

„Accord’ab” Biegli Rewidenci Spółka z o.o.

seat and address: 53-234 Wrocław, ul. Grabiszyńska 241

tel. (71) 349 09 60; fax. (71) 349 09 67

e-mail: biuro@accord.wroc.pl www.accord.wroc.pl

VAT No: 899-000-70-79, Bank Pekao S.A. 11 1240 6801 1111 0000 5630 0332

District Court for Wrocław-Fabryczna, 6th Economic Department KRS 0000087656

Initial capital PLN111.000,00 PLN, fully paid-up



INDEPENDENT CERTIFIED AUDITOR'S OPINION AND REPORT

ON THE FINANCIAL REPORT AUDIT CARRIED OUT

FOR THE CAPITAL GROUP WHOSE PARENT COMPANY IS

STALPRODUKT S.A. BASED IN BOCHNIA

FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

WROCLAW – KWIECIEŃ 2013

INDEPENDENT CERTIFIED AUDITOR'S OPINION ON THE FINANCIAL REPORT AUDIT CARRIED OUT FOR THE CAPITAL GROUP WHOSE PARENT COMPANY IS STALPRODUKT S.A. BASED IN BOCHNIA FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

INDEPENDENT CERTIFIED AUDITOR'S OPINION

For the General Meeting of Shareholders of Stalprodukt S.A.

We have audited the enclosed consolidated Financial Report of Stalprodukt S.A. based in Bochnia, ul. Wygoda 69 ("Parent Company"), including the consolidated balance sheet drawn up as of December 31, 2012, consolidated profit and loss account and consolidated report on total comprehensive income, consolidated changes in the parent company's separate equity and consolidated cash flow statement for the reporting year, ending on the day concerned and notes appended to the consolidated Financial Report.

Management Board's and Supervisory Board's Responsibility

The Company's Management Board is responsible for the correctness of the accounting books as well as preparation and accurate presentation of the consolidated Financial Report in compliance with the International Financial Reporting Standards, which have been approved by the European Union, and other applicable regulations, and for the preparation of the Report on Activities. The Company's Management Board is also responsible for the internal audit, which is considered indispensable, for the financial reports prepared to be free from irregularities, resulting from intentional actions or errors.

In compliance with the Accountancy Act as of September 29, 1994 (Journal of Laws as of 2009, No 152, item 1223, with subsequent amendments) ("Accountancy Act"), the Parent Company's Management Board and the members of the Supervisory Board are obligated to ensure that the Financial Report and the Report on Activities shall fulfill the requirements provided for in the Act.

Certified Auditor's Responsibility

Our task is to express our opinion on the consolidated Financial Report and on correctness of the accounting books on which it was based. The audit of the consolidated Financial Report was carried out pursuant to the provisions of Chapter 7 of the Accountancy Act, national audit standards issued by the Polish Council of Certified Auditors and International Standards on Auditing. The regulations concerned obligate us to act in compliance with the rules of ethics as well as plan and carry out the audit in a way ensuring that the consolidated Financial Report and underlying accounting books are free from essential irregularities.

The audit consists in applying procedures aimed at the acquisition of evidence relating to the amounts and information items disclosed in the consolidated Financial Report. The choice of the audit procedures remains within our discretion, including the assessment of

the risk concerned with the occurrence, in the audited consolidated Financial Report, of any essential irregularities resulting from intentional actions or errors.

In assessing the risk concerned, we take into consideration the internal audit related to the preparation and accurate presentation of the consolidated Financial Report in order to plan the adequate audit procedures and not to express our opinion on the effectiveness of the Parent Company's internal audit. Our audit also contains an assessment of the adequacy of the accounting policy applied, justifiability of the estimates made by the Management Board and assessment of the consolidated Financial Report general presentation.

We believe that the acquired evidence makes a sufficient and adequate basis for us to express an opinion on the audit.

Opinion

In our opinion the enclosed consolidated Financial Report of the Stalprodukt S.A. Capital Group presents accurately and clearly the Capital Group's assets and financial status as of December 31, 2012, its financial result and cash flow in respect of the reporting year ending on the day concerned, it was prepared, in all essential aspects, in compliance with the International Financial Reporting Standards approved by the European Union, and it stands in accordance with all the legal provisions, applicable to the consolidated Financial Report, binding to the Capital Group.

