



STALPRODUKT S.A.

Abridged Interim Consolidated
Financial Report for the 3rd Quarter
of 2017. Additional Information

Bochnia, November 2017

I. Introductory Information

1. The 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 Zakłady Górniczo-Hutnicze "Bolesław", where it holds 94.59% 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 (from 03.04.2017 merger with ZGH Bolesław S.A.),
 - 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,
 - PRD Olkusz Sp. z o.o. - construction and repair of roads (a subsidiary of Boltech 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 - 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.

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

- In year 2017, the ZGH „Bolesław” S.A. capital share was raised up to 94,59% compared to 94.48% towards the end of the comparable period, as a part of the repurchase of employee shares.
- On 3 April 2017 a merger of Bolesław-Recycling Sp. z o.o. and ZGH „Bolesław” S.A. took place, acc. to the Merger Plan, i.e. by transferring the entire assets of the acquired company (Bolesław-Recycling Sp. z o.o.) to the acquiring company (ZGH „Bolesław” S.A.) without issuing new shares and increasing the share capital of the acquiring company. Before the merger, ZGH „Bolesław” held 100%-share in the acquired company.

2. 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 July 2017 to 30 September 2017 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 July 2016 to 30 September 2016 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2016.

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 2014, item 133 with subsequent amendments).

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 2016.

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 estimated values which would have significantly affected the Group's property and 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 2016 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 2016.

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

- a deferred income tax provision was increased by the amount of PLN 2 329 thousand in connection with the occurrence of positive temporary differences,
- A provision was formed for doubtful receivables amounting to PLN 245 thousand and the one amounting to PLN 765 thousand was released;
- a provision for employee benefits was formed in the amount of PLN 4 190 thousand, and the provision for employee benefits amounting to PLN 1 532 thousand was released,
- a provision for repairs was created in the amount of PLN 1 849 thousand,
- a provision for deteriorating profitability was formed in the amount of PLN 2 100 thousand,
- a provision for electrical energy origin certificates and CO2 emission allowances was created in the amount of PLN 2 477 thousand, and the one amounting to PLN 369 thousand was released,
- a provision for royalties was formed in the amount of PLN 187 thousand, and the one amounting to PLN 64 thousand was released,
- a provision for perpetual usufruct amounting to PLN 2 624 thousand was released.

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 2016.

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Information on Operating Segments for 3rd quarter of 2017 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	133 233	190 640	519 809	62 624	906 306
Segment Costs	114 134	192 074	417 132	57 234	780 574
Segment Result	19 099	-1 434	102 677	5 390	125 732
Other Operating and Financial Revenues Non-Attributable to the Segment					1 513
Other General, Operating and Financial Costs Non-Attributable to the Segment					39 432
Gross Profit					87 813
Income Tax					18 342
Net Profit					69 471
Segment Assets	767 470	755 126	2 044 186	248 860	3 815 642
Assets Non-Attributable to the Segment					29 096
Total Assets					3 844 738
Liabilities	165 845	226 401	954 542	68 206	1 414 994
Contingent Liabilities					296 115
Total Liabilities					1 711 109
Investment Outlays	3 402	456	17 623	7 103	28 584
Depreciation	6 825	4 258	19 482	3 334	33 899

Information on Operating Segments for 3rd quarter of 2016 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	124 573	164 127	444 380	58 542	791 622
Segment Costs	110 228	160 971	346 809	47 872	665 880
Segment Result	14 345	3 156	97 571	10 670	125 742
Other Operating and Financial Revenues Non-Attributable to the Segment					6 279
Other General, Operating and Financial Costs Non-Attributable to the Segment					39 870
Gross Profit					92 151

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Income Tax					17 529
Net Profit					74 622
Segment Assets	812 335	674 114	1 695 832	237 252	3 419 533
Assets Non-Attributable to the Segment					21 193
Total Assets					3 440 726
Liabilities	186 936	240 126	701 220	78 365	1 206 647
Contingent Liabilities					296 115
Total Liabilities					1 502 762
Investment Outlays	635	2 492	35 335	5 343	43 805
Depreciation	6 858	4 727	19 380	3 386	34 351

V. Ocena uzyskanych wyników i sytuacja finansowa

In the 3rd quarter of 2017, compared to the analogical period in 2016, the Stalprodukt S.A. Capital Group achieved sales revenue decreased by PLN 114 684 thousand, i.e. 14.48%.

