

**ADDITIONAL INFORMATION ANNEXED TO THE ABRIDGED INTERIM
CONSOLIDATED FINANCIAL REPORT
FOR THE 1ST HALF OF 2013**

I. Introductory Information.

1. The Stalprodukt S.A. Capital Group embraces, apart from the parent company, 11 related entities, acting as subsidiary companies, in which Stalprodukt holds 51 % of shares in the company Cynk-Mal S.A., 86,92 % in the company Zakłady Górniczo-Hutnicze “Bolesław” S.A. and 100 % in the remaining companies.

Stalprodukt S.A., being the parent company in the Group, provides operating and development guidelines for the related entities, formed within the framework of the Company’s restructuring and expansion of its production, trade and services.

The basic objects of operation of the capital group companies are:

- Production of electrical and transformer sheets, cold formed profiles, road safety barriers and cold rolled and hot rolled sheets and strips – parent company Stalprodukt S.A.,
- Excavation of non-ferrous metal ores and production of zinc and lead - ZGH “Bolesław” S.A. and its subsidiary companies:
 - Huta Cynku Miasteczko Śląskie S.A. – production of rectified zinc, lead and cadmium,
 - Bolesław Recykling Sp. z o.o. – zinciferous materials processing and utilization services and production of non-ferrous metal concentrates,
 - Boloil S.A. – production of dolomite aggregates, zinc products and zinc alloys,
 - Bolsped sp. z o.o. – equipment-related and forwarding services,
 - Boltherm sp. z o.o. – energy-related services, laboratory, mechanical and construction services,
 - Gradir Montenegro d.o.o. – excavation of zinc ores and production of concentrates,
 - Agencja Ochrony Osób I Mienia “Karo” sp. z o.o. – personal and property security services.
- Trade activity
 - Stalprodukt-Centrostal sp. z o.o., the company which manages the nationwide sales network with the sales departments in Bochnia, Gliwice, Włocławek, Wrocław, Poznań, Gdynia, Koszalin, Szczecin and Radom,
 - Stalprodukt-Warszawa sp. z o.o. in liquidation,
 - Stalprodukt-Zamość sp. z o.o.
- Other production and services:
 - production of lightning protection hoop iron systems, galvanized wire and steel strips (Cynk-Mal S.A.),
 - manufacture of builders (Stalprodukt-Zamość),
 - production and regeneration of spare parts (Stalprodukt-Wamech sp. z o.o.),
 - installation, repair/renovation and maintenance of machines (Stalprodukt-Serwis sp. z o.o.),

- production of steel constructions (STP Elbud sp. z o.o., Stalprodukt-Wamech sp. z o.o.),
- galvanizing services (STP Elbud sp. z o.o. i Cynk-Mal S.A.),
- construction and maintenance of roads and freeways (Stalprodukt MB sp. z o.o.),
- designing sources of renewable energy (Anew Institute sp. z o.o.),
- property and personal security (Stalprodukt-Ochrona sp. z o.o.).

2. Changes in the in the Issuer's and its Capital Group's structure :

In relation to the 1st half of 2012, being a comparable period for the present consolidated financial report, the following changes took place in the Issuer's Capital Group's structure:

- 2.1. In October 2012 the Stalprodukt S.A. company purchased 49 % of shares from Konsorcjum Stali SA and since 19.10.2012 it has been the sole shareholder of the Stalprodukt-Warszawa sp. z o.o. company.
As of 10 June 2013 this company was put into liquidation in connection with the restructuring activities aimed at the Capital Group's simplification.
- 2.2. The Anew Institute Sp. z o.o. Company was included in the consolidation, which was connected with the fact that the Company's capital was raised and Stalprodukt took up 100% of its interest
- 2.3. On 7 November 2012 the Company concluded a Contract with the State Treasury, as a result of which Stalprodukt S.A. acquired 1 096 600 registered shares of Zakłady Górniczo-Hutnicze "Bolesław" S.A. company based in Bukowno, accounting for 86.92 % of its share capital.

ZGH "Bolesław" is the Poland's biggest producer and supplier of electrolytic zinc, occupying a leader's position on the domestic market. The purchase of ZGH "Bolesław" shares accounts for the implementation of the development policy of Stalprodukt S.A. Capital Group which assumes further development through expanding to new areas and through take-overs in addition to the strengthening of the existing areas of operation.

