



APATOR



Apator SA

Financial results of Apator Capital Group

The presentation includes some issues selected from financial statements and management reports (separate and consolidated).

Full content of the reports is available from 30th April 2014:

» in electronic version on the website of Apator SA
www.apator.com

» hard copy at Apator SA, Centrum,
Ostaszewo 57C, 87-148 Łysomice



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Consolidated financial statement for 2013

Significant events in 2013 and performance of the forecast

- » Increase of adjusted revenues and expansion into foreign markets
- » Increase of profitability
- » Changes in the makeup of Executive Board and Supervisory Board of Apator SA
- » The process of acquisition of Elkomtech SA (preliminary purchase agreement)
- » The process of updating of development strategy for 2014-2019 of Apator group
- » Sale of Newind sp. z o. o.
- » Acquisition of shares of Inda d. o. o. by GWi Ltd.

| Performance of the forecast 2013 | Lower limit | Performance | |
|--|-------------|-------------|---------|
| Consolidated revenues on sale of products, goods and materials | 700 000 | 683 990 | 97,71% |
| Net consolidated profit | 68 000 | 68 799 | 101,18% |

Structure of Apator Capital Group



George Wilson Industries



Purchased in September 2013

Apator Telemetria



Apator Metroteks



Apator Metra



Teplovodomer



Sold in May 2013

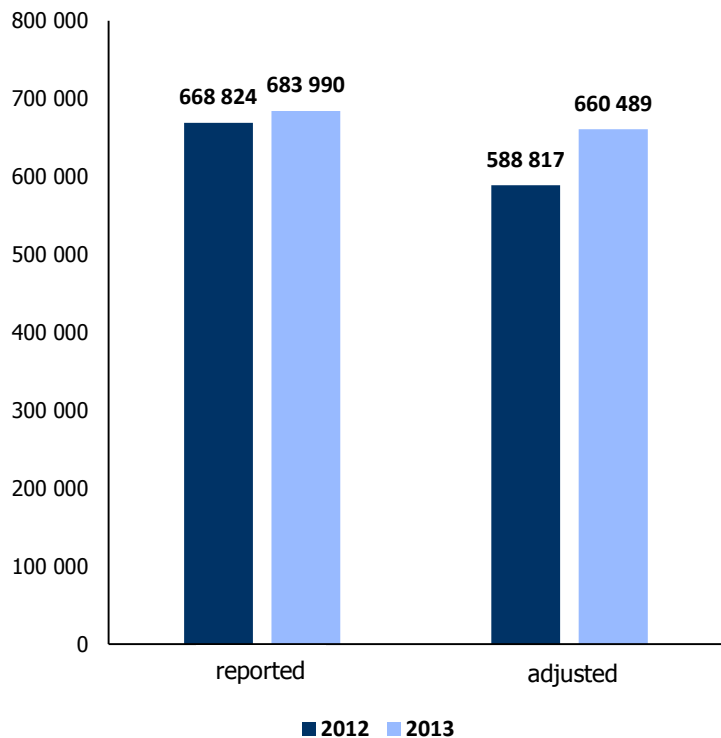
Employment at 31st December 2012: **1992 persons**

Employment at 31st December 2013: **2050 persons**

Results of Apator Capital Group for 2013 – Sales

Revenues on sales reported at similar level of 2012 (increase by 2,3%), slightly below the lower limit of the forecast (2,3%).

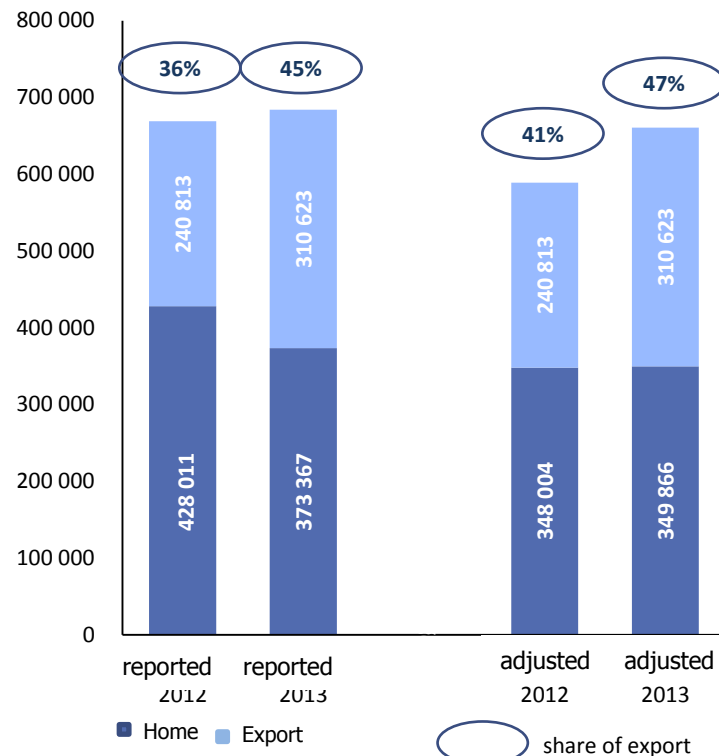
Revenues on sales (PLN '000)



Revenues on sales adjusted (excluding Newind) – increase by 12,2%.

