STALPRODUKT S.A.

Abridged Interim Consolidated Financial Report for the 4th Quarter of 2013. Additional Information

I. Introductory Information

a. Basic Data

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

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

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

- production of electrical transformer sheets – parent company Stalprodukt S.A.,
- production of cold formed profiles, road safety barriers as well as cut-to-length cold- and hot-rolled sheets and strips – parent company Stalprodukt S.A.,
- non-ferrous metal ores mining and zinc and lead production – ZGH "Bolesław" S.A. along with its subsidiary companies:

- Zinc Smelter - Huta Cynku "Miasteczko Śląskie" S.A. – production of rectified zinc, lead and cadmium,

- Bolesław Recykling Sp. z o.o. – zinc-bearing materials processing and recycling services as well as production and sales of non-ferrous metal concentrates,

- Boloil S.A*. – production of dolomite aggregates, zinc products and zinc alloys,

- Bolsped Sp. z o.o*. – transport-equipmpent and forwarding services,

- Bol-Therm Sp. z o.o.* – power supply-, laboratory-, mechanics and construction-related services,

- Gradir Montenegro d.o.o. – zinc ores mining and concentrate production,

- security agency: Agencja Ochrony Osób i Mienia "Karo" Sp. z o.o. – bodyguard and property security services.

*Since 01.01.2014 after merger: Boltech Sp. z o.o. – details provided in VII.6 of Additional Information

- trade activities:

- Stalprodukt-Centrostal Kraków Sp. z o.o., managing the all-Poland sales network with department and trade offices in Gliwice, Włocławek, Wrocław, Szczecin and Radom,
- Stalprodukt-Warszawa Sp. z o.o. under liquidation,
- Stalprodukt - Zamość Sp. z o.o.,

- other production- and services-related activities:

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

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

In relation to the 4th quarter of 2012 acting as the comparable period for the present consolidated financial report, the following changes occurred in the Issuer's Capital Group's ownership structure:

- In October 2012, the Stalprodukt Company purchased 49% of shares from the steel consortium: Konsorcjum Stali S.A. and since 19.10.2012 r. has been the sole shareholder in the company: Stalprodukt-Warszawa Sp. z o.o. As of 10 June 2013 the latter was put into liquidation, in connection with some restructuring activities aimed at the simplification of the Capital Group's structure. The company was excluded from the consolidation for the 4th quarter of the current year.
- On 7 November 2012, the Company concluded an agreement with the State Treasury, as a result of which Stalprodukt S.A. acquired 10 961 600 registered shares of the Zakłady Górniczo-Hutnicze ”Bolesław” S.A. company based in Bukowno, accounting for 86.92% of its share capital. ZGH “Bolesław” S.A. is Poland's biggest producer and supplier of electrolytic zinc, occupying a leader's position on the domestic market. The Issuer's Management Board decided that the date: 31.12.2012 should be the “acquisition date”, equivalent to the “obtaining-control-date”. The taken-over company *[cf. acquiree]* ZGH “Bolesław” transformed its consolidated financial report as of 01.01.2013 according to IFRS 1 “First-Time IFRS Adoption”. The taking-over company *[cf. acquirer]*, i.e. Stalprodukt S.A. for the first time included the ZGH “Bolesław” S.A. Group's financial report into the Stalprodukt Group's consolidated report for the 1st quarter of 2013.

3. Adjustment of Zakłady Górniczo – Hutnicze „Bolesław" S.A. Acquisition Price

The recognizing and measuring of the company's goodwill or profit/gain from a bargain purchase was based on §32 of the IFRS 3 "Business Combinations". In line with the calculation the net fair value of the identifiable acquired assets and liabilities assumed exceeded the aggregate of the consideration paid and non-controlling interests by PLN 17 456.6 thousand. This means that a profit/gain amounting to PLN 17 456.6 thousand was recorded in respect of the bargain purchase.

The calculation of the profit/gain resulting from the bargain purchase was presented in the Abridged Interim Consolidated Financial Report for the 1st Quarter of 2013 – Additional Information. At the same time the bargain purchase profit/gain was disclosed in the Consolidated Balance Sheet as of 31.03.2013 in the "Equity" position: *profit/gain from bargain purchase* and in the Consolidated Report Comprehensive Income Statement.

In the Additional Information sheet for the 1st Quarter of 2013, it was indicated that the potential ZGH "Bolesław" S.A acquisition price adjustment shall be recognized retrospectively, after the completion of the reporting period, in the consolidated report for 2013.

