

Current Report CR No 36 - Acquisition of a substantial block of shares (28.10.2016)

The Management Board of STALPRODUKT S.A. (hereinafter referred to as the "Issuer" or "Company") informs that on 28 October 2016, they received a notification from the Shareholders of: STP Investment S.A. based in Bochnia (hereinafter "Shareholder 1"), Stalprodukt-Profil S.A. based in Bochnia (hereinafter "Shareholder 2"), Stalnet sp. z o.o. based in Bochnia (hereinafter "Shareholder 3"), Piotra Janeczek (hereinafter „Shareholder 4”) (hereinafter also referred to as the: Shareholders or Calling Parties) represented jointly pursuant to art 87 par. 3 of the Act on Public Offer and Financial Instruments Introduction to Organized Trading (hereinafter "Act") as of 29 July 2005, by STP Investment S.A. based in Bochnia, referred to in art. 77 par.7 in connection with art. 69 par.1 of the Act, on the number of shares acquired within the Call for Tenders and the percentage share in the total number of votes achieved as a result of the Call for Tenders by each of the Calling Parties.

In connection with the above the Shareholders informed as follows:

1. On 25 October 2016, as a result of the Call for Tenders announced on 13 September 2016 and settlement of the tenders submitted for the sale of shares of the STALPRODUKT S.A. company based in Bochnia, recorded in the National Court Register kept by the Kraków-Śródmieście Regional Court in Kraków, 12th Economic Department of the National Court Register, as KRS 0000055209, VAT No: 8680000775, National Statistical Number REGON 850008147, based on share capital amounting to PLN 11,160,534.00 paid up in its entirety (hereinafter referred to as the "Company" or "Issuer"), share acquisitions were carried out by particular Company's Shareholders, featuring the below specified numbers:
 - a) Shareholder 1 acquired 1,541 (one thousand five hundred forty-one) Issuer's registered shares preferential as to the voting right (in the proportion of 5 votes per share) and 1,355 (one thousand three hundred fifty-five) non-preference shares,
 - b) Shareholder 2 acquired 1 (one) Issuer's registered share preferential as to the voting right (in the proportion of 5 votes per share) and 1 (one) registered non-preferenced share,
 - c) Shareholder 3 acquired 2 (two) Issuer's registered shares preferential as to the voting right (in the proportion of 5 votes per share) and 2 (two) registered non-preference shares,
 - d) Shareholder 4 acquired 100 (one hundred) Issuer's registered shares preferential as to the voting right (in the proportion of 5 votes per share) and 88 (eighty-eight) registered non-preference shares.
2. Before the above-mentioned change, the particular Shareholders had held:
 - a) Shareholder 1 held:

- 866,671 Issuer's bearer shares accounting for 15.53% of the share capital and authorizing to 866,671 votes at the Issuer's General Meeting, accounting for 7.10% of the total number of shares,
- 1,009,052 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 18.08 % of the share capital and authorizing to 5,911,931 votes at the Issuer's General Meeting, accounting for 41.36% of the total number of votes,

i.e.. totaling: 1,875,723 Issuer's shares, accounting for 33.61% of the share capital and authorizing to 5,911,931 votes at the Issuer's General Meeting, accounting for 48.46% of the total number of votes.

b) Shareholder 2 held:

- 492,759 Issuer's bearer shares accounting for 8.83% of the share capital and authorizing to 492,759 votes at the Issuer's General Meeting, accounting for 4.04% of the total number of shares,
- 128,958 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 2.31% of the share capital and authorizing to 644,790 votes at the Issuer's General Meeting, accounting for 5.29% of the total number of votes,

i.e.. totaling: 621,717 Issuer's shares, accounting for 11.14% of the share capital and authorizing to 1,137,549 votes at the Issuer's General Meeting, accounting for 9.33% of the total number of votes.

c) Shareholder 3 held:

- 107,561 Issuer's bearer shares accounting for 1.93% of the share capital and authorizing to 107,561 votes at the Issuer's General Meeting, accounting for 0.88% of the total number of shares,
- 62,000 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 1.11% of the share capital and authorizing to 310,000 votes at the Issuer's General Meeting, accounting for 2.54% of the total number of votes,

i.e.. totaling: 169,561 Issuer's shares, accounting for 3.04% of the share capital and authorizing to 417,561 votes at the Issuer's General Meeting, accounting for 3.42% of the total number of votes.

d) Shareholder 4 held:

- directly: 114,865 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 2.059% of the share capital and authorizing to 574,325 votes at the Issuer's General Meeting, accounting for 4.71% of the total number of votes.
- indirectly (i.e. through Shareholder 1):
 - (i) 866,671 Issuer's bearer shares accounting for 15.53% of the share capital and authorizing to 866,671 votes at the Issuer's General Meeting, accounting for 7.10% of the total number of shares,
 - (ii) 1,009,052 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 18.08 % of the share capital and authorizing to 5,911,931 votes at the Issuer's General Meeting, accounting for 41.36% of the total number of votes,

i.e.. totaling: 1,990,588 Issuer's shares, accounting for 35.67% of the share capital and authorizing to 6,486,256 votes at the Issuer's General Meeting, accounting for 53.17% of the total number of votes,

i.e. all the Shareholders had jointly held:

- a) 1,466,991 Issuer's bearer shares accounting for 26.29% of the share capital and authorizing to 1,466,991 votes at the Issuer's General Meeting, accounting for 12.03% of the total number of shares,
- b) 1,314,825 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 23.56% of the share capital and authorizing to 6,574,375 votes at the Issuer's General Meeting, accounting for 53.89% of the total number of votes,

i.e.. totaling: 2,781,866 Issuer's shares, accounting for 49.85% of the share capital and authorizing to 8,041,366 votes at the Issuer's General Meeting, accounting for 65.92% of the total number of votes.