High rate of growth of revenues form export – 29% (CAGR 6 Y - 27,6%).

Home – Export (PLN '000)



Decrease of domestic sales by 13 % distorted by Newind. The domestic sales is similar year to year when Newind is excluded.

Results of Apator Capital Group for 2013 – Export

Key markets:

- meters: CIS, CEE, Germany, Africa
- switchgear: CIS, Germany, Turkey, former states of Yugoslavia

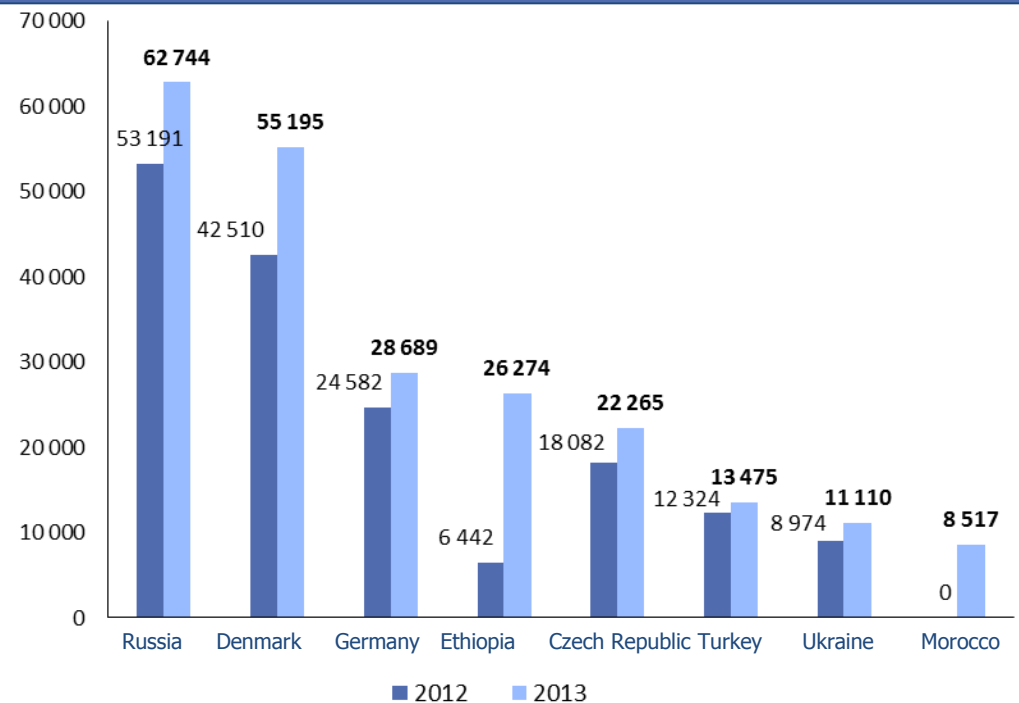
The share of export in total revenue in 2013 (2012):

- meters: 40,1% (30,8%)
- switchgear: 5,3% (5,2%)

Geographical range



Main countries for export (PLN '000)

