



The Stalprodukt S.A. Capital Group

Consolidated Financial Report for the 1st half of 2015

Bochnia, August 2015

Consolidated Financial Report for the 1st half of 2015

Contents:

Selected Financial Data

Abridged Consolidated Financial Report for 1st half of 2014

Consolidated balance sheet for 30.06.2014

Consolidated profit and loss account for the period 01.01.2014 -30.06.

Total comprehensive consolidated income for the period 01.01.2014-30.06.2014

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

Consolidated cash flow account for the period 01.01.2014-30.06.2014

Abridged Financial Report for the 1st half of 2014

Selected Financial Data

Balance sheet for 30.06.2014

Profit and loss account for the period 01.01.2014-30.06.2014

Total comprehensive income for the period 01.01.2014-30.06.2014

Statement of changes in equity for the period 01.01.2014-30.06.2014

Cash flow account for the period 01.01.2014-30.06.2014

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

Introductory Information

The basic data

Changes in the in the Issuer's and its Capital Group's structure

The basic principles of preparation of the condensed interim consolidated financial statements

Accounting Principles (Policy)

Estimated Values

Operating Segments

The evaluation of achieved results and the financial standing

Other Information

Consolidated Financial Report for the 1st half of 2015

Selected Financial Data

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EURO	
	1st half 2015 increasingly for the period from 01-01-2015 to 30- 06-2015	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014	1st half 2015 increasingly for the period from 01-01-2015 to 30- 06-2015	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014
I. Net sales of products, goods and materials	1 544 570	1 365 993	373 617	326 918
II. Operating profit (loss)	147 475	59 068	35 673	14 137
III. Profit (loss) before taxation	138 954	55 649	33 612	13 318
IV. Net profit (loss)	108 434	40 517	26 229	9 697
- attributable to shareholders of the parent company	102 289	38 723	24 743	9 267
- net profit attributed to non-controlling interests	6 145	1 794	1 486	429
V. Net cash flow from operating activities	126 952	502	30 708	120
VI. Net cash flow from investments activities	-80 368	-49 401	-19 440	-11 823
VII. Net cash flow from financial activities	4 575	35 428	1 107	8 479
VIII. Total net cash flow	51 159	-13 471	12 375	-3 224
IX. Total assets	3 258 268	3 144 555	776 814	737 760
X. Liabilities and provisions for liabilities	1 283 118	1 297 905	305 912	304 508
XI. Long-term liabilities	407 909	415 448	97 251	97 470
XII. Short-term liabilities	588 735	623 290	140 362	146 233
XIII. Shareholders' equity	1 975 150	1 846 650	470 902	433 252
- equity attributable to shareholders of the parent company	1 876 264	1 739 906	447 326	408 208
- equity attributed to non-controlling interests	98 886	106 744	23 576	25 044
XIV. Share capital	13 450	13 450	3 207	3 156
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)	16.29	6.09	3.94	1.46
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	293.70	274.59	70.02	64.42
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)	2.00	0.60	0.48	0.14

- 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 2014. Other comparable data is presented for the period from 1st January 2014 to 30th June 2014.
- 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 2015 and amounting to PLN 4.1944 and PLN 4.2623 for this 31st December 2014.
 - 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 4.1341 for 1st half 2015 and PLN 4.1784 for 1st half of 2014.
- 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.

Consolidated Financial Report for the 1st half of 2015

[Abridged Consolidated Financial Report for 1st half of 2015](#)

Consolidated balance sheet for 30.06.2015

CONSOLIDATED BALANCE SHEET	thousand x PLN	
	30.06.2015	31.12.2014
Assets		
I. Fixed assets	1 946 672	1 933 721
1. Intangible fixed assets, including:	109 171	101 409
- right of perpetual land use	66 213	66 292
2. Tangible fixed assets	1 724 933	1 743 162
3. Long-term receivables	356	321
4. Long-term investments	83 766	59 690
4.1. Real estate	4 904	5 196
4.2. Intangible assets		
4.3. Long-term financial assets	78 862	54 494
4.5. Other long-term investments		
5. Long-term prepayments	28 446	29 139
5.1. Deferred income tax assets	21 617	22 310
5.2. Other prepayments	6 829	6 829
II. Current assets	1 311 596	1 210 834
1. Inventories	550 187	578 748
2. Short-term receivables	435 733	388 758
3. Short-term investments	302 992	229 265
3.1. Short-term financial assets	256 789	197 768
a) loans		