The adjustment applied to the acquisition price reconciliation complies with the IFRS 3 paragraphs §45 and §46. The standard allows for the calculation to be verified. The valuation period runs from the acquisition date to the moment when the acquirer obtains the sought-for information relating to the facts and circumstances occurring as of the acquisition date and ascertains that no more information can be found. This period may not exceed one year calculated from the acquisition date. In accordance with the IFRS 3 § 32 the company's goodwill or profit/gain from bargain purchase is measured as the difference between the aggregate of the consideration transferred, value of the non-controlling interests in the acquiree, and net amount equivalent to the acquisition-date fair value of the acquired assets and liabilities assumed, also including the contingent ones valued in line with the above described principles.

Considering the above, the acquisition price reconciliation was subject to a repeated analysis. As a result of the verification, a change in profit/gain from the bargain purchase was recorded by the amount of PLN 11 364 thousand. Following the adjustment, the recorded profit/gain from the bargain purchase amounts to PLN 28 821 thousand. The main elements affecting the change in the profit/gain value are: the change in the acquiree net assets by PLN 14 358 thousand and increase in the contingent liabilities amount resulting from the identified risks by PLN 1 115 thousand.

Net Assets Amount Adjustment in PLN Thousand

Net Assets Amount Adjustment	Acc. to QCR 1/2013	Following adjustment
	31.12.2012	31.12.2012
Intangible Assets	**25 764**	**32 042**
Tangible Fixed Assets	**691 470**	**703 394**
Long-Term Receivables	**103**	**103**
Long-Term Investments	**3 546**	**3 546**
Long-Term Prepayments	**23 943**	**23 943**
including: - Deferred Income Tax Assets	*15 470*	*15 470*
Inventories	**149 519**	**149 519**
Short-Term Receivables	**202 994**	**202 518**
Including : Deliveries and Services	*166 629*	*166 629*
- Taxes, Customs Duties, Insurance	*29 239*	*29 239*
Short-Term Investments	**90 142**	**90 142**
including: - Cash	*40 922*	*40 922*
- Cash Flow Hedges	*49 221*	*49 221*
Short-Term Prepayments	**4 509**	**4 509**
	31.12.2012	31.12.2012
Liability Reserves	**-198 568**	**-201 935**
including: - Deferred Income Tax Reserve	*28 013*	*30 845*
- Retirement Pensions Reserves	*38 946*	*38 946*
- Mine Liquidation	*123 171*	*123 171*
Long-Term Liabilities	**-78 372**	**-78 372**
including: - Credits, Loans	*44 249*	*44 249*
- leasing	*25 684*	*25 684*
Short-Term Liabilities	**-228 911**	**-228 911**
including: - Deliveries and Services	*108 752*	*108 752*
- Credits and Loans	*31 280*	*31 280*
- leasing	*17 051*	*17 051*
- taxes, Customs Duties, Insurance	*26 654*	*26 654*
Accruals	**-2 830**	**-2 830**
Minority Interest	**-25 547**	**-25 547**
Net Assets Amount	**657 764**	**672 122**

Adjustment of profit/gain in respect of bargain purchase in PLN Thousand

Bargain Purchase Profit/Gain Reconciliation	Acc. to QCR 1/2013	Following adjustment
	31.12.2012	31.12.2012
Contingent Liabilities from Identifiable Risks	**-295 000**	**-296 115**
Fair Value of Identifiable Net Assets	**362 764**	**376 007**
Consideration Transferred	**259 272**	**259 272**
including: - Cash	*219 272*	*219 272*
- Obligation to Raise Capital	*40 000*	*40 000*
Value of Non-Controlling Interests	**86 036**	**87 914**
Fair Value of Identifiable Net Assets	**362 764**	**-376 007**
Profit/Gain From Bargain Purchase	**-17 457**	**-28 821**

The increase in the fair value of the contingent liabilities from identifiable risks results from the verification of the previously recognized estimates. The identifiable risks refer to the scope of data identical with the one presented in the report for the first quarter of 2013, i.e. the "Olkusz-Pomorzany" mine liquidation costs, liability for mining damages, possible non-recovery of financial means engaged in the "Gradir Montenegro" company, severance payments for the mining division employees, claims related to the employee free coal supply as well as granted guarantees and sureties. The amount resulting from the risks mentioned totals PLN 296 115 thousand.