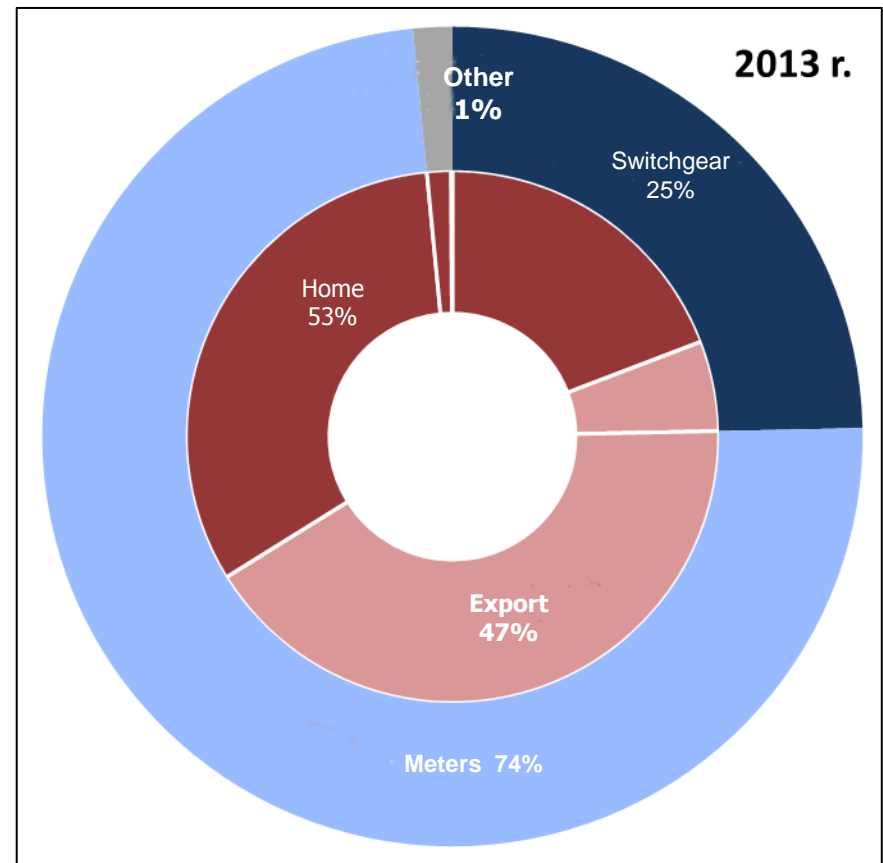
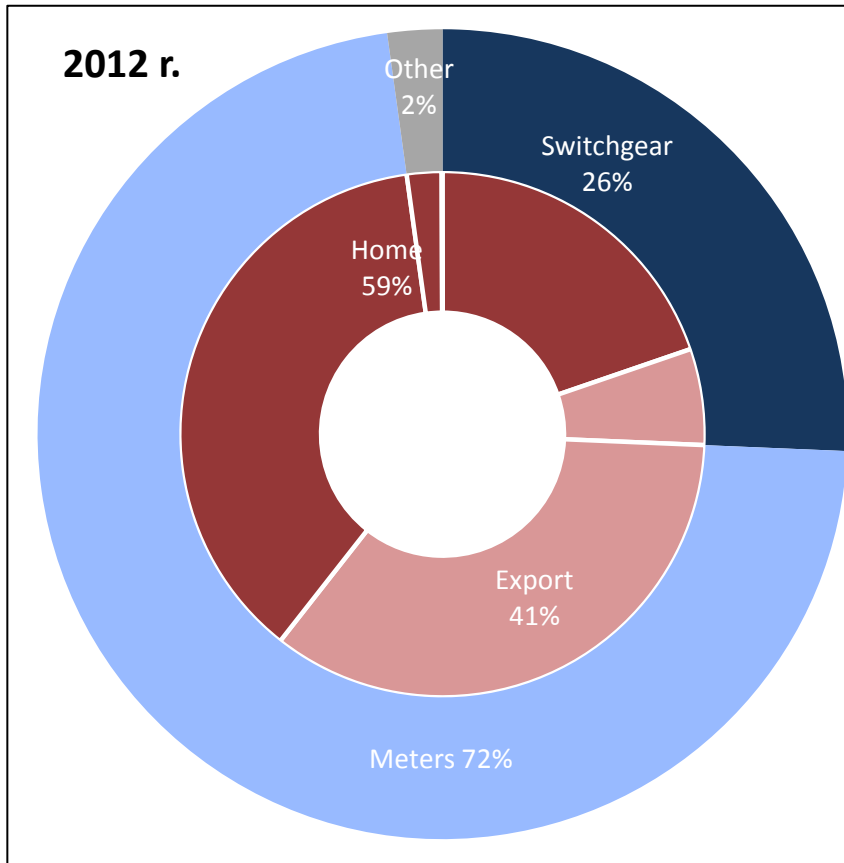


Key countries and product lines:

- Russia – water, heat and gas meters, switchgear;
- Denmark – gas meters with destination to the Dutch market;
- Germany – electricity meters and gas meters., switchgear;
- Ethiopia – water and heat meters;
- Czech Republic – water and heat meters;
- Turkey– water, heat and gas meters, switchgear;
- Ukraine – water, heat and gas meters, switchgear;
- Morocco – electricity meters;

Results of Apator Capital Group for 2013 – Segments

Metering segment – growing share in revenues on total sales (mainly export)