Other Issues

Moreover, in compliance with the Accountancy Act requirements, we ascertain that the Report on the Capital Group's Activities includes, in all essential aspects, information items, referred to in Art. 49 of the Accountancy Act and Regulation of the Minister of Finance dated February 19, 2009, regarding current and periodic information disclosed by issuers of securities and equivalence conditions for information disclosures required by the legal provisions of non-member states (Journal of Laws as of 2009, No 33, item 259 with subsequent amendments) and stand in accordance with the information contained in the consolidated Financial Report.

Teresa Sadowska, Certified Auditor No 9358

Key certified auditor carrying out the audit in the name of
„Accord'ab” Biegli Rewidenci Spółka z o.o./ *Certified Auditors - limited liability company*
ul. Grabiszyńska 241, 53-234 Wrocław
Entity authorized to audit financial reports No 262.

Wrocław, this day April 23, 2013

COMPLEMENTARY REPORT
ON THE AUDIT
OF THE CONSOLIDATED FINANCIAL REPORT
OF THE CAPITAL GROUP, WHOSE PARENT COMPANY IS
STALPRODUKT S.A.
BASED IN BOCHNIA
FOR THE PERIOD FROM 1 JANUARY 2012 TO 31 DECEMBER 2012

I. REPORT GENERAL PART**1. Capital Group Identification Data****1.1 Name of Capital Group**

Stalprodukt S.A. Capital Group

1.2 Seat of the Parent Companyul. Wygoda 69
32-700 Bochnia**1.3 Parent Company Registration in the National Court Register**

Registration Court: District Court

Date: October 25, 2001

Register No: KRS 0000055209

VAT No: 868-000-07-75

National Statistical No REGON: 850008147

1.4 Parent Company's Ownership Structure

As of December 31, 2012, the parent company's ownership structure amounting to PLN 13,450.0 thousand is as follows:

Shareholder's Name	Number of shares (items)	Nominal Value	Structure
Mittal Steel Poland S.A.	2 270 800	PLN 4 541.6 thou.	33.77%
STP Inwestment S.A.	1 959 725	PLN 3 919.4 thou.	29.14%
Stalprodukt Profil S.A.	629 095	PLN 1 258.2 thou.	9.35%
Pozostali	1 865 380	PLN 3 730.8 thou.	27.74%
Razem	6 725 000	PLN 13 450,0 thou.	100.00%

1.5 Parent Company's Governing Body

The Company's governing body is the Management Board.

As of 31 December 2012, the Management Board consisted of:

1. Mr. Piotr Janeczek – President of the Board,
2. Mr. Antoni Noszkowski – Member of the Board,
3. Mr. Józef Ryszka – Member of the Board.

2. Information on Companies Composing the Capital Group

2.1 Companies Included in the Consolidated Financial Report

As of December 31, 2012 the following companies included in the Capital Group were subject to consolidation:

Parent Company:

Stalprodukt S.A.

Subsidiary companies included in the consolidation performed with the complete method:

Company Name	Seat	Principal Object of Activities	Capital Share	Voting Share
Stalprodukt-Centrostal Kraków Spółka z o.o.	Bochnia	trade in steel products	100 %	100 %
Stalprodukt-Wamech Spółka z o.o.	Bochnia	manufacture of steel structures and spare part and rendering alteration services	100 %	100 %
STP Elbud Spółka z o.o.	Kraków	manufacture of steel structures and galvanizing services	100 %	100 %
Stalprodukt-Serwis Spółka z o.o.	Bochnia	alteration services, maintenance of machinery, installation services	100 %	100 %
Stalprodukt-Zamość Spółka z o.o.	Zamość	manufacture of construction joinery and trade in steel products	100 %	100 %
Stalprodukt-MB Spółka z o.o.	Bochnia	road and freeways construction and maintenance, assembly of safety road barriers	100 %	100 %
Stalprodukt-Warszawa Spółka z o.o.	Bochnia	trade in steel products	51 %	51 %
Stalprodukt-Ochrona Spółka z o.o.	Bochnia	manufacture of steel structures	100 %	100 %
Anew Instytute Spółka z o.o.	Bochnia	designing sources of renewable energy	100%	100%
Cynk-Mal S.A.	Legnica	manufacture and treatment of metal products	51%	51%

