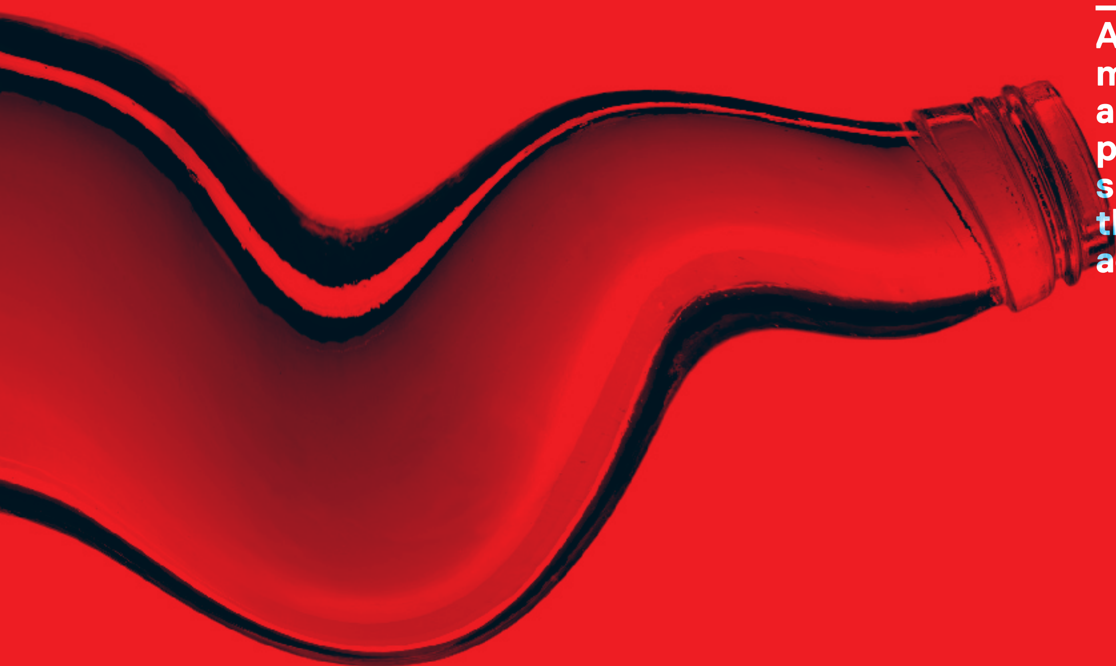
2013
Accounts
+
Management
Report

ability
to bend
without
breaking

BA



A flexible organisation means an organisation able to bend its assets, processes and people skills without breaking the outcomes already achieved.

Means perseverance in pursuing the goals, means adaptability to new contexts and market requirements.

In BA we flex skills, organisation and processes to transform the adversities in opportunities and overcome records!

The lack of flexibility prevents a company to be alive, grow and reach new records.

flexibility in production means to be able to:

- adapt to a market and environment which are uncertain, unpredictable and turbulent
- supply standard and special packaging solutions in diverse shapes, colours and decorations
- be cost effective and environmentally friendly

flexibility in organisation means to be able to:

move people across different functions

mix hierarchical and functional structures effectively

inspire innovation and risk taking

promote the self-awareness and the acquisition of new competences

BA

flexibility in logistics means to be able to:

have a customer driven chain process

deliver in different locations with similar quality

deal with demand cycles and be cost and time-to-market effective

BA

flexibility in skills means to be able to:

challenge the limits

deal well with discomfort

adjust behaviours to requirements

be proactive

Message from the Chairman

To all stakeholders,

At BA Glass, 2013 was a year that will remain for future memory because of the significant industrial investments accomplished: EUR 85.5 million or 18.1% of the annual turnover. Among those investments it is worth highlighting the construction of a second tank in Villafranca de Los Barros dedicated to the production of wine bottles for export, and the first technological breakthrough investment in Poland, where half of the plant in Jedlice was reconstructed with the most recent technology to produce jars for the food processing industry.

This investment in Jedlice is just the first step of an investment blueprint planned for the next three years to rebuild the total infrastructure of the two Polish plants. It is intended to transform and bring to the highest levels of efficiency our Polish industrial platform to be able to answer adequately to the growing demands of our Central European customers.

For the sixth consecutive year the economic crisis in Europe has deepened, even more critically in Southern Europe, with unthought-of implications in unemployment, mainly among young professionals, and the consequent dive in consumption and investment.

By the end of the year the Iberian economies gave the first signals that the harsh adjusting therapy might be working, with the exports keeping its growth pace and with a still timid attraction of foreign investment.

Poland also showed a fragile economic growth, when compared with the pace of the last 10 years. In the first quarter the GNP grew almost nothing and unemployment reached more than 14%, with a negative impact in consumption. In the last quarter there were signs of some recovery and the forecasts for 2014 are optimistic, in spite of a continued high level of unemployment.

Following the strategy started in 2008, the exports continued to grow, balancing the decrease in domestic consumption and ensuring, for the time being, the full utilization of our industrial capacity.

The integration of Warta Glass has continued with the introduction of a number of new HR processes and with the successful and responsible negotiation with the workers' representatives of new framework agreements. However, I cannot hide that we should have been more effective in our first industrial investment in Jedlice. The ignorance of the local investment and licensing *modus faciendi* and the difficulties of communication in the shop floor widened the construction period and made the start up more painful that it should have been. This situation has been subject to a thorough internal analysis and a number of corrective actions have been put in place to help the Jedlice team to overcome the difficulties and to amend the project management processes to avoid these problems in future investments.

In spite of the difficulties in the European economy, the diving of consumption in Iberia and the start-up issues in Poland, BA Glass turnover has grown marginally with an improvement of 4,7% in the EBITDA, which reached EUR 162.3 million, the highest mark in the history of the group.

The implications of this persistent crisis, even if some anticipate a thin recovery, will not allow the economic difficulties to vaporize from the European markets in 2014. This will require from all of us in BA Glass to have a more flexible approach, questioning our preconceived ideas and our everlasting recipes, to adapt to the new demands of our customers and ensure that we contribute for their success in the market place, reaffirming our position as a reference supplier and a partner in the sharing of the success.

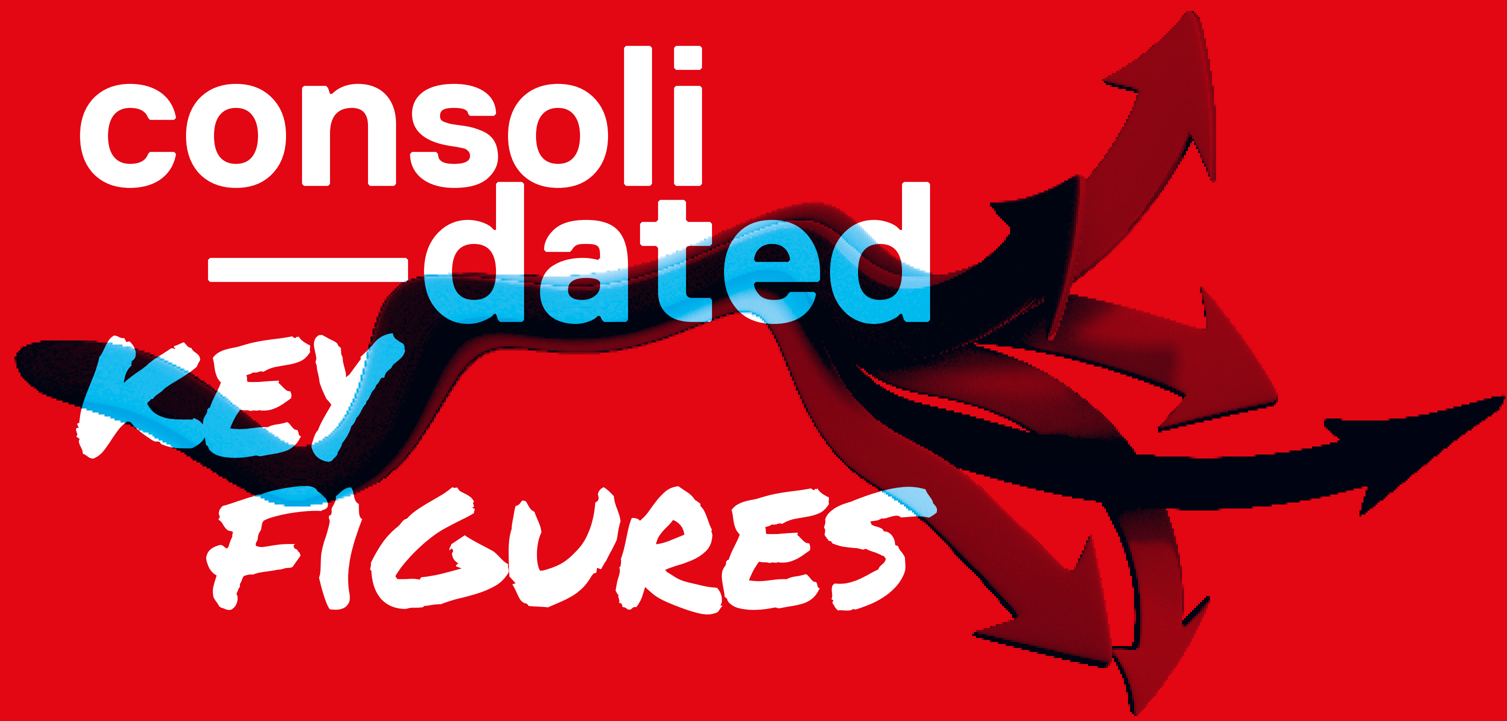
I conclude by thanking our customers who continued awarding us with their trust, giving us the privilege to serve them with an attitude of continuous innovation, which I hope, has contributed to the better performance of their products in new markets, where they have been consolidating their position.

A special reference is due to the change of CEO that took place at the beginning of 2014. To Jorge Alexandre Ferreira I want to testify, on behalf of the shareholders and of the Board of Directors, our acknowledgment of his eleven years leadership of the group, with a thorough structural transformation, leading to the achievement and then to the maintenance of the best operational performance in the industry worldwide. To Sandra Santos, the new CEO with the mission to leap the group to a new international threshold, I wish her success in her new venture.

My final word is to thank BA Glass employees in all geographies, but with a special word for Poland, where the deep transformations that were initiated requested from everybody flexibility and capacity to adapt, frequently with pain, in an environment in which mutual trust is still fragile.

Avintes, February 10th 2014

consoli—dated KEY FIGURES

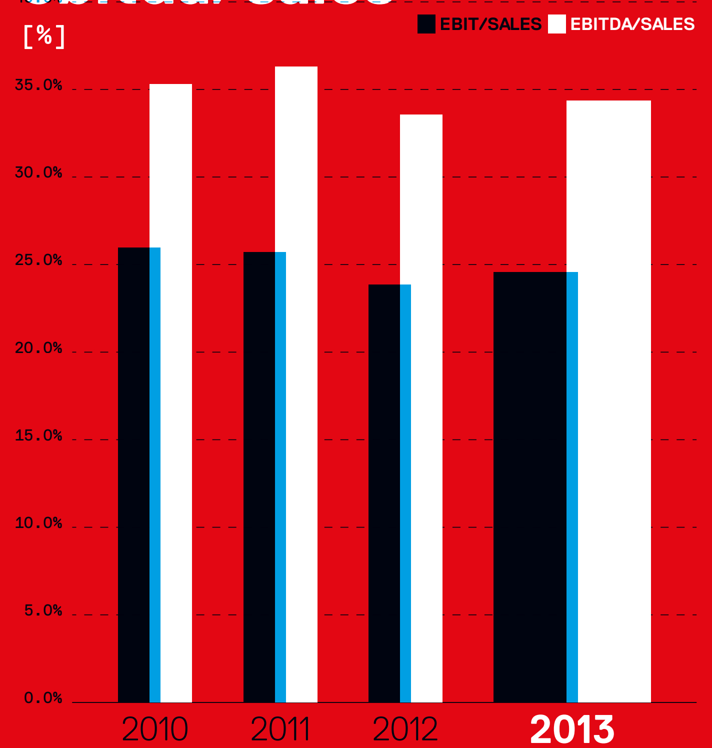


k.€	2013	2012
Turnover	472,125	461,956
Operating profit	115,957	110,143
Financial results	-21,097	-15,053
Net income	67,308	68,200
Cash flow	**113,638**	**113,064**
Operating cash flow (EBITDA)	**162,287**	**155,006**

k.€	2013	2012
Net assets	730,195	680,702
Equity	206,212	159,021
Net debt	335,073	332,537
Net tangible fixed asset turnover	1.51	1.68
Net Debt/EBITDA	2.06	2.15
Interest cover ratio	7.7	5.7
EBITDA/Sales	**34.4%**	**33.6%**
EBIT/Sales	**24.6%**	**23.8%**
Number of employees	2,230	2,062
Sales/Employee	211.7	224.0

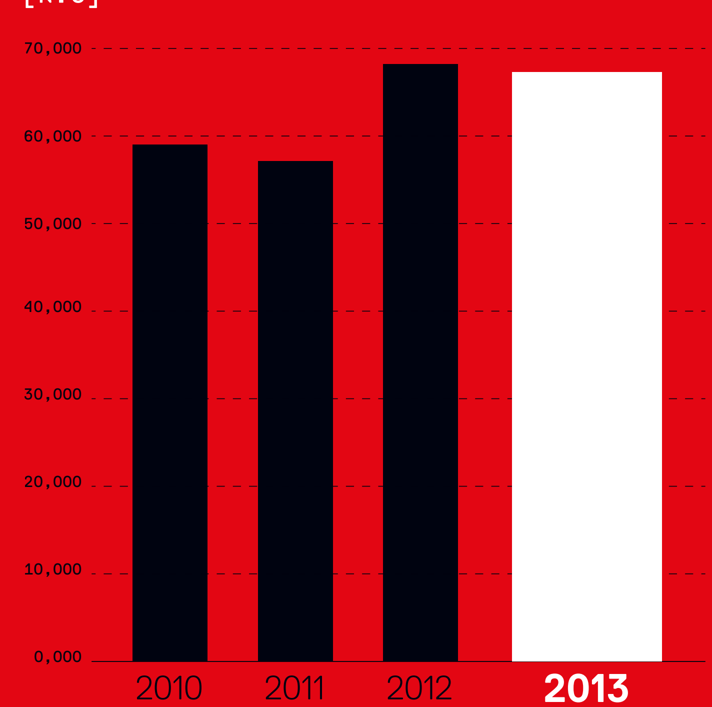
ebit/sales + ebitda/sales

[%]



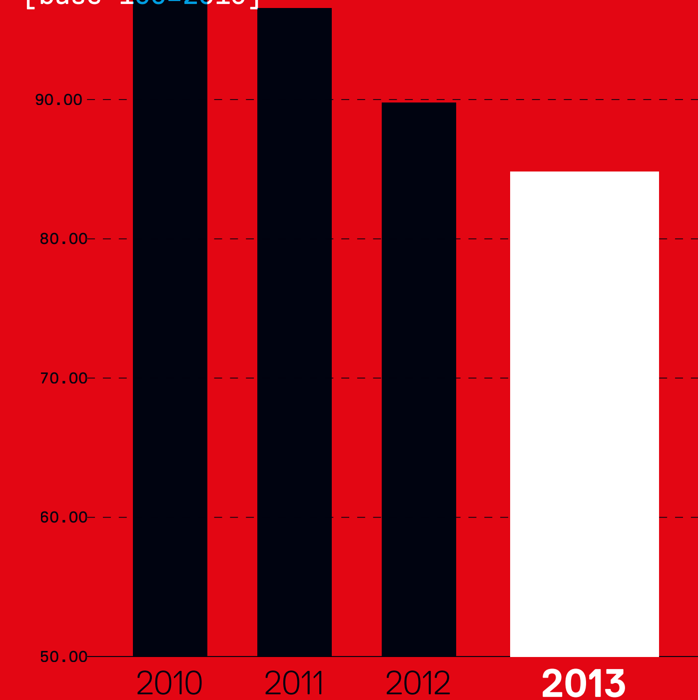
consolidated net income

[k.€]

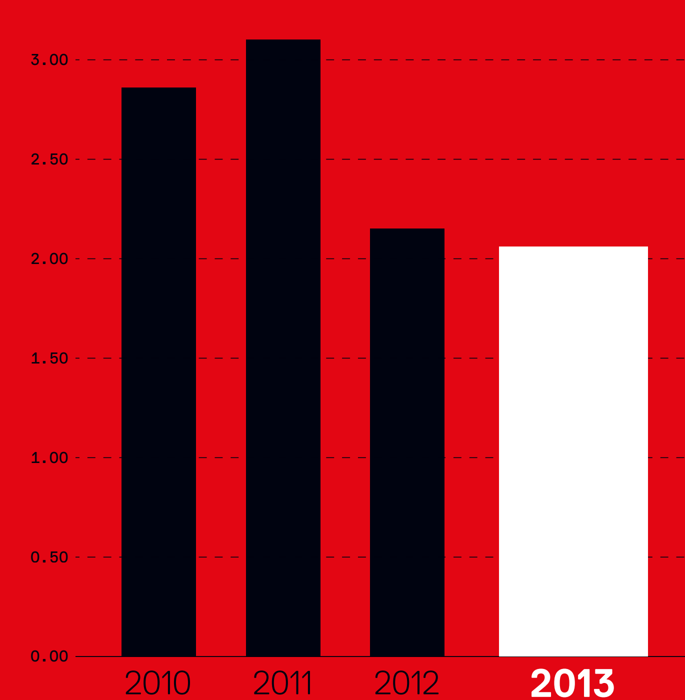


sales *per capita*

[base 100=2010]



interest-bearing debt/ebitda



BA GLASS GROUP

NL
BA GLASS, B.V.

100% PT
BA GLASS I
SERVIÇOS DE GESTÃO E INVESTIMENTOS, S.A.

PL 80%
BRISA INVESTMENTS
SP. Z O.O.

90,11% PT
BA VIDRO
(OWN SHARES - 9,89%) S.A.

PL 100%
SUR WIL
SP. Z O.O.

100% PT
MOLDIN
S.A.

PT 100%
BARBOSA & ALMEIDA
SGPS, S.A.

ES 100%
BA VIDRIO
S.A.U.

100% ES
BA VIDRIO
COMERCIALIZACIÓN Y DISTRIBUCIÓN DE ENVASES, S.A.U.

ES 100%
MINAS DE VALDECASTILLO
S.A.U.

SHAREHOLDER STRUCTURE

BA Glass BV Shareholders	SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Fim do Dia, SGPS, SA Company indirectly majority-owned by Carlos Moreira da Silva and by the Silva Domingues family	17,064	47.40%
Bar-Bar-Idade I, SGPS, SA Company owned by Carlos Moreira da Silva	9,468	26.30%
Atanágoras, SGPS, SA Company owned by the Silva Domingues family	9,468	26.30%
TOTAL	36,000	100 %

ORGANISATION CHART

BOARDS OF DIRECTORS AND SUPERVISORY BOARD

EXECUTIVE BOARD

MARKET & PLANNING
FINANCE, CONSOLIDATION & CONTROLLING
TECHNICAL DEVELOPMENT & INVESTMENTS
INFORMATION TECHNOLOGIES
PROCESS DEVELOPMENT
STRATEGIC PROCUREMENT
HR DEVELOPMENT
LEGAL & COMMUNICATION

IBERIAN DIVISION
POLISH DIVISION

PLANTS

IBERIAN DIVISION
AVINTES
MARINHA GRANDE
VILLAFRANCA DE LOS BARROS
LEÓN
VENDA NOVA

POLISH DIVISION
BRISA INVESTMENTS SP. Z O.O
SIERAKÓW
JEDLICE

GROUP CORPORATE BODIES

MEMBERS OF THE GROUP COMPANIES' BOARD OF DIRECTORS AND SUPERVISORY BOARDS

Carlos Moreira da Silva (Chairman)
Jorge Alexandre Ferreira (CEO)
Álvaro Cuervo Garcia
Alfredo José de Lacerda Pereira
Angel Luis Díez
Francisco Silva Domingues
Jakub Hoch
Lesław Kański
Mário Pereira Pinto
Mirosław Wiciak
Pedro de Araújo Lopes
Pieter Hallebeek
Reinaldo Coelho
Rita Silva Domingues
Rokin Corporate Services B.V.
Sandra Maria Santos

EXECUTIVE BOARD

Jorge Alexandre Ferreira (Chairman)
Alfredo José de Lacerda Pereira
Javier Teniente
Pedro de Araújo Lopes
Reinaldo Coelho (CEO Poland)
Sandra Maria Santos

DEPARTMENTAL DIRECTORS

Alberto Soares
Angel Luis Díez (Poland)
Ana Cristina Gonçalves
António Magalhães
António Sá Couto
Fernando Amílivia
Iva Rodrigues Dias
Luís Cardoso
Małgorzata Wróbel (Poland)
Mirosław Wiciak (Poland)
Pedro Belo
Pedro Correia
Piotr Hadasik (Poland)
Rafael Corzo
Rita Silva Domingues
Tiago Moreira da Silva
Tomasz Karpiewski (Poland)
Vítor Matoso

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Annual Manage—ment REPORT

INTRODUCTION

To the Shareholders,

In compliance with the Law and the Articles of Association of BA Glass B.V. (the "Company"), we hereby present the 2013 Report and Consolidated Accounts.

In the year 2013, the economic growth kept relatively weak, with some countries in Europe still showing signs of recession, with particular impact in the Southern economies, where there are high unemployment rates, fragilities in the economic sector and fiscal austerity with the consequent decrease in the families' disposable income and consumption, which affected the Company and its subsidiaries (the "BA group").

In Iberia, the restrictive orientation in the budget policy and the constraints in credit access have not shown recovery signs, which sharply exacerbates the decrease in consumption and in public and private investments. In order to reverse this trend, Iberian companies are more focused in external commercial operations, to which BA group was not an exception: in fact the activity to foreign markets significantly increased its weight in sales.

On the other hand, Poland maintained its upward trajectory, despite not being immune to the external constraints. One of the concerns is the unemployment rate above 10% and growing since 2008.

Inflation rates reflect the global crisis which we currently face, standing at 0.2% in Portugal, 0.3% in Spain and 0.6% in Poland.

The glass packaging sector was not an exception, being negatively influenced by the global situation, mainly due to its close connection with the private consumption.

In order to face this reality, BA group reinforced its commercial presence in markets outside its natural ones, having built a new furnace in the Iberian Peninsula in response to the growth of foreign markets which demand an increased effort of the productive structure and higher investment in working capital. Hence, in the year 2013 a positive performance was achieved, having the consolidated sales reached a total of EUR 472.1 million, which means a growth of 2.2% in relation to the previous year.

For this growth in sales contributed the commitment of all in improving innovation in new products, and flexibility in production and delivery of the product. These are becoming increasingly clear demands of our clients and are naturally critical issues in the access to new markets.

Within innovation, 334 projects of new products were developed, of which 90 were launched to the market.

All organisation was focused in finding more effective solutions both on the production and customer satisfaction levels, allowing an improvement in operational profitability, having the operational cash-flow (EBITDA) amounted to EUR 162.3 million and the operational income (EBIT) EUR 116.0 million, which represent growths, in relation to 2012, of 4.7% and 5.3%, respectively.

The balance-sheet structure, with net assets of EUR 730.2 million and net debt of EUR 335.1 million, is very well-balanced, presenting a financial autonomy of 28.2% and a net debt/EBITDA ratio of 2.06.

The financial income was negatively influenced by the exposure to the exchange variation of the Polish zloty. The exchange rate differences represented a negative result of EUR 1.3 million, whereas in 2012 the positive result amounted to EUR 6.1 million.

The income before consolidated taxes reached EUR 94.9 million (2012: EUR 95.1 million) and the consolidated net income amounted to EUR 67.3 million (2012: EUR 68.2 million).

With regards to certifications, the Iberian plants had the ISO 9001:2008 and Quality Management Systems certificates renewed and the Jedlice plant was certified in food safety through FSSC22000:2011, a food safety certification system.

As in previous years, a Sustainability Report will integrate this publication whereby the group's vision is divulged as well as the sustainable development principles and the performance in each of these areas.

The group or its associates are members of the AIVE - Associação dos Industriais de Vidro de Embalagem, of the ANFEVI - Asociación Nacional de Empresas de Fabricación Automática de Envases de Vidrio, of the PIO - - Polska Izba Opakowań and of the FEVE - - Fédération Européenne du Verre d'Embalage, continuing to be an active participant in these associations, with particular emphasis on the promotion of glass as a packaging material and monitoring national and community legislative initiatives.

COMMERCIAL ACTIVITY

It was in a context of stagnation of the European economy and economic activity downturn, reflected in the slowdown of internal consumption and exports in the countries where the group operates, that BA developed its commercial activity in 2013.

Despite the unfavorable macroeconomic scenario, BA group significantly invested in the restructuring of Iberia and Poland production capacity in order to continue to address the increasing demands of its clients with regards to quality issues and service level.

The consolidated sales reached a total of EUR 472.1 million, which meant a growth of 2.2% in relation to the previous year. This growth occurred despite the sales decrease of 8.1% in Poland, due to less available production capacity, in result of the rebuilt of a furnace in Jedlice plant.

Once again exports were the major engine of growth of the group's sales. BA group's main exports markets continue to be France, Italy, Belgium and Germany, having exported to more than 50 countries in 2013.

The main consumption segments were "Food & Oil" with 32.0% and "Beer" with 25.1%, followed by "Wine" with 21.3%, "Soft- -Drinks" with 10.9% and "Spirits" with 10.5%.

At the BA group level, the main growth occurred in the "Wine" and "Spirits" segments, due to the acquisition of the Polish division which brought a completely different market to BA Glass. In the "Food & Oil" segment the complementarity and synergies of the Iberian and Polish operations were intensified among the major multinational and international groups.

In 2013, BA group had more than 480 active clients, of which 73 represent 80% of sales. The same degree of concentration in type-A clients was kept whereas the client portfolio was extended to smaller customers.

