



<b>Current report no.:</b>	56/2016
<b>Date:</b>	2016-06-09
<b>Name of the Issuer:</b>	FERRUM S.A.
<b>Title:</b>	Information on the value of orders executed between FERRUM S.A. and WĘGŁOKOKS S.A.
<b>Legal basis:</b>	Art. 56 item 1 point 2 Act on Public Offering – current and periodic information

**Content of the report:**

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 8<sup>th</sup> June 2016 it received the executive agreement – confirmation of the Order with WĘGŁOKOKS S.A. (WĘGŁOKOKS), pursuant to which the Company placed another order for the delivery of hot-rolled steel sheets in coils [Executive Agreement]. The total value of orders for the raw materials i.e. hot-rolled steel sheets in coils executed by WĘGŁOKOKS to the Issuer benefit in the period from 29<sup>th</sup> February 2016, that is when the Issuer published the current report no. 33/2016 on the turnover generated between the Company and WĘGŁOKOKS, amounted to app. 37,7 m PLN net and thus exceeded the equivalent of 10% of consolidated sales revenues of FERRUM Capital Group for the period of the last four financial quarters.

The Executive Agreement was concluded under the commercial cooperation agreement, the subject of which is to establish the terms of cooperation for sale of metallurgical materials and intermediates by WĘGŁOKOKS to the Issuer. The Company informed about the agreement in the current report no. 71/2015 of 18<sup>th</sup> November 2015 and in the reports published later.

Order of the biggest value was placed on 6<sup>th</sup> May 2016 under the Executive Agreement for the purchase of the raw materials i.e. hot-rolled steel sheets in coils valued at app. 2,6 m EUR by the Issuer, which equals to app. 11,7 m PLN net according to the exchange rate of the National Bank of Poland binding as on the day of accepting the above mentioned order (Order) for execution.

With reference to the Framework Agreement, the transactions are performed based on the individual orders placed by the Issuer and approved for execution by WĘGŁOKOKS, defining the quantity, specification, price, manufacturer/supplier, dates and place of deliveries as well as the terms of guarantee and warranty.

In accordance with the Executive Agreement, in case of the Issuer failure in completing this agreement i.e. failure in accepting the Order, WĘGŁOKOKS shall be entitled to charge the Issuer with contractual penalties in the amount of 1.000.000 PLN. In case the loss of WĘGŁOKOKS exceeds the value of the agreed contractual penalties, WĘGŁOKOKS shall be entitled to claim supplemental damages under the general conditions.

The remaining conditions of the Order do not differ from the terms applied in these type of transactions.

The Issuer applied 10% of consolidated sales revenues of FERRUM Capital Group for the last four financial quarters as a criterion for acknowledging the total value of the above orders as significant. Concurrently, the



Issuer explains that this current report is the first referring to the turnover with WĘGŁOKOKS published subject to the revised value of the significance criteria considering revenues generated in the I quarter 2016.

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

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2016-06-09	Holder of a Commercial Power of Attorney	Jakub Podsiadło
2016-06-09	Holder of a Commercial Power of Attorney	Barbara Sterkowicz