BA

ACHIEVE
YOUR
TARGETS
AND
MARK THEM
AS DONE

SET
NEW
GOALS
AND
MAKE THEM
HAPPEN

~~IM~~POSSIBLE

2014

BA annual report

sustainability report

BA

BA

THERE IS ~~NO~~ ALWAYS A WAY

LET'S PROVE THEM WRONG!

BA

WE WILL ~~NEVER~~ BE THE BEST AMONG THE LARGEST

customer	shareholder	human resources
SATISFACTION INDEX	EBITDA	SATISFACTION EVALUATION

WE WILL ~~NEVER~~ SET NEW GOALS AND ACHIEVE THEM GET THERE

BA

go to
table of contents

IN A COMPANY, AS IN LIFE, DREAMS BECOME TRUE IF THE WORD "IMPOSSIBLE" IS ERASED FROM OUR DICTIONARY.

LONG IS THE LIST OF FACTS AND ACCOMPLISHMENTS THAT ONE DAY SOMEONE DARES TO DREAM ABOUT. IN A COMPANY WHEN WE ALL DECIDE TO WORK ON THE "IMPOSSIBLE", WE REALIZE HOW STRONG THAT DYNAMIC IS AND HOW POWERFUL THE OUTCOME CAN BE.

THE IMPOSSIBLE IS NOT DEFINED. IT IS ONLY LIMITED BY THE POWER OF OUR BELIEFS. DUE TO OUR HISTORY AND DUE TO OUR DREAMS, IN BA WE BELIEVE THAT IT IS OUR ATTITUDE AND OUR CHOICES TOWARDS THE ROAD THAT DEFINE OUR JOURNEY.

IN BA WE BELIEVE THAT ONLY THE IMPOSSIBLE IS WORTH DOING!

CHRISTIAAN NEETHLING BARNARD WAS A SOUTH AFRICAN CARDIAC SURGEON WHO PERFORMED THE WORLD'S FIRST HUMAN HEART TRANSPLANT OPERATION ON DECEMBER 3RD, 1967. THE OPERATION LASTED NINE HOURS AND HAD A TEAM OF THIRTY PEOPLE.

A HEART TRANSPLANT IS ~~IM~~POSSIBLE

go to
table of contents

ON MAY 29TH, 1953 EDMUND HILARY AND SHERPA TENSING NORGAY FINALLY CONQUERED THE CROWN OF THE WORLD REACHING THE TOP OF MOUNT EVEREST. AT 8,848 METRES, MOUNT EVEREST IS THE HIGHEST PEAK IN THE HIMALAYAS, THE NEPALESE NAME IS SAGARMATHA - MEANING MOTHER GODDESS OF THE WORLD.

THE MOUNT EVEREST IS ~~IM~~POSSIBLE TO CLIMB

IT'S ~~IM~~POSSIBLE TO WALK ON THE MOON

ON JULY 16TH, 1969, THREE ASTRONAUTS BOARDED APOLLO 11 AND BLASTED OFF FROM CAPE KENNEDY IN FLORIDA TO A TRULY BREATHTAKING DESTINATION: THE MOON. ON JULY 20TH, 1969, NEIL ARMSTRONG AND EDWIN "BUZZ" ALDRIN JR. BECAME THE FIRST MEN TO SET FOOT ON THE LUNAR SURFACE, AFTER MANY EXPERIMENTS, TEAM EFFORT AND DEDICATION.

go to
table of contents

IT'S ~~IM~~POSSIBLE TO TRAVEL AT THE SPEED OF SOUND

THE FIRST SUPERSONIC FLIGHT ON RECORD WAS MADE BY U.S. AIR FORCE CAPTAIN CHARLES "CHUCK" YEAGER, ON OCTOBER 14TH, 1947. YEAGER BROKE THE SOUND BARRIER IN THE BELL X-1 AIRCRAFT, WHICH HE CALLED "GLAMOROUS GLENNIS" IN HONOUR OF HIS WIFE, GLENNIS FAYE DICKHOUSE.

BENOîT LECOMTE IS A LONG DISTANCE SWIMMER, WHO HAS RECEIVED WIDE CREDIT FOR BEING THE FIRST MAN TO SWIM ACROSS THE ATLANTIC OCEAN WITHOUT A KICK BOARD IN 1998. HE DID THIS TO RAISE MONEY FOR CANCER RESEARCH AS A TRIBUTE TO HIS FATHER. DURING HIS 3,716 MILE JOURNEY IN 73 DAYS, HE WAS ACCOMPANIED BY A 40 FT. SAILBOAT THAT HAD AN ELECTROMAGNETIC FIELD TO WARD OFF SHARKS.

SWIMMING ACROSS THE ATLANTIC OCEAN IS ~~IM~~POSSIBLE

go to
table of contents

IT'S ~~IM~~POSSIBLE

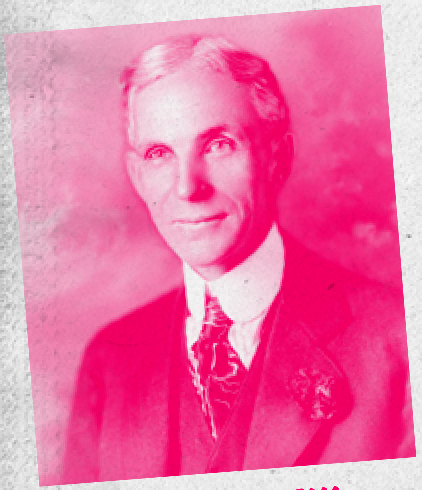
TO MANUFACTURE

AN AUTOMOBILE

THAT MANY

PEOPLE CAN

AFFORD



HENRY FORD HAD A DREAM. A DREAM OF BUILDING A NEW ENGINE FOR HIS AUTOMOBILES. HOWEVER, HIS PRODUCTION ENGINEERS CONTESTED THE EXISTENCE OF THIS ENGINE. BUT HENRY WOULDN'T TAKE "IMPOSSIBLE" FOR AN ANSWER. IF HE IMAGINED IT, THEN IT WOULD BE POSSIBLE. RESULT? THE IMPOSSIBLE BECAME REAL. HENRY FORD WAS THE FOUNDER OF THE FORD MOTOR COMPANY. HIS ASSEMBLY LINE PROCESS MADE MASS PRODUCTION OF AUTOMOBILES PRACTICAL AND CHANGED THE PERSONAL TRANSPORTATION INDUSTRY FOREVER.

IT'S

~~IM~~POSSIBLE

TO RUN

100M

UNDER

9.6 SECONDS

THE FASTEST HUMAN IN RECORDED HISTORY RUNNING THE 100M AT AN ASTONISHING 9.58 SECONDS MAY BE THE SECOND MOST IMPRESSIVE FEAT ACHIEVED BY JAMAICA'S USAIN BOLT. NOTABLY, BOLT IS NOT YET A LEGEND, BUT HE IS DEFINITELY THE BEST SPRINTER OF ALL TIMES!

DONE!

IT IS ~~IM~~POSSIBLE FOR BA TO COMPETE WITH BIG PLAYERS IN PRODUCT DEVELOPMENT

THE FIRST STEP WAS TO PRESENT TO THE MARKET ONE NEW PRODUCT DEVELOPED BY BA, EVERY WEEK. IN 2014, WE DEVELOPED MORE THAN 400 PROJECTS AND INTRODUCED INTO THE MARKET TWO NEW PRODUCTS PER WEEK. THIS WAS ONLY POSSIBLE OWING TO THE PEOPLE WITH DIFFERENT AND INNOVATIVE SKILLS WHO WERE BROUGHT TO OUR TEAMS AND WHO PROVED TO BE CAPABLE OF REPLYING TO THE MOST DEMANDING PROJECTS! DEVELOPING AND USING TOOLS TO REDUCE THE TIME-TO-MARKET, CREATIVITY AND KNOWLEDGE WERE THE ESSENTIAL KEY-FACTORS TO OVERCOME THIS.

go to
table of contents

ACHIEVED!

IT IS ~~IM~~POSSIBLE TO OFFER MORE THAN A 2D TECHNICAL DRAWING TO OUR CLIENTS

WITH A TEAM OF INDUSTRIAL AND PRODUCT DESIGNERS, TOGETHER WITH PROPER SOFTWARE, WE ARE ABLE TO SHOW TO OUR CUSTOMERS HOW THEIR FINAL PRODUCT WILL LOOK LIKE - WITH CONTENT, LABEL AND CAP/CLOSURE - THROUGH 3D/PHOTOREALISTIC IMAGES AND AUGMENTED REALITY. WITH THESE CUSTOMIZED PROJECTS, OUR CUSTOMERS ARE ABLE TO COMPARE THEIR NEW VIRTUAL BOTTLES WITH THE PHYSICAL ONES OF THEIR MAIN PLAYERS, ALLOWING THE BUSINESS TO BE MORE COMPETITIVE.

IT HAPPENED!

IT IS ~~I~~MPOSSIBLE

TO HAVE A

PROFITABLE PLANT

WITH ONLY ONE FURNACE

PRODUCING FOR THE BEER

SEGMENT

IT SEEMED IMPOSSIBLE TO HAVE A PLANT, EXCLUSIVELY DEDICATED TO THE BEER SEGMENT, PRODUCING BOTTLES AT A LOW PRICE, WITH A STANDARD LEVEL OF FIXED COSTS, BECOMING ONE OF THE MOST PROFITABLE PLANTS IN THE GROUP. IT HAPPENED!

NOW IT IS

~~I~~MPOSSIBLE

TO PRODUCE

THE CANTIL BOTTLE

IN A DOUBLE GOB

MACHINE

IT SEEMED IMPOSSIBLE TO PRODUCE THE CANTIL BOTTLE, IN THE DOUBLE-GOB MACHINE, DUE TO ITS DIAMETER. THE SIZE OF THE SECTIONS OF THE PRODUCTION MACHINE WAS NOT BIG ENOUGH BUT WE FINALLY MANAGED TO DESIGN MOULDS COMPATIBLE WITH THAT CONSTRAINT AND WE WERE ABLE TO PRODUCE IT IN DOUBLE GOB AND ACHIEVED A RELEVANT COST-SAVING, WHICH WE SHARED WITH OUR CUSTOMERS.

SOME TEAMS HAVE ALREADY ACHIEVED IT!

IT IS ~~IM~~POSSIBLE TO REACH ZERO ACCIDENTS WITHIN SUCH A COMPLEX INDUSTRIAL PROCESS

HAVING AN ACCIDENT IS NOT A QUESTION OF BAD LUCK! WITH AN EFFECTIVE SAFETY CULTURE EVEN A COMPLEX INDUSTRIAL GLASS PLANT CAN BE A SAFE PLACE TO BE. "ZERO ACCIDENTS" IS OUR TARGET: NOBODY SHOULD BE INJURED DUE TO AN ACCIDENT IN OUR PLANTS. WE HAVE NOT ACHIEVED IT YET, BUT WE ARE ON OUR WAY. WORKING IN ACCIDENTS PREVENTION ACTIONS IS THE KEY TO HAVE A SAFER PLACE TO WORK.

WE MADE IT POSSIBLE

IT IS ~~IM~~POSSIBLE TO WORK EFFICIENTLY WHEN WE ARE NOT IN THE SAME PLACE PHYSICALLY

NOT MANY YEARS AGO OUR TEAMS SHARED THE SAME PHYSICAL SPACES, OR AT LEAST THE SAME COUNTRY... NOW, THAT WE ARE SHARING TIME, EVERYTHING IS POSSIBLE! BY USING AVAILABLE COMMUNICATION TOOLS, WE SHARE INFORMATION AND IDEAS, ENRICHING THE DECISION PROCESS WITH DIVERSITY AND CULTURAL DIFFERENCES, ALLOWING THOSE TEAMS TO DEAL WITH THE GLOBAL CHALLENGES.

WE DID IT!

IT IS ~~IM~~POSSIBLE TO DO MORE PRODUCT CHANGEOVERS AND KEEP OR EVEN GROW THE PRODUCTION EFFICIENCY

SPECIALIZING LINES BY COLOR AND PRODUCTS, STANDARDIZING PROCESSES AND TOOLS, TRAINING AND IMPROVING THE JOB CHANGE TEAMS AND PROCESS.

IT IS ~~IM~~POSSIBLE TO SELL FAR AWAY

IN 2007 WE WERE EXPORTING 4% OF OUR PRODUCTION

TODAY WE ARE OVER THE 20%

IN ORDER TO OVERCOME OUR LACK OF INDUSTRIAL PRESENCE IN SOME MARKETS, BA INVESTED IN HAVING SALES DISTRIBUTORS AND A DEDICATED SALES FORCE IN THOSE MARKETS TO PERCEIVE THE MARKET FASTER. BY HAVING A PRODUCT PORTFOLIO WITH HIGHER ADDED VALUE, BA WILL BE ONE STEP AHEAD FROM THE LOCAL PLAYERS.

BA

BA

THERE IS

~~NO~~

ALWAYS A

WAY

LET'S PROVE THEM WRONG!

BA

WE WILL ~~NEVER~~ BE THE BEST AMONG THE LARGEST

customer

SATISFACTION INDEX

shareholder

EBITDA

human resources

SATISFACTION EVALUATION

WE WILL

~~NEVER~~

SET NEW GOALS AND ACHIEVE THEM

GET THERE

BA

2014 BA annual report

sustainability report

THOSE WHO HAVE CAUTIOUSLY DONE NO MORE THAN WHAT THEY BELIEVED POSSIBLE HAVE NEVER TAKEN A SINGLE STEP FORWARD

message from the chairman

IMPOSSIBLE JUST MEANS THAT WE HAVE NOT FOUND THE SOLUTION YET.

To all Stakeholders,

Last year, in this letter, I mentioned that the last quarter had shown some positive signs of economic recovery of the fustigated Iberian economies based on exports. In 2014, these signs were reinforced with a change, still timid, in employment from the summer in all the economies where we operate and in the last quarter, a recovery in domestic consumption in Spain, which seems to be the southern economy moving up more strongly. Also, in Poland a growth of more than 3% in GNP shows the ability of quick recovery, which is expected from a country with a business friendly tax system.

Unfortunately, the 2014 year end and early 2015 signs are somehow contradictory: a weaker Euro, supported by a programme of quantitative easing from the European Central Bank, and a strong decrease in oil prices, even if mitigated in most European countries by a heavy tax levy, should improve the economic outlook of Europe. But, if we look at the secondary impact in Portugal and Poland there may be some very negative effects: in Poland, the strong appreciation of the Swiss Franc will affect very significantly the disposal income of Polish consumers, and as for Portugal, the strong dismay of the Angolan economy caused by the weakening of oil prices will have a very negative impact on the Portuguese exports and thus, in its employment and economy.

In 2014, the consolidated accounts of the group show an increase in sales of more than 9%, which has been achieved with a strong growth of exports from the three regional operational platforms. This excellent commercial performance and the deleverage of the balance sheet enabled an improvement of 27.5% in net income, which reached the record level of € 85 million, or 16.7% of sales.

In spite of the growth in sales without deterioration of the average selling price and with full utilization of the capacity, in operational terms, we were not able to achieve all the potential impact of the operational leverage, with the growth of EBITDA staying also around 9%. This state of affairs will request a new focus in the operational performance to conquer new frontiers of excellence.

The integration of BA Glass Poland has continued and I am glad to witness the priority allocated by the Executive Board to make management and technical support available to the Polish operations, and the willingness of the Polish team to learn and critically integrate this knowledge. And these efforts resulted in an improvement of the operational performance of the Polish Division, where sales and EBITDA grew by 18% and 31% respectively, and in the accomplishment of the investment made in the Sieraków plant that was achieved very successfully, highlighting that there is nothing in Poland which prevents us from reaching demanding targets for the investment and startup periods.

The robust balance sheet of the group, its financial performance and the reinforcement of the top management team that took place in the last two years put the group fit to engage in acquisitions to support our growth. In 2014, the group participated in several bids without success. This year, we will continue attentive to opportunities that will be carefully studied.