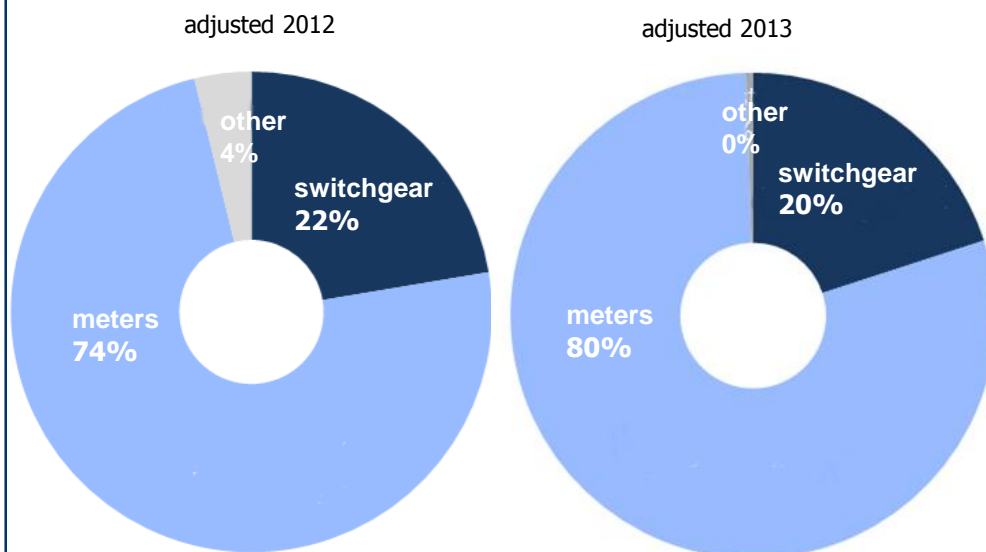
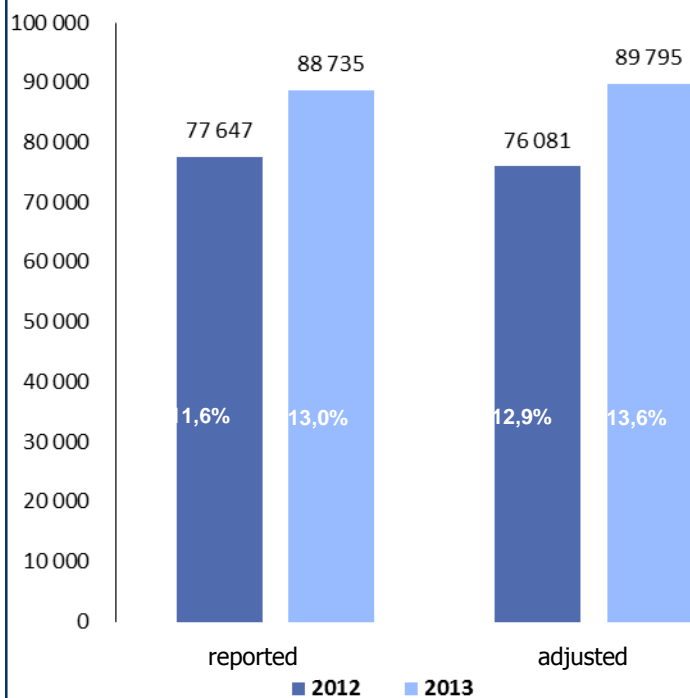


Business lines with the highest growth rates in 2013 – metering of water, heat and gas

Results of Apator Capital Group for 2013 – Result on sales

Increase of the result on net sales reported by 14,3% and on net sales adjusted by 18%. Improvement in profitability.

Result on sales (PLN '000)

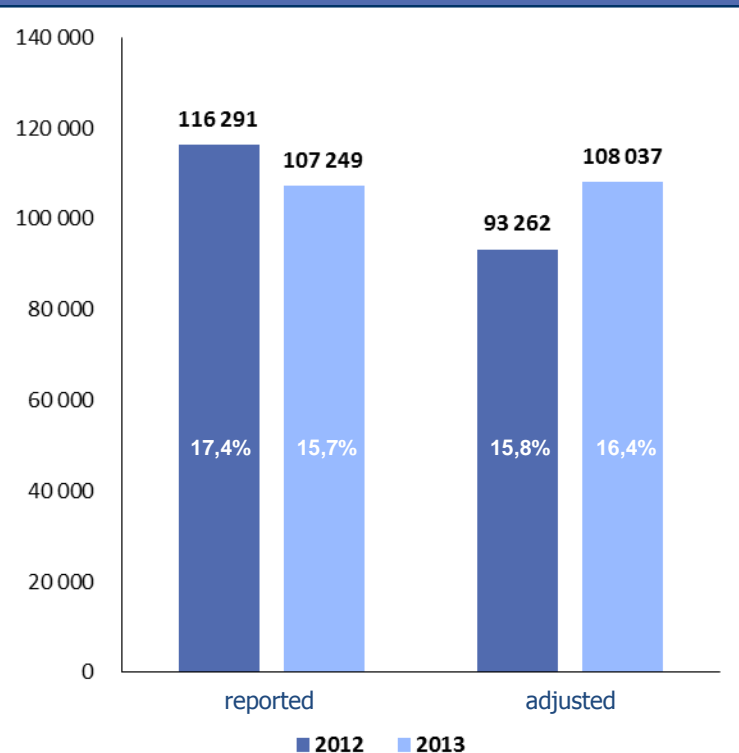


Factors affecting the improvement in profitability: increase in volumes (operating leverage), changes in the assortment (high-margin products), cost reduction (decrease in prices of raw materials, automation and improvement of production processes).

Results of Apator Capital Group for 2013 – EBITDA and net profit

Decrease of EBITDA reported (by 7,8%).
The result distorted by sale of the real estate (PLN 21 m gross in 2012) and Newind.