3. At present, the particular Shareholders hold:

a) Shareholder 1:

- 866,671 Issuer's bearer shares accounting for 15.53% of the share capital and authorizing to 866,671 votes at the Issuer's General Meeting, accounting for 7.10% of the total number of shares,
- 1,355 Issuer's registered shares without preference accounting for 0.024% of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the total number of shares,
- 1,010,593 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 18.11 % of the share capital and authorizing to 5,052,965 votes at the Issuer's General Meeting, accounting for 41.42% of the total number of votes,

i.e.. totaling: 1,878,619 Issuer's shares, accounting for 33.67% of the share capital and authorizing to 5,920,991 votes at the Issuer's General Meeting, accounting for 48.54% of the total number of votes.

b) Shareholder 2:

- 492,759 Issuer's bearer shares accounting for 8.83% of the share capital and authorizing to 492,759 votes at the Issuer's General Meeting, accounting for 4.04% of the total number of shares,
- 1 (one) Issuer's registered shares without preference accounting for 0.0000179% of the share capital and authorizing to 1 (one) votes at the Issuer's General Meeting, accounting for 0.00000179% of the total number of shares,
- 128,959 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 2.31% of the share capital and authorizing to 644,795 votes at the Issuer's General Meeting, accounting for 5.29% of the total number of votes,

i.e.. totaling: 621,719 Issuer's shares, accounting for 11.14% of the share capital and authorizing to 1,137,555 votes at the Issuer's General Meeting, accounting for 9.33% of the total number of votes.

c) Shareholder 3:

- 107,561 Issuer's bearer shares accounting for 1.93% of the share capital and authorizing to 107,561 votes at the Issuer's General Meeting, accounting for 0.88% of the total number of shares,
- 2 (two) Issuer's registered shares without preference accounting for 0.0000358% of the share capital and authorizing to 2 (two) votes at the Issuer's General Meeting, accounting for 0.0000164% of the total number of shares,
- 62,002 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 1.11% of the share capital and authorizing to 310,010 votes at the Issuer's General Meeting, accounting for 2.54% of the total number of votes,

i.e.. totaling: 169,565 Issuer's shares, accounting for 3.04% of the share capital and authorizing to 417,573 votes at the Issuer's General Meeting, accounting for 3.42% of the total number of votes.

d) Shareholder 4:

- directly:
 - (i) 114,965 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 2.06% of the share capital and authorizing to 574,825

votes at the Issuer's General Meeting, accounting for 4.71% of the total number of votes.

- (ii) 88 Issuer's registered shares without preference accounting for 0.00158% of the share capital and authorizing to 88 votes at the Issuer's General Meeting, accounting for 0.00072% of the total number of shares,
- indirectly (i.e. through Shareholder 1):
 - (i) 866,671 Issuer's bearer shares accounting for 15.53% of the share capital and authorizing to 866,671 votes at the Issuer's General Meeting, accounting for 7.10% of the total number of shares,
 - (ii) 1,355 Issuer's registered shares without preference accounting for 0.024% of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the total number of shares,
 - (iii) 1,010,593 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 18.11 % of the share capital and authorizing to 5,052,965 votes at the Issuer's General Meeting, accounting for 41.42% of the total number of votes,

i.e.. totaling: 1,993,672 Issuer's shares, accounting for 35.73% of the share capital and authorizing to 6,495,904 votes at the Issuer's General Meeting, accounting for 53.25% of the total number of votes,

i.e. all the Shareholders had jointly held:

- a) 1,466,991 Issuer's bearer shares accounting for 26.29% of the share capital and authorizing to 1,466,991 votes at the Issuer's General Meeting, accounting for 12.03% of the total number of shares,
- b) 1,446 Issuer's registered shares without preference accounting for 0.026% of the share capital and authorizing to 1,446 votes at the Issuer's General Meeting, accounting for 0.012% of the total number of shares,
- c) 1,316,519 Issuer's registered voting preference shares (in relation of 5 votes to 1 share), accounting for 23.59% of the share capital and authorizing to 6,582,595 votes at the Issuer's General Meeting, accounting for 53.96% of the total number of votes,

i.e.. totaling: 2,784,956 Issuer's shares, accounting for 49.91% of the share capital and authorizing to 8,051,032 votes at the Issuer's General Meeting, accounting for 66.00% of the total number of votes.

- 4. There are neither subsidiary entities in existence, controlled by the Shareholders, holding the Company's shares, nor persons referred to in art. 87 par. 1 subpar. 3) letter item. c) of the Act. With a proviso, however, that Shareholder 4 acts directly as a parent entity for Shareholder 1.

5. Art. 69 par. 4, subpar. 6 -8 of the above mentioned Act on Public Offering and Conditions of Introduction of Financial Instruments into Organized Trading System and on Public Companies - non-applicable.
6. The total number of votes indicated pursuant to Art. 69, par. 4, subpar. 2, 7 and 8 and its percentage share in the total number of votes have been provided above.

Legal basis: Art. 70 par. 1 of the Offer Act – substantial acquisition or disposal of shares.