



GRUPA PBG

**CURRENT REPORT FILED WITH
THE POLISH FINANCIAL SUPERVISION AUTHORITY**

DATE: November 18th 2014

Subject: [RAFAKO Group's Stable Growth Strategy for 2015–2018](#)

Text of the report:

Current Report No. 48/2014

The Management Board of RAFAKO S.A. ("RAFAKO") announces that on November 17th 2014 it approved the RAFAKO Group's Stable Growth Strategy for 2015–2018 (the "Strategy") that received a positive opinion of the Supervisory Board. The initiatives described in the Strategy are designed to increase the EBIT and EBITDA margins in the years to come (to EBITDA of approximately 8.3% and EBIT of approximately 7.6% in 2018) and discontinue the use of external financing as of 2016.

RAFAKO's strategic objectives are to:

1. strengthen its development efforts in the three key areas of boiler, power generation and environmental protection technologies;
2. consolidate its position as a leader on the Polish market of technologically advanced and environmentally-friendly solutions for the power and industrial sectors;
3. expand foreign sales;
4. optimise working capital and borrowing cost management, and improve cost discipline.

The most important strategic challenges for the Group in the near future will include revision in the areas of: contract financing and securing (including an increase in the share of self-financing contracts in the order book, as well as diversification of project amounts and types); cost optimisation (including revision of the rules of cooperation with intermediaries and external expense budgeting for projects, and deployment of appropriate IT solutions); as well as risk and supply chain management (including by developing counterparty risk assessment methods and implementing supply chain management for EPC projects).

The Strategy was developed taking into account material changes in the RAFAKO Group's business environment as well as trends in the energy and industrial markets. The Strategy is presented on the Company's corporate website: [www.rafako.com.pl/Relacje Inwestorskie/Materiały do pobrania](http://www.rafako.com.pl/Relacje%20Inwestorskie/Materiały%20do%20pobrania).

Forward-looking statements should not be construed as forecasts or estimates.

Legal basis: Art. 56.1.1 of the Public Offering Act.

Agnieszka Wasilewska-Semail, President of the Management Board
Jarosław Dusiło, Vice-President of the Management Board