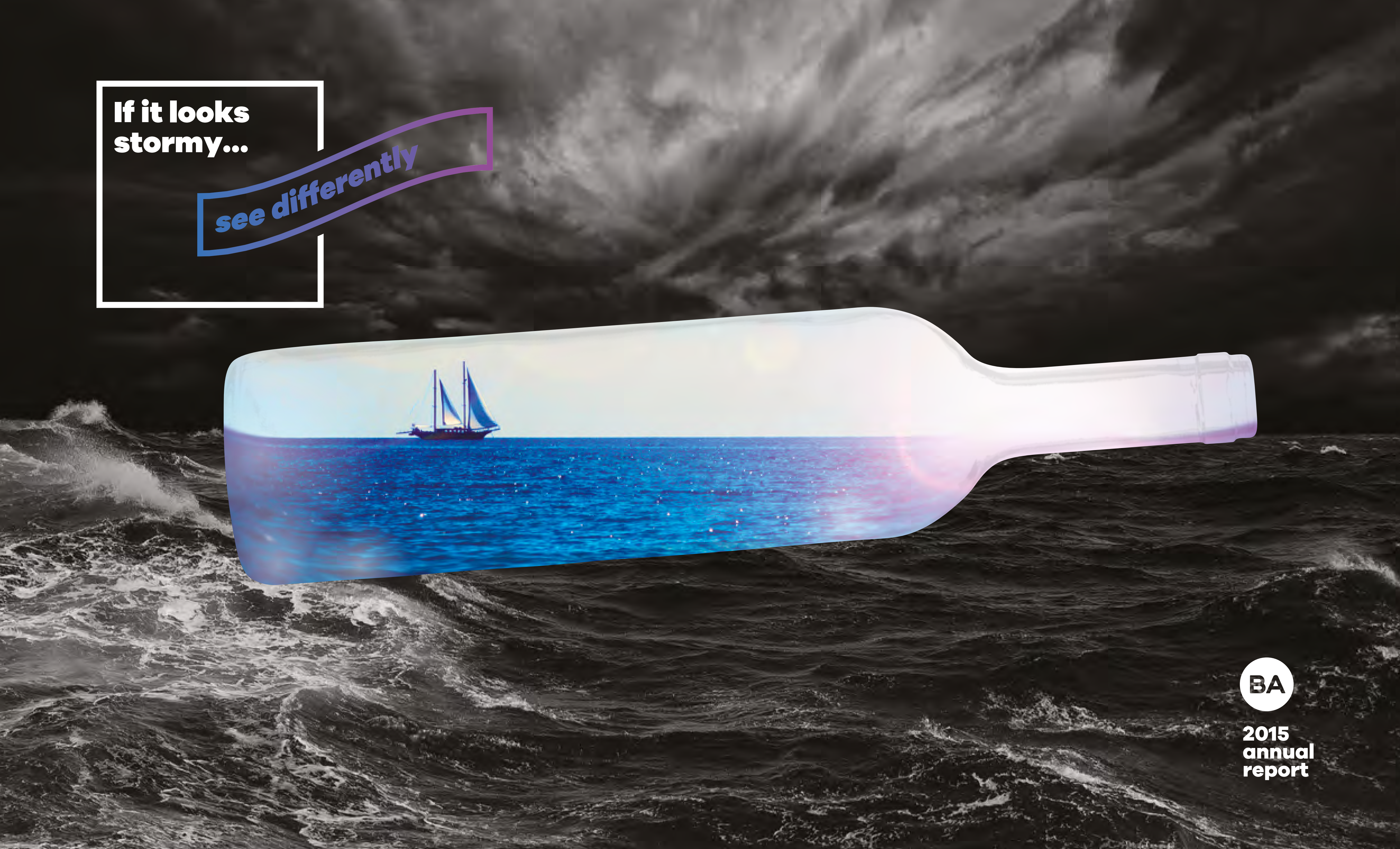
If it looks stormy...
see differently
BA
2015 annual report

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If it looks stormy...

see differently

BA

2015 annual report

There are several ways of embracing life.

Some take it as it is, others blame against it, others change it.

Those are the dreamers, the ones that, not being different from the others, see life differently.

Those are the ones that turn impossible into possible. Some will call them crazy, troublemakers. But...

The constraints are in each one's head. There are no limits if you see it differently.

The minute you understand that you can transform things surrounding you, you will embrace it, you will enjoy it, and you will never stop striving to see them differently.

Those are the persons that will change their companies and the world, pulling them forward!

"The more you embrace uncertainty and practice the skills to deal with it, the more self-confidence you will develop and the better prepared you will be to lead".

RAM CHARAN

If the path is tough...

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BA

To achieve new operational records, to rebuild a complete furnace faster, to be more flexible and at the same time more productive, is tough.

For 2016 the targets are ambitious and there will be many more challenges. The integration of a growing team, collaboration, discipline and continuous process optimization will be key to success in the consolidation and smoothness of our operations.

If the path is tough...

make it easier

If the chain is too hard...

BA

The balance between growth and simplicity is, sometimes, not easy. The thorough design of a scalable organization is required to be successful and sustainable. The dissemination of an unique culture throughout the company requires persistence and skill. We believe transparency in relationships and simplicity in all processes are vital ingredients. Truth avoids loss of time and helps building trust and confidence. Simplicity promotes initiative and creativity.

If the chain is too hard...

shape it using creativity

Remote places...

BA

Protecting and developing our position in our strongest markets and segments is certainly one of BA's priorities for its long-term sustainable growth. But we also aim to seek, conquer and grow in new markets. In 2012, BA was delivering its products to 45 countries. Today, to 20 more. A completely new approach was needed, with strong implications on production and logistic processes, to plant the seeds of a future growth.

Remote places…

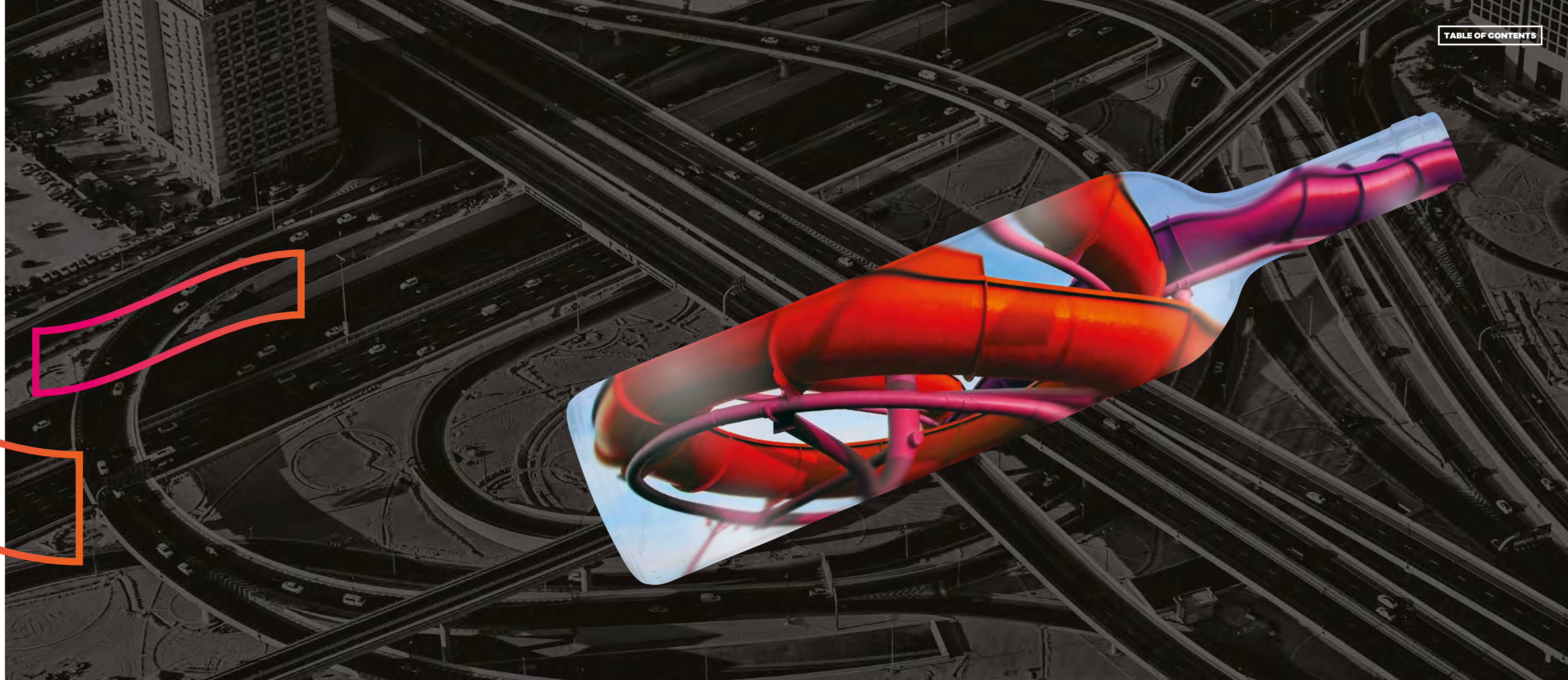
are future opportunities

Complex problems...

BA

More geographies, more destinations in each geography, more customers, more products. Everything has grown, in some cases even doubling. This is a challenge we looked for. Internationalization means complexity, new problems, new needs and new approaches. It requires different skills, to be better, to innovate. That can really be fun!

Complex problems... can be fun



Even in darkness…

BA

Innovation, trust, ambition, sustainability. This is what BA offers to its current and future customers. We want to grow with them side by side. In adverse market contexts, like Europe has been facing over the last 8 years, suffering a significant shortness in consumption, to rethink concepts, products, proposals, is key to move forward. Our ambition is to cover those customer needs. From design to packaging, from logistics to customers' production lines, all are opportunities to turn constraints into value added solutions. We believe our offer can bring light to it!

Even in darkness...

we can see light

When everything seems lost…

BA

In an environment of intense competition among several packaging materials, innovation is key to create differentiation. Glass can be used to reshape, to relaunch a brand, a new product or a different solution. Glass protects taste, is endlessly recyclable, magnifies its content and keeps it safe. Through a relentless focus on the quality of our products, our aim is to leverage the glass unique value proposition as a packaging material, safeguarding our customers trust and success, thus protecting and developing both ours and their businesses.

When everything seems lost...

glass keeps it safe

BA

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Message from the Chairman

BA 2015 annual report

To all stakeholders,

2015 was a year of quite contradictory events. On one hand, the economic recovery that we had formerly witnessed in 2014 in the Southern European economies and in Poland, albeit timid, continued with an additional decrease of unemployment and an increase in private consumption. On the other hand, the three countries where we run our industrial operations – Portugal, Spain and Poland – initiated periods of instability due to the results of general elections, some already overcome, but with still unclear effects on important policy guidelines, namely labour legal frameworks with impact on productivity, and the uncertainty of the tax regimes that affect the investment programmes of both local and foreign investors. This ambiguity in policies, together with the sluggish impact of the quantitative easing taken by the ECB and the National Bank of Poland, may bring about a deteriorated economy in 2016.

Overall, the European markets for glass packaging have suffered a strong decline on prices higher than the decrease in energy costs, with a negative impact on margins. In Portugal, there was an additional negative impact on our customers' markets as a consequence of the sharp decline of the Angolan economy, dragged by the fall in oil prices.

In 2015, the consolidated accounts of the group show an increase in sales of 3%, which has been achieved in spite of the pressure in prices and the strong decline of direct and indirect sales to Angola. For this good commercial performance contributed the ability to export from the three industrial platforms to compensate the Iberian volume losses. The economic performance suffered from the decline in prices, the substitution of markets but also some significant non recurrent costs in M&A projects. All these had a negative impact on the EBITDA margin, which declined 1.7 pp to 32.7% of sales. The net income reached another record level, marginally higher than last year, amounting to EUR 86.5 million or 16.3% of sales.

The Polish operation is now totally integrated and I am glad to highlight the success of the second furnace rebuild and its start up in Sieraków. In spite of this rebuilt, BA Poland increased its sales and EBITDA 11% and 7.8%, respectively.

Last year, we continued the search for target acquisitions to support the growth that a top operational performance, a strong balance sheet and a fit management team advise and enable, and yet, unsuccessfully. We will continue being attentive to opportunities.

Time ahead looks challenging with the roots of the western civilization being questioned by the migrants' crisis and the disproportionate distribution of world wealth, the Chinese economy slowing down and Europe fighting to establish a new commonly accepted platform for the next phase.

We need **to see differently in this stormy time**, and we need **to make things easier to move ahead and lead** in this highly uncertain environment. I believe that we, at BA Glass, are even fitter for this challenge. In 2015, we redefined the top management responsibilities to give more weight to innovation and to people and process enhancement. Also, in 2015, we reviewed our "way of doing things" – challenging and questioning beliefs, processes and behaviours – and adopting a new **"BA Way"**.

A word of thanks is due to all our employees in all geographies who have contributed to the 2015 performance.

I want to thank our customers for their confidence, and promise them that we will continue investing in technology, supply chain management and new product design to support them in their challenging path to the consumer markets.

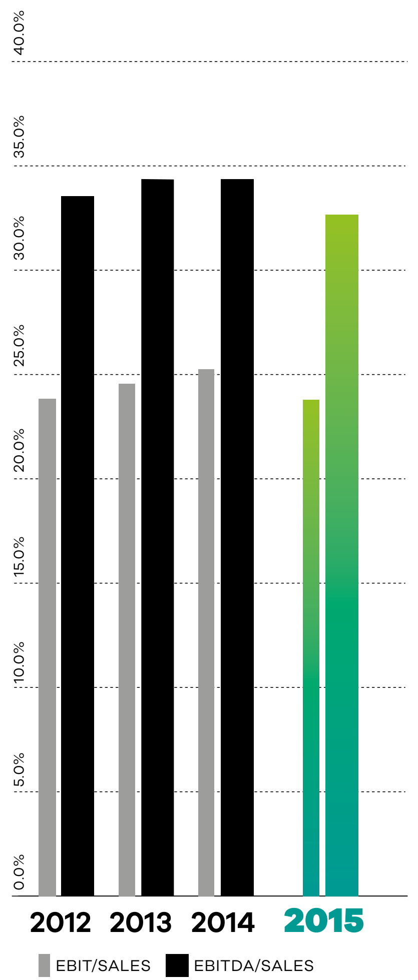
Amsterdam, 26 February 2016

Consolidated Key Figures

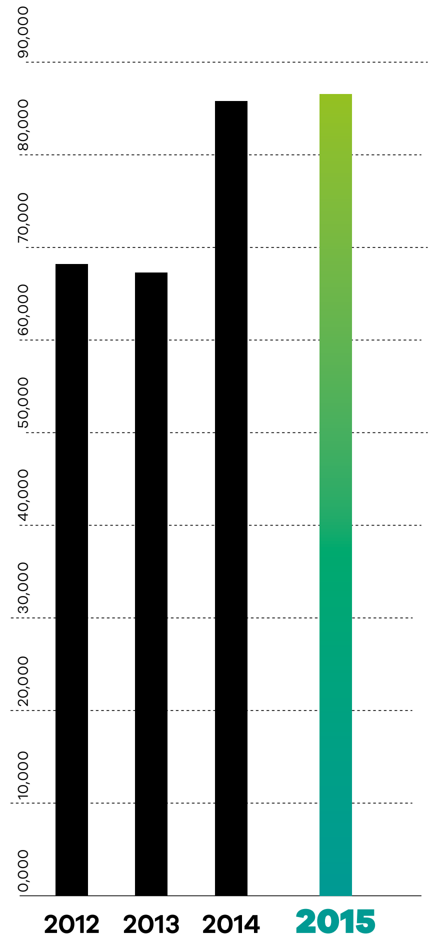
BA 2015 annual report

k.€	2015	2014
Turnover	530,885	514,968
Operating profit	126,220	130,069
Financial results	(7,620)	(17,394)
Net income	86,526	85,783
Cash flow	**133,657**	**132,666**
Operating cash flow	**173,351**	**176,953**

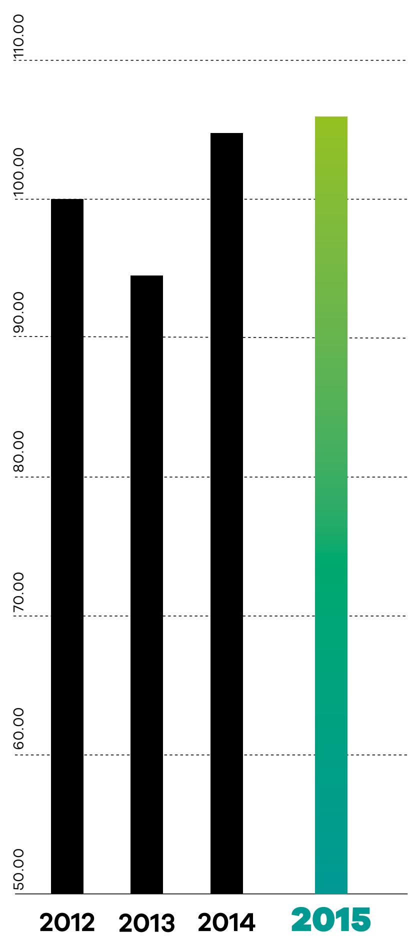
k.€	2015	2014
Net assets	749,236	715,662
Equity	260,133	295,872
Net debt	296,464	243,711
Net tangible fixed assets turnover	1.84x	1.75x
Net Debt / EBITDA	1.71	1.38
Interest cover ratio	25.1	12.6
EBITDA / Sales	**32.7%**	**34.4%**
EBIT / Sales	**23.8%**	**25.3%**
Number of employees	2,237	2,194
Sales / Employee	237.3	234.7



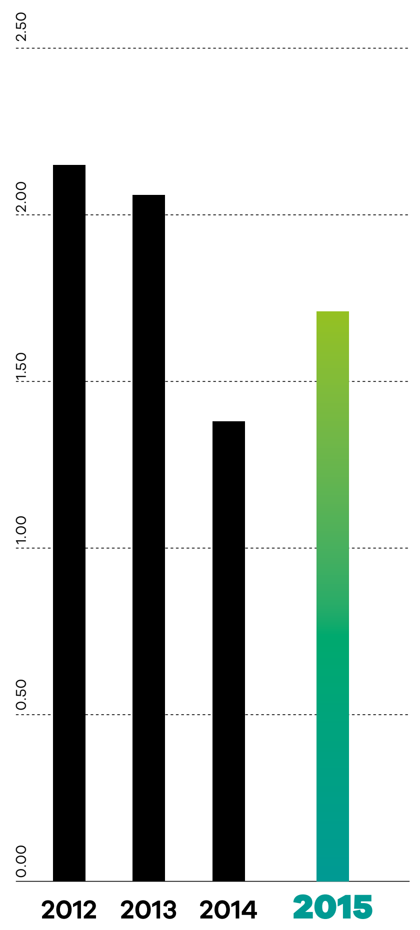
ebit/sales + ebitda/sales
[%]



consolidated net income
[k.€]



sales per *capita*
[basis 100 = 2012]



net debt /ebitda

BA

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 WILL
(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%
Teak Capital, 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
- finance & consolidation
- investments
- management control
- innovation & development
- quality and H&S
- people development
- information technologies
- legal
- strategic procurement

IBERIAN DIVISION
MD Iberia

POLISH DIVISION
MD Poland

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
Francisco Silva Domingues
Javier Teniente
Jakub Hoch
José Ignacio Comenge
Jorge Alexandre Ferreira
Leslaw Kanski
Mário Pereira Pinto
Pedro de Araújo Lopes
Pieter Hallebeek
Rita Silva Domingues
Rokin Corporate Services B.V.
Wojciech Kolpa

EXECUTIVE BOARD

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

DEPARTMENTAL DIRECTORS

Alberto Soares
Angel Luiz Díez
Ana Cristina Gonçalves
António Magalhães
António Sá Couto
Fernando Amilivia
Iva Rodrigues Dias
Jaroslaw Szarzewicz
Luís Cardoso
Malgorzata Wróbel
Pedro Belo
Pedro Correia
Rafael Corzo
Rui Guimarães
Tiago Moreira da Silva
Tomasz Karpiewski
Vítor Matoso

Annual Management Report

BA 2015 annual report

Introduction

To the Shareholders,

We hereby present the 2015 Annual Report and Consolidated Accounts.

The year 2015 began with some optimism in the European markets, which were giving signs of recovery in private consumption, partly triggered by greater credit availability to households and by a slight recovery of the employment rates.

The signs of uncertainty emerged later, with the slowdown of the major economies, such as Brazil and China, together with the downfall of the brent price, penalizing the economies dependent on it.

In Portugal and in Spain, exports continued to be the major growth engine. In Poland, after the difficulties generated by the Russian imports' barriers being, to a large extent, overcome, the scenario was also relatively optimistic, with the GDP growing above 3% and the unemployment rate presenting the lowest levels of the last 10 years.

Throughout the year, the financial sector continued to show positive signs. The levels of confidence and the capital availability increased, becoming even more visible with the exponential increase of mergers and acquisitions of companies in all markets, including the food packaging industry.

However, in Europe, and in general, the demand for glass containers was consistently lower than the supply capacity. Stocks were not reduced and the pressure on margins was aggravated, jeopardizing the recovery of the industry profitability.

In Portugal, the situation worsened in the second quarter due to the downfall of the exports to Angola. The brent price fall has generated constraints to the domestic consumption in this market, which associated with the constraints in capital outflow, caused a brutal reduction of imports in Angola. The beer and soft drinks producers suffered heavily with this situation, which still remains up to the present date. BA sales in Portugal have been negatively affected by this context.

