



Current Report: 12/2016

Date: 2016-01-26

Name of the Issuer: FERRUM S.A.

Title: Information on turnover generated between FERRUM S.A. and Izostal S.A.

Legal basis: Art. 56 item 1 point 2 Act on Public Offering – current and periodic information

Content of the Report:

Pursuant to § 5 point 1 item 3 of the Minister of Finance Regulation of 19th February 2009 on current and periodic information delivered by the issuers [...], the Management Board of FERRUM S.A. (Issuer, Company) informs that in connection with entering with Izostal S.A. (Izostal) into two contracts on tubes' delivery by the Company to Izostal valued in total at app. 20,4 m PLN on 26th January 2016, the value of contracts/orders concluded by the Issuer and Izostal within the period from 3rd September 2015, i.e. when the Issuer published the current report no. 64/2015 regarding the turnover generated between the Company and Izostal, amounted to app. 27,8 m PLN net.

Contract of the highest value of the above mentioned period was concluded on 26th January 2016 and amounted to app. 2,93 m EUR net, which corresponds to app. 13,2 m PLN (Contract). The subject-matter of this Contract is completion of deliveries of spirally welded tubes by the Company to Izostal. The contractual deliveries are to be completed in the first half year 2016. The Company provides 36 months' guarantee for the delivered products.

The Contract provides for penalties in case of daily delays in its execution and if the Contract is terminated due to reasons attributable to the Company. The total value of contractual penalties was limited to the amount of 10% of contractual remuneration. At the same time the parties agreed that if the contractual penalty does not cover the incurred loss or if the reason for the loss is not specified in the provisions on contractual penalties, the parties may claim compensation in line with the general conditions of the Code of Civil Procedure.

The remaining Contract terms, including these referring to its possible termination, do not differ from the standard conditions applied in these type of orders.

10% of the Issuer's equity capital was established as a criterion for acknowledging value of the contracts/orders as substantial.

Legal basis: § 5 item 1 point 3 of the Minister of Finance Regulation of 19th February 2009 on current and periodic information [...].

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2016-01-26	President of the Management Board	Konrad Mitterski
2016-01-26	Vice-president of the Management Board	Włodzimierz Kasztalski