3. Identification Data of the Key Certified Auditor and Company Authorized to Auditing Financial Reports

3.1 Key Certified Auditor's Identification Data

Name and surname: Teresa Sadowska

Register No: 9358

3.2 Identification Data of the Company Authorized to Audit the Financial Report

Company: Accord"ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością
[Accord ab Certified Auditors Limited Liability Company]

Seat: 53-234 Wrocław, ul. Grabiszyńska 241

Register No: 0000087656
District Court: for Wrocław Fabryczna 6th Economic Department of National Court Register
VAT No: 899-000-70-79
Initial Capital 120,000.00
Accord"ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością is registered as a company No 262 - authorized to carry out financial report audits.

4. Information on the Consolidated Financial Report for the Previous Reporting Year

The Consolidated Financial Report for the reporting year ending on 31 December, 2011 was audited by the company: Rachunkowość Audyt Finans BILANS Sp. z o.o. based in Opole, and was approved without any reservations.

The Financial Report for 2012 was submitted with the Registration Court as of June 28, 2012 and published in the official gazette "Monitor Polski " B No 2293, item 12649 as of September 28, 2012.

5. Scope of Work and Liability

The present report has been prepared for the General Meeting of Shareholders of Stalprodukt S.A. – company based in Bochnia, 69 Wygoda Street [*ul. Wygoda 69*] and is concerned with the consolidated balance sheet drawn up as of December 31, 2012, consolidated profit and loss account and consolidated statement of total comprehensive income, consolidated statement of changes in the Parent Company's separate equity and consolidated cash flow statement for the reporting year closed on the day concerned and notes appended to the Consolidated Financial Report.

The Parent Company prepares its consolidated financial reports pursuant to the decision of the General Meeting of Shareholders as of June 30, 2005, in accordance with the International Financial Reporting Standards, approved by the European Union.

The audit of the Consolidated Financial Report was carried out in accordance with the contract No 05/BB/11 as of August 8, 2012, concluded pursuant to the Resolution of the Supervisory Board as of August 4, 2012 regarding the selection of the entity authorized to audit financial reports.

We have carried out the audit of the Consolidated Financial Report pursuant to Chapter 7 of the Accountancy Act, national accounting standards issued by the Polish Council of Certified Auditors and International Standards on Auditing.

The audit of the Consolidated Financial Report was carried out at the seat of the Parent Company in April 2013.

The Company's Management Board is responsible for the correctness of the accounting books as well as preparation and accurate presentation of the Consolidated Financial Report in compliance with the International Financial Reporting Standards, approved by the European Union, and other regulations applicable to issuers of securities admitted to public trading and official stock exchange quotations as well as other applicable regulations, and for the preparation of the Report on the Company's Activities.

Our task was to express our opinion on the Consolidated Financial Report on the basis of the carried out audit and prepare a complementary report in reference to the Consolidated Financial Report concerned.

On the day this report was issued, the Company's Management Board made a statement on the accuracy and clarity of the audited Consolidated Financial Report and on non-occurrence of events, undisclosed in the Consolidated Financial Report, that might have significantly affected the data disclosed in the Consolidated Financial Report for the audited year.

During the Consolidated Financial Report audit, the Parent Company's Management Board submitted all the requested statements, explanations and information and furnished us with all the documents and information necessary to express our opinion and prepare the report.

Both the key auditor and the auditing company Accord'ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością fulfill the requirement of independence from the companies, composing the audited Capital Group, as construed in Art. 56 par. 3 and 4 of the Act as of May 7, 2009 on Certified Auditors, their Self-Government, Entities Authorized to Audit Financial Reports and on Public Supervision (Journal of Laws No 77, item 649).

The scope of the work planned and performed has not been limited in any way. The scope of the audit carried out has resulted from the working documentation compiled and filed at the seat of our company „Accord'ab” Biegli Rewidenci Spółka z o.o.