In Spain and France, one of the largest destinations of the group exports, the price pressure was very strong, resulting from contracts with price clauses fully linked to the energy price which, automatically and repetitively, lowered the sales prices to levels which did not reflect the real production cost change.

In Poland, the Spirits industry showed some recovery when compared to a very negative 2014, which was strongly affected by the increase of taxes on vodka production.

Exports leveraged BA growth and mitigated the fall of the Portuguese market. At present, BA exports to over 60 countries, and has already a relevant presence in France and Italy, where there are no production units.

During the second half of the year, the third of four furnaces was rebuilt, in compliance with the initial investment plan for Poland. This new furnace, in Sieraków plant, will more efficiently serve the local and international Spirits market.

The year ended with 3.1% turnover growth, with the export market being the booster of this growth. For the first time in several years, the average sales price of the group decreased, nullifying any positive effect coming from the significant reduction of the natural gas price, and turning the profitability increase into a greater challenge.

The results of 2015 include non-recurring costs of around EUR 4.2 million, generated by BA's enrollment in some companies' acquisition attempts, which were finally not successful. The investment in pursuing growth opportunities was proactively driven by the group. Various investment opportunities in the industry were analyzed, both inside and outside Europe, pursuing the dream of growing and finding alternatives for the funds that the business generates. However, we continue to believe that the ambition to grow cannot affect the decision criteria and the rigor on the valuation of each opportunity.

The number of packaging projects

developed by the BA team in partnership with its customers remained almost unchanged when compared to the previous year (415 new projects in 2015 when compared to the 421 in the previous year). However, it's imperative to emphasize the significant increase in the number of new packaging containers launched into the market against the previous year (140 new containers, an increase of 35%). The creation of new packaging containers proved to be a great factor in attracting new customers and businesses. From the total number of new packaging containers introduced into the market, 49% (68 containers) were produced in Poland, resulting from the great dynamism of this market and the investments carried out in both production units. Improvement projects, in partnership with our customers, continued to be the tool for deepening a relationship that goes beyond the simple act of purchasing and selling packaging containers.

The number of new businesses continued to grow, both with former customers, in new packaging containers and new destinations, and with new customers. The major complexity that results from this is certainly a source of great opportunities. We are clear that complexity is a result of our strategy of seeking more value creation and ensuring business sustainability.

In the Iberian plants, the focus was on consolidating the improvements and investments made in former years. It was also a year of reorganizing and rejuvenating the middle management, a process not completed yet. The Iberian team gave also strong support to the investment and improvement actions developed in the Polish sites. Through this cooperation, the integration of the group was further deepened throughout the year.

In the Polish plants, the year was once again marked by important investments and the strengthening of the management teams. The integration of young managers with strong ambition and determination was key for the challenging growth plan ahead. The operational performance improvements are already undeniable in Sieraków. An investment was carried out in the second furnace of this production unit during the second half of the year. The start-up of this furnace was fairly smooth and presented values of efficiency that are a reason of satisfaction to the local team. In Jedlice, the performance has not reached the expected levels, but the team is now prepared for the reconstruction of the second furnace, the final milestone of their investment plan.

The operational cash-flow (EBITDA) presented a decrease of 2.0%, amounting to EUR 173.4 million and the operational income decreased 3.0% amounting to EUR 126.2 million, which represents a sales margin of 32.7% and 23.8%, respectively. These results were strongly affected by the negative evolution of the average sales price, which was greater than the production cost reduction, and by the non-recurring costs faced during the year. On a recurring basis, both EBITDA and EBIT were greater than in the previous year.

The group ended the year with a strong balance-sheet structure, with net assets of EUR 749.2 million and net debt of EUR 296.5 million. The equity ratio is of 34.7% and the net debt/EBITDA ratio of 1.71x.

The financial results amounted to a loss of EUR 7.7 million (compared to a loss of EUR 17.4 million from last year). This reduction is due to the decline of the financing costs (both in the indexes - EURIBOR and WIBOR – and in the spreads), and of the average annual debt. To note that 2014 results were also influenced by an impairment for investments with a negative impact of EUR 3.6 million.

The consolidated results before taxes amounted to EUR 118.6 million presenting an increase of 5.3% in comparison to 2014, and the net results amounted to EUR 86.5 million, similar to the prior year. It is important to highlight again that, on a recurring basis, the figures would be slightly better than in 2014.

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

As in previous years, this publication will integrate a sustainability report where the group's vision, the business sustainable development principles, and the performance in each of its components are communicated.

The group or its subsidiaries 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 promoting glass as a packaging material and on monitoring national and community legislative initiatives.

Commercial Activity

The year 2015 was marked by the greatest uncertainty concerning the worldwide market growth, largely due to the slowdown of emerging economies and the drop of oil prices.

The Euro zone registered a moderate economic recovery, supported by the expansion of domestic consumption, but in a context of greater uncertainty for production and exports.

Portugal was especially hit, suffering a significant sales reduction, partly explained by the slowdown of Brazil and especially Angola, which had been gaining relevance as export markets.

It was in this context that BA's turnover reached a total of EUR 530.9 million, representing an increase of 3.1 % when compared to the previous year.

The main markets continued to be Spain and Portugal, where sales decreased mostly due to lack of exports to Angola and Brazil by our customers. Poland represents already 14%.

Exports grew 22% with special emphasis on France, Italy, Germany and Belgium. In total, BA sold products to 65 different countries.

The main consumer segments were Food and Beer, representing 34% and 21% of the total sales, respectively, followed by the segments of the Wine with 20%, Soft drinks and Spirits both with 12%.

At the group level, the main growth came from the Spirits segment, a consequence of the production increase due to the investments in the Polish furnaces. We continue to see sustainable business growth in all segments, particularly in Food, where BA has not only expanded its customer portfolio, but also strengthened its position among the major multinational companies and international groups.

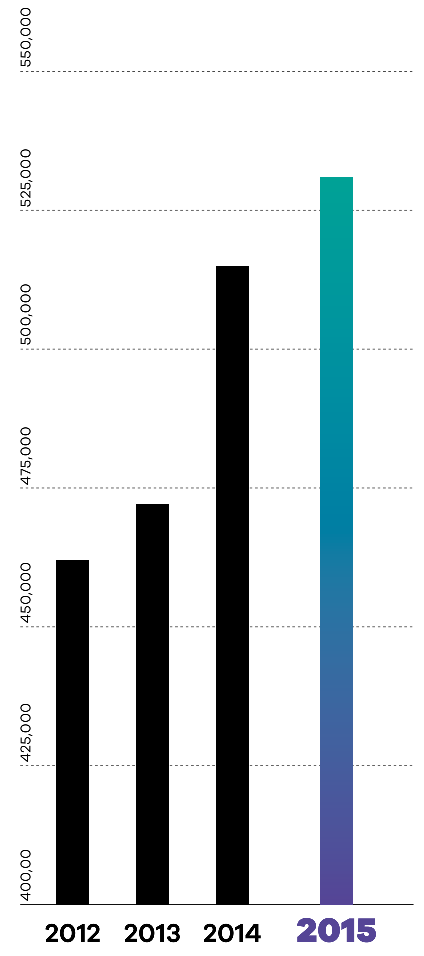
In 2015, BA had more than 1.000 active customers, of which 90 customers represent 80% of sales. There was a slight reduction of concentration in type-A customers, with the customer portfolio expansion to smaller accounts.

Once again, an independent company carried out a customer satisfaction survey concerning BA, and it was with great satisfaction that we confirmed BA's value proposition perception improvement among our customers.

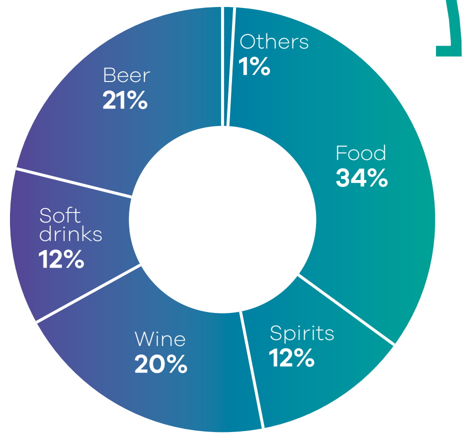
This is the result of the commitment to add value to BA's customers through differentiation.

With continuous focus on reducing production costs, creating more sustainable packaging from an environmental point of view, and increasing our customers competitiveness through the development of more appealing models to the end consumer, in 2015, the group developed 415 new products, which represent 8 new models per week. Additionally, 35 models were lightened, representing 8% of the total number of projects.

Turnover
[k.€]



Segment › Sales 2015
[%]



Industrial Activity

In 2015, the reconstruction of the second furnace in the Sieraków plant (Poland) must be highlighted. The remaining BA production units continued focused on the constant improvement of efficiency, quality and service towards their customers.

The Avintes plant had some problems in one of its furnaces' regenerators, which led to production losses during the first half of the year. After the due repair, the production unit showed a clear improvement in the utilization ratio and production efficiency.

The Marinha Grande production unit kept the developments from the preceding years, despite the significant changes at the organizational level that this plant faced throughout the year.

With regards to the plant in Villafranca de los Barros, 2015 was a year in which new records were reached in most of its operational performance indicators. This confirmed the path towards excellence shown in the recent years. It is also important to acknowledge the good results achieved in terms of flexibility and efficiency.

The production unit in León has been following a good path towards consolidating its operational results, showing a significant improvement when compared to the previous year, and reaching new records in key operational performance indicators.

Regarding the Venda Nova plant, 2015 was not only a year of utter changes at the organizational level, but also of intense and sustained effort in terms of training, leading to a positive development in the second half of the year.

In Sieraków, the plant finished the rebuild cycle of its furnaces. The investment made on furnace SI1, during 2015, equipped the plant with state-of-the-art production technology, introducing relevant improvements on the quality control and optimization of energy consumption. One of the production lines was especially designed for the production of miniatures, aiming to improve the plant portfolio and meet customers' expectations. 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, resulting in a smooth start-up in the third quarter of the year.

The Jedlice production unit has not achieved the expected results in its key operational performance indicators yet. Several actions were carried out to consolidate the manufacturing conditions and organizational changes, preparing the plant for next year investment (the rebuild of JE2 furnace). 2016 must be a year of consolidation of investments made in former years. Also important to highlight that in 2015, Jedlice successfully went through the Baby Food audit carried out by Heinz and Hero, receiving a positive assessment.

The benchmarking process among plants enabled the implementation of best practices and the sharing of knowledge in most areas, such as efficiency, quality, costs, and energy consumption. It was also a threshold to establish guidelines to increase the utilization ratio and operational performance, together with the increase in the number of job changes. During 2015, a new project (Benchmarking and Improvement Teams – BITs) was launched aiming to build-up new standards for the processes that will lead BA to another level of excellence.

With regards to Logistics, the main challenge was the growing complexity of its operations, with the need to deliver more pallets to increasingly distant places, on time and in good quality conditions. Today, BA delivers its product to 65 countries.

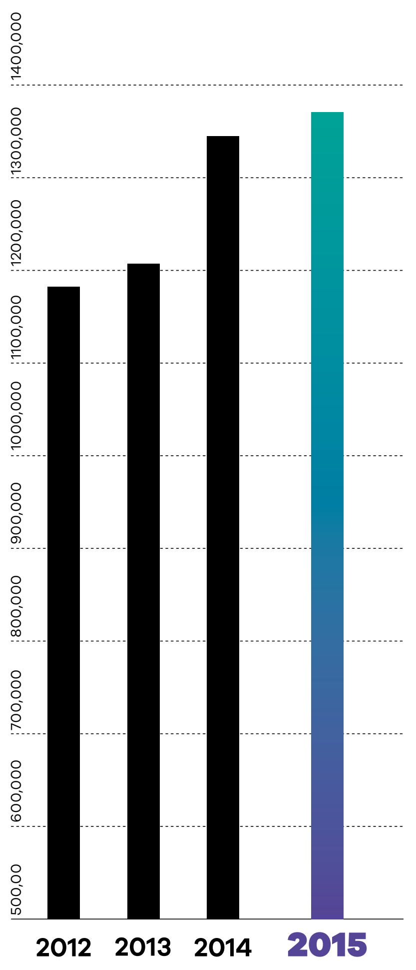
Regarding the activity carried out by BA Glass I and BA Distribución, whose scope is the treatment of recycled glass in Portugal and in Spain, it's utterly important to emphasize the investment made in 2015, which reduces the waste produced during the treatment of the recycled glass, minimizing the environmental impact and increasing the quality of the containers produced. As a total number for 2015, the production units of the group recycled 263.000 tons of glass.

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), supplying the León plant with the highest quality sand.

Finally, Moldin, whose activity is to repair moulds, has reached a substantially better performance than in the previous year.

In general, and following the strategy of improving the efficiency and the service to customers pursued for several years, the group continues to make changes to its organizational processes, following in-house and external benchmarking initiatives and continuously monitoring its critical business processes.

Net production
[tons]



Human Resources

2015 was a year of improvement and even breakthrough in the area of human capital: on one hand, it was marked by the consolidation and strengthening of a structure that will increasingly support the growth of a multicultural organization; on the other hand, the creation of tools to develop competencies and people which will support the growth strategy of the group was an area of focus throughout the year.

In a growing company, the design of an increasingly matrix organizational structure remained the key focus point of the year. The cross corporate policies that ensure the inclusion of a more and more heterogeneous population were reviewed. And it is precisely in order to ensure the consistency of concepts and the dissemination of a unique culture that, in 2015, we launched the challenge to materialize some of the most intangible aspects of BA, its ideals, philosophies and unique principles, emerging the "BA Way". For over a decade the group has defined its mission, vision and values, but the "BA Way" aims to go further, revealing a clear statement of the BA principles and convictions, which will be a guide for all BA employees, namely the ones that have recently joined us and need to incorporate the group culture.

Regarding people development, it is important to highlight the complete overhaul of the assessment and development process of all managers and supervisors. The new process includes a more active participation of all stakeholders, supported by tools that allow a better understanding of the process and boost the participation in all stages, resulting in more complete development plans. The new system called PAD (People Assessment and Development) was implemented in the whole group, consisting in a development cycle with seven steps, lasting throughout the year, reinforcing the involvement of all in the individual and collective growth. The PAD system will also be supported by the development of a training academy that, in a structured manner, will fill the development gaps identified throughout the process.

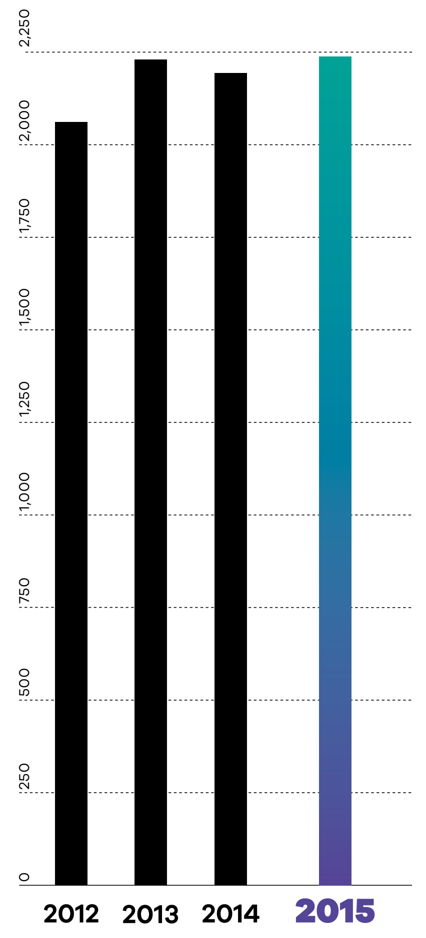
In regards to the working environment, Spain and Poland stood out positively through the success in the collective negotiations made in 2015 or in the agreements still in force. The same has not yet been achieved in Portugal, but BA will maintain its commitment to negotiate a Company Agreement which regulates the working conditions. The commitment of the majority of the employees with the company throughout this process must be highlighted.

The investment in training, as a way of professional development, has reached in 2015 a volume of 27.200 hours. Considering a capital-intensive industry where technological requirements dominate, the training in technical areas have a significant share. Also important to highlight the focus on English language training sessions, as English will become the official language of the group in 2016.

As a less positive aspect of 2015, the increase of absenteeism must be pointed out. The group recorded at the end of the year a cumulative value of 6.2% (an increase of 1 p.p. when compared to the previous year). There are actions currently in development which, in the short term, will enable to reduce the absenteeism levels in Portugal and Poland, the most affected geographies. The target of "zero accidents" has not yet been reached, so all the means to implement a culture of prevention in the area of safety, are and will be consistently made available to the teams.

At the end of the year, the BA group had a total headcount of 2.237 employees, 1.044 in Portugal, 535 in Spain and 658 in Poland. The attention should be drawn to the great challenge of recruitment in Poland, where unemployment rates are extremely low. To meet the needs generated by the investments made, it was necessary to develop employer branding campaigns, not only with the local communities, but also nationally and even across borders.

No. of employees



Investments

In 2015, the group investments in tangible fixed assets amounted to EUR 40.8 million (2014: EUR 30.2 million).

The most important project was carried out in Poland, Sieraków plant, in the second quarter of 2015 for the reconstruction of furnace 1. This investment intended to provide the plant with significant improvements regarding energy consumption through a newly designed furnace, to renovate the plant equipment, introducing state-of-the-art production and inspection machines, and also to renovate the plant systems. The productivity and quality of the plant was and will be significantly improved as a consequence of the improvements introduced. This investment was complemented by a significant increase of the stock storage area with the construction of new warehouses. Overall, the investment in Sieraków plant amounted to EUR 25 million.

A significant investment for quality and productivity improvement of the Cullet (recycled glass) Treatment Station in Avintes was also carried out, totalizing EUR 2.4 million. The introduction of additional cleaning systems has increased the efficiency of the inspection machines, reducing the waste generated in the operation and increasing the quality of the final product, the glass containers.

At the end of 2015, investments for the intermediate repairing works on furnace 2 in the Avintes plant were initiated, expending EUR 2.6 million.

The year 2015 was also dedicated to research, development and tests in various areas, such as mould lubrication, production variables and energy efficiency control.

Innovation & Product Development

Innovation is one of the long-term strategic growth pillars for BA, allowing us to establish trust and proximity relationships with our customers.

In 2015, the challenges were many. The number of new packaging projects developed by BA remained in line with the number of new projects done in 2014. However, we must highlight the increase of 35% in the number of new containers placed on the market when compared to the previous year.

The new projects success rate was 34%, the highest of the last five years. This shows a greater acceptance of BA as a reference manufacturer of glass packaging for the food industry.

The search for new ideas and solutions to be offered to BA's customers, and the interest in maintaining the partnership with national and european universities, led the group to organize the 3rd Glassberries design awards edition, which resulted in outstanding proposals for new containers, this time for the vegetables industry.

The results achieved reveal an interesting evolution in the development and manufacturing of new glass containers, and, in the next year, BA will focus on strengthening the bond and innovation partnership with its customers.

Results

In compliance with the European Commission Regulation 1606/2002 of the European Parliament, with the Council dated July 19, 2002 and the European Commission Regulation 1725/2003 dated September 29, 2003, BA prepares its consolidated financial statements since 2005 in conformity with the International Financial Reporting Standards (IFRSs), as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

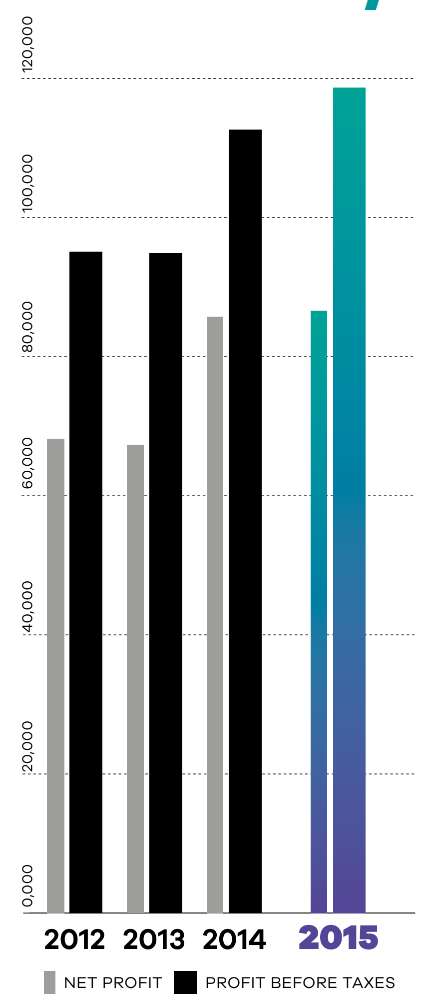
In 2015, the prices of the main production factors evolved distinctively. On one hand, the price of natural gas decreased, consequence of the brent price fall; this decrease was however partially mitigated by the dollar appreciation. On the other hand, the prices of electricity and raw materials experienced a significant increase. Transport costs suffered a significant increase, as a consequence of the contraction of the local markets, forcing the search for new markets. This increase in the production factors price was not offset by the increase in sales price, the latter suffering actually a significant drop during the year.

With regards to the investments, the greatest impact on depreciation was generated by the reconstruction of the furnace 1 in the Sieraków production unit.

