

## ANNUAL NON-CONSOLIDATED FINANCIAL STATEMENT OF STALPRODUKT S.A. FOR YEAR 2012

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	2012	2011	2012	2011
I. Net sales of products, goods and materials	1 646 332	1 787 542	394 463	431 763
II. Operating profit (loss)	78 532	149 200	18 816	36 038
III. Profit (loss) before taxation	83 372	151 553	19 976	36 606
IV. Net profit (loss)	67 785	122 451	16 241	29 577
V. Net cash flow from operating activities	259 218	104 339	62 109	25 202
VI. Net cash flow from investment activities	-346 909	-51 965	-83 120	-12 552
VII. Net cash flow from financial activities	96 977	-31 623	23 236	-7 638
VIII. Total net cash flow	9 286	20 751	2 225	5 012
IX. Total assets	1 963 546	1 714 696	480 296	388 221
X. Liabilities and provisions for liabilities	440 959	258 057	107 861	58 426
XI. Long-term liabilities	120 000		29 353	
XII. Short-term liabilities	304 872	246 481	74 574	55 805
XIII. Shareholders' equity	1 522 587	1 456 639	372 435	329 795
XIV. Share capital	13 450	13 450	3 290	3 045
XV. Number of shares	6 725 000	6 725 000	6 725 000	6 725 000
XVI. Profit (loss) per ordinary share (PLN)	10,19	18,40	2,44	4,44
Diluted profit (loss) per ordinary share (PLN)				
XVII. Book value per share (PLN)	226,41	216,60	55,38	49,04
Diluted book value per share (PLN)				
XVIII. Declared or paid-out dividend for one share in (PLN/EUR)		3,50		0,85

1. Average exchange rates of zloty in NBP during the periods covered by the financial report and comparable financial data in relation to the Euro amounted to:

- rate of exchange at end of 2012 and 2011, 4.0882 and 4.4168 respectively
- the average rate, calculated as the arithmetical average of the exchange rates valid on the last day of each month of the year 2012 and 2011, 4.1736 and 4.1401 respectively
- the lowest rate for 2012 and 2011, 4.0465 and 3.8403 respectively
- the highest rate in 2012 and 2011, 4.5135 and 4.5642 respectively.

2. Basic items of the balance sheet, profit and loss account and cash flow statement were converted into Euro and presented in selected financial data.

For conversion of currency in PLN into Euros, the following rates of EUR were used, according to the following rules:

- items of assets and liabilities were converted into Euros according to the average exchange rate announced by the NBP as at 31.12.2012 and amounting to 4.0882 and 4.4168 as at 31.12.2011. (section 1a)

- items of profit and loss account and cash flows statement were converted into Euros according to the average rate which is an arithmetic average of average EUR rates announced by the NBP on the last day of each month covered by the report and amounting to 4.1736 for the year 2012 and 4.1401 for the year 2011. (section 1b)

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.

4. In item XVIII the dividend-per-share level was presented, as disbursed by the Issuer in 2011 in respect of 2010.

BALANCE SHEET	Notes	thousand x PLN	
		2012	2011
<b>Assets</b>			
<b>I. Fixed assets</b>		<b>1 337 811</b>	<b>1 031 609</b>
1. Intangible fixed assets, including	1	18 355	18 281
- right of perpetual land use		17 740	17 740
2. Tangible fixed assets	2	822 323	817 731
3. Long-term receivables	3		
4. Long-term investments	4	496 330	194 853
4.1. Real estate investments		116 434	75 490
4.2. Intangible assets			
4.3. Long-term financial assets		379 896	119 363
4.4. Other long-term investments			
5. Long-term prepayments		803	744
5.1. Deferred income tax assets	5	803	744
5.2. Other prepayments			
<b>II. Current assets</b>		<b>625 735</b>	<b>683 087</b>
1. Inventories	6	244 284	241 763
2. Short-term receivables	7	315 594	387 965
3. Short-term investments		59 926	48 240
3.1. Short-term financial assets	8	59 926	48 240
a) loans		7 590	5 190
b) short-term securities			
c) cash and cash equivalents		52 336	43 050
3.2. Other short-term investments			
4. Short-term prepayments	9	5 931	5 119
<b>Total assets</b>		<b>1 963 546</b>	<b>1 714 696</b>
<b>Liabilities</b>			
<b>I. Shareholders' equity</b>		<b>1 522 587</b>	<b>1 456 639</b>
1. Share capital	10	13 450	13 450
2. Own shares (stakes) (negative value)		-139	-139
3. Reserve capital	11	104 184	104 082
4. Reserve capital from revaluation	12	3 166	3 268
5. Other reserve capital	13	1 334 141	1 213 527
6. Retained earnings (losses)			
7. Net profit (loss)		67 785	122 451
<b>II. Liabilities and provisions for liabilities</b>		<b>440 959</b>	<b>258 057</b>
1. Provisions for liabilities	14	16 009	11 503
1.1. Provision for deferred income tax		11 501	6 782
1.2. Other provisions		4 508	4 721
a) long-term		3 329	3 542
b) short-term		1 179	1 179
2. Long-term liabilities	15	120 000	
2.1. Long-term credits and loans		80 000	
2.2. Other long-term liabilities		40 000	
3. Short-term liabilities	16	304 872	246 481
3.1. Short-term credits and loans			
3.2. Current part of long-term credits and loans		20 000	
3.3. Trade liabilities		264 532	223 746
3.4. Income tax liabilities			
3.5. Other short-term liabilities		20 340	22 735
4. Accruals	17	78	73
<b>Total liabilities</b>		<b>1 963 546</b>	<b>1 714 696</b>
<b>Book value</b>		<b>1 522 587</b>	<b>1 456 639</b>
<b>Number of shares</b>		<b>6 725 000</b>	<b>6 725 000</b>
<b>Book value per share (PLN)</b>	<b>18</b>	<b>226,41</b>	<b>216,60</b>
<b>Diluted number of shares</b>			
<b>Diluted book value per share (PLN)</b>			

## ANNUAL NON-CONSOLIDATED FINANCIAL STATEMENT OF STALPRODUKT S.A. FOR YEAR 2012

PROFIT AND LOSS ACCOUNT	Notes	thousand x PLN	
		2012	2011
<b>I. Net sales of products, goods and materials, including:</b>		<b>1 646 332</b>	<b>1 787 542</b>
1. Net sales of products	19	1 588 107	1 719 691
2. Net sales of goods and materials	20	58 225	67 851
<b>II. Costs of products, goods and materials sold, including:</b>		<b>1 477 912</b>	<b>1 551 511</b>
1. Production cost of products sold	21	1 422 389	1 487 019
2. Value of goods and materials sold		55 523	64 492
<b>III. Gross profit (loss) on sales</b>		<b>168 420</b>	<b>236 031</b>
IV. Selling costs		43 680	41 881
V. General and administrative costs		44 062	43 118
<b>VI. Profit (loss) on sales</b>		<b>80 678</b>	<b>151 032</b>
VII. Other operating incomes	22	1 977	1 322
VIII. Other operating costs	23	4 123	3 154
<b>IX. Operating profit (loss)</b>		<b>78 532</b>	<b>149 200</b>
X. Financial incomes	24	8 353	5 466
XI. Financial costs	25	3 513	3 113
<b>XII. Profit (loss) before taxation</b>		<b>83 372</b>	<b>151 553</b>
XIII. Income tax	26	15 587	29 102
<b>XIV. Net profit (loss)</b>	27	<b>67 785</b>	<b>122 451</b>