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

The presented Abridged Consolidated Financial Report was prepared in respect of the period from 1 October 2013 to 31 December 2013 with the use of the full consolidation method, considering all the Group's subsidiaries, excluding the Stalprodukt-Warszawa Sp. z o.o. company, in connection with it being put into liquidation. The comparable data cover the period from 1 October 2012 to 31 December 2012 referring to the profit and loss account, the balance sheet values reflect the status as of 31 December 2012, whereas the cash flow statement was prepared in respect of 2012.

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

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

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

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

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

II. Accounting Principles (Policy)

1. In the Quarterly Abridged Consolidated Financial Report the accounting principles (policy) used, including the assets and liabilities, income and costs valuation methods as well as calculation methods adopted, were identical with the ones presented in detail in the Consolidated Report 2012.

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

2. The changes introduced into the standards and interpretations issued by the International Financial Reporting Standards Council and International Financial Reporting Standards Interpretation Committee, applicable since 1 January 2013 or later, either do not apply to the Stalprodukt Group, or do not significantly affect the heretofore applied accounting policy and assessment of its asset position and financial standing. The numerous changes introduced into the existing accounting standards and interpretation changes, referring to the existing standards, have already been adopted by the International Financial Reporting Standards Council, but not approved by the EU yet and so the same shall take effect at later dates.

   The Management Board does not expect the introduction of the above standards and interpretations to significantly affect the accounting principles (policy) applied by the Group, its financial standing and financial result, but the same may still require further additional or amended disclosures to be included in the report. The above mentioned changes were precisely described in the Additional and Explanatory Information sheet appended to the published Consolidated Financial Report for 2012.

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

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

III. Appraised Values

1. In the 4th quarter of 2013, the Group made the following adjustments in respect of the reserves, revaluations and write-downs revaluating the asset components:
   - assets were reduced in respect of deferred income tax by the amount of PLN 533 thousand in connection with the reconciliation of transitory negative differences,
   - a deferred income tax reserve allowance was increased by the amount of PLN 2 951 thousand in connection with the occurrence of transitory positive differences,
- a revaluation write-down, amounting to PLN 6 823 thousand, was made to adjust doubtful receivables,
- revaluation write-downs in respect of receivables, amounting to PLN 4 610 thousand, were released due to being paid,
   - a revaluation write-down was made to adjust the value of finished products to the net sales value, amounting to PLN 620 thousand,
   - a reserve allowance for employee benefits was reduced by the amount of PLN 5 361 thousand on the basis of an actuarial valuation,
   - a reserve allowance, amounting to PLN 7 170 thousand, was released due to the change in the mine liquidation plan.
   - A reserve allowance, amounting to PLN 939 thousand, for potential claims referring to free coal supply.

2. Apart from the adjustments indicated in par. 1 and subpar. I.3, there was no necessity to make any other adjustments in respect of reserve allowances, revaluations or revaluation write-downs aimed at adjusting the value of assets, or changes in other estimated/appraised values.

3. In relation to the Report for the 4th quarter of 2012, no changes were made as to the recognition of corresponding financial report positions/items. However, compared to the preceding reporting period, recognition of contingent liabilities from identifiable risks, contained in the the Consolidated Financial Report, was changed in connection with the

take-over of Zakłady Górniczo – Hutnicze "Bolesław" S.A. The amount resulting from the identifiable risks was transferred from Equity to Liabilities.

IV. Business Segments

The segment-based reporting was based on IFRS 8 "Operating Segments". The rules governing the Stalprodukt Capital Group's division into operating segments and accounting principles applied in this kind of reporting were described in detail in the last published Consolidated Financial Report for 2012.

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

Information on Operating Segments for 4th Quarter of 2013 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	86 112	209 365	341 576	62 720	699 773
Segment Costs	88 623	201 884	325 562	57 947	674 016
Segment Result	**-2 511**	**7 481**	**16 014**	**4 773**	**25 757**
Other Operating and Financial Revenues Non-Attibutable to the Segment					25 024
Other General, Operating and Financial Costs Non-Attributable to the Segment					43 292
Gross Profit					**7 489**
Income Tax					3 967
Net Profit					**3 522**
Segment Assets	734 173	788 991	1 180 078	259 662	2 962 904
Assets Non-Attributable to the Segment					37 354
Total Consolidated Assets					3 000 258
Total Liabilities	112 109	263 832	471 003	101 423	948 367
Contingent Liabilities					296 115
Consolidated Liabilities					1 244 482
Investment Outlays	19 622	403	5 025	3 401	28 451
Depreciation	5 933	5 066	19 848	2 334	33 181

