

2003 Financial Statements Audited

Performance in Q1 2004 Better Than Expected

Completion of Flexpol Disposal

Warsaw, April 2004

Changed Disclosure of Flexpol in the Financial Statements

1. December 2003 – Kęty's first official document indicating our plans to dispose of Flexpol over the following 12 months.
2. Move from the full to equity-method consolidation of Flexpol in Kęty's accounts.
3. Effect on Kęty's 2003 and Q1 2004 accounts.



Quarterly Results Confirmed in the Annual Accounts

[PLNm]	Preliminary 2003	Actual 2003	Change
Sales	740.2	739.4	-0.1%
EBITDA	120.8	122.4	1.3%
EBIT	85.5	85.9	0.5%
Net profit	69.7	69.1	-0.8%



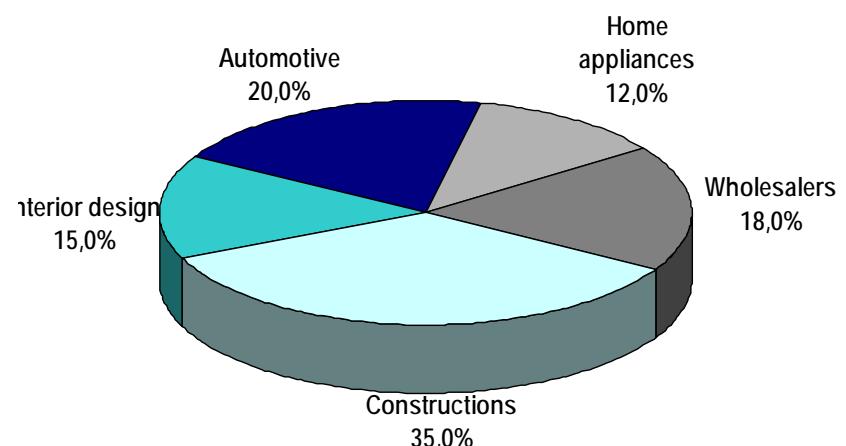
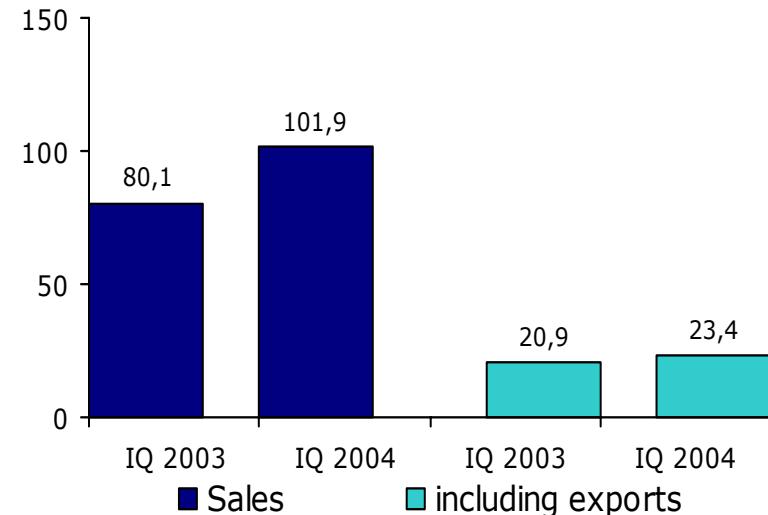
Performance in Q1 2004 Better Than Expected

[PLNm]	IQ 2003	IQ 2004	Change
Sales	147.3	177.9	20.7%
EBITDA	25.5	36.6	43.5%
EBIT	16.7	27.5	64.7%
Net profit	15.1	23.9	58.1%
CAPEX	3.8	10.9	286.8%