Last year, I mentioned that all of us in BA Glass needed to adopt "a more flexible approach, questioning our preconceived ideas and our everlasting recipes" to adapt to the new requirements of our customers that were under pressure from a thin, and thus more competitive market. With the improvable operational results of this year I will reinforce this message: **we need to start a new adventurous and challenging voyage, questioning our preconceived ideas and recipes to respond in anticipation to our customers' needs and to achieve a quantum leap in the operational performance of the group.**

I want to thank our customers for their confidence, and promise them that we will continue investing and be better prepared with skills to help them design and prepare their product range for even more demanding markets.

My final word is to thank the BA Glass employees, in all geographies, for their dedication, but also to state on behalf of the shareholders, of the Board of Directors and on my own that we trust they will be able to engage with success in a transformational, albeit sometimes painful, process to take us to new levels of performance.

Avintes, January 30th 2015

BA

consolidated key figures

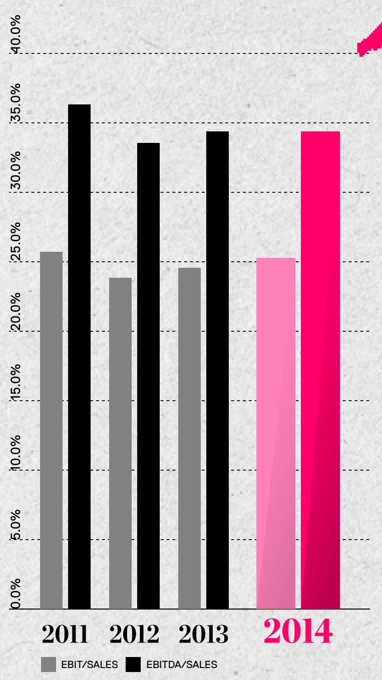
k.€	2014	2013
Turnover	514,968	472,125
Operating profit	130,069	115,957
Financial results	(17,394)	(21,097)
Net income	85,783	67,308
Cash flow	**132,666**	**113,638**
Operating cash flow	**176,953**	**162,287**

k.€	2014	2013
Net assets	715,662	730,195
Equity	295,872	206,212
Net debt	243,711	335,212
Net tangible fixed asset turnover	1.75	1.51
Net Debt / EBITDA	1.38	2.06
Interest cover ratio	12.6	7.7
EBITDA / Sales	**34.4%**	**34.4%**
EBIT / Sales	**25.3%**	**24.6%**
Number of employees	2,194	2,230
Sales / Employee	234.7	211.7

THERE ARE NO INSUPERABLE BARRIERS

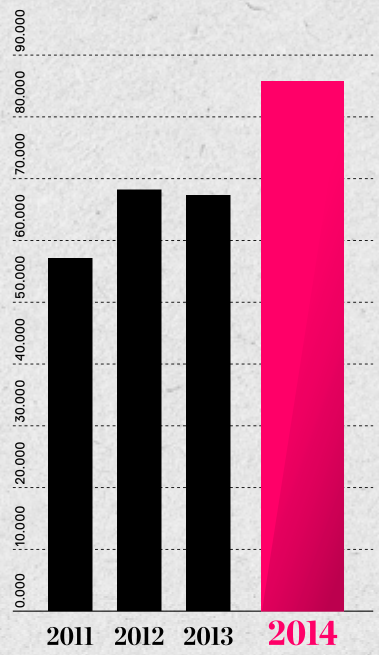
ebit/sales + ebitda/sales

[%]



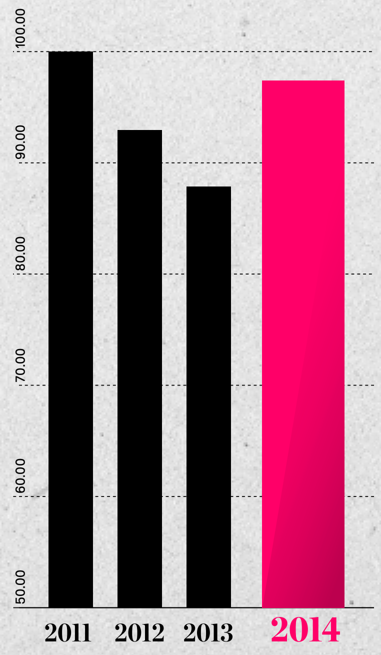
consolidated net income

[k.€]

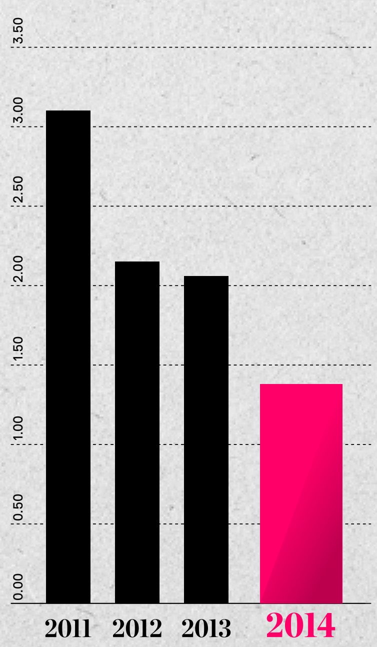


sales *per* capita

[basis 100 = 2011]



interest-bearing debt/ebitda



DIFFICULT THINGS TAKE A LONG TIME, IMPOSSIBLE THINGS TAKE A LITTLE LONGER

BA glass group

NL
BA GLASS B.V.

100% PT
BA GLASS I
Serviços de Gestão e Investimentos, S.A.

PL 80%
BA GLASS POLAND
SP. Z O.O.

90,11% PT
BA VIDRO
S.A.
(own shares - 9,89%)

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 de Vidrio, S.A.U.

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

shareholder structure

BA GLASS B.V. SHAREHOLDERS	SHARES	% SHARE CAPITAL AND VOTING RIGHTS
Fim do Dia, SGPS, S.A. Company indirectly majority-owned by Carlos Moreira da Silva and by the Silva Domingues family	17,064	47.40%
Bar-Bar-Idade I, SGPS, S.A. Company owned by Carlos Moreira da Silva	9,468	26.30%
Atanágoras, SGPS, S.A. Company owned by the Silva Domingues family	9,468	26.30%
TOTAL	**36,000**	**100%**

BA group macro-structure

BOARD OF DIRECTORS

EXECUTIVE BOARD [EB]

market & planning
investments
product development
process development
people development

finance, consolidation & management control
quality and H&S
IT
strategic procurement
legal & communication

IBERIAN DIVISION
Iberian MD

POLISH DIVISION
Poland MD

PLANTS

IBERIAN DIVISION
Avintes
Marinha Grande
Villafranca De Los Barros
León
Venda Nova

POLISH DIVISION
BA GLASS POLAND 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)*
Sandra Maria Santos *(CEO)*
Álvaro Cuervo Garcia
Alfredo José Pereira
Angel Luis Díez
Francisco Silva Domingues
Jakub Hoch
José Ignacio Comenge
Jorge Alexandre Ferreira
Leslaw Kanski
Mário Pereira Pinto
Pedro de Araújo Lopes
Pieter Hallebeek
Reinaldo Coelho
Rita Silva Domingues
Rokin Corporate Services B.V.

EXECUTIVE BOARD

Sandra Maria Santos *(Chairman)*
Abelardo López
Alfredo José Pereira
Filip Drofiak
Javier Teniente
Pedro de Araújo Lopes
Reinaldo Coelho *(MD Poland)*

DEPARTMENTAL DIRECTORS

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

annual management report

NOT BEING EASY, DOES NOT MEAN THAT IT IS IMPOSSIBLE!

Introduction

To the Shareholders,

In compliance with the law and the company's articles of association of BA Glass B.V. (together with its subsidiaries "BA" or "group"), we hereby present the 2014 Annual Report and Consolidated Accounts.

The year 2014 started under a scenario of many uncertainties, but also showing signs of hope regarding the future of Europe and the recovery of its economies most impacted by the crisis.

Consumption seemed not to emerge, extremely influenced by the high level of unemployment, and the aggressive tax policies introduced in most European countries. The increment in exports, both from Portugal and Spain, was the great or perhaps the only engine for those economies. Angola was presented as an alternative giving the opportunity to sell the production of many Portuguese companies there. In Poland, on the other hand, after the weak growth of the domestic product and the consumption in 2013, the scenario was somehow optimistic, with growth forecasts of the GDP of around 2%.

Regarding the financial sector, the signs began to be positive. Most European banks showed signs of improvement in their results and balance sheets structure, and the stress tests to the solvency ratios proved that there were conditions to refinance the economy. Confidence levels and the availability of capital and liquidity in the markets increased throughout the year, providing the support to finance investment opportunities and asset purchases. The glass-packaging industry followed this trend and across the year we verified the trading of some companies.

However, in Europe and in general, the production capacity of glass containers overpassed the demand. Stocks raised strongly, the working capital levels increased significantly, and the pressure on the margins was accentuated, not contributing to the upturn in the industry.

In BA, the scenario was not much different. The sales in Portugal were strongly supported by the exports of our customers. In Spain and France, the pressure on sales prices was very strong, a situation that worsened at the end of the year. In Poland, after a very difficult first quarter in the Spirits segment, affected by the significant increase in taxes on vodka (which led our customers to increase their level of stocks in the last part of 2013), the year ended with a higher performance than what had been expected. The activity in Poland was also not immune to the crisis in Ukraine and in Russia, which are the target markets for many of their products, mainly on the food segment.

The investments made in previous years and the strong focus on export markets, enabled BA to mitigate the adverse effects of the economic depression and uncertainty. Additionally, we made, in 2014, another investment in Poland, with the rebuilt of the second furnace, a more efficient furnace, which will serve as a leverage to the Spirits segment in the Polish and international market.

The year ended with a growth of 9.1% in turnover, with the export markets being the booster of this growth. For the first time in several years, the average sales price of the group did not increase, which made the task of improving the profitability an even greater challenge.

On our innovation activity, the number of projects of new products developed recorded a growth of 26.0 % when compared to 2013 (421 new projects in 2014 against 334 in 2013) of which 104 were launched on the market. Innovation and improvement projects with our customers continued to be the tool to strengthen the relationship that goes beyond the simple gesture of buying and selling bottles and jars.

Our customer portfolio continues to grow, which, on one hand, brings more complexity to the production planning and logistics management, but on the other hand, increases the range of opportunities. We are assured that, this is one of the ways to create more value and ensure the sustainability of the business.

In the Iberian plants, the year was marked by the consolidation of the improvements of the investments made in previous years. It was also the year of reorganization and renewal of the middle management. The Iberian team was also a support to the investments and to the improvement actions developed in the Polish operations.

In the Polish plants, the year was once again focused in investments and major changes in management teams, with the integration of very young managers that carry the necessary ambition and determination to embrace a plan, which we believe to be ambitious. According to the investment plan mapped out in 2012, an investment in rebuilding a second furnace was completed, this time in the plant of Sieraków during the last quarter of the year. The start-up of this furnace was fairly smooth and it has presented values of efficiency and quality that should be a reason of satisfaction to the local team. The Jedlice plant registered an upward trajectory, throughout the year, from the most difficult and less successful start-up occurred in 2013. Several improvements were introduced and there are indicators that make us believe that 2015 will be the year of consolidation and preparation of this plant for the next investment.

The whole organization was focused in finding more effective solutions both on the production and customer satisfaction levels,

WE WILL GET THERE!

IT IS IMPOSSIBLE TO OVERCOME RECORDS ON A DAILY BASIS allowing an improvement in operational profitability. The operational cash-flow (EBITDA) presented a growth of 9.0% amounted to EUR 177.0 million and the operational income (EBIT) improved 12.2% reaching EUR 130.1 million, which represents margins on sales of 34.4% and 25.3%, respectively.

Once again, the group ended the year with a strong balance-sheet structure, with assets of EUR 715.7 million and net debt of EUR 243.7 million, presenting an equity ratio of 41.3 % and a net debt/EBITDA ratio of 1.38.

Throughout the year, the group studied several investment opportunities regarding the acquisition of companies in the industry, both inside and outside Europe, pursuing the dream of growing and finding an alternative to invest the cash-flows that the business generates, and taking the opportunity generated by the current financial strength of its balance-sheet structure. Some proposals were made, which were not possible to materialize. We believe that the ambition to grow cannot inebriate us during the decision process, regarding the value to assign to each opportunity.

The financial results increased EUR 3.7 million when compared to the previous year, due to the reduction of both debt and interest rates. The consolidated results before and after taxes amounted to EUR 112.7 million and EUR 85.8 million, presenting a growth of 18.8% and 27.4%, respectively, when compared to the previous year.

With regards to certifications, all the plants have the ISO9001:2008, ISO14001:2004 and FSSC22000:2011 certifications.

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

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.

IT IS IMPOSSIBLE TO HAVE ALL CUSTOMERS 100% SATISFIED

WE ARE WORKING ON THAT!

Commercial activity

It was in a context of stagnation of the European economy, economic activity downturn and a price development close to deflation, reflected in the slowdown of internal consumption in most of the countries where the group operates, that BA developed its commercial activity in 2014.

The consolidated sales reached a total of EUR 515.0 million, which meant a growth of 9.1% when compared to the previous year. Once again the export markets were the engine of growth, where BA increased 13.2%, and in Central Europe increased 10.4% in Poland and in Germany.

BA's main markets continue to be France, Italy, Germany and the countries in Northern Africa, which means that the sales out of Iberia and Poland already represent 21.0% of the total consolidated sales of BA. The main consumption segments were Food & Oil with 35% and Beer with 22%, followed by the Wine segment with 22%, Softdrinks with 11% and Spirits with 10%.

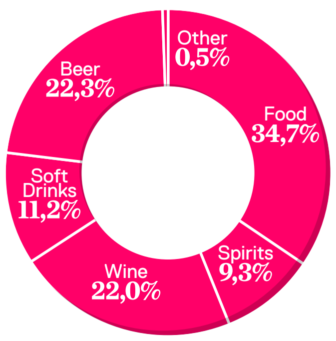
At the group level, the main growth occurred in the Food & Oil and Wine segments, boosting the complementarity and synergies of the Iberian and Polish operations together with the big multinational and international groups. To highlight the fall of 4.1% in the Spirits market in Poland justified by the significant increase in taxes on the vodka.

In 2014, BA had more than 900 active customers, of which 85 represent 80% of the sales. There was a slight dilution on the degree of concentration in type-A customer, expanding the customer portfolio to smaller customers.

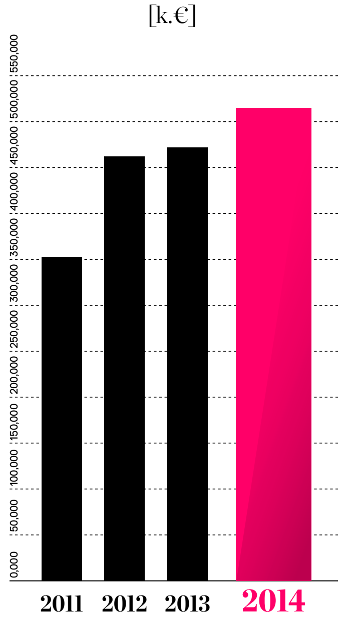
Following our purpose of adding value to the customers, the group continued to contribute to the methodology of "Challenge to Innovation", challenging the entire supply chain of our relationship with customers. Starting with the cost-cutting production projects, which focus on the reduction of the products' weight, secondary packaging consumption and transport optimization, this is the way of intervention in the value chain together with the major customers, leading to an increase in competitiveness and to further reduce time-to-market. In particular, in 2014, 421 new projects were developed, which represent 8 new models a week.

It was with great delight that we encountered, through the customer satisfaction poll conducted in 2014, that the group's value offer was very well received by its customers, both in comparison to last year's performance and the performance of our competing suppliers.