6. Information on the Financial Report Audits Carried by the Companies Subject to Consolidation

6.1 Parent Company

The Parent Company's Financial Report for the reporting year concluded as of December 31, 2012, was audited by the company: Accord'ab Biegli Rewidenci Spółka z ograniczoną odpowiedzialnością, entity authorized to audit financial reports No 262 and was approved thereby without any reservations.

6.2 Other Companies Subject to Consolidation

Company Name	Type of Opinion on Financial Report	Entity Authorized To Audit the Financial Report	Balance Sheet Day, as of which the Financial Report was prepared
Stalprodukt Centrostal Kraków Spółka z o.o.	with reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
STP Elbud Spółka z o.o.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
Stalprodukt Zamość Spółka z o.o.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
Stalprodukt Warszawa Spółka z o.o.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
Stalprodukt Serwis Spółka z o.o.	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
Cynk-Mal Spółka Akcyjna	without reservations	Accord'ab Biegli Rewidenci Spółka z o.o. Wrocław	December 31, 2012
Stalprodukt Wamech Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2012

Stalprodukt Ochrona Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2012
Anew Instytut Spółka z o.o.	the audit was not obligatory		
Stalprodukt MB Spółka z o.o.	without reservations	Biuro Rachunkowe Wincenty Gonciarz Bochnia	December 31, 2012

II. CAPITAL GROUP FINANCIAL ANALYSIS

1. Basic Financial Ratios

Assets and Financing Sources

- The 2012 Balance Sheet Total was increased in relation to the previous year by the amount of PLN 241 238 thousand, which is by 13.1 %, however, the highest increase was marked for the current assets, i.e. by PLN 309 839 thousand (29.2%).
- The tangible fixed assets account for 49.1% of the Balance Sheet Total and the dominating components in this group of assets are: buildings and structures (35.4%), technical equipment and machinery (49.5%) and capital work in progress (12.2%).
The current assets account for 34.0 % of the Balance Sheet Total and their share in total assets decreased by 8.2% compared to the previous year. It was mainly the level of short-term receivables that was subject to a decrease by 18.7%, the remaining current assets components were maintained at a similar level. The inventories (46.5%) and short-term receivables (41.6%) account for a significant share of the current assets.
- The structure of financing sources was changed as well as the equity share in gross fixed capital formation was decreased by 6.8%, which mostly resulted from the mother company's equity decrease.

Sales and Costs

- The Capital Group derived profit from its operating activities at the level of PLN 75 189 thousand, i.e. by 48.8 % lower compared to the previous year.
- The Group finances its activities from its own funds, commercial (open account) credits and, to a slight degree, from bank credits. The charge of financial costs was increased by PLN 2 677.0 thousand over 2011.

Efficiency and Financial Liquidity

- The profitability ratios recorded in the analyzed year are favorable. However, compared to 2011, they were decreased, on average, by 49 per cent. The liquidity ratios are maintained at an optimal level.
- The receivables turnover was reduced by 10 days, while liabilities (payables) was extended by 11 days compared to 2011.
- The 2012 Group's debt ratio was increased by 6.8% percentage point compared to 2011.

Continued Activities

As a result of the carried out audit, including the financial analysis, no threats were detected for the continuation of economic activities in the year to follow the audited year, the same likely to be caused by an intended or compulsory abandonment, or substantial limitation of the Capital Group's present activities.

2. General Analysis of the Consolidated Financial Report

Capital Group Analytical Balance Sheet

PLN thou.