The increase of sales did not translate into a significant increase of results. At the sales profit level the achieved result was improved by PLN 1 578 thousand, which accounts for the increase by 1.73 %. Yet, at the operating profit level, an increase by PLN 2 301 thousand, i.e. by 2.50%, was recorded. In the 3rd quarter of 2017, the net profit amounted to PLN 69 471 thousand as compared to PLN 74 622 thousand achieved in the 3rd quarter of 2016. An improvement over the comparable period was recorded in the Transformer Sheets Segment and in the Zinc Segment. The Profiles Segment recorded a loss.

The Electrical Sheets Segment recorded a sales volume increase reaching 4.5 %, which, considering the concurrent improvement of the prices over the 1st half of 2017, resulted in the increase of the Segment's results by PLN 8 660, i.e. by 6.95 %. The above figures stand in accordance with the Issuer's earlier plans considering the improvement of the price conditions and improvement of the Segment's effectiveness in the 2nd half of 2017. It should be underlined that the average prices achieved in the Segment approximated the ones achieved in the 2nd half of 2016. The Issuer envisages that such a trend will be sustained at least until the end of 2017.

The Profiles Segment recorded its sales volume at the level of the 3rd quarter 2016, at the same time the sales recorded by the Segment were higher by PLN 26 513 thousand, i.e by 16.15 %. This had, primarily, been caused by the increase of the Segment's prices and higher sales share of the Segment's more expensive products, such as crash barriers. At the same time, in contrast to the 3rd quarter of 2016, the Segment recorded a loss due to the unfavorable proportion between the charge material prices to the finished product prices. Analyzing the market conditions for the Profiles Segment, the Issuer expects that, following

the price increase period relating to the 2nd quarter of 2017, a price stabilization period will follow towards the end of 2017. The Issuer emphasizes the significant market variability which was related to many varying, overlapping and often contradictory factors, steel works' price policies pursued in response to the European Union decisions or commencement of the infrastructural investments planned within the new financial perspective.

In the 3rd quarter of 2017 the Zinc Segment's net sales amounted to PLN 519 809 thousand and, in relation to the comparable period of the previous year with the sales amounting to PLN 444 380 thousand, increased by 17.0 %. The increase of sales in the 3rd quarter of 2017 resulted from the significant increase of the LME zinc and lead prices. Whereas the decrease of the USD/PLN exchange rate partly undermined the effect of the metals highly priced in dollars.

The basic prices at the Zinc Segment fluctuated as follows:

3rd Quarter of 2017

Average LME zinc price: 2 963 USD/ton
Average LME lead price: 2 334 USD/ton
Average LME silver price: 16.8 USD/oz.
USD exchange rate: PLN 3.6251

3rd Quarter of 2016

Average LME zinc price: 2 255 USD/ton
Average LME lead price: 1 873 USD/ton
Average LME silver price: 19.6 USD/oz.
USD exchange rate: PLN 3.8891

Converted to PLN, the base LME zinc price increased by 22 %, from PLN 8 767 in the 3rd quarter of 2016 to PLN 10 767 in the present reporting period. The price of zinc determines over 85% of the turnover generated by ZGH and its subsidiary companies.

Converted to PLN, the base LME lead price increased by 16 % , from PLN 7 284 in the 3rd quarter of 2016 to PLN 8 460 in the present reporting period. The price of lead determines approximately 8% of the turnover generated by ZGH and its subsidiary companies.

Het LBM silver basic reference price converted to PLN increased by 20 % from 76.3 per ounce in the 3rd quarter of 2016 to PLN 61.0 per ounce in the analyzed period. The price of silver determines approximately 2% of the turnover generated by ZGH and its subsidiary companies.

In the 3rd quarter of 2017 the sales volume of zinc products was by almost 3 % higher compared to the analogical period of the previous year.

The refined lead volume decreased by 22% in the 3rd quarter of 2017 as well as the lead concentrate sales volume, which decreased by 25%.

In the 3rd quarter of 2017, the silver sales volume stayed at the same level as in 2016.

Summing up, the significant increase of zinc and lead prices in the 3rd quarter of 2017, viewed in relation to the analogical period of the previous year, and the increase of the zinc sales volume, compensated the decrease of the lead products sales volume and the decrease of silver prices. The above resulted in the increase of the Zinc Segment's sales by 17% in relation to the analogical period of the previous year.

The financial standing of the Stalprodukt S.A. Capital Group is stable. The economic and financial ratios characterizing its economic activities were not subject to significant changes and correspond to the current market conditions. Throughout the entire period, the Group did not experience any payment back-logs, consistently pursuing the adopted risk-management policy. Both the Issuer and the majority of the Capital Group companies enjoy financial liquidity and credit capacity.