Consolidated Financial Report for the 1st half of 2015

b) short-term securities	36 620	28 758
c) cash and cash equivalents	220 169	169 010
3.2. Other short-term investments	46 203	31 497
4. Short-term prepayments	22 684	14 063
Total assets	3 258 268	3 144 555
Liabilities		
I. Shareholders' equity	1 975 150	1 846 650
1. Equity attributable to shareholders of the parent company	1 876 264	1 739 906
1.1. Share capital	13 450	13 450
1.2. Own shares (stocks) (negative value)	-140	-140
1.3. Reserve capital	244 516	180 606
1.4. Reserve capital from revaluation	22 009	4 592
1.5. Other reserve capital	1 520 147	1 461 024
1.6. Retained earnings (losses)	-26 007	-10 691
1.7. Net profit (loss)	102 289	91 065
2. Capital non-controlling interests	98 886	106 744
II. Liabilities and provisions for liabilities	1 283 118	1 297 905
1. Provisions for liabilities	270 349	247 392
1.1. Provision for deferred income tax	62 343	57 326
1.2. Other provisions	208 006	190 066
a) long-term	151 176	151 305
b) short-term	56 830	38 761
2. Long-term liabilities	407 909	415 448
2.1. Long-term credits and loans	82 280	92 252
2.2. Other long-term liabilities	29 514	27 081
2.3. Contingent liabilities due to the purchase of ZGH	296 115	296 115
3. Short-term liabilities	588 735	623 290
3.1. Short-term credits and loans	136 628	113 609
3.2. Current part of long-term credits and loans	20 000	20 000

Consolidated Financial Report for the 1st half of 2015

3.3. Trade liabilities	248 241	307 225
3.4. Income tax liabilities	14 581	11 124
3.5. Other short-term liabilities	169 285	171 332
4. Accruals	16 125	11 775
Total liabilities	3 258 268	3 144 555
Book value	1 975 150	1 846 650
Number of shares	6 725 000	6 725 000
Book value per share (PLN)	293.70	274.59

Consolidated profit and loss account for the period 01.01.2015 -30.06.2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
I. Net sales of products, goods and materials, including:	1 544 570	1 365 993
1. Net sales of products	1 496 943	1 285 815
2. Net sales of goods and materials	47 627	80 178
II. Costs of products, merchandise and materials sold, including:	1 283 578	1 219 563
1. Production cost of products sold	1 238 581	1 142 424
2. Value of goods and materials sold	44 997	77 139
III. Gross profit (loss) on sales	260 992	146 430
IV. Selling costs	40 498	36 559
V. General and administrative costs	63 212	61 573
VI. Profit (loss) on sales	157 282	48 298
VII. Other operating incomes	7 332	17 680
VIII. Other operating costs	17 139	6 910
IX. Operating profit (loss)	147 475	59 068
X. Financial incomes	6 541	9 442

Consolidated Financial Report for the 1st half of 2015

XI. Financial costs	15 062	12 861
XII. Profit (loss) before taxation	138 954	55 649
XIII. Income tax	30 520	15 132
XIV. Net profit (loss)	108 434	40 517
1. Attributable to shareholders of the parent company	102 289	38 723
2. Attributed to non-controlling interests	6 145	1 794
Profit (loss) net	108 434	40 517
Weighted average number of ordinary shares	6 655 267	6 655 267
Profit (loss) for one ordinary share (in PLN)	16.29	6.09