Net profit (loss)		67 785	122 451
Weighted average number of ordinary shares		6 725 000	6 725 000
The weighted average number of ordinary shares was adjusted against own shares		6 655 267	6 655 267
Profit (loss) per ordinary share (PLN)	28	10,19	18,40

TOTAL COMPREHENSIVE INCOME	thousand x PLN		
	Notes	2012	2011
Net result		67 785	122 451
Differences from evaluation			
<b>Total Comprehensive Income</b>		<b>67 785</b>	<b>122 451</b>

## ANNUAL NON-CONSOLIDATED FINANCIAL STATEMENT OF STALPRODUKT S.A. FOR YEAR 2012

Statement of changes in equity for the period from 1st January to 31st December 2012 and 2011	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 01.01.2012 (opening balance)	13 450	-139	104 082	3 268	1 213 527	122 451		1 456 639
Profit distribution					120 614	-120 614		
Intercapital transfer			102	-102				0
Dividend						-1 837		-1 837
Total comprehensive income for period 1.01 - 31.12.2012							67 785	67 785
Balance on this 31.12.2012 (closing balance)	13 450	-139	104 184	3 166	1 334 141	0	67 785	1 522 587
Balance on this 01.01.2011 (opening balance)	13 450	-139	104 082	3 268	1 093 706	145 294		1 359 661
Profit distribution					119 821	-119 821		0
Intercapital transfer								
Dividend						-25 473		-25 473
Total comprehensive income for period 1.01 - 31.12.2011							122 451	122 451
Balance on this 31.12.2011 (closing balance)	13 450	-139	104 082	3 268	1 213 527	0	122 451	1 456 639

CASH FLOW ACCOUNT	thousand x PLN	
	2012	2011
<b>A. Cash flow from operating activities – indirect method</b>		
<b>I. Net profit (loss)</b>	<b>67 785</b>	<b>122 451</b>
<b>II. Total adjustments</b>	<b>191 433</b>	<b>-18 112</b>
1. Depreciation	44 740	41 326
2. (Profit) loss from exchange rate fluctuations		245
3. Interest and profit share (dividends)	-4 642	-2 455
4. (Profit) loss on investment activities	259	840
5. Change in reserves	4 506	4 323
6. Change in inventories	-2 521	-6 726
7. Change in receivables	72 371	-74 085
8. Change in short-term liabilities except for loans and credits	78 391	17 946
9. Change in accruals	-866	-526
10. Other adjustments	-805	1 000
<b>III. Net cash flow from operating activities</b>	<b>259 218</b>	<b>104 339</b>
<b>B. Cash flow from investment activities</b>		
<b>I. Inflows</b>	<b>6 310</b>	<b>4 247</b>
1. Sales of intangible and tangible fixed assets	82	304
2. Sales of real estate properties and intangible assets		
3. From financial assets, including:	6 228	3 943
- financial assets sold		
- dividends and profit share received		
- repayments of long-term loans granted	400	
- interest received	5 828	3 943
- other inflows from financial assets		
4. Other investment inflows		
<b>II. Outflows</b>	<b>-353 219</b>	<b>-56 212</b>
1. Purchase of intangible and tangible fixed assets	-90 692	-56 162
2. Real estate property and intangible assets		
3. To financial assets, including:	-262 527	-50
- financial assets purchased	-262 277	
- long-term loans granted	-250	-50
4. Other investment outflows		
<b>III. Net cash flow from investment activities</b>	<b>-346 909</b>	<b>-51 965</b>
<b>C. Cash flow from financial activities</b>		
<b>I. Inflows</b>	<b>100 000</b>	
1. Net inflows from issue of shares, other capital instruments or capital receipts		
2. Credits and loans	100 000	
3. Issue of debentures		
4. Other financial inflows		
<b>II. Outflows</b>	<b>-3 023</b>	<b>-31 623</b>
1. Purchase of own shares		
2. Dividends and other dues paid to shareholders	-1 837	-25 473
3. Outflows from profit distribution, other than dues paid to shareholders		
4. Credits and loans repaid		-3 067
5. Redemption of debentures		
6. From other financial liabilities		
7. Contractual payments of financial lease dues		-1 596
8. Interest paid	-1 186	-1 487
9. Other financial outflows		
<b>III. Net cash flow from financial activities</b>	<b>96 977</b>	<b>-31 623</b>
<b>D. Total net cash flow</b>	<b>9 286</b>	<b>20 751</b>
<b>E. Balance sheet change in cash</b>	<b>9 286</b>	<b>20 751</b>

<b>F. Cash (beginning of period)</b>	<b>43 050</b>	<b>22 299</b>
<b>G. Cash (end of period)</b>	<b>52 336</b>	<b>43 050</b>

Cash at beginning of the reporting period represent the amount of 43,050 thousand zł, including cash at hand 170 thousand zł, on bank accounts 42,880 thousand zł, and at the end of the reporting period 52,336 thousand zł, including 91 thousand cash at hand and 52,245 thousand zł on bank accounts.

Operating activities consist of the basic (main) activities of the Company, i.e. production, trade and service and other not classified as investing or financing activities. Net cash from operating activities is a revised financial result of the Company.

The Company's investment activity is related to acquisition and sale of tangible fixed assets of a financial and proprietary nature (fixed assets, intangible assets, shares and stocks).

The Company's financial activities consist of acquisition and use of equity and foreign capital, including the short and long term credits.

The inconsistency between the changes in the balance sheet and cash flow from operating activities is concerned with the liabilities and it results from the derecognition of a credit (PLN 20,000 thousand) with the annual repayment period and its presentation in the financial activities section as well as recognition of other long-term liabilities (PLN 40,000 thousand) in respect of the purchase of shares of ZGH "Bolesław" S.A.

NOTE 1a - INTANGIBLE ASSETS	thousand x PLN	
	2012	2011
a) costs of completed developmental works		
b) goodwill		
c) concessions, patents, licenses and similar	615	541
- computer software	105	143
d) other intangible assets		
e) right of perpetual land use	17 740	17 740
Intangible assets, total	18 355	18 281

1b NOTE - Changes of intangible assets (by group type)							
thousand x PLN							
	a	b	c		d	e	Intangible assets, total
	cost of completed developmental works	goodwill	concessions, patents, licenses and similar values, including:		other intangible assets	advance payments for intangible assets	
				- computer software			
a) gross value of intangible assets at the beginning of the period			4 284	715		17 740	22 024
b) increase (due to)			344	106			344
- purchase							
c) decrease (due to)			370	77			370
- liquidation			370	77			370
d) gross value of intangible assets at the end of the period			4 258	744		17 740	21 998
e) accumulated depreciation (amortization), at the beginning of the period			3 743	572			3 743
f) depreciation for the period (due to)			-100	67			-100
- depreciation allocated to the costs			249	144			249
- decrease due to liquidation			349	77			349
g) accumulated depreciation (amortization) at the end of the period			3 643	639			3 643
h) charges for permanent loss of value at the beginning of the period							
- increase							
- decrease							
i) write-offs for permanent loss of value at the end of the period							
j) net value of intangible assets at the end of the period			615	105		17 740	18 355

All intangible assets are owned by the Company Stalprodukt. The Company does not rent or lease intangible assets.

