



The Stalprodukt S.A. Capital Group

Consolidated Financial Report for the 1st half of 2014

Bochnia, sierpień 2014

Consolidated Financial Report for the 1st half of 2014

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Selected Financial Data

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EURO	
	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014	1st half 2013 increasingly for the period from 01-01-2013 to 30- 06-2013	1st half 2014 increasingly for the period from 01-01-2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01-2013 to 30- 06-2013
I. Net sales of products, goods and materials	1 365 993	1 382 004	326 918	327 955
II. Operating profit (loss)	59 068	42 867	14 137	10 173
III. Profit (loss) before taxation	55 649	44 850	13 318	10 643
IV. Net profit (loss)	40 517	33 220	9 697	7 883
- attributable to shareholders of the parent company	38 723	34 948	9 267	8 293
- net profit attributed to non-controlling interests	1 794	-1 728	429	-410
V. Net cash flow from operating activities	502	64 334	120	15 267
VI. Net cash flow from investment activities	-49 401	-115 422	-11 823	-27 390
VII. Net cash flow from financial activities	35 428	60 720	8 479	14 409
VIII. Total net cash flow	-13 471	9 632	-3 224	2 286
IX. Total assets	2 987 377	2 992 412	717 964	721 550
X. Liabilities and provisions for liabilities	1 217 630	1 236 084	292 636	298 053
XI. Long-term liabilities	437 805	453 760	105 219	109 414
XII. Short-term liabilities	546 566	564 435	131 358	136 100
XIII. Shareholders' equity	1 769 747	1 756 328	425 328	423 497
- equity attributable to shareholders of the parent company	1 651 309	1 627 830	396 863	392 513
- equity attributed to non-controlling interests	118 438	128 498	28 465	30 984
XIV. Share capital	13 450	13 450	3 232	3 243
XV. Number of shares	6 725 000	6 725 000	6 725 000	6 725 000
XVI. Profit (loss) for one ordinary share (in PLN)	6,09	4,99	1,46	1,18
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	263,16	261,16	63,25	62,97
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)	0,60		0,14	

1. Comparable financial data (item IX-XIV and XVIII) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2013. Other comparable data is presented for the period from 1st January 2013 to 30th June 2013.
2. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:

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- the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th June 2014 and amounting to PLN 4.1609 and PLN 4.1472 for this 31st December 2013.
 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.1784 for 1st half 2014 and PLN 4.2140 for 1st half of 2013.
3. For profit-per-share calculation the number of 6,655,267 shares was adopted. In accordance with IAS 33 69,733 own shares purchased by the Issuer were excluded from the calculation.
- [Abridged Consolidated Financial Report for 1st half of 2014](#)

Consolidated balance sheet for 30.06.2014

CONSOLIDATED BALANCE SHEET	thousand x PLN	
	30.06.2014	31.12.2013
Assets		
I. Fixed assets	1 905 097	1 914 100
1. Intangible fixed assets, including:	95 461	95 185
- right of perpetual land use	65 228	63 751
2. Tangible fixed assets	1 727 392	1 740 220
3. Long-term receivables	377	258
4. Long-term investments	57 353	53 958
4.1. Real estate	5 459	5 752
4.2. Intangible assets		
4.3. Long-term financial assets	51 894	48 206
4.5. Other long-term investments		
5. Long-term prepayments	24 514	24 479
5.1. Deferred income tax assets	16 485	16 446
5.2. Other prepayments	8 029	8 033
II. Current assets	1 082 280	1 078 312
1. Inventories	503 128	506 632
2. Short-term receivables	436 842	409 953
3. Short-term investments	122 249	152 389
3.1. Short-term financial assets	109 890	120 999
a) loans		

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b) short-term securities	11 608	9 246
c) cash and cash equivalents	98 282	111 753
3.2. Other short-term investments	12 359	31 390
4. Short-term prepayments	20 061	9 338
Total assets	2 987 377	2 992 412
Liabilities		
I. Shareholders' equity	1 769 747	1 756 328
1. Equity attributable to shareholders of the parent company	1 651 309	1 627 830
1.1. Share capital	13 450	13 450
1.2. Own shares (stocks) (negative value)	-140	-140
1.3. Reserve capital	166 415	120 035
1.4. Reserve capital from revaluation	4 521	4 521
1.5. Other reserve capital	1 446 610	1 434 185
1.6. Retained earnings (losses)	-18 270	-16 974
1.7. Net profit (loss)	38 723	72 753
2. Capital non-controlling interests	118 438	128 498
II. Liabilities and provisions for liabilities	1 217 630	1 236 084
1. Provisions for liabilities	227 674	213 478
1.1. Provision for deferred income tax	53 086	49 179
1.2. Other provisions	174 588	164 299
a) long-term	141 357	141 160
b) short-term	33 231	23 139
2. Long-term liabilities	437 805	453 760
2.1. Long-term credits and loans	74 933	90 010
2.2. Other long-term liabilities	66 757	67 635
2.3. Contingent liabilities due to the purchase of ZGH	296 115	296 115
3. Short-term liabilities	546 566	564 435
3.1. Short-term credits and loans	127 277	64 079
3.2. Current part of long-term credits and loans	33 698	30 963

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3.3. Trade liabilities	265 768	367 593
3.4. Income tax liabilities	4 164	214
3.5. Other short-term liabilities	115 659	101 586
4. Accruals	5 585	4 411
Total liabilities	2 987 377	2 992 412
Book value	1 769 747	1 756 328
Number of shares	6 725 000	6 725 000
Book value per share (PLN)	263,16	261,16

Consolidated profit and loss account for the period 01.01.2014 -30.06.2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013
I. Net sales of products, goods and materials, including:	1 365 993	1 382 004
1. Net sales of products	1 285 815	1 294 166
2. Net sales of goods and materials	80 178	87 838
II. Costs of products, merchandise and materials sold, including:	1 219 563	1 242 910
1. Production cost of products sold	1 142 424	1 159 119
2. Value of goods and materials sold	77 139	83 791
III. Gross profit (loss) on sales	146 430	139 094
IV. Selling costs	36 559	37 080
V. General and administrative costs	61 573	58 827
VI. Profit (loss) on sales	48 298	43 187
VII. Other operating incomes	17 680	3 656
VIII. Other operating costs	6 910	3 976
IX. Operating profit (loss)	59 068	42 867
X. Financial incomes	9 442	18 490