ASSETS		2012		2011		2010		DYNAMICS (%)	
		VALUE	%	VALUE	%	VALUE	%	12/11	11/10
I.	Fixed Assets	1 370 290	66.0	1 060 451	57.8	1 056 724	61.0	129.2	100.4
1.	Intangible assets, including:	42 273	2.0	41 856	2.3	42 921	2.5	101.0	97.5
	a) right of perpetual of land use	40 264	1.9	40 264	2.2	40 264	2.3	100.0	100.0
2.	Tangible fixed assets	1 019 993	49.1	969 557	52.8	963 756	55.6	105.2	100.6
3.	Long-term receivables	0	0.0	0	0.0	0	0.0	x	x
4.	Long-term investments	306 125	14.7	47 412	2.6	48 464	2.8	645.7	97.8
4.1	Real estate	0	0.0	0	0.0	52	0.0	x	0.0
4.2	Intangible assets	0	0.0	0	0.0	0	0.0	x	x
4.3	Long-term financial assets	306 125	14.7	47 412	2.6	48 412	2.8	645.7	97.9
4.4	Other long-term investments	0	0.0	0	0.0	0	0.0	x	x
5.	Long-term prepayments	1 899	0.1	1 626	0.1	1 583	0.1	116.8	102.7
5.1	Deferred income tax assets	1 899	0.1	1 563	0.1	1 416	0.1	121.5	110.4
5.2	Other prepayments	0	0.0	63	0.0	167	0.0	0.0	37.7
II.	Current Assets	706 026	34.0	774 627	42.2	675 647	39.0	91.1	114.6
1.	Inventory	328 302	15.8	330 028	18.0	321 481	18.6	99.5	102.7
2.	Short-term receivables	293 674	14.1	361 202	19.7	280 654	16.2	81.3	128.7
3.	Short-term investments	77 512	3.7	77 565	4.2	68 272	3.9	99.9	113.6
3.1	Short-term financial assets	77 512	3.7	77 565	4.2	68 272	3.9	99.9	113.6
	a) loans	25	0.0	26	0.0	23	0.0	96.2	113.0
	b) short-term securities	0	0.0	0	0.0	0	0.0	x	x
	c) cash and cash equivalents	77 487	3.7	77 539	4.2	68 249	3.9	99.9	113.6
3.2	Other short-term investments	0	0.0	0	0.0	0	0.0	x	x
4.	Short-term prepayments	6 538	0.3	5 832	0.3	5 240	0.3	112.1	111.3
C.	Fixed assets held for sale	0	0.0	0	0.0	0	0.0	x	x
	TOTAL ASSETS	2 076 316	100.0	1 835 078	100.0	1 732 371	100.0	113.1	105.9

LIABILITIES		2012		2011		2010		DYNAMICS (%)	
		VALUE	%	VALUE	%	VALUE	%	12/11	11/10
I.	Equity	1 577 220	76.0	1 519 148	82.8	1 431 810	82.7	103.8	106.1
1.	Equity attributable to shareholders of the Parent Company	1 565 113	75.4	1 502 783	81.9	1 409 495	81.4	104.1	106.6
1.1	Share capital	13 450	0.6	13 450	0.7	13 450	0.8	100.0	100.0
1.2	Own shares	(140)	(0.0)	(140)	(0.0)	(26 778)	(1.5)	100.0	0.5
1.3	Reserve capital	123 040	5.9	120 373	6.6	148 367	8.6	102.2	81.1
1.4	Reserve capital from revaluation	5 612	0.3	5 714	0.3	5 656	0.3	98.2	101.0
1.5	Other reserve capital	1 372 368	66.1	1 248 924	68.1	1 125 155	64.9	109.9	111.0
1.6	Retained profit (loss)	(12 647)	(0.6)	(7 178)	(0.4)	(3 814)	(0.2)	176.2	188.2
1.7	Net profit (loss)	63 430	3.1	121 640	6.6	147 459	8.5	52.1	82.5
2.	Minority capital	12 107	0.6	16 365	0.9	22 315	1.3	74.0	73.3
II.	Liabilities and provisions for liabilities	499 096	24.0	315 930	17.2	300 561	17.3	158.0	105.1
1.	Provisions for liabilities	20 910	1.0	15 964	0.9	10 733	0.6	131.0	148.7
1.1	Provision for deferred income tax	15 117	0.7	9 740	0.5	4 316	0.2	155.2	225.7
1.2	Other provisions	5 793	0.3	6 224	0.3	6 417	0.4	93.1	97.0
	a) long-term	4 266	0.2	4 530	0.2	4 810	0.3	94.2	94.2
	b) short-term	1 527	0.1	1 694	0.1	1 607	0.1	90.1	105.4
2.	Long-term liabilities	121 420	5.8	2 081	0.1	991	0.1	5 834.7	210.0
2.1	Long-term credits and loans	80 831	3.9	1 134	0.1	0	0.0	7 128.0	x
2.2	Other long-term liabilities	40 589	2.0	947	0.1	991	0.1	4 286.1	95.6
3.	Short-term liabilities	356 058	17.1	297 267	16.2	288 550	16.7	119.8	103.0
3.1	Short-term credits and loans	36 916	1.8	27 391	1.5	23 470	1.4	134.8	116.7
3.2	Current part of long-term credits and loans	20 000	1.0	0	0.0	2 942	0.2	x	0.0
3.3	Trade liabilities	268 763	12.9	234 526	12.8	228 403	13.2	114.6	x
3.4	Income tax liabilities	134	0.0	206	0.0	41	0.0	65.0	502.4
3.5	Other short-term liabilities	30 245	1.5	35 144	1.9	33 694	1.9	86.1	104.3
4.	Accruals	708	0.0	618	0.0	287	0.0	114.6	215.3
C.	Fixed assets held for sale	0	0.0	0	0.0	0	0.0	x	x
	TOTAL LIABILITIES	2 076 316	100.0	1 835 078	100.0	1 732 371	100.0	113.1	105.9