Segment sales 2014
[%]



Turnover
[k.€]



Industrial activity

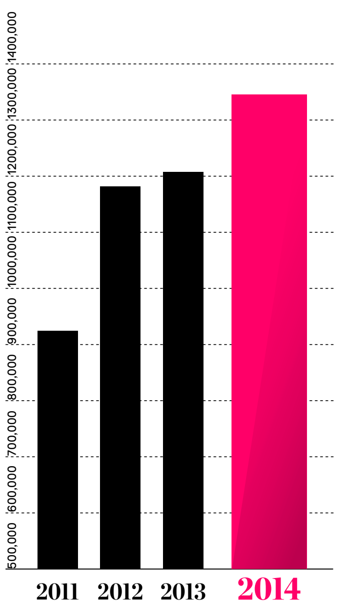
During 2014, the group was focused on the constant improvement of efficiency, quality and service towards its customers. We can state that, in general terms, all BA plants registered improvements in the most relevant operational performance indicators. To be highlighted this year, was the reconstruction of one of the furnaces in the Sieraków plant.

In the Avintes plant, historic records were surpassed this year in almost all main operational indicators, in spite of the changes that had been carried out regarding the layout of one of the furnaces.

The Marinha Grande plant also followed the line of results improvement in 2014. A special note to the historic records reached in flexibility and customer service, as well as on the constant efficiency improvement of the plant. It is imperative to acknowledge that this year was marked by important changes with regards to the organization of the plant.

Regarding the Villafranca de los Barros plant, this year was a year of consolidation, both in terms of results as well as the training of new working teams, after the start-up of the new furnace in 2013. The results show that the plant is utterly stabilized and assures constant improvements in the main operational performance indicators.

Net production
[tons]



At the Léon plant, despite the small intervention in one of its furnaces, the year was marked by a general improvement in all operating indicators, when compared to the preceding year, with special focus on the excellent evolution of customer service, reaching an absolute record in this indicator.

Regarding Venda Nova, 2014 was a year of growth in all activity key-indicators, reaching new records in almost all of them. The intense effort in training carried out in the first half of the year was crucial in the outcome.

With regards to the Sieraków plant, an investment in the reconstruction of the furnace 3 with state-of-art production technology was carried out, which will improve productivity and product quality control, and decrease the energy consumption. During the first half of 2014, it is imperative to highlight the excellent effort which was undertaken by this plant while preparing the new investment, training the personnel and developing the production teams, which resulted in a smooth start-up at the end of the year.

Regarding the Jedlice plant, following the investment and the start-up of one of the furnaces in 2013, the year was of consolidation and growth in all activity key-indicators. Also relevant to point out was the improvement on the customer service index, which is the indicator with greater importance due to the increase of more demanding markets and customers in the plant portfolio.

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, and energy consumption, whilst also serving as the starting point for laying down guidelines for the process of implementing changes and investment planning.

With regards to Logistics, the main challenge was the growing complexity of its operations, delivering more pallets to faraway places, in time and in good conditions.

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 treatment of waste in order to get glass that will be used in our furnaces and the complete recycling the glass, that will ensure the quality of the final product. Finally, Moldin, whose activity is the repair of moulds, has proven to be almost consolidated, having reached a substantially better performance than in the previous year.

The group proceeds with the strategy of improving the efficiency and the service to customers pursued for several years, making changes to its organizational processes, following in-house and external benchmarking initiatives and continuously monitoring its critical business processes.

IT IS
IMPOSSIBLE
NOT
TO HAVE
STOCKS
AND
PRODUCE
JUST
IN TIME

HOW HARD CAN IT BE?

go to table of contents

Human Resources

Rethinking and redesigning work processes in a group with an international presence were the basis of the many activities and projects conducted in the year 2014. The consolidation of corporate teams and definition of its roles were critical in order to manage diversity, develop the teamwork, which is increasingly being done from distance, and meet the challenges of a growing organization.

The people assessment and career development processes have gained a new perspective: the international one. The supporting models were reviewed and, besides having a domestic dimension (which gauges talent at the local context), an international dimension was included (which gauges the ability of transmitting values and culture in an international context) looking for what we call the “BA ambassadors”. After recent changes in the macro structure of the group, the reinforcement of the development of leadership skills in younger managers was inevitable. The preparation of a next generation of talents on a global scale is now a priority.

At the end of the year, the group had a workforce of 2.194 employees, including 1.013 in Portugal, 539 in Spain and 642 in Poland, keeping slightly the same

WE CAN DO IT!
CAN'T WE?

IT IS IMPOSSIBLE TO HAVE ALL EMPLOYEES 100% MOTIVATED

structure shown in the previous year. Despite the similarity of numbers, the team restructuring led to an increase of the rotation ratio, mainly in the Polish plants. Employer branding campaigns, together with the schools and the local communities, allowed several recruitment processes to be performed. The attraction of talents from vocational schools and universities continued to be of great importance within the group, which, in 2014, accepted more than 60 interns.

The year of 2014 was marked by the preparation and development of action plans that resulted from the Organizational Climate Survey which was undertaken at the end of 2013, and for the first time, extended to the Polish units. It is relevant to state that employees voluntarily and confidentially gave their opinion on topics such as strategy, commitment, working conditions, human resources policies and leadership.

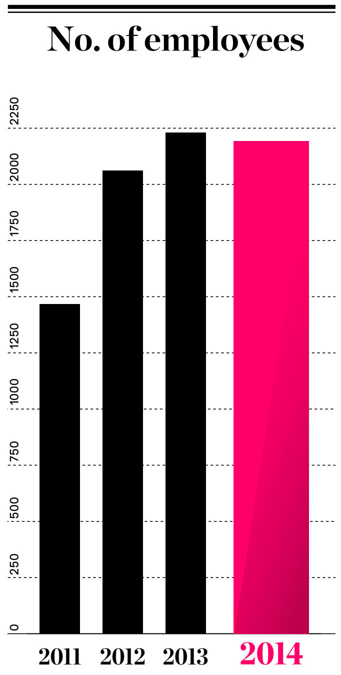
The investment in training amounted to 36.251 hours, a lower number when compared to the preceding year (which was due to the training programs to prepare the employees at the Villafranca de los Barros plant) but 65% higher when contrasting to the number in 2012. This rise is essentially due to the focus on training programs in technical areas within the Polish plants. It is vital to state that the high number of hours of training obtained by the young Polish engineers in the Iberian plants, was a way of development, not only technically but also in management skills, and a way of rapidly acquiring the BA methodologies and procedures.

The growth of the group, the geographical dispersion, as well as the need to increasingly develop more people, so that they can be a lever to that growth, lead to the need for structuring and consolidating some processes and developing a “BA learning academy” which will give its first steps in 2015.

The implementation of English as the official language of the company from the year 2016, as a way to surpass the language barriers, led to a reinforcement of the English language classes, with full or part time trainers available in all geographies, and whose goal is to grant the employees the tool to deal with the challenges inherent in working in a cross-border company.

As it is a common practice, and one of the key policies on the management of human resources, the exchange of roles remained in 2014, and the dimension of such changes increased on a geographical point.

The year ended with the rate of absenteeism higher than the previous years (4.0% in Iberia and 7.6 % in Poland). The evolution of this indicator led to specific plans and actions, aiming to analyse the causes and carry out short-term



actions for each unit, in order to reduce this number.

Despite the reduction of 39 to 33 accidents with loss of time in the year 2014, the “Zero Accidents” goal was not achieved. The restructuring of the teams and the reinforcement of the working groups devoted to this problem were some of the measures taken, in order to work increasingly harder in the implementation of a culture in order to lead employees’ actions towards Safety.

Investments

In 2014 consolidated investments in tangible fixed assets amounted to EUR 30.2 million (2013: EUR 85.5 million).

In Poland, the most important project was made at the end of the year 2014 in the Sieraków plant, with an intermediate repair performed in furnace 3. This was the opportunity to provide the plant with significant improvements, regarding energy consumption through an upgrade in the design of the furnace and also, a renovation of the plant systems. The productivity of the plant incremented as a result of the increased size of the production machines.

The constant concern about improving the quality of produced bottles and jars resulted in an additional investment in automatic inspection machines in some plants.

The year 2014 was also dedicated to research, tests and investments in order to reduce the CO_2 emissions, as a way to lessen the environmental impact of the activity of the group.

Innovation & Development

BA regards innovation as a continuous task of adding value to its customers. For that, it is crucial to have an integrated study of the value chain in order to optimize the resources used. It is also fundamental that all existing skills in BA and at the customer may be involved in a systematic manner, so that the innovation projects are assessed in different perspectives. In 2014, under the subject of innovation, several groups with specific themes and projects were constituted, meeting monthly.

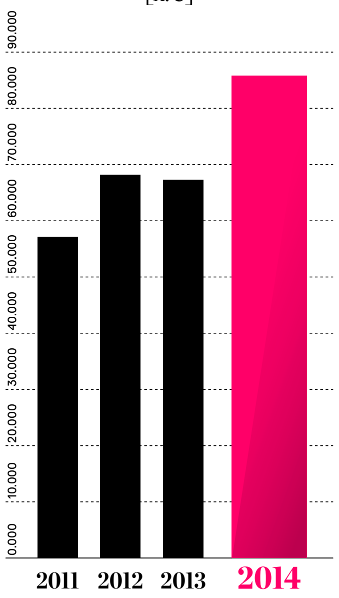
In 2015, it is our aim to integrate more customers into this process, as well as stimulate the interdisciplinary of our innovation teams.

The goal of our customers in looking for the perfect design for their product, challenges us to search for the balance between the performance of the packaging, its weight and the best logistics service to deliver those products. Only with all these challenges are we able to achieve BA's Innovation Model.

We also felt the need to stimulate creativity while designing the packaging, and so, we promoted, for the third consecutive time, a design competition together with universities in several countries under the name *Glassberries*. This initiative, to continue in the years that follow, aims to bring students from university into the glass industry and, simultaneously, bring innovative and frankly disruptive ideas into our organization. In the end, all this work is available to our customers.

As a result of the expansion to new markets, following the acquisition of the Polish plants, the group's teams consolidated its know-how in the development of packaging for the spirits premium segment, which comprises a bold design with great visual impact. In 2014, the learning process continued, allowing us today to be better prepared for the multiple segments of our markets.

Consolidated net income
[k.€]



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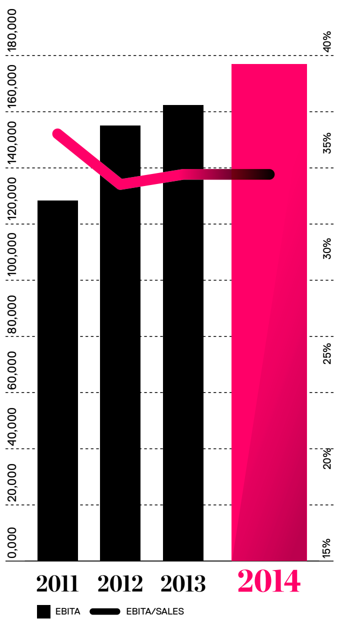

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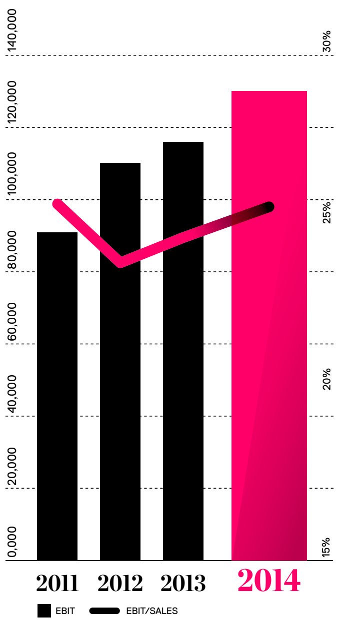


go to table of contents

This year, there were, once again, several records in the product development area. We grew 26.0% in the development of new projects, as well as a 15.5% raise in new models produced, as a natural consequence of the access to new markets and customers.

Also, *BAdesign* has proved to be an increasingly useful tool in the usage of a more differentiated technical know-how and the offer of an innovative vision, resulting in a significant added value to our customers. The importance of this service was recognized in the award received in 2014 at the World Beverage Innovation Awards for the Best Bottle in Glass, with the bottle Original Tonic Bottle, from the *Magnifique Brands*.

The results achieved in 2014 are a confirmation of a market that is constantly changing, increasingly demanding in time-to-market and in added value, which BA knows how to correspond to. We are prepared for this evolution, always ensuring a tight bond with the created value for our customers.

Results

The year 2014 followed the trend of the increase of the prices of the main production factors, mainly raw materials and energy as already occurred last year. The high cost of the raw materials and energy forced the group to seek for improvements in the plants' efficiency in order to offset its negative impact.

With regard to investments, the greatest impact on the accounts was caused by the reconstruction of one of the furnaces in Sieraków, with EUR 13 million spent.

Hence,

- The operating cash flow (EBITDA) remained at interesting levels, amounting to EUR 177.0 million, EUR 14.7 million more than in 2013. The EBITDA margin was kept at 34.4% of sales, the same margin achieved in 2013;
- Operating profit (EBIT) amounted to EUR 130.1 million, equivalent to 25.3% of sales, EUR 14.1 million more than in 2013, which means a 0.7 p.p. increase;
- The net tangible assets turnover reached 1.75x, slightly higher than in 2013;
- The productivity of labor workforce increased by 10.9%. This ratio had not increased for the last two years and was mainly influenced by the increase of production by 11.4%, when compared to the last year. The restructuring of Polish plants hasn't ended yet;
- Consolidated net financial results reached EUR 17.4 million, against EUR 21.1 million in 2013, being this reduction partially a result of the debt reduction and interest rates;
- Income before taxes amounted to EUR 112.7 million (2013: EUR 94.9 million) and the net income totaled EUR 85.8 million (2013: EUR 67.3 million), 16.7% of the sales.

Assets & Financial Analysis

In 2014, the consolidated assets decreased to EUR 715.7 million (2013: EUR 730.2 million). In this figure, fixed assets represented 41.2%.

The working capital stood at 19.3% of sales, a higher value than the previous year, mainly due to the increase in the level of inventories and trade receivables.

At the end of the year, the total liabilities were of EUR 419.8 million, which represents EUR 104.2 million less than the previous year, whereas the group's net interest-bearing debt amounted to EUR 243.7 million (2013: EUR 335.1 million), as a result of the debt reduction in the year. It should be noted that the group's liabilities already take into account the possible exercise of the put option by the minority shareholders of the Polish company.

The net debt / EBITDA ratio presents a value of 1.38 (2013: 2.06) and the group's equity ratio rose to 41.3% (2013: 28.2%) of assets.

Outlook

The last three months of 2014 were marked by the strong reduction in the price of the Brent, that from a price of $110 in June, reached $50 at the end of the year. The trend of deflation accentuates in Europe, and Eurozone ends the year with a negative inflation. In Spain the inflation rate reached for the first time a negative number, minus 1.0%, in Portugal minus 0.3% and in Poland the inflation rate was zero.

The threat of a deflation process is tremendous, mainly when associated with an economic recession period. Nevertheless, the expectations are high. A weaker Euro turns exports from Europe more competitive, mainly to the United States (EEUU), a region which maintains quite interesting growth rates. If the reduction in the price of the Brent is reflected in the reduction of the energy costs, it will increase the competiveness of the industry. If the consumption and investment finally take off, stimulated by greater availability of liquidity and employment and greater confidence in the future, then they will be the biggest overcomer of the recession which has been plaguing Europe for the last years.

If the optimistic macroeconomic scenarios are accomplished, the excessive offer in our industry will not be surpassed, but it will certainly be mitigated. We believe that in this context of unbalanced market, BA owns the vital tools and resources to protect its sustainability and continue to be the preferred partner among many of its customers.

If the low, or negative, inflation rates are not reflected on the reduction of raw materials and energy prices and, at the same time, encourage the reduction of the packaging selling prices, only the reinvention of our processes and methodologies will enable the protection of our results. A big revolution will not be needed, but, certainly a thinner revolution, based in details and overcoming some paradigms, where the impossible becomes possible.