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XI. Financial costs	12 861	16 507
XII. Profit (loss) before taxation	55 649	44 850
XIII. Income tax	15 132	11 630
XIV. Net profit (loss)	40 517	33 220
1. Attributable to shareholders of the parent company	38 723	34 948
2. Attributed to non-controlling interests	1 794	-1 728
Profit (loss) net	40 517	33 220
Weighted average number of ordinary shares	6 655 267	6 655 267
Profit (loss) for one ordinary share (in PLN)	6,09	4,99

Total comprehensive consolidated income for the period 01.01.2014-30.06.2014

Total comprehensive consolidated income	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013
Net result	40 517	33 220
Gain from a bargain purchase		17 457
Total Comprehensive Income	40 517	50 677
Total comprehensive income attributable to the parent company shareholders	38 723	52 405
Total comprehensive income attributed to non-controlling interests	1 794	-1 728

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Statement of changes in consolidated equity for the period 01.01.2014 – 30.06.2014

Statement of changes in equity for the period from 1st January to 30th June 2014 and 2013	thousand x PLN									
	Share capital	Own shares	Reserve capital	Capital from revaluation	Other reserve capital	Retained profits	Current year net profit	Gain from a bargain purchase	Capital non- controlling interests	Equity TOTAL
Balance on this 1.01.2014 (opening balance)	13 450	-140	120 035	4 521	1 434 185	55 779			128 498	1 756 328
Profit distribution			43 178		7 111	-50 285				0
Intercapital and consolidation transfer			3 202		5 314	-19 618			-11 854	-22 956
Dividend						-4 142				-4 142
Total comprehensive income for period 1.01 - 30.06.2014							38 723		1 794	40 517
Balance on this 30.06.2014 (closing balance)	13 450	-140	166 415	4 521	1 446 610	-18 270	38 723		118 438	1 769 747
Balance on this 1.01.2013 (opening balance)	13 450	-140	123 040	5 612	1 372 368	50 783			12 107	1 577 220
Profit distribution			-2 397		61 618	-59 421				0
Intercapital and consolidation transfer				13 577		-23			1 098	14 652
Dividend						-7 672				-7 672
Inclusion in consolidation Capital Group ZGH "Bolesław"									114 130	114 130
Total comprehensive income for period 1.01 - 30.06.2013							34 948	17 457	-1 728	50 677
Balance on this 30.06.2013 (closing balance)	13 450	-140	120 643	19 189	1 434 186	-16 333	34 948	17 457	125 607	1 749 007

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Consolidated cash flow account for the period 01.01.2014-30.06.2014

CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013
A. Cash flow from operational activity - indirect method	502	64 334
I. Net profit (loss)	40 517	33 220
II. Total adjustments	-40 015	31 114
1. Net profit share of entities – valuation with equity method		
2. Depreciation	67 574	61 773
3. (Profit) loss from exchange rate fluctuations	-113	1 812
4. Interest and profit share (dividends)	4 515	5 045
5. (Profit) loss on investment activities	455	-16 448
6. Change in reserves	14 195	199 536
7. Change in inventories	3 043	-70 465
8. Change in receivables	-26 889	-178 279
9. Change in short-term liabilities except for loans and credits	-87 944	60 580
10. Change in accruals	-9 658	-31 907
11. Other adjustments	-5 193	-533
III. Net cash flow from operating activities	502	64 334
B. Cash flow from investment activity	-49 401	-115 422
I. Inflows	5 066	21 600
1. Sales of intangible and tangible fixed assets	2 027	363
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	3 039	21 237
- financial assets sold	2 788	20 791
- dividends and profit share received		
- repayment of long-term loans granted		
- interest received	251	446
- other inflows from financial assets		

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4. Other investment inflows		
II. Outflows	-54 467	-137 022
1. Purchase of intangible and tangible fixed assets	-43 767	-124 877
2. Real estate property and intangible assets		
3. To financial assets, including:	-10 699	-12 141
- financial assets purchased	10 699	12 141
- long-term loans granted		
4. Other investment outflows	-1	-4
III. Net cash flow from investment activities	-49 401	-115 422
C. Cash flow from financial activity	35 428	60 720
I. Inflows	65 748	70 758
1. Net inflows from issue of shares, other capital instruments and capital receipts		1 000
2. Credits and loans	65 504	70 243
3. Issue of debentures		
4. Other financial inflows	244	515
II. Outflows	-30 320	-10 038
1. Purchase of own shares		
2. Dividends and other dues paid to shareholders		
3. Outflows from profit distribution, other than dues paid to shareholders		
4. Credits and loans repaid	-20 713	
5. Redemption of debentures		
6. From other financial liabilities	-3 367	-3 367
7. Contractual payments of financial leasing dues	-1 341	-1 753
8. Interest paid	-4 899	-4 917
9. Other financial outflows		-1
III. Net cash flow from financial activities	35 428	60 720
D. Total net cash flow	-13 471	9 632
E. Balance sheet change in cash, including:	-13 471	9 632

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- change in cash due to exchange rates fluctuations		-15
F. Cash (beginning of period)	111 753	77 487
G. Cash (end of period), including:	98 282	87 119
- of limited access and disposal		2 102