Capital Group Analytical Profit and Loss Account

PLN thou.

CONTENT	PERFORMANCE FOR			DYNAMICS (%)	
	2012	2011	2010	12/11	11/10
Net sales of products, goods and materials, including	1 808 717	2 002 895	1 732 272	90.3	115.6
Net sales of products	1 700 206	1 882 764	1 623 793	90.3	115.9
Net sales of goods and materials	108 511	120 131	108 479	90.3	110.7
Costs of sold products, goods and materials, including:	1 593 841	1 708 367	1 425 556	93.3	119.8
Production cost of products sold	1 493 339	1 599 055	1 327 543	93.4	120.5
Value of goods and materials sold	100 502	109 312	98 013	91.9	111.5
Gross profit (loss) on sales	214 876	294 528	306 716	73.0	96.0
Selling costs	68 386	70 037	58 444	97.6	119.8
General and administrative costs	69 601	71 358	65 844	97.5	108.4
Profit (loss) on sales	76 889	153 133	182 428	50.2	83.9
Other operating income	5 445	2 524	5 907	215.7	42.7
Other operating costs	7 145	8 739	10 568	81.8	82.7
Profit (loss) on operating income	75 189	146 918	177 767	51.2	82.6
Financial income	12 351	8 913	9 164	138.6	97.3
Financial costs	10 144	7 467	4 709	135.9	158.6
Gross profit (loss)	77 396	148 364	182 222	52.2	81.4
Income tax	17 307	31 574	36 595	54.8	86.3
Gross attributable to minority Shareholders	0	0	0	x	x
Net profit (loss)	60 089	116 790	145 627	51.5	80.2
1. Attributable to Shareholders of the Parent Company	63 430	121 640	147 459	52.1	82.5
2. Attributable to minority Shareholders	(3 341)	(4 850)	(1 832)	68.9	264.7

Ratios Characterizing the Capital Group Activities

Ratio	Content		2012	2011	2010
Return on Assets	net financial result	%	2.9	6.4	8.4
	total assets				
Return on Equity	net financial result	%	3.8	7.7	10.2
	equity				
Net Return on Sales	net financial result	%	3.3	5.8	8.4
	sales of products and goods				
Gross Return on Sales	products and goods sales result	%	4.2	7.6	10.5
	net sales of products and goods				
Liquidity – Cash Ratio I	total current assets	x times	2.0	2.6	2.3
	liabilities (payables) and short-term provisions				
Liquidity – Quick Ratio II	current assets – inventory	x times	1.1	1.5	1.2
	Liabilities (payables) and short-term provisions				
Liquidity – Current Ratio III	short-term investments	x times	0.2	0.3	0.2
	liabilities (payables) and short-term provisions				
Receivables Turnover	trade receivables x 365	days	50.1	60.3	50.6
	net sales of products, goods and materials				
Payables Turnover	Trade liabilities (payables) x 365	days	61.5	50.1	58.5
	value of sold goods and materials + production costs of products sold				
Inventory Turnover	Inventory x 365	days	75.2	70.5	82.3
	value of sold goods and materials				
Equity to Fixed Assets	equity	%	115.1	143.3	135.5
	fixed assets				
Sustainability of Financing Structure	equity + liabilities (payables) and long-term provisions	x times	0.8	0.8	0.8
	total liabilities				
Net Current Assets	current assets minus liabilities (payables) and short-term provisions	PLN thou.	348 441	475 666	385 490
Debt Ratio	liabilities (payables) and provisions for liabilities (payables)	%	24.0	17.2	17.3
	liabilities				
Current Assets Financing	current liabilities (payables) + short-term provisions	%	50.6	38.6	42.9
	current assets				