NOTE 2a - TANGIBLE FIXED ASSETS	thousand x PLN	
	2012	2011
a) fixed assets, including:	700 802	734 103
- Land (including the right of perpetual usufruct)	16 612	16 612
- Buildings, premises, civil engineering objects	231 173	242 403
- Plants and machinery	447 693	470 074
- means of transport	2 019	2 251
- other fixed assets	3 305	2 763
b) fixed assets under construction	121 521	83 628
c) advance payments on fixed assets under construction		
Tangible fixed assets, total	822 323	817 731

As of the balance sheet day, the real estate located at Wadowicka Street in Cracow is encumbered with a joint mortgage of up to PLN 150 000 thousand, supposed to secure the repayment of a long-term investment credit incurred at the PKO BP Bank based in Warsaw amounting to PLN 100 000 thousand appropriated for the majority stake of ZGH „Bolesław” S.A. in Bukowno.

Other tangible assets are not encumbered with mortgages, registered pledges and ownership transfers.

Tangible fixed assets are valued according to cost, i.e. the purchase price (production cost) less accumulated depreciation (amortization). As at the balance sheet date no write-offs were made due to impairment of the value of fixed assets, as there was no indication proving it. In the reporting year has been noted full use of the fixed assets and maintaining the current level of the results of cash-generating units.



2b NOTE - CHANGE OF FIXED ASSETS (BY GROUPS)						
thousand x PLN						
	- land (including perpetual usufruct)	- buildings, premises, civil engineering objects	- plants and machinery	- means of transport	- other fixed assets	Fixed assets, total
a) gross value of fixed assets at the beginning of the period	16 612	308 103	596 787	5 238	4 072	930 812
b) increase (due to)	1 206	44 166	6 062	269	777	52 480
- investment	1 206	44 166	6 062	269	777	52 480
- leasing						
- change of status of long-term investments						
- the value of the lease valuation						
c) decrease (due to)	1 206	40 178	601	25	36	42 046
- sale			42	25		67
- liquidation		149	396		31	576
- change of spare parts included in fixed assets in accordance with IAS			26			26
- contribution-in-kind	1 206	39 739				40 945
- acceptance of the investment (Radom)		290	137		5	432
d) gross value of fixed assets at the end of the period	16 612	312 091	602 248	5 482	4 813	941 246
e) accumulated depreciation (amortization), at the beginning of the period		65 700	126 713	2 987	1 309	196 709
f) depreciation for the period (due to)		15 218	27 842	476	199	43 735
- depreciation included in costs		15 459	28 296	502	234	44 491
- reduction due to sale			25	26		51
- reduction due to liquidation		89	308		30	427
- reduction due to inventory shortages		152	121		5	278
- reduction due to contribution						
g) accumulated depreciation (amortization) at the end of the period		80 918	154 555	3 463	1 508	240 444
write-offs for permanent loss of value, at the beginning of the period						
increase						
decrease						
write-offs for permanent loss of value, at the end of the period						
h) net value of fixed assets at the end of the period	16 612	231 173	447 693	2 019	3 305	700 802

NOTE 2c - BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)	thousand x PLN	
	2012	2011
a) own assets	700 802	734 103
b) assets used under rental, lease, tenancy or other types of agreements, including leasing agreement, including:		
- leasing agreement		
Total balance sheet fixed assets	700 802	734 103

NOTE 3- CHANGE OF LONG-TERM RECEIVABLES (BY TITLES)	thousand x PLN	
	2012	2011
a) balance at the beginning of the period		
b) increases (due to)		
c) decreases (due to)		
d) balance at the end of the period		

NOTE 4 - LONG-TERM INVESTMENT (ACC. TO TITLES)	thousand x PLN	
	2012	2011
1) investment properties	116 434	75 490
-		
2) long-term financial assets	379 896	119 363
a) stocks and shares	337 376	74 293
b) long-term loans	42 520	45 070
Total	496 330	194 853

NOTE 4a - CHANGE OF STATUS OF REAL ESTATE INVESTMENT	thousand x PLN	
	2012	2011
a) balance at the beginning of the period	75 490	77 016
-		
b) increases (due to)	47 200	1 210
- reclassification to long-term investments	6 132	
- acceptance from the investment	31 934	
- investment outlays on leased facilities		1 210
- real estate purchases	9 134	
c) decreases (due to)	6 256	2 736
- amortization	3 108	2 324
- liquidation of facilities	138	412
- reclassification to fixed assets	3 010	
d) balance at the end of the period	116 434	75 490

Investment properties constitute fixed properties (the right of perpetual usufruct of land (18,890 thousand PLN), buildings and structures, machinery and equipment) leased to subsidiaries. These properties are not for sale. Total revenues from rent for the year 2012 amounted to 7,618 thousand PLN, while the costs associated with these real properties are estimated approximately at 6,819 thousand PLN. With real estate investments valuation rules by cost model are in force, i.e. cost of purchase less accumulated depreciation (amortization) and the total amount of any deductions due to impairment of value.

NOTE 4b – LONG-TERM FINANCIAL ASSETS (OWNERSHIP STRUCTURE)	thousand x PLN	
	2012	2011
a) in subsidiaries	339 777	78 244
- shares	337 257	73 174
- loans granted	2 520	5 070
- other short-term financial assets (by type)		
b) in other entities	40 119	41 119
- shares	119	1 119
- loans granted	40 000	40 000
- other short-term financial assets (by type)		
Long-term financial assets, total	379 896	119 363

The stakes and shares held are not quoted on exchange markets or regulated markets. They are not characterized with limited transferability, except for the shares of ZGH „Bolesław” S.A., in respect of which the sales Agreement concluded between the State Treasury and Stalprodukt obligates the purchaser to preserve the ownership of the shares purchased in the so called “definite period” i.e. the period, during which all the obligations imposed on the Purchaser by virtue of the Agreement will have been duly fulfilled (maximum 3 years from the date of transaction).