Management Board decided to assume the date 31.12.2012. to be the "day of acquisition" at the same time being the day of control assumption. The argument for assuming this particular day is the fact that the financial report is prepared on that day and in practical terms this is the day on which the flow of business advantages undergoes change.

The merged company (acquiree) ZGH "Bolesław" transformed its consolidated financial report according to the IFRS „First-Time Adoption of IFRS” as of 1.01.2013 and, subsequently, prepared its consolidated financial report as of 31.03.2013, including all the adjustments and exclusions in accordance with the IFRS. The merging entity (acquirer), i.e. Stalprodukt S.A., prepared the Group's consolidated report, for the first time including the ZGH "Bolesław" Group's in the report for 1st quarter of 2013.

In this report a detailed reconciliation of the purchase price, paid for the shares of ZGH "Bolesław" S.A., was presented

In the Issuer's Capital Group's structure there were no other mergers, take-overs or sales of any entities, long-term investments, divisions, restructuring or discontinued operations.

3. The presented abridged consolidated financial report was prepared with the full method for the period from 1 January 2013 to 30 June 2013, covering all of the Group's subsidiary companies and excluding: Stalprodukt-Warszawa sp. z o.o., in connection with the company being put into liquidation. The comparable data embrace the period from 1 January to 30 June 2012 in respect of the profit and loss account and cash flow statement whereas the balance sheet values were reported as of 31 December 2012. The Group's fiscal year is the calendar year.

This interim abridged consolidated financial report has been prepared in accordance with the International Financial Reporting Standards approved of by the European Union, in particular, in accordance with the International Accounting Standard No 34 "Interim Financial Reporting" and on the assumption that the Group's companies will continue their activities in predictable future. As of the day this financial report has been approved, the Management Board of the Issuing Entity does not find any circumstances which would indicate that the continuation of the Capital Group companies' activities is threatened.

The interim abridged consolidated financial report does not embrace all the information and disclosures required in the annual consolidated financial report, and the additional information mainly contains the explanations of events and changes significant for the proper understanding of the changes in the financial situation and results achieved by the Group, which have occurred since the end of the last fiscal year.

The additional information embraces selected explanatory data, required by IAS 34 „interim financial reporting" and Regulation of the Minister of Finance on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state dated 19 February 2009 (Journal of Laws No 33, item 259).

If the Information does not address certain events required by the above-mentioned regulations, this means that such events have not taken place in the reporting period.

II. Accounting Principles (Policy)

1. In the semi-annual abridged consolidated financial report the same accounting principles (policy), including assets and liabilities and revenues and costs valuation and also calculation methods, were observed as the ones presented in detail in the published 2011 consolidated report.

In the reporting period no essential changes or adjustments, due to fundamental errors or assumed estimated values, were introduced into the accounting principles (policy), that could have a significant impact on the Group's property status, financial standing, liquidity and financial result.

2. The changes in standards and interpretations issued by the International Accounting Standards Board or IFRS Interpretations Committee applicable since 1 January 2013, described in detail in the Additional and Explanatory Information annexed to the annual consolidated financial report, either do not apply to the Stalprodukt Group, or do not have a significant impact, not only on the property and financial standing, but also on the way in which the financial report elements are presented.

Many of the changes introduced into the accounting standards and changed interpretations of the existing standards have already been published and approved. However, some of the changes are still awaiting approval by the European Commission. The Management Board does not expect the introduction of the above mentioned standards and interpretations to have a significant impact on the accounting principles (policy) applied by the Group, its financial standing or financial result, but they may have to be included in the additional or amended disclosures report.

The above mentioned amendments have been precisely described in the Additional and Explanatory Information annexed to the Published Consolidated Financial Report for 2012.

3. The information contained in the consolidated financial report has been compiled in compliance with the principles of the assets and liabilities valuation method and net financial result calculation, defined as of the balance sheet day, in accordance with the IFRS, adopted by the European Union and interpretations related thereto, announced as European Commissions Regulations, with the preserved materiality principle.

The Issuer's individual financial report, incorporated herein, has also been prepared in accordance with the above mentioned principles.