Total comprehensive consolidated income for the period 01.01.2015-30.06.2015

Total comprehensive consolidated income	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
Net result	108 434	40 517
Gain from a bargain purchase		
Total Comprehensive Income	108 434	40 517
Total comprehensive income attributable to the parent company shareholders	102 289	38 723
Total comprehensive income attributed to non-controlling interests	6 145	1 794

Consolidated Financial Report for the 1st half of 2015

Statement of changes in consolidated equity for the period 01.01.2015 – 30.06.2015

Statement of changes in equity for the period from 1st January to 30th June 2015 and 2014	thousand x PLN								
	Share capital	Own shares	Reserve capital	Capital from revaluation	Other reserve capital	Retained profits	Current year net profit	Capital non- controlling interests	Equity TOTAL
Balance on this 1.01.2015 (opening balance)	13 450	-140	180 606	4 592	1 461 024	80 374		106 744	1 846 650
Profit distribution			65 339		45 730	-111 069			0
Intercapital and consolidation transfer			-1 429	17 417	13 393	18 352		-14 003	33 730
Dividend						-13 664			-13 664
Total comprehensive income for period 1.01 - 30.06.2015							102 289	6 145	108 434
Balance on this 30.06.2015 (closing balance)	13 450	-140	244 516	22 009	1 520 147	-26 007	102 289	98 886	1 975 150
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
Inclusion in consolidation Capital Group ZGH "Bolesław"									
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	125 607	1 769 747

Consolidated Financial Report for the 1st half of 2015

Consolidated cash flow account for the period 01.01.2015-30.06.2015

CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
A. Cash flow from operational activity - indirect method	126 952	502
I. Net profit (loss)	108 434	40 517
II. Total adjustments	18 518	-40 015
1. Net profit share of entities – valuation with equity method		
2. Depreciation	71 475	67 574
3. (Profit) loss from exchange rate fluctuations	456	-113
4. Interest and profit share (dividends)	3 452	4 515
5. (Profit) loss on investment activities	9 232	455
6. Change in reserves	22 479	14 195
7. Change in inventories	28 561	3 043
8. Change in receivables	-46 975	-26 889
9. Change in short-term liabilities except for loans and credits	-55 472	-87 944
10. Change in accruals	-11 871	-9 658
11. Other adjustments	-2 819	-5 193
III. Net cash flow from operating activities	126 952	502
B. Cash flow from investment activity	-80 368	-49 401
I. Inflows	5 441	5 066
1. Sales of intangible and tangible fixed assets	1 052	2 027
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	4 388	3 039
- financial assets sold	4 093	2 788
- dividends and profit share received	2	
- repayment of long-term loans granted		
- interest received	293	251
- other inflows from financial assets		

Consolidated Financial Report for the 1st half of 2015

4. Other investment inflows	1	
II. Outflows	-85 809	-54 467
1. Purchase of intangible and tangible fixed assets	-59 333	-43 767
2. Real estate property and intangible assets		
3. To financial assets, including:	-26 401	-10 699
- financial assets purchased	-26 401	-10 699
- long-term loans granted		
4. Other investment outflows	-75	-1
III. Net cash flow from investment activities	-80 368	-49 401
C. Cash flow from financial activity	4 575	35 428
I. Inflows	33 044	65 748
1. Net inflows from issue of shares, other capital instruments and capital receipts		
2. Credits and loans	33 044	65 504
3. Issue of debentures		
4. Other financial inflows		244
II. Outflows	-28 469	-30 320
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	-20 478	-20 713
5. Redemption of debentures		
6. From other financial liabilities	-3 367	-3 367
7. Contractual payments of financial leasing dues	-876	-1 341
8. Interest paid	-3 748	-4 899
9. Other financial outflows		
III. Net cash flow from financial activities	4 575	35 428
D. Total net cash flow	51 159	-13 471
E. Balance sheet change in cash, including:	51 159	-13 471
- change in cash due to exchange rates fluctuations		

Consolidated Financial Report for the 1st half of 2015

F. Cash (beginning of period)	169 010	111 753
G. Cash (end of period), including:	220 169	98 282
- of limited access and disposal		