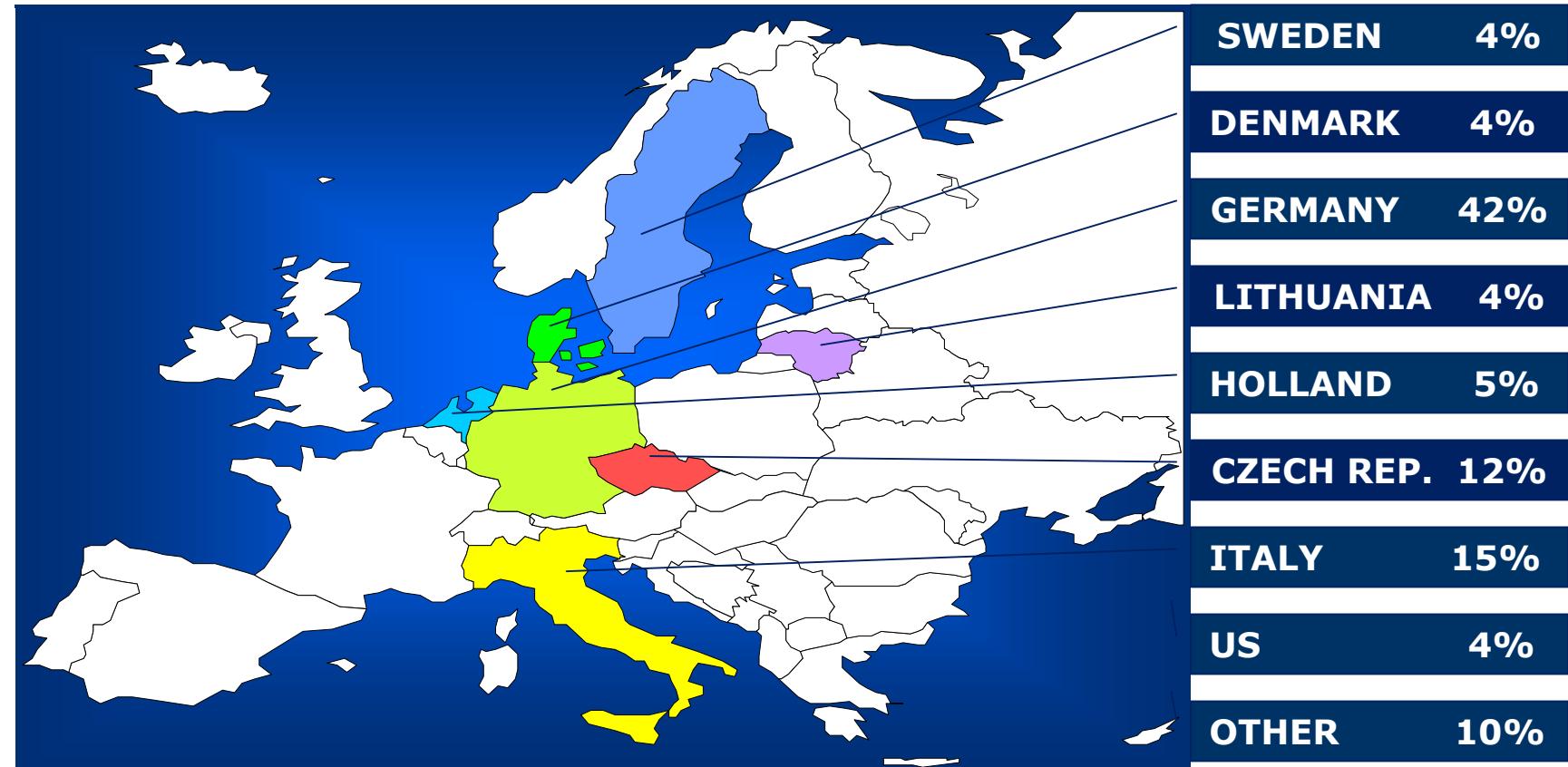


Extruded Products

- Domestic sales up by 32% - particularly in interior design, advertising and construction segments.
- Export sales up by 12.1%.
- Enhanced position on the markets in Germany, Italy and the US.
- New products: cannon shells, mountaineering equipment

