



Cooperation and toll treatment agreement with ZW Profil S.A.

On January 10, 2013 Cognor S.A. (Cognor, the Company) together with its subsidiary, Ferrostal Łabedy sp. z o.o. (Ferrostal), entered into a cooperation and toll treatment agreement with Zakład Walcowniczy Profil S.A. in Krakow (Profil). According to the agreement Cognor has become Profile's exclusive supplier of semi-finished products (billets) for further processing into finished products. In addition Cognor has integrated the so far Profile's commercial activities within its own sales structures.

The agreement was made for a period of 5 months ending Jun 30, 2013 with the extension option. The Company expects it will result in broadening of Cognor's product portfolio within carbon steel long products, will improve market access and customer service.

In 2012 Cognor delivered 8.5 thousand tonnes of billets both in direct sales and toll treatment while Profile's total semi-finished supplies accounted for approximately 7.0 tonnes monthly. Therefore, Cognor expects that the agreement will result in a substantial increase in production of billets by Ferrostal as well as its revenues and profitability.