Hence,

- The operating cash-flow (EBITDA) amounted to EUR 173.4 million, EUR 3.6 million lower when compared to the previous year. The EBITDA margin/ sales was 32.7%, showing a decrease of 1.7 p.p. compared to the prior year. This decrease is closely linked to extraordinary expenses that the group incurred in projects regarding companies' acquisitions and in an additional repair work carried out on the regenerators of a furnace in one of the Portuguese production units, and to the negative sales price evolution.
- The operating profit (EBIT) amounted to EUR 126.2 million, equivalent to 23.8% of sales, EUR 3.8 million lower than 2014, which means a reduction of 1.5 p.p. when compared to the previous year.
- The net assets turnover increased to 1.84, slightly higher than 2014. Improving the net assets turnover remains a key focus point for the group to ensure the enhancement of its financial position.
- The workforce productivity increased 1.1%, mainly due to the increase of production.
- The financial results amounted to a loss of EUR 7.7 million (compared to a loss of EUR 17.4 million from last year). This reduction is due to the decline of the financing costs (both in the indexes - EURIBOR and WIBOR – and in the spreads), and of the average annual debt. To note that 2014 results were also influenced by an impairment for investments with a negative impact of EUR 3.6 million.
- Income before taxes amounted to EUR 118.6 million, 5.2% higher than in the previous year (2014: EUR 112.7 million), and the net income totaled EUR 86.5 million, 0.8% higher than in the previous year (2014: EUR 85.8 million).

Net profit [K.€]



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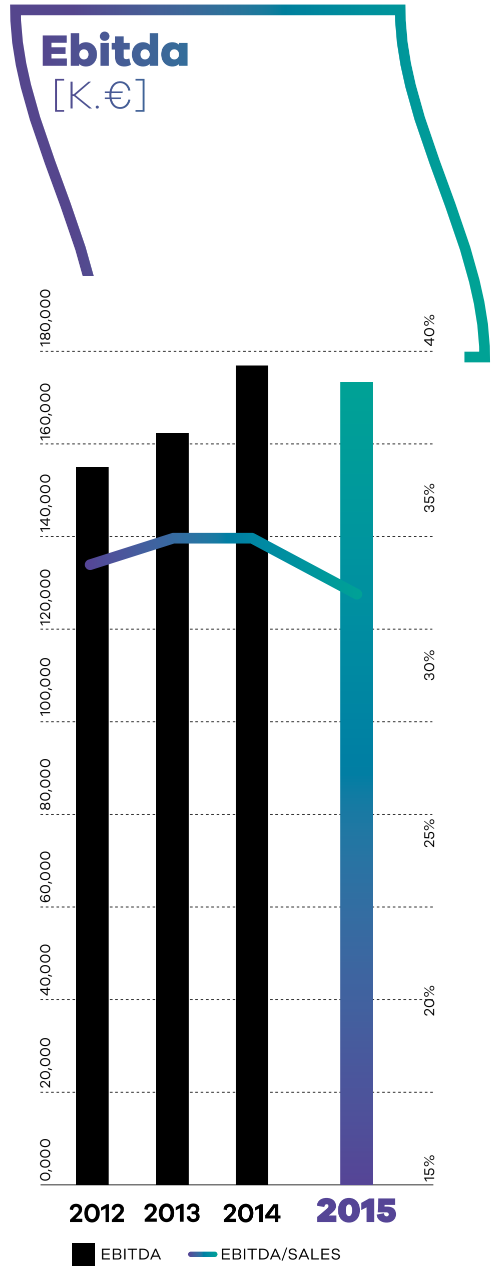
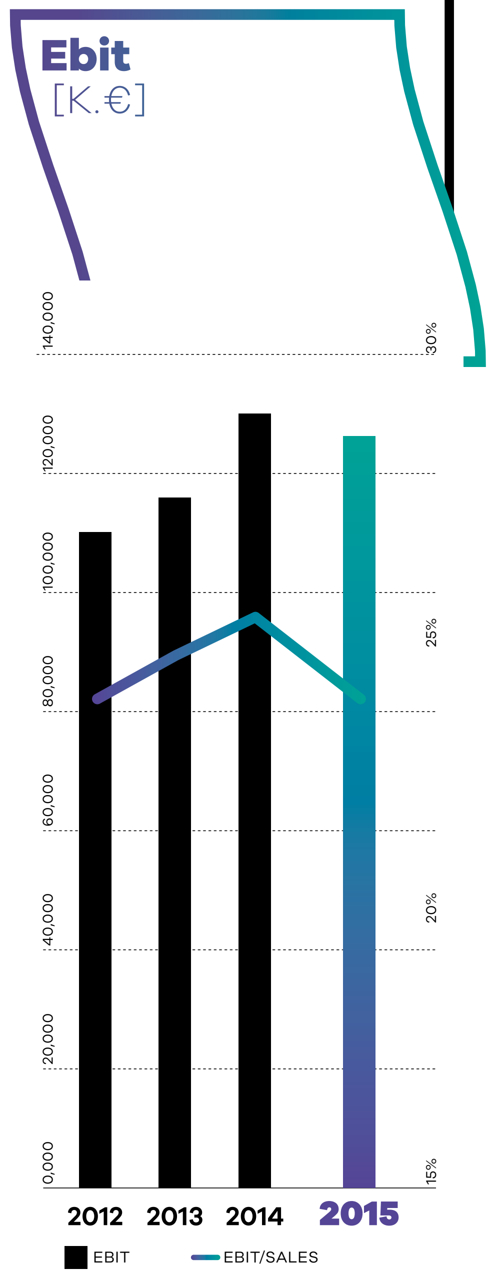




Financial Analysis

In 2015, the consolidated assets increased to EUR 749.2 million (2014: EUR 715.7 million). The property, plant and equipment represent 38.6%. The capital structure remained balanced, as there were no meaningful changes during this period.

The working capital stood at 22.1% of sales, EUR 13 million higher when compared to the previous year, mainly due to the increase in the level of stocks and receivables. The rise in stocks results from the capacity increase in Poland due to the investments which took place during the year. In 2015, there was a strong pressure on receivables, which led to additional investments on working capital, beyond the levels we consider reasonable.

At the end of the year, the total liabilities were of EUR 489.1 million, EUR 69.3 million more than in the previous year, where the group's net debt amounted to EUR 296.5 million (2014: EUR 243.7 million). The increase in debt is mainly related to an extraordinary distribution of dividends which took place in the second quarter of the year. It is imperative to highlight that the group liabilities already take into account the possible exercise of the put option held by the minority shareholders of the Polish company.

The net debt / EBITDA ratio presents a value of 1.71 (2014: 1.38) and the group's equity ratio reached 34.7% (2014: 41.3%) of assets, revealing the financial robustness of the group.

Business Risks

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. By analyzing the critical points, potential situations of value destruction or creation can be identified, leading to decisions and actions to avoid, mitigate or even leverage the business risks.

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 potential risks and/or their impact on the group business.

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

- **Glass packaging industry evolution:** *the group's business depends intrinsically on the level of consumption of glass packaging in the markets, the level of confidence of economic players in that market and on the products' life cycle. The constant and growing innovation and development of new solutions/ alternatives to the glass packaging is also a factor that can add uncertainty to the customers and markets where the group operates.*

  BA's customers include some of the world's well-known companies in the segments of Wine, Spirits, Food, Beer and Soft drinks, with an important reputation in their local markets and across borders. The group's exposure to this risk is naturally mitigated by its diversified presence in several customers, segments and SKUs. Additionally, its geographical diversification minimizes the potential impact that an unfavorable evolution of a given market could bring.

  The glass packaging industry has proved to have a significant resilience to the macro-economic cycles and, in some segments, has been experiencing a slight growth even in periods of economic recession.

- **Customer habit risk:** *a significant change in the preferences of the final consumer may lead, ultimately, to the disappearance of brands in the market, for which the group produces glass containers. Events of customer concentration could also have a significant impact on the group, in terms of business volume and profits.*

  BA strives to diversify its customer and market portfolio. In 2015, BA's 30 largest customers accounted for 58% of its total sales, and levels of concentration in any given customer below what could represent a high risk for the continuity of the business. A significant share of these largest customers are multinational companies with presence / operations in several countries which mitigates the impact of specific changes on consumption habits.

- **Customer credit risk:** *given the worldwide economic context, the group cannot rule out the possibility of having one or more customers disabled to honor certain contracts due to financial distress.*

  The management of credit risk related to customers and other receivables is carried out in such a manner that minimizes the risk of non-receivables in the customers' portfolio.

  BA has access to an international database of credit risk analysis which is used for credit policy and for further monitoring of possible changes in the risks of non-receivables from its customers. This information is complemented with the assessment of the customers' account managers. The non-recourse factoring is a tool that the group can use to anticipate receivables and eliminate their risk.

  The group does not use credit insurance for managing the credit of its customers on a recurrent basis, due to the fact that BA's customer portfolio presents a very low probability of bad debt. In situations of higher risk, namely in the exports, BA uses export letters of credit.

  The customer credit management policy has shown effectiveness in its results. In the last five years the bad debts represented less than 0.05% of the group's consolidated sales.

- **Risks related to suppliers:** *should some of the group's main suppliers of raw materials declare bankruptcy, or experience lack of capacity to respond to the group's needs, or have quality problems, or any other incident disrupting its business, BA's operations could be significantly impacted, leading to additional costs or even impossibility to manufacture.*

  The group has built a large base of suppliers in different countries for its raw materials, materials for production support and other equipment. The 16 biggest suppliers together accounted for 52% of the total consolidated purchases in 2015. Additionally, BA closely monitors the quality and reliability of the products from its suppliers as well as their operations in order to guarantee that the value chain is assured and anticipate any potential disruption.

- **Risks related to energy price and power cuts:** *the natural gas and electricity supply are vital for the operational activity of BA. These sources of energy represent, on average, 27% of the total costs of the group. A substantial increase of the energy price could boost the operational costs of the group, with a strong negative impact on its profitability. On the other hand, the slight possibility of experiencing a power cut for longer than 24 hours could lead to a total disablement to manufacture in the affected plants.*

  The natural gas contracts have an underlying formula that allows the adjustment of price in accordance to the variation of parameters which influence the gas price in the international markets (the exchange rate EUR/USD and the price of the brent). The group does not have as a policy to carry out risk coverage contracts regarding energy price variations, thus the group is exposed to positive or negative variations of the market. However, in the majority of the situations, the energy price variation will be partially reflected on the sales price.

The group has contracted with its suppliers, in the different countries of its plants, energy supply assured uninterruptedly. Additionally, contingency plans are in place to ensure the functioning of the production units for a certain period of time, until the power is supplied again.

- **Risks related to operational stoppage:** *the glass packaging manufacturing process is significantly capital-intensive and implies a permanent use of the furnaces and specific equipment for that purpose. A stoppage of a furnace in order to perform a non-planned or extraordinary repair work impacts significantly the operational results of the group, due both to the repairing costs and to the resultant production losses.*

There is a detailed investment and repair plan for each furnace, which is periodically reviewed by an internal technical team, based on periodical inspections to the furnaces. A set of preventive and corrective measures, intended to lengthen the life of the furnaces and prevent extraordinary events, are included in the normal operation of the furnaces.

The group has contracted an all-risks policy which assures compensation for lost earnings, in case of accident.

- **Risks related to inorganic growth:** *as part of its growth strategy, the group made, and envisages in the future, acquisitions of other companies, entailing risks such as:*
    - *inaccuracy of business plans and consequent companies' valuation based on assumptions which may prove incorrect, especially in respect to future synergies and forecasts of the market evolution;*
    - *failure in integrating the acquired companies, their employees and technologies;*
    - *inability to retain some key employees, customers or suppliers of the acquired companies;*
    - *the group may be forced to keep contractual relationships with costly and/or unfavorable conditions;*
    - *the increase of the group's debt to finance these acquisitions or refinance the debt of the acquired companies.*

All acquisition projects are analyzed within several scenarios, including the most pessimistic ones, in order to evaluate their impact on the target companies and establish realistic boundaries for their valuation. Strategies are designed to overcome those worst case scenarios from the beginning of the acquisition in a way that all necessary measures will be taken to minimize the impact of such events.

On an annual basis, the real development is tracked against the original business plan to validate the strategy initially defined at the moment of acquisition, evaluate the need for adjustments and learn for future acquisitions.

The Mergers & Acquisitions team is closely involved in the group's operations, in order to have a more thorough knowledge of the business and take into account all the relevant variables when analyzing new acquisition opportunities.

- **Risks related to the internationality of the business:** *the internationalization of the group forces it to be exposed to the economic, political, fiscal, legal and environmental risks of several countries.*

The group relies on the expertise of its financial, tax, legal and labor teams which permanently analyze, monitor and anticipate changes in the legislation and labor subjects of the several countries where the group operates, using external specialized support to overcome more complex matters, whenever is needed.

The group's exports are generated mostly in markets of the European Union where such risks are not higher than in Portugal, Spain and Poland. Therefore, the additional risk in the increasingly international presence that BA has been experiencing is limited.

- **Risks related to competition:** *the main competitors of the group are: Owens-Illinois, Verallia, Vidrala, Santos Barosa, Ardagh, among others with low presence in the market. The group faces significant competition from those glass container producers, as well as from the makers of alternative forms of packaging, such as aluminum cans, plastic containers and cardboard packaging. Competition is based mainly on price, innovation, quality, delivery and customer service as a whole. Decisions from competitors could result in excessive capacity in certain countries, leading to significant price pressure in the packaging market, and consequently a strong impact on profitability.*

Innovation and product development represent the two major challenges for the group, and the strong focus on those aspects is what enables it to remain competitive. In 2015, BA developed 415 new products and launched 140 new products in the market.

On a continuous effort to maintain the technology of its operations at the industry's forefront, in order to answer and even anticipate the market needs, the group regularly makes investments on refurbishments and on its operating structure, that are significantly above the industry average.

The rising international exposure that the group has been pursuing also aims to seek for new markets, diluting the competitive pressure in the markets where BA operates, markets which have not been experiencing any significant growth.

- **Interest rate risk:** *the group is exposed to the risk of changes in market interest rates due to the existence of assets and liabilities negotiated with fixed or floating interest rates.*

As a standard rule, the group does not use hedging of interest rate risks as the Board controls closely the leverage of the group by following very closely the level of Net debt / EBITDA and keeping it on levels considered to be conservative as well as the level of EBITDA / Interests guaranteeing those do not reach values that can imply risks to the financial stability of the group. Keeping these two indicators under strict control and under certain limits lowers significantly the risk to interest rate fluctuations.

- **Foreign exchange risk:** *the group is exposed to exchange rate risks due to its share of sales and purchases in currencies different from the Euro. The changes that occur in the exchange rates can have an impact in the group in terms of direct competitiveness of the subsidiaries in their markets as well as in the balance sheet by the consolidation of subsidiaries with currency different than euro.*

The group's activities performed in currencies other than euro account for a small percentage of the total activity and almost all those transactions allow to have natural hedging of cash flows between currencies. Sales other than Euro (in the subsidiaries) are of 10% of total revenues and purchases account for 20% of total purchases (12% of total revenues).

- **Liquidity risk:** *in order to finance its own investments and operational activity, BA has to contract debt with both financial institutions and financial markets.*

The group's profitability has enabled it to continuously ensure healthy equity/debt ratios, ensuring that the cash-flows generated by the business enables the regular repayment of its debt to keep it at safe levels.

BA works with the largest banks in the local markets where it operates, in order to create local relationships. There is a wide diversification of its debt portfolio, to avoid an excessive dependency on any specific financial institution. The group always keeps partially unused overdraft lines in order to face the constraints that could arise from an unforeseen event.

- **Legal risks related to disputes:** *with the exception of the Disputes disclosed in the note 33.2 of the notes to the consolidated accounts, there are no other arbitration, judicial or governmental proceedings that may have a meaningful impact on the accounts and present a risk.*

All disputes are periodically analyzed by the group's legal department. When necessary, and in accordance with the international accounting standards, provisions are created to surpass potential risks which may arise from disputes. At the date of this report, there are no outstanding cases which could have a meaningful impact on the equity and financial structures of the group.

- **Industrial intellectual property risk:** *the group possesses all the necessary licenses for the use of all the technology and equipment needed in order to carry out its activity.*

- **Property, industrial and environmental risks:** *the group's properties, plants and equipment are exposed to various risks: fire, explosion, natural disasters, system failures, pollution, non-compliance with the legal limits of emissions, among other factors.*

Periodic audits to the safety systems against fire and intrusion and even to the control systems at the plants are performed. With the objective of minimizing this risk, there are several simulations that BA performs on a regular basis to test the emergency plans in the case of fire, unanticipated power cut and even glass leakage.

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

On a daily basis, all plants of the group are focused on the minimization of the environmental impact of its activities (reduction of the air and noise pollution) and on the promotion of a rational use of the resources, by setting, annually, actions aiming to increase the glass recycling, rationalization of water consumption, energy and raw materials and the weight reduction of the glass containers produced.

It is imperative to highlight that all assets of the group have insurances guaranteed by well-known insurance companies in the market, offering a guarantee of solvability in case of accident. On a regular basis, BA performs, together with the insurance companies, audits to the risks in order to execute improvement plans and reduction of property risk. Adding to this, BA also has insurances that guarantee the compensation in the case of business interruption, in order to minimize the impact of possible accidents.

Outlook

The prospects for 2016 are not very optimistic given the yet slight improvement of the growth and consumption indicators in Europe and also the uncertainty regarding the macro-economic measures that will be implemented by the governments recently in place in the countries where the group operates. The current context might not contribute to the needed confidence in making investment decisions. In fact, it might even constrain the reduction of unemployment and, consequently, the increase of the domestic consumption.

The inflation rates recovered throughout 2015, but still show negative values or close to zero. Unfortunately, the low inflation rates were not reflected in the prices of some production factors, namely those where the supply alternatives are narrow.

The devaluation of the euro and polish zloty favors the competitiveness of the exports outside Europe, especially to the United States (USA), a region that keeps quite interesting growth rates. However, the continuous price reduction of the brent will not contribute to an improvement in consumption in the economies dependent on it, like in Angola.

Thus, if, on one hand, Angola limits the group sales in the Portuguese market, on the other hand the devaluation of the euro might encourage the sales outside the European continent, which effect will be however short given its still low weight.

BA will continue investing on innovative projects with its customers and also improving productivity and quality in order to mitigate the less favorable macro-economic environment, preserving the sustainability of its business and its customers. The reduction of the energy price may offset some of the price increase in other production factors, such as raw-materials and packaging.

The reinvention of processes and methodologies in BA has been at the basis of overcoming some paradigms. In 2016, once again, the group will strive to convert the impossible into possible. This was the motto throughout 2015 and it will surely be the lever to improve performance in 2016.

The group's growth is supported by the sustainability of the current business and by the confidence of its customers, shareholders and debtholders, who are confident in the ability of BA to manage new challenges and accomplish results. This is the confidence that BA wishes to strengthen in 2016, reinventing some methodologies and processes to manage the complexity, which the group faces and seeks, in a more thoroughly manner.

The group will continue to dedicate efforts 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 key to this trust.

The development of capacities and skills of BA employees and the creation of opportunities is, and will continue to be, another priority in BA. The sharing of good practices and methodologies depend on them, and so does the pursuit of excellence in everything we do. The active search for solutions and commitments that aim at establishing a transparent and trustworthy relationship with all employees will be rewarded with their dedication and commitment.

The interactive relationship with the local communities, mainly with the institutions devoted to training and development of youngsters, is the contribution of the group to the enrichment of 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.

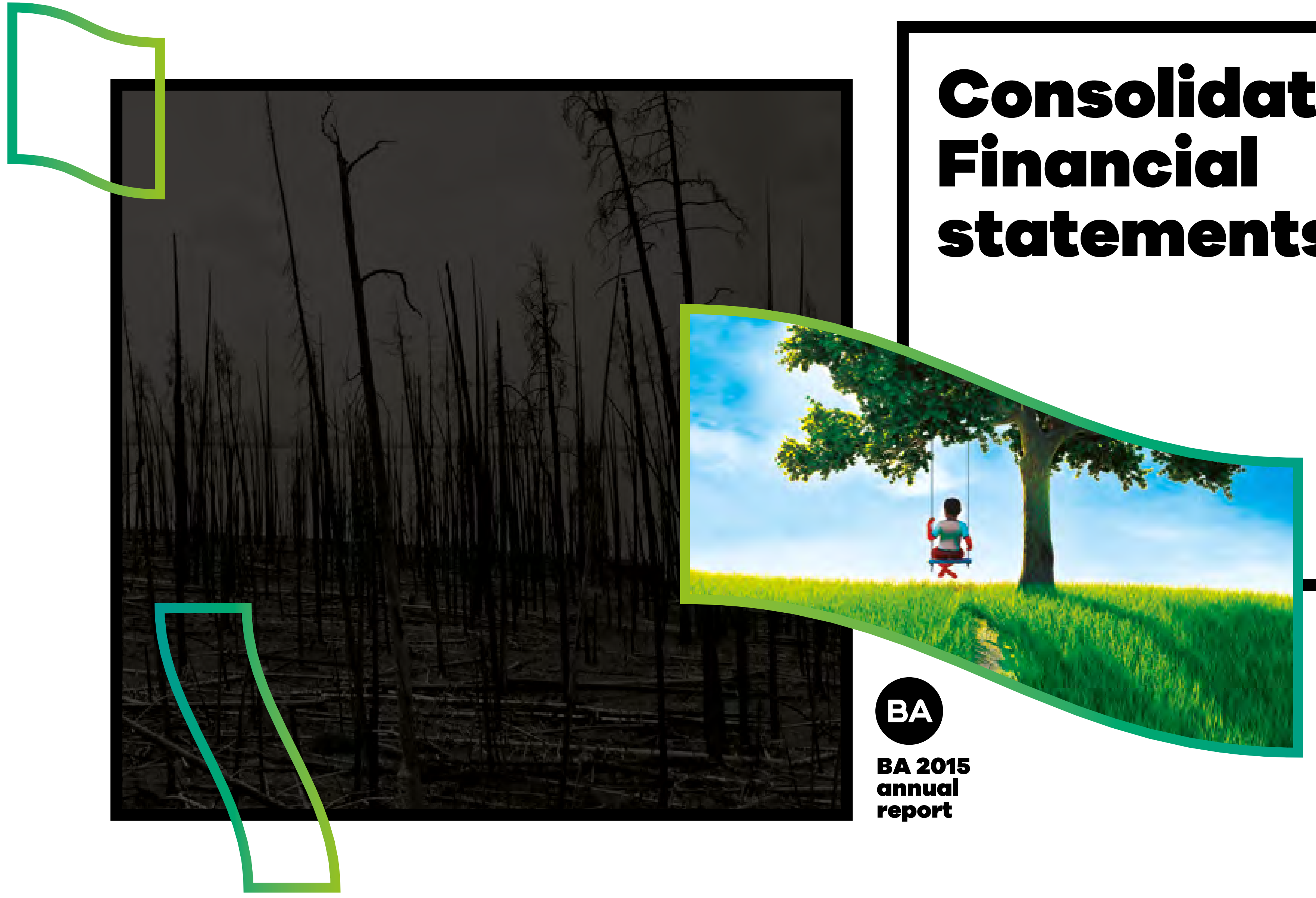
Acknowledge-ments

The Board of Directors wishes to thank, firstly, 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.