Consolidated Financial Report for the 1st half of 2015

Abridged Financial Report for the 1st half of 2015

Selected Financial Data

Selected Financial Data	thousand x PLN		thousand x EUR	
	1st half 2015 increasingly for the period from 01-01-2015 to 30- 06-2015	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014	1st half 2015 increasingly for the period from 01-01-2015 to 30- 06-2015	1st half 2014 increasingly for the period from 01-01-2014 to 30- 06-2014
I. Net sales of products, goods and materials	674 274	634 974	163 101	151 966
II. Operating profit (loss)	57 780	25 673	13 976	6 144
III. Profit (loss) before taxation	56 307	22 408	13 620	5 363
IV. Net profit (loss)	48 456	16 617	11 721	3 977
V. Net cash flow from operating activities	26 483	-48 450	6 406	-11 596
VI. Net cash flow from investment activities	-15 670	-24 060	-3 790	-5 758
VII. Net cash flow from financial activities	-14 246	47 516	-3 446	11 372
VIII. Total net cash flow	-3 433	-24 994	-830	-5 982
IX. Total assets	1 911 354	1 937 924	455 692	454 666
X. Liabilities and provisions for liabilities	328 700	390 062	78 366	91 514
XI. Long-term liabilities	30 000	40 000	7 152	9 385
XII. Short-term liabilities	260 240	310 442	62 045	72 834
XIII. Shareholders' equity	1 582 654	1 547 862	377 325	363 152
XIV. Share capital	13 450	13 450	3 207	3 156
XV. Number of shares	6 725 000	6 725 000	6 725 000	6 725 000
XVI. Profit (loss) per ordinary share (PLN)	7.28	2.50	1.76	0.60
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	235.34	230.17	56.11	54.00
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)	2.00	0.60	0.48	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 2014. Other comparable data is presented for the period from 1st January 2014 to 30th June 2014.
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 2015 and amounting to PLN 4.1944 and PLN 4.2623 for this 31st December 2014.
 - 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 4.1341 for 1st half 2015 and PLN 4.1784 for 1st half of 2014.
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.

Consolidated Financial Report for the 1st half of 2015

Balance sheet for 30.06.2015

BALANCE SHEET	thousand x PLN	
	31.06.2015	31.12.2014
Assets		
I. Fixed assets	1 390 694	1 398 855
1. Intangible fixed assets, including	20 679	20 040
- right of perpetual land use	19 694	19 694
2. Tangible fixed assets	870 515	882 839
3. Long-term receivables		
4. Long-term investments	498 490	494 275
4.1. Real estate investments	101 990	103 915
4.2. Intangible assets		
4.3. Long-term financial assets	396 500	390 360
4.4. Other long-term investments		
5. Long-term prepayments	1 010	1 701
5.1. Deferred income tax assets	1 010	1 701
5.2. Other prepayments		
II. Current assets	520 660	539 069
1. Inventories	238 396	285 082
2. Short-term receivables	237 857	208 429
- including trade receivables in excess of 1 year	2 126	2 318
3. Short-term investments	35 847	39 280
3.1. Short-term financial assets	35 847	39 280
a) loans	1 000	1 000
b) short-term securities		
c) cash and cash equivalents	34 847	38 280
3.2. Other short-term investments		
4. Short-term prepayments	8 560	6 278
Total assets	1 911 354	1 937 924