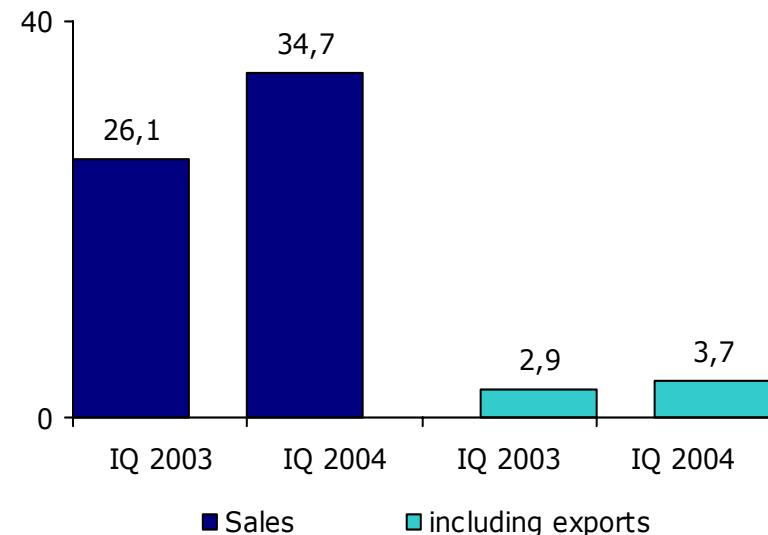


Extruded Products: Export Markets

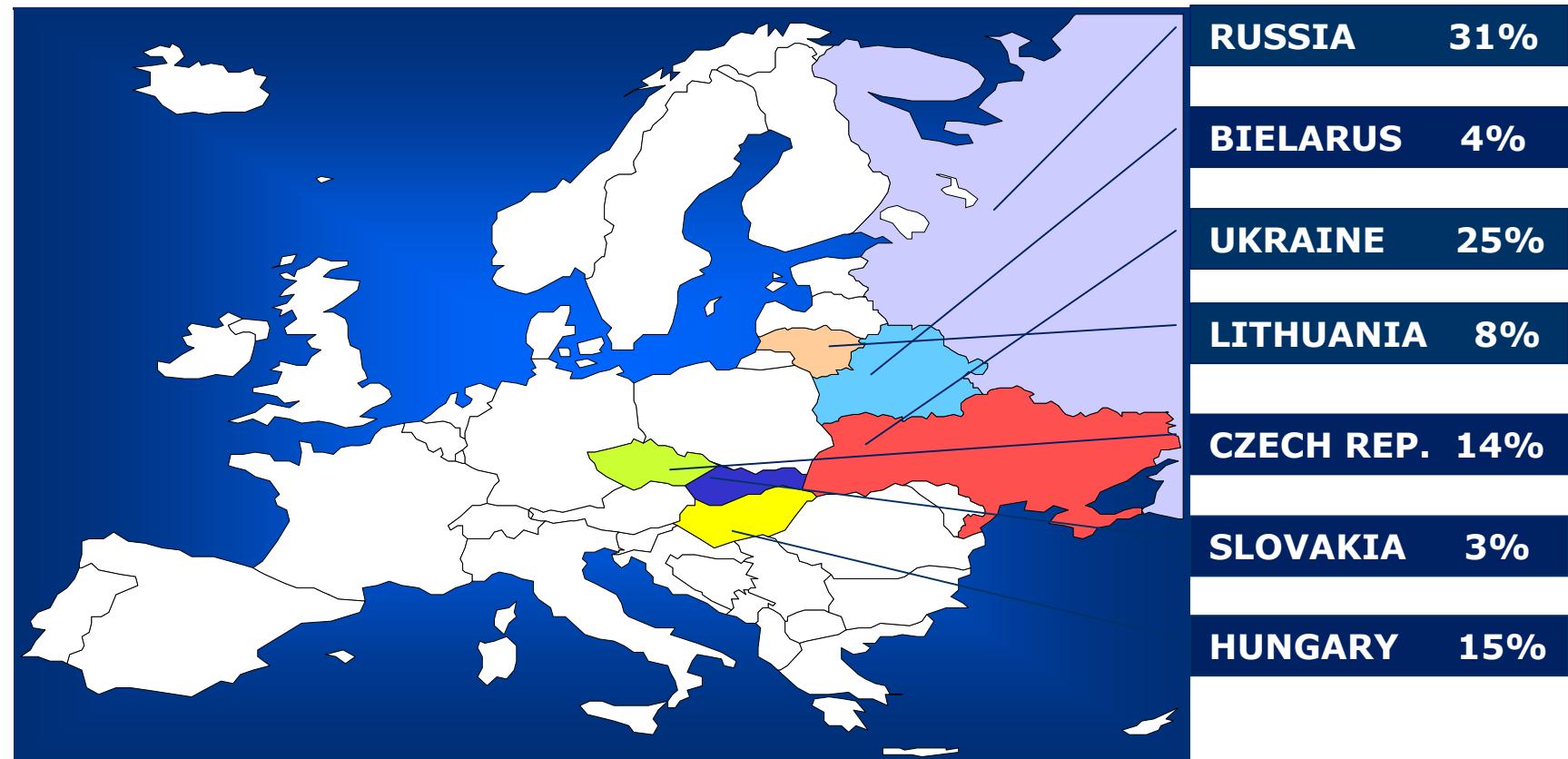


Aluminum Systems

- Stable domestic sales – up by 34%.
- Further growth of exports – over 27%.
- Enhanced leading position on the domestic market.
- Higher exports to the Czech Republic and Hungary.
- New products: fire-protection system used in public and general-purpose facilities.