To conclude, our sincere gratitude is due to our customers for their preference, trust and quality-related demands, which serve as the key driver in BA's quest for perfection.



Consolidated Financial statements

BA 2015 annual report

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Consolidated Statement of Financial Position

(Amounts expressed in Euro)

Assets	Notes	Dec 31, 2015	Dec 31, 2014
Non-current assets			
Goodwill	6	187,860,131	187,840,116
Intangible assets	7	1,480,470	233,142
Property, plant and equipment	8	288,876,121	294,927,199
Financial investments	9	2,286,365	607,798
Investment properties	10	4,401,733	4,565,126
Other non-current assets	11	9,365,809	11,141,004
Deferred tax assets	12	3,272,390	3,856,311
		497,543,020	**503,170,696**
Current assets			
Inventories	13	89,340,086	78,965,465
Trade receivables	14	103,660,357	94,725,272
Other current debtors	15	18,248,238	16,863,237
Other current assets	16	553,699	390,733
Cash and short term deposits	17	39,890,641	21,547,025
		251,693,021	**212,491,731**
Total assets		**749,236,041**	**715,662,427**

Equity and liabilities	Notes	Dec 31, 2015	Dec 31, 2014
Issued capital	18	36,000	36,000
Legal and other reserves	18	38,974,177	36,878,923
Retained earnings	18	135,562,791	173,480,863
Profit for the year		85,559,991	85,475,833
Equity attributable to equity holders of the parent		**260,132,958**	**295,871,619**
Non-controlling interests		-	-
Total equity		**260,132,958**	**295,871,619**
Non-current liabilities			
Interest-bearing loans and borrowings	19	222,932,595	152,488,392
Provisions	20	2,251,046	2,423,473
Other non current liabilities	19.2	20,072,323	22,492,273
Deferred tax liabilities	12	12,366,233	14,818,242
		257,622,197	**192,222,380**
Current liabilities			
Interest-bearing loans and borrowings	19	113,421,863	112,769,902
Trade payables	21	82,576,563	74,297,044
Other payables	22	7,520,464	7,376,686
Other current liabilities	23	27,961,995	**33,124,797**
		231,480,885	**227,568,429**
Total equity and liabilities		**749,236,041**	**715,662,427**

Consolidated Statement of Profit or Loss

(Amounts expressed in Euro)

	Notes	Dec 31, 2015	Dec 31, 2014
Continuing operations			
Operating revenue			
Sales and services rendered	24	530,884,707	514,967,851
Changes in finished goods		5,750,216	12,827,726
Other operating income	25	8,739,938	7,184,395
		545,374,860	**534,979,971**
Operating expenses			
Cost of sales		177,333,447	182,913,651
Supplies and external services		131,208,976	111,829,092
Personnel costs		60,897,209	61,137,894
Depreciation	7 / 8	47,136,999	47,205,008
Provisions		(5,800)	(321,142)
Other operating expenses	26	2,584,298	2,146,460
		419,155,128	**404,910,964**
Operational cash flow (EBITDA)		**173,350,931**	**176,952,874**
Operating income		**126,219,732**	**130,069,007**
Financial result	**27**	**(7,619,725)**	**(17,394,185)**
Profit before tax from continuing operations		**118,600,007**	**112,674,822**
Income tax expense	28	32,073,716	26,892,196
Profit for the year from continuing operations		**86,526,291**	**85,782,625**
Profit for the year		**86,526,291**	**85,782,625**
Attributable to:			
Equity holders of the parent		85,559,991	85,475,833
Non-controlling interests		966,300	306,792
Earnings per share			
Basic		**2,376.67**	**2,374.33**
Diluted		**2,376.67**	**2,374.33**

Consolidated Statement of Other Comprehensive Income

(Amounts expressed in Euro)

	Notes	Dec 31, 2015	Dec 31, 2014
Profit for the year		**86,526,291**	**85,782,625**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(100,555)	(2,132,779)
Income tax effect		-	-
Fair value gains (losses) on cash flow hedges	19	-	87,441
Income tax effect		-	(26,381)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(100,555)**	**(2,071,719)**
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		2,419,950	5,782,675
Income tax effect		-	-
Other		415,654	166,007
Income tax effect		-	-
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**2,835,603**	**5,948,682**
Other comprehensive income for the year, net of tax		**2,735,048**	**3,876,963**
Total comprehensive income for the year, net of tax		**89,261,339**	**89,659,589**
Attributable to:			
Equity holders of the parent		88,315,150	89,779,352
Non-controlling interest		946,189	(119,763)

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, 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)	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-
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**
As at January 1, 2015	**36,000**	**33,022,811**	**173,480,863**	**85,475,833**	**3,856,111**	**295,871,619**	**-**	**295,871,619**
Profit for the year	-	-	-	85,559,991	-	85,559,991	966,300	86,526,291
Other comprehensive income	-	-	2,835,603		(80,444)	2,755,159	(20,111)	2,735,048
Total comprehensive income	**-**	**-**	**2,835,603**	**85,559,991**	**(80,444)**	**88,315,150**	**946,189**	**89,261,339**
Put option granted to non-controlling interests	-	-	946,189	-	-	946,189	(946,189)	-
Dividends	-	-	(125,000,000)	-	-	(125,000,000)	-	(125,000,000)
Appropriation of prior year net profit	-	2,175,697	83,300,136	(85,475,833)	-	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-
As at December 31, 2015	**36,000**	**35,198,508**	**135,562,791**	**85,559,991**	**3,775,667**	**260,132,958**	**-**	**260,132,958**

Consolidated Statement of Cash Flows

(Amounts expressed in Euro)

	Dec 31, 2015	Dec 31, 2014
Cash flow statement - operational activities		
Receipts from customers	537,909,631	517,462,722
Payments to suppliers	(325,818,739)	(291,523,365)
Payments to personnel	(59,157,902)	(59,146,258)
Cash generated from operations	**152,932,990**	**166,793,098**
Payment / (reimbursement) of corporate income tax	(34,086,498)	(32,951,219)
Other (proceeds) / payments relating to the operating activity	(281,045)	1,136,636
Cash flow from transactions (1)	**118,565,446**	**134,978,515**
Cash flow statement - investing activities		
Receipts from:		
Financial Investments	326,102	-
Fixed assets	31,502	1,224,320
Investments subsidies	-	6,153,657
Other assets	4,774,705	-
	5,132,309	**7,377,977**
Payments related to:		
Financial Investments	(547,384)	(3,499,755)
Fixed assets	(34,372,513)	(26,799,046)
Other assets	(1,990,186)	-
	(36,910,083)	**(30,298,801)**
Cash flow from investing activities (2)	**(31,777,773)**	**(22,920,824)**
Cash flow statement - financing activities		
Receipts from:		
Loans	146,817,781	151,095,809
Investments subsidies	-	275,579
Interests received	162,987	190,705
Other financing activities	-	-
	146,980,768	**151,562,093**
Payments related to:		
Loans	(83,086,361)	(251,717,674)
Interest and similar expense	(7,340,869)	(11,559,967)
Dividends	(125,000,000)	-
Capital decrease and other capital instruments		-
Other financing activities		-
	(215,427,230)	**(263,277,641)**
Cash flow from financing activities (3)	**(68,446,463)**	**(111,715,548)**
Net cash flow variation for the year (4)=(1)+(2)+(3)	**18,341,210**	**342,143**
Consolidated net cash flow variations for the year	**18,341,210**	**342,143**
Net foreign exchange differences	**2,406**	**(318,924)**
Cash and its equivalents at the beginning of the year	**21,547,025**	**21,523,806**
Cash and its equivalents at the end of the year	**39,890,641**	**21,547,025**
Notes to the consolidated cash-flow statement:		
Cash	12,250	23,342
Short term bank deposits	39,878,391	21,523,683
Cash and its equivalents	**39,890,641**	**21,547,025**

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, 2015 were authorized for issue in accordance with a resolution of the directors on February 26th, 2016.

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

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

The Company together with its subsidiaries (the "group") is the one of the most profitable players on the glass packaging business and has operating activities 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, 2015.

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.

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

Put option granted to non-controlling interest

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

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

b. Investment in an associate

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

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

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

The statement of profit or loss reflects the group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. 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.

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 amortisation methods, estimated useful life and residual value, are reviewed at the end of each year and the effects of the changes are treated as changes to estimates, i.e. the effect of the changes is treated in a prospective way.

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

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

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

(c.1) CO_2 Emission rights

CO^2 emission 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 2015 as the group still has enough emissions on the registry accounts to render the consumption of the year.

(c.2) 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 - production equipment	7 - 9
Property, plant and equipment - others	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

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 assets" (note 11), "Other current debtors" (note 15), "Cash and short term deposits" (note 17) and "Equity" (note 18).

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.

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.

- **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 amortised cost using the effective interest rate (EIR) method, less impairment. Amortised 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 amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in 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 amortised cost less impairment.

As at December 31st, 2015 and 2014 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, 2015 and 2014 the group has no financial assets classified under this category.

Derecognition

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

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

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

Impairment of financial assets

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

Impairment of financial assets carried at amortised cost

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

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

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

(i.2) Financial liabilities

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).

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 current or non-current depending on the period the cash-flow will be generated.

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, 2015 and December 31st, 2014, the group has no financial liabilities classified under this category. Please refer to the measurement of the Put option in note 2.3), a).

- **Loans and borrowings**

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

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

- **Trade payables**

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

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

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

(i.3) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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 of December 31st, 2015	Exchange rate as of December 31st, 2014
American Dollar (USD)	1,093	1,217
British Pound (GBP)	0,737	0,783
Polish Zloty (PLN)	4,262	4,262

(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
Good 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 realizable 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 amortised cost, interest income is recorded using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of profit or loss.

(r.3) Dividends
Revenue is recognised when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(r.4) Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature.

s. Own works
Costs incurred with own work, such as, labour, materials and transport, incurred in the production of tangible assets and inventories, are 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 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 ar e 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 judgment is required in establishing fair values. The judgments 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 and interpretations 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 2015 year-end.

The group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after January 1st, 2015. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the group. The nature and the impact of each new standard or amendment is described below:

- **IFRIC 21 Levies**

IFRIC 21 is applicable to all levies other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation. Levies are defined in the interpretation as outflows of resources embodying economic benefits imposed by government on entities in accordance with legislation.

The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability is recognised before the specified minimum threshold is reached. The interpretation does not address the accounting for the debit side of the transaction that arises from recognising a liability to pay a levy. Entities look to other standards to decide whether the recognition of a liability to pay a levy would give rise to an asset or an expense under the relevant standards.

- **Annual Improvements 2011-2013 Cycle**

In the 2011-2013 annual improvements cycle, the IASB issued the following amendments:

IFRS 3 Business Combinations - The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3;
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

BA Group has not entered into any joint arrangement, and thus this amendment is not relevant for the group and its subsidiaries.

IFRS 13 Fair Value Measurement - The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 39. The group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property - The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination.

In previous periods, the group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the group.

b. Standards endorsed by the European Union but not yet effective nor earlier applied

- **Amendments to IAS 19 Defined Benefit Plans: Employee Contributions**

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

This amendment is not relevant to the group, since none of the entities within the group has defined benefit plans with contributions from employees or third parties.

- **Annual Improvements 2010-2012 Cycle**

In the 2010-2012 annual improvements cycle, the IASB issued the following amendments:

IFRS 2 Share-based Payment - This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Group does not have in place share-based payments schemes.

IFRS 3 Business Combinations - The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39.

IFRS 8 Operating Segments - The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are "similar";
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities

Despite IFRS 8 not being mandatory for the group, the group's report as one segment given 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.

IFRS 13 Fair Value Measurement - The amendment clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact.

IAS 24 Related Party Disclosures - The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

- **IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments to IAS 16 and IAS 41**

The amendments to IAS 16 and IAS 41 Agriculture change the scope of IAS 16 to include biological assets that meet the definition of bearer plants (e.g., fruit trees). Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41. As a result of the amendments, bearer plants will be subject to all the recognition and measurement requirements in IAS 16 including the choice between the cost model and revaluation model for subsequent measurement.

In addition, government grants relating to bearer plants will be accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, instead of IAS 41.

Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted and must be disclosed.

- **IFRS 11: Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11**

The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, all of the principles in IFRS 3, and other IFRSs, that do not conflict with the requirements of IFRS 11. Furthermore, entities are required to disclose the information required in those IFRSs in relation to business combinations.

The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by the entity to the joint operation on its formation.

Furthermore, the amendments clarify that for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control.

Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted and must be disclosed.

- **IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments to IAS 16 and IAS 38**

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively. Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted and must be disclosed.

- **IAS 27: Equity Method in Separate Financial Statements - Amendments to IAS 27**

The amendments to IAS 27 Separate Financial Statements allow an entity to use the equity method as described in IAS 28 to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. Therefore, an entity must account for these investments either:

- At cost;
- In accordance with IFRS 9 (or IAS 39); Or
- Using the equity method.

The entity must apply the same accounting for each category of investments.

A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments must be applied retrospectively. Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted and must be disclosed.

- **IAS 1: Disclosure Initiative – Amendments to IAS 1**

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements.

The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements;

That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

Effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

- **Annual Improvements 2012-2014 Cycle**

In the 2012-2014 annual improvements cycle, the IASB issued the following amendments:

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations
Changes in methods of disposal Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal

methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.

The amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

Servicing contracts:

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

Applicability of the offsetting disclosures to condensed interim financial statements:

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

The amendment must be applied retrospectively.

IAS 19 Employee Benefits Discount rate: regional market issue
The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

The amendment must be applied prospectively.

IAS 34 Interim Financial Reporting
Disclosure of information 'elsewhere in the interim financial report'

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report).

The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

The amendment must be applied retrospectively.

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;
- IFRS 15 Revenue from Contracts with Customers (issued on 28 May 2014) – effective for financial years beginning on or after 1 January 2017.

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, 2015 and December 31st, 2014:

Subsidiary	Head office	% Own Dec 31st, 2015	% Own Dec 31st, 2014
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, S.A.U.	León	100%	100%
Barbosa & Almeida - SGPS, S.A.	Avintes	100%	100%
BA Vidro II Marinha Grande, SGPS, S.A.	Avintes	100%	100%
Artividro - Arte em Vidro, Lda (*)	Leiria	-	-
Huta Szklana sp. z o.o. (*)	Sieraków	80%	73%

(*) Companies were excluded from consolidation because they have not any activity.

(**) During 2014, Brisa Investment Sp. Z o.o changed the name to BA Glass Poland Sp. Z o.o.

6. Goodwill

Goodwill is subject to an annual test for impairment and whenever there are signals an impairment may exist.

	Net amount as at Dec 31st, 2015	Net amount as at Dec 31st, 2014
Iberia	81,223,866	81,223,866
Poland	106,636,265	106,616,250
	187,860,131	**187,840,116**

Changes in goodwill are shown as follows:

	Dec 31st, 2015	Dec 31st, 2014
Opening balance	**187,840,116**	**190,799,108**
Foreign exchange differences	20,015	(2,958,992)
Closing balance	**187,860,131**	**187,840,116**

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, 2015.

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 and in line with past performance of the group.

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 2015 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, 2015, only a substantial improbable increase of more than 5.0 p.p. 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, 2015	Dec 31st, 2014
CO_2 Emission rights	1,446,153	107,336
Trademark - Warta Glass	34,317	125,806
	1,480,470	**233,142**

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 and is depreciated by a period of 5 years.

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, 2015	**46,868,954**	**176,068,737**	**621,384,910**	**2,381,889**	**9,044,390**	**13,255,411**	**(215,989)**	**868,788,303**
Foreign exchange differences	92	5,548	19,566	68	-	203	(126)	25,350
Additions	482,227	6,946,267	30,157,525	11,750	276,249	38,279	2,844,804	40,757,102
Disposals	-	(299,030)	(13,850,069)	(212,931)	-	(316,440)	-	(14,678,470)
Transfers	353,706	75,127	781,026	-	2,118	(2,118)	(1,210,160)	(301)
Balance as at December 31st, 2015	**47,704,980**	**182,796,651**	**638,492,957**	**2,180,775**	**9,322,757**	**12,975,336**	**1,418,530**	**894,891,984**
Depreciation and impairment								
Balance as at January 1st, 2015	**272,246**	**90,741,908**	**466,642,472**	**2,130,404**	**8,854,632**	**5,219,443**	**-**	**573,861,105**
Foreign exchange differences	51	1,714	11,832	61	-	165	-	13,823
Depreciation charge of the year	-	5,275,379	41,244,103	108,052	113,163	143,611	-	46,884,309
Disposals	-	(288,224)	(13,845,567)	(207,947)	-	(295,985)	-	(14,637,723)
Transfers	-	(106,052)	(224,076)	2,073	-	222,405	-	(105,650)
Balance as at December 31st, 2015	**272,297**	**95,624,724**	**493,828,763**	**2,032,644**	**8,967,795**	**5,289,638**	**-**	**606,015,863**
Net book value as at December 31st, 2015	**47,432,683**	**87,171,926**	**144,664,193**	**148,130**	**354,961**	**7,685,697**	**1,418,530**	**288,876,121**
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**

In 2015, 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. It is one of the investments forecasted when the acquisition of the Polish operations by the group took place and it is in line with the business plan developed.

Disposals are related with assets that reached the end of life and were replaced by the investment in the new furnace; no disposals of property, plant and equipment able to be used in the normal operations of the group occurred.

Capitalised borrowing costs

BA Glass Poland rebuilt one of its furnaces from the Sieraków plant. This investment project was finished in July 2015 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 60 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, 2015	**1,932,842**	**624,317**	**2,557,159**
Additions	-	1,990,186	1,990,186
Impairment loss	-	(308,495)	(308,495)
Foreign exchange differences	-	1	1
As at December 31st, 2015	**1,932,842**	**2,306,009**	**4,238,851**
Amortisation and impairment			
As at January 1st, 2015	**1,932,842**	**16,519**	**1,949,361**
Additions	-	3,125	3,125
As at December 31st, 2015	**1,932,842**	**19,645**	**1,952,486**
Net book value at December 31st, 2015	**-**	**2,286,365**	**2,286,365**
Net book value at December 31st, 2014	**-**	**607,798**	**607,798**

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.

Additions in the period are related with investments in listed entities which are not strategic even if it could be kept for medium term period.

10. Investment properties

	Investment properties
Gross Assets	
Balance as at January 1st, 2015	**5,328,407**
Foreign exchange differences	30
Balance as at December 31st, 2015	**5,328,436**
Depreciation	
Balance as at January 1st, 2015	**763,280**
Increases	163,423
Balance as at December 31st, 2015	**926,704**
Net Value as at December 31st, 2015	**4,401,733**
Net Value as at December 31st, 2014	**4,565,126**

Investment properties consist of properties measured at cost which are held for renting in Portugal and Poland. As of December 31st 2015 no revenues were being generated by those properties as no rental agreements are in place.

11. Other non-current assets

The balance of this item comprises subsidies awarded by the Spanish Investment Agency amounting to EUR 9.2 million. Additionally it includes also EUR 140 thousand of receivables related with the sale of land and buildings that took place in 2012.

All the obligations established by the Spanish Agency Investment under the investment contracts were accomplished by the company so no adjustments on the final values to be received are expected.

12. Deferred taxes

	Dec 31st, 2015	Dec 31st, 2014
Deferred tax assets		
Provisions for pensions	541,094	657,879
Allowance for bad debts	405,284	484,892
Tax depreciation	1,097,559	1,138,209
Goodwill (*Fundo de Comércio*) - BA Vidrio	488,639	579,721
Tax losses	-	6,871
Other	739,814	988,739
	3,272,390	**3,856,311**
Deferred tax liabilities		
Uniform depreciation criteria (adjustment of useful lives)	4,177,300	4,379,904
Libertad de amortización (depreciation deduction fiscal benefit)	3,264,049	5,034,810
Revaluation reserves of tangible assets	1,080,877	1,219,341
Fair value adjustment on Land	3,767,802	4,184,186
Other	76,205	-
	12,366,233	**14,818,242**

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. This reduced the tax depreciations for those periods allowing for the use of the accrued depreciations in future years as tax cost through a positive adjustment in the Corporate Income Tax for the period.

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.