Consolidated Financial Report for the 1st half of 2015

P a s y w a		
I. Shareholders' equity	1 582 654	1 547 862
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	1 413 537	1 400 050
6. Retained earnings (losses)		
7. Net profit (loss)	48 456	27 151
II. Liabilities and provisions for liabilities	328 700	390 062
1. Provisions for liabilities	36 182	31 606
1.1. Provision for deferred income tax	28 976	24 400
1.2. Other provisions	7 206	7 206
a) long-term	4 789	4 789
b) short-term	2 417	2 417
2. Long-term liabilities	30 000	40 000
2.1. Long-term credits and loans	30 000	40 000
2.2. Other long-term liabilities		
3. Short-term liabilities	260 240	310 442
3.1. Short-term credits and loans	59 453	61 315
3.2. Current part of long-term credits and loans	20 000	20 000
3.3. Trade liabilities	136 888	205 862
- including trade receivables in excess of 1 year	2 514	2 077
3.4. Income tax liabilities	1 485	
3.5. Other short-term liabilities	42 414	23 265
4. Accruals	2 278	8 014
Total liabilities	1 911 354	1 937 924
Book value	1 582 654	1 547 862
Number of shares	6 725 000	6 725 000

Consolidated Financial Report for the 1st half of 2015

Book value per share (PLN)	235,34	230,17
Diluted number of shares		
Diluted book value per share (PLN)		

Profit and loss account for the period 01.01.2015-30.06.2015

PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
I. Net sales of products, goods and materials, including:		
	674 274	634 974
1. Net sales of products	646 484	602 639
2. Net sales of goods and materials	27 790	32 335
II. Costs of products, goods and materials sold, including:		
	578 229	575 909
1. Production cost of products sold	549 575	543 359
2. Value of goods and materials sold	28 654	32 550
III. Gross profit (loss) on sales	96 045	59 065
IV. Selling costs	20 028	17 070
V. General and administrative costs	17 318	16 137
VI. Profit (loss) on sales	58 699	25 858
VII. Other operating incomes	645	1 575
VIII. Other operating costs	1 564	1 760
IX. Operating profit (loss)	57 780	25 673
X. Financial incomes	1 300	2 799
XI. Financial costs	2 773	6 064
XII. Profit (loss) before taxation	56 307	22 408
XIII. Income tax	7 851	5 791
XIV. Net profit (loss)	48 456	16 617
Net profit (loss)	48 456	16 617

Consolidated Financial Report for the 1st half of 2015

Weighted average number of ordinary shares	6 655 267	6 655 267
Profit (loss) per ordinary share (PLN)	7.28	2.50
Weighted average predicted number of ordinary shares		
Diluted profit (loss) per ordinary share (PLN)		

Total comprehensive income for the period 01.01.2015-30.06.2015

TOTAL COMPREHENSIVE INCOME for the period	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
Net result	48 456	16 617
Total Comprehensive Income	48 456	16 617

Consolidated Financial Report for the 1st half of 2015

Statement of changes in equity for the period 01.01.2015-30.06.2015

Statement of changes in equity for the period from 1st January to 30th June 2015 and 2014	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 01.01.2015 (opening balance)	13 450	-139	104 184	3 166	1 400 050	27 151		1 547 862
Profit distribution					13 487	-13 487		0
Intercapital transfer								
Dividend						-13 664		-13 664
Total comprehensive income for period 1.01 - 30.06.2015							48 456	48 456
Balance on this 30.06.2015 (closing balance)	13 450	-139	104 184	3 166	1 413 537	0	48 456	1 582 654
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

Consolidated Financial Report for the 1st half of 2015

Cash flow account for the period 01.01.2015-30.06.2015

CASH FLOW ACCOUNT for the period	thousand x PLN	
	1st half 2015 increasingly for the period from 01-01- 2015 to 30-06-2015	1st half 2014 increasingly for the period from 01-01- 2014 to 30-06-2014
A. Cash flow from operating activities – indirect method	26 483	-48 450
I. Net profit (loss)	48 456	16 617
II. Total adjustments	-21 973	-65 067
1. Depreciation	23 446	22 345
2. (Profit) loss from exchange rate fluctuations		
3. Interest and profit share (dividends)	2 091	2 348
4. (Profit) loss on investment activities	-12	392
5. Change in reserves	4 575	3 660
6. Change in inventories	46 686	31 459
7. Change in receivables	-29 429	-19 386
8. Change in short-term liabilities except for loans and credits	-62 003	-106 098
9. Change in accruals	-7 327	-630
10. Other adjustments		843
III. Net cash flow from operating activities	26 482	-48 450
B. Cash flow from investment activities	-15 670	-24 060
I. Inflows	808	512
1. Sales of intangible and tangible fixed assets	15	261
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	793	251
- financial assets sold		
- dividends and profit share received		
- repayments of long-term loans granted		
- interest received	293	251
- other inflows from financial assets		