Information on Operating Segments for the 4th Quarter of 2012 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Segment of Goods	Other Activities	Total Consolidated Value
Segment Revenues	114 123	235 338	24 166	28 535	402 162
Segment Costs	108 904	237 886	23 103	24 904	394 797
Segment Result	**5 219**	**-2 548**	**1 063**	**3 631**	**7 365**
Other Operating and Financial Revenues Non-Attributable to the Segment					7 779
Other General, Operating and Financial Costs Non-Attributable to the Segment					25 756
Gross Profit					**-10 612**
Income Tax					-1 470
Net Profit					**-9 142**
Segment Assets	865 332	974 884	35 321	185 443	2 060 980
Assets Non-Attributable to the Segment					15 336
Total Consolidated Assets					2 076 316
Total Liabilities	145 150	270 196	14 820	68 930	499 096
Investment Outlays	34 973	1 094	-	5 044	41 111
Depreciation	6 053	5 913	197	1 578	13 741

V. Assessment of Results Achieved and Financial Standing

In the reporting period the Group recorded an increase in consolidated sales, compared to the ones achieved in the analogical period of 2012, by PLN 297 611 thousand, i.e. by 74 %. This increase resulted from the inclusion of ZGH “Bolesław” Capital Group, purchased from the State Treasury, into consolidation as of 1.01.2013.

The Group recorded a positive income from operating activities, contrary to the 4th quarter of 2012, when it recorded a loss at the operating result level. Similarly, the Group achieved a positive net result, contrary to the analogical period in the previous year, when it also recorded a loss. The ”Zinc Segment”, which generated a result of PLN 16 014 thousand, had a significant share in the improved results for the 4th quarter of 2013 , both recorded at the operating level and referring to net figures.

The Zinc Segment embraces the activities of Zakłady Górniczo-Hutnicze "Bolesław" Capital Group. The information on the results achieved in this segment have no reference to earlier periods (consolidation started in the 1st quarter of 2013). The results achieved in the 4th quarter of 2013 by the ZGH "Bolesław" Group were comparable to the ones recorded in the analogical period of 2012. At the same time, it should be noted, that the figures were lower from the ones recorded in the previous quarters of 2013. In the 4th quarter of 2013, the output of zinc - ZGH "Bolesław's" main product, was similar to the one achieved in the 4th quarter of 2012.

However, the Electrical Sheets Segment achieved poorer results. The factors determining the results in this Segment were both lower sales volumes and lower average selling prices achieved.

The Electrical Sheets Segment recorded a 10-per cent decrease in volumes, which mainly resulted from the approx. 30% production capacity switch-off in connection with the equipment modernization aimed at launching a new transformer sheets (HiB) technology. Price fluctuations are very unfavorable in the Segment. The average transformer sheet prices achieved in the reporting period were by 17% lower from the ones achieved in the 4th quarter of 2012. The downward trend in prices is still being observed in the Segment.

Despite a 2-per cent price decline in the Profiles Segment and 13-per cent decrease in the sales volume, the Segment recorded a better result compared to the 4th quarter of 2012, yielding a positive profit margin of PLN 7 481 thousand. This, primarily, resulted from the reduction of manufacturing costs.

The analysis of the results achieved by the Segments of Sheets and Profiles in the 4th quarter of 2012 and 4th quarter of 2013, points to the reversal of tendencies. The Sheets Segment continues the downward trend, having achieved negative results in the 4th quarter of 2013. Whereas in the case of the Profiles Segment, comparing the 2012 and 2013 results in respect of the 4th quarter, one can observe the reversal of the downward trend and improved results.

The Stalprodukt Group's financial standing is good and stable. This is confirmed by the basic economic and financial ratios, characterising economic activities, whose level corresponds to the existing market conditions. The Group does not suffer from any payment backlogs, consistently pursuing its risk management policy. Both the Issuer and the majority of Capital Group companies enjoy financial liquidity and credit capacity. The company Stalprodukt-Centrostal Kraków Sp. z o.o. is suffering from financial difficulties due to the economic slowdown affecting steel finished products. Whereas the restructuring works, recently conducted in the Cynk-Mal S.A. company, caused a significant improvement of its financial result. The Company recorded a positive net result both in the 4th quarter and the entire year 2013.