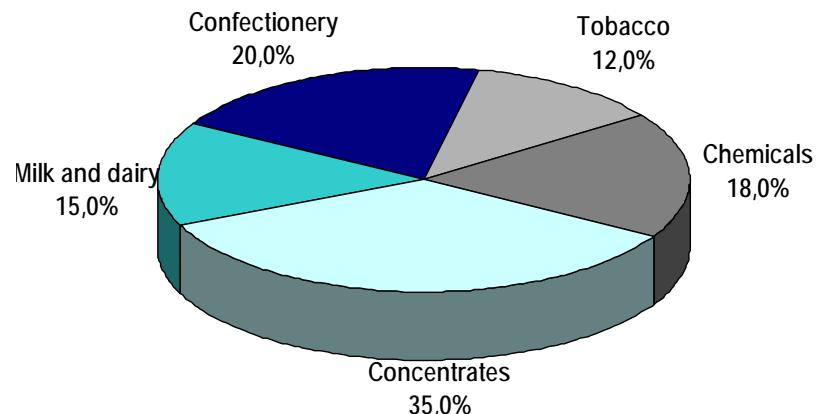
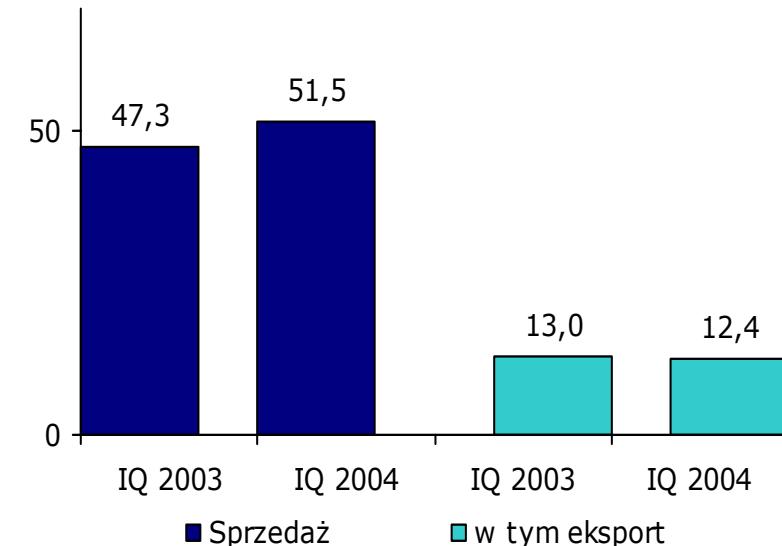