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Selected Financial Data

Selected Financial Data	thousand x PLN		thousand x EUR	
	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06- 2014	1st half 2013 increasingly for the period from 01-01-2013 to 30-06-2013
I. Net sales of products, goods and materials	634 974	627 218	151 966	148 841
II. Operating profit (loss)	25 673	25 890	6 144	6 144
III. Profit (loss) before taxation	22 408	23 431	5 363	5 560
IV. Net profit (loss)	16 617	18 605	3 977	4 415
V. Net cash flow from operating activities	-48 450	38 096	-11 596	9 040
VI. Net cash flow from investment activities	-24 060	-54 146	-5 758	-12 849
VII. Net cash flow from financial activities	47 516	-6 916	11 372	-1 641
VIII. Total net cash flow	-24 994	-22 966	-5 982	-5 450
IX. Total assets	1 907 173	1 941 798	458 356	468 219
X. Liabilities and provisions for liabilities	369 845	416 945	88 886	100 537
XI. Long-term liabilities	90 000	100 000	21 630	24 113
XII. Short-term liabilities	253 515	295 355	60 928	71 218
XIII. Shareholders' equity	1 537 328	1 524 853	369 470	367 683
XIV. Share capital	13 450	13 450	3 232	3 243
XV. Number of shares	6 725 000	6 725 000	6 725 000	6 725 000
XVI. Profit (loss) per ordinary share (PLN)	2,50	2,80	0,60	0,66
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	228,60	226,74	54,94	54,67
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)	0,60		0,14	

1. Comparable financial data (item IX-XIV and XVII) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2013. Other comparable data is presented for the period from 1st January 2013 to 30th June 2013.
2. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th June 2014 and amounting to PLN 4.1609 and PLN 4.1472 for this 31st December 2013.
 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.1784 for 1st half 2014 and PLN 4.2140 for 1st half of 2013.

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3. For profit-per-share calculation the number of 6,655,267 shares was adopted. In accordance with IAS 33 69,733 own shares purchased by the Issuer were excluded from the calculation.

Balance sheet for 30.06.2014

BALANCE SHEET	thousand x PLN	
	31.06.2014	31.12.2013
Assets		
I. Fixed assets	1 383 581	1 382 901
1. Intangible fixed assets, including	19 044	18 191
- right of perpetual land use	18 630	17 740
2. Tangible fixed assets	880 423	872 705
3. Long-term receivables		
4. Long-term investments	483 340	491 179
4.1. Real estate investments	105 841	112 331
4.2. Intangible assets		
4.3. Long-term financial assets	378 499	378 848
4.4. Other long-term investments		
5. Long-term prepayments	774	826
5.1. Deferred income tax assets	774	826
5.2. Other prepayments		
II. Current assets	523 592	558 897
1. Inventories	248 901	280 361
2. Short-term receivables	244 929	225 543
3. Short-term investments	22 865	47 859
3.1. Short-term financial assets	22 865	47 859
a) loans	10 110	10 110
b) short-term securities		
c) cash and cash equivalents	12 755	37 749
3.2. Other short-term investments		
4. Short-term prepayments	6 897	5 134

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Total assets	1 907 173	1 941 798
P a s y w a		
I. Shareholders' equity	1 537 328	1 524 853
1. Share capital	13 450	13 450
2. Own shares (stakes) (negative value)	-139	-139
3. Reserve capital	104 184	104 184
4. Reserve capital from revaluation	3 166	3 166
5. Other reserve capital	1 400 050	1 394 254
6. Retained earnings (losses)		
7. Net profit (loss)	16 617	9 938
II. Liabilities and provisions for liabilities	369 845	416 945
1. Provisions for liabilities	25 163	21 504
1.1. Provision for deferred income tax	20 783	17 285
1.2. Other provisions	4 380	4 219
a) long-term	3 040	3 040
b) short-term	1 340	1 179
2. Long-term liabilities	90 000	100 000
2.1. Long-term credits and loans	50 000	60 000
2.2. Other long-term liabilities	40 000	40 000
3. Short-term liabilities	253 515	295 355
3.1. Short-term credits and loans	60 116	
3.2. Current part of long-term credits and loans	20000	20 000
3.3. Trade liabilities	146 531	250 008
3.4. Income tax liabilities		
3.5. Other short-term liabilities	26868	25 347
4. Accruals	1 167	86
Total liabilities	1 907 173	1 941 798
Book value	1 537 328	1 524 853
Number of shares	6 725 000	6 725 000

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Book value per share (PLN)	228,6	226,74
Diluted number of shares		
Diluted book value per share (PLN)		

Profit and loss account for the period 01.01.2014-30.06.2014

PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013
I. Net sales of products, goods and materials, including:	634 974	627 218
1. Net sales of products	602 639	590 414
2. Net sales of goods and materials	32 335	36 804
II. Costs of products, goods and materials sold, including:	575 909	566 959
1. Production cost of products sold	543 359	530 922
2. Value of goods and materials sold	32 550	36 037
III. Gross profit (loss) on sales	59 065	60 259
IV. Selling costs	17 070	17 157
V. General and administrative costs	16 137	16 658
VI. Profit (loss) on sales	25 858	26 444
VII. Other operating incomes	1 575	1 298
VIII. Other operating costs	1 760	1 852
IX. Operating profit (loss)	25 673	25 890
X. Financial incomes	2 799	2 670
XI. Financial costs	6 064	5 129
XII. Profit (loss) before taxation	22 408	23 431
XIII. Income tax	5 791	4 826
XIV. Net profit (loss)	16 617	18 605
Net profit (loss)	16 617	18 605

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Weighted average number of ordinary shares	6 655 267	6 655 267
Profit (loss) per ordinary share (PLN)	2,50	2,80
Weighted average predicted number of ordinary shares		
Diluted profit (loss) per ordinary share (PLN)		

Total comprehensive income for the period 01.01.2014-30.06.2014

TOTAL COMPREHENSIVE INCOME for the period	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01- 2013 to 30-06-2013
Net result	16 617	18 605
Total Comprehensive Income	16 617	18 605

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Statement of changes in equity for the period 01.01.2014-30.06.2014

Statement of changes in equity for the period from 1st January to 30th June 2014 and 2013	thousand x PLN							
	Share capital	Own shares	Supplementary capital	Revaluation reserve	Other reserve capital	Retained profits	Current year net profit	Equity TOTAL
Balance on this 01.01.2014 (opening balance)	13 450	-139	104 184	3 166	1 394 254	9 938		1 524 853
Profit distribution					5 796	-5 796		0
Intercapital transfer								
Dividend						-4 142		-4 142
Total comprehensive income for period 1.01 - 30.06.2014							16 617	16 617
Balance on this 30.06.2014 (closing balance)	13 450	-139	104 184	3 166	1 400 050	0	16 617	1 537 328
Balance on this 01.01.2013 (opening balance)	13 450	-139	104 184	3 166	1 334 141	67 785		1 522 587
Profit distribution					60 112	-60 112		0
Intercapital transfer								
Dividend						-7 673		-7 673
Total comprehensive income for period 1.01 - 30.06.2013							18 605	18 605
Balance on this 30.06.2013 (closing balance)	13 450	-139	104 184	3 166	1 394 253	0	18 605	1 533 519