NOTE 4c - CHANGE IN THE BALANCE OF LONG- TERM FINANCIAL ASSETS (BY GROUP TYPES)	thousand x PLN	
	2012	2011
a) balance at the beginning of the period	119 363	122 883
-		
b) increase (due to)	263 532	
- contribution in kind		
- purchase of shares	260 532	
- loan granting		
- reclassification of loans from short- to long-term ones		
- subscription for shares in respect of the capital increase	3 000	
c) decrease (due to)	2 999	3 520
- loss of value of shares	449	1 000
- sales of shares		
- reclassification of loans from long- to short-term ones	2 550	2 520
d) balance at the end of the period		
Long-term financial assets, total	379 896	119 363

The purchase of stakes and shares concerns the acquisition from the State Treasury of 86,92% of shares held by ZGH “Bolesław” S.A. based in Bukowno for the amount of PLN 219 232 thousand, i.e. 10 961 600 shares, PLN 20 per share, and the purchaser's investment-related obligation, amounting to PLN 40 000 thousand, to raise the ZGH Group's share capital, and also to buy back 49% of shares in the Stalprodukt Warszawa sp. z o.o. - company from Konsorcjum Stali/ *Steel Consortium* for the amount of PLN1 300 thousand. The capital increase amounting to PLN 3 000 thousand concerns the Anaw Institute sp. z o.o. - company, in which Stalprodukt S.A. holds 100% of shares.

NOTE 4 d – SHARES IN SUBSIDIARIES												
No	thousand x PLN											
	a	b	c	d	e	f	g	h	i	j	k	l
	Name (company) of the unit, indicating its legal form	Seat	Object of the enterprise	nature of the relation (subsidiary, interdependent unit, associate, with specification of direct and indirect relations)	the applied method of consolidation/ equity valuation method, or indication that the unit is not subject to consolidation/ equity valuation method	date of take- over of control/ joint control/ obtaining a significant impact	the value of shares according to the cost of purchase	value adjustments (total)	book value of shares	percentage of capital held	share of the total number of votes at a general meeting	indication, other than those referred to in par. j) or k), bases for control/ joint control/ significant impact
1.	Stalprodukt-MB sp. z o.o.	Bochnia	Construction and maintenance of roads and highways	subsidiary	full consolidation	17.10.1997	2 604		2 604	100	100	
2.	Stalprodukt-Wamech sp. z o.o.	Bochnia	production of spare parts and repair services	subsidiary	full consolidation	05.12.1997	1 200		1 200	100	100	
3.	Stalprodukt-Centrostal sp. z o.o.	Kraków	trade of metallurgical products	subsidiary	full consolidation	29.12.1997	10 797		10 797	100	100	
4.	Stalprodukt-Serwis sp. z o.o.	Bochnia	services of installation, repair and maintenance of machinery	subsidiary	full consolidation	29.12.1998	900		900	100	100	
5.	Stalprodukt-Zamość sp. z o.o.	Zamość	woodwork production and trade of metallurgical products	subsidiary	full consolidation	09.12.1997	2 450		2 450	100	100	
6.	Stalprodukt-Warszawa sp. z o.o.	Bochnia	trade in steel products	subsidiary	full consolidation	18.08.2000	1 299		1 299	51	51	
7.	Stalprodukt-Ochrona sp. z o.o.	Bochnia	protection of property and persons	subsidiary	full consolidation	06.10.2000	600		600	100	100	
8.	STP Elbud sp. z o.o.	Kraków	manufacture of structures and galvanizing services	subsidiary	full consolidation	01.06.2005	7 298		7 298	100	100	
9.	Cynk-Mal S.A.	Legnica	hoop iron production and lightning protection wire and galvanizing services	subsidiary	full consolidation	01.10.2008	32 960		32 960	51	51	
10.	Anew Institute Sp. z o.o.	Kraków	designing sources of renewable energy	subsidiary	full consolidation	30.05.2012	3 050		3 050	100	100	

NOTE 4e - Shares in subsidiaries																		
No	a name of entity	thousand x PLN																
		m							n			o			p	r	s	t
		Equity of the unit, including:							Liabilities and provisions for liabilities of the unit, including:			Receivables of the unit, including:			Assets of the entity, total	Revenues from sale	value of the shares in the unit not paid by the issuer	dividends received or receivable from the unit for the last financial year
		- share capital	- calledup share capital (negative value)	- supplem entary capital	Other equity, including:			-long-term liabilities	- short-term liabilities	- long-term receivables	- short-term receivables							
						Previous years' profit (loss)	Net profit (loss)											
1.	Stalprodukt-MB sp. z o.o.	4 518	2 604			1 914	585	759		759	2 037		2 037	5 278	6 268			
2.	Stalprodukt-Wamech sp. z o.o.	9 034	1 200			7 834	449	1 864		1 864	2 869		2 869	10 898	15 093			
3.	Stalprodukt-Centrostal sp. z o.o.	17 640	10 797			6 843	-5 232	119 206		119 018	73 977		73 977	136 845	520 014			
4.	Stalprodukt-Serwis sp. z o.o.	3 145	900			3 144	271	6 649	117	5 674	6 156		6 156	9 794	20 924			
5.	Stalprodukt-Zamość sp. z o.o.	17 758	2 450			15 308	1 502	6 307	160	6 034	4 941		4 941	24 065	51 330			
6.	Stalprodukt-Warszawa sp. z o.o.	851	2 547		916	-2 612	-1 586	-1 026	5 178	5 158	2 150		2 150	6 029	18 431			
7.	Stalprodukt-Ochrona sp. z o.o.	1 498	600			898	24	528		528	552		552	2 026	4 093			
8.	STP Elbud sp. z o.o.	53 560	20 613		33 227	-280	-4 635	2 238	12 070	11 497	16 873		16 873	65 630	94 233			
9.	Cynk-Mal S.A.	24 715	20 191		22 496	-17 972	-11 152	-6 820	51 645	3 694	44 172	5 311	5 311	76 360	43 103			
10.	Anew Institute Sp. z o.o.	2 429	2 050		77	302	225	55	1 128		1 128	301	301	1 007	2			
11.	ZGH "Bolesław" SA																	
Item. 11. As of 31 December 2012 no data concerning ZGH "Bolesław" S.A were disclosed because the consolidation of Stalprodukt and ZGH "Bolesław" is currently underway and the data will be presented in the 1st Quarterly Report for 2013 along with the purchase price reconciliation.																		

NOTE 4 f – Shares in other entities										
	thousand x PLN									
	a	b	c	d	e		f	g	h	i
	Name (company) of the entity, indicating its legal form	Seat	Object of the enterprise	Book value of shares	equity of the unit, including:		Percentage of capital held	Total number of votes at a general meeting	The value of shares not paid by the issuer	Dividends received or receivable for the last financial year
						- share capital				
No										
1.	Stalprodukt-Profil S.A.	Bochnia	trade in steel products	80		500	16,00	16,00		
2.	StalNet sp. z o.o.	Kraków	online trade	39		200	19,50	19,50		

Moreover, the Issuer holds some minority stakes and shares in 12 entities, for which a 100% revaluation write-down was made due to their loss of value.

