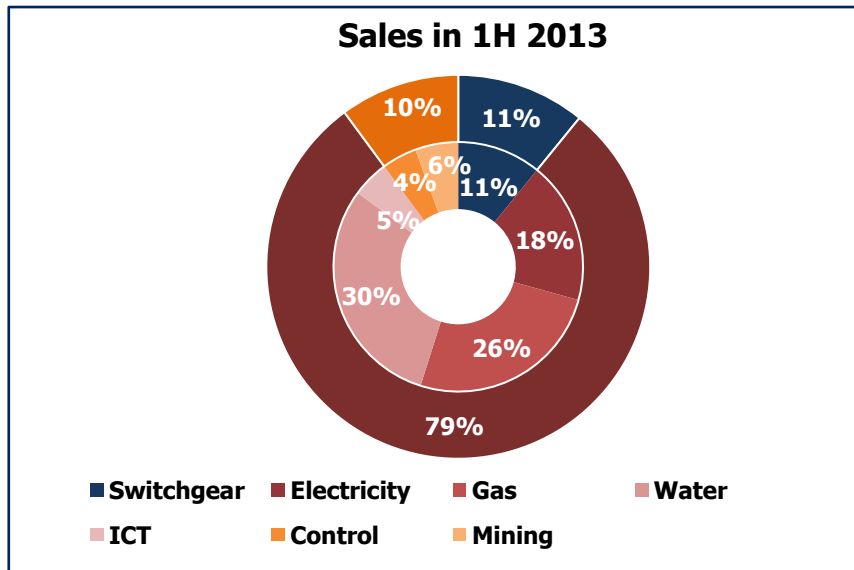
Cash flow PLN '000



In relation to 31.03.2014 the following occurred:

- decrease of cash from operating activity by PLN 8,1 m (increase of receivables and inventories),
- improvement of cash on investment activity by PLN 3,9 m (took over cash of Elkomtech – PLN 6 m),
- decrease of cash from financial activity by PLN 14,8 m (mainly repayment of loans),
- decrease of cash at the end of the period by PLN 18 m

I. Results of Capital Group of Apator for 1H 2014 – segments and business lines





Thank you for your attention