13. Inventories

	Dec 31st, 2015	Dec 31st, 2014
Raw materials (at cost)	12,639,060	8,305,017
Finished goods and work in progress (at cost)	76,149,973	70,411,639
Goods for resale (at cost)	789,745	475,508
	89,578,777	**79,192,164**
Impairment losses	(238,691)	(226,699)
	89,340,086	**78,965,465**

Stocks increased mainly by the increase in 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. Raw materials increased due to recycled glass which quantities increased in order to ensure availability for production needs as this is a strategic raw material.

14. Trade receivables

	Dec 31st, 2015	Dec 31st, 2014
Trade receivables	104,385,247	95,166,520
Notes receivables	41,912	84,314
Overdue receivables	5,970,216	6,288,765
	110,397,376	**101,539,599**
Impairment losses / allowance for bad debts	(6,737,019)	(6,814,328)
	103,660,357	**94,725,272**

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 are completely adjusted. During the period no incidents with impact to the financial situation of the group occurred.

15. Other current debtors

	Dec 31st, 2015	Dec 31st, 2014
State and other state entities	8,068,034	7,705,347
Other	10,180,204	9,157,889
	18,248,238	**16,863,237**

The current amount of "State and other state entities" includes EUR 4.3 million (2014: 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 3.8 million (2014: EUR 3.0 million) related with VAT recoverable.

"Other" relates to subsidies awarded by the Portuguese Investment Agencies amounting to EUR 1.6 million and by the Spanish Governmental Agency amounting to EUR 7.3 million (2014: EUR 7.8 million).

16. Other current assets

	Dec 31st, 2015	Dec 31st, 2014
Accrued income	14,241	3,274
Deferred costs - Insurances	503,232	283,102
Other	36,226	104,358
	553,699	**390,733**

17. Cash and short-term deposits

	Dec 31st, 2015	Dec 31st, 2014
Cash on hand	12,250	23,342
Bank balance	39,878,391	21,523,683
Total	**39,890,641**	**21,547,025**

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 needs of the group, and earn interest at the respective short-term deposit rates.

18. Equity

As at December 31st, 2015, the group's share capital, totaling EUR 36,000 was fully subscribed and realized.

The following table details the group's shareholding structure, as at December 31st, 2015 and December 31st, 2014:

	Dec 31st, 2015		Dec 31st, 2014	
	No. of Shares	%	No. of Shares	%
Fim do Dia, SGPS, S.A.	17,064	47.4%	17,064	47.4%
Teak Capital, 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, 2015	Dec 31st, 2014
Legal and other reserves	38,974,177	36,878,923
Retained earnings	135,562,791	173,480,863
	174,536,967	**210,359,786**

19. Interest-bearing loans and borrowings

	Dec 31st, 2015	Dec 31st, 2014
Interest-bearing loans and borrowings		
Non-current	222,932,595	152,436,152
Fair value of cash flow hedges	-	52,239
	222,932,595	**152,488,392**
Current	113,421,863	112,769,902
	336,354,458	**265,258,293**
Cash and banks (Note 17)		
Cash	12,250	13,409
Bank deposits	39,878,391	21,533,615
	39,890,641	**21,547,025**
	296,463,817	**243,711,269**

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	Total debt Dec 31st, 2015	Total debt Dec 31st, 2014
Bank loans	31,672,522	103,279,953	134,952,475	124,253,854
Commercial paper programme	67,799,586	109,950,000	177,749,586	117,000,000
Bank overdrafts	12,756,460	-	12,756,460	11,875,755
Finance leasing	1,193,295	9,702,641	10,895,936	12,076,445
Bank deposits	(39,890,641)	-	(39,890,641)	(21,547,025)
	73,531,222	**222,932,595**	**296,463,817**	**243,659,029**
Fair value of interest rate derivatives	-	-	-	52,239
	73,531,222	**222,932,595**	**296,463,817**	**243,711,269**

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.

All group debt is secured with Negative pledge (with certain carve-outs and thresholds available), cross default and Pari Passú clauses.

No mortgages or pledges are in place as guarantee for the accomplishment of the obligations in any financing contract.

Group uses Commercial Paper programs as a way to have flexibility in the management of the available financing lines. A mix of short term and long term is used to adapt repayment schedule of the debt to the expected cash flow generated for debt repayment.

The group has liquidity available to face possible negative movements in the finance markets. Debt is followed with strict control and some indicators are measured and controlled as a way to guarantee a solid and safe financial structure. Main indicator considered as a key control to guarantee financial stability is net debt / EBITDA which the Board follows strictly in order to ensure it is below 4,0x.

19.1 Maturity of debt

Year	Dec 31st, 2015
2016	100,665,402
2017	93,567,388
2018	56,381,042
2019 and following years	72,984,164
	323,597,997

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, 2015 the group recognizes a financial liability amounting to EUR 20.1 million (2014: EUR 22.5 million) which corresponds to the actual value of the put option granted to the non-controlling interests.

Put option may be exercised by minority Shareholders starting December 2016 and is active for a period of 2 years thereafter.

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 2015, 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 whenever the Board considers it as an effective way to mitigate interest rate variation risk. 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 2015, no market derivatives exist in the group.

20. Provisions

	Pensions (note 29)	Environmental liabilities	Others	Total
Balance as at January 1st, 2015	**2,200,909**	**193,237**	**29,327**	**2,423,473**
Foreign exchange differences	10	-	88,003	88,013
Utilization in the year	(272,037)	-	-	(272,037)
Increase in the year	11,598	-	-	11,598
Balance as at December 31st, 2015	**1,940,479**	**193,237**	**117,330**	**2,251,046**

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).

Provision for pensions has a decrease in the year due to utilization. Pensions plans are closed to new entrants.

21. Trade payables

	Dec 31st, 2015	Dec 31st, 2014
Trade payables	77,809,900	71,910,524
Fixed assets suppliers	4,766,663	2,386,521
	82,576,563	**74,297,044**

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 to 90-day terms.

The amount for fixed assets suppliers in 2015 comprises several invoices related with the investment in Avintes' plant where a repair of one of its furnaces is taking place.

22. Other payables

	Dec 31st, 2015	Dec 31st, 2014
State and other state entities	6,900,902	6,638,871
Other	619,562	737,815
	7,520,464	**7,376,686**

The caption "State and other state entities" as at December 31st, 2015 comprises an amount of EUR 3.0 million (2014: EUR 3.3 million) related to corporate income taxes to be paid in the following year, value added tax in the amount of EUR 954 thousand, social security contributions related with payroll posted in December totaling EUR 1.4 million (2014: EUR 1.4 million) and personnel income taxes withheld (amounting to EUR 916 thousand, EUR 700 thousand in prior year).

23. Other current liabilities

	Dec 31st, 2015	Dec 31st, 2014
Accrued costs		
Payroll expenses	5,398,481	5,607,941
Financial expenses	229,864	394,525
Other external supplies and service	354,543	759,935
Bonus granted (rappel)	2,127,855	2,253,314
Other	747,002	831,552
Deferred income		
Investment subsidies	18,886,835	23,061,975
Other	217,416	215,553
	27,961,995	**33,124,797**

"Payroll expenses" includes EUR 834 thousand (2014: EUR 1,214 thousand) related to personnel bonus to be paid in the following years. For this payment to take place it is necessary that some activity KPI's are achieved by the Polish companies as a whole. Remaining amount is related to the liability for holidays granted by the Portuguese law to all employees at service by the end of the year.

The group accounts for the liability for commercial bonus (rappel) in accordance with the sales agreements in place. As at December 31st, 2015 this balance amounts to EUR 2.1 million (2014: EUR: 2.3 million). Amount of bonus is reduced in revenues the same moment the recognition of the revenues take place.

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 191 thousand related to bonus granted by suppliers in advance.

24. Revenues

	Portugal Spain Poland	Other EU countries	Other countries	Total debt Dec 31st, 2015	Total debt Dec 31st, 2014
Glass packaging	388,334,863	111,443,356	30,691,381	530,469,601	514,382,144
Other	415,106	-	-	415,106	585,706
	388,749,970	111,443,356	30,691,381	530,884,707	514,967,851
Total Dec 31st, 2014	396,507,265	93,000,622	25,459,963	514,967,851	

The group operates mainly in Europe and in EUR having a low exposure to other currencies as well as to countries with high risk of receivables recoverability.

25. Other operating income

	Dec 31st, 2015	Dec 31st, 2014
Investment subsidies	4,597,440	5,334,190
Gain on disposal of assets	11,600	31,492
Indemnities related with insurance claims	2,921,484	220,340
Rentals	9,263	64,763
Other	1,200,150	1,533,610
	8,739,938	7,184,395

Government grants have been awarded for the purchase of certain items of property, plant and equipment linked with the reconstruction of furnaces. Grants are 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.

Indemnity related with insurances is related with the incident in the plant of León in December 2014. The group opted to not register any profit for that year as no confirmation was given by the insurance company of its acceptance by the end of the year, which was subsequently obtained and received in 2015.

26. Other operating expenses

	Dec 31st, 2015	Dec 31st, 2014
Taxes	1,689,790	1,435,252
CO_2 emission rights usage	111,600	198,797
Donations	35,774	72,500
Loss on disposal of fixed assets	-	24,689
Other	747,134	415,222
	2,584,298	2,146,460

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

27. Financial results

	Dec 31st, 2015	Dec 31st, 2014
Interest-bearing loans and borrowings	(5,115,619)	(10,426,303)
Interest earned from deposits	168,451	324,799
Discounts granted	(1,207,931)	(1,249,704)
Discounts obtained	220,916	263,346
Foreign exchange differences	(608,651)	(2,037,757)
Impairment losses on financial investments	(539,759)	(3,874,237)
Other financial costs	(537,182)	(400,250)
Other financial income	52	5,920
	(7,619,725)	(17,394,185)

"Interest-bearing loans and borrowings" decreased when compared with the previous year mainly due to the decrease in the spreads and the index rates that the group's debt is binded (Euribor and Wibor) combined with the decrease of the average debt in the year.

In 2015 the change in exchange rate differences results from the fluctuations of the Polish zloty against Euro 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 2015 and 2014 are:

	Dec 31st, 2015	Dec 31st, 2014
Profit / (loss) before tax	**118,600,007**	**112,674,822**
Current tax for the period	(33,941,805)	(27,243,170)
Deferred tax for the period		
Goodwill BA Vidrio (*fundo de comércio*)	(91,082)	(76,172)
Tax losses	(6,871)	(151)
Allowance for bad debts	(79,608)	(95,241)
Pensions	(116,785)	(76,963)
Uniform depreciation criteria	(202,604)	(66,877)
Revaluation reserves	138,465	192,447
Libertad de amortización (depreciation deduction fiscal benefit)	1,770,761	1,843,068
Limitation on deduction of depreciations	(40,650)	645,970
Pending tax losses on financial participations	-	(2,453,686)
Other deferred taxes	496,463	438,579
	1,868,088	**350,973**
Income tax	(32,073,716)	(26,892,197)
Consolidated net profit for the period	**86,526,291**	**85,782,625**
Effective tax rate for the period	**27.0%**	**23.9%**

BA Vidro in Portugal is subject to Corporate Income Tax (IRC), at the rate of 21% applied to the taxable amount, under the Article 87º of the Corporate Income Tax Code, which be increased by the municipal tax at a maximum rate of 1.5%, resulting in a maximum aggregate tax rate of 22.5%. Additionally, during the period ended on December 31st, 2015 when the taxable income exceeds 1,500,000 million Euros is subject to a state tax rate, in accordance to the Article 87º-A of the same Code, as follows:

- amounts between EUR 1.5M and EUR 7.5 M - 3%
- from EUR 7,5 M to EUR 35 M – 5% and
- above the latter amount – 7%.

According to the Article 88º of the Corporate Income Tax Code, the Company is subject to autonomous taxation, on a set of charges at the rates provided for the mentioned article.

The nominal tax rate for Spain is 28% and for Poland 19%.

In 2015, the effective corporate taxes were as follows:

- Portugal – 28.2%
- Spain - 28%
- Poland - 24%

The main difference between the nominal tax rate and effective tax rate is related with other permanent differences and tax losses, namely, due to tax benefits and tax corrections of precedent years.

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, 2015 for responsibilities with pensions. As at December 31st, 2015 a valuation methodology based on a "projected unit credit model" was used and were conducted under the following actuarial assumptions and technical bases:

	2015	2014
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%	2.0%
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 152 participants with an average age of 80 years old.

Liabilities to pensioners are fully covered by a specific provision (refer to note 20) calculated in accordance with the aforementioned actuarial studies. The plans have been closed for some years therefore no new entrants will join it.

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

Sensitivity analysis:
At December 31st, 2015, 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, 2015 is 2,237 (2,194 at December 31st, 2014).

31. Related party transactions

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

The key management personnel team comprises 25 people who are based in Portugal, Spain and Poland. Their compensation is limited to short-term benefits and include deferred compensation linked to the group´s performance in a three year-period. No other long-term employee benefits are earned by directors. The group does not have in place any share-based payments scheme and during the period no termination benefits have been paid. Overall, compensation of key management is aligned with market and industry practices. Fixed compensation represents 50-60% of total compensation.

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 2015, 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 586,026 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, 2015, the group provided bank guarantees to third parties totaling EUR 17.1 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. 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 BV

The remuneration of the Board of Directors was EUR 4,000 (2014: EUR 4,000).

35. Fees paid to the statutory auditors

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

	Dec 31st, 2015		Dec 31st, 2014	
	Amount	%	Amount	%
Audit services				
Statutory and contractual audit services				
Portugal and Spain	62,775	61%	59,800	60%
Netherlands	18,000	17%	18,000	18%
Poland	22,500	22%	21,250	21%
Total	**103,275**	**100%**	**99,050**	**100%**

36. Events after the balance sheet date

There are no known events after December 31st, 2015 which may influence the presentation and the interpretation of the present financial statements reported at that date.

Indepen-dent Auditor's Report

BA 2015 annual report

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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 2015 which are part of the financial statements of BA Glass B.V., Amsterdam, and comprise the consolidated statement of financial position as at December 31, 2015, 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 December 31, 2015 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.

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

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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, February 26, 2016

Ernst & Young Accountants LLP

T.Wilfrie

Sustainability Report

BA

BA 2015 annual report

Introduction

As in former years, the Sustainability report is published together with BA Glass Annual Report.

The present report reflects the group's sustainable development principles, thereby assuming a public commitment to develop its operations in a balanced manner from various perspectives - economic, environmental and social, always taking into account the Mission, Vision and Values.

Mission

The mission of BA Glass is to develop, produce and sell glass containers for the food and beverages industries.

Strategic Vision

The group aims at being "The best among the largest", based on three fundamental pillars:

- Value creation 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 vision and the concern with business sustainability demands an integrated management system, supported in principles, policies, procedures and objectives.

Values

The values have been translated into the acronym HeART:

Humbleness – to enjoy the opportunities we are presented with or have constructed;

Ambition – in the establishment of objectives and aims;

Rigor – in the operations and tasks carried out;

Transparency – in the internal and external relations;

...and... **EMOTION** that makes us commit and deliver.

BA's Sustainable Development Principles

Value creation

Customer orientation

Human resources management

Social and Corporate responsibility

The sustainable development principles are, together with the strategic vision, the values and the integrated management system, the key to success in achieving the target performance in several indicators. To this recipe one must add the dedication of qualified and motivated employees who transform all these ingredients into a successful outcome.

Based on these principles and values, every year BA sets new and more ambitious goals built on previously achieved targets and the best accomplishments in the industry. To achieve these goals, some of them transversal, thorough action plans are built and monitored at different levels of the organization through the analysis of key performance indicators.

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 part of the achieved success.

Value creation

- Create value for its stakeholders, in particular the shareholders
- Increase productivity and effectiveness in the use of the resources

One of the main roles of a company is to create value for its shareholders. While doing so, BA also creates value for the entities and people to whom it relates, namely the customers, the suppliers, the employees and the community. In fact, managing sustainability means considering these several parts not only in the daily management and decision processes, but also in the processes which will have long-term impact on the value creation and sustainable growth of the business. BA believes this relationship with its stakeholders must always follow transparency, rigor, trust and responsibility, which are important values for the group.

Involving the stakeholders is a strategic priority for the group and must follow an open and transparent dialogue. BA values aim to build and enhance relationships of trust, share knowledge and relevant information, to anticipate challenges and identify new opportunities of cooperation. The group's mission is to create value for the different stakeholders in all geographies.

BA Executive Board defines the strategic goals within these principles and values, ensuring they are reflected in all departments annual plans.

BA's management system is goals and results oriented. It is based on annual action plans and targets, which seek continuous improvement. The use of the record concept at production efficiency, cost-reduction, resources optimization and customer service levels, has been the methodology for the annual objectives definition. These objectives are monthly monitored with the tracking of the key performance indicators, through an internal and external data analysis, on a constant search for reference benchmarks.

The focus on the development of information systems, as tools for analysis and decision making, has allowed BA to improve its internal processes and provide a more efficient response to the markets in terms of quality, flexibility and innovation.

In the relationship with its stakeholders, BA invests in the quality and transparency of the information periodically disclosed. The discussion of achieved goals and future plans strengthens the relations of trust among all.

Economic Performance

Key consolidated indicators

The difficult economic and financial environment that the European markets are experiencing led to a paradigm shift and the need to adopt a different perspective in the approach to problems. In an over-supply market going through an economic recession, companies strive to become more flexible and put their focus on the quality of the products and services offered, in order to differentiate and better serve their current and new customers, often more distant from their production facilities.

The investments made in previous years and the strong bet on export markets enabled BA to partially mitigate the adverse effects of the depression and economic uncertainty. Despite this crisis scenario in Europe, the operating cash-flow (EBITDA) of the group reached EUR 173.4 million, representing 32.7% of sales, and the operating results (EBIT) amounted to EUR 126.2 million, 23.8% of sales.

In terms of investments, the rebuilt of the second furnace in the Sieraków plant (Poland) must be highlighted. This investment ends the reconstruction cycle of the furnaces in this plant. Sieraków is now in a strong position to become a benchmark in the market.

The group's equity ratio was of 34.7% and the *net debt/ebitda* ratio reached a value of 1.7, showing the strong ability of the group to cope with its debt level and ensuring access to financing with favorable terms.

Income statement
[k.€]

Economic performance	2015	2014
Turnover	530,885	514,968
Operating cash flow (EBITDA)	173,351	176,953
Operating profit (EBIT)	126,220	130,069
Net financial results	(7,620)	(17,394)
Income before taxes	118,600	112,675
Net income	86,526	85,783
Net total assets	**749,236**	**715,662**
Shareholders' equity	**260,133**	**295,872**
Interest-bearing debt	**296,464**	**243,711**

Customers

BA customers activity was strongly affected by the depressed economy in Europe and emerging markets. With the exports outside its domestic markets, BA found a destination for part of its products, thereby ensuring an efficient use of its production capacity. The sales outside Iberia and Poland represent 24% of BA's total business volume. The consolidated turnover reached EUR 530.9 million, representing a growth of 3.1% compared to last year. The sales increase was volume driven, as the average sales price of the group has dropped.

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 value added solutions, BA privileges direct contact with its customers. This direct sales model enables a unique and differentiated service, especially from other suppliers of packaging, its direct and indirect competitors.

The changes in consumption patterns and the diversity of packaging alternatives generate needs in consumers, with repercussions throughout the supply chain. In 2015 the sales price went down in almost all segments and markets where the group operates.

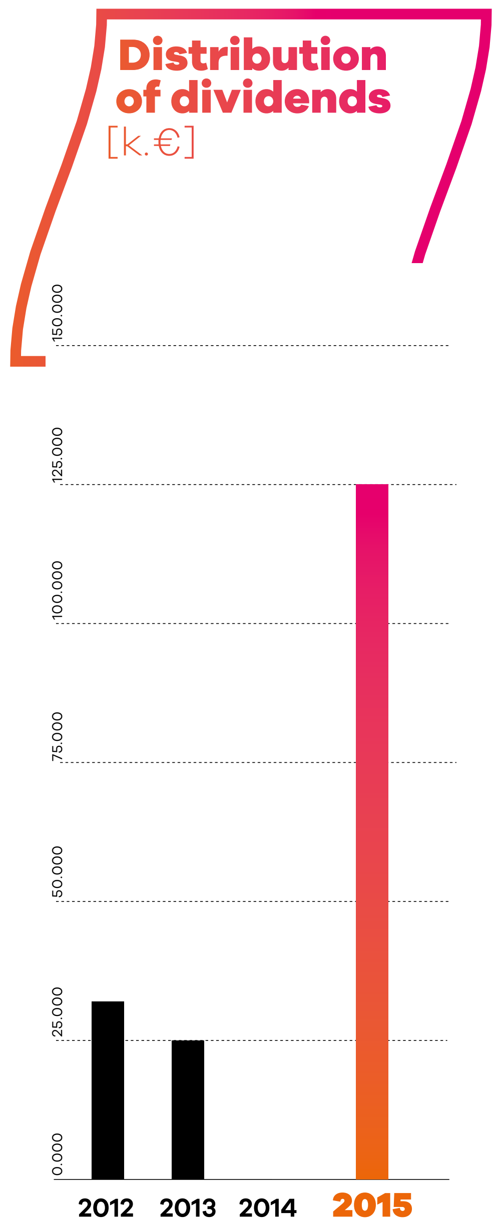
BA is not immune to any of the economic, social and environmental trends. To the increasing consumer demands, BA responds with quality and reliability, and develops models of cooperation with its customers (called "Challenge to Innovation") in order to differentiate the final product and/or service and reduce costs for both parties.