In the ZGH “Bolesław” Group, the company “Gradir Montenegro” is suffering from financial difficulties in connection with high financial costs and lack of appropriate working capital. The recent purchase of shares from the other shareholder will allow ZGH to optimize the Montenegro company's activities. In the 4th quarter of 2013 the subsidiary of ZGH “Bolesław” S.A. streamlined intensive actions aimed at solving the difficult situation of the “Gradir Montenegro” company.

As a consequence of the ZGH “Bolesław” Group's inclusion in the consolidation, significant changes occurred in the Stalprodukt Group's volume of assets and financing sources, compared to the status as of 31.12.2012. The assets were increased by PLN 923 million, i.e. by 44 %, including fixed assets by 39 %, and current assets by 53 %. The growth of assets was accompanied by the growth of financing sources, by the amount of PLN 178 million, i.e. by 11 %, recognized in the 'Equity' position, and also liabilities by the amount of PLN 745 million, i.e. by 149 %.

In the assets structure there were no major changes, whereas, in liabilities the equity share was decreased by 17 percentage points, to the cost of liabilities and reserves for liabilities

As a result of the above changes the book value per share was also subject to change: from PLN 234.53 to PLN 261.08, i.e. by PLN 26.55 (11 %).

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

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

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

VI. Other Information

1. In the 4th quarter of 2013, the Capital Group did not experience any seasonality consequences. During the reporting period no other positions were recorded, significantly affecting the assets, liabilities, equity, net profit or cash flow, which would be untypical in terms of their kind, volume/size or frequency.

2. The information concerning the distributed dividend was presented in the Financial Report for the 3rd quarter of 2013.

3. During the 4th quarter an agreement was signed with the Bank Polska Kasa Opieki S.A. for a multi-purpose credit amounting to PLN 75 000 thousand (agreement as of 30.09.2013 along with the annex as of 23.12.2013). Within the credit limit granted to the Capital Group the companies STP Elbud Sp. z o.o. and Cynk Mal S.A. may benefit from the sublimits amounting to, respectively: PLN 13 000 thousand and PLN 25 000 thousand. The borrowers are jointly and severally liable for the debt up to the level of the limits specified in the credit agreement. The term of the agreement - 30.09.2014. The credit limit is secured with a registered pledge on finished products amounting to PLN 25 000 thousand. The remaining terms and conditions do not diverge from the terms and conditions commonly applied in such agreements.

4. As the leader of the consortium consisting of the Stanisław Staszic Academy of Mining and Metallurgy/ new name: University of Science and Technology in Krakow) and Anew Institue Sp. z o.o., Stalprodukt S.A. concluded an agreement for the execution and financing of a project in the area of renewable energy sources. The Agreement was concluded with the National Center for Research and Development. The subsidy amounts to PLN 12 539 thousand. The Parties agreed on the project completion date: 30.09.2016.

5. As of 20 November 2013, an Extraordinary Meeting of Shareholders of the Anew Institute Sp. z o.o. adopted a resolution on the increase of the company's initial capital by the amount of PLN 1 025 thousand. The entire increase was covered by Stalprodukt S.A.

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

7. On 20 February 2014 a conditional agreement was concluded for the sale of shares in the Gradir Montenegro d.o.o company, between the subsidiary company: Zakłady Górniczo-Hutnicze „Bolesław" S.A. based in Bukowno - the Seller and Balkan Mining Group Ltd, a company formed and registered in Malta as C61059, based at: ul. Melita 60/2, Valletta, VLT 1122, Malta - the Buyer. As of the conclusion day, the Seller's shares in the company reached 99.3473% of the company's total registered share capital. The price for the shares being sold, payable to the Seller by the Buyer, amounts to PLN 152 968 330.

8. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:

   - guarantees of good workmanship concerning the production and assembly of road barriers totalling PLN 22 792 thousand,

   - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 1 176 thousand.

9. The Issuer does not publish result forecasts.

10. As of the Report submission day, the shareholders holding at least 5% of the total number of votes at the General Meeting of Shareholders are:

    - ArcelorMittal Poland S.A. holding 2 270 800 shares, accounting for a 33.77 %-share in capital and 6 846 800 votes, accounting for a 38.20 % of the total number of votes at the General Meeting of Shareholders,

    - STP Investment S.A. holding 1 959 725 shares, accounting for a 29.14 %-share in capital and 5 899 941 votes, accounting for 32,92 % of the total number of votes at the General Meeting of Shareholders,

    - Stalprodukt Profil S.A. holding 619 065 shares, accounting for 9.21 %-share in capital and 941 349 votes, accounting for 5.25 % of the total number of votes at the General Meeting of Shareholders.

