

STALPRODUKT S.A.

Abridged Interim Consolidated
Financial Report for the 1st Quarter
of 2014. 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,

- Bol-Therm Sp. z o.o.* – power supply-, laboratory-, mechanics and construction-related services, transport-equipment and forwarding services, production of dolomite aggregates, zinc products and zinc alloys,

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

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

*The Company was formed through the merger of Boloil S.A., Bolsped Sp. z o.o. and Bol-Therm Sp. z o.o.

- trade activities:

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

- Stalprodukt-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 1st quarter of 2013 acting as the comparable period for the present consolidated financial report, the following changes occurred in the Issuer's Capital Group's ownership structure:

- As of 10 June 2013, Stalprodukt Warszawa Sp. z o.o. was put into liquidation, in connection with the restructuring activities aimed at the simplification of the Capital Group's structure. This Company has not been consolidated since the 2nd quarter of 2013.
- 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.

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

The presented Abridged Consolidated Financial Report was prepared in respect of the period from 1 January 2014 to 31 March 2014 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 January 2013 to 31 March 2013 referring to the profit and loss account, the balance sheet values reflect the status as of 31 December 2013, whereas the cash flow statement was prepared in respect of 2013.

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 2013.

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 2014 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 2013.

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 1st quarter of 2014, 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 73 thousand in connection with the reconciliation of transitory negative differences,
 - a deferred income tax reserve allowance was increased by the amount of PLN 1 936 thousand in connection with the occurrence of transitory positive differences,
 - a revaluation write-down, amounting to PLN 520 thousand, was made to adjust doubtful receivables,

- revaluation write-downs in respect of receivables, amounting to PLN 111 thousand, were released due to being paid,
 - the reserve for employee benefits was increased by the amount of PLN 2 524 thousand, including:
 - „Barbórka Miners Holiday” awards totaling PLN 2 333 thousand, „Steelmaker's Holiday” awards of PLN 867 thousand and reserves totaling PLN 676 thousand were released due to the disbursement of retirement severance payments,
 - the mine liquidation reserve totaling PLN 565 thousand was released,
 - a reserve of PLN 3 272 thousand was formed to secure electrical energy certificates of origin,
 - a reserve of PLN 4 979 thousand was formed for the alterations/repairs reconciled on the on-going basis.
2. Apart from the adjustments indicated in par. 1 and subpar. 1.3, 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. Compared to the 1st quarter of 2013, the consolidated financial report recognition of contingent liabilities, resulting from identifiable risks, was changed due to the take-over of Zakłady Górniczo-Hutnicze „Bolesław” S.A. The amount resulting from the identifiable risks was transferred from equity to long-term liabilities. The details were presented in the Annual Consolidated Financial Report for the year 2013.

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 2013.

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".

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Information on Operating Segments for 1st Quarter of 2014 (PLN Thousand)

Itemization 1 st Quarter of 2014	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	101 852	192 197	328 185	50 400	672 634
Segment Costs	96 307	182 024	300 231	46 276	624 868
Segment Result	5 545	10 143	27 954	4 124	47 766
Other Operating and Financial Revenues Non-Attributable to the Segment					6 472
Other General, Operating and Financial Costs Non-Attributable to the Segment					36 849
Gross Profit					17 389
Income Tax					6 894
Net Profit					10 495
Segment Assets	735 511	783 485	1 192 791	274 766	2 986 553
Assets Non-Attributable to the Segment					21 793
Total Assets					3 008 346
Liabilities	115 735	267 656	455 957	108 231	947 579
Contingent Liabilities					296 115
Total Liabilities					1 243 694
Investment Outlays	6 867	233	7 647	819	15 566
Depreciation	5 803	4 607	19 802	3 286	33 498

Information on Operating Segments for the 1st Quarter of 2013 (PLN Thousand)

Itemization	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	114 496	199 683	363 603	44 319	722 101
Segment Costs	102 990	188 017	334 040	42 585	667 636
Segment Result	11 506	11 666	29 563	1 730	54 465
Other Operating and Financial Revenues Non-Attributable to the Segment					11 232
Other General, Operating and Financial Costs Non-Attributable to the Segment					39 524
Gross Profit					26 173

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Income Tax					8 087
Net Profit					18 086
Segment Assets	729 641	825 559	1 197 409	211 202	2 963 811
Assets Non-Attributable to the Segment					63 312
Total Assets					3 027 123
Liabilities	93 321	283 183	527 002	79 864	983 370
Contingent Liabilities					295 000
Total Liabilities					1 278 370
Investment Outlays	16 456	214	15 264	535	32 469
Depreciation	5 685	4 942	17 725	2 379	30 731

V. Assessment of Results Achieved and Financial Standing

In the 1st quarter of 2014, compared to the analogical period in 2013, the Stalprodukt S.A. Capital Group generated sales lower by PLN 49 467 thousand. The main reason underlying the reduced sales is the decline in prices for the products offered by the basic operating segments.

