



**Current Report:** 69/2016

**Date:** 2016-08-24

**Name of the Issuer:** FERRUM S.A.

**Title:** Initial financial results for the I half year 2016

**Legal basis:** Art. 17 item 1 MAR – inside information

**Content of the Report:**

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 24<sup>th</sup> August 2016, with regard to the completion of financial data aggregation process initiated in order to prepare extended consolidated half-year report of the Company and FERRUM Capital Group for the I half year 2016, it was decided to publish the initial financial results for the referred period.

Stand-alone net revenue from sales of products, goods and materials in the I half year 2016 amounted to app. PLN 120 791 thousand and was by PLN 38 641 thousand lower than the revenue of comparable period of previous year. Lower sales regarded goods and materials and resulted, among others, from lack of sales of goods and materials to HW PIETRZAK in the I half year 2016. Simultaneously, in the first half 2016 the Issuer's operating profit amounted to app. PLN 2 570 thousand and net profit to app. PLN 712 thousand. The financial results were improved, including but not limited to, by enhanced return of gross sales of products and lower financial costs.

Consolidated net revenue from sales of products, goods and materials in the I half year 2016 amounted to app. PLN 148 808 thousand and was by PLN 37 229 thousand lower than the revenue of comparable period of previous year, which resulted mainly from lack of sales of goods and materials by the parent company to HW PIETRZAK in the I half year 2016. Furthermore, consolidated operating profit of FERRUM Capital Group in the I half year 2016 amounted to app. PLN 5 296 thousand and net profit to app. PLN 2 589 thousand, particularly as a result of improved financial results of the Issuer.

At the same time the Issuer reminds that the detailed information on the final financial results of the Company and FERRUM Capital Group in the I half year 2016 audited by the certified auditor shall be made public on 30<sup>th</sup> August 2016.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2016-08-24	President of the Management Board	Konrad Milterski
2016-08-24	Holder of a Commercial Power of Attorney	Barbara Sterkowicz