The growth of the group is based on the sustainability of the current business and the confidence of our shareholders, both in our ability to manage new challenges, as well as generating positive results.

The group will continue to dedicate effort to grow in other geographies, accompanying many of their customers who operate in the global market and recognize BA as one of their reference partners. Innovation, service and consistency have been the key to this trust.

The development of abilities and skills of our employees and the creation of opportunity, are the priorities in BA. The share of good practices and methodologies across the group depend on them. The active search for solutions and commitment, which create a transparent and trusting relationship with all the employees, will be rewarded with their engagement and dedication.

The interactive relationship with the local communities, mainly with the institutions devoted to training and development for the youth, is the contribution of the group to the enrichment of the society. The accomplishment of the environmental targets is also our way to contribute to a better quality of life of our local communities and to the society as a whole.

The company pursues a policy to appoint a well-balanced mix of women and men to its board. New Dutch legislation, effective per January 1st 2013, requires companies to pursue a policy of having at least 30% of the seats on the board held by men and at least 30% of the seats held by women. This rule will cease to have effect on January 1st 2016. The board believes it is making progress in implementing this policy. The board strives to continue this trend and give appropriate weight to its diversity policy in the nomination and appointment process of future vacancies also at the level of the board, while taking into account the overall profile and selection criteria for appointments of suitable candidates to the board.

go to table of contents

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's satisfaction 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.

IT IS
IMPOSSIBLE
TO REACH
~~99%~~
OF REALLY?
PRODUCTION
EFFICIENCY

BA

consolidated financial statements

MOST OF THE THINGS WORTH DOING IN THE WORLD HAD BEEN DECLARED IMPOSSIBLE EVEN BEFORE THEY WERE DONE.

go to table of contents

Consolidated Statement of Financial Position

[amounts expressed in euro]

ASSETS	NOTES	DEC 31, 2014	DEC 31, 2013
NON CURRENT ASSETS			
Goodwill	6	187,840,116	190,799,108
Intangible assets	7	233,142	422,129
Property, plant and equipment	8	294,927,199	312,944,752
Financial investments	9	607,798	524,227
Investment properties	10	4,565,126	4,732,961
Other non-current assets	11	11,141,004	15,171,956
Deferred tax assets	12	3,856,311	5,825,435
		503,170,696	**530,420,570**
CURRENT ASSETS			
Inventories	13	78,965,465	68,275,986
Trade receivables	14	94,725,272	85,670,881
Other current debtors	15	16,863,237	23,270,260
Other current assets	16	390,733	1,033,187
Cash and short term deposits	17	21,547,025	21,523,806
		212,491,731	**199,774,119**
TOTAL ASSETS		**715,662,427**	**730,194,689**

EQUITY AND LIABILITIES	NOTES	DEC 31, 2014	DEC 31, 2013
Issued capital	18	36,000	36,000
Legal and other reserves	18	36,878,923	35,824,975
Retained earnings	18	173,480,863	103,389,563
Profit for the year		85,475,833	66,961,493
Equity attributable to equity holders of the parent		**295,871,619**	**206,212,030**
Non-controlling interests		-	-
TOTAL EQUITY		**295,871,619**	**206,212,030**
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	152,488,392	184,059,634
Provisions	20	2,423,473	2,676,240
Other non current liabilities	19.2	22,492,273	28,274,948
Deferred tax liabilities	12	14,818,242	17,138,340
		192,222,380	**232,149,163**
CURRENT LIABILITIES			
Interest-bearing loans and borrowings	19	112,769,902	172,676,882
Trade payables	21	74,297,044	70,191,935
Other payables	22	7,376,686	11,097,735
Other current liabilities	23	33,124,797	37,866,944
		227,568,429	**291,833,496**
TOTAL EQUITY AND LIABILITIES		**715,662,427**	**730,194,689**

Consolidated Statement of Profit or Loss

[amounts expressed in euro]

	NOTES	DEC 31, 2014	DEC 31, 2013
CONTINUING OPERATIONS			
Operating revenue			
Sales and services rendered	24	514,967,851	472,124,597
Changes in finished goods		12,827,726	8,196,819
Other operating income	25	7,184,395	7,330,663
		534,979,971	**487,652,079**
Operating expenses			
Cost of sales		182,913,651	165,355,385
Supplies and external services		111,829,092	98,658,393
Personnel costs		61,137,894	58,384,163
Depreciation	7 / 8	47,205,008	46,290,459
Provisions		(321,142)	39,782
Other operating expenses	26	2,146,460	2,967,216
		404,910,964	**371,695,398**
Operational cash flow (EBITDA)		**176,952,874**	**162,286,922**
Operating income (EBIT)		**130,069,007**	**115,956,681**
Financial result	**27**	**(17,394,185)**	**(21,096,860)**
Profit before tax from continuing operations		**112,674,822**	**94,859,821**
Income tax expense	28	26,892,196	27,551,806
Profit for the year from continuing operations		**85,782,625**	**67,308,014**
Profit for the year		**85,782,625**	**67,308,014**
ATTRIBUTABLE TO:			
Equity holders of the parent		85,475,833	66,961,493
Non-controlling interests		306,792	346,522
Earnings per share			
Basic		**2,374.33**	**1,860.04**
Diluted		**2,374.33**	**1,860.04**

Consolidated Statement of Other Comprehensive Income

[amounts expressed in euro]

	NOTES	DEC 31, 2014	DEC 31, 2013
Profit for the year		**85,782,625**	**67,308,014**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(2,132,779)	(1,147,797)
Income tax effect		-	-
Fair value gains (losses) on cash flow hedges	19	87,441	169,893
Income tax effect		(26,381)	(60,606)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(2,071,719)**	**(1,038,510)**
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		5,782,675	6,032,249
Income tax effect		-	-
Other		166,007	(110,837)
Income tax effect		-	-
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**5,948,682**	**5,921,412**
Other comprehensive income for the year, net of tax		**3,876,963**	**4,882,902**
Total comprehensive income for the year, net of tax		**89,659,589**	**72,190,917**
Attributable to:			
Equity holders of the parent		89,779,352	72,073,954
Non-controlling interest		(119,763)	116,963

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, 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**
As at January 1, 2014	**36,000**	**30,262,640**	**103,389,563**	**66,961,493**	**5,562,334**	**206,212,030**	**-**	**206,212,030**
Profit for the year	-	-	-	85,475,833	-	85,475,833	306,792	85,782,625
Other comprehensive income	-	-	6,009,742	-	(1,706,223)	4,303,519	(426,556)	3,876,963
Total comprehensive income	**-**	**-**	**6,009,742**	**85,475,833**	**(1,706,223)**	**89,779,352**	**(119,763)**	**89,659,589**
Put option granted to non-controlling interests	-	-	(119,763)	-	-	(119,763)	119,763	-
Dividends	-	-	-	-	-	-	-	-
Appropriation of prior year net profit	-	2,760,171	64,201,321	(66,961,493)	-	-	-	-
As at December 31, 2014	**36,000**	**33,022,811**	**173,480,863**	**85,475,833**	**3,856,111**	**295,871,619**	**-**	**295,871,619**

go to table of contents

Consolidated Statement of Cash Flows

[amounts expressed in euro]

	DEC 31, 2014	DEC 31, 2013
CASH FLOW STATEMENT - OPERATIONAL ACTIVITIES		
Receipts from customers	517,462,722	484,743,690
Payments to suppliers	(291,523,365)	(262,118,179)
Payments to personnel	(59,146,258)	(58,126,831)
Cash generated from operations	**166,793,098**	**164,498,680**
Payment / (reimbursement) of corporate income tax	(32,951,219)	(32,228,189)
Other (proceeds) / payments relating to the operating activity	1,136,636	671,672
Cash flow from transactions (1)	**134,978,515**	**132,942,163**
CASH FLOW STATEMENT - INVESTING ACTIVITIES		
Receipts from:		
Financial investments	-	445,292
Fixed assets	1,224,320	850,633
Investments subsidies	6,153,657	1,776,981
Other assets	-	-
	7,377,977	**3,072,906**
Payments related to:		
Financial investments	(3,499,755)	(460,537)
Fixed assets	(26,799,046)	(82,759,324)
Other assets	-	-
	(30,298,801)	**(83,219,861)**
Cash flow from investing activities (2)	**(22,920,824)**	**(80,146,954)**
CASH FLOW STATEMENT - FINANCING ACTIVITIES		
Receipts from:		
Loans	151,095,809	137,578,454
Investments subsidies	275,579	3,278,815
Interests received	190,705	1,399,318
Other financing activities	-	-
	151,562,093	**142,256,587**
Payments related to:		
Loans	(251,717,674)	(152,710,801)
Interest and similar expense	(11,559,967)	(16,485,747)
Dividends	-	(25,000,000)
Capital decrease and other capital instruments	-	-
Other financing activities	-	(294,945)
	(263,277,641)	**(194,491,492)**
Cash flow from financing activities (3)	**(111,715,548)**	**(52,234,905)**
NET CASH FLOW VARIATION FOR THE YEAR (4)=(1)+(2)+(3)	**342,143**	**560,303**
CONSOLIDATED NET CASH FLOW VARIATIONS FOR THE YEAR	**342,143**	**560,303**
NET FOREIGN EXCHANGE DIFFERENCES	**(318,924)**	**(170,441)**
CASH AND ITS EQUIVALENTS AT THE BEGINNING OF THE YEAR	**21,523,806**	**21,133,943**
CASH AND ITS EQUIVALENTS AT THE END OF THE YEAR	**21,547,025**	**21,523,806**
Notes to the Consolidated Cash-flow Statement:		
Cash	23,342	17,978
Short term bank deposits	21,523,683	21,505,828
Cash and its equivalents	**21,547,025**	**21,523,806**

BA

notes to the consolidated financial statements

1 · corporate information

The consolidated financial statements of the BA Glass B.V. (hereinafter the "Company") for the year ended December 31st, 2014 were authorized for issue in accordance with a resolution of the directors on February 12th, 2015.

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. It also 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 in 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 BA Glass Poland 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.

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, 2014.

Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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 amortized 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. Unrealized 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 amortized, 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 licenses 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 licenses, do not give rise to recognition of any asset or liability;
- Purchased permits are accounted for at 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 with no impact in the group's operations till the end of December 2014. From this year the group will have to account for the acquisition of additional emission rights to cover the needs.

[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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized 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 group discloses information about the fair value measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal and about the discount rates that have been used when the recoverable amount is based on fair value less costs of disposal using a present value technique.

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, 2014 and 2013 the group has no financial assets classified under this category.

- **Loans and receivables**

This category is the most relevant to the group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization 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 for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

- **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 amortized cost less impairment.

As at December 31st, 2014 and 2013 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, 2014 and 2013 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 reorganization 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 amortized cost

For financial assets carried at amortized 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, 2014 and December 31st, 2013, 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 amortized 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 amortization process.

Amortized 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 amortization 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.

[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:

Currency	Exchange rate as at December 31st, 2014	Exchange rate as at December 31st, 2013
American Dollar (USD)	1.217	1.379
British Pound (GBP)	0.783	0.834
Polish Zloty (PLN)	4.262	4.147

[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 realizable 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.

[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 utilized.

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] 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;
- 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 amortized 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 capitalized 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] Fair value measurement

The group measures financial instruments such as derivatives at fair value at each balance sheet date.

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.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

[V] 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.

[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 31st December 2014 year-end.

The following new standards and amendments to existing were applicable from January 1st, 2014:

- 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;
- 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, including the following key points:

- An investor is any party that potentially controls an investee; such party need not hold an equity investment to be considered an investor;
- An investor may have control over an investee even when it has less than a majority of the voting rights of that investee (sometimes referred to as de facto control);
- Exposure to risks and rewards is an indicator of control, but does not in itself constitute control;
- When decision-making rights have been delegated or are being held for the benefit of others, it is necessary to assess whether a decision-maker is a principal or an agent to determine whether it has control;
- Consolidation is required until such time as control ceases, even if control is temporary.
- 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 equity method 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.

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

[B] Standards endorsed by the European Union but not yet effective

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions (issued on 21 November 2013) – effective for financial years beginning on or after 1 February 2015;
- IFRIC 21 Levies (issued on 20 May 2013) – effective for financial years beginning on or after 1 January 2014, in EU effective at the latest for financial years beginning on or after 17 June 2014;
- Annual Improvements to IFRSs 2010-2012 (issued on 12 December 2013)– some amendments effective for financial years beginning on or after 1 February 2015;
- Annual Improvements to IFRSs 2011-2013 (issued on 12 December 2013) – effective for financial years beginning on or after 1 January 2015.

None of these new standards/ 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 (issued on 24 July 2014) effective for financial years beginning on or after 1 July 2018;
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) - effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - issued on 14 December 2014) - effective for financial years beginning on or after 1 January 2016:
- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014) – effective for financial years beginning on or after 1 January 2016;
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (issued on 6 May 2014) – effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 27 Equity Method in Separate Financial Statements –Effective for annual periods beginning on or after 1 January 2016.
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014) – effective for financial years beginning on or after 1 January 2017;
- Amendments to IAS 1 Disclosure Initiative (issued on 18 December 2014) –IAS 1 - Effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (issued on 30 June 2014) - effective for financial years beginning on or after 1 January 2016;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization (issued on 12 May 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements;
- Annual Improvements to IFRSs 2012 – 2014 (issued on 25 September 2014) – effective for financial years beginning on or after 1 January 2016.

None of these new standards/ 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, 2014 and December 31st, 2013:

Subsidiary		Head office	% OWN Dec 31st 2014	% OWN Dec 31st 2013
BA Glass B.V.		Amsterdam	**Parent**	Parent
BA Glass I - Serviços de Gestão e Investimentos, S.A.		Avintes	**100%**	100%
BA Vidro, S.A.		Avintes	**100%**	100%
BA Vidrio, S.A.U.		León	**100%**	100%
BA Glass Poland Sp. Z o.o.	[**]	Poznan	**80%**	80%
Moldin, S.A.		Avintes	**100%**	100%
BA Vidrio Distribución Comerc. Envases, S.A.		Mérida	**100%**	100%
Sur wil Sp. Z o.o.		Poznan	**80%**	80%
Minas de Valdecastillo, SAU		León	**100%**	100%
Barbosa & Almeida - SGPS, S.A.		Avintes	**100%**	100%
BA Vidro II Marinha Grande, SGPS, S.A.		Avintes	**100%**	100%
Holvenespa, SL	[***]	Ourense	-	100%
Vidriera del Atlántico, S.A.	[***]	Xinzo de Limia	-	-
Artividro - Arte em Vidro, Lda	[*]	Leiria	-	-
Huta Szklana sp. z o.o.	[*]	Sieraków	**73%**	-

[*] Companies were excluded from consolidation because they have not any activity.
[**] During 2014, Brisa Investments Sp. Z o.o changed the name to BA Glass Poland Sp. Z o.o.
[***] Holvenespa and Vidriera del Atlántico were liquidated during the year.

6 · Goodwill

Goodwill is subject to an annual test for impairment.

	Net amount as at Dec 31st, 2014	Net amount as at Dec 31st, 2013
Iberia	81,223,866	81,223,866
Poland	106,616,250	109,575,242
	187,840,116	**190,799,108**

Changes in goodwill are shown as follows:

	Dec 31st, 2014	Dec 31st, 2013
Opening balance	**190,799,108**	**192,380,473**
Foreign exchange differences	(2,958,992)	(1,581,365)
Closing balance	**187,840,116**	**190,799,108**

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, 2014.

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 6.8% and cash flows beyond the five-year period are extrapolated using a 1% growth rate.

The tests performed at year-end 2014 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, 2014, only a substantial improbable increase of 4.5% 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

	Dec 31st, 2014	Dec 31st, 2013
CO_2 Emission rights	107,336	198,797
Trademark - Warta Glass	125,806	223,332
	233,142	**422,129**

Intangible assets comprise CO_2 emission rights the group acquired and the registered trade mark in Poland of Warta Glass whose value is supported by the valuation of an external entity.