Aluminum Systems: Export Markets

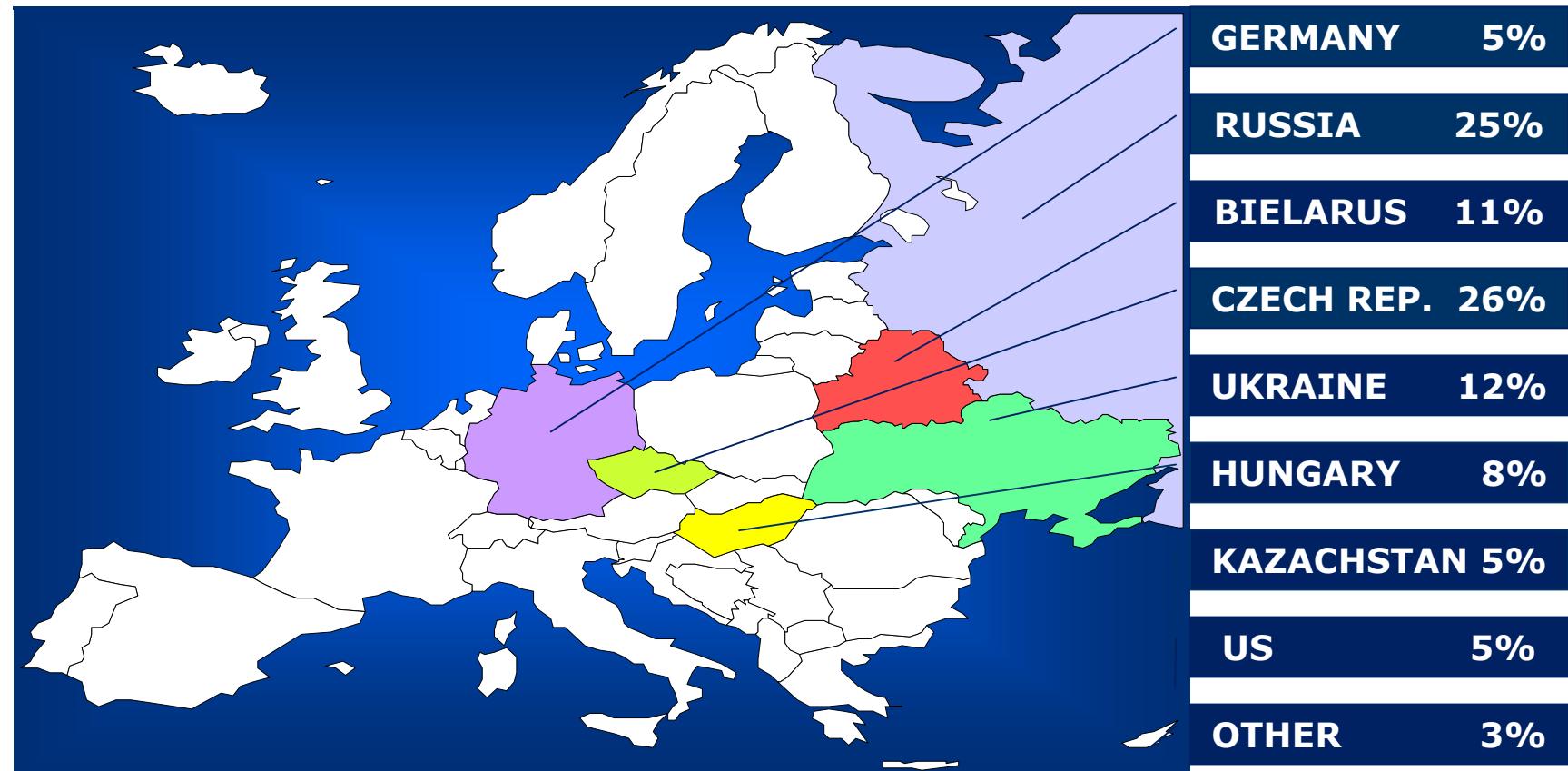


Flexible Packaging

- Sales to domestic customers up by 14%.
- Export sales fell by 4.6%.
- heat-sealable foil and shrink film with printing added to the product offering.