VI. Financial instruments and risk management assessment

The Parent Company is exposed to various types of financial risks - including changes in market prices of debt and equity instruments, fluctuations of currencies and interest rates. The overall financial risk management program of the Issuer focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the Parent Company's financial results. The Department of Financial and Risk Management, supervised by the Finance Director, manages the risk in the Parent Company. The main objective is to minimize the negative effects of external changes on the results obtained by the Company. Depending on the type and size of risk, the Company complies with the appropriate instruments for the diagnosis, assessment and hedging.

As of 30 September 2017, the subsidiary companies belonging to the Zinc Segment were applying cash flow hedge accounting for commodity and currency swaps in accordance with the rules described in the Annual Report. As of 30 September 2017 they held the following hedging measures active :

1) currency

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active currency hedging instruments as of 30.09.2017 r. PLN thousand					
Cash Flow Hedging	forward	\$202 232 948,00	47 018	47 018	risk from USD/PLN exchange rates
Cash Flow Hedging	forward	€5 050 000,00	1 490	1 490	risk from EUR/PLN exchange rates

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Cash Flow Hedging	option strategies	\$1 120 000,00	290	294	risk from USD/PLN exchange rates
Cash Flow Hedging	option strategies (collar)				risk from EUR/PLN exchange rates

2) raw material

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active commodity hedging instruments as of 30.09.2017 (zinc)			PLN thousand		
Cash Flow Hedging	swap	28 750	-76 159	-76 159	Price Change Risk Zn LME PLN
Cash Flow Hedging	swap (USD)	77 020	-169 837	-169 837	Price Change Risk Zn LME USD
Cash Flow Hedging	option strategies (collar)	19 000	-13 930	-12 912	Price Change Risk Zn LME
Cash Flow Hedging	put	9 500	3 222	0	Price Change Risk Zn LME
Cash Flow Hedging	call	9 500	-17 152	-12 912	Price Change Risk Zn LME
Active commodity hedging instruments as of 31.12.2017 (lead)			PLN thousand		
Cash Flow Hedging	swap	5 825	-7 076	-7 076	Price Change Risk Pb LME PLN
Cash Flow Hedging	swap (USD)	4 575	-6 302	-6 302	Price Change Risk Pb LME USD
Cash Flow Hedging	option strategies (collar)	3 600	-1 346	-1 162	Price Change Risk Pb LME
Cash Flow Hedging	put	1 800	201	0	Price Change Risk Pb LME
Cash Flow Hedging	call	1 800	-1 547	-1 162	Price Change Risk Pb LME
Active commodity hedging instruments as of 31.12.2017 (silver)			PLN thousand		
Cash Flow Hedging	swap	25 000	149	149	Price Change Risk Ag LMBA

Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	30.09.2017	30.09.2016
Long-Term investments	29 278	11 404
Short-Term Investments	100 387	28 002
TOTAL, including:	129 665	39 406
a) valuation of derivative transactions	58 430	19 969
b) securities	71 235	19 438

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Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	30.09.2017	30.09.2016
Contracts for Hedging Transactions	96 692	33 438
Conclusions of Currency Option Transactions	205 969	73 986
Adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	-14 675	-2 651
TOTAL	287 986	107 424

Valuation of Derivative Transactions

Valuation of Derivative Transactions	PLN thousand			
	30.09.2017		30.09.2016	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Commodity Transactions - Zinc	4 890	271 455	6 929	98 312
Commodity Transactions - Lead	201	14 925	0	4 275
Currency Transactions - USD/PLN EUR/PLN	53 190	1 606	12 930	4 250
Commodity Transactions- Silver	149	0	109	587
Total	58 430	287 986	19 968	107 423

Division of Hedging Instruments

Division of Hedging Instruments	PLN thousand			
	30.09.2017		30.09.2016	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Hedging Instruments	53 985	279 691	14 185	99 194
Commodity Transactions - zinc	3 650	263 578	2 851	90 963
Commodity Transactions - lead	201	14 927	0	4 274
Currency Transactions - USD/PLN, EUR/PLN	49 985	1 186	11 225	3 370
Commodity Transactions - Silver	149	0	109	587
Trade Instruments	4 445	8 295	5 783	8 229
Commodity Transactions- zinc	1 240	7 876	4 078	7 349
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	3 205	419	1 705	880
Commodity Transactions - silver	0	0	0	0
Total	58 430	287 986	19 968	107 423

Financial Report Presentation of Applied Derivative Instruments

The result of the hedging instruments valuation, in its portion recognized as 'effective hedging', is taken to the capital revaluation reserve. Asian options, aimed at hedging the Company against the change of time value, are taken to costs or to financial revenues. The trade instruments valuation result is taken to costs or financial revenues. The result

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from the application of hedging instruments is used to adjust the hedged item (sales).
The result from the application of trade instruments is taken to costs or financial revenues.

