

**Rury stalowe:**

- zgrzewane ze szwem wzdłużnym Ø 114,3÷ 406,4
- spawane ze szwem spiralnym Ø 273,0÷1016,0
- spawane ze szwem wzdłużnym Ø 559,0÷ 2020,0

**Kształtowniki zamknięte:**

- ze szwem wykonane na zimno
- kwadratowe: 90x90 - 300x300
- prostokątne: 100x80 – 320x200

**Powłoki izolacyjne:**

- zewnętrzne typu 3LPE, 3LPP
- wewnętrzne cementowe
- wewnętrzne i zewnętrzne epoksydowe

**Current Report:** 77/2011

**Date:** 2011-10-05

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

**Subject:** Exceeding 10% of equity of "FERRUM" S.A. by the value of agreements between "FERRUM" S.A. and IZOSTAL S.A.

**Legal grounds:** Article 56 par. 1 pt. 2 of the Act on Offerings – current and periodic information

**Content of the Report:**

The Management Board of "FERRUM" S.A. (the "Issuer", the "Company") announces that on 4 October 2011 the Issuer entered into two agreements with Izostal S.A. with its registered office in Zawadzkie (the "Buyer", "Izostal") on the Issuer's delivery of bare pipes and coated pipes, as well as two agreements on the Issuer's purchase of coated pipes and painted pipes. The total value of agreements between the Issuer and Izostal entered into on 4 October 2011 is approximately EUR 24.7 million, which is approximately equivalent to PLN 108.7 million according to the average exchange rate of the National Bank of Poland on the date of signing the agreements, whereas the Issuer's sale for Izostal is ca. EUR 11.2 million (which is approximately equivalent to PLN 49.1 million according to the average exchange rate of the National Bank of Poland on the date of signing the agreements).

The highest-value agreement is the agreement on Izostal's delivery of externally coated pipes and internally painted pipes (the "Agreement") with the net value of EUR 7.3 million, which is approximately equivalent to PLN 32.1 million according to the average exchange rate of the National Bank of Poland on the date of conclusion of the Agreement.

The implementation date of the Agreement is the period between October 2011 and February 2012.

The Parties stipulated the following contractual penalties for not implementing or not duly implementing the obligations resulting from the Agreement (all penalties and / or their limitations in % are calculated on the basis of the net price):

- a) for not observing the delivery date, the Deliverer shall pay the Issuer contractual penalty of 0.1 % of the net value of Agreement for every full day of delay,
- b) for renouncing the Agreement due to reasons lying on its side, the Deliverer shall pay the Issuer contractual penalty of 25 % of the Agreement value,
- c) for every day of delay in removing faults due to reasons lying on its side, the Deliverer shall pay the Issuer contractual penalty of 0.06 % of the Agreement value for every day of delay starting from the date agreed as deadline for removing the faults,
- d) for renouncing the Agreement due to reasons lying on its side, the Issuer shall pay the Deliverer contractual penalty of 25 % of the Agreement value.

Regardless of contractual penalties, the Parties could claim supplemental compensation – up to the value of the damage, at the terms and conditions generally applicable. The aforementioned stipulations do not apply in case of force majeure.

The criterion for recognising the total value of agreements to be significant is 10% of the Issuer's equity.

Precise legal basis: Clause 5 par. 1 pt. 3 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and on conditions for recognising the information required by laws of a non-member state as equivalent (Journal of Laws No. 33 Item 259, as amended).

#### **SIGNATURES OF PERSONS REPRESENTING THE COMPANY**

<b>Date</b>	<b>Position</b>	<b>First name and surname</b>
2011-10-05	President of the Management Board	Grzegorz Szymczyk
2011-10-05	Registered Holder of a Commercial Power of Attorney	Marek Królik