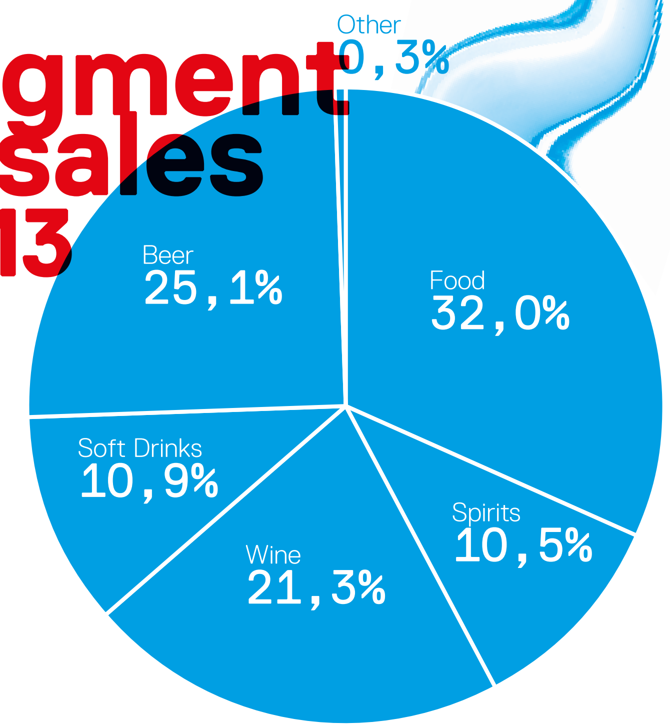
Following our purpose of adding value to the customers, the group continued to contribute to the methodology of "Challenge to Innovation", developing cost-cutting projects, which focus on the reduction of the products' weight, secondary packaging consumption and transport optimization. This form of intervention in the value chain together with major customers, leads to an increase in competitiveness and to further reduce "time-to-market". In particular, projects with 17 clients were developed, through which BA group proposed light weight solutions, which led to the decrease of around 9,000 tons of glass used and the redesign of secondary packages, allowing a reduction of 1,300 delivered trucks.

In 2013 the product development team drew up 334 new projects (6.4 projects per week) and rolled out 90 new products (7.5 new products per month) for 55 new customers.

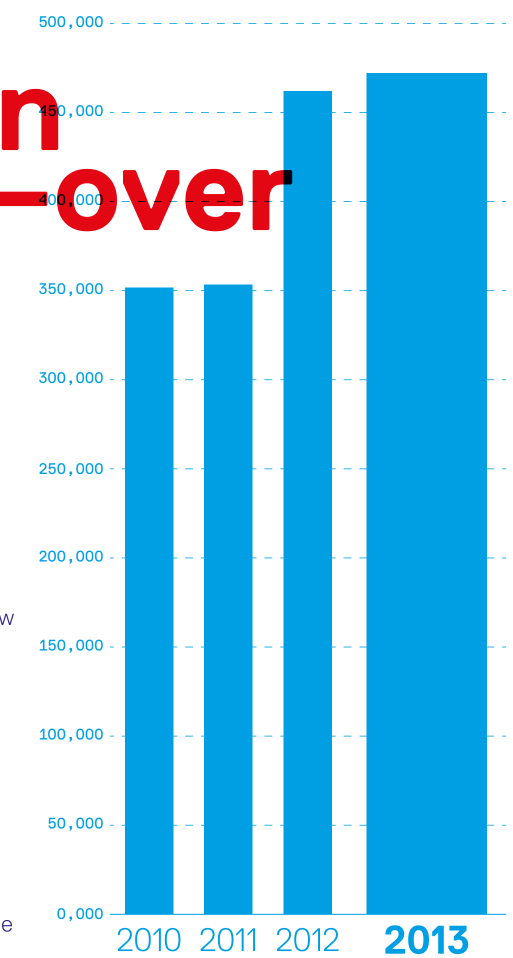
This year the customer satisfaction poll, conducted by an independent firm, was also extended to the Polish division. The results were very encouraging and proved, once again, that the BA group's value offer was very well received by its customers, both in comparison to last year's performance and the competing suppliers.

Con—tents

segment > sales 2013 [%]



turn—over [k.€]



INDUSTRIAL ACTIVITY

The year 2013 was marked by the construction of a new furnace in Villafranca de Los Barros plant, the reconstruction of two furnaces both in Jedlice and Marinha Grande, and also by improving efficiency, quality and customer service in almost all plants of the group.

The Avintes plant consolidated the excellent operating results reached in the previous year, presenting a very significant development with regards to productivity and customer service. Thus, achieving record results both in speed and quality incidents.

Despite the reconstruction of one of its furnaces, Marinha Grande plant presented great progresses in almost all activity indicators, with particular focus on the historic records reached in customer service and flexibility.

To Villafranca de Los Barros plant the year 2013 was marked by the construction of a new furnace. The start-up ran with great stability, especially considering the alteration which the furnace brought to the portfolio of products, the number of job changes and the need to integrate several new employees, which demanded an intense effort in training.

At the León plant, the year followed a line of improvement in mostly all operating indicators, when compared to the preceding year, with special focus to those related to quality incidents and flexibility.

Regarding the Venda Nova plant, 2013 was, once again, a year of growth in all activity key-indicators, reaching new records in almost all of them. The intense effort in training was crucial in the improvement of the plant's outcome.

To the Polish plants, located in Sieraków and Jedlice, it was a year of consolidation of their integration in the group.

In Sieraków the priority remained the improvement and systematization of procedures, in order to achieve a unique and reference level of response in the clients view.

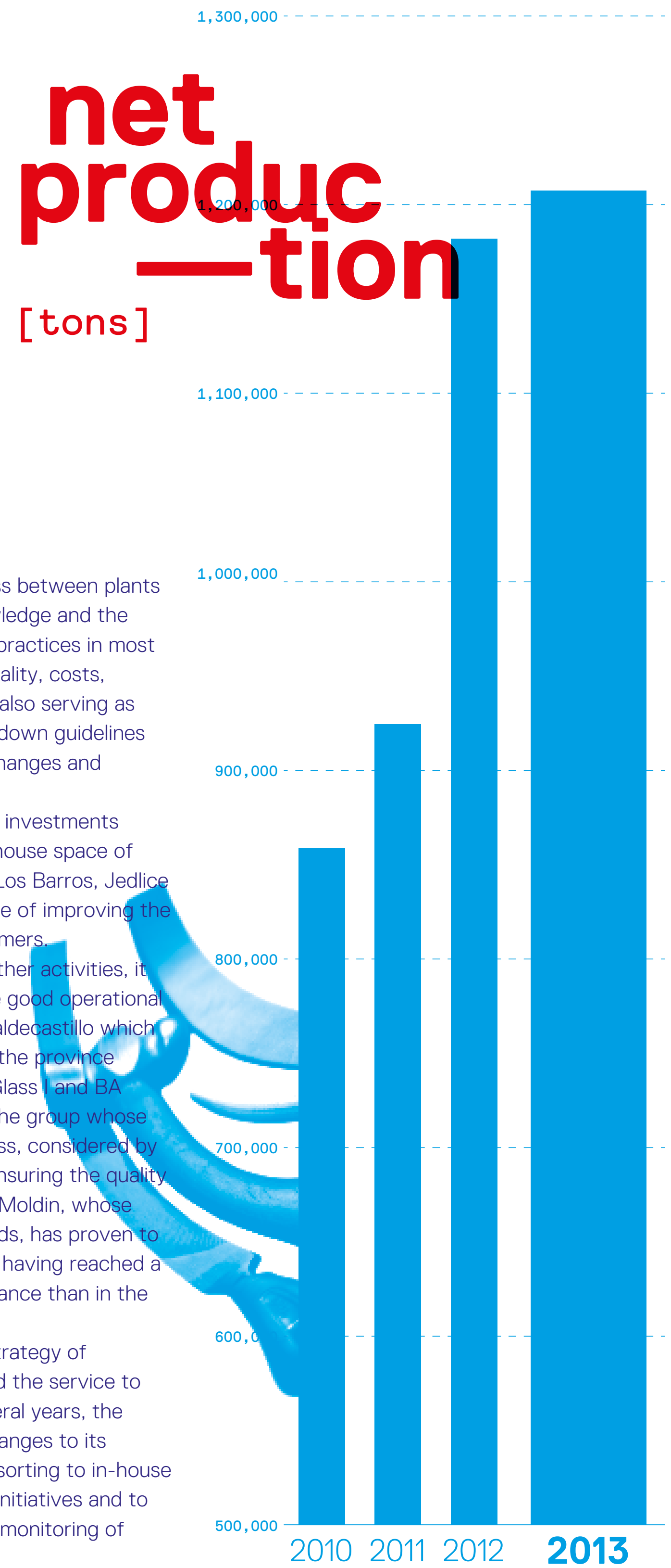
The Jedlice plant finished the rebuilding of one of its furnaces, the investment made endowed the plant with state-of-the-art production technology, quality control and optimization of energy consumption. The plant is in a time of change, both in terms of productivity, product quality and customer service, for which very significant developments is expected in 2014.

The benchmarking process between plants enabled the sharing of knowledge and the implementation of the best practices in most areas, such as efficiency, quality, costs, energy consumption, whilst also serving as the starting point for laying down guidelines for the process of making changes and investment planning.

With regards to Logistics, investments were made to expand warehouse space of the plants of Villafranca de Los Barros, Jedlice and Avintes with the purpose of improving the level of service to the customers.

Concerning the group's other activities, it is important to underline the good operational performance of Minas de Valdecastillo which exploits the silica deposit in the province of León (Spain) and of BA Glass I and BA Distribución, companies of the group whose scope is the recycling of glass, considered by BA of vital importance for ensuring the quality of the final product. Finally, Moldin, whose activity is the repair of moulds, has proven to be completely consolidated, having reached a substantially better performance than in the previous year.

In general, pursuing the strategy of enhancing the efficiency and the service to customers followed for several years, the group continues to make changes to its organisational processes, resorting to in-house and external benchmarking initiatives and to the analysis and continuous monitoring of critical business processes.



HUMAN RESOURCES

The integration, reorganisation of teams and the alignment of human resource policies with an increasingly global view of the group took a leading role in 2013, where both the international context as well as the growth of the organisation launched new challenges and forced new responses.

The processes of mobility and expatriation, the management of cultural diversity, as well as the inevitable difficulties arising from language barriers, involved the development of new tools which allow a sustainable human resources management, but at the same time one which is able to coordinate globally without compromising local sensitivity.

At the end of the year, the group had a workforce of 2,230 employees, including 1,011 in Portugal, 545 in Spain and 674 in Poland. It is worth pointing out the increase of 129 employees in Villafranca de Los Barros plant, as a result of the investments made, leading to the need for implementation of training and career development programs to prepare qualified personnel for this new reality.

Investment in training amounted to 70,148 hours only in Iberia, which represents more than 45 hours / employee, as a result of training in technical areas, in order to prepare the employees for the investments made. Finally, the exchange of roles between workforces remained one of the group's key policies for the management of human resources development, assuming an increasingly vital role in an organisation with cross-borders growth.

The constructive dialogue with the social representatives enabled the conclusion of new labour agreements in Avintes, Marinha Grande and Venda Nova plants, in early 2013. In the León plant the temporal scope of the existing agreement was extended to the year 2014, whereas in Villafranca de Los Barros are still undergoing through negotiations. For the first time negotiations with the social representatives from Sieraków and Jedlice plants were conducted and concluded with success, resulting in the implementation of new agreements in both centers.

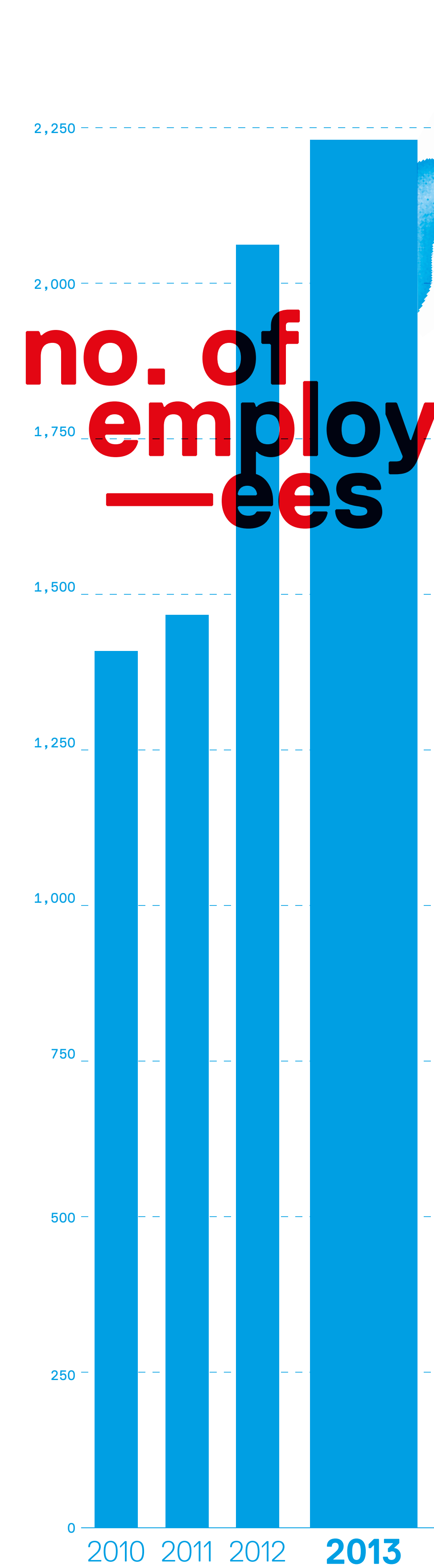
The BA group kept its policy of ensuring a rigorous system of performance evaluation and career development, and extended the existing processes to Polish units. Several information and explanation sessions were carried out to all workforces, in order to allow greater involvement of all in the whole process.

Despite the identification of different realities and cultures, the goals and values of the group are unique, for which internal communication assumed a key role in the transmission of messages and restructuring of teams.

The rate of absenteeism was of 3.5% in Iberia and 6.5% in Poland; since the latter is higher than the BA group's benchmarking, specific actions are being implemented. It was still not in the year 2013 that the "Zero accidents" goal was achieved, having occurred 39 accidents. However, it should be noted that all efforts are directed towards the implementation of risk prevention actions in the workplace, as well as the analysis and action on the causes of accidents.

The development of internal social responsibility actions was kept, widening its scope while consolidating the already implemented policies. Externally, the involvement with the community, particularly with schools and universities, continued to be a priority within the group, which maintained the usual visits policy and allocation of internships to youngsters. This year's internship program was particularly relevant in Portugal, where through the cooperation with the "Movement for Employment" promoted by the Government, 23 new trainees were welcomed for a period of 12 months.

At the end of the year the Diagnosis of Organisational Climate was undertaken, this time including the Polish units, where all the employees, voluntarily and confidentially, give their opinion on topics such as strategy, commitment, work conditions, human resources policies and leadership, as well as regarding the impact of the measures being taken so far.



INVESTMENTS

In 2013 consolidated investments in tangible fixed assets amounted to EUR 85.5 million (2012: EUR 25.6 million).

In Poland, the most important project was the completion of the reconstruction of a furnace in Jedlice plant, which was initiated at the end of 2012. This was the first step to provide the plant with the most advanced technology, making it more competitive and better prepared to respond to market demands. Energy efficiency, reduced emissions, increased productivity and improvements in product quality were the main focus of this investment.

The construction of a new warehouse in Jedlice with about 10,000 m2 has been concluded, therefore doubling the storage capacity of the plant.

In Iberia a new furnace in Villafranca de Los Barros plant was built, with a total investment of EUR 40 million. The technology used and the new warehouse of 25,000 m2 turned this plant into one of the most competitive in the group.

In the beginning of the year, an interim repair was performed in one of the furnaces in Marinha Grande's plant, where some technological upgrades were implemented in both the hot end and the inspection machinery. The reduction in costs was the main cause of this investment.

INNOVATION & DEVELOPMENT

The BA group regards innovation as a strategy of adding value to the client.

The interest of our customers in looking for a full-service, which creates the perfect design for their packaging, leads to the search for balance between the performance of the packaging and the lowest possible weight for its production. This customer concern was revealed in the requests made and accounted for approximately 18% of all projects carried out in 2013.

As a result of the expansion to new markets, following the acquisition of the Polish plants, the group began to devote itself to the development of packaging for the premium segment, which comprises a bold design with great visual impact.

In 2013, there were several records in this area, as the increase of about 91% in the development of new projects, as well as a 95% raise in new models produced by the group, as a natural consequence of the access to new markets.

To meet the needs of customers, integrated design solutions combining packaging design, labeling and production costs, were developed, representing 7% of the total projects of the BA group. The service provided by BAdesign has proven to be an increasingly useful tool in the provision of a differentiated technical know-how and an innovative vision, resulting in a significant added value to our customers.

Reflection of the importance of this service was the award of the first prize to BA group in 2013, for the bottle Schweppes Heritage Original Tonic, awarded by Drinktec, in the Beverage Innovation Awards, in the category Best Bottle in Glass.

The results achieved in 2013 will be the ignition for the year 2014 to be more directed to innovative solutions that meet the goals outlined by our customers, making BA group even more competitive.

RESULTS

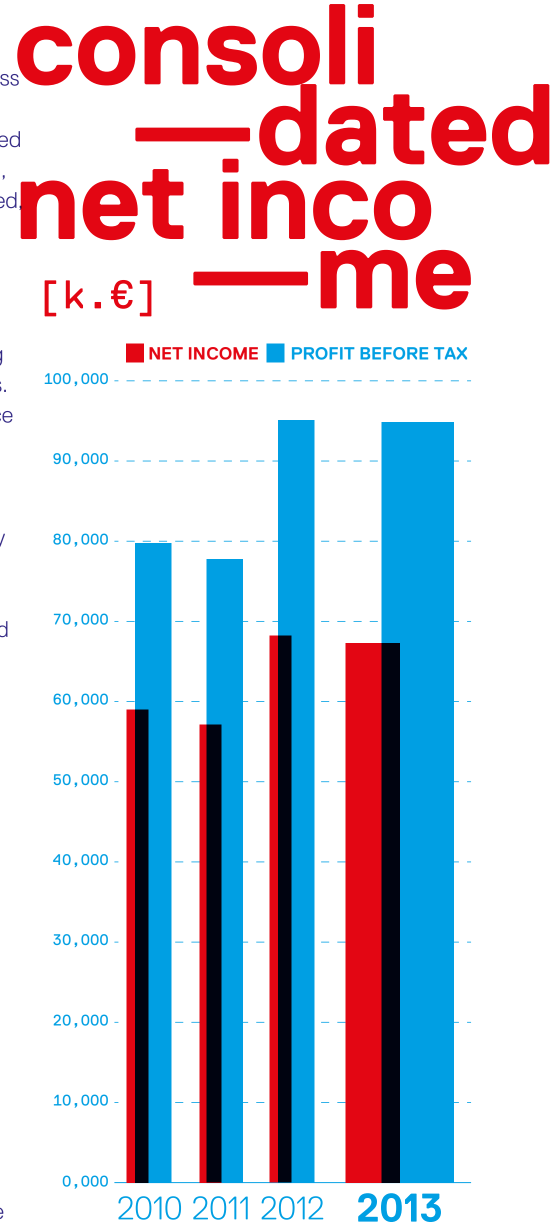
The year 2013 was a year to stabilize the consolidation of Poland's inclusion.

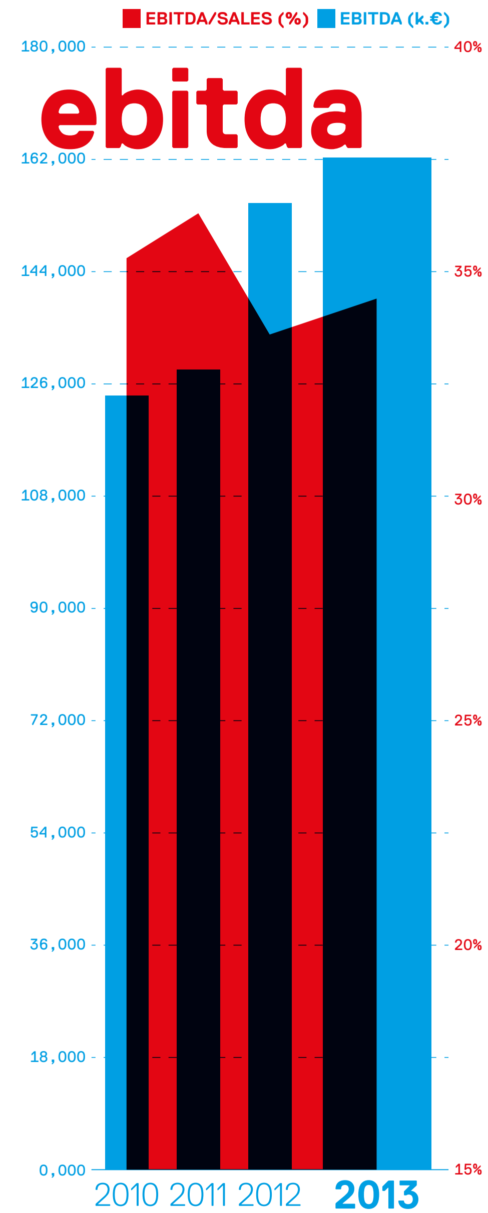
The soaring of the prices in the main production factors such as raw-materials and energy, which continues to be heavily penalized with taxes and fees, forced the BA group to search for improvements in the plants' efficiency.

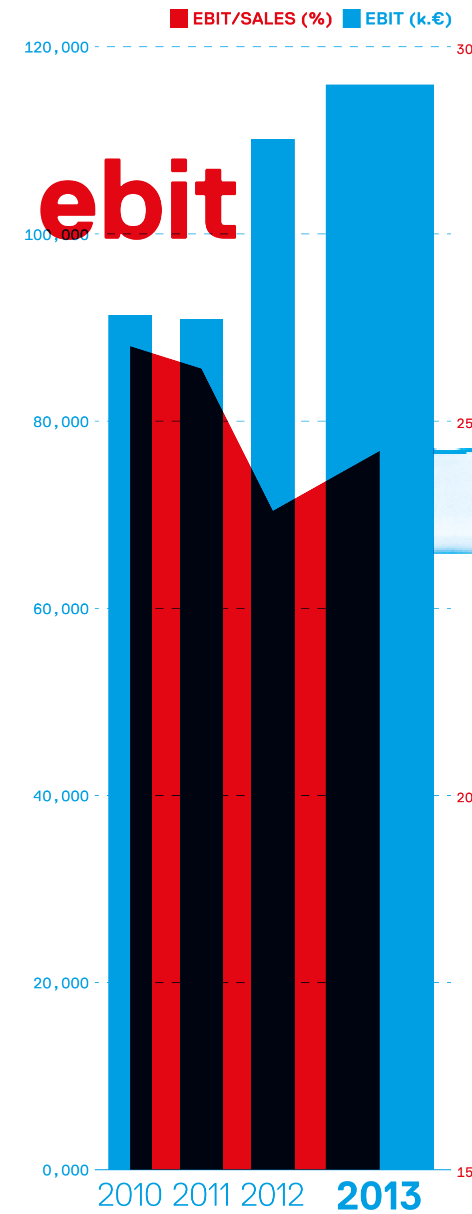
With regard to investments, the greatest impact on the accounts was caused by the construction of new furnace in Villafranca de Los Barros plant and the repair of one of the Jedlice's plant furnaces.

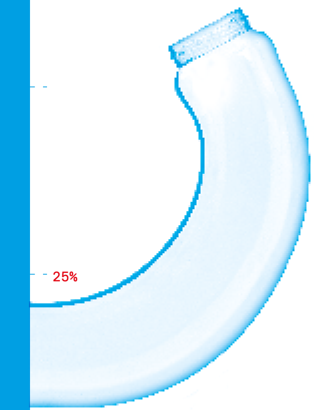
Hence,

- The operating cash flow (EBITDA) remained at interesting levels, amounting to EUR 162.3 million, EUR 7.3 million more than in 2012, the EBITDA margin rises to 34.4% of sales, which means a 0.8 p.p. increase;
- Operating profit (EBIT) amounted to EUR 116.0 million, equivalent to 24.6% of sales, EUR 5.8 million more than in 2012;
- The rotation of net tangible assets reached to 1.51, lower than in 2012, reflecting the strong investments undertaken in the period;
- The productivity of labour workforce decreased by 5.5%, negatively affected by the increase in personnel required to meet the needs of the new investments, which have not yet been offset by their increased production;
- Consolidated net financial results reached EUR 21.1 million, against EUR 15.1 million in 2012, mainly due to the negative contribute of the exchange rate variation as well as the impairment registered in the financial investments which amounted to EUR 6.2 million. On the other hand, a significant and favourable adjustment occurred in the group's financing, which was positively reflected in its financial costs;
- Income before taxes amounted to EUR 94.9 million (2012: EUR 95.1 million) and the net income totaled EUR 67.3 million (2012: EUR 68.2 million).









ASSETS & FINANCIAL ANALYSIS

In 2013, the consolidated assets increased to EUR 730.2 million (2012: EUR 680.7 million). In this figure non-current assets represented 72.6%.

The working capital stood at 17.7% of sales, a higher value than the previous year mainly due to the increase in the level of stock caused by a raise in production occurred with the investments made during the year. This increased investment in working capital allows a better response to our customers.

At the end of the year, the total liabilities were of EUR 524.0 million, which represents EUR 2.3 million more than the previous year, whereas the group's net interest-bearing debt amounted to EUR 335.1 million (2012: EUR 332.5 million), presenting a highly balanced structure. It should be noted that the group's liabilities already take into account the possible exercise of the existing sale option on behalf of the minority shareholders of the Polish company.

The net debt / EBITDA ratio now presents a value of 2.06 (2012: 2.15) and the group's debt to equity stood at 28.2% (2012: 23.4%) of assets.

OUTLOOK

The evolution of the European economies in 2014 remains a great unknown, although most analysts point to growth, it is still very slight. Hence, a recovery from the crisis that began in 2008 is not to be expected. Finally, the developed economies such as the U.S.A. begin to show signs of strength, which can boost the global economy.

Portugal and Spain are not the exception, with a slight recovery to be anticipated. Growth in private consumption is not expected, as the fiscal austerity already announced for 2014 will continue to penalize household incomes. The unemployment rate also shows no signs of decreasing, which contributes negatively to the climate of confidence and economic growth.

Poland, although at levels lower than last year, presents a much more optimistic growth scenario, with increased market opportunities, as a result of this growth and its strategic geographic location. The BA group is certain that the Polish plants are one of the great engines to its development in the near future.