NOTE 5 - Change in assets due to deferred income tax	thousand x PLN	
	2012	2011
1. Balance of assets due to deferred income tax, at the beginning of the period, including:	744	724
a. attributed to the financial result	744	724
b. attributed to equity		
2. Increases	58	20
a. attributed to financial result of the period in respect of deductible temporary differences (due to)	58	20
- appearance of temporary differences	58	20
b) attributed to equity in respect of negative temporary differences (due to)		
3. Decreases		
a) attributed to financial result of the period in respect of negative temporary differences (due to)		
- reversal of temporary differences		
- changes of tax rate		
b) attributed to equity in respect of negative temporary differences (due to)		
4. Balance of assets due to deferred income tax, at the end of the period, including:	802	744
a) attributed to the financial result	802	744
b) attributed to equity		

The amounts of negative temporary differences at the beginning and end of the reporting period by main groups of assets and liabilities in thousands PLN:

- inventory (materials and products) 168 and 506
- receivables 757 and 889
- liabilities for employee benefits 2,992 and 2,825

Total: 3,917 and 4,220.

NOTE 6 – Inventory	thousand x PLN	
	2012	2011
a) materials	133 394	120 062
b) semi-finished products and work in progress	37 942	56 944
c) finished products	71 532	63 215
d) goods	1 416	1 542
Inventory, total	244 284	241 763

As at the balance sheet date, the following charges of inventory apply:

- regarding materials – a registered pledge agreement to the amount of 40,000 thousand PLN for the benefit of Nordea Bank Polska S.A. and up to 20,000 thousand PLN for Bank Pekao S.A., and up to 15 000 thousand PLN for Bank Handlowy S.A. and up to 30,000 thousand PLN for Bank PKO BP SA due to protection of the granted credit limits.

During the reporting period write-down due to impairment of value was made on finished products to the net realizable value.

The value of the write-down amounted to 506 thousand PLN.

Advances for deliveries demonstrated in receivables for deliveries and services. The value of advances for deliveries as at 31.12.2012 amounts to 107 thousand PLN.

NOTE 7a – Short-term receivables	thousand x PLN	
	2012	2011
a) from related parties	113 631	158 323
- trade receivables, maturing:	113 631	158 323
- up to 12 months	113 631	158 323
- above 12 months		
- other		
- claimed at court		
b) receivables from other entities	201 963	229 642
- trade receivables, maturing:	164 105	201 981
- up to 12 months	164 105	201 981
- above 12 months		
- receivables from tax, subsidy, customs, social security and other benefits	32 256	24 010
- other	5 602	3 651
- claimed at court		
Net short-term receivables, total	315 594	387 965
c) write-downs of receivables	3 108	1 774
Gross short-term receivables, total	318 702	389 739

As at the balance sheet date applies charge of receivables: silent assignment duties in the amount of 10 000 thousand PLN, which constitutes security of the limit for guarantees and letters of credit in Bank Handlowy S.A. and the undetermined amount the silent cession of claims is valid from 9 customers, as security for a limit on guarantees and letters of credit in Fortis Bank Polska S.A.



<b>NOTE 7b – Change in short-term receivables write-down</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
Balance at the beginning of the period	1 774	1 839
a) increase (due to)	2 672	1 254
- provision for doubtful receivables	2 672	1 254
b) decrease (due to)	1 338	1 319
- cancellation	558	599
- adjustment	4	376
-payment	776	344
Balance of short-term receivables write-downs at the end of the period	3 108	1 774

<b>NOTE 7c – Gross short-term receivables (currency structure)</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) in Polish currency	204 102	262 225
b) in foreign currencies (according to currencies converted into PLN)	114 600	127 514
b.1 in EURO	16 380	19 566
converted into PLN	67 233	87 213
b.2 in USD	15 012	11 943
converted into PLN	47 367	40 301
other currencies in thousands PLN		
Short-term receivables, total	318 702	389 739

<b>NOTE 7d – Trade receivables (gross) – maturing as at the balance day:</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) up to 1 month	132 361	160 112
b) above 1 month up to 3 months	85 095	154 361
c) above 3 months up to 6 months		
d) above 6 months up to 1 year		
e) above 1 year		
f) overdue receivables	63 388	47 605
Trade receivables, total (gross)	280 844	362 078
g) trade receivables write-downs	3 108	1 774
Trade receivables, total (net)	277 736	360 304

The normal course of sales is connected with the time interval for repayment of receivables up to 3 months.

<b>NOTE 7e – Trade receivables, overdue (gross) – divided into unpaid receivables within the period:</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) up to 1 month	37 595	25 580
b) above 1 month up to 3 months	13 573	15 385
c) above 3 months up to 6 months	6 968	5 074
d) above 6 months up to 1 year	4 373	135
e) above 1 year	879	1 431
Trade receivables, total (gross)	63 388	47 605
f) trade receivables write-downs	3 108	1 774
Trade receivables, total (net)	60 280	45 831

The total amount of gross short-term receivables, i.e. 318,702 thousand PLN, overdue receivables amount to 63,388 thousand PLN. Disputable overdue receivables did not occur. Overdue receivables only apply to trade receivables. Out of the overdue receivables, only the amount of 3,108 thousand PLN was covered by write-downs. The remaining receivables were not subject to write-downs due to the fact that part of them refers to subsidiaries and are justified by the strategy and marketing policies of the parent company. However, in relation to other external customers, overdue shall be permitted in connection with securing of such receivables by bank guarantees and promissory notes.

<b>NOTA 8a - KRÓTKOTERMINOWE AKTYWA FINANSOWE</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) in subsidiaries	7 590	5 190
- loans granted	7 590	5 190
- other short-term financial assets		
b) in other entities		
- shares		
- loans granted		
- other short-term financial assets (by type)		
c) cash and other pecuniary assets	52 336	43 050
- cash in hand and at bank	52 336	43 050
- other cash		
- other pecuniary assets		
Short-term financial assets, total	59 926	48 240

The loans granted are partly related to long-term loans (in the annual repayment period).

<b>NOTE 8b – Cash and equivalents (currency structure)</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) in Polish currency	29 115	31 577
b) in foreign currencies (according to currencies converted into PLN)	23 221	11 473
b.1. in Euro	3 418	2 169
converted into thousand PLN	13 935	9 582
b.2. in USD	3 008	556
converted into thousand PLN	9 286	1 891
other currencies in thousand PLN		
Cash and other pecuniary assets, total	52 336	43 050

Cash and cash equivalents are invested in secure financial instruments, such as short-term deposits with a term up to 30 days. These deposits are not at risk and ensure the availability of financial resources. The interest rate on deposits negotiated each time, forms significantly above the standard interest rate of deposits. As at the balance sheet resources were invested on overnight deposits.

NOTE 9 - Short-term accruals	thousand x PLN	
	2012	2011
a) active cost accruals, including:	5 931	5 119
- costs of insurance and subscription	60	59
- costs of fair organized in 2012	72	111
- staged repairs	5 452	4 925
- other	347	24
Other accruals, including:		
Short-term accruals, including:	5 931	5 119

**Write-offs**

Asset write-offs due to impairment of value refer to long-term financial assets, which constitute long-term investments (stocks and shares in other entities) and short-term receivables and stocks of finished products. The total value of write-offs as at the balance sheet date amounts to 4,063 thousand PLN, including those concerning long-term investments of 449 thousand PLN, receivables of 3,108 thousand PLN and finished products of 506 thousand PLN.