    Since the submission of the Report for the 3rd quarter of 2013, the Issuer has not received any information from the shareholders concerning any changes in their ownership status in respect of the Company's shares.

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

    a/ management officers:

    - Piotr Janeczek 114 865 shares of nominal value: PLN 229 730,

- Józef Ryszka 504 shares of nominal value: PLN 1 008.

b/ supervision officers:

- Stanisław Kurnik 2 900 shares of nominal value: PLN 5 800,

- Maria Sierpińska 11 880 shares of nominal value: PLN 23 760,

- Kazimierz Szydłowski 7 012 shares of nominal value: PLN 14 024,

- Janusz Bodek 62 640 shares of nominal value: PLN 125 280.

Since the submission of the Report for the 3rd quarter of 2013, the Issuer has not received any information concerning changes in the management or supervision officers' ownership statuses in respect of the Company's shares.

The pending bankrupcty and composition proceedings cover the Group's receivables totalling PLN 11 719 thousand, wherein Stalprodukt's share amounts to PLN 895 thousand and ZGH ”Bolesław”'s - PLN 10 824 thousand.

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

12. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group- associated companies, resulting from the on-going operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.

    The total value of the Issuer's transactions with associated companies in the period from 01.01.2013 to 31.12.2013 and in the comparable period from 01.01.2012 to 31.12.2012 is presented in the Table below.

Associated Company	***Sales PLN thousand***		***Zakup w tys. zł***	
	1.01-31.12 2013	**1.01-31.12.2012**	**1.01.-31.12 2013**	**1.01-31.12.2012**
ZGH „Bolesław” S.A.	-		132	
Stalprodukt-Centrostal Kraków Sp. z o.o.	377 403	457 290	612	252
Stalprodukt-Zamość Sp. z o.o.	757	728	1 328	3 059
Stalprodukt-Warszawa Sp. z o.o. under liquidation	4 166	17 285	-	-
Cynk-Mal S.A.	19 399	17 054	8 176	1 179

STP Elbud Sp. z o.o.	13 387	1 654	22 648	38 283
Stalprodukt-Wamech Sp. z o.o.	1 427	1 368	8 973	10 846
Stalprodukt-Serwis Sp. z o.o.	806	648	18 725	15 084
Stalprodukt-MB Sp. z o.o.	284	278	4 480	6 091
Stalprodukt-Ochrona Sp. z o.o.	229	224	2 703	2 750
Anew Institute Sp. z o.o.	35		1 159	

10. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 28 451 thousand, and since the beginning of the year the investment outlays have totaled PLN 136 534 thousand.

    No significant fixed asset components have been disposed of during the reporting period.

11. Neither the Issuer nor its Capital Group's entities issued, redeemed or paid any debt or other capital securities.

12. During the reporting period and within the submission of the present quarterly report, neither the Parent Company, nor its subsidiaries, granted any sureties, loans, credits or guaranties.

13. In the Issuer's assessment, the factors likely to affect the Group's results at least in the perspective of the coming quarter, shall be:

    - fluctuations of charge prices and demand for Stalprodukt's products,
    - fluctuations of the LME zinc and lead prices and LBM silver prices ,
    - fluctuations of currency exchange rates.

14. During the reporting period and following 31.12.2013 until the preparation of the Abridged Consolidated Report for the 4th quarter, no other important events took place, apart from the ones mentioned herein, which might significantly affect the Group's standing and its financial results. The Issuer does not possess any other information, which, in his opinion, is essential for the assessment and changes in the Group's staffing level, assets structure and financial standing, or information essential for the assessment of its potential capacity to settle the liabilities incurred.

15. Pursuant to par. 83, subpar. 1 of the Regulation of the Minister of Finance as of 19.02.2009 on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws No 33, item 259), the

Issuer does not submit its separate quarterly report. The report concerned acts as a supplement to the Abridged Consolidated Report in the format of “Quarterly Financial Information Sheet”.

16. No additional information was appended to the Quarterly Financial Information Sheet for the 4th quarter of 2013 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.

17. This Abridged Consolidated Financial Report for the 4th quarter of 2013 was approved for publication by parent Company's Management Board on 26.02.2014.

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Piotr Janeczek	Józef Ryszka
President of the Management Board – CEO	Member of the Management Board – Marketing Director