Despite the difficult economic scenario that the world is experiencing, the BA group faces the year 2014 in an optimistic however cautious manner. The greatest challenge will be to increase market share in proximity to the Polish division as well as to explore new markets.

The increase of transparency in all processes will continue to be a priority with a view to optimise the relationship with all the stakeholders:

- In what concerns the customers, to attain even higher levels of quality and reliability, thereby helping them to be successful in the challenging consumer market. The BA group wishes to continue to overcome the perception of being merely a predominantly industrial supplier to being one in which customers view a provider of an unique service;
- With regards to the shareholders, to achieve the highest standards of profitability based on the principles of ethics and transparent and clear corporate governance rules, fostering the environment and the conditions conducive to sustainable business growth;
- As for our employees, to consolidate the application of management methodologies and systems in such a way that the BA group is perceived by its employees as a better place to work with better development opportunities. The quality of the employment which the group generates from the standpoint of both stability and the sharing of the wealth created, are key factors in this recognition;
- Regarding suppliers, the BA group aims at promoting partnership initiatives with the purpose of fostering mutual trust and optimising efficiency gains throughout the supply chain;
- With regards to the environment, to formulate the BA group's environmental policy, providing public information about the environmental performance of its units and to maintain with local entities, bodies and associations an interactive relationship that benefits the community as a whole.

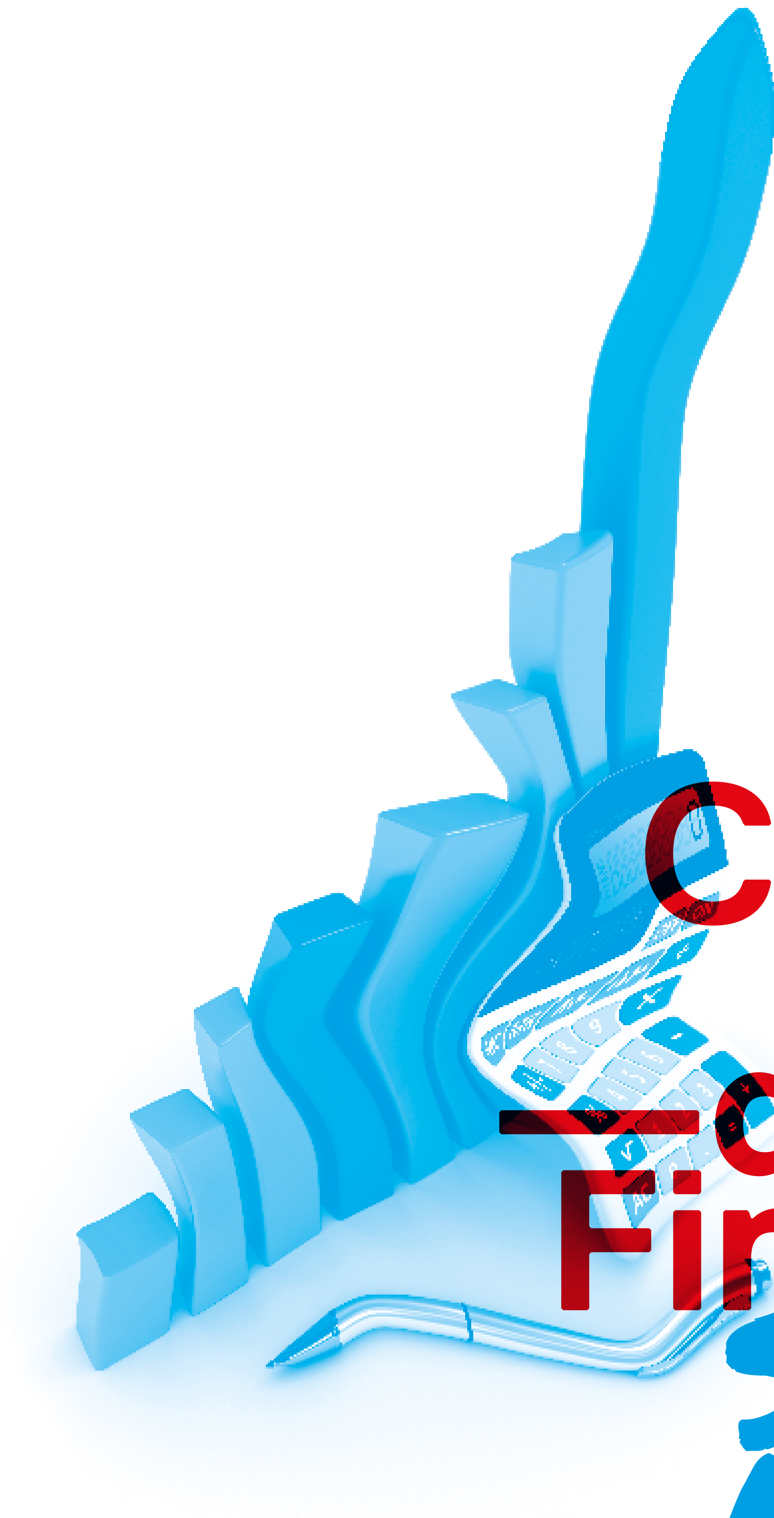
ACKNOWLEDGEMENTS

The Board of Directors wishes to thank, in first place, the employees of all the group's organic units whose hard work, enthusiasm and dedication were the most important contribution to the results achieved, not only from the customer satisfaction's point of view but also with respect to the return on capital employed.

We also extend our gratitude to the central, regional and local Authorities of the Netherlands, Portugal, Spain and Poland, who monitored and supported our activities and projects. We appreciate the cooperation of the banks and other financial institutions with whom the group worked during the year.

Our appreciation is also due to the Auditors of all the affiliated companies for their permanent collaboration and spirit of critical dialogue in monitoring and examining the companies' financial statements and processes.

Last but not the least, our sincere gratitude is due to our customers for their preference, trust and quality-related demands, which serve as the on-going driver in our quest for perfection.



Consolidated Financial STATEMENTS

Consolidated Statement of Financial Position
(amounts expressed in euro)

ASSETS	NOTES	DEC 2013	DEC 2012
NON CURRENT ASSETS			
Goodwill	6	190,799,108	192,380,473
Intangible assets	7	422,129	1,110,595
Property, plant and equipment	8	312,944,752	275,411,456
Financial investments	9	524,227	5,686,102
Investment properties	10	4,732,961	4,803,726
Other non-current assets	11	15,171,956	5,014,827
Deferred tax assets	12	5,825,435	7,655,460
		530,420,570	**492,062,638**
CURRENT ASSETS			
Inventories	13	68,275,986	58,520,409
Trade receivables	14	85,670,881	83,042,930
Other current debtors	15	23,270,260	24,524,908
Other current assets	16	1,033,187	1,416,816
Cash and short term deposits	17	21,523,806	21,133,943
		199,774,119	**188,639,006**
TOTAL ASSETS		**730,194,689**	**680,701,644**

EQUITY AND LIABILITIES	NOTES	DEC 31 2013	DEC 31 2012
Issued capital	18	36,000	36,000
Legal and other reserves	18	35,824,975	33,984,905
Retained earnings	18	103,389,563	57,571,144
Profit for the year		66,961,493	67,429,064
Equity attributable to equity holders of the parent		**206,212,030**	**159,021,113**
Non-controlling interests		-	-
TOTAL EQUITY		**206,212,030**	**159,021,113**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	184,059,634	206,232,624
Provisions	20	2,676,240	3,835,218
Other non current liabilities	19.2	28,274,948	34,307,197
Deferred tax liabilities	12	17,138,340	21,070,058
		232,149,163	**265,445,097**
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	172,676,882	147,437,905
Trade payables	21	70,191,935	67,129,648
Other payables	22	11,097,735	13,806,210
Other current liabilities	23	37,866,944	27,861,671
		291,833,496	**256,235,434**
TOTAL EQUITY AND LIABILITIES		**730,194,689**	**680,701,644**

Consolidated Statement of Profit or Loss
(amounts expressed in euro)

	NOTES	DEC 2013	DEC 2012
CONTINUING OPERATIONS			
Operating revenue			
Sales and services rendered	24	472,124,597	461,956,120
Changes in finished goods		8,196,819	2,389,476
Other operating income	25	7,330,663	7,292,727
		487,652,079	**471,638,323**
Operating expenses			
Cost of sales		165,355,385	158,566,949
Supplies and external services		98,658,393	96,201,376
Personnel costs		58,384,163	58,306,464
Depreciation	7 / 8	46,290,459	43,038,520
Provisions		39,782	1,825,375
Other operating expenses	26	2,967,216	3,557,054
		371,695,398	**361,495,738**
Operational cash flow (EBITDA)		**162,286,922**	**155,006,480**
Operating income		**115,956,681**	**110,142,585**
Financial result	27	**(21,096,860)**	**(15,053,059)**
Profit before tax from continuing operations		**94,859,821**	**95,089,526**
Income tax expense	28	27,551,806	26,889,734
Profit for the year from continuing operations		**67,308,014**	**68,199,793**
Profit for the year		**67,308,014**	**68,199,793**
ATTRIBUTABLE TO:			
Equity holders of the parent		66,961,493	67,429,064
Non-controlling interests		346,522	770,729
Earnings per share			
Basic		**1,860.04**	**1,873.03**
Diluted		**1,860.04**	**1,873.03**

Consolidated Statement of Other Comprehensive Income

(amounts expressed in euro)

	NOTES	DEC 2013	DEC 2012
Profit for the year		**67,308,014**	**68,199,793**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(1,147,797)	6,383,185
Income tax effect		-	-
Fair value gains (losses) on cash flow hedges	19	169,893	(309,573)
Income tax effect		(60,606)	102,747
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(1,038,510)**	**6,176,359**
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
Revaluation of land		-	-
Income tax effect		-	-
Put option granted to non-controlling interests		6,032,249	-
Income tax effect		-	-
Other		(110,837)	-
Income tax effect		-	-
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**5,921,412**	**-**
Other comprehensive income for the year, net of tax		**4,882,902**	**6,176,359**
Total comprehensive income for the year, net of tax		**72,190,917**	**74,376,152**
Attributable to:			
Equity holders of the parent		72,073,954	72,328,786
Non-controlling interest		116,963	(2,047,366)

Consolidated Statement of Changes in Equity

(amounts expressed in euro)

	ATTRIBUTABLE TO THE EQUITY OWNERS OF THE PARENT							
	Issued capital	Legal and other reserves	Retained earnings	Profit for the year	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
As at January 1, 2012	**36,000**	**24,274,614**	**50,419,850**	**57,152,602**	**97,388**	**131,980,454**	**9,869,897**	**141,850,351**
Profit for the year	-	-	-	67,429,064	-	67,429,064	770,729	68,199,793
Other comprehensive income	-	-	(206,826)	-	5,106,548	4,899,722	1,276,637	6,176,359
Total comprehensive income	-	-	**(206,826)**	**67,429,064**	**5,106,548**	**72,328,786**	**2,047,366**	**74,376,152**
Put option granted to non-controlling interests	-	-	(3,573,281)	-	1,276,637	(2,296,644)	(11,917,263)	(14,213,907)
Dividends	-	-	(32,000,000)	-	-	(32,000,000)	-	(32,000,000)
Supplementary capital	-	-	(10,922,728)	-	-	(10,922,728)	-	(10,922,728)
Appropriation of prior year net profit	-	3,229,718	53,922,884	(57,152,602)	-	-	-	-
Other changes in equity	-	-	(68,755)	-	-	(68,755)	-	(68,755)
As at December 31, 2012	**36,000**	**27,504,332**	**57,571,144**	**67,429,064**	**6,480,573**	**159,021,113**	-	**159,021,113**
As at January 1, 2013	**36,000**	**27,504,332**	**57,571,144**	**67,429,064**	**6,480,573**	**159,021,113**	-	**159,021,113**
Profit for the year	-	-	-	66,961,493	-	66,961,493	346,522	67,308,014
Other comprehensive income	-	-	6,030,700	-	(918,239)	5,112,462	(229,559)	4,882,903
Total comprehensive income	-	-	**6,030,700**	**66,961,493**	**(918,239)**	**72,073,954**	**116,963**	**72,190,917**
Put option granted to non-controlling interests	-	-	116,963	-	-	116,963	(116,963)	-
Dividends	-	-	(25,000,000)	-	-	(25,000,000)	-	(25,000,000)
Appropriation of prior year net profit	-	2,758,308	64,670,756	(67,429,064)	-	-	-	-
As at December 31, 2013	**36,000**	**30,262,640**	**103,389,563**	**66,961,493**	**5,562,334**	**206,212,030**	-	**206,212,030**

Consoli—dated State—ment of Cash Flows

(amounts expressed in euro)

	DEC 2013	DEC 2012
CASH FLOW STATEMENT - OPERATIONAL ACTIVITIES		
Receipts from customers	484,743,690	476,106,532
Payments to suppliers	(262,118,179)	(264,353,701)
Payments to personnel	(58,126,831)	(55,138,943)
Cash generated from operations	**164,498,680**	**156,613,889**
Payment / (reimbursement) of corporate income tax	(32,228,189)	(20,220,165)
Other (proceeds) / payments relating to the operating activity	671,672	(63,331)
Cash flow from transactions (1)	**132,942,163**	**136,330,393**
CASH FLOW STATEMENT - INVESTING ACTIVITIES		
Receipts from:		
Financial investments	445,292	1,585,634
Fixed assets	850,633	657,448
Investments subsidies	1,776,981	1,278,680
Other assets	-	-
	3,072,906	**3,521,762**
Payments related to:		
Financial investments	(460,537)	(1,814,296)
Fixed assets	(82,759,324)	(22,396,260)
Other assets	-	-
	(83,219,861)	**(24,210,556)**
Cash flow from investing activities (2)	**(80,146,954)**	**(20,688,795)**
CASH FLOW STATEMENT - FINANCING ACTIVITIES		
Receipts from:		
Loans	137,578,454	30,408,324
Investments subsidies	3,278,815	-
Interests received	8,809,161	5,533,419
Other financing activities	-	2,121
	149,666,430	**35,943,863**
Payments related to:		
Loans	(152,710,801)	(67,199,984)
Interest and similar expense	(23,895,590)	(23,740,487)
Dividends	(25,000,000)	(32,000,000)
Capital decrease and other capital instruments	-	(10,922,728)
Other financing activities	(294,945)	-
	(201,901,335)	**(133,863,199)**
Cash flow from financing activities (3)	**(52,234,905)**	**(97,919,335)**
NET CASH FLOW VARIATION FOR THE YEAR (4)=(1)+(2)+(3)	**560,303**	**17,722,263**
CONSOLIDATED NET CASH FLOW VARIATIONS FOR THE YEAR	**560,303**	**17,722,263**
NET FOREIGN EXCHANGE DIFFERENCES	**(170,441)**	**-**
CASH AND ITS EQUIVALENTS AT THE BEGINNING OF THE YEAR	**21,133,943**	**3,411,680**
CASH AND ITS EQUIVALENTS AT THE END OF THE YEAR	**21,523,806**	**21,133,943**
NOTES TO THE CONSOLIDATED CASH-FLOW STATEMENT:		
Cash	17,978	15,956
Short term bank deposits	21,505,828	21,117,987
Cash and its equivalents	**21,523,806**	**21,133,943**
Negotiable bonds	-	-
Availabilities	**21,523,806**	**21,133,943**

Notes to the Consoli—dated Financial State—ments

1 · CORPORATE INFORMATION

The consolidated financial statements of the BA Glass B.V. (hereinafter the "Company") for the year ended December 31, 2013 were authorized for issue in accordance with a resolution of the directors on February 20th, 2014.

The Company is a limited liability company incorporated and domiciled in the Netherlands. The registered office is located at Prins Bernhardplein 200, 1097 JB Amsterdam.

The group's main corporate purpose is to provide management, marketing, and advertising consulting services to companies selling or manufacturing glass containers and glass products; organizes promotional events and actions to promote such companies and their products and sales; manufactures, trades, and intermediates purchases and sales of glass products, as well as operates related trading establishments and distribution channels; invests, manages, and administers direct and indirect holdings in glass containers and glass products manufacturers and suppliers; invests in real estate, namely for purposes of buying and selling property, for own account or for resale, and of developing property for sale, urban development, and parceling; acquires, manages, and sells equity holdings in companies incorporated in Portugal and abroad, regardless of their statutory purpose; and stores, warehouses, handles, reprocesses, recycles, and sells recyclable or upgradeable waste.

The Company together with its subsidiaries (the "group") is the one of the most profitable players on the glass packaging business and has relevant positions in Portugal, Spain and Poland.

The group operates in the glass industry, more specifically in the manufacturing of glass containers, owning three manufacturing plants in Portugal, two in Spain and two in Poland through the associated companies BA Vidro, S.A. (operating in Portugal), BA Vidrio, S.A.U. (operating in Spain) and Brisa Investments sp. Z o.o. (operating in Poland).

No distinguishable components apply either with reference to its products or to its manufacturing processes, nor do distinguishable components apply, either with reference to the type of customer or to distribution channels, which may warrant analysis in terms of business segmentation.

Moreover, we also consider that the risks, returns, opportunities, or prospects applicable to the units operating in the aforementioned countries do not differ to the extent that their treatment as separate reportable geographical segments is warranted.

Significant events occurred in 2013

On the 20th December, 2013, the company's subsidiary Brisa Investments Spolka ("Brisa") merged with two of its subsidiaries – Warta Glass Sieraków (WGS) and Warta Glass Jedlice (WGJ). This merger was performed by the acquisition of the two companies by Brisa, and effected by means of transfer of all net assets of WGS and WGJ. The merger was conducted without an increase of the share capital since Brisa holds 100% of shares in the capital of WGS and WGJ.

The main purpose for this merger was to benefit in terms of economy and organisational structure, especially the benefits within the scope of lowering the costs, including the fixed costs of organisation, e.g. by removal of the duplicating government bodies. Moreover, the position of Brisa will be enhanced on the market including the purchasing of goods (raw materials) and services. Consequently, it should lead to the lowering of unit prices in the purchase transactions. Furthermore, the structure of the management and supervision and owners' decision making will be simplified. No impact in consolidated net assets and results has arisen from this restructuring.

2 · ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the European Union and in accordance with title 9 of Book 2 of the Dutch Civil Code.

These consolidated financial statements were prepared on the basis of the Company's continued operation as a going concern and are based on the accounting books and records of the consolidated companies (refer to note 5). The carrying amounts of recognised assets are carried on a historical cost basis, except for land and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in euros.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31st, 2013.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group assets and liabilities, equity, income and expenses are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

The consolidated financial statements are presented in euros. The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and statement of profit or loss items are translated at the average exchange rate for the year. The resulting currency translation adjustment is recorded in equity.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against equity.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a] Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually (as at December 31st) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Put option granted to non-controlling interest

When the facts and circumstances indicate that the group has no present ownership on the shares subject to the put option, the group elects to follow the approach of partial recognition of non-controlling interests, under which the non-controlling interest continues to receive: (i) an allocation of profit and loss; (ii) a share of changes in appropriate reserves, and (iii) dividends declared before the end of the reporting period. At the end of each reporting period, the group recognizes a financial liability (fair value of the put option) as if the acquisition took place at that date. The put option is valued at fair value at the year-end. Changes in the financial liability are treated as reclassifications in equity and therefore have no impact on profit or loss. There is no separate accounting for the unwinding of the discount due to the passage of time.

In the event that the option expires unexercised, the financial liability is unwound such that non-controlling interest is recognised at the amount it would have been as if the put option was not granted.

b] Investment in an associate

An associate is an entity in which the group has significant influence. The group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in the associate is carried on the statement of financial position at cost plus post acquisition changes in the group's share of net assets of the associate.

Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the statement of profit or loss. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an additional impairment loss on its investment in its associate. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

c] Intangible assets

Intangible assets acquired separately are measured on initial recognition date, at cost. Intangible assets generated internally, excluding capitalised development costs, are not capitalised and the cost is reflected in the income of the year in which the cost is incurred.

After the initial recognition, the assets are carried at cost net of accumulated depreciation and impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

The assets with finite useful lives are amortized during the expected economic useful life and evaluated in terms of impairment whenever there is an indication that the asset may be impaired. For an asset with a finite useful life, the amortization methods, estimated useful life and residual value, are reviewed at the end of each year and the effects of the changes are treated as changes to estimates, i.e. the effect of the changes is treated in a prospective way.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually as at December 31st either individually or at the cash generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

c.1] CO_2 Emission rights

CO_2 emission licences were granted to the group's plants that fall under the European greenhouse gas emissions trading scheme. For as long as the IASB fails to set out an accounting policy to cater for this issue subsequent to the removal of IFRIC 3, and based on Paragraph 23 of IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance, the group decided to adopt the "net liability approach" method.

Accordingly, the allocation and usage of such emission rights is reflected in the financial statements as follows:

- Emission rights allocated free of charge, as well as the corresponding emissions allowed under such licences, do not give rise to recognition of any asset or liability;
- Purchased permits are accounted as a cost and reported as intangible fixed assets;
- Should annual CO_2 emissions exceed annual emission rights, a liability is raised and set against "Other operating costs", which are then marked to the market value of such emission rights as at the reporting date;
- Gains arising from sales of emission rights are reported as other operating income.

In 2013 was the beginning of the new allocation period of CO_2 emission rights that will last until 2020. Although during this period a significant decrease in free allocations of CO_2 is expected, there is no impact in 2013 for the group.

c.2] Research and development costs

Research costs are expensed as incurred. In accordance with IAS 38, development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

c.3] Patents

The patent for the use of the trademark "Warta Glass" has been granted for a period of five years, starting in 2011, and it will be depreciated over this period.

d] Property, plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced in intervals, the group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land is measured at fair value less accumulated impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Useful life
Buildings and other constructions	20 - 50
Property, plant and equipment	3 - 20
Transport equipment	4 - 12
Tools	3 - 15
Administrative equipment	3 - 15
Packaging	3 - 7
Other tangible assets	3 - 15

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate. It is assumed that the residual value is nil; hence the amount to be depreciated, over which the depreciation is calculated, coincides with the cost.

Assets acquired through finance lease are depreciated using the same rates as those for the other tangible assets, i.e. taking into account the corresponding useful life.

Capitalisation of borrowing costs

Where funds are borrowed specifically, costs eligible for capitalisation are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate will be the weighted average of the borrowing costs applicable to the general pool.

Capitalisation should commence when expenditures are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation should be suspended during periods in which active development is interrupted. Capitalisation should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete. If only minor modifications are outstanding, this indicates that substantially all of the activities are complete.

Where construction is completed in stages, which can be used while construction of the other parts continues, capitalisation of attributable borrowing costs should cease when substantially all of the activities necessary to prepare that part for its intended use or sale are complete.

e] Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

e.1] Goodwill

Goodwill is tested for impairment annually (as at December 31st) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

e.2] Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at December 31st either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

f] Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases that transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

g] Financial investments at cost

The group uses the cost method to value the financial investments in other companies. According to the cost method, the financial investments are recognised initially at cost, which includes transaction costs, being subsequently decreased by impairment losses, whenever applicable.

h] Investment properties

Investment properties comprises land and buildings held for purposes of income generation or capital appreciation, or both, that are not used in the conduct of the group's regular business.

Investment properties are measured initially at cost, including transaction costs. Subsequently, they are measured at cost.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

i] Financial instruments - initial recognition and subsequent measurement

i.1] Financial assets

An asset is current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent.

All other assets are classified as non-current.

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. They are recorded on the following balance sheet items: "Other non-current financial assets" (note 11), "Other current debtors" (note 15), "Cash and short term deposits" (note 17) and "Equity" (note 18).

SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as described below:

- **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the statement of profit or loss.

The group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

As at December 31st, 2013 and 2012 the group has no financial assets classified under this category.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs.

- **Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost less impairment.

As at December 31st, 2013 and 2012 the group has no financial assets classified under this category.

- **Available-for-sale (AFS) financial investments**

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in "Other Comprehensive Income". The group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate.

As at December 31st, 2013 and 2012 the group has no financial assets classified under this category.

DERECOGNITION

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and what extent it has retained the risks and rewards of the ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

IMPAIRMENT OF FINANCIAL ASSETS

The group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

IMPAIRMENT OF FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost the group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

i.2] Financial liabilities

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and other financial liabilities measured at amortized cost. They are recorded on the following balance sheet items: "Other non-current liabilities" (note 19), "Trade payables" (note 21) and "Other current liabilities" (note 23).

SUBSEQUENT MEASUREMENT

The measurement of financial liabilities depends on their classification as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered by the group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

As at December 31st, 2013 and December 31st, 2012, the group has no financial liabilities classified under this category. Please refer to the measurement of the Put option in note 2.3), a).

- **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the statement or profit or loss.

- **Trade payables**

Trade payables are initially recognised at the respective fair value and are subsequently measured at amortized cost.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

i.3] Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

i.4] Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 19.

j] Derivative financial instruments and hedge accounting

The group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently remeasured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the group formally designates and documents the hedge relationship to which the group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other operating expenses.

k] Foreign currencies

The group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

k.1] Transactions and balances

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The following currency exchange and conversion rates are used to translate receivables and payables expressed in foreign currency as at the reporting date:

	Exchange rate as at December 31st, 2013	Exchange rate as at December 31st, 2012
American Dollar - USD	1.379	1.319
British Pound - GBP	0.834	0.816
Polish Zloty - PLN	4.147	4.088

k.2] Group companies

On consolidation the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

l] Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above, net of outstanding bank overdrafts.

m] Inventories

Inventories are valued at the lower of cost and net realisable value.

The measurement of inventories and the corresponding valuation methods are the following:

	Measurement	Valuation method
Goods for resale	Purchase cost (*)	Average cost
Raw and subsidiary materials	Purchase cost (*)	Average cost
Finished and semi-finished goods	Production cost (*)	Average cost
Work in progress	Production cost	Average cost

(*) or net realisable value, the lowest of the two

The cost of the inventories includes:

- Purchasing costs (purchase price, import duties, non-recoverable taxes, freight, handling and other costs directly attributable to the purchase, less any commercial discounts, rebates and other similar items);
- Production costs (cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs).