During the reporting period there was made a write-off in the amount of 506 thousand PLN in scope of inventories of finished products and a write-off from the previous year was dissolved in the amount of 168 thousand PLN, in connection with sale of the products covered by the write-off. Write-off due to impairment of doubtful receivables was made in the amount of 2,672 thousand PLN and a part of the previous write-downs in the amount of 1,338 thousand PLN, in connection with payment of receivables, cancellation and adjustments. Within the scope of the remaining (long-term) fixed assets a revaluation adjustment of PLN 449 thousand was formed in respect of the shares held in the Anew Institute sp. z o.o. company.

NOTE 10 – Share capital (structure)								
thousand x PLN								
Series/issue	Type of shares	Share preference type	Type of limitation of rights to shares	Number of shares	Value of a series/issue according to nominal value	Manner of capital coverage	Registration date	The right to dividend (since)
A	preference registered shares	5 votes at the General Shareholders' Meeting and the distribution of assets		128 180	256 360	cash	3.07.1991	1.07.1992
A	registered shares without preference	Non-preference		1 820	3 640	cash	3.07.1991	1.07.1992
B	preference registered shares	5 votes at the General Shareholders' Meeting and the distribution of assets		505 490	1 010 980	cash	16.11.1993	1.01.1994
B	registered shares without preference	Non-preference		14 510	29 020	cash	16.11.1993	1.01.1994
C	ordinary bearer shares	Non-preference		780 000	1 560 000	cash	20.10.1994	1.01.1995
D	ordinary bearer shares	Non-preference		780 000	1 560 000	cash	20.10.1994	1.01.1995
E	preference registered shares	5 votes at the General Shareholders' Meeting and the distribution of assets		2 165 630	4 331 260	cash	30.09.1996	1.01.1996
E	registered shares without preference	Non-preference		44 370	88 740	cash	30.09.1996	1.01.1996
F	ordinary bearer shares	Non-preference		1 105 000	2 210 000	cash	17.12.1996	1.01.1997
G	ordinary bearer shares	Non-preference		1 200 000	2 400 000	cash	13.05.1997	1.01.1997
Number of shares, total				6 725 000				
Share capital, total					13 450 000			
Nominal value of one share (in PLN)		2.00						

Preference of the property means that in the event of liquidation of the Company, the assets remaining after satisfaction of creditors shall be paid first in a nominal amount for all shares, and the rest is divided evenly on the preference shares.

During the reporting period changes in the overall amount of the share capital did not occur.

As at the balance sheet date, shareholders holding at least 5% of the total number of votes at the General Shareholders' Meeting are:

- ArcelorMittal Poland S.A. holding 2,270,800 shares representing 33.77% of the capital and 6,846,800 votes, representing 38.20% of the total number of votes at the General Shareholders' Meeting,
- STP Investment S.A. holding 1,959,725 shares, representing 29.14% of the capital and 5,899,941 votes, representing 32.92% of the total votes at the General Shareholders' Meeting,
- Stalprodukt Profil S.A. holding 629,095 shares, representing 9.35% of the share capital and 943,499 votes, representing 5.26% of total votes at the General Shareholders' Meeting.

Shares of the Issuer owned by subsidiaries: Stalprodukt-Centrostal Sp. z o.o. 45 pcs. of shares with the purchase price and the carrying amount of 1 thousand PLN.

	thousand x PLN	
	2012	2011
<b>NOTE 11– Supplementary capital</b>		
a) from sale of shares above their nominal value	35 054	35 054
b) statutorily created	646	646
c) created in accordance with the statute / articles of association, above the statutorily required (minimum) value		
d) from subsidies of the shareholders / partners		
e) other (by type)	68 484	68 382
- from revaluation of fixed assets	285	285
- from liquidation and revaluation of fixed assets	181	79
- from sale of shares	148	148
- retained profit	60 510	60 510
- transfer of profit retained in the previous years	33 998	33 998
- negative difference between the nominal value and purchase price of own shares	-26 638	-26 638
Supplementary capital, total	104 184	104 082

Supplementary capital is mandatory created in the company (by law). According to the Code of Commercial Companies, the company must allocate to the reserve capital at least 8% of annual net profit until the capital reaches 1/3 of share capital. Supplementary capital is increased by the excess over the issue of shares above their nominal value and the difference from the revaluation of fixed assets, which have been liquidated or sold. Supplementary capital also includes profit from previous years in the amount of 33,998 thousand PLN, referring to negative goodwill from previous years and settled in accordance with IAS, as well as retained profits on revaluation of fixed assets and the right of perpetual usufruct of land, made on the date of transition to IFRS.

	thousand x PLN	
	2012	2011
<b>NOTE 12 – Revaluation reserve</b>		
a) from revaluation of fixed assets	3 166	3 268
b) due to profit / loss on revaluation of financial instruments, including		
- from revaluation of hedging instruments		
c) other (by type)		
- from revaluation of the right of perpetual usufruct		
Revaluation reserve, total	3 166	3 268

	thousand x PLN	
	2012	2011
<b>NOTE 13 – Other reserve capitals (by appropriation)</b>		
- reserve capital for investments	1 303 651	1 183 037
- reserve capital for financing of current assets	12 145	12 145
- other reserve capital	18 345	18 345
Revaluation reserve, total	1 334 141	1 213 527
The remaining reserve capitals are created from profit, which distribution is agreed by Shareholders. Equity is used to financing of working capital and to covering potential losses. The General Shareholders' Meeting decides about use of these capitals.		

NOTE 14 a - CHANGE IN THE BALANCE OF RESERVE FOR DEFERRED INCOME TAX	thousand x PLN	
	2012	2011
1. The balance of deferred income tax, at the beginning of the period, including:	6 782	2 179
a) attributed to financial result (due to)	6 782	2 179
- difference between balance and taxable amortization	6 782	2 179
- investment allowance		
b) attributed to equity		
- for revaluation of fixed assets		
2. Increases	4 719	4 603
a) attributed to the financial result due to positive temporary differences (due to)	4 719	4 603
- difference between balance and taxable amortization	4 719	4 603
b) attributed to equity due to positive temporary differences (due to)		
3. Decreases		
a) attributed to the financial result due to positive temporary differences (due to)		
- reversal of temporary differences (use of reserves for deferred income tax)		
b) attributed to the financial result due to positive temporary differences (due to)		
- difference between balance and taxable amortization		
4. Balance of reserve at the end of the period, total	11 501	6 782
a) attributed to the financial result	11 501	6 782
- for investment allowance	11 501	6 782
b) attributed to equity		

Positive temporary differences relate to differences between depreciation entered in the balance sheet and tax depreciation. The amount of positive temporary differences at the beginning of the reporting period is 60.530 thousand PLN and at the end of 35.698 thousand PLN.