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Cash flow account for the period 01.01.2014-30.06.2014

CASH FLOW ACCOUNT for the period	thousand x PLN	
	1st half 2014 increasingly for the period from 01-01-2014 to 30-06-2014	1st half 2013 increasingly for the period from 01-01-2013 to 30-06-2013
A. Cash flow from operating activities – indirect method	-48 450	38 096
I. Net profit (loss)	16 617	18 605
II. Total adjustments	-65 067	19 491
1. Depreciation	22 345	21 329
2. (Profit) loss from exchange rate fluctuations		
3. Interest and profit share (dividends)	2 348	1 535
4. (Profit) loss on investment activities	392	590
5. Change in reserves	3 660	2 888
6. Change in inventories	31 459	61 310
7. Change in receivables	-19 386	65 330
8. Change in short-term liabilities except for loans and credits	-106 098	-132 217
9. Change in accruals	-630	-1 274
10. Other adjustments	843	
III. Net cash flow from operating activities	-48 450	38 096
B. Cash flow from investment activities	-24 060	-54 146
I. Inflows	512	430
1. Sales of intangible and tangible fixed assets	261	48
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	251	382
- financial assets sold		
- dividends and profit share received		
- repayments of long-term loans granted		
- interest received	251	382
- other inflows from financial assets		

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4 . Other investment inflows		
II. Outflows	-24 572	-54 576
1. Purchase of intangible and tangible fixed assets	-23 322	-53 829
2. Real estate property and intangible assets		
3. To financial assets, including:	-1 250	-747
- financial assets purchased	1 250	447
- long-term loans granted		300
4. Other investment outflows		
III. Net cash flow from investment activities	-24 060	-54 146
C. Cash flow from financial activities	47 516	-6 916
I. Inflows	60 116	
1. Net inflows from issue of shares, other capital instruments or capital receipts		
2. Credits and loans	60 116	
3. Issue of debentures		
4. Other financial inflows		
II. Outflows	-12 600	-6 916
1. Purchase of own shares		
2. Dividends and other dues paid to shareholders		
3. Outflows from profit distribution, other than dues paid to shareholders		
4. Credits and loans repaid	-10 000	-5 000
5. Redemption of debentures		
6. From other financial liabilities		
7. Contractual payments of financial lease dues		
8. Interest paid	-2 600	-1 916
9. Other financial outflows		
III. Net cash flow from financial activities	47 516	-6 916
D. Total net cash flow	-24 994	-22 966
E. Balance sheet change in cash	-24 994	-22 966

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F. Cash (beginning of period)	37 749	52 336
G. Cash (end of period)	12 755	29 370

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Additional Information (Abridged Consolidated Financial Report for 1st half of 2014)

Introductory Information

The basic data

Apart from the parent company, the Stalprodukt S.A. Capital Group embraces 11 associated entities accounting for subsidiary companies, in which Stalprodukt holds 100% of shares, except for Cynk-Mal S.A. where it holds 51% of shares and Zakłady Górniczo-Hutnicze "Bolesław", where it holds 86.92% of shares.

As the group's parent company, Stalprodukt S.A., provides operating and development guidelines for the associated entities formed within the framework of the Company's restructuring and expansion of its production, trade and services and organization of its own sales network.

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

- production of electrical transformer sheets – parent company Stalprodukt S.A.,
- production of cold formed profiles, road safety barriers as well as cut-to-length cold- and hot-rolled sheets and strips – parent company Stalprodukt S.A.,
- non-ferrous metal ores mining and zinc and lead production – ZGH "Bolesław" S.A. along with its subsidiary companies:
 - Zinc Smelter - Huta Cynku "Miasteczko Śląskie" S.A. – production of rectified zinc, lead and cadmium,
 - Bolesław Recykling Sp. z o.o. – zinc-bearing materials processing and recycling services as well as production and sales of non-ferrous metal concentrates,
 - Bol-Therm Sp. z o.o.* – power supply-, laboratory-, mechanics and construction-related services, transport-equipment and forwarding services, production of dolomite aggregates, zinc products and zinc alloys,
 - Gradir Montenegro d.o.o. – zinc ores mining and concentrate production,
 - Agencja Ochrony Osób i Mienia "Karo" Sp. z o.o. – bodyguard and property security services.
- trade activities:
 - Stalprodukt-Centrostal Kraków Sp. z o.o., managing the all-Poland sales network with department and trade offices in Gliwice, Włocławek, Wrocław, Szczecin and Radom,
 - Stalprodukt - Zamość Sp. z o.o.,

*The Company was formed through the merger of Boloil S.A., Bolsped Sp. z o.o. and Bol-Therm Sp. z o.o.

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- other production- and services-related activities:
 - production of galvanized banding steel and wire, as well as steel strips - Cynk-Mal S.A.,
 - spare parts production and regeneration - Stalprodukt-Wamech Sp. z o.o.,
 - installation, repair/renovation and maintenance of machines - Stalprodukt-Serwis Sp. z o.o.,
 - structural steel production - STP Elbud Sp. z o.o., Stalprodukt-Wamech Sp. z o.o.,
 - galvanizing services - STP Elbud Sp. z o.o. and Cynk-Mal S.A.,
 - roads and freeways construction and management – Stalprodukt MB Sp. z o.o.
 - bodyguard and property security - Stalprodukt Ochrona Sp. z o.o.,
 - designing equipment related to the use of renewable energy sources – Anew Institute Sp. z o.o.