Consolidated Financial Report for the 1st half of 2015

4 . Other investment inflows	500	
II. Outflows	-16 478	-24 572
1. Purchase of intangible and tangible fixed assets	-9 838	-23 322
2. Real estate property and intangible assets		
3. To financial assets, including:	-6 640	-1 250
- financial assets purchased	-6 640	-1 250
- long-term loans granted		
4. Other investment outflows		
III. Net cash flow from investment activities	-15 670	-24 060
C. Cash flow from financial activities	-14 246	47 516
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	-14 246	-12 600
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	-11 862	-10 000
5. Redemption of debentures		
6. From other financial liabilities		
7. Contractual payments of financial lease dues		
8. Interest paid	-2 384	-2 600
9. Other financial outflows		
III. Net cash flow from financial activities	-14 246	47 516
D. Total net cash flow	-3 433	-24 994
E. Balance sheet change in cash	-3 433	-24 994
F. Cash (beginning of period)	38 280	37 749
G. Cash (end of period)	34 847	12 755

Consolidated Financial Report for the 1st half of 2015

Additional Information (Abridged Consolidated Financial Report for 1st half of 2015)

Introductory Information

The basic data

Apart from the parent company, the Stalprodukt S.A. Capital Group embraces 10 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 92.07 % 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,
 - PRD Olkusz Sp. z o.o. - construction and repair of roads (a subsidiary of Boltech Sp. z o.o).
- 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.,

Consolidated Financial Report for the 1st half of 2015

- 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:

- In the 1st half of 2015, the ZGH “Bolesław” S.A. capital share was raised up to 92,07% compared to 86.92% towards the end of the comparable period, as a part of the repurchase of employee shares.

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 2015 to 30 June 2015 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 January 2014 to 31 June 2014 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2014.

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.

Consolidated Financial Report for the 1st half of 2015

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 2014.

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.

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 2015 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.

Consolidated Financial Report for the 1st half of 2015

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 2014.

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.

Estimated Values

1. In the 1st half of 2015, the Group made the following adjustments in respect of the provisions, revaluations and write-downs revaluating the asset components:
 - a deferred income tax provision was increased by the amount of PLN 5 017 thousand in connection with the occurrence of positive temporary differences,
 - assets in respect of deferred income tax were reduced by the amount of PLN 693 thousand in connection with the reconciliation of negative temporary differences,
 - a revaluation write-down, amounting to PLN 1 350 thousand, was made to adjust doubtful receivables,
 - revaluation write-downs in respect of doubtful receivables, amounting to PLN 116 thousand, were released due to being paid,
 - a provision for employee benefits was increased by the amount of PLN 9 748 thousand, including: rewards on the occasion of branch holidays PLN 6 509 thousand, and for bonuses and voluntary redundancies PLN 3 239 thousand,
 - a reserve for employee benefits amounting to PLN 8 280 thousand, including jubilee bonuses and retirement benefits obligations PLN 4 806 thousand and bonuses payments PLN 3 474 thousand, was released.
 - a provision for repairs was created in the amount of PLN 11 051 thousand, and the one amounting to PLN 6 641 thousand was released,
 - a provision for deterioration in profitability in the month of December was created in the amount of PLN 4 200 thousand,
 - a provision for electrical energy origin certificates and CO2 emission allowances was created in the amount of PLN 6 023 thousand, and the one amounting to PLN 6 109 thousand was released,
 - a provision for mine liquidation amounting to PLN 2 500 thousand was created and the one amounting to PLN 474 thousand was released,
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Consolidated Financial Report for the 1st half of 2015

- a provision for contingent losses from the sales of zinc stocks was created in the amount of PLN 5 922 thousand,
- a revaluation write-off for finished products was made in the amount of PLN 277 thousand.