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, 2014	**46,708,375**	**175,658,460**	**652,781,849**	**2,532,081**	**8,973,518**	**14,823,970**	**3,395,995**	**904,874,247**
Foreign exchange differences	(8,919)	(791,240)	(2,714,523)	(10,313)	-	(71,504)	(2,511)	(3,599,011)
Additions	145,449	1,484,079	27,133,681	124,983	70,872	6,308	1,209,873	30,175,246
Disposals	-	(759,088)	(61,821,046)	(236,462)	-	(183,679)	-	(63,000,274)
Transfers	24,050	476,527	6,004,949	(28,400)	-	(1,319,684)	(4,819,347)	338,096
Balance as at December 31st, 2014	**46,868,954**	**176,068,737**	**621,384,910**	**2,381,889**	**9,044,390**	**13,255,411**	**(215,989)**	**868,788,303**
DEPRECIATION AND IMPAIRMENT								
Balance as at January 1st, 2014	**279,802**	**85,945,397**	**488,205,740**	**2,271,676**	**8,698,861**	**6,528,018**	**-**	**591,929,494**
Foreign exchange differences	(7,556)	(238,596)	(1,865,559)	(8,465)	-	(61,812)	-	(2,181,988)
Depreciation charge of the year	-	5,140,915	41,298,614	132,055	155,770	227,932	-	46,955,287
Disposals	-	(759,088)	(61,787,453)	(236,462)	-	(183,642)	-	(62,966,645)
Transfers	-	653,280	791,131	(28,400)	-	(1,291,054)	-	124,956
Balance as at December 31st, 2014	**272,246**	**90,741,908**	**466,642,472**	**2,130,404**	**8,854,632**	**5,219,443**	**-**	**573,861,105**
Net book value as at December 31st, 2014	**46,596,708**	**85,326,830**	**154,742,438**	**251,484**	**189,758**	**8,035,969**	**(215,989)**	**294,927,199**
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**

In 2014, the amount of additions is mainly related with the reconstruction of one furnace in Sieraków's plant. This furnace increased the capacity of plant and the main segments are related to production of spirits and soft drinks.

In what concerns the disposals, they are explained by the removal of equipment that was replaced by the new investment.

Capitalised borrowing costs

BA Glass Poland rebuilt one of its furnaces from the Sieraków plant. This investment project was finished in November 2014 and was mainly financed with loans contracted for this investment.

The amount of borrowing costs capitalised during the construction period of the above mentioned furnace was of EUR 301 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, 2014	**15,995,146**	**536,195**	**16,531,341**
Additions	-	88,317	88,317
Liquidation of company	(14,062,304)	-	(14,062,304)
Foreign exchange differences	-	(195)	(195)
As at December 31st, 2014	**1,932,842**	**624,317**	**2,557,159**
AMORTIZATION AND IMPAIRMENT			
As at January 1st, 2014	**15,995,146**	**11,968**	**16,007,114**
Additions	-	4,551	4,551
Liquidation of company	(14,062,304)	-	(14,062,304)
As at December 31st, 2014	**1,932,842**	**16,519**	**1,949,361**
Net book value at December 31st, 2014	**-**	**607,798**	**607,798**
Net book value at December 31st, 2013	**-**	**524,227**	**524,227**

The value shown under liquidations is related to the closing of the process of "concurso de acreedores" of the Spanish company Vidriera del Atlántico whose conclusion occurred during 2014.

The value of previous years refers to the participation in Artividro – Arte em Vidro, Lda (EUR 1.9 million) which balance is fully provided for.

10 · Investment properties

	Investment properties
GROSS ASSETS	
Balance as at January 1st, 2014	**5,332,818**
Foreign exchange differences	(4,411)
Balance as at December 31st, 2014	**5,328,407**
DEPRECIATION	
Balance as at January 1st, 2014	**599,857**
Increases	163,423
Balance as at December 31st, 2014	**763,280**
Net Value as at December 31st, 2014	**4,565,126**
Net Value as at December 31st, 2013	**4,732,961**

Investment properties consist of properties valued at cost which are held for renting in Portugal and Poland.

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 1.6 million, respectively. Additionally it includes also EUR 272 thousand of receivables related with the sale of land and buildings that took place in 2012.

12 · Deferred taxes

	Dec 31st, 2014	Dec 31st, 2013
Deferred tax assets		
Provisions for pensions	657,879	734,842
Allowance for bad debts	484,892	580,133
Tax depreciation	1,138,209	492,239
Provisions for impairment losses of financial holdings	-	2,945,925
Goodwill (*Fundo de Comércio*) - BA Vidrio	579,721	655,893
Tax losses	6,871	7,022
Other	988,739	409,381
	3,856,311	**5,825,435**
Deferred tax liabilities		
Uniform depreciation criteria (adjustment of useful lives)	4,379,904	4,313,027
Libertad de amortización (depreciation deduction fiscal benefit)	5,034,810	6,877,878
Revaluation reserves of tangible assets	1,219,341	1,411,788
Fair value adjustment on Land	4,184,186	4,435,460
Other	-	100,187
	14,818,242	**17,138,340**

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 balance shown under tax depreciation relate to a tax adjustment in Spain where during the periods of 2013 and 2014 an amount equal to 30% of accounting depreciations should be added for tax purposes being recovered in the periods starting 2015.

The group offsets tax assets and liabilities if and only if it 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.

In 2013, the balance shown on “Provisions for impairment losses of financial holdings”, on deferred tax assets, refers to Vidriera del Atlántico whose impact in current income was recognized in 2014.

13 · Inventories

	Dec 31st, 2014	Dec 31st, 2013
Raw materials (at cost)	8,305,017	10,035,850
Finished goods and work in progress (at cost)	70,411,639	57,884,150
Goods for resale (at cost)	475,508	601,160
	79,192,164	**68,521,160**
Impairment losses	(226,699)	(245,174)
	78,965,465	**68,275,986**

Stocks increased mainly by the increase in production in Spain and Poland and by the need to adjust it to the new production capacity. Quality of stock is reviewed periodically and non-quality stock is destroyed immediately.

14 · Trade receivables

	Dec 31st, 2014	Dec 31st, 2013
Trade receivables	95,166,520	83,350,984
Notes receivables	84,314	2,319,896
Overdue receivables	6,288,765	7,329,938
	101,539,599	**93,000,818**
Impairment losses / allowance for bad debts	(6,814,328)	(7,329,938)
	94,725,272	**85,670,881**

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 constitute a risk for the group, are completely adjusted for.

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

	Dec 31st, 2014	Dec 31st, 2013
State and other state entities	7,705,347	8,087,294
Other	9,157,889	15,182,966
	16,863,237	**23,270,260**

The current amount of "State and other state entities" includes EUR 4.7 million regarding the corporate income tax of the year (cash advanced and withholdings net of current income tax in the jurisdiction) and EUR 3.0 million related with VAT recoverable.

"Other" relates to (i) the short-term reimbursable subsidies awarded by Spanish Governmental Agency, totaling EUR 7.8 million; and (ii) short-term balances with respect to the disposal of buildings done 2012.

16 · Other current assets

	Dec 31st, 2014	Dec 31st, 2013
Accrued income	3,274	655,199
Deferred costs - Insurances	283,102	321,104
Other	104,358	56,884
	390,733	**1,033,187**

In 2013, the caption "accrued income" includes interests to be received.

17 · Cash and short-term deposits

	Dec 31st, 2014	Dec 31st, 2013
Cash on hand	23,342	17,978
Bank balance	21,523,683	21,505,828
	21,547,025	**21,523,806**

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 31st, 2014, the group's share capital, totaling 36,000 was fully subscribed and realized.

The following table details the group's shareholding structure, as at December 31st, 2014 and December 31st, 2013:

	Dec 31st, 2014		Dec 31st, 2013	
	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:

	Dec 31st, 2014	Dec 31st, 2013
Legal and other reserves	36,878,923	35,824,975
Retained earnings	173,480,863	103,389,563
	210,359,786	**139,214,538**

19 · Interest-bearing loans and borrowings

	Dec 31st, 2014	Dec 31st, 2013
Interest-bearing loans and borrowings		
Non-current	152,436,152	183,919,954
Fair value of cash flow hedges	52,239	139,680
	152,488,392	**184,059,634**
Current	112,769,902	172,676,882
	265,258,293	**356,736,516**
Cash and banks		
Cash	13,409	17,978
Bank deposits	21,533,615	21,505,828
	21,547,025	**21,523,806**
	243,711,269	**335,212,710**

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	Dec 31st, 2014	Dec 31st, 2013
Bank loans	47,715,574	76,538,281	124,253,854	157,434,837
Commercial paper programme	52,000,000	65,000,000	117,000,000	125,400,000
Bank overdrafts	11,875,755	-	11,875,755	60,514,805
Finance leasing	1,178,573	10,897,872	12,076,445	13,247,194
Bank deposits	(21,547,025)	-	(21,547,025)	(21,523,806)
	91,222,877	**152,436,152**	**243,659,029**	**335,073,030**
Fair value of interest rate derivatives	-	52,239	52,239	139,680
	91,222,877	**152,488,392**	**243,711,269**	**335,212,710**

There are some covenants attached to the loans negotiated by BA Glass Poland 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.

19.1 Maturity of debt

Year	Dec 31st, 2014
2015	100,946,386
2016	37,898,386
2017	82,183,017
2018 and following years	32,354,749
	253,382,538

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 BA Glass Poland which has been estimated in accordance with the terms of the shareholders agreement. As at December 31st, 2014 the group recognizes a financial liability amounting to EUR 22.5 million (2013: EUR 28.3 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 2014, 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.

Derivatives

BA Group enters into derivative financial instruments namely in Interest rate swaps. Fair value is determined using valuation techniques, which employs the use of market observable inputs. The applied valuation technique includes forward pricing and swap models, using present value calculations. The model incorporate various inputs including interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk. As at 31 December 2014, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

20 · Provisions

	Pensions (note 29)	Environmental liabilities	Others	Total
Balance as at January 1st, 2014	**2,452,862**	**193,237**	**30,141**	**2,676,240**
Foreign exchange differences	(1,254)	-	(814)	(2,068)
Utilization in the year	(260,449)	-	-	(260,449)
Increase in the year	9,749	-	-	9,749
Balance as at December 31st, 2014	**2,200,909**	**193,237**	**29,327**	**2,423,473**

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

	Dec 31st, 2014	Dec 31st, 2013
Trade payables	71,910,524	65,013,697
Fixed asset suppliers	2,386,521	5,178,238
	74,297,044	**70,191,935**

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 2014 comprises several invoices related with the investment in Sieraków's plant.

22 · Other payables

	Dec 31st, 2014	Dec 31st, 2013
State and other state entities	6,638,871	9,287,989
Other	737,815	1,809,746
	7,376,686	**11,097,735**

The caption "State and other state entities" as at December 31st, 2014 comprises an amount of EUR 3.3 million related to corporate income taxes to be paid in the following year, value added tax in the amount of EUR 1.3 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).

23 · Other current liabilities

	Dec 31st, 2014	Dec 31st, 2013
Accrued costs		
Payroll expenses	5,607,941	5,026,040
Financial expenses	394,525	738,081
Other external supplies and services	759,935	634,681
Bonus granted (rappel)	2,253,314	1,958,505
Other	831,552	405,639
Deferred income		
Investment subsidies	23,061,975	28,515,896
Other	215,553	588,102
	33,124,797	**37,866,944**

"Payroll expenses" includes EUR 258 thousand of provision for unused days of holidays and EUR 1,214 thousand related to personnel bonus to be paid in the following years, for this it is necessary that some activity KPI's are achieved by the Polish companies as a whole.

The group accounts for the liability for commercial bonus (rappel) in accordance with the sales agreements in place. As at December 31st, 2014 this balance amounts to EUR 2.3 million.

The balance recognised as deferred income related to investment subsidies 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 income" include EUR 172 thousand related to bonus granted by suppliers in advance.

24 · Revenues

	Portugal Spain Poland	Other EU countries	Other countries	Total Dec 31st, 2014	Total Dec 31st, 2013
Glass packaging	395,921,559	93,000,622	25,459,963	514,382,144	471,159,354
Other	585,706	-	-	585,706	965,243
	396,507,265	**93,000,622**	**25,459,963**	**514,967,851**	**472,124,597**
Total Dec 31st, 2013	**367,014,703**	**88,918,491**	**16,191,404**	**472,124,597**	

25 · Other operating income

	Dec 31st, 2014	Dec 31st, 2013
Investment subsidies	5,334,190	4,965,177
Gain on disposal of assets	31,492	34,998
Indemnities related with insurance claims	220,340	46,161
Rentals	64,763	76,922
Reversal of provision for jubilee award	-	270,677
Adjustment in provision for pensions	-	283,054
Other	1,533,610	1,653,674
	7,184,395	**7,330,663**

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 a straight line basis over the expected useful life of the related asset. There are no unfulfilled conditions or contingencies attached to these grants.

26 · Other operating expenses

	Dec 31st, 2014	Dec 31st, 2013
Taxes	1,435,252	1,682,324
CO_2 emission rights usage	198,797	333,706
Donations	72,500	327,121
Loss on disposal of fixed assets	24,689	35,246
Other	415,222	588,818
	2,146,460	**2,967,216**

"Taxes" relates mainly to real estate property charges and local taxes directly connected with the operations of the plants.

27 · Financial results

	Dec 31st, 2014	Dec 31st, 2013
Interest-bearing loans and borrowings	(10,426,303)	(15,000,863)
Interest earned from deposits	324,799	1,437,883
Discounts granted	(1,249,704)	(1,057,512)
Discounts obtained	263,346	226,786
Foreign exchange differences	(2,037,757)	(1,346,626)
Gains on disposal of financial assets	-	224,302
Impairment losses on financial investments	(3,874,237)	(4,930,096)
Other financial costs	(400,250)	(1,068,307)
Other financial income	5,920	417,573
	(17,394,185)	**(21,096,860)**

"Interest-bearing loans and borrowings" decreased when compared with the previous year mainly due to the decrease in the index rates that the group's debt is linked (Euribor and Wibor) and the decrease in the total debt of the group. In 2014 the change in exchange rate differences results from the fluctuations of the euro and zloty during the year.

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 2014 and 2013 are:

	Dec 31st, 2014	Dec 31st, 2013
Profit / (loss) before tax	**112,674,822**	**94,859,821**
Current tax for the period	(27,243,170)	(29,865,112)
Deferred tax for the period		
Goodwill BA Vidrio (*fundo de comércio*)	(76,172)	(1,039,888)
Tax losses	(151)	649,022
Allowance for bad debts	(95,241)	114,939
Impairment losses	-	(315,541)
Pensions	(76,963)	(359,092)
Uniform depreciation criteria	(66,877)	811,872
Revaluation reserves	192,447	1,104,187
Libertad de amortización (depreciation deduction fiscal benefit)	1,843,068	1,430,134
Limitation on deduction of depreciations	645,970	492,239
Pending tax losses on financial participations	(2,453,686)	-
Other deferred taxes	438,579	(574,567)
	350,973	**2,313,305**
Income tax	(26,892,197)	(27,551,806)
Consolidated net profit for the period	**85,782,625**	**67,308,014**

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 prepared a valuation to assess the fair value of that liability as of December 31st, 2014 for responsibilities with pensions. As at December 31st, 2014 a valuation methodology based on a "projected unit credit model" was used and were conducted under the following actuarial assumptions and technical bases:

	2014	2013
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	2.0%	3.0%
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 2%, assumption defined in the Index iBoxx € Corporate Bonds AA 10+. The benefit plan includes 165 participants with an average age of 79 years old.

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, 2014, 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 2.8% 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, 2014 is 2,194 (2,230 at December 31st, 2013).

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.

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 capitalized 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. According the new allocations rules, the CO_2 emissions rights were reduced and will suffer a reduction every year till 2020.