Changes in the Issuer's and Capital Group's Ownership Structure

In relation to the 1st half of 2014 acting as the comparable period for the present consolidated financial report, the following changes occurred in the Issuer's Capital Group's ownership structure:

- As of 30 June 2014, the Extraordinary Meeting of Shareholders of Stalprodukt Warszawa Sp. z o.o. - company under liquidation – adopted a Resolution No 3/2014 regarding the completion of liquidation proceedings. As of 04.07.2014 the Kraków-Śródmieście District Court in Kraków, 12th Economic Department of the National Court Register deleted the company's entry from the Register of Entrepreneurs.
- As of 2 December 2013, an Extraordinary Meetings of Shareholders of the companies: Bol-therm Sp. z o.o., Bolsped Sp. z o.o. and General Meeting of Shareholders of the Boloil S.A. company adopted resolutions on the merger of the above mentioned companies, consisting in the transfer of the entire assets of Boloil S.A. and Bolsped Sp. z o.o. (as the two merged companies/acquirees) in favor of the company: Bol-therm Sp. z o.o. (the merging company/ acquirer) under art. 492, par. 1, subpar. 1 of the Code of Commercial Companies. As of 31 December 2013, The District Court of Kraków, Kraków-Śródmieście Division, 12th Economic Department recorded the above mentioned merger of the companies: Boloil S.A., Bolsped Sp. z o.o. and Bol-therm Sp. z o.o. as: KR.XII NS-REJ.KRS/22626/13/820); the entry was made into the acquiror's i.e. Bol-therm Sp. z o.o.'s register - (National Court Register No/ KRS: 000030681). At the same time, a change in the company's name from Bol-therm Sp. z o.o. to Boltech Sp. z o.o. was recorded in the register concerned. The registered merger day is 01.01.2014.

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Fundamental Principles Governing the Preparation of the Abridged Interim Consolidated Financial Report

The presented Abridged Consolidated Financial Report was prepared in respect of the period from 1 January 2014 to 30 June 2014 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 January 2013 to 31 June 2013 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2013.

The Group's reporting year is equivalent to the calendar year.

This Interim Abridged Consolidated Financial Report was prepared in line with the International Financial Reporting Standards approved by the European Union and, in particular, with the International Accounting Standard No 34 "Interim Financial Reporting" and was based on the assumption that the Group will be continuing its activities in the predictable future. As of the Financial Report approval day, the Issuer's Management Board does not find any circumstances likely to threaten the continuation of activities pursued by the Capital Group.

The Interim Abridged Consolidated Financial Report does not contain all the information and disclosures required in the consolidated financial report and the additional information sheet mainly contains the explanations of events and changes indispensable for the understanding of the changes in the Group's financial standing and its performance results to have occurred since the end of the previous reporting year.

The Additional Information sheet embraces selected data explaining the facts required by the IAS 34 and the Regulation of the Minister of Finance as of 19.02.2009 r. on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws No 33, item 259).

If the Additional Information sheet does not contain a description of some events, required by the above mentioned regulations, this shall mean that such events have not occurred during the reporting period.

Accounting Principles (Policy)

1. In the semi-annual abridged consolidated financial report the accounting principles (policy) used, including the assets and liabilities, income and costs valuation methods as well as calculation methods adopted, were identical with the ones presented in detail in the Consolidated Report 2013.

In the reporting period neither any essential changes were introduced into the accounting principles (policy), nor any adjustments were made in respect of the fundamental errors and adopted appraised values which would have significantly affected the Group's property & liquidity standing and its financial result.

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2. The changes introduced into the standards and interpretations issued by the International Financial Reporting Standards Council and International Financial Reporting Standards Interpretation Committee, applicable since 1 January 2014 or later, either do not apply to the Stalprodukt Group, or do not significantly affect the heretofore applied accounting policy and assessment of its asset position and financial standing. The numerous changes introduced into the existing accounting standards and interpretation changes, referring to the existing standards, have already been adopted by the International Financial Reporting Standards Council, but not approved by the EU yet and so the same shall take effect at later dates.

The Management Board does not expect the introduction of the above standards and interpretations to significantly affect the accounting principles (policy) applied by the Group, its financial standing and financial result, but the same may still require further additional or amended disclosures to be included in the report. The above mentioned changes were precisely described in the Additional and Explanatory Information sheet appended to the published Consolidated Financial Report for 2013.

3. The information contained in the Consolidated Financial Report was compiled in compliance with the principles pertaining to the assets and liabilities valuation and net financial result measurement, defined as of the balance sheet day, in compliance with IFRS adopted by the European Union and interpretations related thereto, announced in the form of the European Commission Regulations, with the principle of materiality observed.

The Issuer's Individual Financial Report, incorporated herein, was also prepared in compliance with the above principles.

I.Appraised Values

1. In the 1st half of 2014, the Group made the following adjustments in respect of the reserves, revaluations and write-downs revaluating the asset components:
- assets were reduced in respect of deferred income tax by the amount of PLN 39 thousand in connection with the reconciliation of transitory negative differences,
 - a deferred income tax reserve allowance was increased by the amount of PLN 3 907 thousand in connection with the occurrence of transitory positive differences,
 - a revaluation write-down, amounting to PLN 227 thousand, was made to adjust doubtful receivables,
 - revaluation write-downs in respect of receivables, amounting to PLN 2 947 thousand, were released due to being paid,
 - the reserve for employee benefits was increased by the amount of PLN 6 481 thousand, including:
the provision for employee benefits was increased by the amount of PLN 6 481 thousand, including: „Barbórka Miners Holiday” awards totaling PLN 4 663 thousand,

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- „Steelmaker's Holiday” awards of PLN 1.758 thousand and for retirement benefits PLN 80 thousand,
- the provision for employee benefits amounting to PLN 5 953 thousand, including: the disbursements of anniversary awards of PLN 644 thousand, disbursements of retirement severance payments of PLN 495 thousand, „steelworker's award” payments of PLN 4 814 thousand, was released
 - a provision for repairs was formed in the amount of PLN 3 315 thousand, and the one amounting to PLN 2 485 thousand was released,
 - a provision for deterioration in profitability was formed in the amount of PLN 1 200 thousand,
 - a provision for electrical energy origin certificates was formed in the amount of PLN 8 120 thousand, and the one amounting to PLN 95 thousand was released,
 - a revaluation write-off for finished products was made in the amount of PLN 336 thousand, and the one amounting to PLN 547 thousand was released,
 - the provision for mine liquidation amounting to PLN 812 thousand and the provision for land reclamation amounting to PLN 583 thousand were released.
2. Apart from the adjustments indicated in par. 1 and subpar. 1.3, there was no necessity to make any other adjustments in respect of reserve allowances, revaluations or revaluation write-downs aimed at adjusting the value of assets, or changes in other estimated/appraised values.