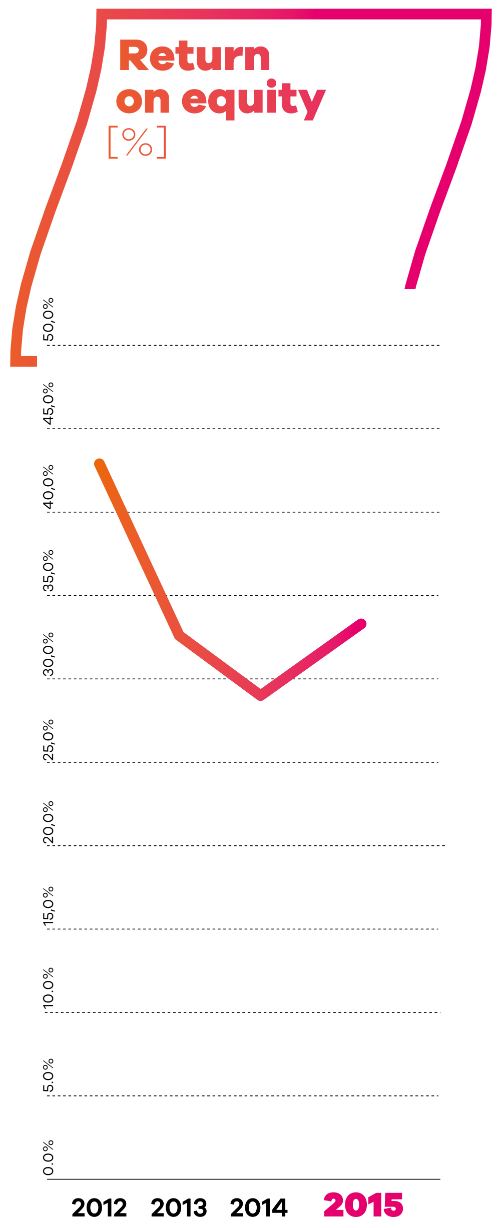
This cooperation results in innovative solutions that go beyond the package itself. And this is only possible with a motivated, attentive and flexible team, able to enhance long-term relationships. As it is always possible to identify improvements throughout the value chain, several projects with customers were developed to reduce costs of production and logistics - reducing the weight of the product, reducing the consumption of secondary packaging, optimizing the transport, dropping the time-to-market, are key examples of solutions implemented to achieve a positive economic and environmental impact for both parties.

Shareholders

The group has been showing its sustainable growth capacity, with the creation of value for its shareholders at very satisfactory levels, a result of the actions and policies implemented during recent years. These have generated very meaningful improvements in productivity, operational efficiency and asset turnover, minimizing the impact of the negative macroeconomic environment experienced over the last few years.

The shareholders have been consistently promoting the reinvestment of the company's results in its growth (either organic or by acquisitions) and operational excellence.





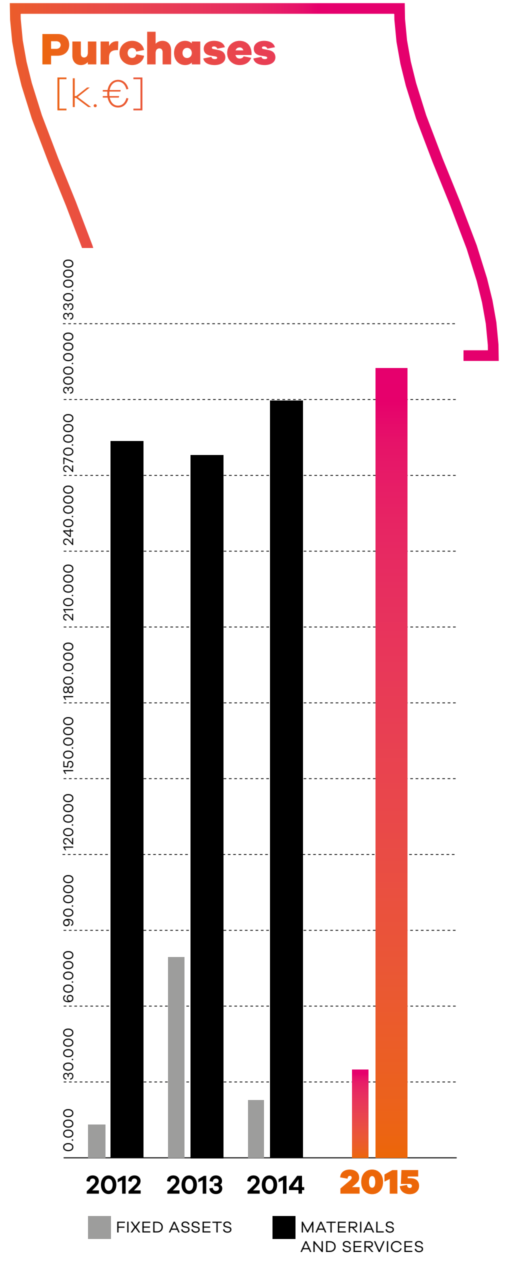
Suppliers

The group keeps close partnerships with its suppliers with the purpose of always seeking the best technical solutions that benefit both parties and lead to their sustainable development.

In 2015, the energy (electricity and gas) and raw materials bills were still the main concerns due to their weight in the cost structure and their significant price fluctuations over the last years. The year was marked by the downfall of the brent price, slightly offset by the depreciation of the Euro against the American Dollar. Unfortunately, this positive effect was overcome by the decrease of the sales price of our products, as an average. The increase of some raw materials price was also a concern in an environment of sales prices decrease.

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, molds and glass for recycling (which use as raw materials continue to grow). Regarding energy, the Iberian market is enabling feasible alternative sources among suppliers, while in Poland, despite the open market, the supply alternatives are still very limited. Nevertheless, during 2015 the Polish market showed improvements in this area which are a sign that this market could become more competitive in the very near future.

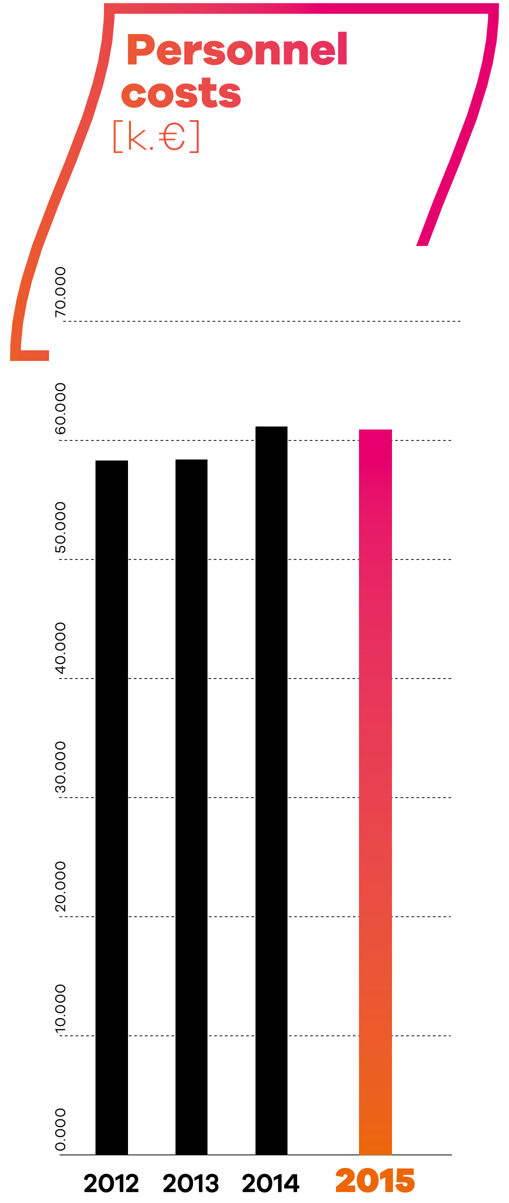
BA continues to apply its suppliers' evaluation methodology, to ensure a solid base of suppliers able to find innovative and efficient solutions and compliant with appropriate ethical and environmental principles.



Employees and remuneration policy

The remuneration policy is in accordance with the markets where BA operates and the performance of BA employees. Benchmarking tools and assessment systems that allow a fair and transparent analysis are annually used to define the remuneration policies. The remuneration packages include a share of the generated wealth, aligning strategic and operational goals with individual performance.

At the end of 2015, the group employed about 2.237 employees, distributed by the three geographies. In the relation with its employees, the group registered costs in the amount of EUR 60.9 million, representing an annual value of EUR 27.2 thousand *per capita*.



Community

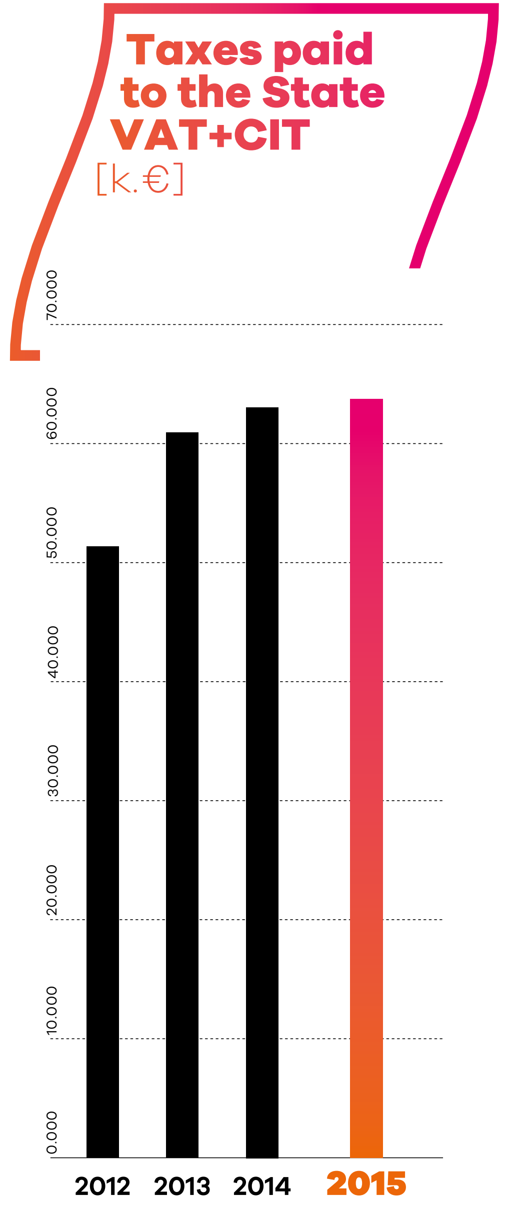
BA permanently seeks a strong involvement with the surrounding communities – not only through the excellence in the relationship with all parties, but also through a proactive social policy, which involves the company as an entity, and its employees individually.

In this relationship, the group privileges the support to education, believing that its impact on local communities can be an element of transformation and leverage the capabilities of the youth.

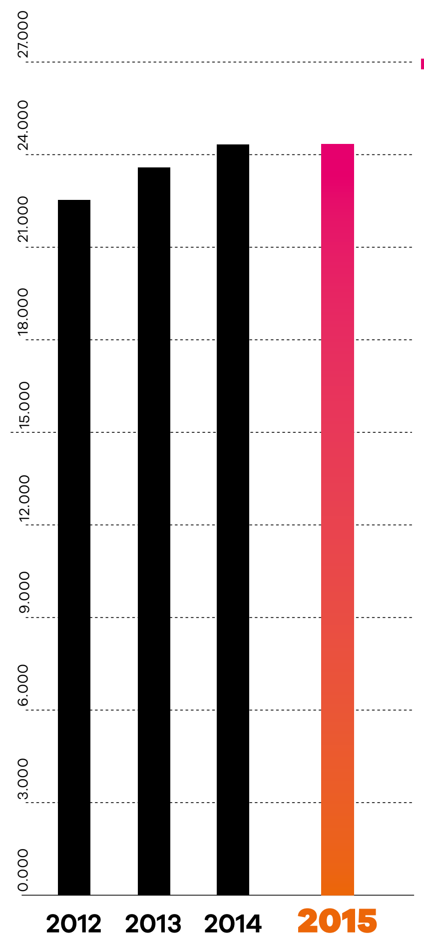
In addition to the economic support to social, cultural and sports institutions, the group participates in the education of children and youngsters, promoting visits to the plants, job internships, volunteer activities developed by its staff in schools and other events.

In 2015, for the fourth consecutive time, BA promoted 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 make university students come closer 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 operates, generating a high social and economic value. The amount of taxes paid in each country continues to be quite significant. In 2015, the value paid in the form of corporate income tax and VAT amounted to approximately EUR 63.8 million, and contributions to social security and withholding income taxes amounted to EUR 24.3 million.



Personal income tax withheld & Social security [k.€]



Customer Orientation

Customer orientation is based on two fundamental pillars:

- Innovation
- Value creation for the customer

The year of 2015 was very complex for our customers and, consequently, also for BA.

The downfall of exports from Portugal to Angola, the heavy taxation in Portugal and Spain, and the anemic growth of demand in all European markets, have required a focus on exports and product development.

Customers do not seek only low prices, as those are now taken as a given. The purchase options seek for value, new and inspirational products, which represent a challenge for brands to connect with the consumers and strengthen their loyalty. Our key challenges towards our customers are the optimization of the value chain and product innovation.

In order to contradict a stagnant market consumption, we have reinforced our export growth strategy into several countries. The sustainable growth we have accomplished in every market segment strengthens the perception that BA's customer oriented value proposition is well accepted among the main European customers, who value competitive prices, product quality and service flexibility, to get an advantage in the very competitive market where they operate.

The continuous improvement of the value chain is a priority for BA's relationship with its customers. In this context, several projects with customers were developed throughout the year to create value and improve our customers' competitiveness, as the reduction of the product weight, the reduction on secondary packaging consumption and the optimization of all the supply chain, among others. The aim is always to present more competitive glass packaging solutions, with the least possible environmental impact and matching our customers' marketing needs.

With the ambition and commitment to be present in the launch or redesign of its customer's products, in 2015, BA has developed more than 400 new models for its customers, which represent 8 projects of new containers per week, and launched 140 new containers into an increasingly global market.

With all this, the consolidated turnover increased by 3.1% reaching 530.9 M Eur. The main growth segments were the Spirits segment with 13% growth and the Soft drinks with 8%.

Human Resources Management

- To develop the business knowledge
- To promote the development of individual skills and creativity
- To promote the work-life balance
- To strengthen the management systems that ensure health and safety

The way we work and manage our business, internally and externally, is based on our values and on a unique way of transfer and practice our culture, beliefs, convictions, principles which define us: the "BA Way".

The need to define and unfold the "BA Way" concept has come up more clear when we had to integrate a more heterogeneous population, both geographically and in terms of knowledge and development. With a mission, vision and values in place for more than a decade, 2015 will be remembered as the year when the principles and convictions of BA as corporate entity were explicitly stated.

"To achieve a goal and, of course, to reach a vision, it is necessary to choose a path.

***BA Way** shows us the most intangible facets of our business and allows us to define our own corporate identity, being a clear statement of our principles and beliefs:*

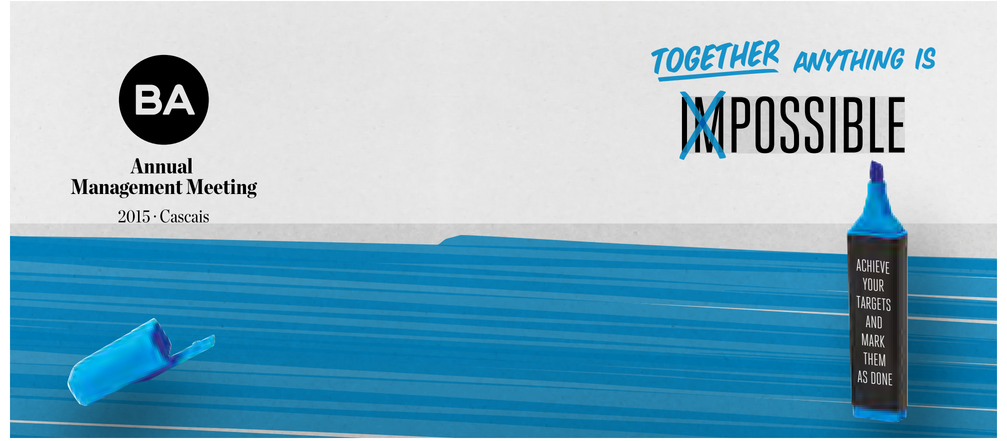
- ***Principles:** Our wayside, our commandments, something that cannot be questioned.*
- ***Beliefs:** Our convictions, which help us to choose the right direction and to take appropriate steps.*

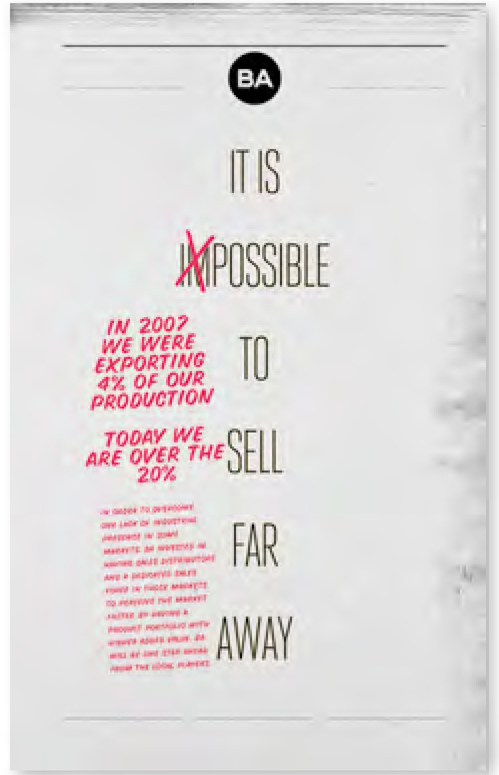
All of this reflects who we are, HeART, and what we do.

*This is the driving impulse of our values. This is our **HeART BEAT.**"*

The "BA Way" will be used as a guide, so that all employees have a better understanding and a shared vision of the organization. The group kept its policy of short-term and long-term missions between job positions and/or geographies and departments. The internal benchmarking, considered as a key for internal development, has encouraged all employees to better understand the business, the group activity and the people management tools.

One of the privileged moments for developing the knowledge of the business, and at the same time of personal development, is the group's annual management meeting. For the first time, this meeting was organized having people from all geographies together, and was carried out under the theme: "Together anything is Impossible". The growing globalization, the increasing complexity and the need to breakthrough some paradigms challenge us every day. Excellence and innovation, as levers for growth and differentiation, were the key elements in focus throughout the meeting.





The group has kept and reinforced its relationship with the community, especially regarding education by creating opportunities for direct contact of the students with the business reality. This kind of initiatives leads, on one hand, to the identification of young talent to join BA teams, and on the other hand, to the contribution for the development of youngsters as professionals who, soon, will become part of the labour market.

It is important to highlight:

- The holding of several academic and professional internships. In 2014 and 2015, more than 100 youngsters did short-term and long-term internships (1 to 12 months) in BA, in different job positions and geographies;
- The support to Master and PhD thesis;
- The pursue of students visits to our production units, to promote a first contact with the labour market and with the recycling challenges and benefits of the glass industry;
- The presentation of the BA's activity in several schools and universities;
- The organization of "Open Weeks" where university students can have direct contact with several jobs, therefore helping them to take decisions regarding their own professional future;

- The participation in classes and seminars. Several BA employees delivered classes on themes that contributed to the training and development of youngsters, from the youngest (on recycling and glass production process) to university students (on leadership, management and engineering);
- The partnership in the Project "Alliance For Youth", assuming, along with other companies, the responsibility for active participation in the European labour market, creating job opportunities and developing personal and professional skills in young people;
- The partnership in the scope of Junior Achievement projects, organizing "right arm" days and delivering classes to primary and secondary schools.

Regarding the development of individual skills and careers, the year 2015 was marked by the complete reshaping of the people assessment and development process. We believe that the people development is the corner stone that will lead us to excellence, and that it is one of the levers of the continuous improvement and sustainable growth of the organization. We want to challenge the limits, overcome constraints and embrace new challenges, but that will only be possible with open minded, committed and flexible people, focused on innovation and differentiation. With the new people development process – PAD (People Assessment & Development) – we reshaped the whole development cycle and created the tools which will help all to grow as individuals and ensure the long-term development of our group.

Improvement requires wishing to go a step further!

The new PAD system has the following main goals:

- Align the strategic goals of BA with the team and departmental goals and with the individual development;
- Reinforce the BA skills;
- Clarify the organizational goals and expectations of each employee;
- Contribute to a superior performance;
- Identify the strengths and opportunities for the development of our people;
- Promote a culture of feedback.