The net realisable value is the selling price during the normal course of business less estimated completion costs and the costs required to make the sale.

n] Equity items

n.1] Issued capital

All of BA Glass B.V.'s subscribed share capital has been totally paid.

n.2] Reserves and retained earnings

- **Legal reserves:**
  The balance comprises the amounts that, in accordance to the law are not available for distribution and may only be used to increase share capital or to cover losses.
- **Revaluation reserves of land and buildings:**
  Annually, a transfer is made from "Revaluation reserves" to "Retained earnings", based on the amounts that have become realised through the use (difference between the depreciation based on the revalued amount and the depreciation based on the original cost of the asset) or the disposal of the asset.
- **Retained earnings**
  This item relates exclusively to retained earnings available for distribution to shareholders.
  In prior years it was disclosed in the face of the balance sheet under the heading "share premium" an amount of EUR 49.3 million which has been reclassified to "retained earnings" taking into account that this amount is available to distribution to shareholders.

n.3] Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

o] Taxes

Taxes are calculated according with each country tax rate. Income taxes include current taxes on taxable income as well as deferred taxes.

o.1] Current income tax

Current income tax is calculated based on book profit or loss adjusted in accordance with the tax legislation in place for each country and is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

o.2] Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

o.3] Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position (please refer to note 15 and 22).

p] Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

p.1] CO_2 emission rights

The group receives free emission rights as a result of the European Emission Trading Schemes. The rights are received on an annual basis and, in return, the group is required to remit rights equal to its actual emissions. The group has adopted the net liability approach to the emission rights granted. Therefore, a provision is recognised only when actual emissions exceed the emission rights granted and still held. The emission costs are recognised as other operating costs. Where emission rights are purchased from other parties, they are recorded at cost, and treated as a reimbursement right, whereby they are matched to the emission liabilities and remeasured to fair value. The changes in fair value are recognised in the statement of profit or loss.

p.2] Restructuring provisions

Restructuring provisions are recognised only when the recognition criteria for provisions are fulfilled. The group has a constructive obligation when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline. Furthermore, the employees affected have been notified of the plans main features. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q] Employee Benefits

q.1] Provisions for pensions - defined benefit plan

The group has committed to grant some of the former employees of BA Vidro regular payments in lieu of retirement pension and supplementary pension benefits, which benefits conform to a defined benefit plan.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Unvested past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Past service costs are recognised immediately if the benefits have already vested immediately following the introduction of, or changes to, a pension plan.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less unrecognised past service costs.

Under the current Polish legislation in force, the Polish companies have a commitment to grant employees one month salary on the date of retirement which is fully recognised in the financial statements.

q.2] Special Funds

In accordance to the Polish law, if a company employees more than 20 employees (with full time contracts) is obliged to create a Social Fund. This fund must be used for social activities for its employees.

q.3] Jubilee award

This liability regards to the payment of long-service awards in Poland, given to employees based on certain seniority requirements. The company Brisa calculates its liability for the payment of these awards using the projected unit credit method. This award lasts until the end of 2013 and the company Brisa decided not to follow this policy for the following years.

q.4] Other employee benefits

According to the Portuguese labour legislation in force, employees are entitled to holiday pay and subsidy in the year following the one when the service is provided. Consequently, an accrual for this amount was recognised in the profit and loss account with a counterpart in “Other current liabilities” (note 23).

In the case of the group decided to distribute profits to employees they are recognised in personnel expenses in the year to which it relates to and not as a reduction in equity.

r] Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

r.1] Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods were transferred to the buyer, usually on the delivery of the goods.

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

r.2] Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

r.3] Dividends

Revenue is recognised when the group’s right to receive the payment is established, which is generally when shareholders approve the dividend.

r.4] Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature.

s] Own works

Costs incurred with own work, such as, labour, materials, and transport, incurred in the production of tangible assets and inventories, are capitalised only when the following conditions are met: (i) assets are identifiable and reliably measurable; and (ii) it is highly probable that those assets will generate future economic benefits. No form of internally generated margin income is recognised.

t] Accruals

Income and expenses are recorded in the period when they occur on an accrual basis, whereby they are recognised as and when generated regardless of the point in time at which they are effectively received or paid. The differences between amounts received and paid and the corresponding income and expenses are recognised in the consolidated balance sheet under "Other current assets" and "Other current liabilities", respectively.

u] Subsequent events

The group recognises in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements.

The group does not recognise subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but that arose after the balance sheet date.

3 · ESTIMATES AND ASSUMPTIONS

The preparation of the group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur:

a] Goodwill’s impairment analysis

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset’s performance of the cash generating unit (CGU) being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 6. The group tests goodwill for impairment on an annual basis.

b] Recognition of provisions and adjustments

The group is party to legal proceedings which are running their course on account of which it judges whether to raise a provision for contingent legal expenses based on the opinion of its legal advisors (refer to note 20).

Adjustments to receivables are calculated based on an age analysis of such receivables, the risk profile of the clients involved, and their financial standing. Estimates related to adjustments to receivables differ from business to business (refer to note 14). A detailed analysis of the changes in annual provisions clearly demonstrates that there is almost no risk of collection. Moreover, the group has access to major databases of relevant market information which, together with the experience of its technical analysts, enable it to clearly assess and minimize its credit risk.

With respect to years open to tax inspections, Management believes that any adjustment to the tax returns that could result from reviews carried out by the tax authorities will not have any significant impact in the financial statements that would deem the recognition of any provision for taxes.

c] Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d] Post-retirement benefits

The present value of liabilities for retirement benefits is calculated based on actuarial methods, which methods employ certain actuarial assumptions. Any changes to these assumptions will have an impact on the book value of those liabilities. The main actuarial assumptions used to calculate the group's liabilities for post-retirement benefits are described in note 29.

Those estimates were based on the best available information as of the date of preparation of the consolidated financial statements. However, situations may occur in subsequent periods which were not foreseeable at the time and which, as such, were not taken into account by those estimates. Changes to those estimates occurring after the reporting date of the financial statements are recognised in net income on a prospective basis, in accordance with IAS 8.

4 · CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

a] New and amended standards adopted by the group

The group's consolidated financial statements have been prepared in accordance with International Financing Reporting Standards as published by the International Financial Reporting Standards ("IASB"), including IFRSs, IASs and Interpretations, and endorsed by the European Union applicable to December 31st, 2013 year-end.

The following new standards and amendments to existing standards adopted by the European Union were applicable from January 1st, 2013:

- Amendments to ***IAS 1 Presentation of Items of Other Comprehensive Income***. The amendments to IAS 1 introduce a grouping requirement for items presented in OCI. Items that will be reclassified (or recycled) to profit or loss in the future (e.g., the effective portion of gains and losses on hedging instruments in a cash flow hedge) will be presented separately from items that will never be reclassified (for example, changes in revaluation surplus recognised as a result of applying the revaluation model in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets).

  The amendments do not change the nature of the items that are recognised in OCI, nor do they impact the determination of whether items in OCI are reclassified through profit or loss in future periods;

- ***IFRS 13 Fair Value Measurement***. This standard provides a single IFRS framework for measuring fair value that is applicable to all IFRSs that require or permit fair value measurements or disclosures. IFRS 13 does not change when fair value is used, but rather describes how to measure fair value when fair value is required or permitted by IFRS.

  Fair value under IFRS 13 is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (i.e., an "exit price"). "Fair value" as used in IFRS 2 Share-based Payments and IAS 17 Leases is excluded from the scope of IFRS 13.

  The standard provides clarification on a number of areas, including the following:
  - Concepts of "highest and best use" and "valuation premise" are relevant only for non-financial assets;
  - Adjustments for blockage factors (block discounts) are prohibited in all fair value measurements;
  - A description of how to measure fair value when a market becomes less active.

  New disclosures related to fair value measurements are also required to help users understand the valuation techniques and inputs used to develop fair value measurements and the effect of fair value measurements on profit or loss.

- Revision to ***IAS 19 Employee Benefits***. The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording.

  The more significant changes include the following:
  - For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses, are recognised in OCI with no subsequent recycling to profit or loss;
  - Expected returns on plan assets are no longer recognised in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation;
  - Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new and revised disclosure requirements. These new disclosures include quantitative information about the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption;
  - Termination benefits are recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
  - The distinction between short-term and other long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.

- Amendment to ***IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 20 Government Loans***;

- Amendment to ***IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities***;

- Amendment to ***IFRS 1 First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First time Adopters***;

- Amendments to ***IAS 12 Income Taxes***;

- ***IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine***;

- Improvements to ***International Financial Reporting Standards – 2009-2011 Cycle***.

  In the 2009-2011 annual improvements cycle, the IASB issued six amendments to five standards.

b] Standards endorsed by the European Union but not yet effective

- ***IFRS 10 Consolidated Financial Statements/ IAS 27 Separate Financial Statements****. IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities, which resulted in SIC-12 being withdrawn. IAS 27, as revised, is limited to the accounting for investments in subsidiaries, joint ventures, and associates in separate financial statements.

  IFRS 10 does not change consolidation procedures (i.e., how to consolidate an entity). Rather, IFRS 10 changes whether an entity is consolidated by revising the definition of control. Control exists when an investor has:
  - Power over the investee (defined in IFRS 10 as when the investor has existing rights that give it the current ability to direct the relevant activities);
  - Exposure, or rights, to variable returns from its involvement with the investee; and
  - The ability to use its power over the investee to affect the amount of the investor's returns.

    IFRS 10 also provides a number of clarifications on applying this new definition of control;

- ***IFRS 11 Joint arrangements / IAS 28 Investments in Associates and Joint Ventures****. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. Joint control under IFRS 11 is defined as the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. "Control" in "joint control" refers to the definition of "control" in IFRS 10.

  IFRS 11 also changes the accounting for joint arrangements by moving from three categories under IAS 31 to the following two categories:

  Joint operation - An arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement. In respect of its interest in a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses.

  Joint venture - An arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. The option in IAS 31 to account for joint ventures as defined in IFRS 11 using proportionate consolidation has been removed.

  Under these new categories, the legal form of the joint arrangement is not the only factor considered when classifying the joint arrangement as either a joint operation or a joint venture, which is a change from IAS 31. Under IFRS 11, parties are required to consider whether a separate vehicle exists and, if so, the legal form of the separate vehicle, the contractual terms and conditions, and other facts and circumstances.

  IAS 28 has been amended to include the application of the equitymethod to investments in joint ventures;

- ***IFRS 12 Disclosure of Interests in Other Entities****;

- Amendments to ***IFRS 10, IFRS 12 and IAS 27 - Investment Entities****;

- ***IAS 32 Offsetting Financial Assets and Financial Liabilities*** – Amendments to ***IAS 32***;

- Amendments to ***IAS 32 Offsetting Financial Assets and Financial Liabilities****;

- Amendments to ***IAS 36 Recoverable Amount Disclosures for Non-Financial Assets****;

- Amendments to ***IAS 39 Novation of Derivatives and Continuation of Hedge Accounting****.

* Although possible, the group decided to not early adopt the standard/amendments.

None of these new standard/amendments are expected to have a material impact on the group´s consolidated financial statements.

c] Standards not endorsed by the European Union

- ***IFRS 9 Financial Instruments***. IFRS 9 is being developed in phases. The first phase addressed the classification and measurement of financial instruments (Phase 1). The Board's work on the other phases is ongoing, and includes impairment of financial instruments and hedge accounting, with a view to replacing IAS 39 in its entirety.

Financial assets

All financial assets are measured at fair value at initial recognition.

Debt instruments may, if the fair value option (FVO) is not invoked, be subsequently measured at amortised cost if:
- The asset is held within a business model that has the objective to hold the assets to collect the contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

All other debt instruments are subsequently measured at fair value.

All equity investment financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity instruments held for trading must be measured at fair value through profit or loss. Entities have an irrevocable choice of recognising changes in fair value either in OCI or profit or loss by instrument for all other equity investment financial assets.

Financial liabilities

For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

All other IAS 39 classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

- Amendments to ***IAS 19 Employee Benefits entitled Defined Benefit Plans: Employee Contributions***;
- Improvements to ***International Financial Reporting Standards – 2010-2012 Cycle***.

In the 2010-2012 annual improvements cycle, the IASB issued eight amendments to six standards.

- Improvements to ***International Financial Reporting Standards – 2011-2013 Cycle***. In the 2011-2013 annual improvements cycle, the IASB issued four amendments to standards, summaries of which are provided below:
  - IFRS 1 Meaning of effective IFRSs;
  - IFRS 3 Scope exceptions for joint ventures;
  - IFRS 13 Scope paragraph 52 (portfolio exception);
  - IAS 40 Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.
- ***IFRIC 21 Levies***

None of these new standard/amendments are expected to have a material impact on the group´s consolidated financial statements.

5 · SUBSIDIARIES

The table below contains information on the subsidiaries, together with the location of their head offices and the group's respective percentage holdings, as at December 31st, 2013 and December 31st, 2012:

Subsidiary	Head office	% OWN 2013	% OWN 2012
BA Glass B.V.	Amsterdam	Parent	Parent
BA Glass I - Serviços de Gestão e Investimentos, S.A.	Avintes	100%	100%
BA Vidrio Distribución Comerc. Envases, S.A.	Mérida	100%	100%
BA Vidrio, SAU	León	100%	100%
BA Vidro II Marinha Grande, SGPS, S.A.	Avintes	100%	100%
BA Vidro, S.A.	Avintes	100%	100%
Barbosa & Almeida - SGPS, S.A.	Avintes	100%	100%
Brisa Investments Sp. z o.o.	Poznań	80%	80%
Holvenespa, SL	Ourense	100%	100%
Minas de Valdecastillo, SAU	León	100%	100%
Moldin, S.A.	Avintes	100%	100%
Sur wil Sp. z o.o.	Poznań	80%	80%
Warta Glass Jedlice S.A. [**]	Jedlice	-	80%
Warta Glass Sieraków S.A. [**]	Sieraków	-	80%
Artividro - Arte em Vidro, Lda [*]	Leiria	-	-
Vidriera del Atlántico, S.A. [*]	Xinzo de Limia	-	-

[*] Artividro and Vidriera del Atlántico were excluded from consolidation since the first one has not start any activity and the second one was a subsidiary of Sotancro Group that has become insolvent in 2009.
[**] On the December 20th 2013, Brisa merged with WGS and WGJ. Please refer to note 1.

6 · GOODWILL

Goodwill is subject to an annual test for impairment.

	Net amount as at Dec 31st, 2013	Net amount as at Dec 31st, 2012
Iberia	81,223,866	81,223,866
Poland	109,575,242	111,156,607
	190,799,108	**192,380,473**

Changes in goodwill are shown as follows:

	Dec 31st, 2013	Dec 31st, 2012
Opening balance	**192,380,473**	**81,223,866**
Additions	–	101,935,945
Foreign exchange differences	(1,581,365)	9,220,662
Closing balance	**190,799,108**	**192,380,473**

IMPAIRMENT TESTING OF GOODWILL

Goodwill has been allocated to the distinguishable CGU's (Iberia plants and Polish plants), for impairment testing purposes.

The group performed its annual impairment test as at December 31st, 2013.

The recoverable amount of the CGU's has been determined based on a fair value less costs of disposal calculation using cash flows projections from budgets approved by senior management covering a five year period.

Assumptions with respect to gross margins, discount rates, raw materials price inflation, market share during the forecast period and growth rates used to extrapolate cash flows beyond the forecast period are deemed to be conservative.

The discount pre-tax rate applied to cash flow projections is 10.35% and cash flows beyond the five-year period are extrapolated using a 1% growth rate.

The tests performed at year-end 2013 show that recoverable amount is higher than the carrying amount by an amount that does not preclude any risk of impairment even in case some adverse events occur.

KEY ASSUMPTIONS

The calculation of the recoverable amount for the group of CGUs referred previously was made with reference to:

- The discount rate calculation is based on the specific circumstances of the group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the interest bearing loans the group has;
- Regarding the main components (raw materials and energy) that have significant impact on the glass business, the management considered an increase in prices based on data available from our main suppliers, otherwise past actual raw material and energy price movements are used as an indicator of future price movements;
- The capital expenditures plans used in impairment test of goodwill are in accordance with the projections approved by the Board.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

With regard to the assessment of fair value less cost to sell of the group of CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the group of CGUs' carrying amount to exceed its recoverable amount.

At December 31st, 2013, only a substantial improbable increase of 5% in the discount pre-tax rate in the next twelve months would have caused their recoverable amount to fall below goodwill carrying amount.

7 · INTANGIBLE ASSETS

	2013	2012
CO_2 Emission rights	198,797	788,648
Trademark - Warta Glass	223,332	321,947
	422,129	**1,110,595**

In 2013, Brisa recognised a depreciation of EUR 300 thousand represented the write-down of CO_2 licences as a result of the usage of CO_2 licences in the year. This was recognised in the statement of profit or loss as depreciation.

8 · PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and other constructions	Equipment	Transport equipment	Administrative equipment	Other fixed assets	Fixed assets under construction	Total amount fixed assets
GROSS ASSETS								
Balance as at January 1st, 2013	**47,010,253**	**159,775,916**	**583,096,532**	**2,613,225**	**8,746,160**	**14,722,714**	**9,201,467**	**825,166,267**
Foreign exchange differences	(4,640)	(301,787)	(1,110,071)	(9,055)	-	(36,223)	(54,792)	(1,516,568)
Additions	578,042	16,079,231	65,026,846	200,150	227,358	116,634	3,315,926	85,544,186
Disposals	(875,280)	(394,254)	(2,777,425)	(272,239)	-	(440)	-	(4,319,638)
Transfers	-	499,353	8,545,967	-	-	21,285	(9,066,605)	-
Balance as at December 31st, 2013	**46,708,374**	**175,658,460**	**652,781,849**	**2,532,080**	**8,973,518**	**14,823,970**	**3,395,995**	**904,874,247**
DEPRECIATION AND IMPAIRMENT								
Balance as at January 1st, 2013	**283,840**	**81,609,403**	**450,718,120**	**2,396,432**	**8,271,414**	**6,475,602**	**-**	**549,754,811**
Foreign exchange differences	(4,038)	(111,143)	(892,521)	(6,176)	-	(20,154)	-	(1,034,031)
Depreciation charge of the year	-	5,096,236	39,643,092	182,604	158,663	664,097	-	45,744,693
Disposals	-	(153,738)	(1,782,745)	(272,239)	-	(367)	-	(2,209,089)
Transfers	-	(495,361)	519,793	(28,945)	268,785	(591,160)	-	(326,888)
Balance as at December 31st, 2013	**279,802**	**85,945,397**	**488,205,740**	**2,271,676**	**8,698,862**	**6,528,018**	**-**	**591,929,495**
Net book value as at December 31st, 2013	**46,428,572**	**89,713,063**	**164,576,109**	**260,405**	**274,656**	**8,295,953**	**3,395,994**	**312,944,752**
Net book value as at December 31st, 2012	**46,726,413**	**78,166,513**	**132,378,412**	**216,793**	**474,747**	**8,247,112**	**9,201,467**	**275,411,456**

In 2013, the amount of transfers shown under the caption assets under construction is mainly related with the reconstruction of one furnace in the plant of Jedlice. This new furnace doubled the capacity of Jedlice's plant and the main segments are related to production of food and spirits.

The acquisitions occurred in 2013 are mainly related to the new investment aforementioned and also the new furnace built in Villafranca de los Barros' plant in this year. In what concerns the disposals, they are also connected with the retirement of equipment that was replaced by the new investment. This was recognised in the statement of profit or loss as other operating income and costs (please refer to note 25 and 26).

CAPITALISED BORROWING COSTS

Brisa started the construction of a new furnace last year in Jedlice's plant. This investment project was completed in September 2013 and was financed with resource to bank loans firmed for this investment.

The amount of borrowing costs capitalised during 2013 was EUR 600 thousand. The rate used to determine the amount of borrowing costs eligible for capitalisation was the effective interest rate of the specific borrowings.

9 · FINANCIAL INVESTMENTS

	Investment in subsidiaries	Other Financial assets	Total
COST			
As at January 1st, 2013	**15,995,146**	**5,697,160**	**21,692,306**
Additions	-	140,455	140,455
Disposals	-	(221,087)	(221,087)
Transfers	-	(165,718)	(165,718)
Impairment loss	-	(4,914,510)	(4,914,510)
Foreign exchange differences	-	(104)	(104)
As at December 31st, 2013	**15,995,146**	**536,195**	**16,531,341**
AMORTISATION AND IMPAIRMENT			
As at January 1st, 2013	**15,995,146**	**11,058**	**16,006,204**
Additions	-	910	910
As at December 31st, 2013	**15,995,146**	**11,968**	**16,007,114**
Net book value at December 31st, 2013	**-**	**524,227**	**524,227**
Net book value at December 31st, 2012	**-**	**5,686,102**	**5,686,102**

The balance of investments in subsidiaries refers to the participation in Vidriera del Atlántico, S.A. (EUR 14.0 million) and Artividro – Arte em Vidro, Lda (EUR 1.9 million) which balance is fully provided for.

The caption "Other financial assets" has the following movements during the year:

- increase of the participation in the fund "F-HITEC", totaling EUR 133 thousand;
- disposal of negotiable instruments in the amount of EUR 221 thousand, generating a gain of EUR 224 thousand shown in the statement of profit and loss;
- transfer of one real estate investment from financial investments to investment properties, in the amount of EUR 166 thousand (please refer to note 10);
- the impairment loss of EUR 4.9 million refers to the write-off of the investment in the Spanish listed company *La Seda de Barcelona, S.A.*. This was recognised in the statement of profit and loss as financial costs.

10 · INVESTMENT PROPERTIES

	Investment properties
GROSS ASSETS	
Balance as at January 1st, 2013	**5,169,458**
Increases	165,718
Foreign exchange differences	(2,358)
Balance as at December 31st, 2013	**5,332,818**
DEPRECIATION	
Balance as at January 1st, 2013	**365,732**
Increases	234,125
Balance as at December 31st, 2013	**599,857**
Net Value as at December 31st, 2013	**4,732,961**
Net Value as at December 31st, 2012	**4,803,726**

Investment properties consist of properties valued at cost which are held for renting. The increase shown during 2013 relates with the reclassification of the real estate investment from financial investments to investment properties, in the amount of EUR 166 thousand (please refer to note 9).

11 · OTHER NON-CURRENT ASSETS

The balance of this item comprises subsidies awarded by the Spanish and Portuguese Investment Agencies amounting to EUR 9.2 and EUR 5.0 million, respectively, which are shown at amortized cost, EUR 904 thousand of accounts receivable related with the disposal of buidlings in 2012, and EUR 74 thousand related to loans granted to employees for purchase company flats, which will be repaid in the following years.

12 · DEFERRED TAXES

	2013	2012
Deferred tax assets		
Provisions for pensions	734,842	1,195,530
Allowance for bad debts	580,133	471,908
Provisions for impairment losses of financial holdings	2,945,925	2,453,686
Goodwill *(Fundo de Comércio)* - BA Vidrio	655,893	1,695,781
Tax losses	7,022	893,803
Other	901,620	944,751
	5,825,435	**7,655,460**
Deferred tax liabilities		
Uniform depreciation criteria (adjustment of useful lives)	4,313,027	4,458,196
Libertad de amortización (depreciation deduction fiscal benefit)	6,877,878	8,357,236
Revaluation reserves of tangible assets	1,411,788	3,210,904
Fair value adjustment on Land	4,435,460	4,623,102
Other	100,187	420,621
	17,138,340	**21,070,058**

The balance shown on "Provisions for impairment losses of financial holdings", on deferred tax assets, refers to Vidriera del Atlántico.

The balances of deferred tax liabilities arising on *"Libertad de Amortización"* were generated by BA Vidrio, in Spain. The tax balances in question originated as a result of a tax allowance applicable under Spanish legislation which allows deductibility of depreciation in advance for tax purposes on all investments made during the applicable years. In order to benefit from those allowances, the company was required to comply with specific objectives through the years mentioned previously, which objectives were fully met.

The group offsets tax assets and liabilities if and only if has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same Tax Authority.

13 · INVENTORIES

	2013	2012
Raw materials (at cost)	10,035,850	8,872,936
Finished goods and work in progress (at cost)	57,884,150	49,689,752
Goods for resale (at cost)	601,160	235,390
	68,521,160	**58,798,078**
Impairment losses	(245,174)	(277,669)
	68,275,986	**58,520,409**

The increase in inventories is justified by the increase in the volume of bottles produced in Poland and Spain after the investment in the new furnaces.

14 · TRADE RECEIVABLES

	2013	2012
Trade receivables	83,350,984	81,810,246
Notes receivables	2,319,896	1,232,684
Overdue receivables	7,329,938	6,721,057
	93,000,818	**89,763,988**
Impairment losses / allowance for bad debts	(7,329,938)	(6,721,057)
	85,670,881	**83,042,930**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

As at December 31st, the amounts to be received that are overdue and, therefore constitutes a risk for the group, are completely adjusted.

See note 34 on credit risk of trade receivables, which discusses how the group manages and measures credit quality of trade receivables that are neither past due nor impaired.

15 · OTHER CURRENT DEBTORS

	2013	2012
State and other entities	8,087,294	6,691,283
Other	15,182,966	17,833,625
	23,270,260	**24,524,908**

The amount shown in "State and other entities" was restated due to the fact that the group has reclassified the amount of short-term reimbursable subsidies from the caption "state and other entities" to "other", in the amount of EUR 8.2 million.

The current amount of "State and other entities" includes EUR 4.3 million regarding the corporate income tax of the year (CIT) and EUR 3.8 million related with VAT recoverable.

"Other" relates to (i) the short-term reimbursable subsidies awarded by Portuguese and Spanish Governmental Agencies, totaling EUR 13.0 million, which are shown at amortized cost; and (ii) short-term balances to be received in accordance with two promissory agreements made in accordance with two disposals of buildings realised in 2012.

16 · OTHER CURRENT ASSETS

	2013	2012
Accrued income - Interests to be received	655,199	335,684
Deferred costs - Insurances	321,104	404,496
Other	56,884	676,637
	1,033,187	**1,416,816**

In 2012, the caption "Other" includes EUR 450 thousand related to an indemnity that was received in 2013 from one insurance company.

17 · CASH AND SHORT-TERM DEPOSITS

	2013	2012
Cash on hand	17,978	15,956
Bank balance	21,505,828	21,117,987
Total	**21,523,806**	**21,133,943**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

18 · EQUITY

As at December 31, 2013, the group's share capital, totaling 36,000 was fully subscribed and realised.