The decline in prices also resulted in the decrease of the operating activities and net profit. In the 1st quarter of 2014, the Capital Group recorded the operating profit of PLN 18 653 thousand and net profit of PLN 10 495 thousand.

The segment of electrical sheets saw a decline in sales by 11.0 % in relation to the analogical period in 2013. At the same time, the segment concerned recorded an increase of its sales volumes by 1.9 %.

The electrical sheets segment recorded a decline in prices in relation to the 1st quarter of 2013, which resulted in both the decrease of sales and net result. The segment's result decreased by 51 % and totaled PLN 5 545 thousand. However, in relation to the period preceding the 1st quarter of 2014, a certain stabilization of the price levels can be observed.

In the segment of profiles as well as in the segment of steel sheets an increase of sales volumes by 1.4 % was recorded. At the same time, the segment concerned recorded a 3.7 % decrease in sales. Additionally, the segment's net result decreased by 13 % compared to the 1st quarter of 2013 and reached the level of PLN 10 143 thousand.

Comparing the quarters of 2014 and 2013, similar tendencies can be observed in both the segments concerned. A slight increase of volumes accompanied by the decrease of the sales value. The data analysis allows for a statement that the volume decreases were stopped when accompanied by the declines in prices in relation to the period compared. At the same time, a certain stabilization in prices was recorded compared to the periods preceding the 1st quarter of 2014.

The zinc segment recorded a decline in sales by 9.7 %. The main underlying factor were the decreasing metal prices at the London Metal Exchange. In the case of lead the price expressed in PLN decreased by 11 %, whereas the price of zinc dropped by 3 %. Despite the falling prices, the segment recorded a 0.5 % increase of zinc product sales volumes.

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The financial standing of the Stalprodukt S.A. Capital Group is stable. Despite the reduced profitability, the economic and financial ratios, characterizing the economic activity, were not subject to any significant changes and correspond to the current market conditions. Throughout the entire period the Group was not affected by any payment backlogs, consistently implementing its risk management policy. Both the Issuer and most of the Capital Group's companies enjoy good financial liquidity and credit capacity. Stalprodukt-Centrostal Kraków Sp. z o.o. is affected by some financial difficulties in connection with the downward trend on the market of finished steel products.

In the ZGH „Bolesław” Group, the „Gradir Montenegro” company is experiencing difficulties in connection with the high financial costs and lack of appropriate working capital. The recently effected repurchase of shares from another shareholder will enable solving the difficult situation.

In the 1st quarter of 2014, the subsidiary company - ZGH „Bolesław” S.A. - conducted talks aimed at the sale of the shares concerned. The transaction details were presented in "Other Information" section of the present quarterly report and in current reports systematically disclosed to the public.

Compared to 31.12.2013 slight changes affected the size of the Assets and their financing sources. The Assets increased by 0.5 %, including Current Assets by 3.3 % while Fixed Assets decreased by 1.0 %. The equity increased by PLN 8 324 thousand, i.e. by 0.5%. The liabilities and reserves for liabilities increased by PLN 7 610 thousand, i.e. by 0.6 %.

No major changes occurred in the Assets and Liabilities structure. However in the structure of liabilities (payables) there occurred a shift of financing from trade liabilities to short-term bank credits.

Compared to the analogical period in 2013, the book value per share increased from PLN 261.16 to PLN 262.40.

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, additionally, 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 1st quarter of 2014, 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 about the proposed dividend was presented in the respective current report and in the Annual Report. The Management Board proposes the disbursement of the profit-based dividend in respect of 2013 in the amount of PLN 3 993 160.20, i.e. PLN 0.60 gross per share.
3. As of 3 March 2014, an Extraordinary Meeting of Shareholders of the Anew Institute Sp. z o.o. adopted a resolution on the increase of the company's initial capital by the amount of PLN 1 025 thousand. The entire increase was covered by Stalprodukt S.A.
4. 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.

As of 7 April 2014 an Annex Agreement [*cf. Amendment*] to the above mentioned Agreement for the Sale of Shares was signed, changing the date of the selling price transfer to 28 April 2014. At the same time, the date of consent to be obtained from the Hipotekarna Banka was shifted to 30 April 2014. Thus, the Agreement For the Sale of Shares was to become invalid in the case the suspensive conditions [*cf. condition precedents*] were not fulfilled, i.e. if the transfer of the selling price were not made within 28 April and if Hipotekarna Banka did not grant its consent within 30 April 2014.