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 2014.

Consolidated Financial Report for the 1st half of 2015

Information on Operating Segments for 1st half of 2015 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	307 612	348 287	772 322	116 349	1 544 570
Segment Costs	249 411	329 128	639 799	105 738	1 324 076
Segment Result	58 201	19 159	132 523	10 611	220 494
Other Operating and Financial Revenues Non-Attributable to the Segment					13 873
Other General, Operating and Financial Costs Non-Attributable to the Segment					95 413
Gross Profit					138 954
Income Tax					30 520
Net Profit					108 434
Segment Assets	786 693	712 587	1 483 017	252 341	3 234 638
Assets Non-Attributable to the Segment					23 630
Total Assets					3 258 268
Liabilities	129 533	183 242	580 756	93 472	987 003
Contingent Liabilities					296 115
Total Liabilities					1 283 118
Investment Outlays	3 718	4 122	49 588	8 176	65 604
Depreciation	12 516	10 182	42 833	5 944	71 475

Consolidated Financial Report for the 1st half of 2015

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

Ocena uzyskanych wyników i sytuacja finansowa

In the 1st half of 2015, compared to the analogical period in 2014, the sales achieved by the Stalprodukt S.A. Capital Group were higher by PLN 178 577 thousand. At the same time the Capital Group recorded increased profit from operating activities higher by PLN 88 407 thousand and net profit higher by PLN 67 917 thousand. Assessing the results achieved, one should underline that in the 1st half of the year, the recorded profit on sales reached the level of PLN 157 282 thousand in relation to the profit of PLN 48 298 thousand recorded in the analogical period of 2014, which stands for the growth by 225.6 %.

The increased results achieved by the Group in relation to the analogical period of 2014 occurred mainly through the increase of the volumes and prices in the two out of four reported operating segments, i.e. the Electrical Sheets Segment and Zinc Segment.

The Electrical Sheets Segment recorded a sales volume increase by 14.6 %. The volume increase accompanied by price increases resulted in the significant increase of sales and a significant improvement of the Segment's performance. In relation to the 1st half of 2014, the Electrical Sheets Segment recorded a sales volume increase by PLN 92 344 thousand, i.e. by 42.9 %, accompanied by the performance improved by PLN 40 328 thousand.

Consolidated Financial Report for the 1st half of 2015

The improved performance of the Electrical Sheets Segment reflects the earlier market signals suggesting the expected increase of demand and the positive adjustment of prices.

It should be reminded that during the 1st half of 2014, and precisely in its 1st quarter, the prices of electrical sheets dropped to the lowest level ever recorded in the past ten years, whereas a clearly marked bounce-back of the prices took place in the 2nd half of 2014. Additionally, favorable currency exchange rates, and especially that of the American Dollar, also influenced the improvement of the achieved sales prices.

The Segment of Profiles recorded a decrease in the sales volumes by 1.9 %, however, in the key group of cold formed profiles, the Company managed to increase the sales volumes by 6.4 % in relation to the 1st half of 2014. Thus, the decrease of sales volumes in the Segment concerned mainly affected the products of the steel service centers and road barriers. The decrease of the sales volumes was accompanied by the decrease of average prices, which resulted in the sales decrease by PLN 38 449 thousand and the decrease of the Segment's performance by PLN 7 083 thousand.

Comparing the two segments, one should pay attention to the considerable improvement in the Electrical Sheets Segment's activities and maintained poorer condition of the Profiles Segment. In the Electrical Sheets Segment the earlier Company's predictions were confirmed by the results achieved in the 1st half of 2015 whereas the Profiles Segment reflects the difficult conditions characterizing the market, i.e. the decrease of demand and apparent consumption of profiles, maintained excessive supply of materials, and, consequently, further decrease of average prices, compared to the 1st half of 2014. At the same time it should be added that despite the considerable decrease of the sales value, the Segment concerned recorded a positive result in the 1st half of the year, thanks to its activities aimed at the reduction of the manufacturing costs.