Nevertheless, the group will not suffer any loss from this reduction in the licenses for 2014, given the accumulated balance carried forward from previous years, being that the group has enough licenses to fulfill its commitments in terms of CO_2 emission rights. During the year the group's total emissions were of 580,938 tons.

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 have contractual reserves under equity in order to comply with the provisions of Decree-Law no. 147/2008.

33 · Commitments and contingencies

33.1 Bank guarantees

As at December 31st, 2014, the group provided bank guarantees to third parties totaling EUR 17.9 million, which balance includes a bank guarantee provided to the European Investment Bank ("EIB") as security for finance in the amount of EUR 16.5 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 specialized 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 4 members:

- Carlos António Rocha Moreira da Silva
- Rita Mestre Mira da Silva Domingues
- Pieter Albert Cornelis Hallebeek
- Rokin Corporate Services B.V.

The remuneration of the Board of Directors was EUR 4,000 (2013: EUR 4,000).

36 · Fees paid to the statutory auditors

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

	EY			
	2014		2013	
	Amount	%	Amount	%
Audit services				
Statutory and contractual audit services				
Portugal and Spain	59,800	60%	71,645	56%
Netherlands	18,000	18%	22,500	17%
Poland	21,250	21%	34,500	27%
	99,050	**100%**	**128,645**	**100%**

37 · Events after the balance sheet date

There are no known events after December 31st, 2014 which may influence the presentation and the interpretation of the present financial statements reported at that date.

THINK ABOUT THIS!

IT IS IMPOSSIBLE TO EXECUTE/DESIGN THE PERFECT BOTTLE

go to table of contents

statutory auditor's report

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 2014 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 2014, 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 management board 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 2014 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 management board 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 management board 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, 12 February 2015

Ernst & Young Accountants LLP

signed by J.J. Vernooij

BA

sustainability report

SET NEW GOALS AND ACHIEVE THE "UNACHIEVABLE"

Introduction

Following the practice of former 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.

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;

e — and with the **EMOTION** with which we undertake each challenge.

Strategic Vision

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

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

we aspire to be the best among 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 in principles, policies and objectives.

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 that is reflected in the achieved performance in several 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 are generally are based on formerly achieved targets. These goals, some of them transversal, are monitored at various levels of the organization and in the various activities through the analysis of performance indicators. From this assessment, actions are built whenever the outcome does not match the targets.

These goals are established as a challenge to all the teams and guide the improvement in all areas of the organization. The challenges provide a chance for everybody to do their best and be a part of the success achieved.

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**

In 2014, the group continued its commitment in the sustainable development, maintaining responsible management indicators and valid principles of business ethics, thus being a reference within the regions where the group operates.

One of the main roles 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 customers 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 and the sustainable growth of the business. 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.

Involving the stakeholders is a strategic priority for the group and must obey to an open and transparent dialogue. The BA values are to build and enhance relationships of trust, share knowledge and relevant information, anticipate challenges and identify new opportunities to cooperate with its stakeholders. The group has the mission of creating value for the several stakeholders in all geographies.

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

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 the record concept, both at production efficiency, cost-reduction, resources optimization and at 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 referenced 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, and provide a more efficient response to the markets where it operates, in terms 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 become stronger.

The use 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, that are identified the decisions and actions that 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 intrusion, as well as the control systems at the plants. With the purpose of minimizing these risks, emergency plans have been tested in events of fire, power failure and glass leakage by simulating these occurrences. BA 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 its assets.

Financial Risks, through the ongoing analysis of interest rates, foreign exchange rates and credit risk. The management of those 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 the Executive Board, whose ultimate objective is to minimize the potential negative impact on the group's net worth and performance.

The group's exposure to the risk of changes in market interest rates relates to the existence of assets and liabilities contracted with fixed or floating interest 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).

When considered appropriate, the group uses derivative financial instruments, such as foreign exchange hedging or interest rate swaps to hedge its foreign exchange and interest rate's risk.

The group is exposed to credit risk regarding the following activities:

- **Operational activity**
  customers and other accounts receivables
- **Investment activities**
  short and long term deposits

The credit risk management related to customers and other accounts receivables is carried out as follows:

- The compliance with policies, procedures and controls established by the group for each operational unit;
- The credit limits are established for all customers based on an internal and external evaluation criteria;
- The credit quality of each customer is evaluated based on credit risk information received by specialized external companies and the sales team assessment;
- The outstanding debts are monitored on a regular basis.

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 processes. In order to minimize operational risks, preventive maintenance plans have been developed for critical equipment and good practices were implemented in relation to the storage, handling and transportation of raw materials and potentially dangerous products. With respect to 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 optimized, with the collaboration of all areas involved in order to ensure the continuous improvement of processes and reduction of possible risks and their impact on the group business.

Economic Performance

Key consolidated indicators

The international crisis of the last 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, experiencing the economic recession, industries are forced to become more flexible and direct their focus to the quality of the products and services offered to customers in an attempt to differentiate themselves and better serve new and current customers, more distant from their production facilities.

The investments made in previous years and the strong bet on the export markets, enabled BA to mitigate the adverse effects of the depression and economic uncertainty. Despite this scenario of crisis still installed in Europe, the operating cash-flow (EBITDA) of the group remained at very interesting levels, reaching EUR 177.0 million, representing 34.4% of sales, 14.7 million more than in 2013, and the operating results (EBIT) amounted to EUR 130.1 million, which translates into a 25.3% margin on sales.

In terms of investments, we highlight the intermediate repair performed on one of the furnaces in the Sieraków plant, at the end of 2014. This investment is a segment from a bigger plan which will provide the Polish plants with the most recent technology and necessary means to become a reference in the market.

The group's equity ratio was of 41.3% and the net debt/ebitda ratio reached a value of 1.4, revealing the strong ability of the group to cope with its debt level and ensuring access to financing in favourable terms.

Key Consolidated indicators

[Th.€]

Economic performance	2014	2013
Turnover	**514,968**	**472,125**
Operating cash flow (EBITDA)	176,953	162,287
Operating profit (EBIT)	130,069	115,957
Net financial results	(17,394)	(21,097)
Income before taxation	112,675	94,860
Net income	85,783	67,308
Net total assets	**715,662**	**730,195**
Shareholders' equity	**295,872**	**206,212**
Interest-bearing debt	**243,711**	**335,212**

Customers

The activity of BA's customers was strongly affected by the depressed economic climate in Europe. It was with the exports outside its domestic markets that BA found a destination for a part of the products, thereby assuring the efficient use of the production capacity. So, the sales outside Iberia and Poland represent 21% of BA's total business volume. The consolidated turnover reached EUR 515.0 million, which translates into a growth of 9.1% when compared to last year.

BA continues to expand its customer portfolio, 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, BA privileges direct contact with its customers. Only this can provide a unique and differentiated service, especially from other suppliers of packaging, its direct and indirect competitors.

Changes in consumption patterns, the diversity of packaging alternatives and the reduction of purchasing power generate needs in consumers which have repercussions throughout the supply chain. For the first time in some years, the average selling price of the group did not increase, which made the profitability improvement task even more challenging.

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 "Challenge to Innovation") in order to differentiate the final product and reduce costs for 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. As 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 product, consumption of secondary packaging and optimization of transport, dropping the time-to-market and implementing innovative solutions with positive economic and environmental impact for the parties. The importance of this differentiated service was recognized in the award received in 2014 at the World Beverage Innovation Awards for the Best Bottle in Glass, with the bottle Original Tonic Bottle, from the *Magnifique Brands.*

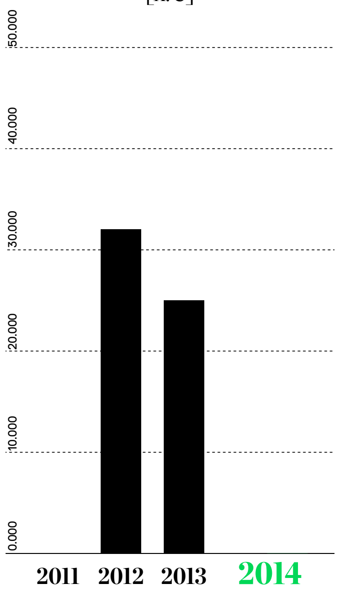
Shareholders

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 minimize the impact of the current negative macroeconomic environment for the last few years.

The shareholders have always given preference to the reinvestment of the company results in its growth (either organic or by acquisitions), even if the growth by acquisitions takes longer to achieve.

Distribution of reserves and net income

[k.€]



Return on equity

[%]

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 purchasing process.

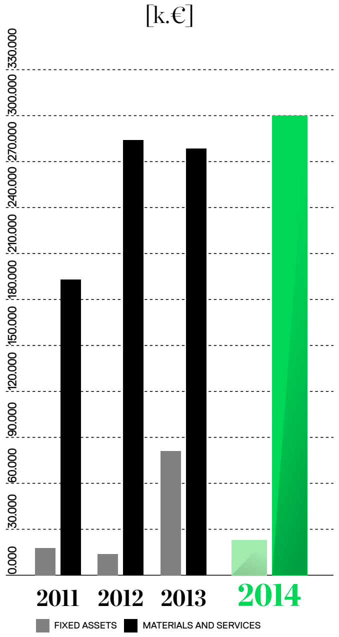
In 2014, the energy (electricity and gas) and raw material bills were still the main concerns, either by being production factors with a high weight in the cost structure, or due to the significant increase in its prices during the last years. In energy, these constant price increases have been the consequence of the increments in the production costs, as well as the taxes associated that some of them have been subjected in order to maximize the revenues from the State. Furthermore, the significant volatility of the foreign exchange market (especially the dollar) also influences the high cost of some production factors.

The demand and use of alternative sources of supply and / or substitute products remains a priority, as it was the case of the soda ash, moulds and glass for recycling (whose use as raw materials continue to grow). On the side of the energy consumption, the Iberian market is putting available feasible alternative sources among suppliers, while in Poland, despite the open market enabling us to negotiate prices, the supply is still very limited.

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.

Purchases

[k.€]



Employees and remuneration policy

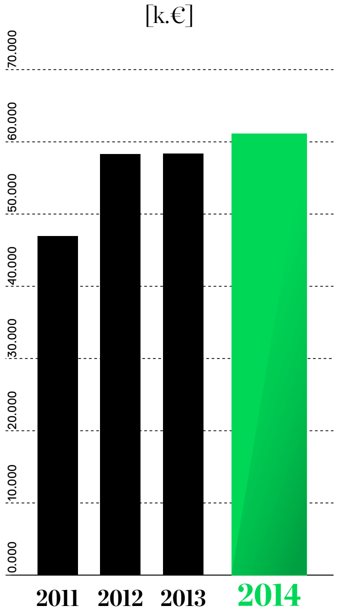
The group values initiatives, merit, commitment and achievement of goals by its employees, and gives special attention to compensate its individual dynamism and initiative, and many times, collective too.

The success of the group is correlated to its human capital - and the satisfaction is utterly linked by the way the company recognizes the performance and dedication of each element.

At the end of the year, the group employed about 2.194 employees, dispersed by the three geographies. In its relation with the employees, the group registered costs in the amount of EUR 61.1 million, an equivalent to an annual value of EUR 27.9 thousand *per capita*.

Personnel costs

[k.€]



Community

More than just a relationship with the local community, BA looks for a real involvement in the community where they are placed - either through the excellence of the relationship between all parties, or with a proactive social policy, which involves not only the company itself, but also the employees individually.

In this relationship, the group 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 youth.

In addition to the economic support to social, cultural and sports institutions, the group participates in the education of children and youngsters, disclosing visits to the plants, job internships, volunteer activities developed by its staff in schools and other events with a sporadic nature. This year the two Polish plants received the employees' families for a visit to the facilities. It should be noted the number of participants involved: 307 in Sieraków and 620 in Jedlice.

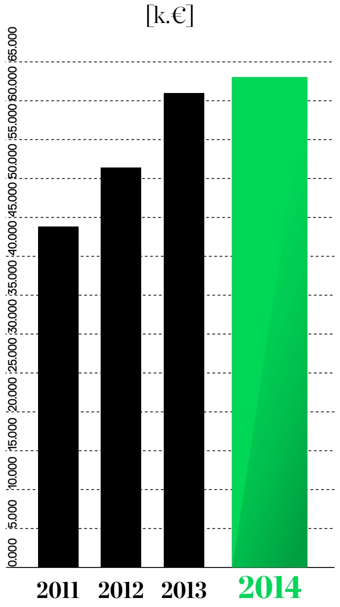
In 2014, BA promoted for the third consecutive time, a packaging design contest at universities in several countries under the name *Glassberries Design Awards*, stimulating creativity in the packaging design. This initiative intends to approach the university students to the glass industry, and simultaneously, bring disruptive and utterly innovative ideas into our organization.

BA is one of the largest contributors to the tax revenue of the countries where it has placed its production units, generating a high value either socially, or in economic terms.

The amount of taxes paid to the Government continues to be quite significant. In 2014, the value paid in the form of corporate income tax and VAT amounted to approximately EUR 63.1 million, and contributions to social security and withholding income taxes amounted to EUR 24.3 million.

Taxes paid to the State VAT+CIT

[k.€]



Personal Income Taxes Withheld & Social Security

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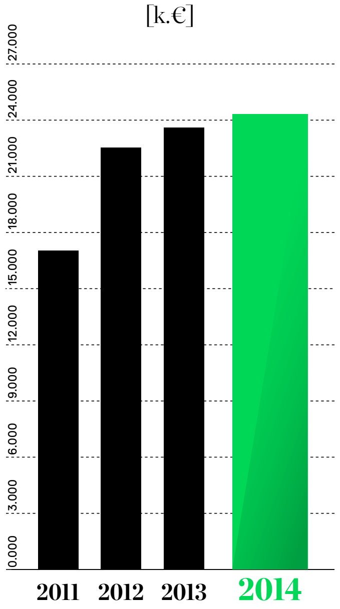


WE WILL GET THERE

IT IS IMPOSSIBLE TO HAVE ALL PROJECTS DONE ON THE SAME DAY THEY ARE REQUESTED

Customer Orientation

Supports itself in two fundamental pillars:

- **Priority to innovation and service**
- **Improvements in the value chain.**

The year 2014 was a very challenging year for all the companies, to the extent that the markets showed anemic growth, some of them very close to the economic recession. So, in order to respond to the decline in the domestic consumption, especially in Portugal and Spain, with direct impact on packaging demand by our customers, it was crucial for the group to focus on the export market.

In order to counter this recession trend, it was necessary to continue to seek out for new customers who will be the support of the future growth. The export market customers have recorded a sustained growth for the last years, which proves that the success of the process is linked with the fact that BA value proposal is being understood and valued by its customers in very demanding and competitive markets such as France, Italy, Germany or Netherlands.

Europe is facing a moment of instability and uncertainty, in which paradigms of the past will no longer be valid for the future. The companies and the families are living in a recessive and uncertain context, which means that all decisions will have to be adapted and adjusted to the prevailing economic conditions.

Consumers, pressured by the weight of taxes, unemployment and uncertainty regarding the future, are now better informed when purchasing a good, more attentive to prices, in a permanent quest for the best price proposal presented in the market. This new reality becomes a daily challenge to the companies, with the aim of being not only more competitive in a more demanding market regarding quality but also more demanding in terms of assigning value to the products.

BA is one of the most efficient glass packaging companies in Europe and has reached quality standards that lead it to the top of the industry. All its customers benefit and share the advantage of having an efficient, flexible and quality supplier in order to gain competitive advantages for their products.

For the group, the customer orientation is an absolute priority and strives to find better and most efficient solutions to adapt the products to the market requirements. To ensure the competitiveness of our customers, BA gives special emphasis to a rigorous industrial assets management and cost control, and to the product development and industrial flexibility.

The cooperation model that BA has in practice with its customers- Challenge to Innovation- reinforces one of the main principles which BA has in the continuous improvement of the whole value chain. This principle aims to identify and implement opportunities that may create added value to the customers by improving their competitiveness, responding to the constant pressure on reducing costs and "time-to-market", and also searching for the least environmental impact.