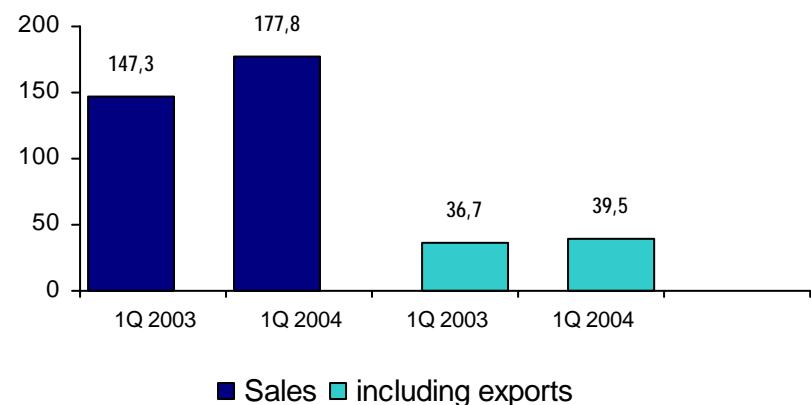
Flexible Pacakging: Export Markets



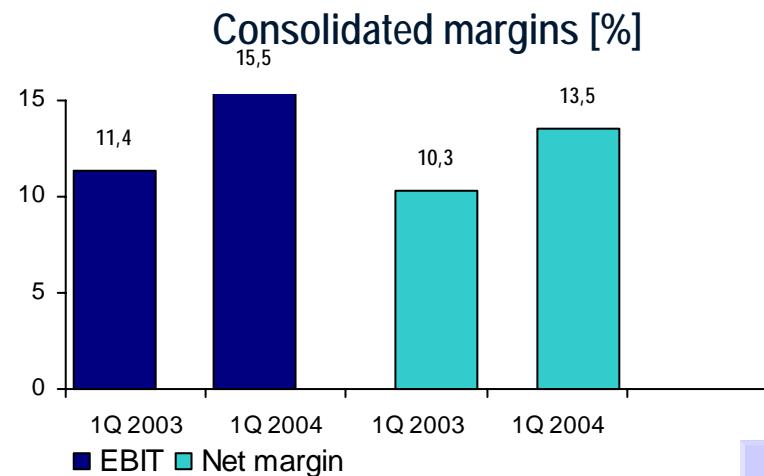
Kęty Group

- 25% growth in demand from domestic customers was the key driver of sales growth during the quarter.
- Export sales up by 7.4%.
- Higher operating margin.
- Low effective tax rate maintained.

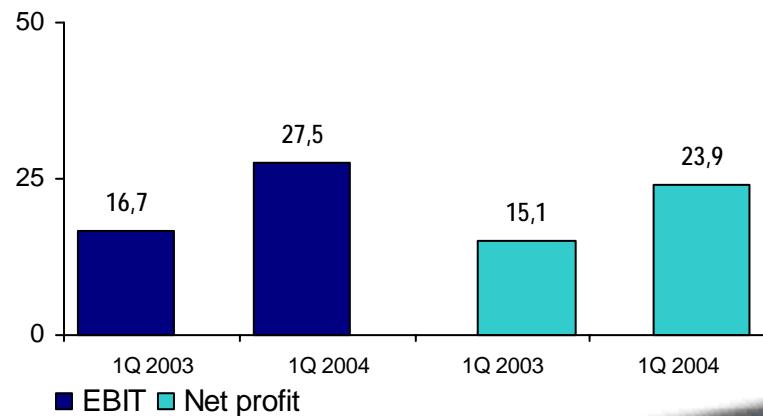
Consolidated sales [PLNm]



Consolidated margins [%]



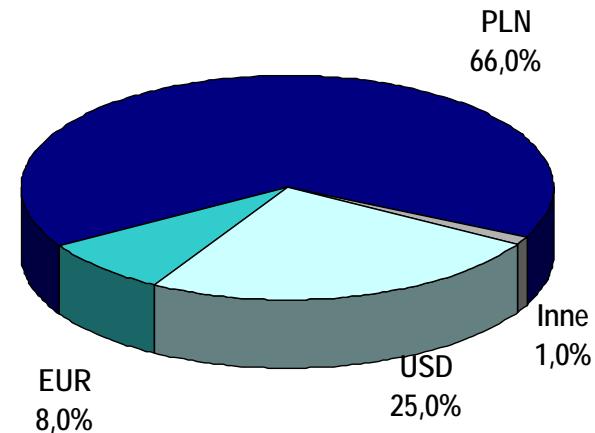
Consolidated earnings [PLNm]



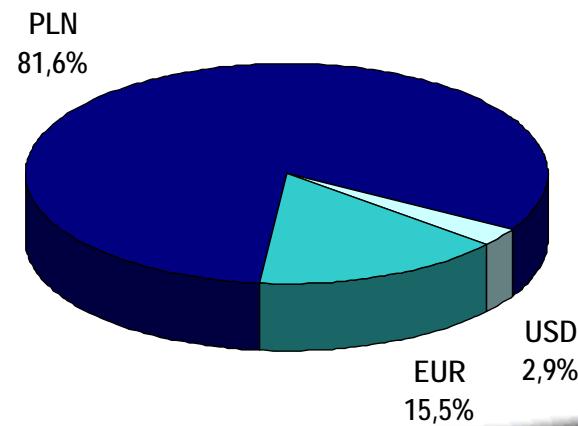
Structure of Revenue and Costs at the Kęty Group

- Growth in demand from domestic customers was the key driver of sales growth during the quarter.
- Higher export sales.
- Higher operating margin.
- Low effective tax rate maintained.