The following table details the group's shareholding structure, as at December 31st, 2013 and December 31st, 2012:

	2013		2012	
	No. of Shares	%	No. of Shares	%
Fim do Dia, SGPS, S.A.	17,064	47.4%	17,064	47.4%
Bar- Bar- Idade I SGPS, S.A.	9,468	26.3%	9,468	26.3%
Atanágoras, SGPS, S.A.	9,468	26.3%	9,468	26.3%
	36,000		**36,000**	

RESERVES AND RETAINED EARNINGS

A detail can be broken down as follows:

	2013	2012
Legal and other reserves	35,824,975	33,984,905
Retained earnings	103,389,563	57,571,144
	139,215,538	**91,556,049**

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19 · INTEREST-BEARING LOANS AND BORROWINGS

	2013	2012
Interest-bearing loans and borrowings		
Non-current	183,919,954	205,827,565
Fair value of cash flow hedges	139,680	405,059
	184,059,634	**206,232,624**
Current	172,676,882	147,437,905
	356,736,516	**353,670,529**
Cash and banks		
Cash	17,978	15,956
Bank deposits	21,505,828	21,117,987
	21,523,806	**21,133,943**
	335,212,710	**332,536,586**

The group's bank loans bear interest at the Euribor interest rate plus a spread which is contractually negotiated with a number of financial institutions, for set repayment terms, and are all denominated in euros.

The net position of bank balances (hereinafter as "net debt") is as follows:

	Short term	Long term	2013	2012
Bank loans	78,582,009	78,852,828	157,434,837	167,933,928
Commercial paper programme	32,350,000	93,050,000	125,400,000	147,383,396
Bank overdrafts	60,514,805	-	60,514,805	23,056,655
Finance leasing	1,230,068	12,017,126	13,247,194	14,891,492
Bank deposits	(21,523,806)	-	(21,523,806)	(21,133,943)
	151,153,076	**183,919,954**	**335,073,030**	**332,131,527**
Fair value of interest rate derivatives		139,680	139,680	405,059
	151,153,076	**184,059,634**	**335,212,710**	**332,536,586**

There are some covenants attached to the loans negotiated by Brisa Investments with BZWBK and Millennium bank. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The group considers that net debt comprises interest-bearing loans and borrowings, cash and short-term deposits.

19.1 MATURITIES OF DEBT

Years	2013
2014	112,162,077
2015	98,513,525
2016	27,419,612
2017 and following years	57,986,817
	296,082,031

The group excludes from the detail of the maturities of the debt the amount of bank overdrafts and bank deposits, since these captions are revolving.

19.2 OTHER NON-CURRENT LIABILITIES

The "Other non-current liabilities" includes the fair value of the non-controlling interest in Brisa which has been estimated in accordance with the terms of the shareholders agreement. As at December 31st, 2013 the group recognises a financial liability amounting to EUR 28.3 million (2012: 34.3 million) which corresponds to the actual value of the put option granted to the non-controlling interests.

19.3 FAIR VALUE MEASUREMENT

The main methods and assumptions applied to estimate the fair value of the aforementioned financial assets and liabilities are described below:

Cash and cash equivalents

Due to the short terms associated with these financial instruments, their respective nominal value are considered a reasonable estimate of their fair value.

Trade receivables

Due to the short terms associated with these financial instruments, their respective nominal value are considered a reasonable estimate of their fair value.

Trade payables

Due to the short terms associated with these financial instruments, their respective nominal value are considered a reasonable estimate of their fair value.

Bank loans

The book value of these interest-bearing loans and borrowings (which are reported at their nominal value) constitutes a fair approximation of its fair value. The most significant loans that the group has at the year-end were reviewed in 2013, which means that their fair value is close to the carrying amounts.

The fair value of these financial instruments is estimated by updating the expected principal and interest cash flows, assuming that the payments occur on the dates set forth in the contract. The discount rate used is that which reflects the current rates obtained by the group for instruments of similar nature.

Given that the applicable interest rates are available and given their maturity dates, there are no materially significant differences between the book value and the fair value of these financial liabilities.

Financial investments

The financial investment in a Spanish listed entity, *La Seda de Barcelona, S.A.*, is measured in accordance with quoted prices in active markets, (please refer to note 9).

20 · PROVISIONS

	Pensions (note 29)	Environmental liabilities	Others	Total
Balance as at January 1st, 2013	**3,553,389**	**251,253**	**30,576**	**3,835,218**
Foreign exchange differences	(8,405)	-	(435)	(8,840)
Utilization in the year	(831,038)	(58,016)	-	(889,054)
Increase in the year	779	-	-	779
Transfer to accrued costs	(261,863)	-	-	(261,863)
Balance as at December 31st, 2013	**2,452,862**	**193,237**	**30,141**	**2,676,240**

Liabilities for "retirement pensions" are fully covered by a specific provision (refer to note 29). The utilization in the year comprises EUR 275 thousand related with the write-down of the jubilee award in Brisa. The company decided to change the internal policy of giving this award to employees (please refer to note 2.3, point q.3).

The amount transferred from "provisions" to "accrued costs" is connected with the provision for unused days of holidays (please refer to note 23).

Minas de Valdecastillo, SAU is liable for restoration of land allocated to its mining operations which are estimated to an amount of EUR 193 thousand (refer to note 32.2).

21 · TRADE PAYABLES

	2013	2012
Trade payables - Suppliers	65,013,697	62,004,232
Fixed assets suppliers	5,178,238	5,125,416
	70,191,935	**67,129,648**

The book value of these liabilities (which are reported at their nominal value) constitutes a fair approximation of its amortized cost and fair value.

Trade payables are non-interest bearing and are normally settled on 60-day terms.

For explanations on the group's credit risk management processes, refer to note 34.

The amount for fixed assets suppliers in 2013 comprises several invoices related with the investment in Avintes' plant.

22 · OTHER PAYABLES

	2013	2012
State and other entities	9,287,989	11,900,742
Other	1,809,746	1,905,468
	11,097,735	**13,806,210**

The caption "State and other entities" as at December 31st, 2013 comprises an amount of EUR 5.3 million related to corporate income taxes to be paid in the following year, value added tax in the amount of EUR 1.6 million, social security contributions related with payroll posted in December (totaling EUR 1.4 million) and personnel income taxes withheld (amounting to EUR 700 thousand).

The decrease in "State and other entities" when compared to previous year relates mainly with the fact that, after the merger, Brisa will have a CIT and VAT recoverable in the future instead of the current CIT and VAT payable.

"Other" includes mainly the amount for remunerations of December, amounting to EUR 400 thousand, to be settled in the beginning of January and the amounts paid for special funds amounting to EUR 200 thousand.

23 · OTHER CURRENT LIABILITIES

	2013	2012
Accrued costs		
Payroll expenses	5,026,040	4,894,441
Financial expenses	738,081	1,135,419
Other external supplies and services	634,681	252,530
Bonus granted (rappel)	1,958,505	920,345
Insurances	-	789
Other	405,639	279,222
Deferred revenue		
Investment subsidies	28,515,896	20,356,550
Other	588,102	22,375
	37,866,944	**27,861,671**

"Payroll expenses" includes EUR 262 thousand of provision for unusued days of holidays and EUR 667 thousand related to personnel bonus to be paid in the following years, if some activity KPI's were reached by the polish companies as a whole (please refer to note 20 above).

The group accounts for the liability for commercial bonus (rappel) in accordance with the sales agreements in place. As at December 31st, 2013 this balance amounts to EUR 2.0 million.

On "Deferred revenue", the increase in the balance of investment subsidies includes the new investment project implemented in Jedlice and Villafranca de Los Barros' plants. The balance recognised as deferred income is released to income on a straight line basis over the expected useful life of the related assets (please refer to note 25). There are no unfulfilled conditions or contingencies attached to these grants.

"Other deferred revenue" include EUR 294 thousand related to bonus granted by suppliers. This amount will be utilised when the group receives the related purchases for which this bonus is related with.

24 · REVENUES

	Domestic market	Intracommunity countries	Other countries	Total 2013	Total 2012
Glass packaging	366,130,730	88,918,491	16,110,134	471,159,354	461,890,913
Other	883,973	-	81,270	965,243	65,208
	367,014,703	88,918,491	16,191,404	472,124,597	461,956,120
Total 2012	**359,989,112**	**89,089,108**	**12,877,900**	**461,956,120**	

The domestic market is related to Portugal, Spain and Poland.

25 · OTHER OPERATING INCOME

	2013	2012
Investment subsidies	4,965,177	4,447,783
Gain on disposal of assets	34,998	956,665
Indemnities related with insurance claims	46,161	85,297
Rentals	76,922	126,035
Reversal of provision for jubilee award	270,677	-
Adjustment in provision for pensions	283,054	-
Other	1,653,674	1,676,947
	7,330,663	**7,292,727**

Government grants have been awarded for the purchase of certain items of property, plant and equipment linked with the reconstruction of furnaces. It is recognised as income in equal amounts over the expected useful life of the related asset. There are no unfulfilled conditions or contingencies attached to these grants.

The reversal of provision for Jubilee award was made due a change in the company's internal policy. The company decided not to follow this policy for the following years (please refer to note 2.3, point q.3).

"Other" includes mainly the following:

- EUR 500 thousand related to one indemnity received from one supplier agreed between parties. This indemnity was a result of the Court's agreement between the group and the aforementioned supplier;
- EUR 167 thousand refers to the amount of write-down of loans redeemed which is connected with the recognition of the profit related to the depreciation of assets that were partially subsidized by the Regional Fund for Environmental Protection II, in Poland.

26 · OTHER OPERATING EXPENSES

	2013	2012
Taxes	1,682,324	1,419,637
Impairment loss of CO_2 emission licences	333,706	-
Donations	327,121	50,847
Loss on disposal of fixed assets	35,246	6,067
Other	588,818	2,080,503
	2,967,216	**3,557,054**

"Taxes" relates mainly to real estate property charges.

The impairment loss of EUR 334 thousand corresponds to CO_2 emission licences as a result of a decrease in its fair value as at December 31st, 2013.

"Donations" include EUR 271 thousand related to a donated land to the region of Villafranca de Los Barros, as a consequence of the construction of the new furnace in Spain.

27 · FINANCIAL RESULTS

	2013	2012
Interest-bearing loans and borrowings	(15,000,863)	(19,381,175)
Interest earned from deposits	1,437,883	2,372,998
Discounts granted	(1,057,512)	(917,736)
Discounts obtained	226,786	109,925
Foreign exchange differences	(1,346,626)	6,057,678
Gains on disposal of financial assets	224,302	-
Impairment losses on financial investments	(4,930,096)	-
Other financial costs	(1,068,307)	(3,455,926)
Other financial income	417,573	161,177
	(21,096,860)	**(15,053,059)**

"Interest-bearing loans and borrowings" felt in comparison to the previous year due to the general decrease in interest rates Euribor and Wibor.

In 2013 the change in exchange rate differences results from the fluctuations of the euro and zloty during the year.

"Other financial costs" include EUR 286 thousand related to the squeeze-out mechanism that the company Brisa Investments performed during the year in order to hold 100% of the interests in Warta Glass Sieraków and Warta Glass Jedlice.

28 · INCOME TAX

The group is subject to taxation under a Special Taxation Basis for Groups of Companies in Portugal and Spain.

The major components of income tax expense for the years 2013 and 2012 are:

	2013	2012
Profit / (loss) before tax	**94,859,821**	**95,089,526**
Current tax for the period	(29,865,112)	(25,105,937)
Deferred tax for the period		
Goodwill BA Vidrio *(fundo de comércio)*	(1,039,888)	(92,023)
Tax losses	649,022	(593,363)
Allowance for bad debts	114,939	(689,086)
Impairment losses	(315,541)	(1,401,948)
Pensions	(359,092)	155,482
Uniform depreciation criteria	811,872	(587,616)
Revaluation reserves	1,104,187	(772,346)
Libertad de amortización (depreciation deduction fiscal benefit)	1,922,374	1,481,820
Fair value adjustments	-	602,369
Other deferred taxes	(574,567)	112,913
	2,313,305	**(1,783,798)**
Income tax	(27,551,807)	(26,889,734)
Consolidated net profit for the period	**67,308,014**	**68,199,793**

29 · POST-RETIREMENT BENEFITS

The company BA Vidro offers to actual pensioners' retirement pension plans which liabilities are annually calculated based on actuarial studies. The group engaged an independent valuation specialist to assess fair value as at December 31st, 2013 for responsibilities with pensions. As at December 31st, 2013 a valuation methodology based on a "projected unit credit model" was used and were conducted under the following actuarial assumptions and technical bases:

	2013	2012
Mortality Rate	TV 88/90	TV 88/90
Disability Rate	1,980	1,980
Retirement Age	65 years	65 years
Rate of annual increase to salary	0.0%	0.0%
Discount Rate	3.0%	3.5%
Rate of annual growth of pensions	0.0%	0.0%

It was assumed that the amounts related to pensions will be valuated at the rate of 3%, assumption defined in the Index iBoxx € Corporate Bonds AA 10+ as at November 29th, 2013. The benefit plan includes 178 participants with an average age of 78 years.

Liabilities to pensioners are fully covered by a specific provision (refer to note 20) calculated in accordance with the aforementioned actuarial studies.

Liabilities for pension and post-retirement benefit under Polish law comprise one month payment in the moment employees retire and are applicable to all current employees that are working in the polish companies. The main assumptions for calculation of the actual responsibility were computed according the table mentioned above. There is no other responsibility in addition to this after employee's retirement.

Sensitivity analysis:

At December 31st, 2013, the sensitivity of provisions for pensions to a change in discount rate is as follows: a 0.5-point increase in the discount rate would lead to a reduction of 3.2% in the projected benefit obligation. The impact on the cost for the year would not be material.

30 · NUMBER OF PERSONNEL

The number of employees at December 31st, 2013 is 2,230 (2,062 at December 31st, 2012).

31 · RELATED PARTY TRANSACTIONS

Intercompany balances and transactions reported to the companies included in the consolidation perimeter, as referred to in note 5, were eliminated for purposes of preparing the consolidated financial statements.

The main related party transactions carried out by BA Glass B.V. concerns to BA Vidro, BA Vidrio and Brisa Investments over which it exercises significant influence.

32 · ENVIRONMENTAL MATTERS

In the conduct of its business, the group incurs in a variety of expenses of an environmental management nature which, depending on their characteristics, are capitalised or recognised as an operating expense in its operating results for the reporting period.

32.1 CO_2 EMISSION RIGHTS

In 2013 started a new program of allocation of CO_2 emission rights that will last until 2020. It is expected that this new program allocates a lower amount of free emission rights.

Nevertheless, the group will not suffer any loss from this reduction in the licences allocated per company during 2013. The group has enough licences to fulfill its commitments in terms of CO_2 emission rights.

Under the provisions of the II and III CO_2 Allocation Programs ruling for 2008 to 2012 and 2013 to 2020, respectively, the group has a total of 657,742 tons of CO_2 emission rights, having used a total of 541,609 tons of CO_2 emissions, as at December 31st, 2013.

32.2 ENVIRONMENTAL RESTORATION EXPENSES

Minas de Valdecastillo, SAU carries a legal and constructive liability to restore land allocated to its mining operations which is estimated to amount to EUR 193 thousand (refer to note 20).

32.3 LIABILITY FOR ENVIRONMENTAL DAMAGES

The group's subsidiaries which operate in Portugal booked an equity reserves for purposes of meeting their responsibilities arising under the provisions of Decree-Law no. 147/2008.

33 · COMMITMENTS AND CONTINGENCIES

33.1 BANK GUARANTEES

As at December 31st, 2013, the group provided bank guarantees to third parties totaling EUR 2.6 million, which balance includes a bank guarantee provided to the European Investment Bank ("EIB") as security for finance in the amount of EUR 2.5 million.

33.2 CONTINGENCIES

The group has several open tax matters/ tax inspections with Portuguese and Spanish Tax Authorities, as a result of additional tax settlements. No provision was booked in the financial statements due to the fact that the Management Board believes that the likelihood of the group incurring costs to settle those liabilities is remote. The group has filed an objection to those tax adjustments in the courts.

The group has EUR 2.5 million booked in "Other current debtors" (as "State entities") related with an exceptional regularization of tax debts. This regularization regime applies to debts which are being challenged by the group in Court and the group believes that the likelihood of having an unfavorable assessment is remote. In spite of the group has paid this amount, it does not mean that the group will not have a favorable assessment in what concerns the debts aforementioned.

These payments in advance were performed by the companies BA Vidro and BA Glass I.

34 · FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations.

The group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The group is exposed to financial risk, interest rate risk, exchange rate risk and credit risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

FINANCIAL RISK

The financial risk is the risk of the fair value or future cash flows of a financial instrument varying and of obtaining results other than those expected, whether these are positive or negative, changing the group's net worth.

When carrying out its current activities the group is exposed to a variety of financial risks liable to change its net worth which, depending on their nature, can be grouped into the following categories:

- **Market risk**
  - Interest rate risk
  - Exchange rate risk
  - Other price risks
- **Credit risk**
- **Liquidity risk**

The management of the above mentioned risks – risks which arise largely from the unpredictability of the financial markets – requires the careful application of a series of rules and methodologies approved by Management, whose ultimate objective is the reducing of their potential negative impact on the group's net worth and performance.

With this objective in mind, all risk management is geared towards two essential concerns:

- To reduce, whenever possible, fluctuations in the results and cash-flows subject to situations of risk;
- To limit any deviations from the forecasted results by way of strict financial planning based on multiannual budgets.

As a rule, the group does not assume speculative positions meaning that, generally speaking, the operations carried out in the context of financial risk management are aimed at controlling already existing risks to which the group is exposed.

Management defines principles for risk management as a whole and policies which cover specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivative or non-derivative financial instruments and the investment of excess liquidity.

The management of financial risks, including their identification and evaluation, is carried out by the finance department in accordance with policies approved by Management.

INTEREST RATE RISK

Interest rate risk is the risk of the fair value or future cash flows of a financial instrument varying due to changes to market interest rates, changing the group's net worth.

The group's exposure to the risk of changes in market interest rates relates to the existence of assets and liabilities negotiated with fixed or floating interest rates. In the first case, the group faces a risk of fluctuation in the "fair value" of the assets or liabilities, due to the fact that any change in the interest market rates involves an "opportunity cost" (positive or negative). In the second case, such change has a direct impact on the amount of interest received/paid, causing cash variances.

EXCHANGE RATE RISK

The exchange rate risk is the risk of the fair value or cash flows of a financial instrument varying as a result of changes in foreign exchange rates.

The internationalization of the group forces it to be exposed to the exchange rate risk of the currencies of various countries.

Exposure to exchange rate risk essentially derives from the group's operating activities (in which expenses, income, assets and liabilities are denominated in currencies different from the reporting currency). However, transactions and balances in foreign currency are immaterial in the total amount of the group's transactions, hence we consider this risk to be reduced.

CREDIT RISK

The credit risk is the risk of a third party failing to meet its obligations under the terms of a financial instrument, causing a loss.

The group is subject to risk in credit with regards to its operating activity, namely with customers, suppliers and other accounts receivable and payable.

The management of credit risk with regard to customers and other accounts receivable is carried out as follows:

- The compliance with policies, procedures and controls established by the group;
- The credit limits are established for all customers based on defined internal evaluation criteria;
- The credit quality of each customer is evaluated based on credit risk information received by specialised external companies;
- The outstanding debts are monitored on a regular basis and supplies to the most important customers are usually covered by guarantees.

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major clients.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data.

The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

35 · STRUCTURE OF THE MEMBERS OF THE BOARD

The board is composed of 3 members:

- Rita Mestre Mira da Silva Domingues
- Pieter Albert Cornelis Hallebeek
- Rokin Corporate Services BV

The remuneration of the Board of Directors was EUR 4,000 (2012: EUR 4,000).

36 · FEES PAID TO THE STATUTORY AUDITORS

The fees paid to the Auditors by the group break down as follows:

	EY			
	2013		2012	
	Amount	%	Amount	%
AUDIT SERVICES				
Statutory and contractual audit services				
Portugal and Spain	71,645	56%	70,545	55%
Netherlands	22,500	17%	22,500	18%
Poland	34,500	27%	34,500	27%
TOTAL	**128,645**	**100%**	**127,545**	**100%**

37 · EVENTS AFTER THE BALANCE SHEET DATE

There are no known events after December 31st, 2013 which may influence the presentation and the interpretation of the present financial statements reported at that date.

EY
Building a better working world

Independent auditor's report

To: the shareholders of BA Glass B.V.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements 2013 which are part of the financial statements of BA Glass B.V., Amsterdam, and comprise the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the annual management report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the consolidated Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of BA Glass B.V. as at 31 December 2013 its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

EY
Building a better working world

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the annual management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the annual management report, to the extent we can assess, is consistent with the consolidated financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 20 February 2014

Ernst & Young Accountants LLP

signed by J.J. Vernooij

Statutory Auditor's Report

Sustain—ability REPORT

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INTRODUCTION

Following the practice of recent years, the Sustainability Report is published together with the BA Glass group's Annual Report.

The present report reflects the group's sustainable development principles, thereby assuming a public commitment to develop or pursue its operations in a balanced manner from various perspectives - economic, environmental and social.

This balance always takes into account the group's Mission, Vision and Values.

MISSION

The group's mission is to develop, produce and sell glass containers for the food and beverages industries.

STRATEGIC VISION

The group aims at being "The best amongst the Largest", supporting itself in three fundamental pillars:

- **Creation of value for the shareholder;**
- **Customer satisfaction and loyalty;**
- **Staff motivation and satisfaction.**

WE ASPIRE TO BE THE BEST AMONGST THE LARGEST

CUSTOMER	SHAREHOLDER	HUMAN RESOURCES
SATISFACTION INDEX	EBITDA	SATISFACTION EVALUATION

The pursuit of the group's vision and business sustainability demands an integrated management system, supported by principles, policies and objectives.

VALUES

The group's values have been translated into the acronym HeART:

Humbleness – to learn with the opportunities presented or that have been built;
Ambition – in establishing objectives and goals;
Rigour – in the performance of operations and tasks;
Transparency – both in internal and external relations;
with the **EMOTION** with which we undertake each challenge.

BA'S SUSTAINABLE DEVELOPMENT PRINCIPLES

CREATION OF VALUE

CUSTOMER ORIENTATION

HUMAN CAPITAL MANAGEMENT

SOCIAL RESPONSIBILITY

The sustainable development principles are, together with the strategic vision, the values and the integrated management system, the key to success which is reflected in the achieved performance in the various indicators. To this recipe must be added the dedication of qualified and motivated employees who transform all these ingredients into a successful outcome.

It is based on these principles and values, and also supported in systems, that annually BA sets increasingly more ambitious goals that generally reflect record targets. These goals, some of them transversal, are monitored at various levels of the organisation and in the various activities through the analysis of performance indicators. From this assessment derives corrective actions whenever the results deviate from the defined goals.

CREATION OF VALUE

- **Create value for its stakeholders, in particular the shareholders**
- **Increase productivity and effectiveness in the use of the resources**
- **Evaluate and mitigate the business risks**

One of the main functions of each company is to create value for its shareholders. By doing so, BA also creates value for the entities and people to whom it relates, namely the suppliers, the employees, the clients and the community. In fact, managing sustainability means considering these several parts in daily management and decision processes, but also in the processes which will have long-term impact in the creation of value. BA believes that this relationship with its stakeholders must always obey to transparency, rigour, trust and responsibility principles, which are the values of the group.

It is up to the Executive Board the definition of goals that fit these principles and values, ensuring that these are reflected in the annual plans for BA's various departments.

BA's management system is substantially oriented to goals and results. It is based on annual action plans and objectives, which seek permanent improvement. The use of records, both at production efficiency, cost-reduction, resources optimization and customer service levels, has been the methodology for the definition of annual objectives. These objectives are monthly monitored through the evaluation of a pool of performance indicators, through an internal and external analysis, on the constant search for benchmarks.

The focus on the development of information systems as a tool for analysis and decision making, has allowed BA to improve its internal processes, thus providing a more efficient response to the markets it operates in the areas of quality, flexibility and innovation.

In the relationship with the stakeholders BA invests in the quality and transparency of the information which periodically puts at their disposal. It is from the discussion of achieved goals and future plans that the relations of trust between all mature and strengthen.

The used of a risk assessment methodology allows the identification of exogenous and endogenous factors that can have a very significant influence on BA's profitability, being an integrant part of its management process. It is from the analysis of critical points, which identify potential situations of destruction or creation of value, are identified decisions and actions to avoid, mitigate or leverage the business risks.

Based on these principles and methodologies the following risks are identified, evaluated and mitigated:

- **Economic Risks**, through the analysis of market trends and feedback obtained from customers regarding the level of satisfaction about the product and service. This analysis is the basis to build a marketing plan with concrete actions to address the market challenges and to assure the business sustainability. The external benchmarking practices also challenge the teams to overcome its own records, through the comparison of the industry's best practices, placing BA as a reference in its operating sector in all the areas of intervention;
- **Property Risks**, through the periodic verification of security systems against fire and theft, as well as the control points at the plants. With the purpose of minimising these risks, emergency plans have been tested in events of fire, power failure and glass spillage by simulating these occurrences. The group has a portfolio of insurance policies, the management of which is performed by third parties which guarantee business continuity in the event of disasters with a major impact on assets;
- **Financial Risks**, through the ongoing analysis of interest rates, foreign exchange rates and accounts receivable. The management of financial risk is undertaken on the basis of case-by-case analysis taking into account the prevailing economic context, sporadically resorting to the hedging of interest-rate and currency risks. The management of the balance sheet, namely the financing of capex and working capital is followed up on a continuous base;
- **Operational Risks**, are managed through the implementation of procedures and best practices in industrial operations, in human resources management, in information technologies and in the supply chain. In order to minimise operational risks, preventive maintenance plans have been developed for critical equipment and good practices in relation to the storage, handling and transportation of raw materials and potentially dangerous products. Regarding its products, the group uses the best practices of storing, handling and shipping to customers, this being a point of increasing interaction between the group and its customers and one of the major concerns in the definition of investment plans. In the insurance portfolio of the group is included the necessary coverage of losses that may occur with products and damages to third parties. Risks to people are minimized through training actions and preventive initiatives in order to avoid work accidents. To mitigate the risks associated with information systems there are disaster recovery procedures as well as risk assessment of the integrity of the data, such as audits conducted by external entities.