To do so, apart from the reinforcement of technical skills, the development of LEARN skills will be in focus:

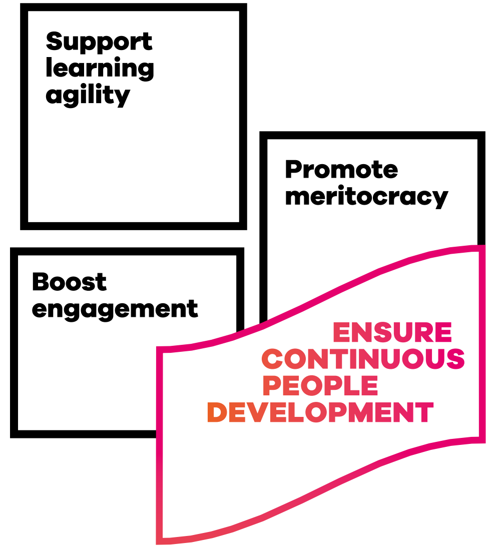
Leadership

Engagement with Activities and Projects

Autonomy and Initiative

Risk Assumption and Innovation

Negotiation and Collaboration

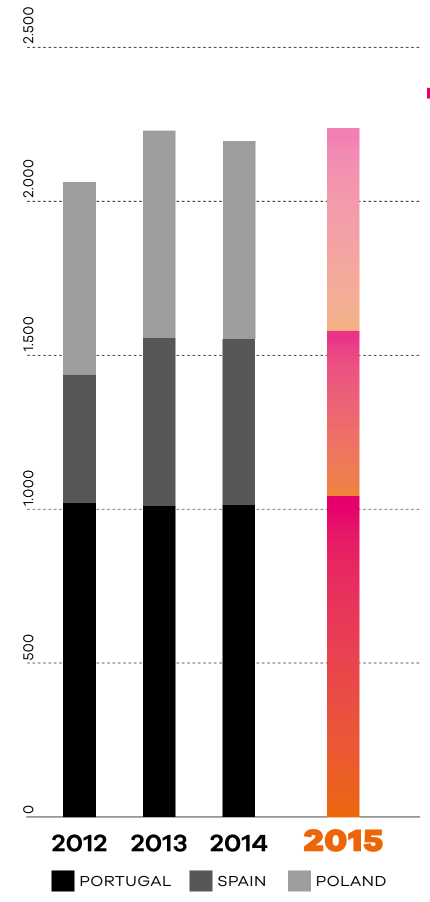


Social Performance

Employment

Ensuring the best working conditions for all employees remains a priority for BA. The group ended the year of 2015 with 2.237 employees, a slightly larger number than the previous year. The split between the employees' nationalities remained stable, with 46% Portuguese, 29% Polish, 24% Spanish and 1% of other nationalities. However, during 2015, there were several transformations, and some departments have reinforced their teams with the necessary skills to embrace future challenges. We must highlight the increase in the number of employees working outside their natural geographies, as expatriates or in business trips.

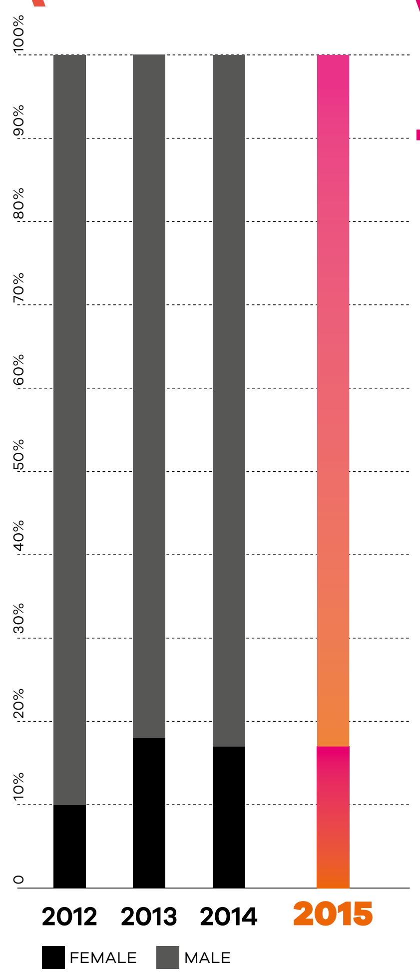
Total No. of employees per region



The average age of population was kept at the same level as the previous year: 40.1 years old, and with a very balanced distribution among the various age clusters. Regarding the average age per country, the figures are also similar: 40.6 in Poland, 40.3 in Portugal and 39.1 in Spain.

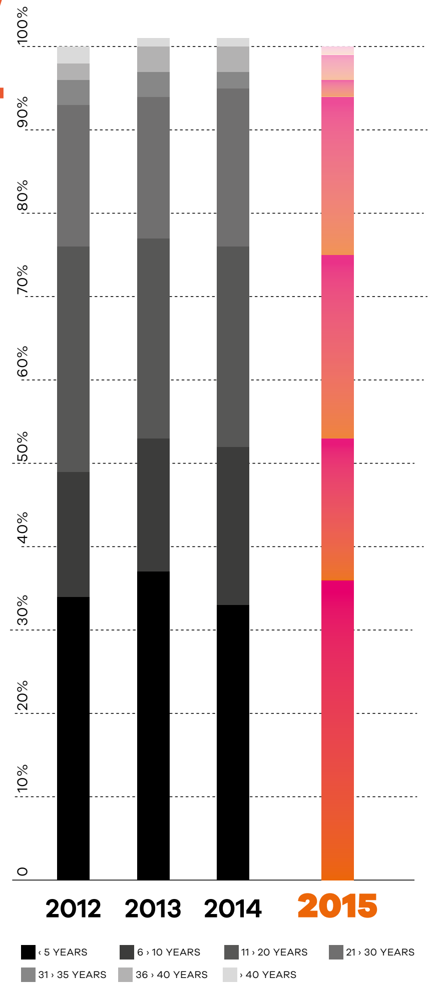
Due to the nature of the industry activities, the majority of employees are men (about 83%). The group follows the principles of non-discrimination, as they are established, communicated and subscribed in SA8000 regulation.

Breakdown by gender [% M/F]



In what concerns seniority, the average is 12.2 years. A slight decrease was again registered, as a consequence of the teams restructuring. The number of employees with seniority under 5 years still represents the highest share among the different seniority groups.

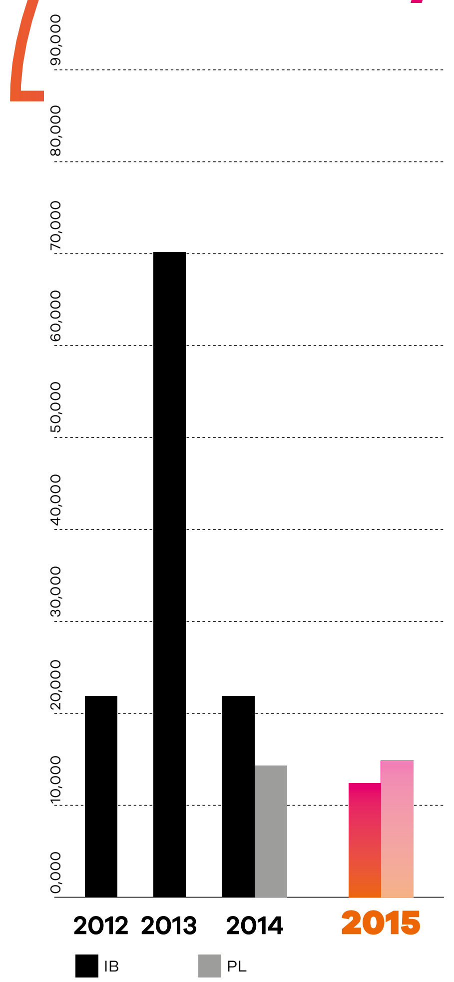
Average seniority › evolution [%]



Training
In spite of the decrease in the training hours registered in 2015, this continues to be a privileged tool to enable the most adequate development of skills.

The majority of the group training was in technical areas, providing the employees with the skills that allow them to perform a specific function or to improve processes. The training provided before and during the start-up of Sieraków furnace represents a relevant share of the overall annual training. Safety trainings were also reinforced in 2015 with the goal of further consolidating the culture of safety among all employees.

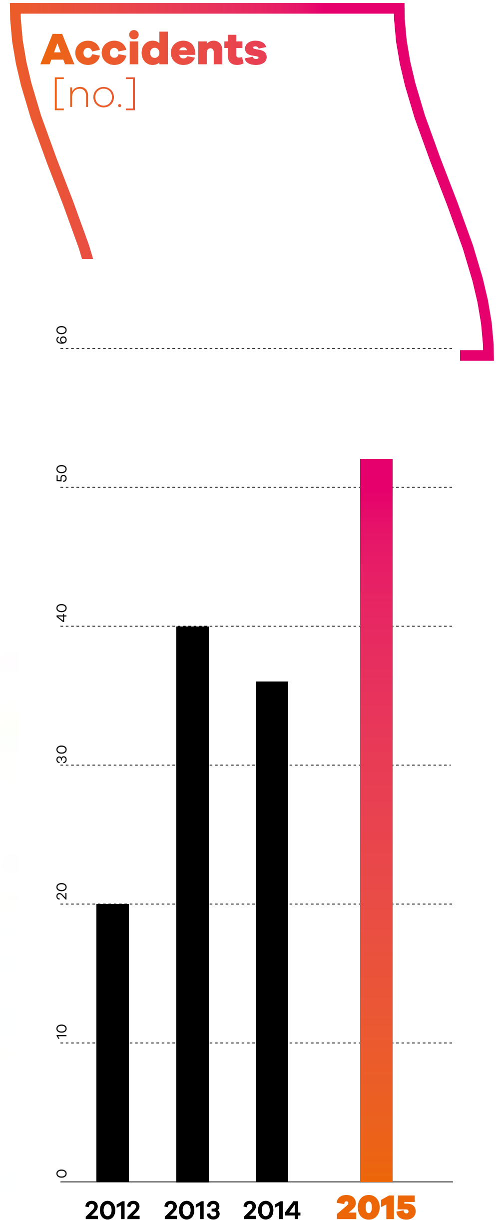
Training volume [no. of hours]



At the end of 2015, a long-awaited project kicked-off: BA training academy. The BA training academy brings a new light to the traditional training concept. The academy has the goal to serve the business and establish a structural base to face continuous challenges. Aware of our industry activity requirements, the academy wants to establish a path that will lead us to operational excellence. Thus, in the first year, the focus of the academy will be the development of the skills needed for high performance in all functions. This will be the engine that will allow the development and deepening of each employee's knowledge in several fields, bearing in mind the best practices and respecting each individual's learning pace.

Health and Safety
In order to ensure the protection of the employees and, indirectly, their families against health risks and unfortunate events, BA keeps the "Accidents: ZERO trend" goal.

In what concerns the reinforcement of the management systems to ensure health and safety, the year of 2015 was chosen as the Year of Safety and many efforts were done in order to raise awareness, to train and to build a culture of safety across the organization. Unfortunately, the results were not in line with our expectations and in 2015 we had more accidents. We know that the change of behaviors takes time and, based on that, extraordinary measures were taken to ensure that the culture of safety definitively becomes part of BA's culture.



The high absenteeism was a constraint during 2015. In Iberia, the year ended with 5.4%, a value substantially higher than BA's average over the last few years. The reason for this increase lies mainly on diseases, which increased both in number and duration, being some employees absent the entire year. The audit of illnesses by official entities was also reinforced in 2015. The occupational health activity has also played an important role throughout the year not only by the reinforcement of medical assistance, but also with the study of the work places, in order to ensure employees' health and quality of life, protecting them from eventual industrial activity risks.

In Poland, the absenteeism rate was of 7.4%, representing a slight decrease in comparison with the previous year. The campaigns against absenteeism, ongoing since 2014, will remain a priority in 2016 but the results are still poor.

Internal Communication

The group has kept the usual internal communication structure: quarterly presentations of results and annual budget, "CONTÉM" newsletter publication, employee's visits to other plant facilities of the group or to customers, and the previously mentioned annual management meeting.

Performance Assessment and Remuneration

As aforementioned, in 2015, a great reinforcement of the assessment and development processes was made. The new tools, supported by a web platform, made this process more transparent and understandable for all employees, and at the same time provided more complete information that will enrich the people development process.

Regarding the working environment, Spain and Poland stood out positively for the success in the collective agreements closed in 2015. In Portugal, BA will continue to channel all efforts to reach labour agreements in all its three plants.

It is a group practice to share the wealth generated by the business with all its employees. The Board of Directors defines and submits the proposal of profits distribution to the shareholders, in a general meeting, for approval.

Social and Corporate Responsibility

- To integrate the social and environmental issues into the decision-making process
- To guarantee ethical behavior in the business conduct
- To recognize and use the Fundamental Principles of Human Rights
- To assure compliance with legal rules and any others voluntarily subscribed

Social Responsibility and Systems

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

In 2015, the group continued developing actions to promote socially correct practices in the workplace. With all the Iberian units being certified by the international social responsibility standard SA8000, it is worth acknowledging that BA recognizes the fundamental and universal human rights embodied in International Conventions and Treaties, such as the United Nations Universal Declaration of Human Rights and the International Labour Organization, and other legislation, namely the international conventions relating to working hours, forced labour, freedom of association, right of organization and collective negotiation, equal remuneration for men and women for similar work, discrimination, minimum wage policy, worker's representation, minimum working age, health and occupational safety, vocational rehabilitation and employment for handicapped persons and maternity protection.

The group expressly subscribes 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 that keep such practices. It is assumed by the group that the minimum age for employees is 18 years old. There are written procedures to ensure the compliance with this principle, as well as procedures that guarantee the definition of actions to mitigate the consequences of child labour in any situation that might happen within the premises of the group or of its suppliers and sub-suppliers, and which BA acknowledges.

b. **Forced and compulsory labour**
The group's companies do not have, neither are they directly or indirectly involved in practices using forced or compulsory work, nor do they accept suppliers that keep such practices. The company will never retain original personal documents nor create any other situation that could force the employee to remain at the company against his/her will. Furthermore, the company will never become involved in or support the traffic of human beings, arbitrary detention or torture.

c. **Health and Safety**
The promotion of health and safety amongst BA's employees is an overriding priority for the group. Accordingly, BA commits to guarantee the necessary conditions to ensure a healthy and safe work environment for the entire group's workforce, preventing health and safety risks for employees, as well as for all other persons who enter its premises (customers, suppliers, members of the community or any other entity or individual).

All employees must comply and make others comply with the workplace hygiene and safety rules, regardless of these being internal rules, national and community regulations or legislation, and must also report any infringements detected. Therefore, the group provides regular training to all company's employees. In the event of serious and imminent danger, employees are entitled to leave the area concerned without prior authorization.

d. **Freedom of association and right to collective negotiation**
The group's companies are in favor 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 of collective negotiation; 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 opportunities**
The group repudiates discriminatory practices. Thus, it will not be involved in or support any situation that does not uphold the principle of non-discrimination based on race, gender, nationality, language, parentage, sexual orientation, marital status, physical disability, religion, political or religious convictions, 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, either 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. Violence, harassment and abuse of power are strongly repudiated. Thus, 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 the applicable laws and industry standards. Overtime work is done voluntarily and should not exceed 12 hours per week per person.

h. **Remuneration**
The remuneration policy reflects the group's objectives of attracting, developing and retaining high-performing and motivated employees in a more and more competitive market. With the purpose of sustainable long–term value creation for the company, the remuneration policy was designed to align the strategic business objectives with the teams and individual operational objectives. Therefore, a competitive remuneration package, a fair salary according to their performance and to the market conditions is presented to all employees.

The CEO is the group's representative for social responsibility, being directly in charge of ensuring that all the requirements under the standard SA8000 are met, and committing to analyze and respond, when necessary, to all the concerns and complaints raised by employees.

All the social responsibility policies are properly documented, effectively implemented and maintained, communicated and widely accessible to all employees, directly or indirectly hired. Furthermore, BA keeps the commitment to make this policy available in an effective manner to interested parties, whenever requested.

Within its Social Responsibility Policy, BA also favors the initiatives in education and training, namely in developing the skills of the youth. Based on this principle, the group maintains partnerships with local universities and schools.

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

Regarding support and donations to educational, cultural and social welfare institutions in 2015, it is important to mention the support to EPIS - Entrepreneurs for Social Inclusion, to Casa da Música, to Gil Foundation, to Banco de Informação de Pais para Pais, to Serralves Foundation, to Colégio de Gaia (School) and to Associação Bagos d'Ouro, of which part will be detailed below.

BA continues to be part of "Porto de Futuro" ("Oporto of the Future"). It is a project launched by the Oporto City Hall in 2007, which aims to "bring the business and educational sectors closer, with the purpose of transferring the business world's good practices and knowledge to the city schools, as well as promoting a culture based on merit, creativity, innovation and entrepreneurship". Partnerships were established among groups comprising the city schools and companies in the Porto region. BA's partner is "Agrupamento Infante D. Henrique". In a year in which the group of schools went through some changes in the Management and Organizational Board, implying a greater attention to internal affairs, only recurrent initiatives were kept, such as: the awarding of merit prizes to 6th and 4th grades (laptop) and 9th grade (Summer scholarship course in England for two weeks) and voluntary work by BA employees in the Junior Achievement association program. This last initiative involved 8 volunteers of BA in several training programs for students of 8 different classes from the school group (1.º, 2.º, 3.º) such as, entrepreneurship, citizenship, ethics, financial literacy, economy and career development. The action plan for 2016 envisages again diverse activities embracing the entire school community.

BA took part in another initiative for the Junior Achievement association, the *"Innovation & Creativity Challenge"* which challenges about 100 high school students to create a business in a short period of time, with two volunteers who played the role of a "business consultant", guiding the students in areas such as Sales, Marketing, Finance, Innovation, Planning and Human Resources. BA also took part as a member of the Jury committee, having awarded one of the final teams with a short internship for its six elements who, for three days, had the opportunity to follow the activity of the company's main central and plant departments.

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

Environment

Introduction

BA group is dedicated to the development, production and sales of glass containers mainly for the food and beverage industries.

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

BA's Environmental Management System is focused on minimizing the environmental impact of its industrial activities. By setting, yearly, actions which aim to increase the glass recycling levels and the rationalization of water consumption, energy and raw materials, and to continuously reduce the weight of the glass containers produced, a rational use of the resources is ensured.

The continuous improvement of the environmental performance is one of BA's commitments.

The year 2015 is marked by the consolidation of the investments made in the Polish plants and by the technological improvements implemented in the cullet treatment facility in Avintes (Portugal). The total investment on environmental improvements was EUR 2.6 million.

Cooperation of interested parties: official entities and community

The cooperation with the official entities which define the legal requirements for the glass manufacturing industrial activity is very important for BA.

Transparency and collaboration with these authorities has allowed BA to show its industrial reality, and the compliance with the relevant legal obligations and to keep an open relationship with the interested parties.

Glass recycling

The use of recycled glass (cullet) in glass production has a strong environmental impact, as the replacement of raw materials by cullet enables to decrease the deposition of waste in landfills, the extraction of natural resources, the energy consumption of the furnaces (cullet melts at a lower temperature than the raw materials) and CO_2 emissions.

The increase of cullet consumption is a permanent goal for 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 inexistence of selective collection by colors, limiting the introduction of external cullet into the composition of the flint glass, which is the main color produced in BA.

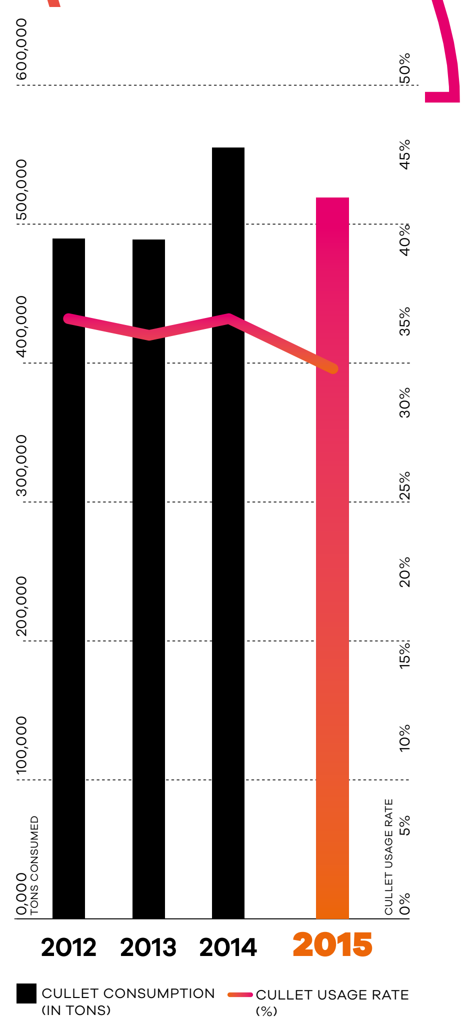
The group cullet comes from its own production activity, domestic post-consumption and imported waste from other countries and from the food and beverage industry (packages that overcome its due date and breakages in filling lines).

In 2015, the cullet treatment facility in Avintes had an equipment upgrade, which made the process of treatment and contaminant screening more efficient, allowing a larger recovery of glass and, consequently, a decrease of the waste sent to landfills.

The year 2015 was marked by a great difficulty in acquiring cullet at competitive prices and quality, which caused a decrease of the overall cullet's incorporation rate comparing to the previous year.

The consolidated value of the cullet's incorporation rate in the seven plants stood at an average of 33%.

Cullet consumption and cullet usage rate



Environmental performance

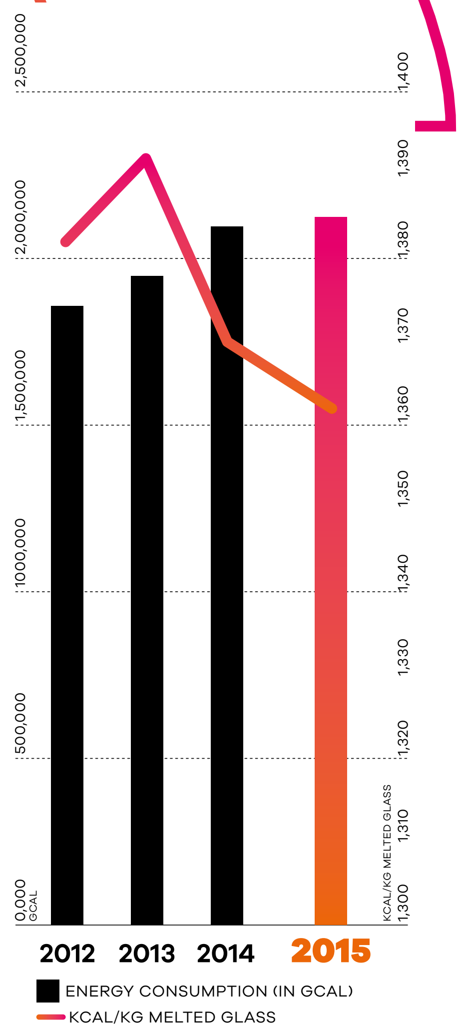
Water and Energy consumption

The glass production is an intensive consumer of energy. One of BA's goals is to continuously decrease the energy and water consumption and, to do so, BA has made several investments in its facilities, applying the best available technologies and implementing and improving monitoring systems of those parameters, thus making them progressively more effective.