Currency structure of costs [%]

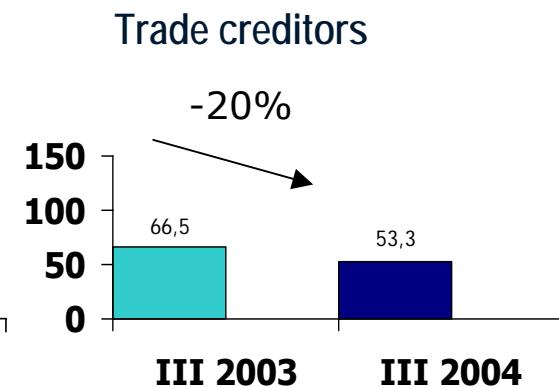
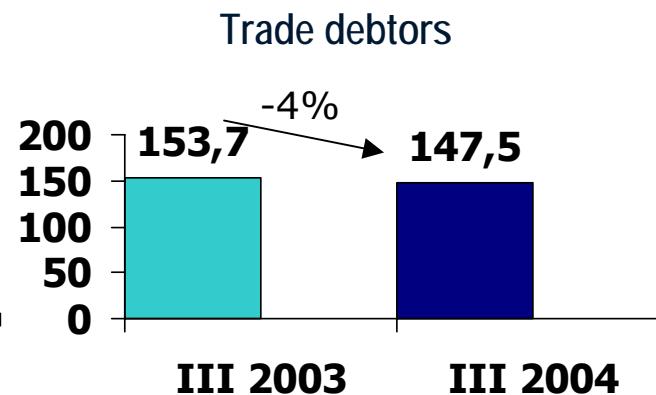
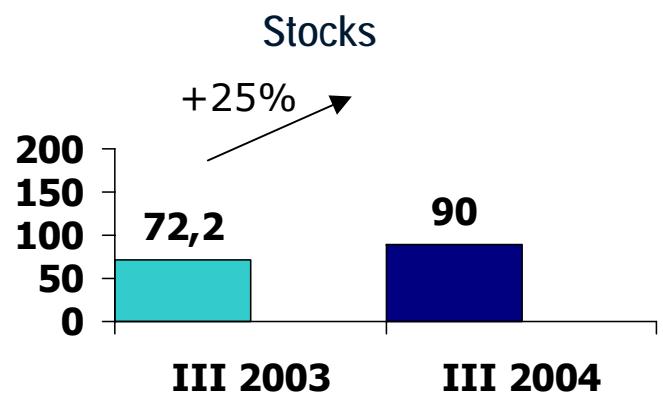
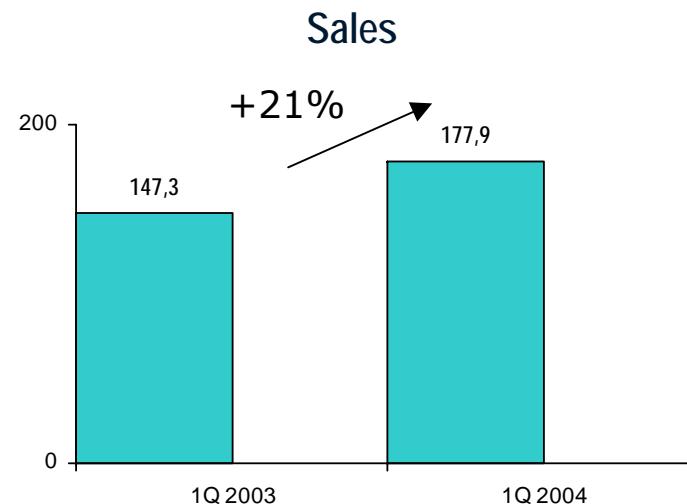


Currency structure of revenue [%]



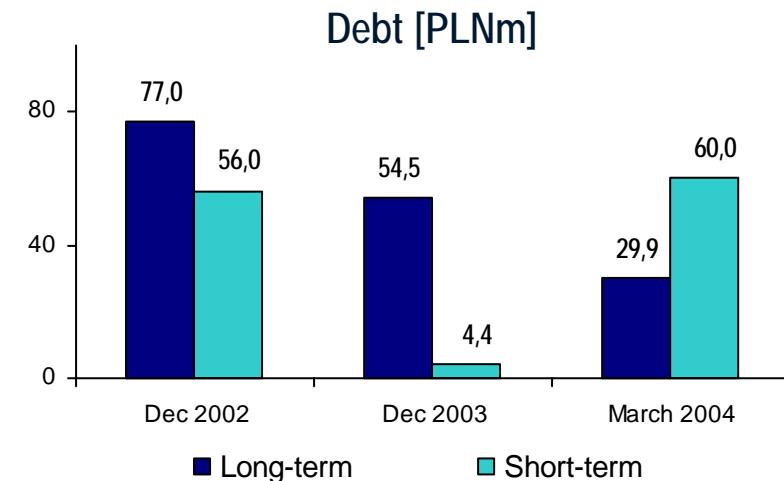
Working Capital Management

- Growth in working capital reflects the growth in sales.
- Continuous improvement of the receivables' term structure.
- Higher stocks driven by aluminum purchases.