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	30.09.2017	30.09.2016
Sales of Products Adjustment	-104 617	2 341
Sales of Goods Adjustments	0	0
Revaluation of Investments	7 574	-58
Gains/Loss on Sale of Investments	5 197	293
Total	-91 846	2 576

Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	30.09.2017	30.09.2016
Commodity Transactions	-114 844	35 080
Currency Transactions	18 369	-17 667
Total	-96 475	17 413

Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	30.09.2017	30.09.2016
Sales Increase	31 839	39 082
Sales Decrease	-136 456	-36 740
TOTAL	-104 617	2 342

Status of Capital from Revaluation Related to Application of Hedge Accounting (excluding Deferred Tax)	PLN thousand	
	30.09.2017	30.09.2016
Valuation of Open Hedging Instruments:	-224 499	-87 143
- Zn	-258 909	-89 734
- Pb	-14 541	-4 275
- USD/PLN	47 312	7 344
- Ag	149	-478
Result from the Application of Hedging Instruments Capital-Retained until the Realization of the Hedged Item:	1 490	0
- Zn	-58	-76
- Pb		-76
- USD/PLN	-58	0
TOTAL		0

VII. Other Information

1. In the 3rd quarter of 2017, 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. 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 18 065 thousand, and endorsement of a blank promissory note amounting to PLN 13 000 thousand, issued by STP Elbud Sp. z o.o. in order to secure the investment credit granted by Bank Pekao S.A.,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 1 731.0 thousand,
 - ZGH "Bolesław" S.A. issued a bill of exchange in connection with the agreement concluded with the National Center for Research and Development, amounting to PLN 38.8 million (wash tubs hall investment project) for subsidizing the project within the Intelligent Development operating program (Number of Agreement POIR.01.01.02-00-0159/16-00).
3. The Issuer does not publish result forecasts.
4. The pending bankruptcy and composition proceedings cover the Group's receivables totaling PLN 4 975 thousand, wherein Stalprodukt's share amounts to PLN 743 thousand and ZGH "Bolesław"'s - PLN 4 232 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.

5. 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:
 - STP Investment S.A. holding 1 829 319 shares, accounting for a 32.78 %-share in capital and 5 875 691 votes, accounting for 48.17 % of the total number of votes at the General Meeting of Shareholders,
 - Stalprodukt Profil S.A. holding 581 772 shares, accounting for 10.43 %-share in capital and 1 097 608 votes, accounting for 9.00 % of the total number of votes at the General Meeting of Shareholders.
 - ArcelorMittal Sourcing a société en commandite par actions holding 1 066 100 shares, accounting for a 19.10 %-share in capital and 1 066 100 votes, accounting for a 8.74 % of the total number of votes at the General Meeting of Shareholders.

6. As of 30.09.2017, the ownership statuses of management and supervision officers in respect of the Issuer's shares are as follows:

a/ management officers:

- Piotr Janeczek 115 053 shares of nominal value: PLN 230 106,
- Józef Ryszka 504 shares of nominal value: PLN 1 008.
- Łukasz Mentel 100 shares of nominal value: PLN 200.

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 3 462 shares of nominal value: PLN 6 924,
- Janusz Bodek 61 974 shares of nominal value: PLN 123 948.

Moreover, Piotr Janeczek, by a subsidiary STP Investment S.A. holding 1 829 319 shares, accounting for a 32.78 %-share in capital and 5 875 691 votes, accounting for 48,17 % of the total number of votes at the General Meeting of Shareholders.

In the period elapsing from the publication of the Report for the 1st half of 2017, no changes have taken place in the Issuer's shares ownership structure relating to the management and supervisory officers.

7. 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.

8. The total value of the Issuer's transactions with associated companies in the period from 01.07.2017 to 30.09.2017 and in the comparable period from 01.07.2016 to 30.09.2016 is presented in the Table below.