The third operating segment – Zinc Segment – achieved significantly improved results. In the 1st half of 2015, the Segment recorded an increase of sales by PLN 116 490 thousand, i.e. by 17.8 %, accompanied by the considerably improved results. The net result increase by PLN 75 815 thousand was achieved thanks to the increase of metal prices quoted at the London Metal Exchange (LME) and increase of the American Dollar exchange rate. In the 1st half of 2015, the LME zinc prices increased by 4.04 % in relation to the 1st half of 2014, which was accompanied by the increase of the American Dollar exchange rate by 22 %. Converted to PLN, this stands for the LME increase of the zinc base price by 26.7 %. The decrease of the LME lead price by 10.9 % was levelled by the increase of the American Dollar exchange rate, which caused the increase of the PLN-converted LME base lead price by 8.6 % in the 1st half of 2015 in relation to the comparable period.

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.

Consolidated Financial Report for the 1st half of 2015

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.

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 2015, 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 30 June 2015 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 2014. The General Meeting also adopted a Resolution on the dividend disbursement for 2014. The amount of PLN 13 310 531.00 i.e. PLN 2.00 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 15 September 2015 and 30 September 2015 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 475.6 thousand. The entire increase was covered by Stalprodukt S.A.
4. 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 thousand,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 1 540 thousand.
5. The Issuer does not publish result forecasts.
6. The pending bankruptcy and composition proceedings cover the Group's receivables totalling PLN 12 415 thousand, wherein Stalprodukt's share amounts to PLN 743 thousand and ZGH "Bolesław"'s - PLN 11 672 thousand.

During the reporting period, no other essential proceedings were instituted or pending before the courts or government agencies, concerning any liabilities or receivables,

Consolidated Financial Report for the 1st half of 2015

which might exert a significant influence on the Group's future results and its financial standing.

7. 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:
- 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 1 949 985 shares, accounting for a 29.0 %-share in capital and 5 891 241 votes, accounting for 32,87 % of the total number of votes at the General Meeting of Shareholders,
 - Stalprodukt Profil S.A. holding 612 497 shares, accounting for 9.11 %-share in capital and 970 509 votes, accounting for 5.42 % of the total number of votes at the General Meeting of Shareholders.
8. 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.

9. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group - associated companies, resulting from the on-going 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 01.01.2015 to 30.06.2015 and in the comparable period from 01.01.2014 to 30.06.2014 is presented in the Table below.

Consolidated Financial Report for the 1st half of 2015

Items the 1 st half of 2015	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB Sp. z o.o.	26	1 196	152	1 358
Stalprodukt-Wamech Sp. z o.o.	132	1 860	687	4 769
Stalprodukt-Centrostal Kraków Sp. z o.o.	87 890	34	179 625	624
Stalprodukt-Serwis Sp. z o.o.	69	1 493	360	3 880
Stalprodukt-Zamość Sp. z o.o.	79	112	382	203
Stalprodukt-Ochrona Sp. z o.o.	21	599	111	1 378
STP Elbud Sp. z o.o.	319	2 136	1 628	6 778
Anew Institute Sp. z o.o.				498
ZGH „Bolesław” S.A.		23		84
Cynk-Mal S.A.	10 510		13 299	2 799

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

Consolidated Financial Report for the 1st half of 2015

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

10. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 6 5 604 thousand. No significant fixed asset components have been disposed of during the reporting period.
11. 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.
12. 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.
13. 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.
14. During the reporting period and following 30.06.2015 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.
15. 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 2015”.

Consolidated Financial Report for the 1st half of 2015

16. No additional information was appended to the Abridged Consolidated Financial Report for the 1st half of 2015 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
17. This Abridged Consolidated Financial Report for the 1st half of 2015 was approved for publication by parent Company's Management Board on 28.08.2015.

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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