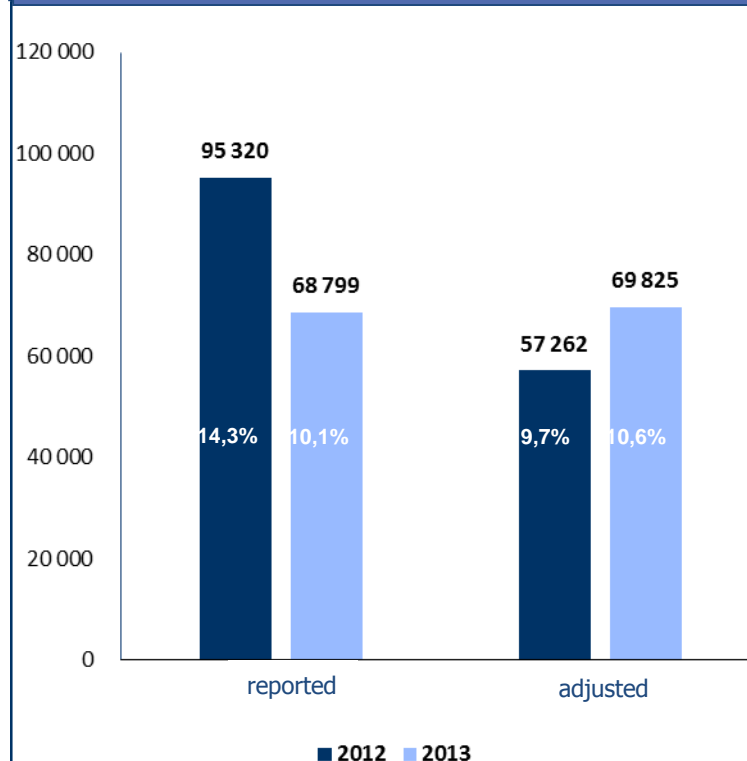
EBITDA (PLN '000)



EBITDA adjusted increased by 15,8%. The reasons are such as in the case of the result on sales. Increase in depreciation by PLN 2.5 m.

Net profit reported was lower by PLN 27 m (27,8%) in relation to 2012, but above the lower limit of the forecast (PLN 68 m).

Net profit (PLN '000)

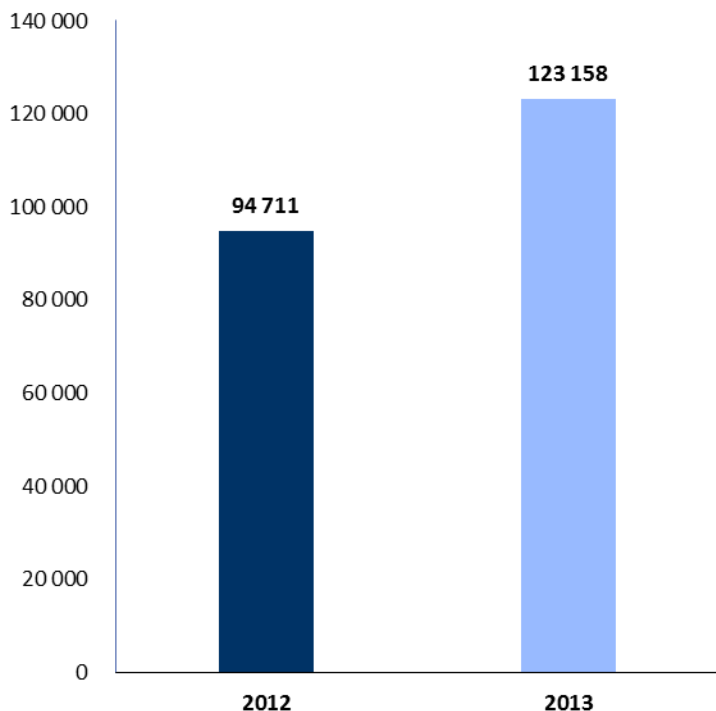


Net profit adjusted (for real estate, tax asset and Newind) higher by 21,9%. The improvement in net profit margin from 9,7% to 10,6%.

Results of Apator Capital Group for 2013 – working capital and debt

Increase of investment in working capital by PLN 28.4 m (30%). Increase of share from 14.2% to 18.2% in relation to annual revenues.

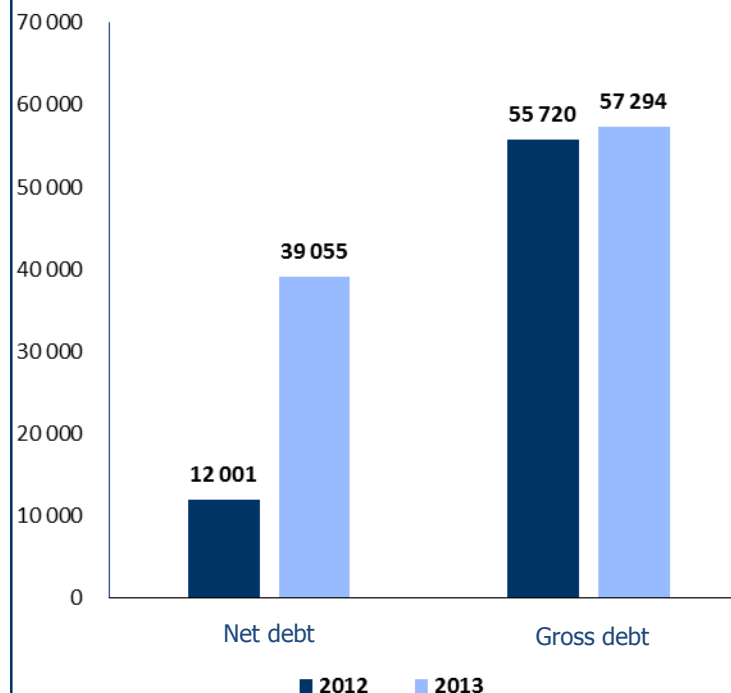
Net working capital (PLN '000)