As of 29 April 2014, the parent Company was notified that, as of 28 April, another Annex Agreement [*cf. Amendment*] was concluded between the Seller and the Buyer, shifting the date of the selling price transfer to 15 May 2014 and acquisition of the consent from Hipotekarna Banka to 20 May 2014. The remaining provisions of the Agreement remain intact.

As of the publication date of the present report, the Issuer was not informed if the first above-mentioned suspensive condition had been fulfilled.

5. As of 06.02.2014, *Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o.*/ the Municipal Water and Sewerage Company Ltd. in Olkusz filed a court suit against ZGH „Bolesław” S.A. for the payment of PLN 64 015 thousand, in respect of a compensation for mining

damages. Moreover, the petitioner raised potential claims against the respondent, whereby that the latter should be ordered to make potable water deliveries and ordered to make a statement of consent to enable the petitioner to carry out the potable water deliveries in exchange for the above mentioned payment. As of 10.03.2014, ZGH „Bolesław” S.A. filed a response to the suit with the Regional Court of Cracow, 9th Economic Department, demanding that the suit should be dismissed in its entirety and costs awarded against the petitioner. In the assessment of the subsidiary company's management board the claim is groundless and is related to the prior suit filed as of 13.06.2013 by ZGH „Bolesław” S.A. against the Municipal Water and Sewerage Company Ltd. in Olkusz for establishing that the petitioner (ZGH „Bolesław” S.A.) would not bear the liability for damages towards the respondent for the switch-off of the main drainage system of the Olkusz-Pomorzany mine - belonging to the petitioner - and the consequences thereof. The management board of the subsidiary company stresses that the petitioner did not indicate that any damage actually occurred, so consequently, they could not have repaired the same and, subsequently, were not entitled to claim the compensation, referred to in the introduction. The remaining demands are ungrounded in the light of art. 147 par. 2 of the Mining and Geological Law.

6. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:
 - guarantees of good workmanship concerning the production and assembly of road barriers totaling PLN 24 2018 thousand,
 - guarantees and sureties (avals) granted by ZGH „Bolesław” amounting to PLN 1 176 thousand.
7. The Issuer does not publish result forecasts.
8. 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 Annual Report 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.

9. 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 Annual Report 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.

10. The pending bankruptcy and composition proceedings cover the Group's receivables totalling PLN 11 561 thousand, wherein Stalprodukt's share amounts to PLN 895 thousand and ZGH "Bolesław" - PLN 10 652 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.

11. 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 01.01.2014 to 31.03.2014 and in the comparable period from 01.01.2013 to 31.03.2013 is presented in the Table below.

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Items the 1 st quarter of 2014	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH „Bolesław” S.A.		23		28
Anew Institute Sp. z o.o.				52
Stalprodukt-MB Sp. z o.o.	30	1 375	76	846
Stalprodukt-Wamech Sp. z o.o.	137	1 910	359	1 996
Stalprodukt-Centrostal Kraków Sp. z o.o.	84 735		93 609	545
Stalprodukt-Serwis Sp. z o.o.	83	5 017	210	5 715
Stalprodukt-Zamość Sp. z o.o.	78	396	194	478
Stalprodukt-Ochrona Sp. z o.o.	24	982	60	799
STP Elbud Sp. z o.o.	409	5 152	853	4 156
Cynk-Mal S.A.	7 639		7 364	3 168

Items the 1 st quarter of 2013	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB Sp. z o.o.	32	884	78	814
Stalprodukt-Wamech Sp. z o.o.	155	1 518	382	2 634
Stalprodukt-Centrostal Kraków Sp. z o.o.	94 323		90 439	97
Stalprodukt-Serwis Sp. z o.o.	87	2 957	216	6 300
Stalprodukt-Zamość Sp. z o.o.	77	169	188	393
Stalprodukt-Warszawa Sp. z o.o.	5 085		2 241	
Stalprodukt-Ochrona Sp.	25	302	63	709

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Z o.o.				
STP Elbud Sp. z o.o.	2115	2 807	4 515	2 976
Anew Institute Sp. z o.o.				
ZGH „Bolesław” S.A.		11		47
Cynk-Mal S.A.	17 924		4 874	1 613

10. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 15 566 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,
- In the case the sale of shares held in Gradir Montenegro d. O.o. is not effective, the subsidiary company ZGH „Bolesław” S.A., may make a revaluation write-off in respect of its shares in the Gradir Montenegro S.A. on the basis of the value impairment test.

14. During the reporting period and following 31.12.2014 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

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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 1st quarter of 2014 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
17. This Abridged Consolidated Financial Report for the 1st quarter of 2014 was approved for publication by parent Company's Management Board on 15.05.2014.

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Piotr Janeczek
President of the Management Board – CEO

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Józef Ryszka
Member of the Management Board – Marketing Director