Items the 3 rd quarter of 2017	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB sp. z o.o.	24	1 536	80	961
Stalprodukt-Wamech sp. z o.o.	130	1 652	323	1 985
Stalprodukt-Centrostal sp. z o.o.	66 819	119	86 617	245
Stalprodukt-Serwis sp. z o.o.	64	2 036	156	2 362
Stalprodukt-Zamość sp. z o.o.	92	112	213	162
Stalprodukt-Ochrona sp. z o.o.	19	802	48	954

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STP Elbud sp. z o.o.	283	3 416	573	5 202
Cynk-Mal S.A.		310		1 310
ZGH "Bolesław" S.A.		20		69
Anew Institute sp. z o.o.	8 578		6 252	1 143

Items the 3 rd quarter of 2016	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
Stalprodukt-MB sp. z o.o.	24	1 559	217	1 134
Stalprodukt-Wamech sp. z o.o.	136	1 446	331	1 989
Stalprodukt-Centrostal sp. z o.o.	60 414	58	77 008	317
Stalprodukt-Serwis sp. z o.o.	63	1 230	153	1 452
Stalprodukt-Zamość sp. z o.o.	78	94	192	172
Stalprodukt-Ochrona sp. z o.o.	19	629	47	762
STP Elbud sp. z o.o.	323	3 860	865	5 819
Cynk-Mal S.A.				
ZGH "Bolesław" S.A.		21		79
Anew Institute sp. z o.o.	9 506	490	4 889	1 457

9. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 28 584 thousand. No significant fixed asset components have been disposed of during the reporting period.
10. On 22 June 2017, the General Meeting of Shareholders adopted a resolution on the disbursement of dividend from the 2016 financial result. The profit amount appropriated for the dividend amounts to PLN 16 740 801.00, which, considering the number of shares: 5 580 267 items, yields PLN 3.00 per share. The dividend record date is fixed on 15 July 2017, and the dividend disbursement date was fixed on 30 July 2017.
11. On 31 July 2017, the Issuer completed the repayment of credit amounting to PLN 90 000 thousand, incurred on 24.03.2016 r., aimed at financing the third tranche of the purchase program for the purchase of the Company's own shares, pursued in the years 2015-2016,
12. On 5 October 2017 r, an UE Implementing Regulation No (EU) 2017/1795 was issued imposing definitive anti-dumping duties on the imports of certain hot-rolled flat iron products of non-alloy or other alloy steel originating from Brazil, Iran, Russia and Ukraine. The proceeding concerning the above was instituted on 7 July 2016 in response the motion submitted by the European Steel Association EUROFER. By the Commission's decision, the products imported from the above mentioned countries

- to the EU territory were covered by quota duties amounting to EUR 17.6 – EUR 96.5 per ton, depending on the margin of damages caused by the given manufacturer.
13. On 19 October 2017, an Extraordinary General Meeting of Shareholders of Stalprodukt S.A. was held adopting resolutions on the dismissal of the existing members of the Supervisory Board, i.e. Maria Sierpińska, Magdalena Janeczek, Kazimierz Szydłowski, Stanisław Kurnik, Janusz Bodek, Sanjay Samaddar and Tomasz Plaskura.
- Jednocześnie NWZ Stalprodukt S.A. ustaliło liczbę członków Rady Nadzorczej nowej kadencji na 5 osób i powołało w jej skład następujące osoby: Magdalena Janeczek, Stanisław Stańdo, Agata Sierpińska-Sawicz, Janusz Bodek oraz Sanjay Samaddar.
14. Neither the Issuer nor its Capital Group's entities issued, redeemed or paid any debt or other capital securities, apart from the ones referred to herein.
15. 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, apart from the ones referred to herein.
16. 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.
17. During the reporting period and following 30.09.2017 until the preparation of the Abridged Consolidated Report for the 3rd 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.
18. Pursuant to par. 83, subpar. 3 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 2014, item 133 with subsequent amendments), the Issuer does not submit its separate quarterly report. This Report constitutes a supplement to the Abridged Consolidated Report rendered as the "Stalprodukt S.A. Mid-Year Abridged Financial Report for the 3rd Quarter of 2017".
19. No additional information was appended to the Abridged Consolidated Financial Report for the 3rd quarter of 2017 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.

20. This Abridged Consolidated Financial Report for the 3rd quarter of 2017 was approved for publication by parent Company's Management Board on 13.11.2017 r.

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Łukasz Mentel
Member of the Management Board
– Financial Director

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Józef Ryszka
Member of the Management Board
– Marketing Director

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Piotr Janeczek
President of the Management Board – CEO