III. Estimated Values

1. In the 1st half of 2013 the Group made the following adjustments in respect of reserves, revaluations and revaluation write-offs on specific asset items:
- assets were reduced because of the deferred income tax by the amount of PLN 15,445 thousand in connection with the reconciliation of negative transitory differences,
 - the deferred income tax reserve was increased by the amount of PLN 30,979 thousand in connection with the formation of positive transitory differences,
 - an allowance for doubtful receivables was made in the amount of PLN 176 thousand,
 - allowances for uncollectible receivables in the amount of PLN 571 thousand were cancelled due to being paid,
 - revaluation write-off on ready-made products, down to the net sales value in the amount PLN 506 thousand, was cancelled in connection with the sale of the write-off-related products, classified as such on 31 December 2012 and a write-off in the amount of PLN 352 thousand was made as of 30 June 2013,
 - a revaluation write-down for capital work in progress was formed in the amount of PLN 158 thousand.
2. Except for the positions mentioned in item 1, there was no necessity to make any other adjustments in respect of the reserves, revaluations and write-offs, updating the value of asset components, or changes in the other estimated values.

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IV. Operating Segments

The Segment Reporting was based on the IFRS 8 “Operating Segments”. The principles underlying the division of Stalprodukt Group’s activities into operating segments and accounting principles applied in the reporting procedure were presented in detail in the recently published annual consolidated report for 2012.

In connection with the take-over of the ZGH “Bolesław” S.A. company based in Bukowno, starting from 1.01.2013 and onwards an additional segment “Zinc Segment”, embracing the ZGH Capital Group activities, will be introduced to the segment-based reporting. However, the “Segment of Goods” was liquidated as insignificant and non-compliant with IFRS 8. This segment has been included in “Other Activities”.

The required information on the operating segments in respect of the 1st half of 2013 and the comparable period (1st half of 2012) were estimated and presented in the tables below (in PLN thousand):

**Information on Operating Segments for
1st half of 2013 (in PLN thousand)**

Itemization	Segment of Electrical Sheets	Segment of Profiles	Segment of Zinc	Other Activities	Total Consolidated Value
Segment Revenues	216,473	396,579	677,798	91,154	1,382,004
Segment Costs	194,225	373,738	626,510	85,517	1,279,990
Segment Result	22,248	22,841	51,288	5,637	102,014
Other Operating and Financial Revenues not Attributed to the the Segment					22,146
Other General, Operating and Financial Costs not Attributed to the Segment					79,310
Gross Profit					44,850
Income Tax					11,630
Net Profit					33,220
Segment Assets	680,475	766,954	1,181,092	226,953	2,855,474
Assets not Attributed to the Segment					69,203
Total Consolidated Assets					2,924,677
Total liabilities	78,479	194,591	511,106	96,494	880,670
Capital expenditures	51,439	954	33,065	3,058	88,516
Depreciation	11,417	9,913	35,730	4,713	61,773

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**Information on Operating Segments for
1st half of 2012 (in PLN thousand)**

Itemization	Segment of Electrical Sheets	Segment of Profiles	Segment of Goods	Other Activites	Total Consolidated Value
Segment Revenues	306,443	531,142	56,072	53,218	946,875
Segment Costs	243,447	489,861	53,329	47,476	834,113
Segment Result	62,996	41,281	2,743	5,742	112,762
Other Operating and Financial Revenues not Attributed to the the Segment					5,912
Other General, Operating and Financial Costs not Attributed to the Segment					40,288
Gross Profit					78,386
Income Tax					16,349
Net Profit					62,037
Segment Assets	771,965	903,084	34,639	201,699	1,911,387
Assets not Attributed to the Segment					16,726
Total Consolidated Assets					1,928,113
Total liabilities	93,695	199,549	7,520	48,068	348,832
Capital expenditures	18,830	2,960	-	17,785	39,575
Depreciation	11,402	10,375	394	4,461	26,632

V. Other Information

1. In the 1st half of 2013 the seasonality effects in the Capital Group had an insignificant impact on the achieved results.
2. As of 21 June 2013 the General Meeting of Shareholders was held, which approved of the Reports of Management Board Activities and Supervisory Board's Activities, the separate and consolidated Financial Reports, granted the Member of the Management Board and Supervisory Board the vote of absolute approval and distributed the profits for the reporting year 2012.

The General Meeting also adopted a Resolution on the dividend disbursement for 2012. The amount of PLN 6 655 thousand i.e. PLN 1.00 per share, was appropriated to dividend. The Issuer's own purchased shares in the number of 69 733 items were not included in the dividend. The Dividend Day is 13 September 2013 and 30 September 2013 was fixed as the disbursement day.

