



Current report no.:	35/2016
Date:	2016-03-04
Name of the Issuer:	FERRUM S.A.
Title:	Information on planned presentation of the current assets' write-downs in the annual financial statements
Legal basis:	Art. 56 item 1 point 1 Act on Public Offering – inside information

Content of the report:

The Management Board of FERRUM S.A. (Issuer, Company) informs that with reference to the process of aggregating the financial data for the annual financial statements and closing the verification process of the current assets' fair value scheduled for 4th March 2016, it was decided to create write-downs of these assets, in particular the write-down of liabilities payable by HW Pietrzak Holding S.A. (HW Pietrzak) to the Issuer in the amount of 43,8 m PLN.

Simultaneously, under the process of verifying the current assets' fair value mentioned hereinabove, it was decided on 4th March 2016 to present in the annual financial statements the operations on write-downs of the hold current assets, including additionally:

- revision of write-down for finished products in the amount of 4,2 m PLN,
- creation of write-down for work in progress in the amount of 1,3 m PLN,
- revision of write-down for materials and goods in the amount of 0,1 m PLN.

Write-downs in the amounts as specified above shall be presented in the financial statements (stand-alone and consolidated respectively) as the remaining operating costs. At the same time the Issuer underlines that these accounting operations neither influence the present financial liquidity of the Company nor its Capital Group.

HW Pietrzak liabilities resulted from the trading turnover generated between the Company and HW Pietrzak in the period 2013 – I half year of 2015. Taking the decision of creating the write-down for liabilities payable to the Issuer by HW Pietrzak, the Management Board of the Company is guided by the conservative valuation principle, i.e. the decision was taken despite the fact that, to the best of the Management Board knowledge, neither the legitimacy of the petition nor even the form of the bankruptcy proceedings was formalized until this day under the proceedings of declaring HWP Pietrzak bankruptcy. The Issuer informed in the current report no. 72/2015 of 20th November 2015 about this entity having submitted the bankruptcy filing open to arrangements.

Referring to the above current report no. 72/2015 the Issuer also explains that the present situation of HW Pietrzak does not impact the operational activities run by the Company. The Issuer reminds that by virtue of the Arrangements concluded with the creditors, it has restructured payments of its financial obligations based on the new cash flow model. The Issuer recalls as well about having established strategic commercial cooperation in respect of securing the raw materials' supplies with the entities of the ArcelorMittal Group (current report no. 48/2015 of 9th July 2015) and with Węłgłokoks S.A. (current report no. 71/2015 of 18th November 2015).



FERRUM S.A.

Steel pipes

Hollow sections

Coating

Established in 1874

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2016-03-04	President of the Management Board	Konrad Milterski
2016-03-04	Holder of a Commercial Power of Attorney	Barbara Sterkowicz