Business Segments

The segment-based reporting was based on IFRS 8 “Operating Segments”. The rules governing the Stalprodukt Capital Group's division into operating segments and accounting principles applied in this kind of reporting were described in detail in the last published Consolidated Financial Report for 2013.

In connection with the take-over of ZGH “Bolesław” S.A. based in Bukowno, an additional segment “Zinc Segment”, embracing the ZGH Capital Group activities, was introduced into the reporting from 1.01.2013 onwards. Whereas the “Segment of Goods” was removed, as insignificant and non-compliant with the requirements of IFRS 8. This Segment was incorporated into “Other Activities”.

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Information on Operating Segments for 1st half of 2014 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	215 268	386 736	655 832	108 157	1 365 993
Segment Costs	197 395	360 494	599 124	99 109	1 256 122
Segment Result	17 873	26 242	56 708	9 048	109 871
Other Operating and Financial Revenues Non-Attributable to the Segment					27 122
Other General, Operating and Financial Costs Non-Attributable to the Segment					81 344
Gross Profit					55 649
Income Tax					15 132
Net Profit					40 517
Segment Assets	742 819	750 125	1 211 207	266 058	2 970 209
Assets Non-Attributable to the Segment					17 168
Total Assets					2 987 377
Liabilities	102 668	244 565	477 969	96 313	921 515
Contingent Liabilities					296 115
Total Liabilities					1 217 630
Investment Outlays	23 408	233	27 106	1 565	52 312
Depreciation	12 461	10 030	40 245	4 838	67 574

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Information on Operating Segments for 1st half of 2013 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Zinc Segment	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 Non-Attributable to the Segment					22 146
Other General, Operating and Financial Costs Non-Attributable 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 Non-Attributable to the Segment					69 203
Total Assets					2 924 677
Liabilities	78 479	194 591	511 106	96 494	880 670
Contingent Liabilities					296 115
Total Liabilities					1 176 785
Investment Outlays	51 439	954	33 065	3 058	88 516
Depreciation	11 417	9 913	35 730	4 713	61 773

Ocena uzyskanych wyników i sytuacja finansowa

In the 1st half of 2014, compared to the analogical period in 2013, the Stalprodukt S.A. Capital Group generated lower sales, reduced by PLN 16 011 thousand. A slight decrease of the sales proceeds, despite the growing sales volumes, resulted from the further decline in the Group's product prices .

The Capital Group recorded increased sales profits, higher by PLN 5 111 thousand (11.8 %), increased profit from operating activities higher by PLN 16 201 thousand (37.8 %) and net profit higher by PLN 7 297 thousand (22.0 %).

Despite the continued prices decline , the Capital Group achieved better results in three out of four activity segments, compared to the 1st half of 2013. This resulted from the reduction of manufacturing costs and increase of sales volumes in the analyzed period.

In the Segment of Electrical Sheets the sales volumes increased by as much as 12.3 %. At the same time, the sales proceeds decreased by 0.5 % in connection with low prices,

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which was translated into the Segment's decreased result, lower by 19.6% in relation to the 1st half of 2013. It should be stressed that throughout the 1st half of 2014 the electrical sheets prices stood at record-low levels and only thanks to the manufacturing cost reduction and sales volume achieved the Segment's result amounted, in terms of absolute value, to only PLN 4.4 million.

The Profiles Segment and the Steel Sheets Segment alike recorded a 3.2 % sales volume increase. The sales volume increase accompanied by the reduction of manufacturing costs resulted in the improvement of the Segment's result by 14.9 %. At the same time the decrease of sales proceeds was recorded at the level of 2.5 %. Compared to the 1st half of 2013, a certain price level stabilization was maintained in the Profiles Segment.

Juxtaposing the 1st halves of 2014 and 2013 in both Segments, one can observe a similar trend. The increase of volumes was accompanied by the decrease of sales proceeds. Additionally, compared to the 1st half of 2013, a certain stabilization of prices was recorded in respect of the sales in the Profiles Segment and a record-low level of prices in the Electrical Sheets Segment.

The Zinc Segment recorded a decrease of sales by 3.2 %. The achieved net sales reflect the low level of London Metal Exchange (LME) prices maintained throughout the 1st half of the year. In the 1st half of 2014, the average prices were as follows: for zinc 2 051 USD/ton, for lead 2 101 USD/ton and for silver 20.05 USD/ounce. This means that, respectively: zinc price increased by 5.9 %, lead price decreased by 3.5 % and silver price decreased by as much as 24.6 %. Despite the decline in sales, the Segment recorded a better net result, higher by PLN 5.4 million. The Zinc Segment produced by 8.8 % zinc more than in the comparable period of 2013. Achieving the higher return on sales was possible thanks to the reduction of manufacturing costs of the products sold.

The financial standing of the Stalprodukt S.A. Capital Group is stable. The economic and financial ratios, characterizing the economic activity, were not subject to any significant changes and correspond to the current market conditions. Throughout the entire period the Group was not affected by any payment backlogs, consistently implementing its risk management policy. Both the Issuer and most of the Capital Group's companies enjoy good financial liquidity and credit capacity. Stalprodukt-Centrostal Kraków Sp. z o.o. is affected by some financial difficulties in connection with the downward trend on the market of finished steel products.

In the ZGH „Bolesław” Group, the „Gradir Montenegro” company is experiencing difficulties in connection with the high financial costs and lack of appropriate working capital.

In the 1st half of 2014, the subsidiary company - ZGH „Bolesław” S.A. - conducted talks aimed at the sale of the shares concerned. The transaction details were presented in "Other

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Information” section of the present quarterly report and in current reports systematically disclosed to the public.