Changes in net working capital:
-higher receivables (by PLN 26.7 m) – mainly in Rector by PLN 12,6 m settlement of long-term contracts,
-higher liabilities by PLN 3 m – mainly due to buyout of outstanding shares in Rector PLN 17,9 m,
- decrease in trade payables by PLN 13.8 m.

Low level of net debt (0,37x EBITDA 2013).
Increase of net debt by PLN 27 m.

Debt (PLN '000)

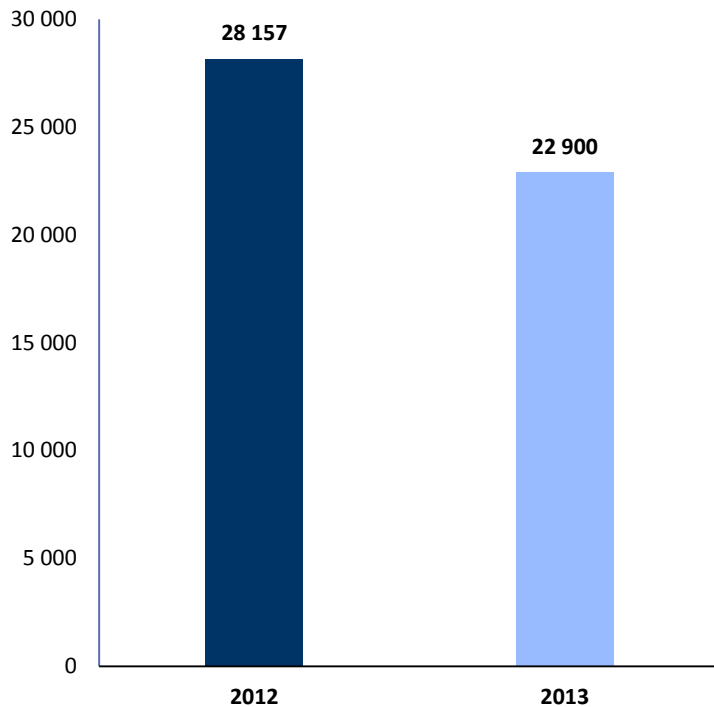


The difference in net debt y/y is mainly due to change in cash and cash equivalents (decrease by PLN 25.5 m).
The level of credits is higher by 2.8% (mainly Rector – increase by PLN 6 m y/y)

Results of Apator Capital Group for 2013 – Investments and cash flow

Lower investment expenditure due to completion of investment in Ostaszewo. Level 1,1 x annual amortization pursuant to historical trend.

Capex (PLN '000)

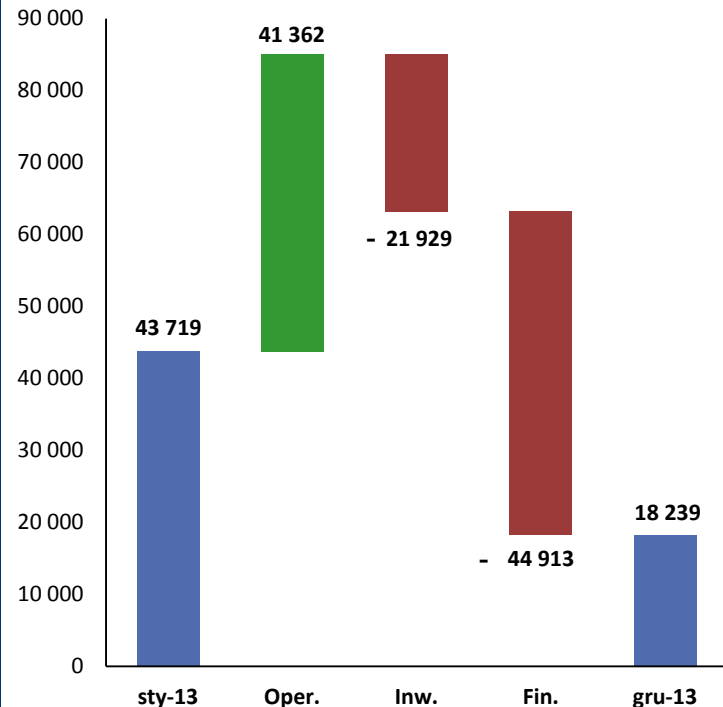


Main areas: Apator S.A. (PLN 12,5 m) Powogaz Group (PLN 3,5 m), Apator Metrix (PLN 3,3 m).