These risks and how to deal with them are described in management procedures, emphasizing the procedure of "Crisis Management", where the rules and responsibilities of communication in case of exceptional events are specified. All the established procedures and management practices are regularly reviewed and optimised, with the collaboration of all areas involved in order to ensure the continuous improvement of processes and reduction of possible risks.

ECONOMIC PERFORMANCE

Key consolidated indicators

The international crisis of the last 6 years, with a strong impact on European markets, led to a paradigm shift and to a different perspective in the approach to problems. In an over-supply market, industry has become more flexible and directed its focus to the quality of the products and services offered to customers in an attempt to differentiate themselves and better serve new customers, more distant from their production points.

The year 2013 is the second year of the Polish operation, having been implemented a series of actions and investments that will allow BA to be a reference operator also in Eastern European markets. This way BA is achieving the targets set at the time of purchase of the Polish division. The presence in Poland brings a geographical diversification of the group hedging the local risks and opening doors to new markets, hitherto more difficult to access.

Despite the crisis scenario installed in Europe, the group's operating cash flow (EBITDA) remained at very attractive levels, reaching EUR 162.3 million, representing 34.4% of sales, 7.3 million more than in 2012, and the operating income (EBIT) amounted to EUR 116.0 million, which translates into a 24.6% margin on sales.

The year 2013 was strong in investments, and the group spent about EUR 85.5 million in the replacement and increase of its production capacity in the Jedlice factories and Villafranca de Los Barros, respectively.

These two investments have brought some difficulties to the operations in the two plants, but this had no impact on the profitability of the group. The remaining plants efficiency levels were improved, reaching record production cost and profitability.

The investment made in 2013 in the Polish plant is only the first step of an ambitious project that the group will carry out, in order to equip the plants with the latest technology and with the capacity to improve market response to ever higher customers' requirements.

The financial autonomy of the group was of 28.0% and the net debt / EBITDA ratio reached a value of 2.1, highlighting the strong ability of the group to cope with its debt level and ensuring access to financing in favorable terms.

key consolidated indicators

[k.€]

ECONOMIC PERFORMANCE	2013	2012
Turnover	472,125	461,956
Operating cash flow (EBITDA)	162,287	155,006
Operating profit (EBIT)	115,957	110,143
Net Financial results	-21,097	-15,053
Income before taxation	94,860	95,090
Net income	67,308	68,200
Net total assets	730,195	680,702
Shareholders' equity	206,212	159,021
Interest-bearing debt	335,073	332,537

Clients

The activity of BA's customers was strongly affected by the depressed economic climate in Europe, despite some signs of improvement in some geographies at the end of the year. It was with exports outside its domestic markets that BA found destination for some of its products, thereby ensuring efficient utilization of its production capacity. The consolidated turnover reached EUR 472.1 million, which translates into a growth of 2.2%.

The acquisition of two plants in Poland allowed BA to enter new markets, being closer to the countries of Eastern and Central Europe, and new segments, with particular emphasis on "Spirits", maintaining in 2013 its position as a leading supplier in the vodka market in Poland and the Baltic countries.

The group continues to expand its customer base, ensuring the diversification of market and credit risks, and expanding its potential for future business in new markets.

Focused on providing solutions with higher added value, favoring direct contact with its clients, BA continued to implement a policy of reducing the weight of distributors in the group's sales. Only this can provide a unique and differentiated service, especially from other suppliers of packaging, its direct and indirect competitors.

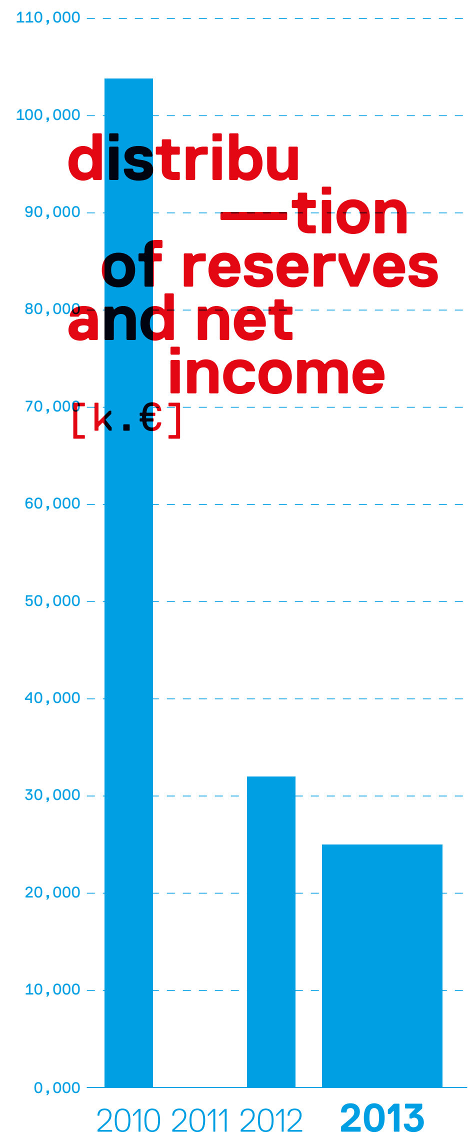
Changes in consumption habits, the diversity of packaging alternatives and the reduction of purchasing power generate needs in consumers which have repercussions throughout the supply chain. BA is not immune to any of the economic, social and environmental trends. To the increased consumer demands, BA responds with quality and reliability, and develops models of cooperation with its customers (called "Innovation Challenge") in order to differentiate the end product of its customers and reduce costs of both parties.

This cooperation results in innovative solutions that go beyond the package itself. And this is only possible thanks to a motivated, attentive and flexible team, able to enhance long-term relationships. It is always possible to identify improvements throughout the value chain. Several projects with customers were developed to reduce costs of production and logistics - reducing the weight of the products, consumption of secondary packaging and optimization of transport, dropping the "time-to-market " and implementing innovative solutions with positive economic and environmental impact for both parties.

The year 2013 was also marked by BA's participation in packaging development contests, having been awarded first prize in the two competitions it entered into – Best Sustainability Project in Canadean's Beverage Packaging Awards 2013 and Best Bottle in Beverage Innovation Awards @drinktec's – which reinforced the important commitment to innovation and product development that the group has been making, aiming to create and share value with its customers.

Shareholders

The group has revealed a capacity for sustained growth, with creation of value for its shareholders at very satisfactory levels, as a consequence of the actions and policies implemented during recent years. These in turn have generated very meaningful improvements in productivity, operational efficiency and asset turnover, which minimise the impact of the current negative macroeconomic environment.



Dividends were distributed to shareholders during the year, with the group maintaining a balanced financial structure in order to meet its commitments and funding needs. The dividends paid allowed an adequate return on the capital invested by the shareholders.

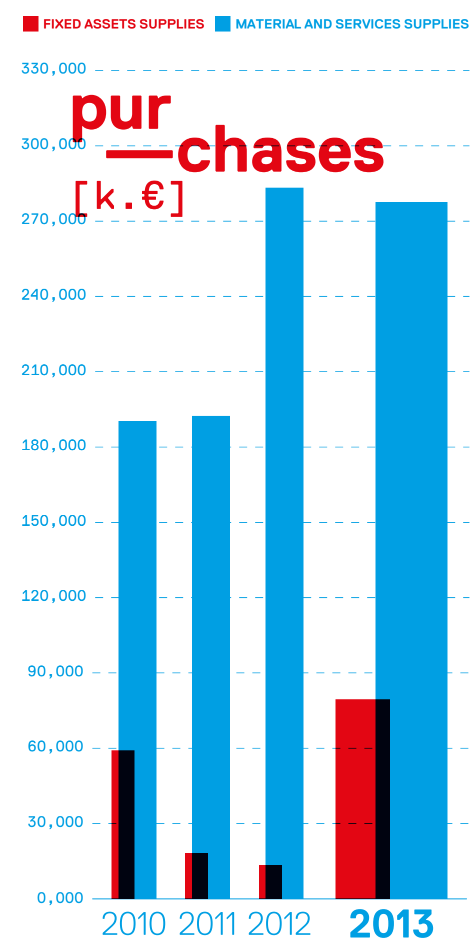
Suppliers

The group maintains close partnerships with its suppliers with the purpose of always achieving the best technical solutions that lead to sustainable development and the attainment of benefits for all the parties involved in the procurement process.

Among the suppliers focus was primarily on energy (electricity and gas) and raw material costs, because of its high impact in costs, and the expressive surge in prices of recent years. During 2013, energy prices significantly rose again, being at the highest level of the past few years with a significant impact on the group's performance.

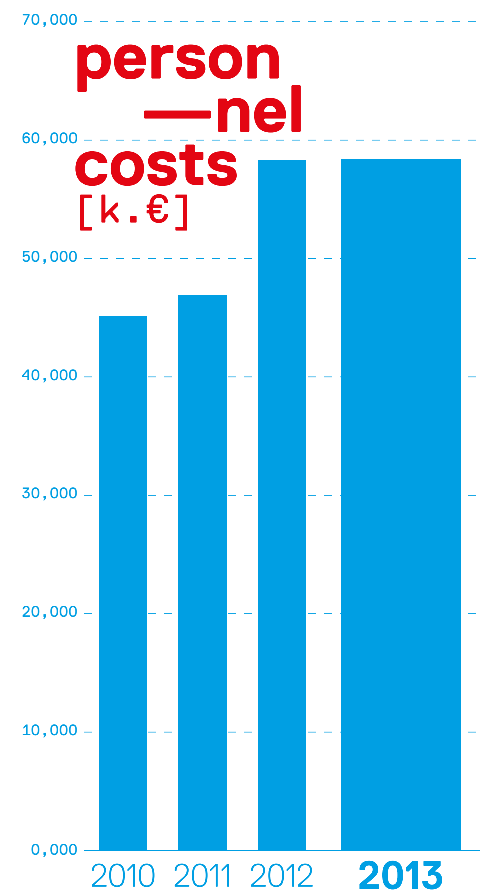
The demand and use of alternative sources of supply and/or substitute products remains a priority, as the case of soda, moulds and glass for recycling (whose use as raw material continues to grow).

BA continues to apply its methodology of evaluating suppliers, to ensure it has a solid base of suppliers, able to find innovative and efficient solutions and also compliant with appropriate ethical and environmental principles.



Employees

At the end of the year, the group employed about 2,230 workers, dispersed by the three geographies. In its relation with employees, the group registered costs in the amount of EUR 58.4 million, an equivalent to an annual value of EUR 26 200 *per capita*.



Community

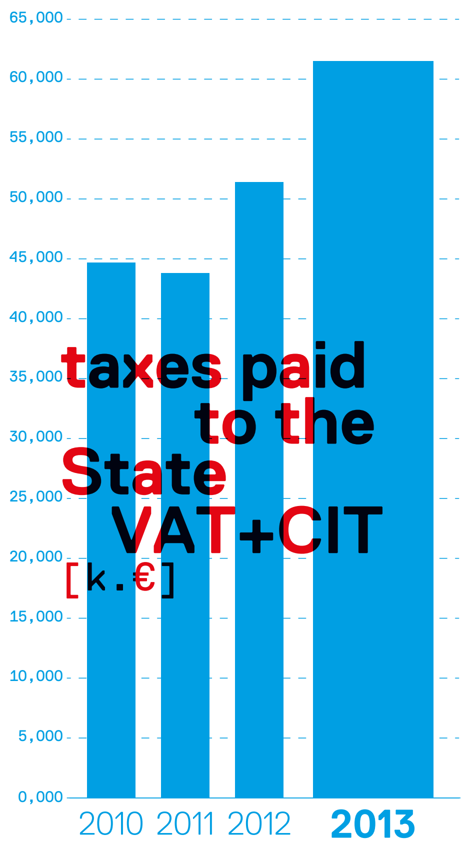
In its relationship with the local communities, BA privileges the support to education and training, believing that its impact on local communities can be an element of transformation and leverage of the capabilities of the younger.

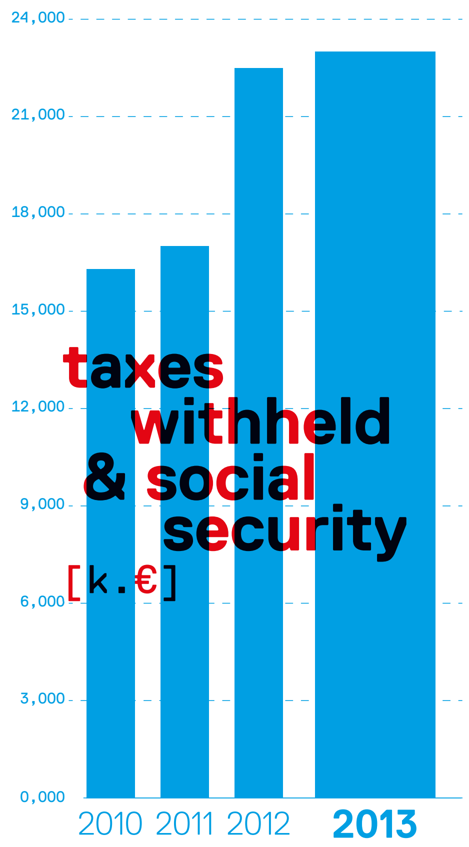
In addition to economic support to social, cultural and sports institutions, the group participates in the education of children and youngsters, through the promotion of visits to the plants, professional internships, volunteer activities developed by its staff in schools and other events with a sporadic nature.

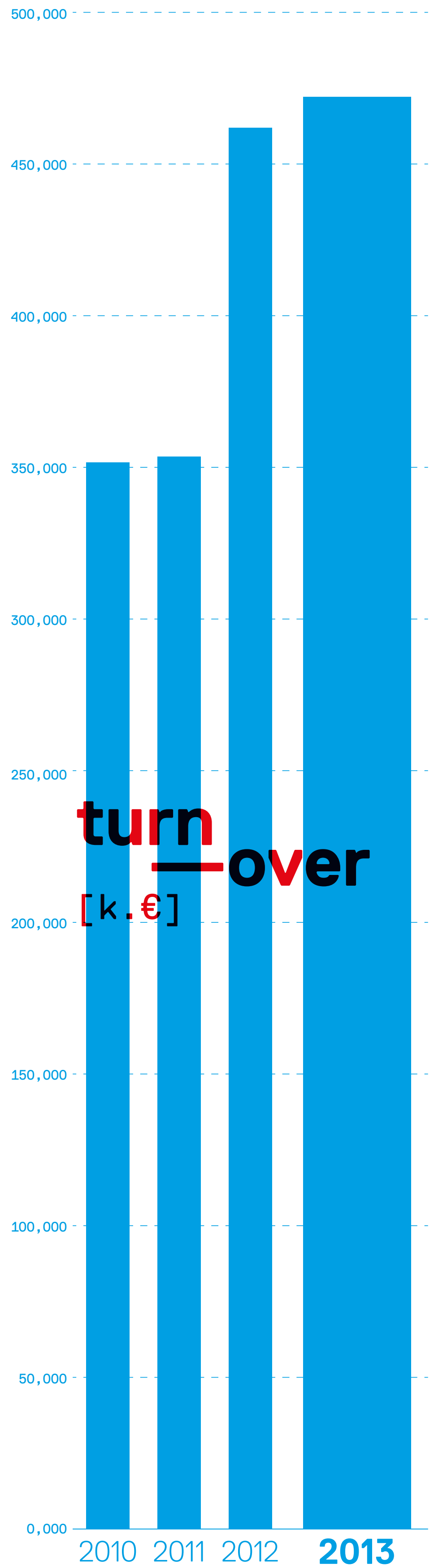
In 2013 BA remained committed to join the initiatives and events that materialise in new and different ways of strengthening glass as a unique packaging material, 100% recyclable. In Portugal BA participated in the Wine Magazine Awards, with a daily activity for children which reinforced the message of infinite recyclability of glass.

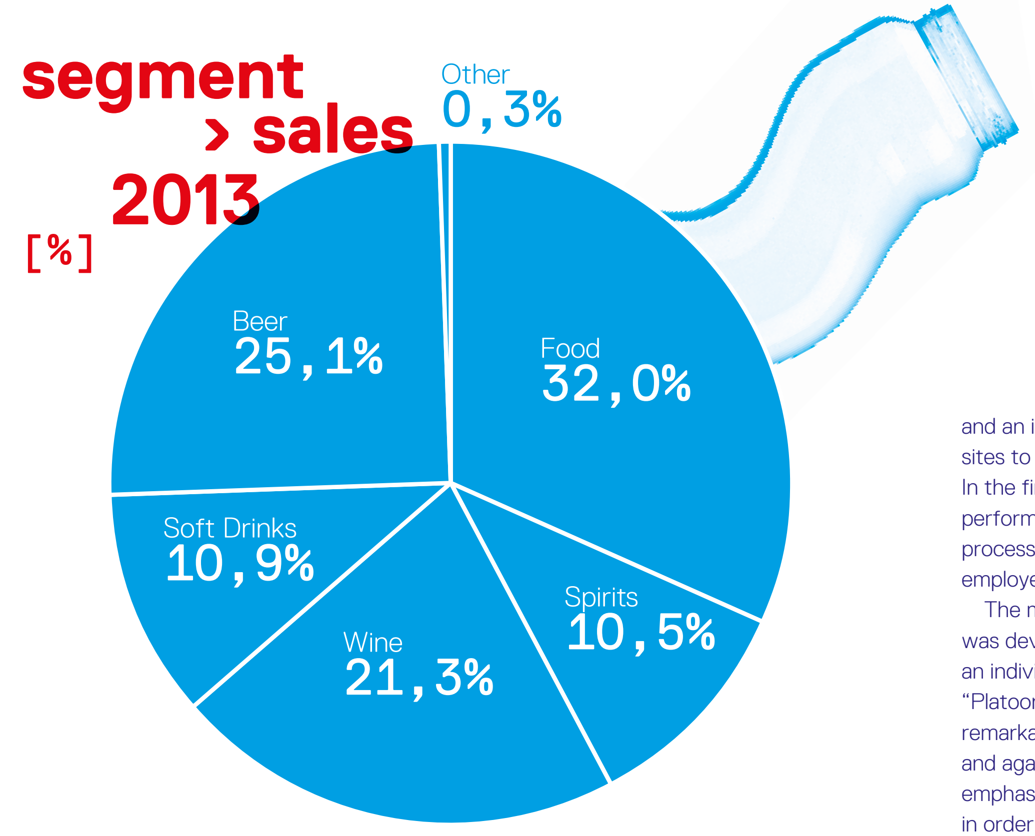
It was also this year that Glassberries Design Awards (annual packaging design competition organised by BA) took the first steps to become a reference, with the extension to three universities in Portugal, which proved that stronger ties between industry and university are increasingly important to both parties. It is planned to extend this initiative to Spain in 2014.

The amount of taxes paid to the Government continues to be quite significant. In 2013, the value paid in the form of corporate tax and VAT amounted to approximately EUR 61.5 million, and contributions to social security and withholding taxes over employees' income amounted to € 23.0 million. BA is one of the largest tax contributors in Iberia, generating a high value both in social and in economic terms.









CUSTOMER ORIENTATION

- **Priority to innovation**
- **Improvements in the value chain**

In order to respond to the slowdown in the Polish market and the decline in consumption in Iberia, with direct impact on packaging demand by our customers, it was critical for the group to focus on the export market.

In 2013, the turnover of the group increased by 2.2% over the previous year. This growth occurred despite the loss of capacity during the reconstruction of a furnace in Poland.

Facing lower demand in domestic markets BA has been looking for new customers in the export market. The success of that process is linked with the fact that BA value proposal is being understood and valued by its customers even in very demanding and competitive markets outside its domestic markets.

This strategy of strengthening direct relations with its customers rather than its distributors differentiates the group from its competitors. The bet has been in an unique and differentiated service close to the customers, sharing knowledge and opportunities in the improvement of the value chain. The commitment for a continuous improvement throughout the value chain generates advantages for both parties. The "Innovation Challenge" projects in addition to reducing costs, optimizing design of containers and pallets formation, allowed the reduction of nearly 9,000 tons of glass and a decrease in more than 1,300 of the trucks used to dispatch an equivalent volume of packaging.

In 2013 the product development team drew up 334 new projects (6,4 projects per week) and rolled out 90 new products (7,5 new products per month) for 52 new customers.

Consumers are increasingly aware of the value propositions that are presented to them. BA innovation contribution will hopefully help our customers develop stronger arguments to win in a market that is putting out of date most industry driven paradigms.

HUMAN CAPITAL MANAGEMENT

- **To develop knowledge and understanding of the business**
- **To promote the development of individual skills and creativity**
- **To promote balance between personal and professional life**
- **To strengthen management systems that ensure health and safety**

The year 2013 was marked by the strengthening of human management policies in the group, with particular focus to the integration of the Polish plants.

In order to make a correct and proper application of the principles of the group in the new geography, it was imperative to carry out an intensive analysis of the human resources and policies practised in Poland. Furthermore, a thorough study was conducted considering the culture inherent to the geography and all demographic data, labour market and the law.

As a result of this work some of the group's procedures and processes previously in place in Iberia have been reviewed and adjusted.

To support the implementation of new processes in Poland, namely during the start-up of the new furnace in Jedlice, several teams from Iberia have been displaced to Poland.

Moreover, it is worth noting that the year 2013 continued to be characterised by profound social and economic changes in Iberia, which were accompanied by several legislative changes. This situation led to the review and analysis of certain paradigms in human capital management, always with the unique goal of maintaining employability and to ensure the best working conditions for all employees.

Following the policy of the group it was encouraged that all employees, namely those of the acquired companies in Poland, should improve their knowledge of the business model, the current activity of the group and the rules of Human Resources management. This has implied the intensive use of benchmarking among all the plants and an intensive programme of visits to other sites to promote the collective knowledge.

In the first half of 2013 was consolidated the performance appraisal and career development process, already started in 2012 for the Polish employees.

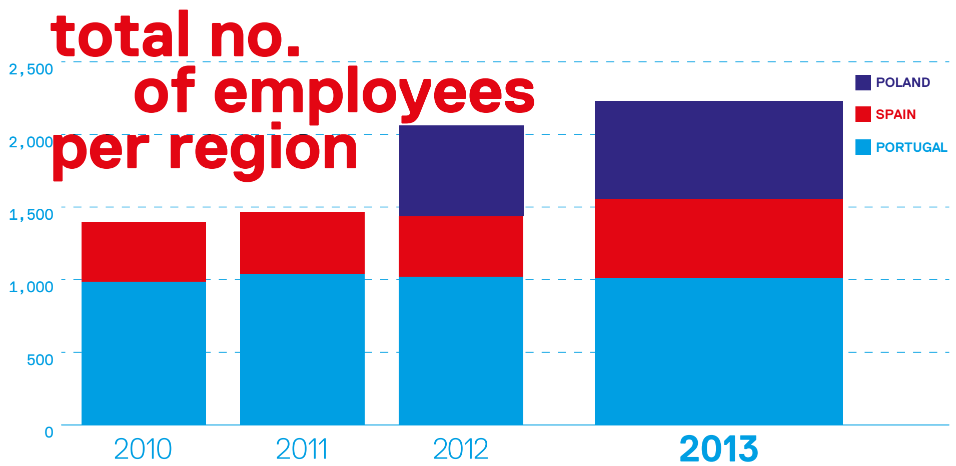
The management annual meeting, in 2013, was devoted to overcoming oneself both at an individual and team level, with the theme "Platoon BA". It was particularly relevant and remarkable since it took place in a military base, and again it was a moment of reflection, with emphasis on the need to overcome all barriers, in order to surpass the challenges that the current economic situation places.

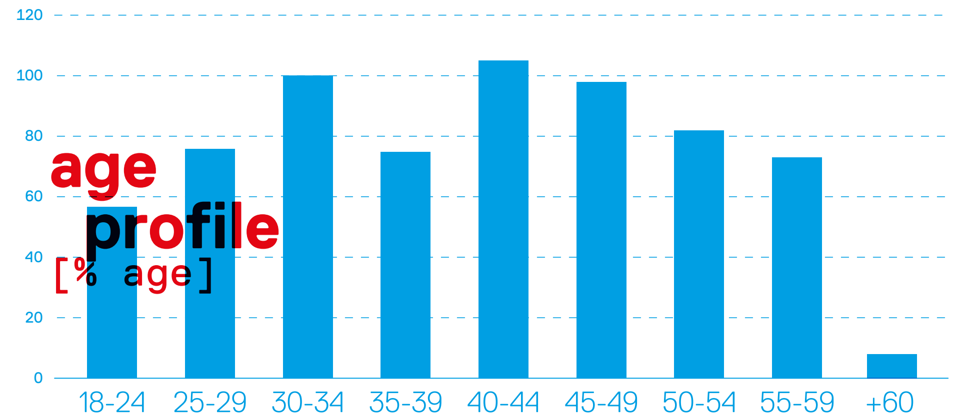
Evaluation of the effectiveness and effects of human capital management among employees remains a priority. Accordingly, the biannual enquiry of the social climate was conducted in 2013. It was the first time that this survey was answered by the Polish employees.