Compared to 31.12.2013 slight changes affected the size of the Assets and their financing sources. The Assets decreased by 0.2 %. Current Assets increased by 0.4 %. The equity increased by PLN 13 419 thousand, i.e. by 0.8%. The liabilities and reserves for liabilities decreased by PLN 18 454 thousand, i.e. by 1.5 %.

No major changes occurred in the Assets and Liabilities structure. However in the structure of liabilities (payables) there occurred a shift of financing from trade liabilities to short-term bank credits.

Compared to the analogical period in 2013, the book value per share increased from PLN 261.16 to PLN 263.16.

During the entire reporting period the Stalprodukt Group enjoyed very good financial liquidity, which is confirmed by the liquidity ratios maintained at high levels, it punctually settled all its liabilities, both in respect of the employees and suppliers, as well as towards the state budget and financial institutions.

In the assessment of the financing banks, the Stalprodukt Capital Group is continuously enjoying good credit capacity which allows the Group to obtain multi-form financing for its activities. All the credit lines which were precisely described in the last Consolidated Financial Report for 2012 are still functioning and are extended by the banks in due time. Most of the credit lines are used as limits for guarantees and letters of credit in current accounts. They, additionally, secure the Group's internal financing sources.

In order to maintain the good financial and liquidity standing, further restructuring undertakings are carried out, aimed at the improved management of inventories and cost reduction and actions enabling the expansion to new supply and sale markets.

Other Information

1. In the 1st half of 2014, the Capital Group did not experience any seasonality consequences. During the reporting period no other positions were recorded, significantly affecting the assets, liabilities, equity, net profit or cash flow, which would be untypical in terms of their kind, volume/size or frequency.
2. As of 21 June 2014 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 2013. The General Meeting also adopted a Resolution on the dividend disbursement for 2013. The amount of PLN 3 993 160.20, i.e. PLN 0.60 per share, was appropriated to dividend. The Issuer's own purchased shares in the number of 69 733

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items were not included in the dividend. The Dividend Day is 15 September 2014 and 30 September 2014 was fixed as the disbursement day.

3. As of 3 March 2014, an Extraordinary Meeting of Shareholders of the Anew Institute Sp. z o.o. adopted a resolution on the increase of the company's initial capital by the amount of PLN 1 025 thousand. The entire increase was covered by Stalprodukt S.A.
4. On 20 February 2014 a conditional agreement was concluded for the sale of shares in the Gradir Montenegro d.o.o company, between the subsidiary company: Zakłady Górniczo-Hutnicze „Bolesław” S.A. based in Bukowno - the Seller and Balkan Mining Group Ltd, a company formed and registered in Malta as C61059, based at: ul. Melita 60/2, Valletta, VLT 1122, Malta - the Buyer. As of the conclusion day, the Seller's shares in the company reached 99.3473% of the company's total registered share capital. The price for the shares being sold, payable to the Seller by the Buyer, amounts to PLN 152 968 330.

As of 7 April 2014 an Annex Agreement [*cf. Amendment*] to the above mentioned Agreement for the Sale of Shares was signed, changing the date of the selling price transfer to 28 April 2014. At the same time, the date of consent to be obtained from the Hipotekarna Banka was shifted to 30 April 2014. Thus, the Agreement For the Sale of Shares was to become invalid in the case the suspensive conditions [*cf. condition precedents*] were not fulfilled, i.e. if the transfer of the selling price were not made within 28 April and if Hipotekarna Banka did not grant its consent within 30 April 2014.

As of 29 April 2014, the parent Company was notified that, as of 28 April, another Annex Agreement [*cf. Amendment*] was concluded between the Seller and the Buyer, shifting the date of the selling price transfer to 15 May 2014 and acquisition of the consent from Hipotekarna Banka to 20 May 2014. The remaining provisions of the Agreement remain intact.

As of 15 May 2014, the Parties concluded another Annex Agreement [*Amendment*], in which the following dates were changed: the selling price transfer date was altered to 30 June 2014 and the date of acquisition of consent from Hipotekarna Bank was changed to 7 July 2014. The remaining provisions of the conditional agreement of sale remain unchanged.

As of 27 June the Parties concluded another Annex Agreement [*Amendment*], in which the following dates were changed: the selling price transfer date was altered to 25 September 2014 and the date of acquisition of consent from Hipotekarna Bank was changed to 30 September 2014. The remaining provisions of the conditional agreement of sale remain unchanged.

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5. As of 06.02.2014, *Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o.*/ the Municipal Water and Sewerage Company Ltd. in Olkusz filed a court suit against ZGH „Bolesław” S.A. for the payment of PLN 64 015 thousand, in respect of a compensation for mining damages. Moreover, the petitioner raised potential claims against the respondent, whereby that the latter should be ordered to make potable water deliveries and ordered to make a statement of consent to enable the petitioner to carry out the potable water deliveries in exchange for the above mentioned payment. As of 10.03.2014, ZGH „Bolesław” S.A. filed a response to the suit with the Regional Court of Cracow, 9th Economic Department, demanding that the suit should be dismissed in its entirety and costs awarded against the petitioner. In the assessment of the subsidiary company’s management board the claim is groundless and is related to the prior suit filed as of 13.06.2013 by ZGH „Bolesław” S.A. against the Municipal Water and Sewerage Company Ltd. in Olkusz for establishing that the petitioner (ZGH “Bolesław” S.A.) would not bear the liability for damages towards the respondent for the switch-off of the main drainage system of the Olkusz-Pomorzany mine - belonging to the petitioner - and the consequences thereof. The management board of the subsidiary company stresses that the petitioner did not indicate that any damage actually occurred, so consequently, they could not have repaired the same and, subsequently, were not entitled to claim the compensation, referred to in the introduction. The remaining demands are ungrounded in the light of art. 147 par. 2 of the Mining and Geological Law.
6. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:
 - guarantees of good workmanship concerning the production and assembly of road barriers totaling PLN 23 483 thousand,
 - guarantees and sureties (avals) granted by ZGH “Bolesław” amounting to PLN 1 176 thousand.
7. On 4 July 2014, the Stalprodukt Company extended 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.
8. On 25 June 2014, ZGH „Bolesław” S.A. granted a loan to the subsidiary company Gradir Montenegro d.o.o. in the amount of USD 1 000 thousand. The single-time repayment will be made on 31 December 2015.
9. The Issuer does not publish result forecasts.
10. As of the Report submission day, the shareholders holding at least 5% of the total number of votes at the General Meeting of Shareholders are:

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- ArcelorMittal Poland S.A. holding 2 270 800 shares, accounting for a 33.77 %-share in capital and 6 846 800 votes, accounting for a 38.20 % of the total number of votes at the General Meeting of Shareholders,
- STP Investment S.A. holding 1 959 725 shares, accounting for a 29.14 %-share in capital and 5 899 941 votes, accounting for 32,92 % of the total number of votes at the General Meeting of Shareholders,
- Stalprodukt Profil S.A. holding 614 065 shares, accounting for 9.13 %-share in capital and 936 349 votes, accounting for 5.22 % of the total number of votes at the General Meeting of Shareholders.

Since the General Meeting of Shareholder, the Issuer has not received any information from the shareholders concerning any changes in their ownership status in respect of the Company's shares.

11. As of the Report submission day, the ownership statuses of management and supervision officers in respect of the Issuer's shares are as follows:

a/ management officers:

- Piotr Janeczek 114 865 shares of nominal value: PLN 229 730,
- Józef Ryszka 504 shares of nominal value: PLN 1 008.

b/ supervision officers:

- Stanisław Kurnik 2 900 shares of nominal value: PLN 5 800,
- Maria Sierpińska 11 880 shares of nominal value: PLN 23 760,
- Kazimierz Szydłowski 7 012 shares of nominal value: PLN 14 024,
- Janusz Bodek 62 640 shares of nominal value: PLN 125 280.

Since the General Meeting of Shareholder, the Issuer has not received any information concerning changes in the management or supervision officers' ownership statuses in respect of the Company's shares.

12. The pending bankruptcy and composition proceedings cover the Group's receivables totalling PLN 11 395 thousand, wherein Stalprodukt's share amounts to PLN 743 thousand and ZGH "Bolesław"'s - PLN 10 652 thousand.

During the reporting period, no other essential proceedings were instituted or pending before the courts or government agencies, concerning any liabilities or receivables, which might exert a significant influence on the Group's future results and its financial standing.

13. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group- associated companies, resulting from the on-going

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operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.

The total value of the Issuer's transactions with associated companies in the period from 01.01.2014 to 30.06.2014 and in the comparable period from 01.01.2013 to 30.06.2013 is presented in the Table below.

Items the 1 st half of 2014	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB Sp. z o.o.	30	1 444	166	1 702
Stalprodukt-Wamech Sp. z o.o.	125	2 104	691	4 387
Stalprodukt-Centrostal Kraków Sp. z o.o.	83 388		191 777	622
Stalprodukt-Serwis Sp. z o.o.	69	4 926	400	12 019
Stalprodukt-Zamość Sp. z o.o.	78	188	384	730
Stalprodukt-Ochrona Sp. z o.o.	22	676	117	1 627
STP Elbud Sp. z o.o.	319	2 578	1 630	8 383
Anew Institute Sp. z o.o.				52
ZGH „Bolesław” S.A.		23		56
Cynk-Mal S.A.	5 865		12 171	6 187

Items the 1 st half of 2013	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB Sp. z o.o.	30	1 326	147	1 754
Stalprodukt-Wamech Sp. z o.o.	133	1 842	717	5 017
Stalprodukt-Centrostal Kraków Sp. z o.o.	88 552		187 918	298
Stalprodukt-Serwis Sp. z o.o.	76	4 112	411	12 040

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Stalprodukt-Zamość Sp. z o.o.	64	15	376	546
Stalprodukt-Warszawa Sp. z o.o.	5 482		4 171	
Stalprodukt-Ochrona Sp. z o.o.	22	274	118	1 401
STP Elbud Sp. z o.o.	2 473	5 423	11 469	7 406
Anew Institute Sp. z o.o.	7			
ZGH „Bolesław” S.A.				67
Cynk-Mal S.A.	22 141		9 802	3 136

14. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 52 312 thousand. No significant fixed asset components have been disposed of during the reporting period.
15. Neither the Issuer nor its Capital Group's entities issued, redeemed or paid any debt or other capital securities, apart from the ones referred to herein.
16. During the reporting period and within the submission of the present quarterly report, neither the Parent Company, nor its subsidiaries, granted any sureties, loans, credits or guaranties, apart from the ones referred to herein.
17. In the Issuer's assessment, the factors likely to affect the Group's results at least in the perspective of the coming quarter, shall be:
 - fluctuations of charge prices and demand for Stalprodukt's products,
 - fluctuations of the LME zinc and lead prices and LBM silver prices ,
 - fluctuations of currency exchange rates.
18. During the reporting period and following 30.06.2014 until the preparation of the Abridged Consolidated Report for the 1st half no other important events took place, apart from the ones mentioned herein, which might significantly affect the Group's standing and its financial results. The Issuer does not possess any other information, which, in his opinion, is essential for the assessment and changes in the Group's staffing level, assets structure and financial standing, or information essential for the assessment of its potential capacity to settle the liabilities incurred.

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19. Pursuant to par. 83, subpar. 1 of the Regulation of the Minister of Finance as of 19.02.2009 on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws No 33, item 259), the Issuer does not submit its separate quarterly report. This Report constitutes a supplement to the Abridged Consolidated Report rendered as the „Stalprodukt S.A. Mid-Year Abridged Financial Report for the 1st Half of 2014”.
20. No additional information was appended to the Abridged Consolidated Financial Report for the 1st half of 2014 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
21. This Abridged Consolidated Financial Report for the 1st half of 2014 was approved for publication by parent Company's Management Board on 29.08.2014.

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Piotr Janeczek

President of the Management Board – CEO

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Józef Ryszka

Member of the Management Board – Marketing Director