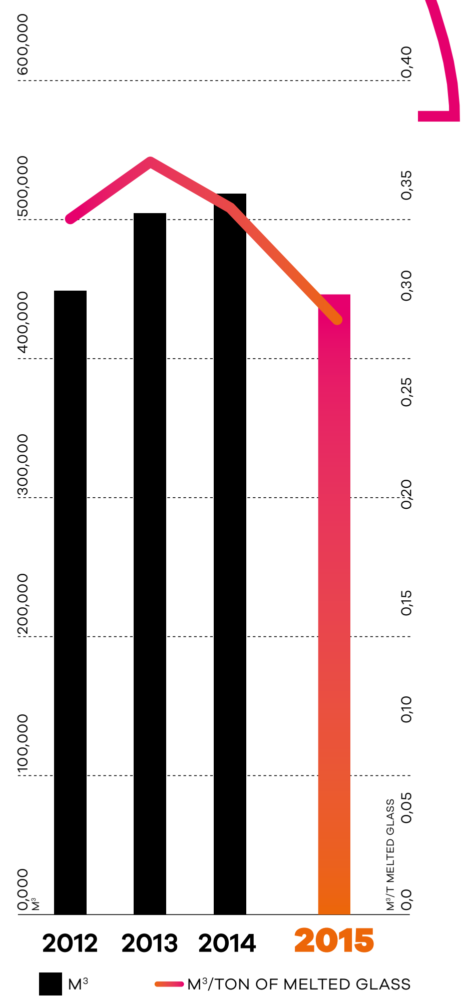
In 2015, there was a relevant improvement regarding the energy consumption. The consolidated value for the specific consumption of the seven plants was 1.362 kcal per kg of melted glass (0.6% lower than 2014).

During 2015, several actions were developed to enable the decrease of water consumption in the plants in Poland and León, leading to a decrease in the consolidated value, which was 0.29 m^3 per ton of melted glass (14.7% lower than 2014).

Energy consumption



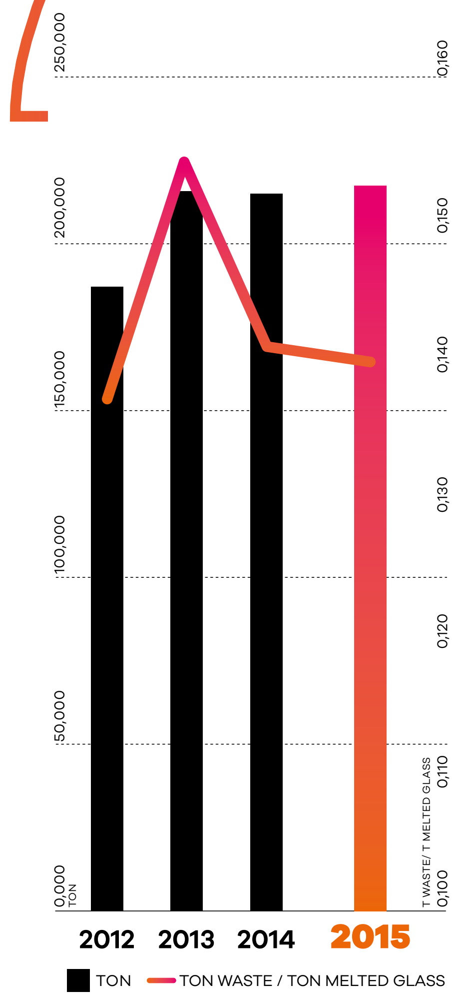
Water consumption



Waste Management

All plant facilities within BA group have implemented a waste management system which purpose is to reduce the waste generated and increase its recovery. The specific rate of total waste generated during 2015 is of about 140 kg of waste per ton of melted glass.

Waste

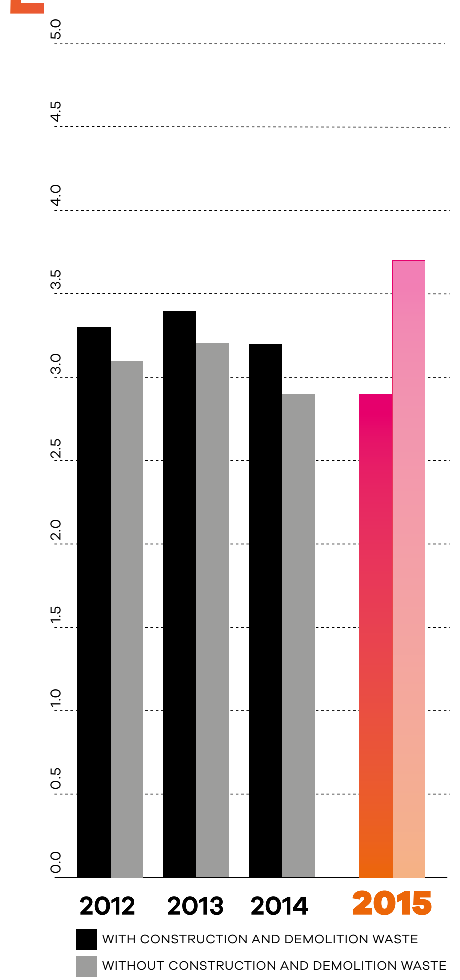


BA recovers the waste generated in the glass production (internal cullet), in the electrostatic precipitators and in the industrial waste-water treatment equipment. Overall, the rate of recovery for waste generated in its activity is very high (around 99%).

During 2015, construction and demolition works took place in some BA facilities, causing the growth of the waste levels.

The current rate of waste generated in the production activity, 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.

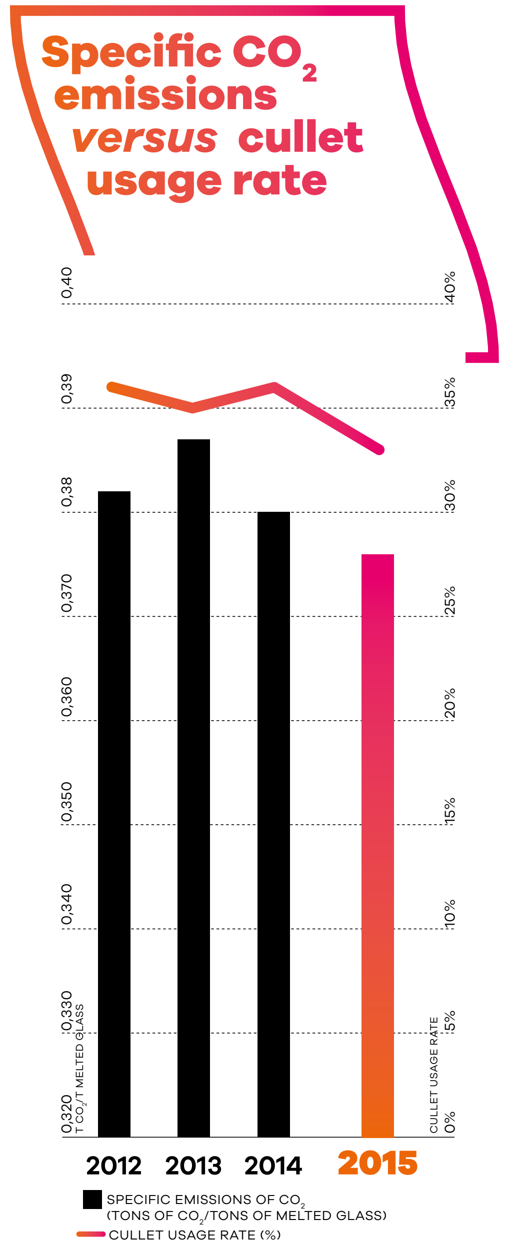
Generated waste excluding internal valuation [kg/ ton of melted glass]



Atmospheric emissions

Carbon dioxide emissions (CO_2)
All glass container production plants are covered by the European Union (CO_2) Emission Trading Directive. In order to comply with the referred Directive, BA has implemented a management system that allows to monitor the CO_2 emissions.

In 2015 there was a decrease in the consolidated value of carbon dioxide emission (tons of CO_2 released per ton of melted glass) due to the energy consumption improvement achieved, despite the deficit of available cullet.

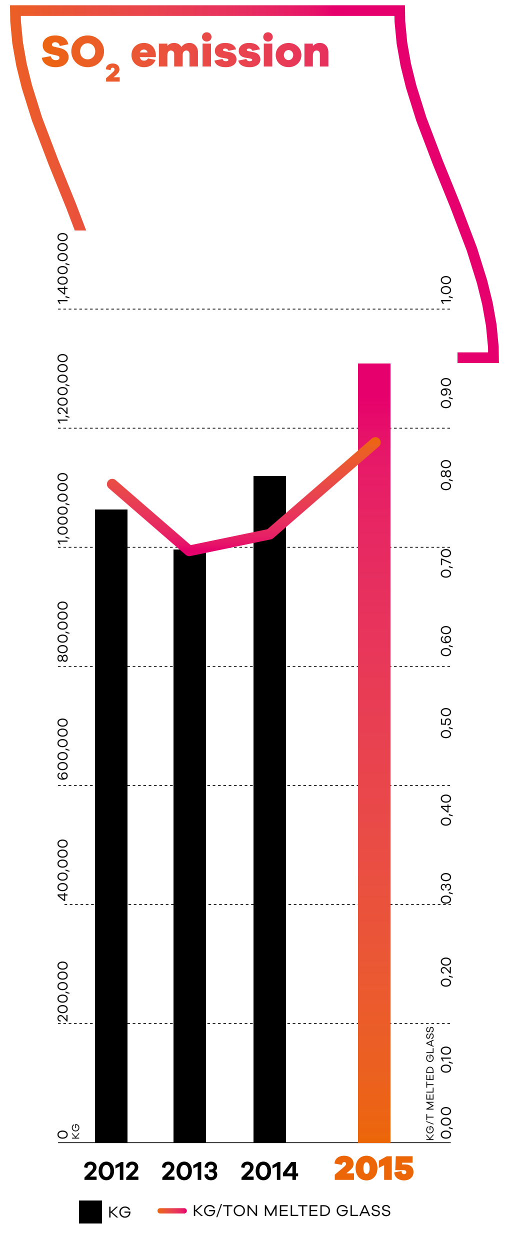


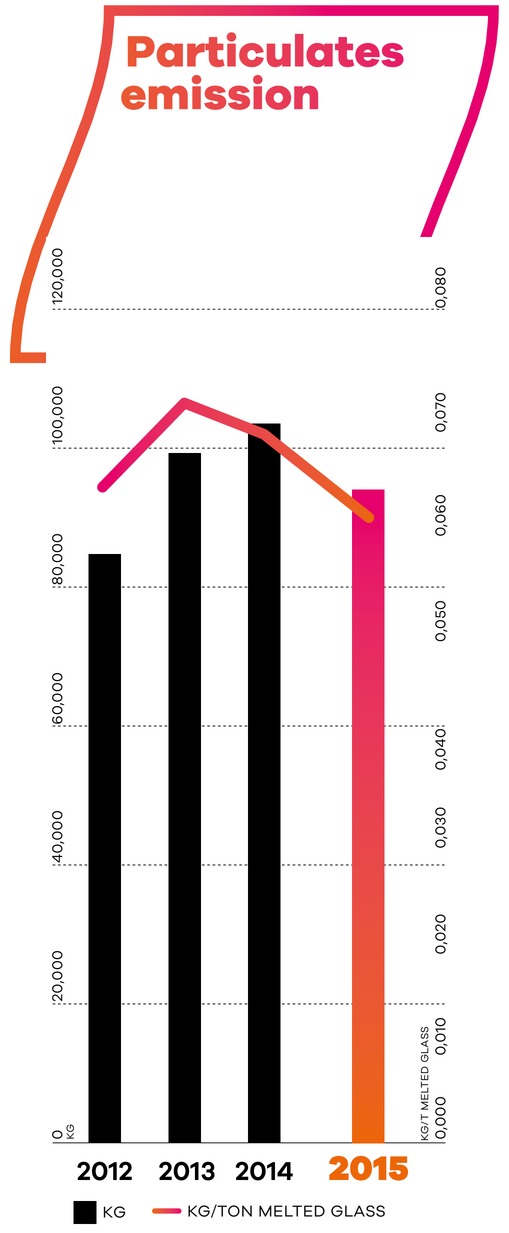
Emissions of particles, sulphur dioxide (SO_2) and nitrogen oxide (NOx)

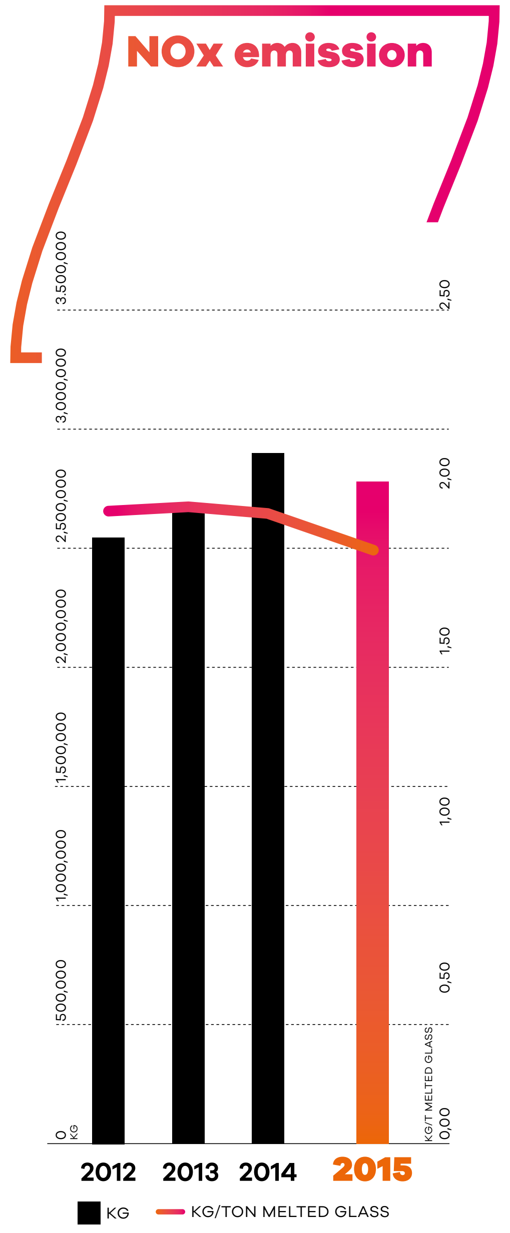
The 7 BA plant facilities are covered by the new Industrial Emission Directive (IED).

In order to comply with the regulation established in the environmental licenses of each plant, BA carries out sporadic monitoring of the existing fixed sources. In two of the plants (Marinha Grande and Venda Nova), the monitoring of the NOx parameter is performed continuously.

The year of 2015 is marked by the successful introduction of improvement actions aiming to decrease the NOx and particles emissions. The increase of the SO_2 emissions in the last two years is due to the glass production color mix and the reduction of NOx emissions side effect.







BA

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**

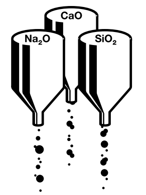
2012

Acquisition of **Warta**

BA

Glass Packaging Manu-facturing Process

stage 1



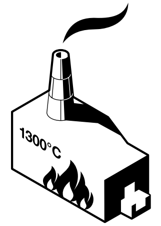
glass composition

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

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

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

stage 2

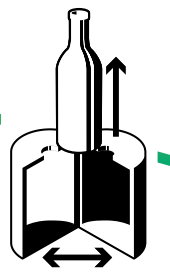


raw materials fusion

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

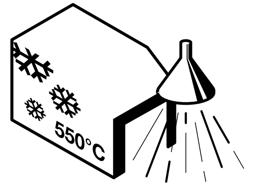
stage 3



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.

stage 4



annealing and surface treatment

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

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

stage 5

inspection and quality control

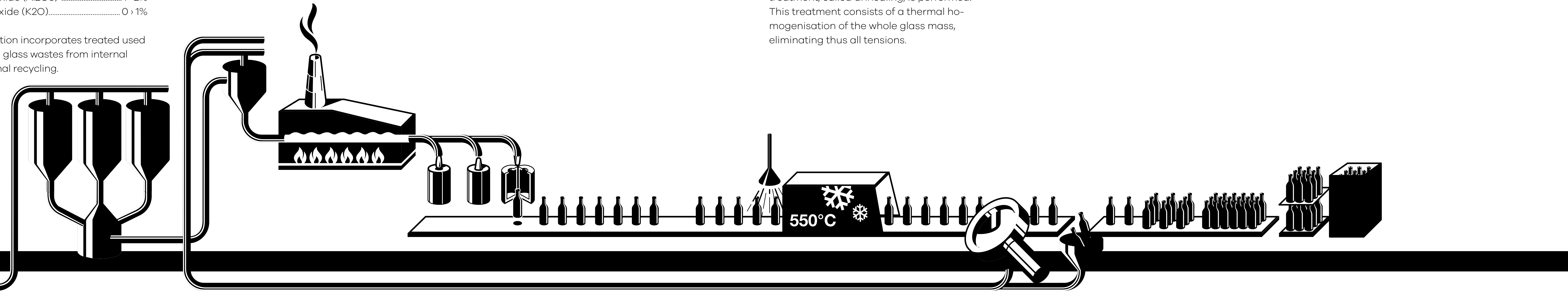
After concluding the annealing procedure, the pieces are taken into automatic inspection machines that through several defect detection mechanisms dispose of faulty pieces.

stage 6

packaging

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

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



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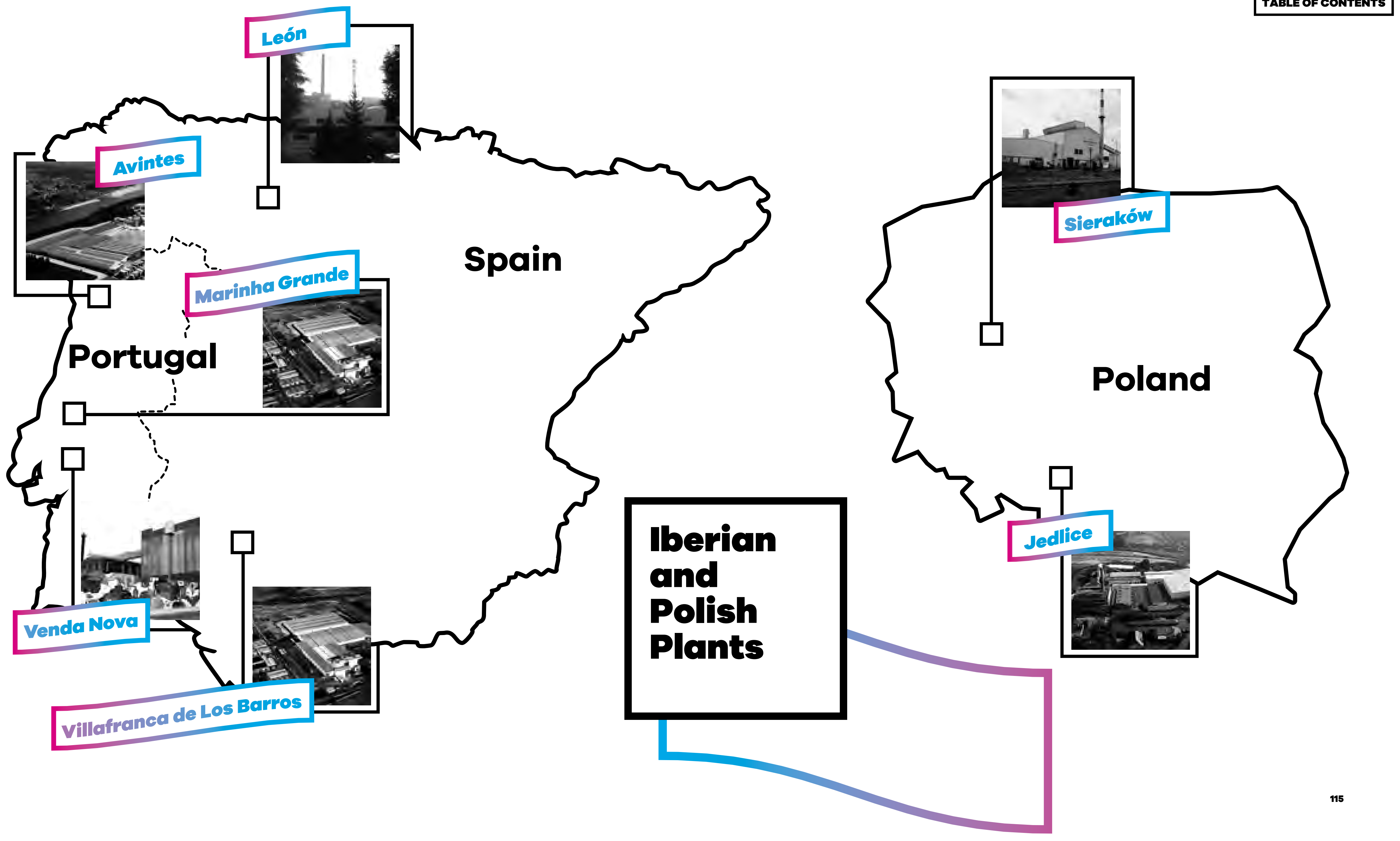

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