NOTE 14 b – Change of the balance of other long-term reserves	thousand x PLN	
	2012	2011
a) balance at the beginning of the period	3 542	3 822
-		
b) increases (due to)	847	492
- provision for retirement benefits	847	492
- use (due to)		
c) dissolution (due to)	1 060	772
- transfer to a short-term reserve	1 060	772
- decrease of a reserve		
d) balance at the end of the period	3 329	3 542

NOTE 14 c - CHANGE IN OTHER SHORT-TERM RESERVES (BY TITLE)	thousand x PLN	
	2012	2011
a) balance at the beginning of the period	1 179	1 179
b) increases (due to)	1 060	772
- provision for retirement benefits		
- transfer to a short-term reserve	1 060	772
c) dissolution (due to)	1 060	772
- paid retirement benefits	1 060	772
d) balance at the end of the period	1 179	1 179

NOTE 15 a – Long-term liabilities	thousand x PLN	
	2012	2011
a) Long-term credits and loans	80 000	
- investment liabilities in respect of the purchase of ZGH "Bolesław" shares	40 000	
c) Other long-term liabilities		
Long-term liabilities, total	120 000	1 179

The amount of PLN 80 000 thousand refers to the long-term investment credit incurred at the PKO BP S.A. Bank based in Warsaw for the purchase of the ZGH "Bolesław" shares,. Amounting to PLN 100 000 thousand, wherein the amount of PLN 20 000 thousand accounts for a long-term credit with an annual period of repayment (Note 16a). The repayment of the credit in quarterly installments shall continue from 01.01.2013 to 31.12.2017. The credit is secured with a joint mortgage of up to PLN 150 000 thousand placed on the real estate situated at Wadowicka Street in Kraków. Whereas the amount of PLN 40 000 thousand is concerned with the investment-related obligation to raise the ZGH "Bolesław" S.A. share capital, in accordance with the sales agreement concluded between the State Treasury and Stalprodukt S.A.

NOTE 15 b - Long-term liabilities, maturing as at the balance sheet date	thousand x PLN	
	2012	2011
a) above 1 year to 3 years		
b) above 3 to 5 years		
c) above 5 years		
Long-term liabilities, total		

NOTE 15 c - Long-term liabilities (currency structure)	jednostka	waluta	thousand x PLN	
			2012	2011
a) in Polish currency	tys.	PLN		
b) in foreign currency (by currency and converted into PLN)	tys.			
b.1. in EUR	tys.	EUR		
converted into PLN				
-				
other currency in thousand PLN				
Long-term liabilities, total				

NOTE 15 d - LONG-TERM LIABILITIES FOR CREDITS AND LOANS													
thousand x PLN													
Name (company) of the unit, indicating its legal form	Seat	The amount of credit/loan according to the agreement				The amount of credit/loan remaining for repayment				Interests	Term of repayment	Collaterals	Other
		in thousand PLN	in currency	unit	currency	in thousand PLN	in currency	unit	currency				
				in thousand	EUR			in thousand	EUR	EURIBOR + margin		blank promissory note, receivables' assignment agreement	



NOTE 16 a – Short-term liabilities	thousand x PLN	
	2012	2011
a) to related parties	19 654	11 631
- trade liabilities, maturing:	19 654	11 631
- up to 12 months	19 654	11 631
- received advances for deliveries		
- other (by type)		
-		
b) to other entities	285 218	234 850
- credits and loans, including:	20 000	
- long-term, maturing	20 000	
- due to dividend		
- other financial liabilities, including:		
- leasing		
- purchase of enterprise		
- purchase of options		
- trade liabilities, maturing:	244 878	212 115
- up to 12 months	244 878	212 115
- received advances for deliveries	986	2 456
- tax, customs, insurance and other liabilities	6 900	7 645
-payroll	5 249	6 271
-other (by title)	7 205	6 363
- liabilities due to dividend		
-social fund	6 598	5 771
- PKZP	448	447
- PZU	105	102
-other	54	43
Short-term liabilities, total	304 872	246 481

NOTE 16 b - Short-term liabilities (currency structure)	unit	currency	thousand x PLN	
			2012	2011
a) in Polish currency			217 956	190 631
b) in foreign currency (by currency and converted into PLN)			86 916	55 850
b.1. in EUR	tys.	EUR	21 075	12 294
converted into PLN			86 474	54 225
b.2. In USD	tys.	USD	147	504
converted into PLN			442	1 625
other currency in thousand PLN				
Short-term liabilities, total			304 872	246 481

NOTE 16 c - SHORT-TERM LIABILITIES FOR CREDITS AND LOANS													
thousand x PLN													
Name (company) of the unit, indicating its legal form	seat	The amount of credit limit/loan according to the agreement				The amount of credit/loan remaining for repayment				Interests	Term of repayment	Collaterals	Other
		in thousand PLN	in currency	unit	currency	in thousand PLN	in currency	unit	currency				
Bank Pekao SA	Kraków	30 000		in thousand	PLN					Wibor+margin	September 2013		limit for guarantees and letters of credit
Bank Nordea Polska SA	Gdynia	75 000		in thousand	PLN					Wibor+margin	July 2013	registered pledge on material inventories, assignment of insurance policy rights, blank bill of exchange	credit limit of PLN 55,000 thousand and PLN 20,000 for guarantees and letters of credit
Bank Handlowy S.A.	Warszawa	65 000		in thousand	PLN					Wibor+margin	December 2013 for short-term credit and guarantee. July 2013 for long-term guarantee	pledge on (raw) material inventories, assignment of receivables	overdraft limit in the current account and for short-term guarantees PLN 50,000 thousand. Limit for long-term guarantees PLN 15,000 thousand.
BNP Paribas Bank Polska SA	Kraków	50 000		in thousand	PLN					Wibor+margin	September 2013	blank promissory note, silent transfer of dues and pledge on materials	overdraft limit in the current account – guarantees and letters of credit
Bank PKO BP S.A.	Warszawa	50 000		in thousand	PLN					Wibor+margin	December 2014	promissory note, pledge on inventories	Limit for guarantees and letters of credit PLN 20,000 thousand overdraft in the current account PLN 30,000 thousand

NOTE 17 – Accruals	thousand x PLN	
	2012	2011
a) disclosed deferred income		
- long-term (by titles)		
-		
- short-term (by titles)		
-		
b) deferred income	78	73
- long-term (by titles)		
-		
- short-term (by titles)	78	73
- received advances	78	73
Other accruals, total	78	73

**NOTE 18 - Book value per 1 share**

The book value per 1 ordinary share was calculated as the ratio of equity to the number of shares (1,522,587 thousand PLN: 6,725,000 shares = 226.41 PLN).