III. REPORT DETAILED PART**4. Accounting Principles**

The Parent Company is in possession of updated documentation describing the accounting principles applied in the Capital Group, and approved by the Parent Company's Management Board.

The adopted accounting principles have been presented in the notes appended to the Consolidated Financial Report, in the scope required by the International Financial Reporting Standards, approved by the European Union.

Separate financial reports of the companies subject to the Consolidated Financial Report were prepared at the end of the same reporting period as the Parent Company's separate Financial Report.

2. Legal Basis of the Consolidated Financial Report

The Consolidated Financial Report of the Stalprodukt S.A. Capital Group has been prepared in accordance with the International Financial Reporting Standards, approved by the European Union and other applicable regulations.

The Consolidated Financial Report was based on the consolidation documentation, drawn up pursuant to the requirements contained in the Regulation of the Minister of Finance dated September 25, 2009 concerning detailed rules of preparation of consolidated financial reports of capital groups by entities other than banks, insurance and reinsurance companies (Journal of Laws as of 2009, No 169, item 1327).

3. Consolidation Method

The consolidation methods have been presented in the additional documentation appended to the Consolidated Financial Report.

4. Capital Consolidation and Calculation of Non-Controlling Interests

The initial capital of the Capital Group is the Parent Company's initial capital.

The Capital Group's equity components were calculated by adding certain equity components, of the subsidiary companies included in the Consolidated Financial Report, corresponding to the Parent Company's percentage share in the subsidiary companies' equity as of the end of the reporting period, to specific components of the Parent Company's equity,

The Capital Group's equity embraced only those components of the subsidiary companies' equity which have come into existence since the day the same were taken over by the Parent Company.

The calculation of the non-controlling interests in the subsidiary companies, included in the Consolidated Financial Report, were based on the non-controlling interests' percentage share in the subsidiary companies' equity as of the end of the reporting period

5. Consolidation Exclusions

Some consolidation exclusions were made, concerning intra-group settlements.

During the consolidation process some exclusions were made, concerning the transactions of sale performed between the Group's entities, other intra-group operating income and costs as well as financial income and costs.

The data underlying the exclusions were obtained from the accounting books of Stalprodukt S.A. or its subsidiary companies and reconciled with the information obtained from the subsidiary companies.

6. Notes Appended to the Consolidated Financial Reports

The data contained in the notes appended to the Consolidated Financial Report, containing the description of the significant accounting principles and other explanatory information, were presented completely and correctly in all essential aspects. The data concerned constitute an integral part of the Consolidated Financial Report..

7. Report on Capital Group's Activities

The Report on Capital Group's Activities covers, in all essential aspects, information referred to in art. 49 par. 2 of the Accountancy Act and the Regulation of the Minister of Finance as of February 19, 2009 on current and periodic information disclosed by issuers of securities and equivalence conditions for information disclosures required by the legal provisions of non-member states (Journal of Laws as of 2009, No 33, item 259 with subsequent amendments) and stand in accordance with the information contained in the Consolidated Financial Report.

8. Information on the Certified Auditor's Opinion

On the basis of the audit of the Capital Group's Consolidated Financial Report, drawn up as of December 31, 2012 and in respect of the period closed on the day concerned we have issued an opinion without reservations.

Teresa Sadowska, Certified Auditor No 9358

Key certified auditor carrying out the audit on behalf of
„Accord'ab” Biegli Rewidenci Spółka z o.o./ *Certified Auditors - limited liability company*
ul. Grabiszyńska 241, 53-234 Wrocław
Entity authorized to audit financial reports No 262.

Wrocław, April 23, 2013