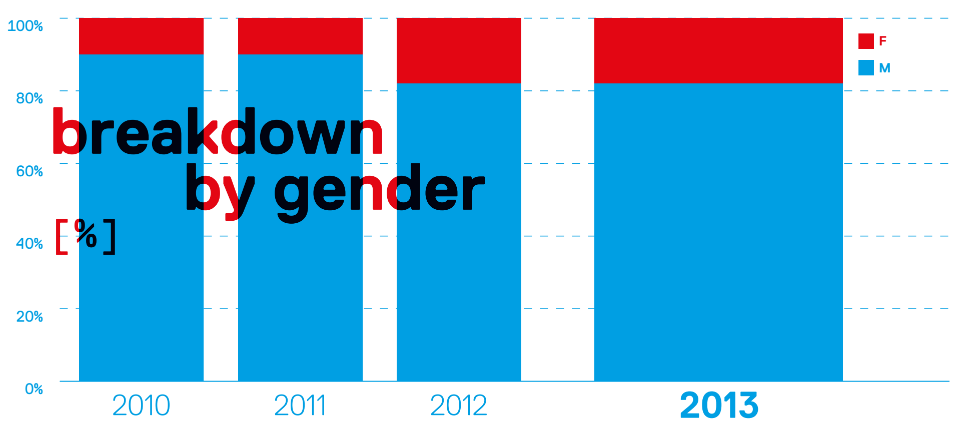
Transparency as a source of communication continues to be present, and as all moments are opportunities to achieve the goal of keeping all employees informed about the performance and actions of the company, it is worth to stress:

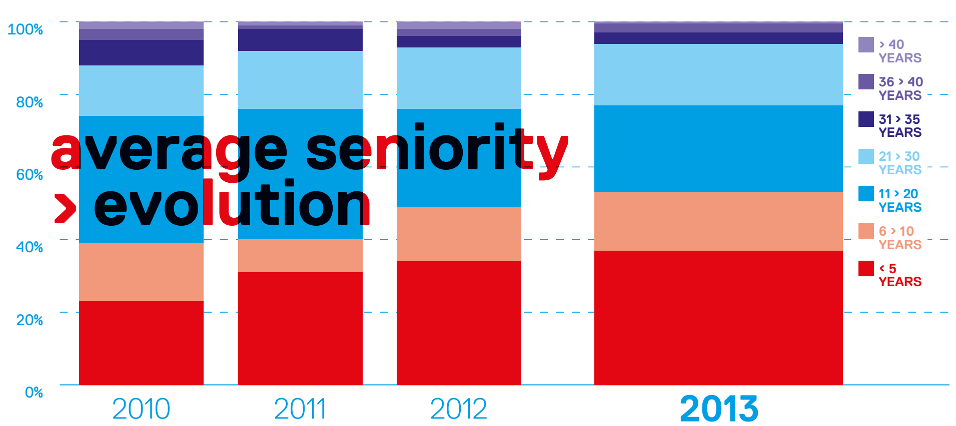
- The internal presentations by the CEO of the quarterly results and of the annual budget;
- The publication of the newsletter "CONTÉM";
- The creation of spaces for constructive dialogue with workers' representative bodies, with the purpose to agree action plans, respecting the interests of both parties.

Lastly, it is worth reaffirming that the management systems which ensure the health and safety of the employees are a priority and a commitment of the group. Annual actions are carried out to achieve the goal of "Accidents: ZERO trend" and to ensure the protection of employees and their families to health risks and misfortunes.









SOCIAL PERFORMANCE

EMPLOYMENT

The group ended the year with 2,230 employees, 45% Portuguese nationals, 25% Spanish nationals and 30% Polish nationals.

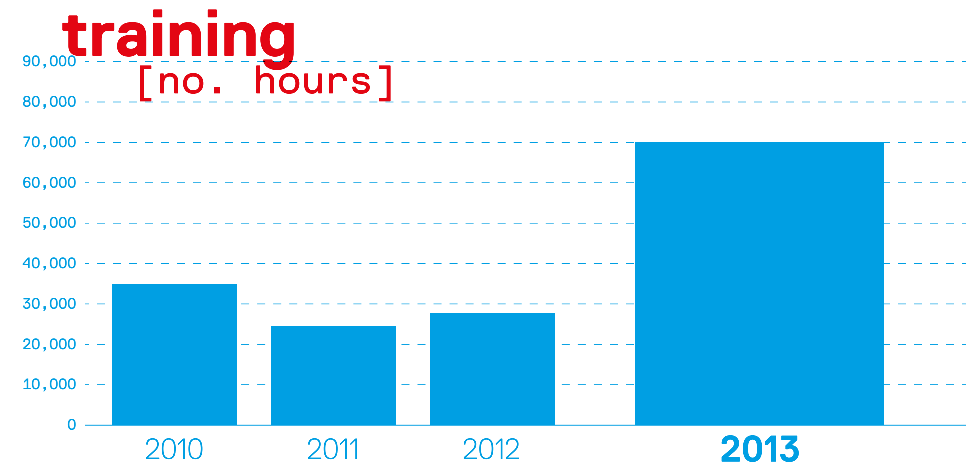
It should be highlighted the continuing increase in the number of employees in subsidiaries that support the main activity, such as the glass recycling and maintenance and repair of moulds, which already give employment to 83 people, meaning 4% of the total number of group employees.

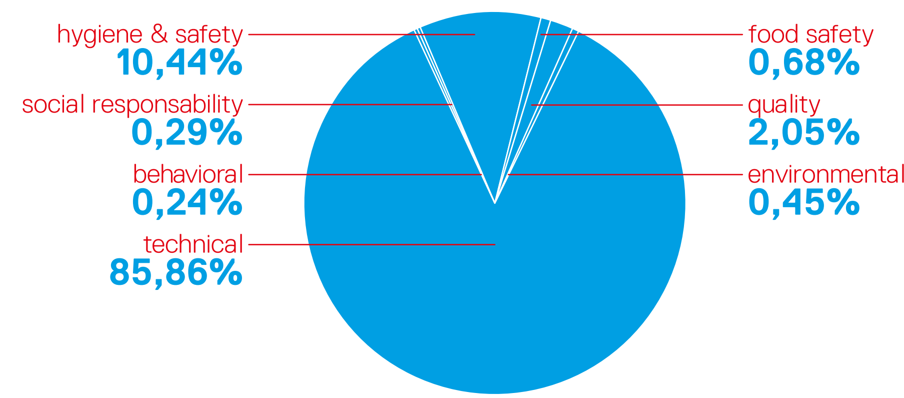
The age structure of the employees has become younger, with the average decreasing from 40.4 to 39.7 years, although it continues to reveal a fairly even distribution among the various age levels.

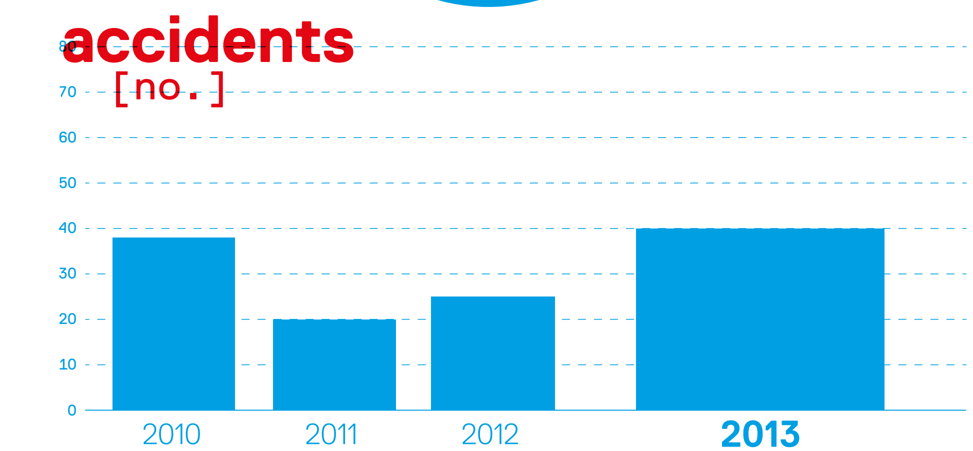
With regards to gender distribution, although the characteristics of the respective activity developed and the existing work schedules continue to be more attractive to male employees, there is an increase in the percentage of female employees, mainly in the corporate functions.

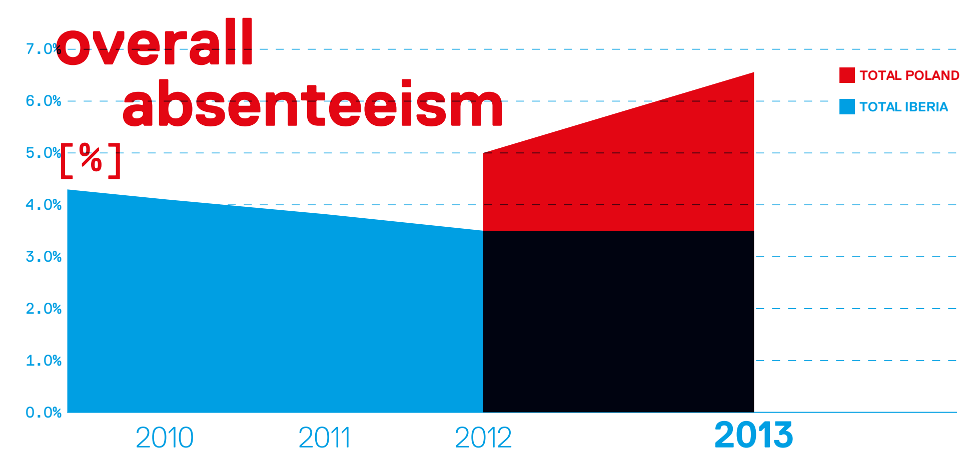
The average seniority is 11.8 years, decreasing 0.7 years when compared to last year, triggered by the new employees recently hired to Villafranca de Los Barros plant.

The attractiveness level of the group to new candidates remains very high. To note that in Portugal a recruitment process for graduate trainees called "Movement for Employment" was carried out, under which more than 1,000 applications were received.









Training

In 2013 the investment in training amounted to 70,191 hours, representing a significant increase in the number of hours *per capita*. This increase is mainly due to the volume of training provided for the teams of the new furnace in Villafranca de Los Barros, with a volume of 58,243 hours of training. Notwithstanding, it should be noted that a significant number of hours of on-job training is not accounted for in those figures.

In 2014 the effort to reinforce the training capabilities in all plants will continue with the launching of a new Training Academy.

As a result of the construction of a new furnace and other furnace rebuilding, most of the group's training was performed in technical areas as well as in the areas of health and safety.

Health and Safety

In 2013 it was registered a number of 40 accidents in all plants, which despite representing more accidents, also represents a decrease in their frequency, taking into account the increase in the number of workers and working hours in the group. The goal will only be achieved when it is possible to develop the entire operation with ZERO accidents, for which the causes of these continue to be examined thoroughly.

In Iberia absenteeism remained at 3.5%, the lowest in the last ten years. In Poland there was an increase of 1.5 p.p. A new action plan to reduce this number has been put in place.

Internal Communication

In what concerns internal communication the tool-kit is composed by the internal magazine "CONTÉM", the internet portal and the annual management meeting.

Remuneration

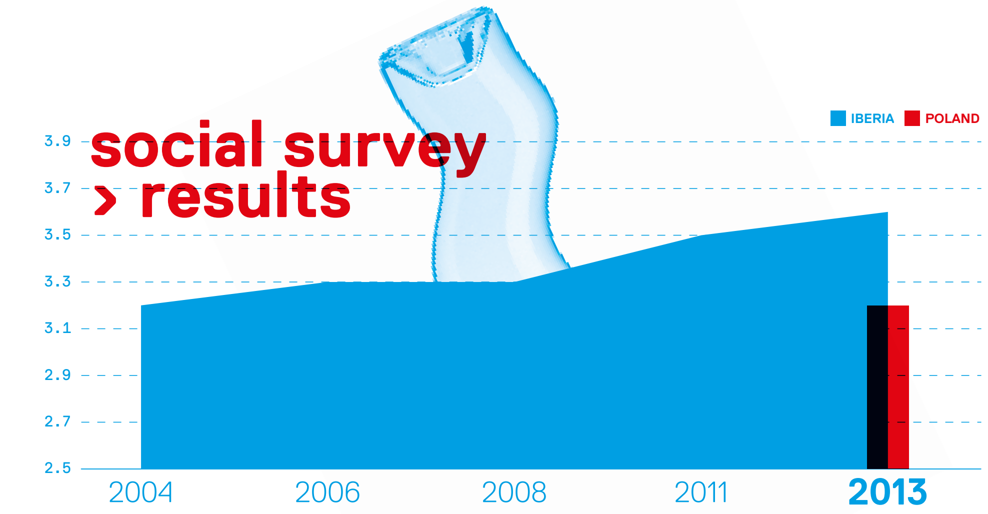
At the beginning of 2013, the dialogue with the social representatives enabled the conclusion of new labour agreements in Avintes, Marinha Grande and Venda Nova plants. In the León plant the scope of the existing agreement was extended to the year 2014, and in Villafranca de Los Barros was reached already in the beginning of 2014 an agreement until the end of 2015. For the first time negotiations with the social representatives from Sieraków and Jedlice were conducted and concluded with success, resulting in the implementation of new agreements in both centers.

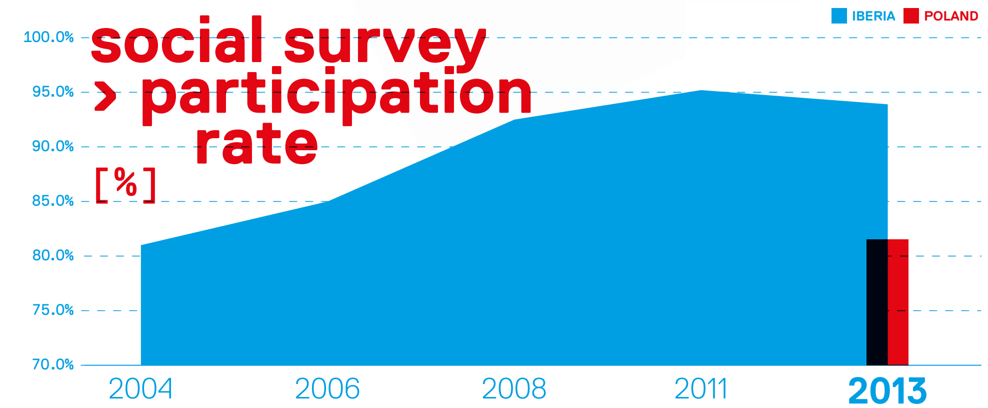
It is the group's practice to share the wealth generated with all its employees, therefore annually the Board submits to the Shareholders General Meeting the criteria for distributing the profits.

Social Survey

The social survey carried out in 2013 to evaluate the effectiveness and effects of human capital management had a very positive global result. Nevertheless, each question was duly analysed in order to make further improvements in the future.

It shall be noted that it was the first time that the social climate survey was conducted in the Polish geography, and consequently there are no results to support the analysis of its evolution.





Results

In 2013 the result of the survey in Iberia was 3.6 on a scale of 1 to 5, which is a record figure since the survey is conducted. The result in Poland was 3.2 on a scale of 1 to 5, which can also be considered satisfactory, considering that it was the first time the survey was executed.

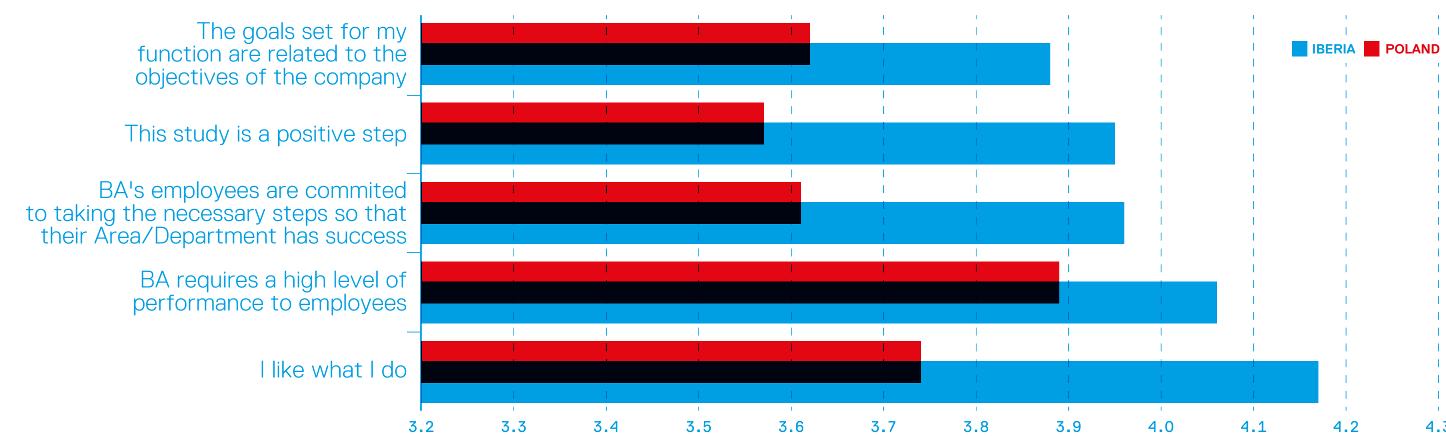
Participation Rate

The participation rate for the survey in Iberia was 93.9%, representing a marginal decline compared to the record achieved in 2011. In Poland the participation rate was 81.7%.

Assessed Clusters

The survey is based on several issues which allow the assessment of employee's satisfaction regarding certain clusters, such as leadership, commitment, human resources policies, strategy and work conditions. In Iberia the evolution was positive in all the clusters.

Concerning specific queries, the graphic below shows the result of the questions better evaluated by the employees.



SOCIAL RESPONSIBILITY

- **Integrate the environmental and social aspects into the decision-making process**
- **Guarantee ethical standards in the conduct of business**
- **Recognise and apply the Fundamental Principles of Human Rights**
- **Assure compliance with legal regulations and others subscribed voluntarily**

SOCIAL RESPONSIBILITY AND SYSTEMS

Integrated in its sustainable growth strategy, the group strives to be an agent for change, differentiation and innovation. As a socially responsible group it pursues a set of principles, from action to ethics, quality and the generation of value for all its partners. These concerns are reflected in the systems which have been adopted as regards to the management of quality, environment, food safety and social responsibility.

In 2013 the group continued its commitment to the implementation of a social responsibility system based on the SA 8000 standard and this year Venda Nova plant was evaluated for the first time. SA 8000 is an international certification standard which encourages organisations to develop, maintain and apply socially correct practices in the workplace. It was created in 1989 by Social Accountability International (SAI), an affiliate of the Council on Economic Priorities, and is recognised internationally as being one of the most correct and independent standards dealing with the management of labour relations.

Besides establishing standards for employees around the world, SA 8000 also contemplates international agreements including international conventions and treaties. The group recognises the fundamental and universal human rights embodied in International Conventions and Treaties, namely the United Nations Universal Declaration of Human Rights and the pronouncements by the International Labour Organisation, and other national legislation or other applicable regulations, namely, the international conventions relating to working hours, forced labour, freedom of association, right of organisation and collective bargaining, equal remuneration for men and women for similar work, discrimination, fixing of the minimum wage, worker's representation, minimum working age, health and occupational safety, vocational rehabilitation and employment for handicapped people and maternity protection.

The group's commitment expressly includes, amongst others, the following principles:

a] Child labour

The group's companies do not employ, neither are they involved directly or indirectly in child labour, and repudiate practices involving it, nor do they accept suppliers resorting to such practices. It is a practice assumed by the group that the minimum admission age for employees is 18. There are written procedures to ensure the observance of this principle, as well as procedures that guarantee the definition of actions for mitigating the consequences of child labour in any situation occurring at the premises of the group or of its suppliers and sub-suppliers, and of which BA has knowledge.

b] Forced and compulsory labour

The group's companies do not resort, neither are they directly or indirectly involved in practices which resort to forced or compulsory work, repudiating such practices, nor do they accept suppliers resorting to such practices. The companies will never retain original personal documents nor will they become involved in any other situation that could force the employee to remain at the companies against his/her will. The companies furthermore undertake not to become involved in or support the traffic of human beings, arbitrary detention or torture.

c] Health and safety

The promotion of safety and health amongst BA's employees is regarded by it as being an overriding priority. Accordingly, BA undertakes to guarantee the necessary conditions for ensuring a healthy and safe work environment for the entire group's workforce, preventing against health and safety risks to employees, as well as all other people who enter its premises, these being customers, and suppliers, members of the community or any other entity.

All employees should be aware of, comply with and make others comply with the workplace hygiene and safety rules, regardless of whether they are internal rules, legal requirements, national and community regulations or legislation, and must also report any infringements detected. Therefore, the group undertakes to provide regular training to all the company's employees. In the event of serious and imminent danger, employees are entitled to leave the area concerned without the prior authorisation from the group's companies.

d] Freedom of association and right to collective bargaining

The group's companies are in favour of pacific freedom of organisation and association, ideological and religious freedom, as well as freedom of expression and opinion. BA will not interfere in the exercise of workers' rights relating to membership of a trade union and to their rights to collective bargaining; the company arranges the necessary means available for exercising such rights. Under no circumstances will trade union representatives be subjected to any form of discrimination.

e] Discrimination and equality of opportunity

The group repudiates discriminatory practices, for it undertakes not to be involved in or support any situation that does not uphold the principle of non-discrimination based on race, gender, nationality, language, birth, sexual orientation, marital status, physical handicap, religion, political convictions, religion, trade union membership, family responsibilities, as well as the principle of equal opportunities amongst all its employees, and it shall not accept as suppliers entities which adhere to such practices, whether in contracting activities, remuneration, access to training, promotion, termination of contract or any other activity.

f] Disciplinary practices

BA shall treat all employees with dignity and respect, not being involved or tolerating the use of corporal or mental punishment or physical and verbal intimidation of employees. Violence, harassment and abuse of power are strongly repudiated, so that any suspicion of such practices must be immediately brought to the attention of the group's management.

g] Working hours

The company's working hours are in conformity with applicable laws and industry standards. Overtime work is done voluntarily and cannot exceed 12 hours per week per person.

h] Remuneration

The remuneration policy reflects the group's objectives of attracting, developing and retaining high-performing and motivated employees in a competitive and international market, as well as to sustain long–term value creation for the company. Therefore, the main principle of the remuneration policy is to be aligned with the strategic and annual business objectives, providing to each employee, through a competitive remuneration package, a fair salary according to their performance and to market conditions.

The CEO is the group's representative for social responsibility, being directly in charge of ensuring that all the requirements under standard SA 8000 are met and undertaking to analyse and respond, when necessary, to all the concerns and complaints made by employees.

During 2013, the group reviewed twice, in a critical and appropriate manner, the relevance and effectiveness of the its social responsibility policy, having executed the necessary adjustments and making procedural alterations resulting from this study, with a view to the system's on-going improvement.

All the social responsibility policy is properly documented, effectively implemented and maintained, communicated and widely accessible to all employees, whether they are directly or indirectly hired.

Furthermore, BA undertakes to keep its commitment of making this policy available in an effective manner to interested parties, whenever requested.

Priorities continued to be given to initiatives in the education through the involvement with schools and universities, and during 2013 the internships had a more international dimension. The group's expansion beyond the Iberian Peninsula has reinforced the need for involvement with international organisations able to promote the mobility of students and recent graduates. An example of this was the partnership with AIESEC, one of the world's largest organisations managed by university students, whose mission is to provide a platform for leadership development among young people by welcoming new graduates at global and international level, as well as keeping contact with universities with the aim of welcoming ERASMUS students who somehow wish to extend their university experience to the business world.

In this context, it is important to highlight the participation of BA in the "Movement for Employment" initiative. This initiative resulted from the development of synergies between IEFP, the Calouste Gulbenkian Foundation and COTEC Portugal, aiming to provide work experience to unemployed young people, through internships in an extended universe of different companies. As a consequence of the participation in this initiative, in 2013 BA welcomed 18 trainees for a period of one year.

The recruitment process of the 18 trainees had as main goal to open opportunities in all functions and thus attracting graduates from all disciplines. BA received more than 1,000 applications, of which 200 of those candidates were selected in order to perform a *speed recruitment* in the three manufacturing plants in Portugal. The *speed recruitment* consisted of 5 minutes interviews where standard-questions previously prepared were asked.

As a result of these interviews, 70 candidates were selected to conduct a *spitch*, in other words, an oral presentation about their career and their added value for the group. This presentation lasted 90 seconds and was done before the Senior Management. Each department selected their candidates, and the respective managers were appointed as tutors of each trainee.

BA is committed to provide the trainees with the necessary assistance to follow their professional development. Meetings are scheduled quarterly by the Human Resources in order to give some guidance to each trainee.

The group continued to organise study visits to the plants where good practices are publicised, namely regarding environmental matters such as recycling.

BA donated a reconstructed vintage industrial building to the Municipality of Marinha Grande. This donation was based on a commitment done by the City to install and perform in the donated building social initiatives.

Still regarding support and donations to educational, cultural and social welfare institutions, in 2013, it is important to mention the support to EPIS - Entrepreneurs for Social Inclusion; to the Bombeiros Voluntários da Amadora (Firefighters); to the Bombeiros Voluntários da Marinha Grande (Firefighters); to the Bombeiros Voluntários de Avintes (Firefighters); to Associação Abraço, to a non-professional Football Club in Gaia; to Fundação de Serralves; to Colégio de Gaia (school) and to Associação Bagos d'Ouro, of which part will be explained below.

Due to its importance, involvement and commitment, the "Porto de Futuro" ("Oporto of the Future") must be highlighted – a project carried out by the Oporto City Hall in 2007, which seeks to "bring the business sector closer to the educational sector with the purpose of conveying the business world's good practices and knowledge to the city's schools, as well as the contribution to the promotion of a culture based on merit, creativity, innovation and entrepreneurship.". Partnerships were established between groupings comprising the city's schools and companies based on the region of Porto. Thus, BA's partner is "Agrupamento Infante D. Henrique". In 2013 the recurring initiatives were continued, namely the awarding of merit prizes to 9th year pupils (2 prizes: summer course of two weeks in England), 6th and 4th years (laptop); voluntary work by BA employees in the Junior Achievement association programme: I) 17 volunteers participated in various training programmes for students from 14 different classes such as, entrepreneurship, citizenship, ethics, financial literacy, economy and career development, embracing a total of around 270 pupils; II) 15 volunteers from the program "Braço Direito" which permitted 15 pupils to accompany BA employees for a whole day, organising their work and even participating in the activities; III) 1 volunteer who played the role of a "business consultant" in "Innovation & Creativity Challenge" who challenged a group of young high school students to create a business in a short period of time. It is important to highlight the participation of a volunteer from BA in the "in2excelence" program (training in Management Consulting to teams of the schools of the city), under the theme of Human Resources as a strategic tool for the development and sustainability of an organisation.

The group is associate founder of EPIS – Empresários pela Inclusão Social (Entrepreneurs for social inclusion), an association whose primary mission is education, namely, the fight against school abandonment and failure.

In 2013, the BA group continued to support the Associação Bagos d'Ouro, an association created in 2010 with the aim of assisting disadvantaged children from the Douro region with excellent school grades, but who are victims of family instability and problems related to alcohol.