NOTE 19 a - NET INCOME FROM SALES OF PRODUCTS (MATERIAL STRUCTURE-TYPES OF ACTIVITIES)	thousand x PLN	
	2012	2011
- transformer sheets	535 589	656 275
- including: from related parties		
- toroidal cores	9 394	10 326
- including: from related parties		
- steel sheet for banding steel	47	87
- including: from related parties	47	87
- steel sheets, hot-rolled and cold-rolled strips	218 980	220 276
- including: from related parties	161 147	172 088
- cold formed profiles	604 313	687 288
- including: from related parties	296 540	392 247
- road barriers	203 183	129 845
- including: from related parties	27	420
- services	16 601	15 594
- including: from related parties	8 994	8 796
Net revenues from sales of products, total	1 588 107	1 719 691
- including: from related parties	466 755	573 638

<b>NOTE 19 b -NET INCOME FROM SALES OF PRODUCTS (TERRITORIAL STRUCTURE)</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) country	834 044	879 175
- transformer sheets	43 676	49 304
- toroidal cores	4 571	4 392
- steel sheet for banding steel	47	87
- steel sheets, hot-rolled and cold-rolled strips	181 218	196 648
- cold formed profiles	393 166	492 428
- road barriers	194 765	120 722
- services	16 601	15 594
b) export	754 063	840 516
- transformer sheets	491 913	606 971
- toroidal cores	4 823	5 934
- steel sheets, hot-rolled and cold-rolled strips	37 762	23 628
- cold formed profiles	211 147	194 860
- road barriers	8 418	9 123
Net income from sales of products, total	1 588 107	1 719 691

<b>NOTE 20 – Net revenues from sales of goods and materials (material structure – types of activities)</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
- goods	28 126	34 969
- including: from related parties	25 068	31 613
- technological waste	28 871	31 090
- including: from related parties	3 668	3 315
- other materials	1 228	1 792
- including: from related parties	48	107
Net revenues from sales of goods and materials, total	58 225	67 851
- including: from related parties	28 784	35 035

The net sales of goods and materials exclusively relate to domestic sales.

NOTE 21 – Costs by type – cost of manufacture of products sold	thousand x PLN	
	2012	2011
a) amortization	44 740	41 326
b) consumption of materials and energy	1 171 761	1 303 432
c) external services	130 548	115 871
d) taxes and fees	15 528	15 187
e) payroll	97 585	99 645
f) social insurance and other benefits	23 073	21 945
g) other costs by type (due to)	2 728	2 871
- business trips	815	625
- property insurance	790	668
- representation and advertising	841	1 268
- other	282	310
h) balance of exchange differences arising from: settlements, provisions against retirement allowances, finished products price reduction	7 127	-4 628
- balance of exchange differences arising from settlements	6 834	-4 515
- balance of provisions against retirement allowances	-213	-281
- provisions for loss of value of finished products	506	168
Costs by type, total	1 493 090	1 595 649
Change in stocks, products and accruals	17 042	-23 631
Cost of manufacture of goods produced for own purposes (negative value)		
Selling costs (negative value)	-43 680	-41 881
General and administrative costs	-44 063	-43 118
Cost of manufacture of products sold	1 422 389	1 487 019

NOTE 22 – Other operating revenues	thousand x PLN	
	2012	2011
a) reversed provisions (due to)	1 181	
- doubtful receivables	121	
- retirement benefits	1 060	
b) other, including:	796	1 322
- payment of adjudicated court fees		
- received compensation	153	261
- revenues from sales of fixed assets		152
- revenues due to not collected payroll	187	209
- surplus in working capital	305	306
-other	151	394
Other operating revenues, total	1 977	1 322

NOTE 23 – Other operating costs	thousand x PLN	
	2012	2011
a) reserves (due to)	1 557	
- doubtful receivables	204	
- retirement benefits	847	
- decrease in value of finished products	506	
b) other, including:	2 566	3 154
- donations	60	164
- costs of court proceedings	284	267
- penalties, fines, compensations	191	77
- shortages in financial resources	192	164
- value of receivables written off		
- flood related costs		
- costs of tests	1 414	2 062
- value of liquidated fixed assets	165	56
- other	260	364
Other operating costs, total	4 123	3 154

NOTE 24 – Financial revenues	thousand x PLN	
	2012	2011
a) revenues due to interests, including	8 353	4 953
- from related parties	460	390
- from other entities	7 893	4 563
b) exchange rate differences (the excess of negative over positive)		
- realized		
- unrealized		
c) released provisions, due to		
- interests		
d) other, including:		513
- dividend received		
- sales of assets		513
Financial revenues, total	8 353	5 466

<b>NOTE 25 – Financial expenses</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) due to credits and loans	1 188	1 489
- from related parties		
- from other entities	1 188	1 489
b) other interests		17
- from related parties		
- from other entities		17
c) exchange rate differences (the excess of negative over positive), including		195
- realized		195
- unrealized		
d) released provisions, due to	1 875	412
- accrued but not paid interests	1 875	412
e) other, including	450	1 000
- balance sheet valuation of investments	450	1 000
- other		
Financial expenses, total	3 513	3 113

<b>Settlement of exchange rate differences</b>	<b>thousand x PLN</b>	
	<b>2012</b>	<b>2011</b>
a) positive exchange rate differences, including	26 603	34 605
- realized	26 603	34 605
- unrealized		
b) negative exchange rate differences	33 437	30 285
- realized	33 437	30 285
- unrealized		
Balance of exchange differences arising on settlements, translated into reduced production costs of the products sold	6 834	4 515
Balance of exchange rate differences (Profit and loss account, note 25)		-195

NOTE 26 Current and deferred income tax	thousand x PLN	
	2012	2011
1. Gross profit (loss)	83 372	151 553
2. Differences between gross profit (loss) prior to income tax (by titles)	-23 401	-22 501
- depreciation of fixed assets covered by investment allowance		
- amortization of tangible and intangible deductible expenses	-24 803	-24 226
- donations and voluntary contributions	133	233
- provision for receivables	204	266
- release of provision for retirement benefits	-1 060	-772
- PFRON	1 336	1 260
- Supervisory Board fees not paid out		167
- write-off due to revaluation of long-term investments		
- cost regarding provisions for retirement benefits	847	492
- revenues from valuation		
- social insurance for November and December '2009' and paid in January and February '2010'	-2 992	-2 863
- social insurance for November and December '2010' and paid in January and February '2011'	2 825	2 992
- dividend		
- costs of representation	73	178
- the value of disposed fixed assets from valuation	148	47
- other	-112	-275
3. Taxable income	59 971	129 052
4. Income tax at the rate 19%	11 394	24 520
5. Current income tax disclosed in tax declaration for the period, including:	11 394	24 520
- disclosed in profit and loss account	15 587	29 102
- correction of income tax for year 2005 included in the current profit and loss account		
6. Deferred income tax due to temporary differences	4 193	4 582

**NOTE 27 – PROFIT SPLIT**

Net profit for the financial year 2011 amounting to 122,450,836.54 PLN divided by the General Shareholders' Meeting is as follows:

- royalty for the Management Board 979,607.00
- royalty for the Supervisory Board 857,157.00
- reserve capital 120,614,072.54

Proposals for allocation of net profit for the reporting period in the amount of 67,784,700.05 PLN:

- royalty for the Management Board 542,278.00
- royalty for the Supervisory Board 474,493.00
- reserve capital 66,767,929.05

**NOTE 28 – Profit per 1 share**

For calculation of profit per one common share were stock considered 6,655,267 shares, and this amount did not change over the financial year 2012. In accordance with IAS, 33, 69,733 own shares purchased by the Issuer were excluded from the calculation. The Company does not have a complex capital structure (stock options, warrants and other), and in scope of profit split the preferred shares do not differ from ordinary bearer shares. Therefore, no ratio of diluted profit per ordinary share is not calculated.