Balance of operating cash flow lower than in 2012:

- lack of single events;
- increase of investments in working capital.

Cash flow (PLN '000)



Cash used: Capex (PLN 22,8 m) and dividend for 2012 (PLN 41,7 m)



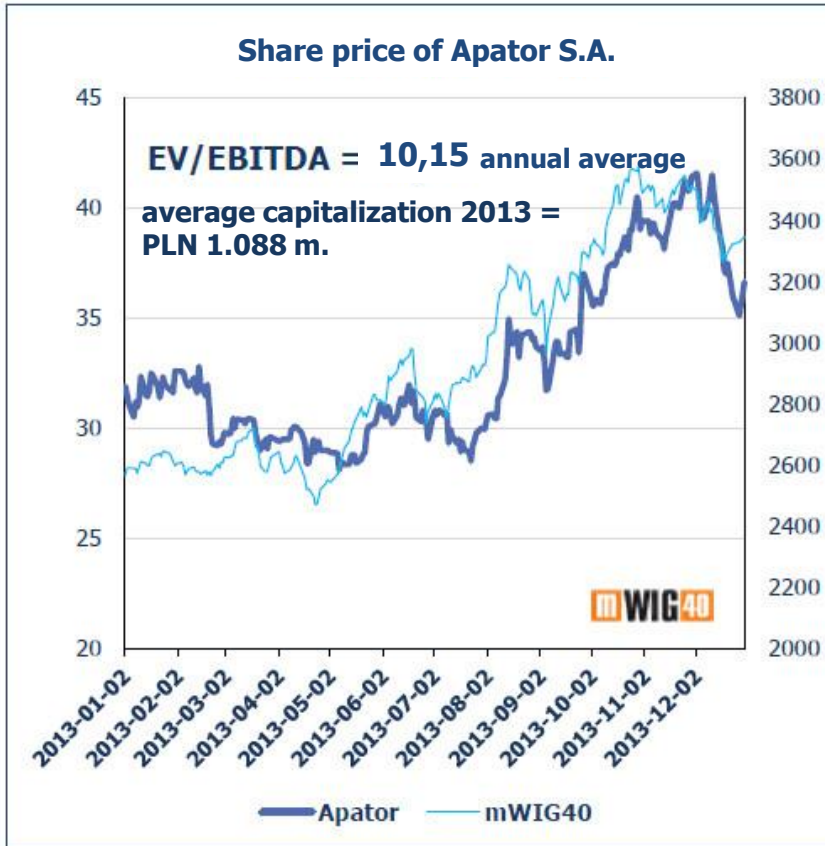
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Information for investors

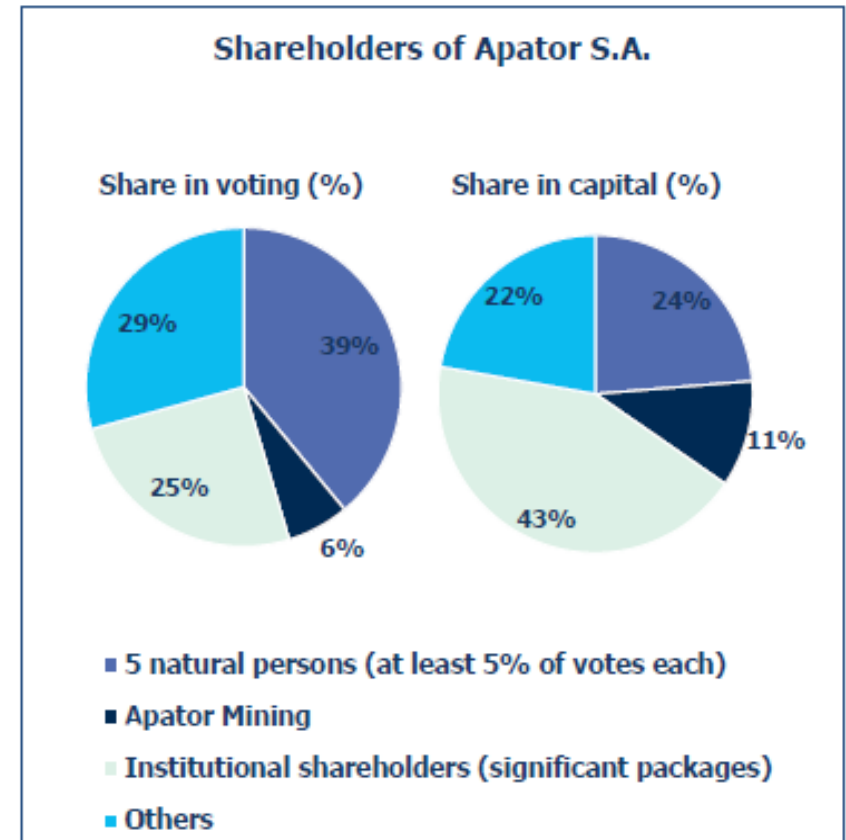
Share price and shareholders of Apator S.A.