ENVIRONMENT

Introduction

The group is dedicated to the production of glass containers intended mainly for food and beverage products.

BA regards environmental considerations as an integrant part of its overall management, having implemented in all its seven plants an Environmental Management System certified according to ISO 14001.

This document constitutes the fifteenth public disclosure of BA's environmental performance. This annual publication, held uninterruptedly for fifteen years, is the demonstration of the maturity of the environmental management system in place and the importance of it in the group's management.

The year 2013 is marked by investments made in Villafranca de Los Barros and Jedlice plants, with the construction of new furnace and reconstruction of a furnace, respectively.

The improvements in both plants, with the installation of one more electrostatic precipitator, the upgrade of another and the adoption of more efficient burning technology, improved the environmental performance of the group and contributed to the compliance with legal obligations to which these premises are linked.

Interested parties' challenges: customers and consumers

Customer satisfaction is one of the pillars on which the BA group's strategic vision is founded, and also the reason for its constant commitment in the manufacture of products which cause the least possible environmental impact whilst assuring the compliance with all legal requirements applicable to the activity.

Challenge of interested parties: official and community entities

BA considers that the transparent cooperation with the authorities responsible for the definition and enforcement of the legal principles to its activity is a very important matter, which has allowed the compliance with the relevant legislation, as well as the expression of the group's difficulties and concerns, in view of its legal obligations.

Due to changes made on the premises of Villafranca de Los Barros and Jedlice, BA had to update their respective environmental licences. The year 2013 was the first year of a new period of the Greenhouse Gas Emission Allowance Trading System (2013 to 2020). All the group's covered plants had to adapt to the new system of monitoring the emission of greenhouse gases, since new monitoring procedures were defined.

This year, the Portuguese plants had to send to the competent authorities adaptation plans to the new BREFs for Glass (Reference Document on Best Available Techniques).

Glass recycling

For more than 40 years, the glass industry has endeavored to ensure the recycling of all glass packaging used and all glass containers that are discarded during the production process.

The group initiated its recycling process in 1988, with the start of a manual cullet screening central (used glass), which was remodeled in 2000.

In 2008, BA built an automatic cullet treatment central in Avintes, Portugal, this way increasing treatment capacity and quality of the treated final product. In 2010 BA increased its capacity once again by building a new treatment central in Villafranca de Los Barros, Spain.

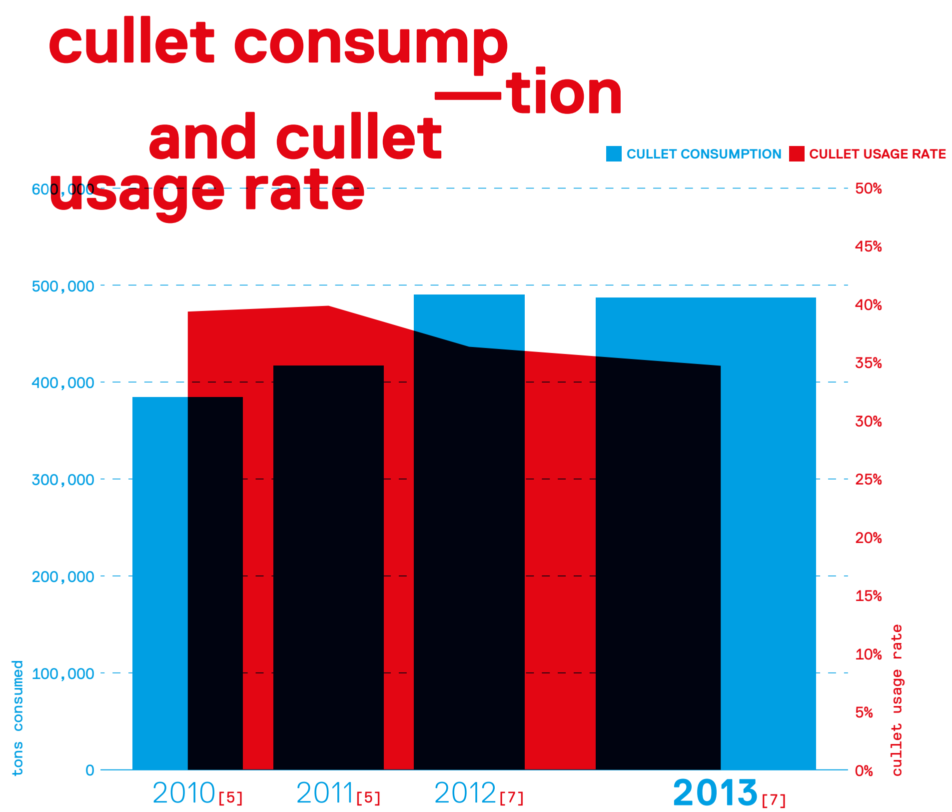
With the acquisition of the Polish plants, the group has now three cullet treatment centrals.

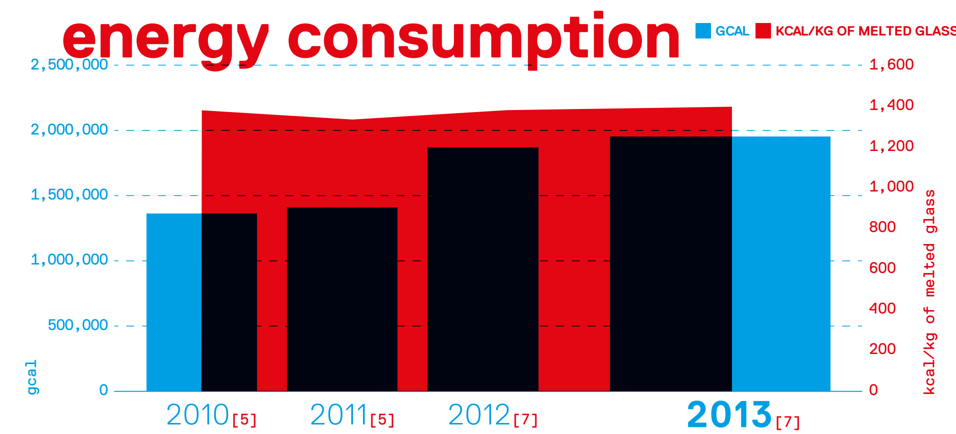
The group's recycled glass (cullet) origins from its own production activity, domestic post-consumption, import from other countries and from other industry (packages at their end of life cycle and breaks in the production lines).

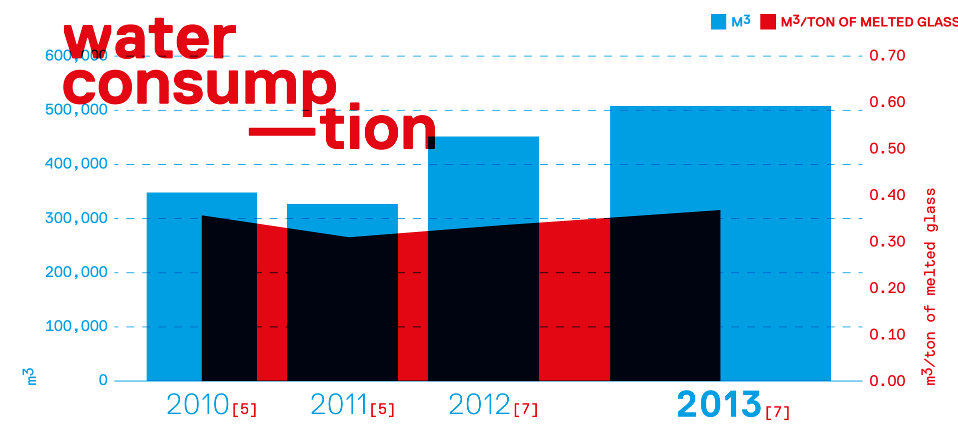
Through glass recycling, BA contributes to the preservation of the environment:

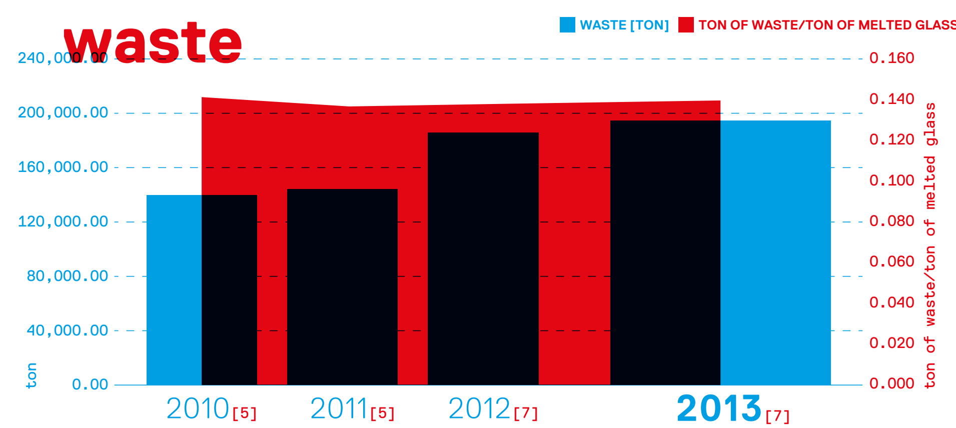
- By reducing the use of energy consumption and natural resources (substituting the use of raw materials by cullet);
- By decreasing the deposit of solid urban waste in landfills;
- By decreasing the emission of atmospheric pollutants, such as particulates, NOx, SO_2 and CO;
- By decreasing greenhouse gas emissions (CO_2).

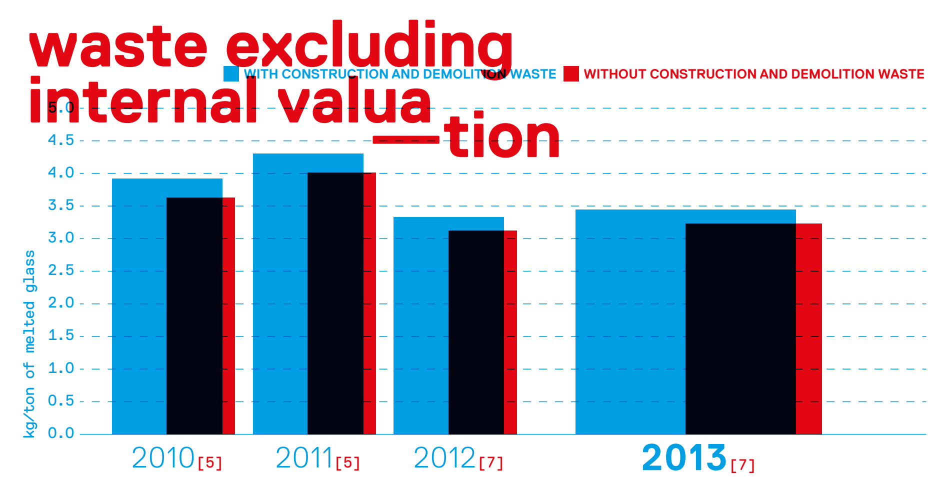
Over the past two years, BA has encountered a lack of supply of external cullet on the market, which resulted in a reduction of the cullet embedded in the production, as shown in the following chart. The consolidated value of the seven plants stood at 35%.











ENVIRONMENT PERFORMANCE

Water and energy consumption

One of the group's goals is to decrease energy and water consumption. Therefore, in recent years BA has made major investments in its facilities, by using some of the best available technologies and more efficient monitoring systems.

In relation to the consumption of energy, the lack of external cullet in the market, has had a great influence on energy consumption of the furnaces, for this reason in 2013 a slight increase was noted. The consolidated value for the specific consumption of the seven plants was 1,392 kcal/ton of melted glass.

Regarding water consumption, there was an increase in 2013, as a result of activities related to construction and increase in capacity of the furnaces of Villafranca de Los Barros and Jedlice. The consolidated figure of specific water consumption was 0.36 m3/ton of melted glass.

Waste Management

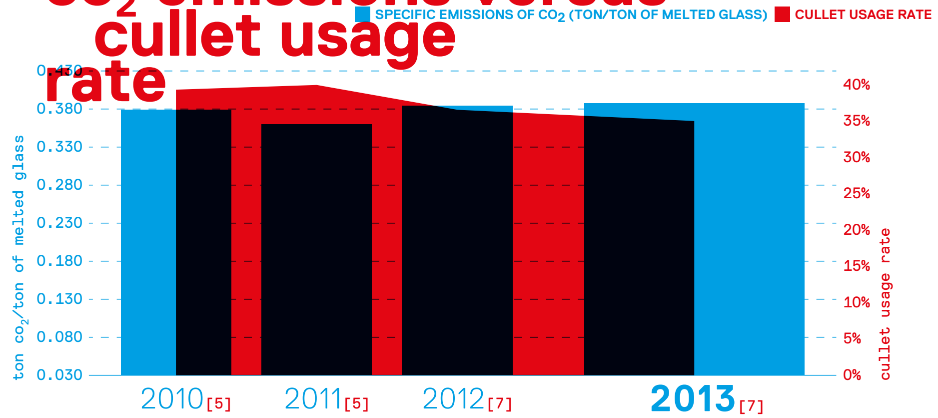
For many years now, BA considers the management of the waste generated in its activity a matter of great importance, having implemented in all its facilities a waste management system, characterised by a careful separation by type of waste in order to control its volume and increase its value.

Some waste generated by the group is recovered internally, such as the cullet from the production, the waste generated in the electrostatic precipitators and in the industrial waste-water treatment plants (ETARI's).

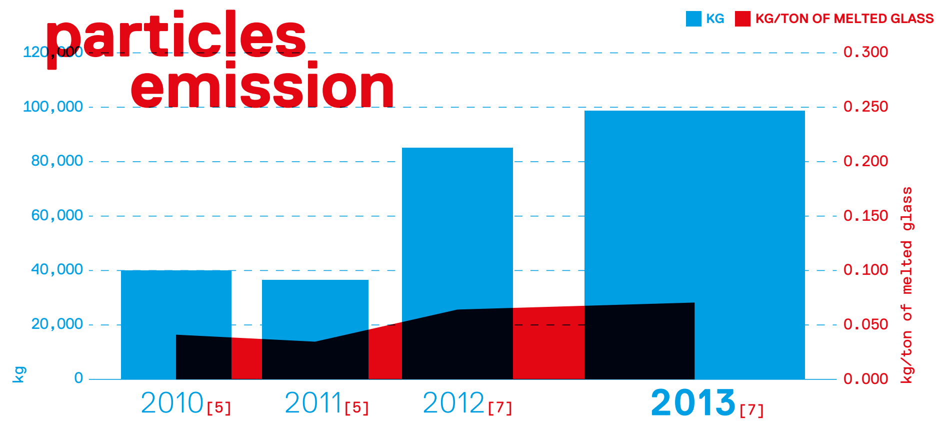
The rate of internal and external recovery of waste has achieved a very high value, about 99%.

The current specific rate of waste generated from real production, excluding construction and demolition waste as well as the waste recovered internally, is of about 3.2 kg of waste per ton of melted glass.

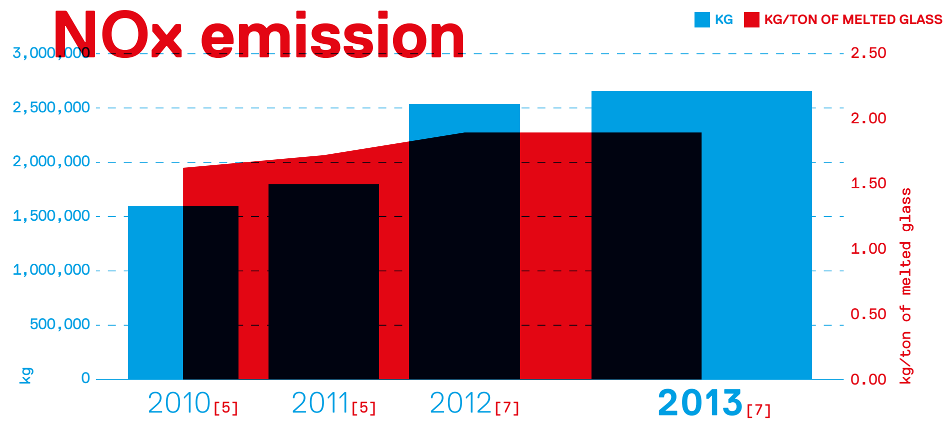
CO_2 emissions versus cullet usage rate



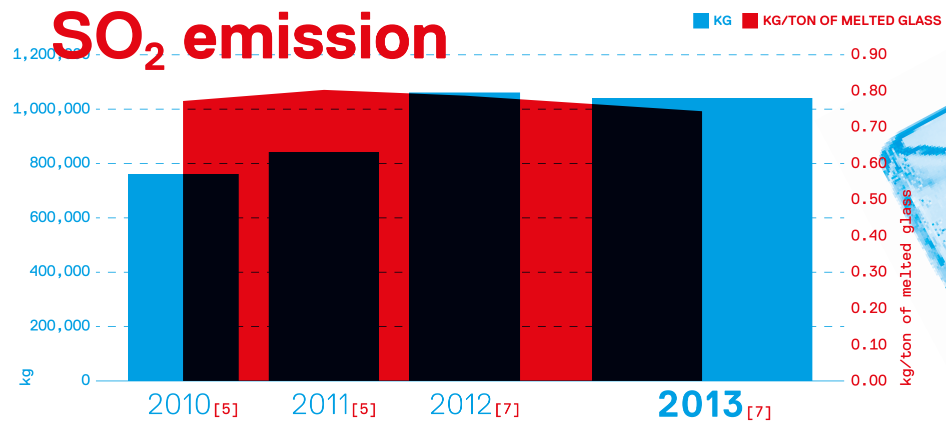
particles emission



NOx emission



SO_2 emission



ATMOSPHERIC EMISSIONS

Carbon dioxide emissions (CO_2)

All the group's plants are covered by the European Union (CO_2) Emission Trading Directive for reducing industrial greenhouse gas emissions.

Since the first trading period (2005) BA has implemented a management system that allows it to monitor the emission of CO_2. In 2013, there was a small increase in the amount of consolidated emission of carbon (ton of CO_2 emitted per ton of melted glass) that is due to a decrease of the cullet used in the production process.

Emissions of particulates, nitrogen oxide (NOx) and sulphur dioxide (SO_2)

Pursuant to the legal obligations established in the environmental licences, the group carried out sporadic monitoring of the gas emissions of the existing fixed sources at each one of the industrial plants.

During the year 2013 an electrostatic precipitator was installed at the Jedlice plant (in December), and an upgrade was done to the electrostatic precipitator of Villafranca de Los Barros (in July) in order to tackle the new furnace.

Some of the improvements undertaken are not yet reflected in the characterisations held in 2013. Thus showing an increase in the quantities emitted in all parameters, due to the increased capacity of the furnaces as well as a raise in the particles emission due to the temporary stop of the filter in Villafranca de Los Barros plant, for its capacity extension.

GLASS PACKAGING MANUFACTURING PROCESS

STAGE 1 — Glass composition

At this stage, all raw materials are stored, measured and mixed to create the mass composition to be vitrified, which will be brought to furnaces where fusion will take place. The basic composition of glass package is:

Silicon Dioxide (SiO_2)	70 › 72%
Sodium Oxide (Na_2O)	12 › 14%
Calcium Oxide (CaO)	9 › 11%
Magnesium Oxide (MgO)	0 › 3%
Aluminium Oxide (Al_2O_3)	1 › 2%
Potassium Oxide (K_2O)	0 › 1%

This composition incorporates treated used glass, ground glass wastes from internal and/or external recycling.

STAGE 2 — Raw materials fusion

At the refractory furnaces, the material fusion is processed at a 1,500 to 1,600ºC temperature.

The liquefied glass moves along the large container under gravity action of the dropping material and goes through a "tuning" stage, where thermal homogeneity of the whole melted mass has to be guaranteed, as it is a crucial condition to obtain a product of quality.

STAGE 3 — Glass package moulding

There are two stages in the moulding process of a piece: in the first one, glass is introduced in the start mould located at one of the sides of the machine, where it takes its first shape (pre-form); in the second stage, the pre-form is transferred into the final mould located at the opposite side of the machine, where the final shape is given to the piece.

STAGE 4 — Annealing and surface treatment

During the moulding process, the glass is in contact with the mould walls, which are at relatively low temperatures.

As such, the external layers of the pieces are much more colder than the internal ones, and this temperature differential tends to be kept due to the poor conductivity of glass, therefore a thermal treatment, called annealing, is performed. This treatment consists of a thermal homogenisation of the whole glass mass, eliminating thus all tensions.

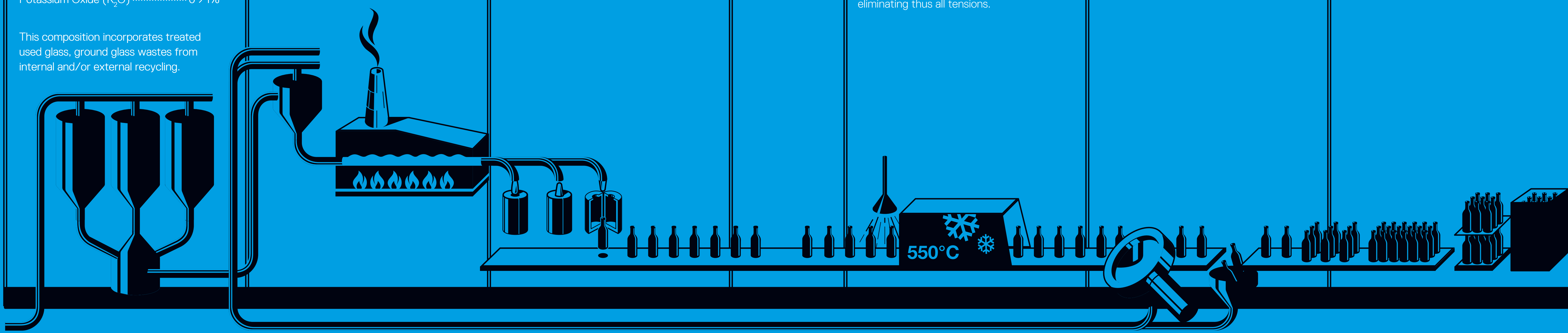
STAGE 5 — Inspection and quality control

After concluding the annealing procedure, the pieces are taken into automatic inspection machines that through several defect detection mechanisms dispose of faulty pieces.

STAGE 6 — Packaging

At the production line end, glass packages are grouped together by layers in pallets.

These are covered with plastic film to protect each unit and make transport easier; these packages are then shrinked in an adequate furnace, and afterwards pallets are conveyed to the storage area.



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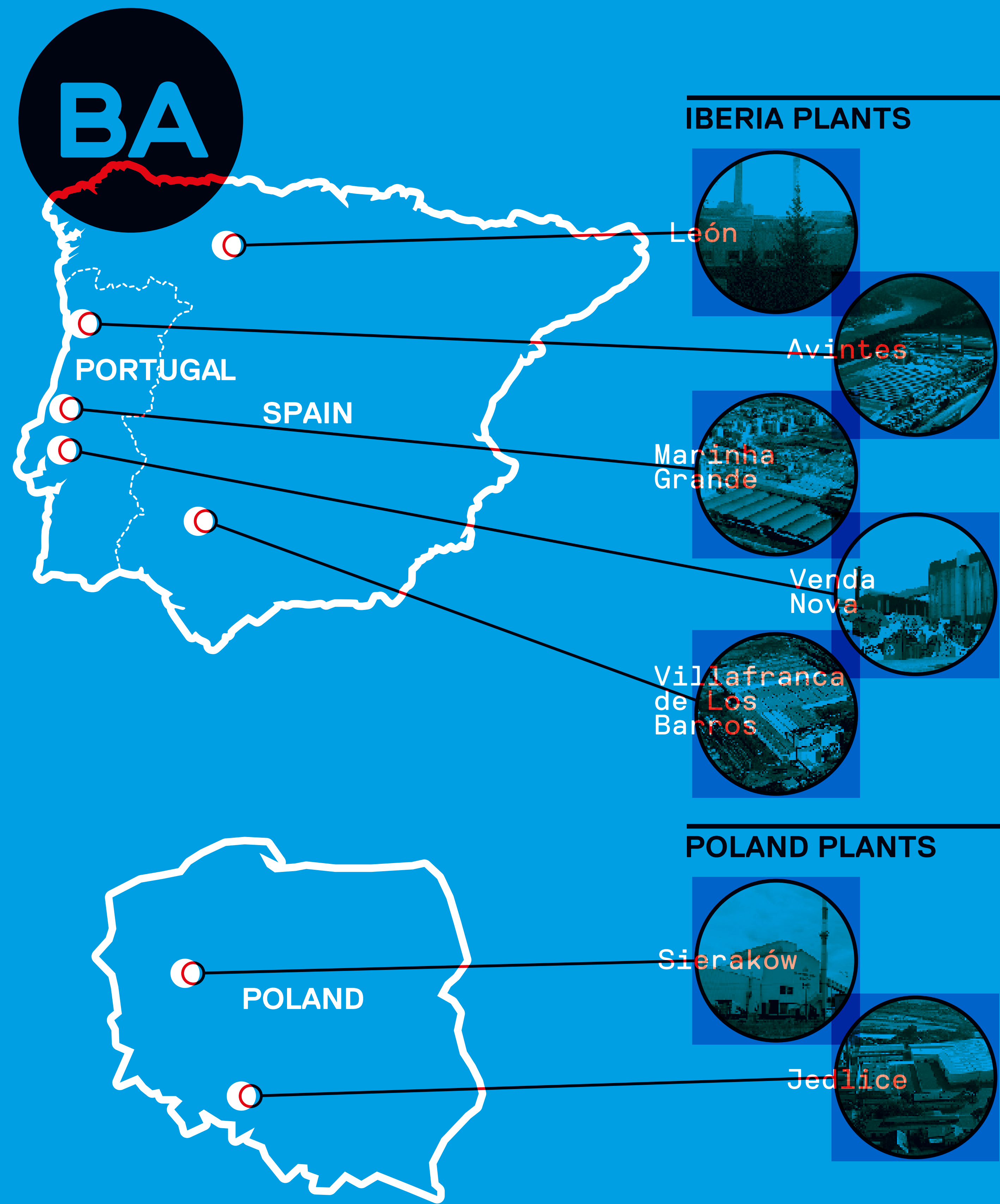

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