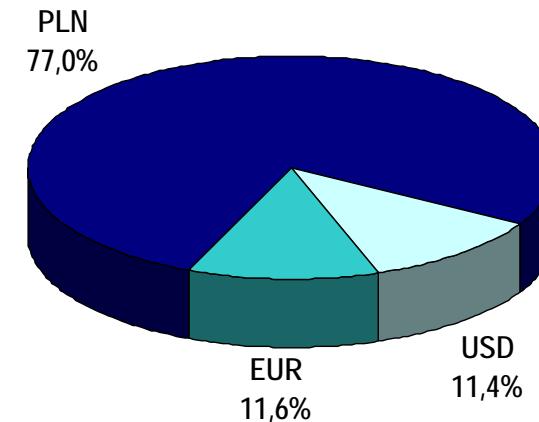


Kęty Group's Debt

- Growth of the Group's debt – net debt (debt less available cash) at ca. PLN 47 m.
- Safe financing structure.
- Negative operating cash flow – material reduction of short-term liabilities.

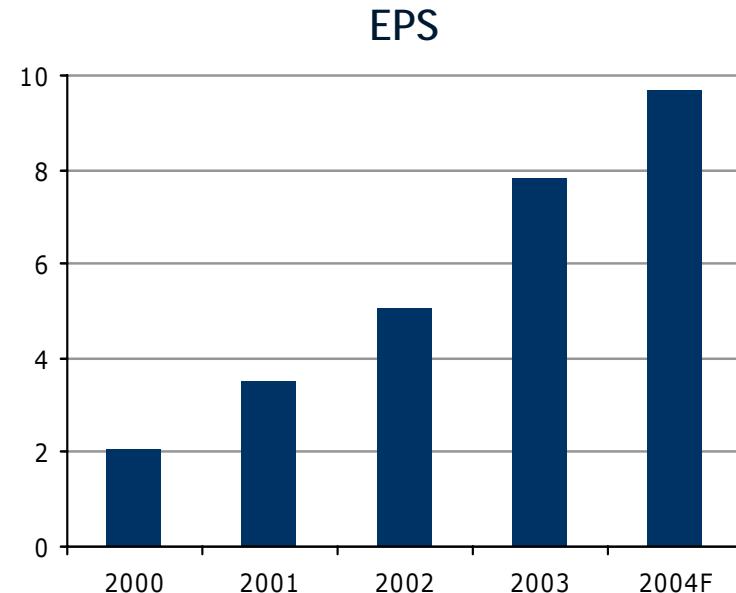


Loans' currency structure – March 2004



Summary

1. Consistent implementation of the strategy.
2. Further potential for growth of sales and earnings.
3. New products and markets.
4. Stable operating cash flow and falling debt.
5. Kęty continues to pay out dividend.



LONG-TERM PROSPECTS FOR
GROWTH OF COMPANY VALUE



Reasons for Disposal of Flexpol

- **No operational synergies with the Kęty Group – only 3% of Flexpol's output is processed within the Kęty Group.**
- **High operating risk related to the operation of a single process line running at 100% capacity utilisation.**
- **Required significant capital expenditure on increasing the company's capacity, which is not in line with the Group's development strategy.**

Transaction Description

- **The total selling price of Flexpol and its assets will be PLN 50m, including PLN 32m for the assets leased from PKN Orlen, and PLN 18m for 100% of the company shares.**
- **Flexpol will pay PLN 3m dividend for 2003 to the existing shareholders.**
- **Conclusion of the final purchase agreement will depend on transaction's clearance by the Polish Anti-Trust and Consumer Protection Authority and the approval of the disposal of assets by PKN Orlen's General Meeting.**

Cash Flows Related to Investment in Flexpol

- - PLN 7,200,000 – acquisition of shares
- + PLN 1,628,284 – 2000 dividend
- + PLN 2,780,600 – 2001 dividend
- + PLN 3,666,915 – 2002 dividend
- + PLN 1,800,000 – 2003 dividend
- + PLN 10,800,000 – selling price for the shares

TOTAL: +PLN 13,475,799 – pre-tax profit on the investment.