High, positive correlation with mWIG 40 index.



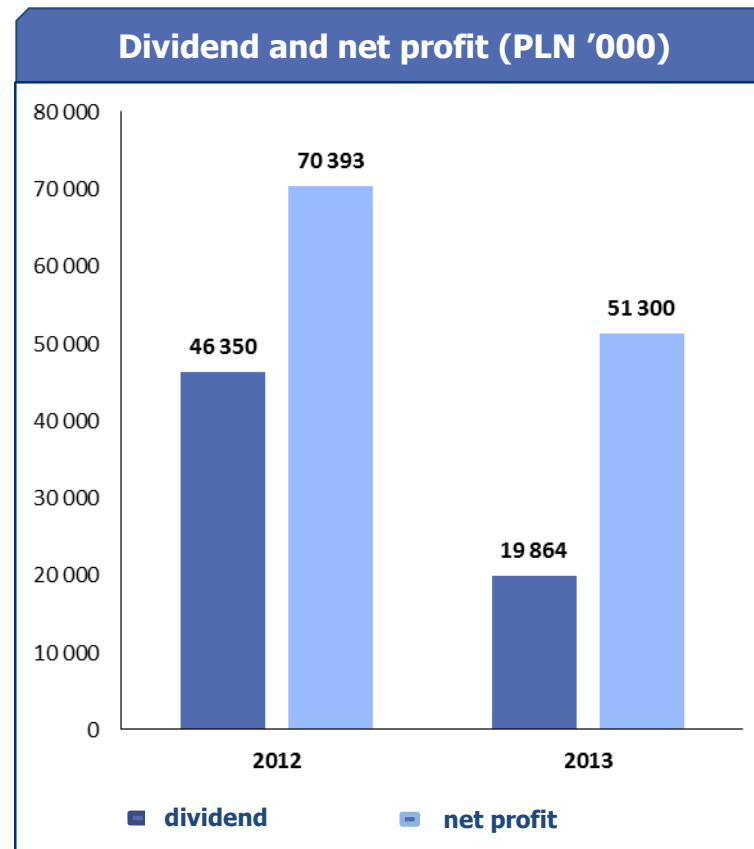
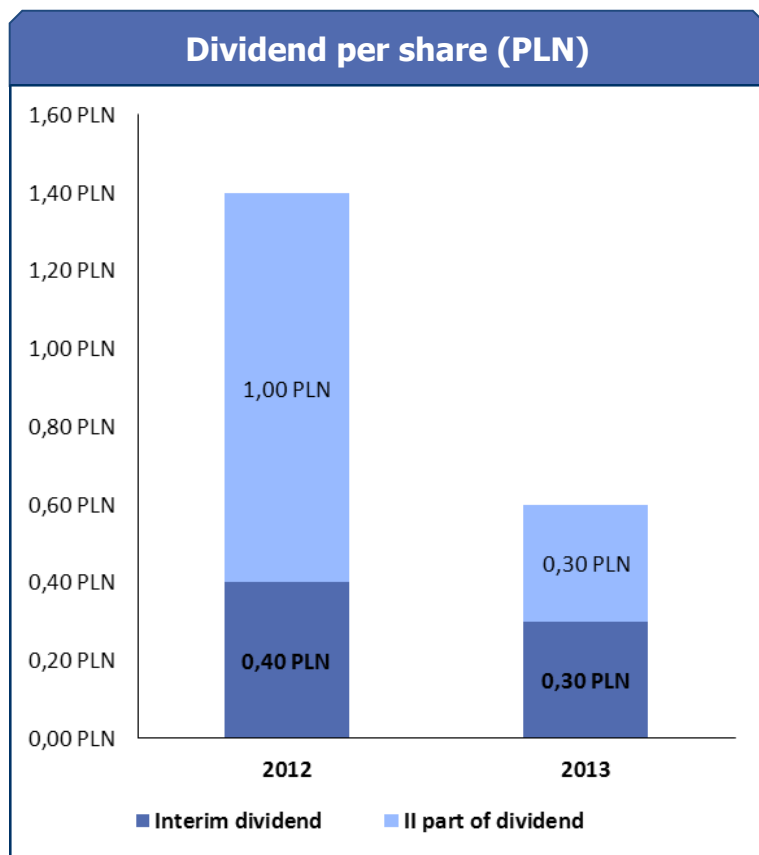
Share price in the range from 28,1 to 41,6; average 32,9.

Large share of open pension funds in the shareholding of Apator SA



Decrease of shares of Apator Mining – redemption of 2 million own shares.

Declared payment of dividend from the profit in 2013



The share of dividend in net profit of Apator SA: 2012: 66% , 2013: 39%.
Decrease of the dividend by 57% y/y:
- expenses related to the acquisition of 100% shares of Elkomtech SA,
- acquisition of remaining 30% shares of Apator Rector sp. z o.o.



**Thank you for your
attention**