3. As of the balance sheet day the Stalprodukt S.A. Capital Group has the following contingent liabilities:
 - good workmanship guarantee in respect of the production and assembly of road safety barriers amounting to PLN 21,138 thousand.
 - guarantees and sureties in respect of the bills of exchange granted by ZGH "Bolesław" S.A. and the subsidiary company (zinc works) Huta Cynku "Miasteczko Śląskie" S.A. amounting to PLN 31,154 thousand.

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4. The Issuer does not publish result forecasts.
5. The pending liquidation and composition proceedings cover the Group's debt amounting to the total of PLN 4,424 thousand, wherein the amount of PLN 870 thousand concerns Stalprodukt and the amount of PLN 3,554 thousand refers to ZGH.

In the reporting period no proceedings were instituted or pending before the court or public administration agency, concerning any debts or liabilities that could significantly affect the Group's future results and financial standing.

6. Apart from typical and routine transactions concluded on market terms with related entities within the Capital Group, the character and terms of the same resulting from ongoing operating activities, in the reporting period neither the Stalprodukt Company nor its subsidiary companies concluded transactions with associated entities.

The Table below presents the total value of transactions concluded by the Issuing Entity with associated entities.

Related Entity	in PLN thousand			
	Sales		Purchases	
	1.01-30.06.2013	1.01-30.06.2012	1.01.-30.06.2013	1.01-30.06.2012
ZGH „Bolesław”	-	-	67	-
Stalprodukt-Centrostal	187,918	241,602	298	126
Stalprodukt-Zamość	376	367	546	1,829
Stalprodukt-Warszawa in liquidation	4,171	7,709	-	-
Cynk-Mal	9,802	10,803	3,136	104
STP Elbud	11,469	591	7,406	17,647
Stalprodukt-Wamech	717	654	5,017	4,987
Stalprodukt-Serwis	411	275	12,040	4,974
Stalprodukt-MB	147	113	1,754	2,505
Stalprodukt-Ochrona	118	110	1,401	1,347

7. As of 31 January 2013, the Parent Company extended, within 31 October 2013, the previously granted surety in respect of the liabilities of the Cynk-Mal S.A. company based in Legnica in favour of the Bank PeKaO S.A. in respect of the credit granted by the bank in the amount of PLN 18 800 thousand.

Moreover, on 8 July 2013, the Stalprodukt Company granted a guarantee [surety] to the Nordea Bank S.A based in Gdynia, in respect of the Stalprodukt-Centrostal sp. z o.o's. liabilities referring the current account credit granted in the amount of PLN 20 000 thousand. The guarantee was granted for the period of one year.

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Apart from the above mentioned surety, neither the Stalprodukt Company nor its subsidiaries granted any other sureties, loans, credits or guarantees.

8. In the reporting period the Group made capital expenditures for the purchase and generation of tangible fixed assets in the amount of PLN 88,516 thousand.
In the reporting period no significant fixed assets item was transferred.
9. The Issuing Entity and its Capital Group entities did not issue, redeem or repay any debt or capital securities.
10. In the Issuer's assessment, the following factors which may affect the results to be achieved by the Group, in the perspective of, at least, the quarter to come, are:
 - fluctuations of raw material prices and demand for Parent Company's products,
 - zinc and lead price fluctuations at LME,
 - fluctuations of currency exchange rates.
11. In the reporting period and after 30 June 2013, by the time the abridged consolidated report for the 1st quarter was prepared, no significant events had taken place, which could significantly affect the Group's standing and its financial results.
The Issuer does not possess either any other information, recognized as essential for the Group's staffing status, assets structure, financial standing or financial result or information essential for the assessment of the Group's ability to settle its liabilities.
12. Pursuant to par. 83 subpar.3 of the Regulation of the Minister of Finance dated 19 Feb 2009, on current and periodic information submitted by issuers of securities and terms governing the recognition of equivalent information required by non-member state regulations (Journal of Laws No 33, item 259), the Issuing Entity does not submit a separate parent company semiannual report. The separate report supplements the consolidated report.
13. No „Additional Information” was annexed to the abridged separate parent company report for the 1st half of 2013, as, during the reporting period, no events took place in connection with the separate parent company report, other than the ones described in this “Additional Information”.
14. This abridged consolidated financial report for the 1st half of 2013 was approved of by the Parent Company Management Board to be published as of 28 August 2013.

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Piotr Janeczek
President of the Board – Chief Executive Officer

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Józef Ryszka
Member of the Board – Marketing Director