This is the strategy that strengthens the relation and customer orientation, which makes it one of BA's most important priorities.

Throughout the year, some new trends have been identified in the market to which we are trying to respond, such as light-weight products, enhancement of food safety, the development of "environmentally friendly" packages and finally the bet in a differentiated design. So, in 2014 BA developed 421 new projects, which represent 8 new models per week and launched 104 new products into the market.

Several projects were developed with the close collaboration of our customers regarding weight-reduction of the bottles and jars, and optimizing transport and packaging. This was the case of some standard models in the food segment for the Iberian market or even the renewal of the Vodka bottles range for the Polish customers.

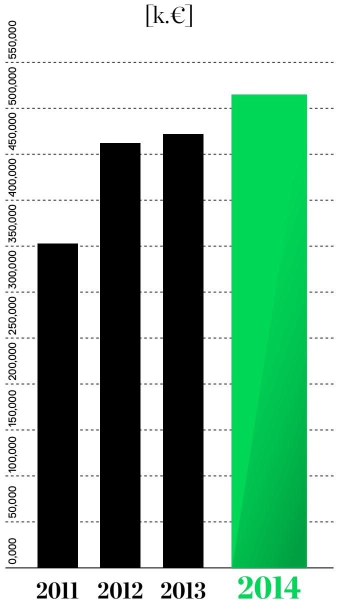
As a conclusion, the turnover of the group increased 9.1%, reaching EUR 515.0 million, being the export market responsible for 21%.

This growth occurs due to the expansion of our customer portfolio, through conquering new customers in new markets, who will be the support for the future growth.

The main engines of this growth were the Food & Olive Oil and Wine segments.

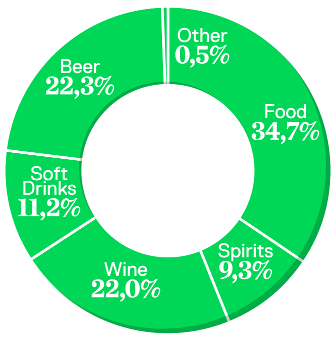
Turnover

[k.€]



Segment sales 2014

[%]



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

BA is currently an international company, which implies a constant reflection and redefinition of human capital management policies. The awareness of this reality determined many of the actions and projects which were carried out in the year 2014. Still in a context of growth and geographical distance, it was necessary to proceed with the consolidation of corporate teams, facilitating the management of the teams' diversity and allowing the creation of synergies and efficiency.

To support this, benchmarking actions were carried out in other companies with significant international presence, as well as partnerships with international entities were established, with the aim of finding the most convenient solutions for international recruitment and displacement.

On the other hand, with the increasing number of international employees, displaced employees and trips between the production units, BA has been making intense effort to develop cultural patterns that meet the drive of the new contexts.

Moreover, it is worth noting the increasing number of short or long-term missions between Iberia and Poland, and also the displacement of the white collars between geographies, in order to provide technical advice and spread the good practices of the group. This context led to the reinforcement of the Benchmarking concept, which has been considered by BA a key factor for development. Currently, benchmarking has gained a new relevance as it allows a better use of the synergies among the Iberian and Polish plants. This fact encouraged the employees into understanding the business, the group activity and the human capital management.

The Iberian economic scenario continued to put in jeopardy many paradigms, considering that the expectations of an economic recovery still seem utterly distant. In this context, in order to ensure the employability and the best working conditions for all employees, it became necessary to revolutionize the processes and the approach to the problems in the management of human capital.

In 2014, the annual meeting for the Iberian white collars was devoted to the internationalization and to the challenges that we encounter with it. With the theme "Embracing the world with Passion", the meeting was held in Seville, which was particularly marking as in 2004, in this same city the group had had their same annual meeting one decade before. This fact encouraged the participants to reflect on the priorities of BA in both moments.

Regarding Poland, two annual meetings were held for the white collars: the first one at the beginning of the year with the theme Values, aiming to strengthen the bonds and integration of the Polish division into the BA culture; the second one, was dedicated to the theme "R... evolution", and it included moments of reflection and awareness that more than an evolution, the Polish division have to go through real revolutionary processes.

Evaluation of the effectiveness of human capital management among employees remains a priority, therefore transparency as a source of communication continues to be present and all moments are considered opportunities to achieve the goal of keeping all employees informed about the performance and of the actions of the company. On this context, it is worth noting:

- 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 of agreeing with their action plans, respecting the interests of both parties;
- Visits from the employees' families who were allowed to visit the plants, exploring how BA manufactures a glass container and even visiting the employees' workplace.

Furthermore, BA was able to strengthen the interaction with the local community, especially regarding culture and education, which have always been considered priorities.

BA has an internship granting policy and in 2014, about 60 internships were granted, either professional, or curricular ones, which gave the interns the opportunity to encounter the business reality. It was provided to the interns the possibility of knowing most of the departments, by means of a transversal training program. Moreover, some of the interns are currently employees in BA.

It is worth highlighting the *open weeks*. In fact, two partnerships were established with the student association of Faculdade de Engenharia da Universidade do Porto and with the Instituto Superior Técnico de Lisboa. An initiative was developed in order to provide the students with the opportunity of participating in this internship for one week. The feedback was positive and an enormous personal development was faced, regarding the industrial and business knowledge that the participants were provided with.

In order to ensure protection to the employees and their families to health risks and misfortunes, BA maintains the goal to achieve: Accidents - ZERO TREND, by which health and safety systems prove to be a priority.

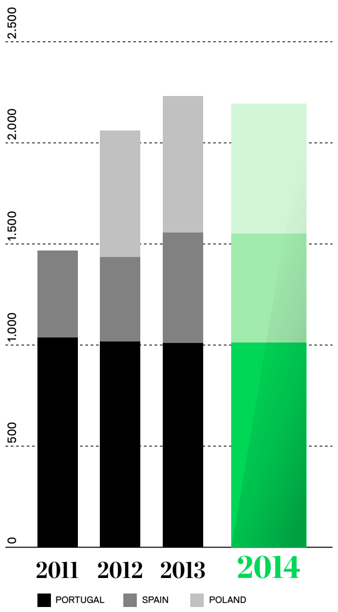
Social Performance

Employment

In 2014, the internationalization concept had a strong influence on the staff of BA. The division among the three nationalities is becoming more balanced. In fact, considering the 2.194 employees, 45% are Portuguese, 25% are Spanish, 29% are Polish and 1% refers to other nationalities.

The companies whose main activity is glass recycling and mould repair and maintenance, ended the year with the total number of 88 employees, that is, 4% of the total number of the employees of the group.

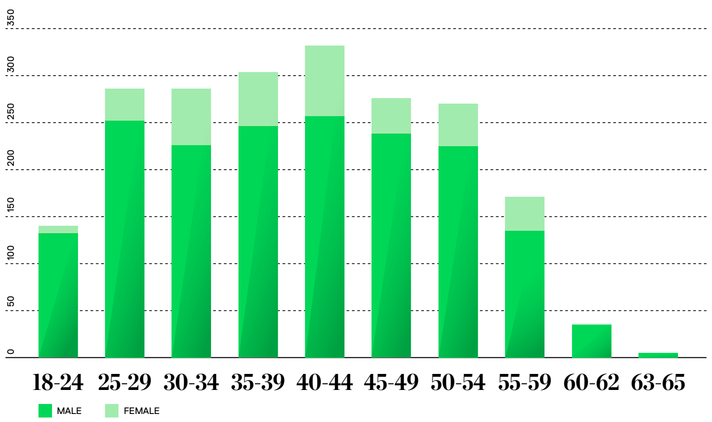
Total number of employees per region



Notwithstanding that BA continues to reveal a fair distribution among the various age levels, in 2014, the average age increased from 39.5 to 40.1 years.

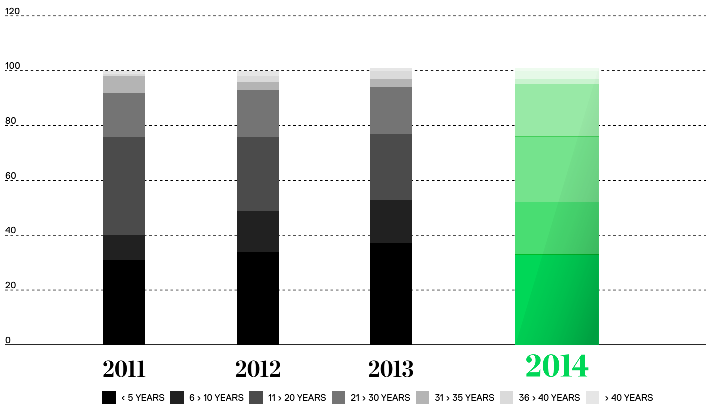
With regards to gender distribution, in BA's business sector, it is common to encounter large discrepancies concerning the number of men and women, not only due to the physical demands of the activity, but also due to the existing working schedules. However, there is always a concern about keeping a balance between sexes, namely in the Corporate functions.

Age profile/breakdown by gender
[no. of employees]



The average seniority is 12.4 years.

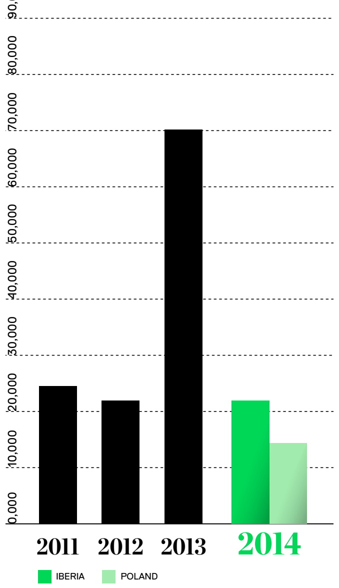
Average Seniority › Evolution



Training

In 2014, the investment in training amounted to 35.251 hours, when compared to 2013 it represents a significant decrease in the number of hours per capita, however keeping a balanced number when contrasting with previous years. The volume of training provided to the teams of the new furnace in Villafranca de los Barros, in 2013, easily explains this decrease. Notwithstanding, it should be noted the significant number of hours of on-job training which is seen by the employees as inherent to the development of tasks and procedures.

Training Volume
[no. hours]

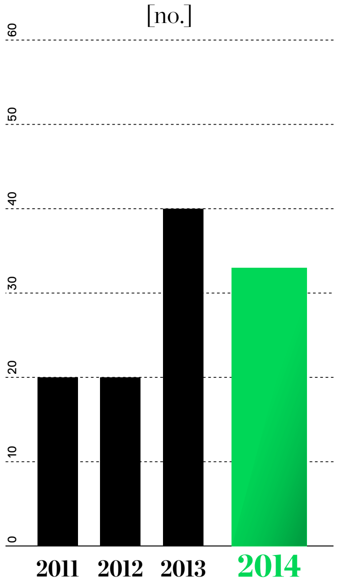


In 2014, the process of organizing the annual training plan for 2015 was revised and actions were developed to enhance the necessity of its accomplishment. Therefore, all efforts will continue to be developed to provide the plants with all the tools in order to allow the increase of the number of hours for training. So, in this context shall be highlighted in 2014 the startup of the e-learning project which will allow, in a short period of time, the development of tools which we consider crucial to achieve such purpose.

Health and safety

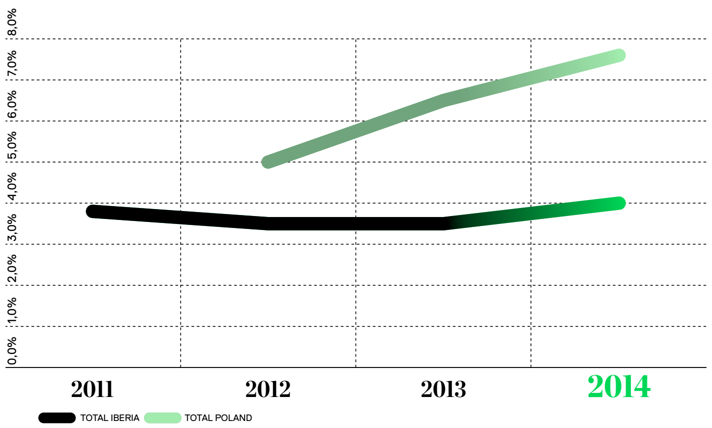
In 2014, 33 accidents were registered in all plants. One should recall that the aim will only be achieved when the ZERO ACCIDENTS operation is fully accomplished, therefore, the causes of the accidents will continue to be analyzed.

Accidents
[no.]



Absenteeism in Iberia was of 4%, slightly higher than the previous years, which means that ongoing actions have to continue to be carried out in order to reverse this trend. In Poland, on the other hand, absenteeism was of 7.6% which led to the reinforcement of measures and campaigns against absenteeism during the year 2014.

Global Absenteeism
[%]



Internal communication

In what concerns internal communication, the group has kept the usual forms of communicating internally, through the magazine CONTÉM, the development of the internal portal and the annual management meetings, both in Iberia and Polish divisions.

Performance appraisal and Remuneration policy

BA maintains an institutional dialogue with the social representatives of the employees based on transparency and mutual respect. This policy enabled agreements to be in force during 2014 for the plants in Avintes, Marinha Grande and Venda Nova. In the Léon plant, the agreement in place was also in force during 2014, and in Villafranca de los Barros an agreement for the years 2014 and 2015 was reached. Finally, in Sieraków and Jedlice the agreements in force will last until the end of the 2015.

It is the group's practice to share the wealth generated with all its employees and annually the Board submits to the shareholders general meeting the criteria for distributing the benefits.

go to table of contents

THINK ABOUT IT!

IT IS IMPOSSIBLE TO HAVE ALL PRODUCTION LINES IN A DIFFERENT COLOR

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

It is with great satisfaction that we state the policy of Social Responsibility of BA, which integrates social, environmental and educational concerns, is now more than just an engine of economic, technological and human development. In fact, the systems adopted are now recognized by all the employees as an investment in personal development, protection and compliance with social standards and respect for ethical values and principles.

In 2014, with all the Iberian units certified, in terms of social responsibility, with the international standard SA 8000, the group continued the commitment to develop actions to sustain socially correct practices in the workplace. It's always worth acknowledging that BA recognizes 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 Organization, and other national legislation or other applicable regulations, namely, the international conventions relating to working hours, forced labour, freedom of association, right of organization 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 persons 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 persons who enter its premises, these being customers, and suppliers, members of the community or any other entity.

All employees should be aware of, complying with and making 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 organization 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, regarding the Iberian units.

[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 analyze and respond, when necessary, to all the concerns and complaints made by employees.

During 2014, BA implemented a control policy and quarterly reviews some points regarding the relevance and effectiveness of the SA 8000, having executed the necessary adjustments and making procedural alterations 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.

In its Social Responsibility Policy, BA still favours the initiatives in education and training, namely in developing the skills of the youth. Based on this principle, the group maintained the partnerships with the universities and schools, considering the international dimension growing stronger, which makes inevitable given the growth of the group. World organizations continued to be the preferred partners, but also did the local universities have their own highlight this year, as the number of internships and joint projects achieved the highest number ever.

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

Still regarding support and donations to educational, cultural and social welfare institutions, in 2014, and regarding Iberia, 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 Quercus; to the Banco de Informação de Pais para Pais; to Fundação de Serralves; to Colégio de Gaia (school) and to Associação Bagos d'Ouro, of which part will be explained below. In what concerns Poland, it is important to highlight the support to the Youth Brass Band ARTVIVAT; to the local Firefighters in Sieraków; to the local Firefighters from Antoniów; to the local Firefighters from Międzychód; to the School Sport Club Kormoran (Sieraków) and to the Sport Club of Gwardia (Jedlice).

Due to its longevity and importance, it is important to highlight BA's participation in "Porto de Futuro" ("Oporto of the Future")– 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 in the region of Porto. Thus, BA's partner is "Agrupamento Infante D. Henrique".

In 2014, the recurring initiatives were continued, namely: 1) the awarding of merit prizes to 6th and 4th years (laptop); 2) the participation of a senior executive of BA as a speaker in the "Program in 2 excellence" (training in Management Consulting to teams of the schools of the city), this year under the theme "Recruitment procedures, selection, mobility and employment of staff", and 3) voluntary work by BA employees in the Junior Achievement association programme namely:

a) 13 volunteers participated in various training programmes for students from 13 different classes such as, entrepreneurship, citizenship, ethics, financial literacy, economy and career development, embracing a total of around 291 pupils;

b) 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;

c) Participation of the chairman of the Executive Board as a member of the jury of the national competition program "The Company" that elected the best mini-company of the year which, in addition to the monetary prize, will represent Portugal in the European Competition. Autonomously, BA decided to award a prize to a team who they considered to have presented the most innovative product: an internship to the six elements of the team to spend a week in the Avintes plant; they had the opportunity to monitor the activity of the main central departments, as well as the main divisions of the plant. Following the completion of the internship, two of the students are now undertaking an internship in the Venda Nova Plant.

BA is, since 2007, an associate founder member of EPIS - Entrepreneurs for Social Inclusion, association whose primary mission is education, namely the fight against school abandonment and failure. In the academic year 2013/2014, under the program "mediators for school success", EPIS followed closely 3.766 students. In the 3rd cycle, the school success rate of EPIS students increased from 58.9% to 71.1%. In the 2nd cycle, in which the program is still showing the first results, the students also had a positive evolution when compared to expectations.

In 2014, the BA group continues to support 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.

Being education to children and youth the core of the Social responsibility in BA, in 2014, new projects deserved our best support: Global platform to support the Syrian Students". This is an initiative promoted by Jorge Sampaio, former President of the Portuguese Republic, which allowed nearly one hundred students to continue their university education in Portugal and start preparing for reconstruction of their devastated country and society by a conflict which has been dragged for over four years.

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. It is important to highlight the main priorities in the environmental management in BA: minimize the environmental impact of its activities and prevention of pollution by promoting a rational use of the resources by setting actions which aim increasing the glass recycling, rationalization of water consumption, energy and raw materials and light-weighted glass containers.

BA commits itself to the identification and disclosure of the best practices, continuing to monitor and compare the individual performance of each plant.

The year 2014 is marked by the consolidation of the environmental improvements implemented in the Villafranca de los Barros and Jedlice plants last year. This investment was of EUR 2 million.

Challenges of interested parties: 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.

Challenges 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, which has allowed the compliance with the relevant legislation, as well as the expression of the group's difficulties and concerns, in view of legal obligations.

Glass recycling

The glass industry has always been endeavored to ensure the recycling of all glass packaging used and all glass containers that are discarded during the production process.

Besides using recycled glass in its production, the group initiated its own 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 plant 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 cullet treatment plant in Villafranca de los Barros, Spain.

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

The increased consumption of recycled glass (cullet) is a permanent objective of the company but difficult to achieve; not only due to the difficulty in acquiring good quality cullet, at competitive prices, but also due to the limited existence of white cullet, restricting the introduction of external cullet into the composition of the white glass.

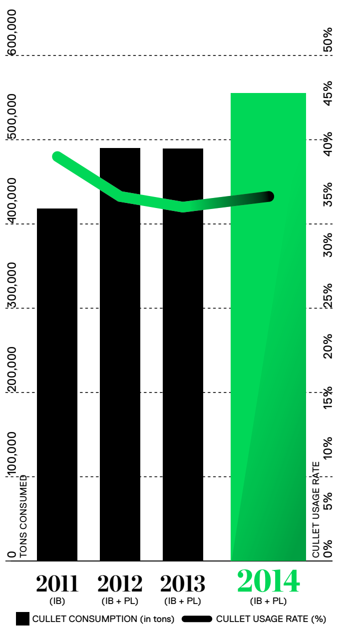
The group's recycled glass (cullet) origins from its own production activity, domestic post-consumption and import from other countries.

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

- By preventing the cullet of being deposited in landfills;
- By reducing the use of energy consumption (note that the cullet melts at a lower temperature than necessary to melt raw materials);
- By reducing the natural resources (when replacing raw materials by cullet);
- By reducing the carbonated raw materials, implies the reduction of the greenhouse gas emissions (CO_2);
- By decreasing the emission of atmospheric pollutants, such as particulates, Nox and SO_2.

In 2014, the consolidated value of the cullet used in the seven plants stood at 36%.

Cullet Consumption and cullet usage rate



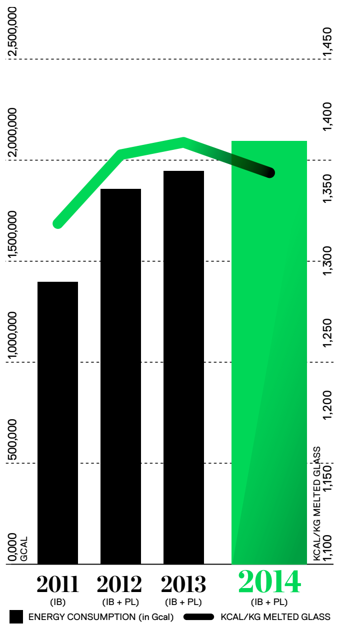
Environment performance

Water and Energy consumption

The glass container production activity is characterized as being an intensive consumer of energy. Therefore, one of the group's goals is to decrease energy and water consumption. Thus, 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 2014, there was an improvement regarding the energy consumption. The consolidated value for the specific consumption of the seven plants was 1.370 kcal per kg of melted glass.

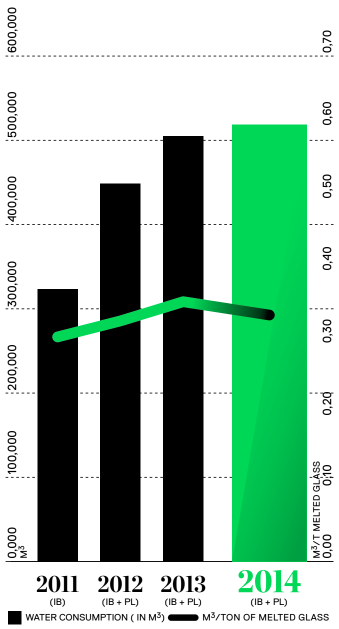
Energy consumption



Regarding the water consumption, several actions were developed during the year 2014 which allowed the decrease of the consumption in the Polish plants, and therefore, decrease the consolidated value in all 7 plants.

The consolidated value of water consumption was 0.34 m3 per ton of melted glass.

Water consumption



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, characterized by a careful separation by type of waste in order to control its volume and increase its value.

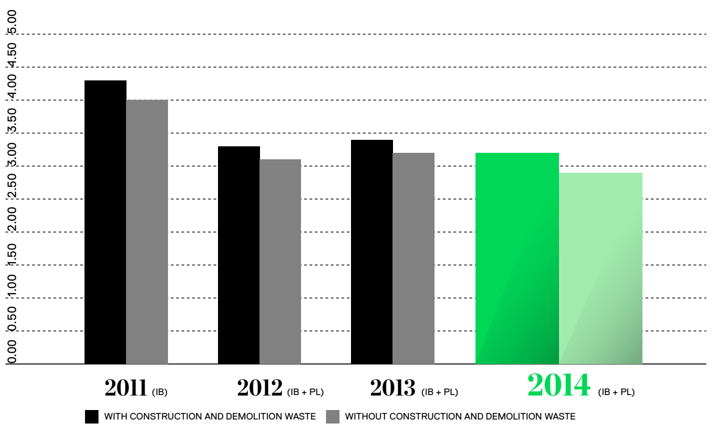
Some waste generated by the group is recovered internally, such as the cullet from the production, the waste generated in the electrostatic precipitators and in the industrial waste-water treatment plants.

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

The current rate of waste generated from real production, excluding construction and demolition waste as well as the waste recovered internally, is of about 2.9 kg of waste per ton of melted glass.

Generated waste excluding internal valuation

[Kg./Ton of Melted Glass]



Atmospheric emissions

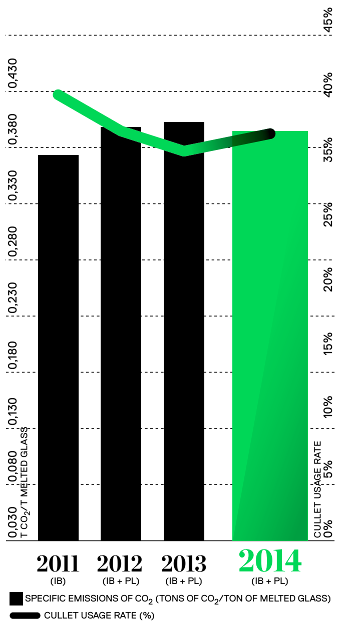
Carbon dioxide emissions (CO_2)

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 CO2. In 2014, there was a decrease in the amount of consolidated emission of carbon (tons of CO2 issued per ton of melted glass) which is due to the energy improvement and increase of cullet used in the production process.

The group is continuously monitoring the CO2 emissions in order to comply with stricter rules that are applied to the period comprised between 2013-2020. The new rules demand a significant reduction in the total emissions of CO2 and the licenses allocated to all the plants are lower than the ones granted in the previous periods.

Specific CO_2 emissions *versus* cullet usage rate



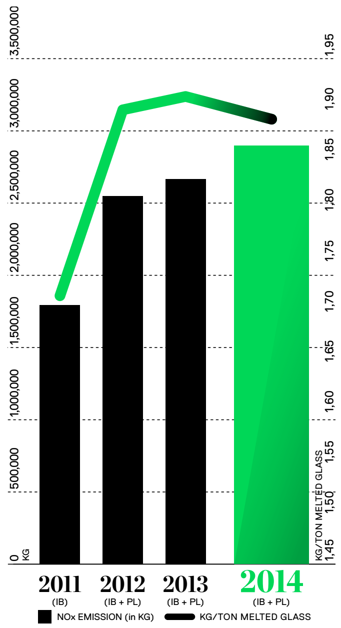
Emissions of particulates, nitrogen oxide (NOx) and sulphur dioxide (SO_2)

Pursuant to the legal obligations established in the environmental licenses, the group carries out sporadic monitoring of the gas emissions of the existing fixed sources. In Marinha Grande and in Venda Nova plants, the parameter monitoring is performed in a continuous manner.

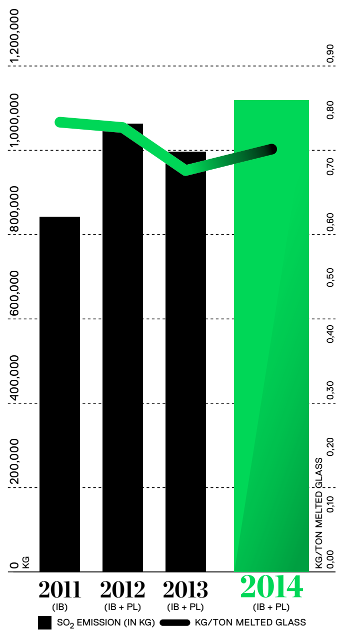
Some of the improvements undertaken in the previous year, in the Villafranca de los Barros and Jedlice plants, have already reflected in the monitoring processes held in 2014, which is the case of the improvement of emission factors of the particle parameters and Nox.

Regarding the SO_2 emissions, there was a slight increase in the emission factor, resulting from the mix of colours of the produced glass. The SO_2 parameter shows higher values in the glass fusion process, named "reduced" as opposed to "oxidized", which means that the monitoring actions made to the pollutant present variations related to that fact.

NOx emission



SO_2 emission

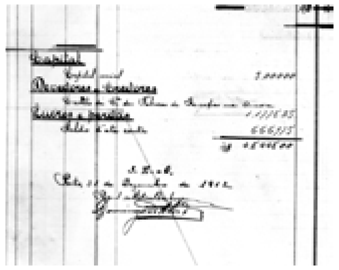


WE WILL GET THERE!

IT IS IMPOSSIBLE TO HAVE ALL PLANTS WORKING IN A SILENT ENVIRONMENT

100 years of History

1912
Incorporation of
Barbosa & Almeida



1947
Introduction of
Automatic Technology

1969
Start of Operation at the
Avintes Industrial Unit

1993
Acquisition of
CIVE

1998
Start of Operation at
the **Villafranca de los Barros** Industrial Unit

1999
Acquisition of
Vidriera Leonesa

2008
Acquisition of
Sotancro

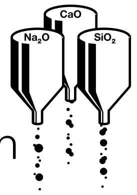
2012
Acquisition of
Warta

go to
table of contents

BA

glass packaging manu facturing process

1 STAGE glass composition

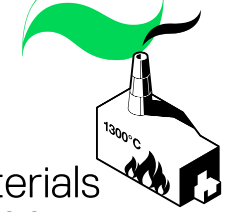


At this stage, all raw materials are stored, measured and mixed to create the mass composition to be vitrified, which will be brought to furnaces where fusion will take place. The basic composition of glass package is:

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.

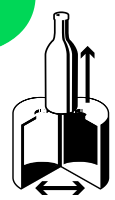
2 STAGE raw materials fusion



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

3 STAGE glass forming



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.

4 STAGE 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.

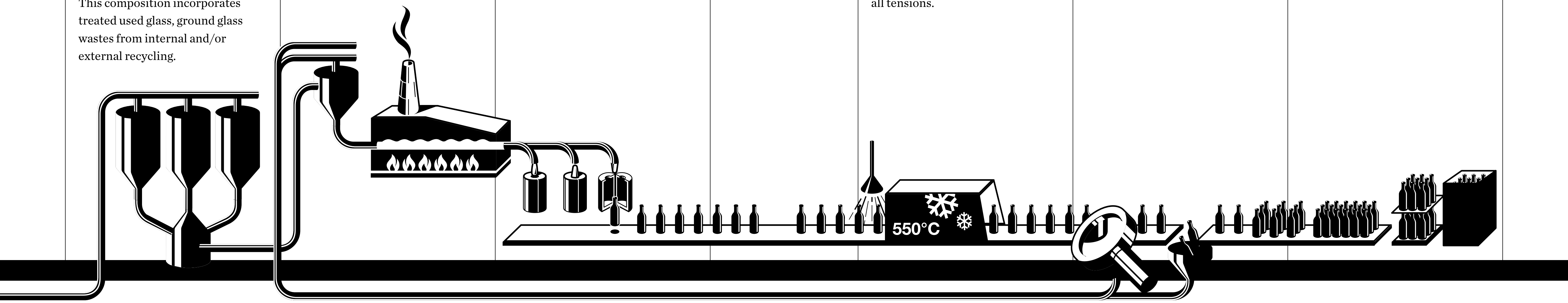
5 STAGE inspection and quality control

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

6 STAGE 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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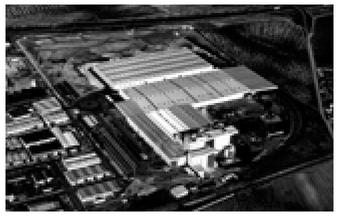
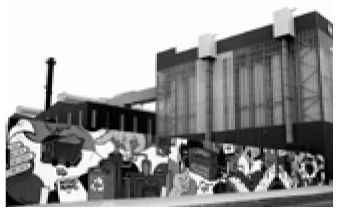
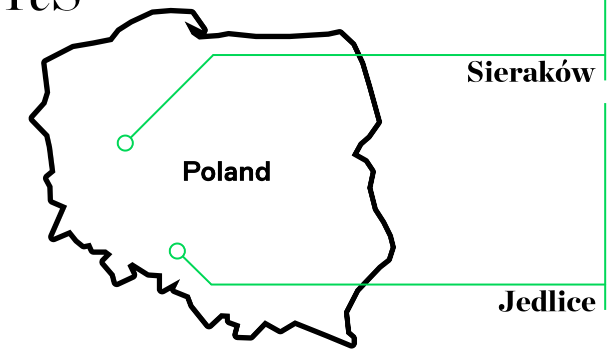




polish plants



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