

**Subject: Fulfillment of conditions precedent defined in Pfeiderer SPA and Revolving Facility Agreement; acquisition of the sole share in Pfeiderer GmbH by Pfeiderer Grajewo S.A. and granting the guarantees**

Current Report No. 04/2016

The Management Board of Pfeiderer Grajewo S.A. (the “**Company**”) gives notice that in accordance with the procedure envisaged by the conditional sale agreement executed on 5 October 2015 between the Company and Atlantik S.A. (“**Atlantik**”), amended on November 25, 2015 (see Current Report No. 53/2015 of October 5, 2015 and Current Report No. 64/2015 of November 26, 2015) (the “**Pfeiderer SPA**”), on January 19, 2016 the Company was informed by Atlantik that following the private placement of the existing shares in the Company, the Company's shares held by Pfeiderer Service GmbH (“**PSG**”) were transferred to Atlantik pursuant to the agreement on the sale of the Company's shares executed on October 5, 2015 between Atlantik and PSG, as amended on November 25, 2015 (the “**Implementation of Grajewo SPA**”).

The Implementation of Grajewo SPA and the entering in the register of entrepreneurs of the Company of the share capital increase of the Company by the registry court, disclosed by the Company in Current Report No. 3/2016 dated January 19, 2016, constitute the fulfillment of the remaining conditions precedent specified in the Pfeiderer SPA. Consequently, on January 19, 2016 the Company and Atlantik executed an agreement, pursuant to which the Company acquired the sole share in Pfeiderer GmbH (the “**PG Share**”), with a nominal value of EUR 30,000,000.00, representing 100% of the Pfeiderer GmbH share capital and vesting the right to exercise 100% of votes at the shareholders' meeting of Pfeiderer GmbH. The acquisition of the PG Share by the Company constitutes the final element of the process of reorganization (the “**Reorganization**”) of the Pfeiderer capital group (the “**Group**”), as a result of which the Company became the dominant company of the whole Group.

The acquisition of the PG Share by the Company constitutes an acquisition of assets of considerable value within the meaning of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information released by issuers of securities and conditions of recognizing as equivalent the information required by the provisions of the law of a non-EU member state (consolidated text: Dz. U. of 2014, item 133), as its value exceeds 10% of the Company's equity.

The Pfeiderer SPA Claim, in the total amount of EUR 254,331,847.23, was determined pursuant to the Pfeiderer SPA and settled as follows: (i) the Grajewo SPA Claim, in the amount of EUR 134,978,887.82, was settled by the assumption by the Company of the Atlantik's payment obligation towards PSG in connection with the Assumption Agreement coming into force, and (ii) the sum of the Cash Amount and the Equity Value Claim, in the amount of EUR 119,352,959.41, was paid via bank transfers (as defined in the Current Report No. 53/2015 of October 5, 2015). The book value of the PG Share in the Company's books of account corresponds to the amount of EUR 265,150,653.43. The purchase is regarded as a long-term investment of the Company's capital.

Mr. Paolo Antonietti and Mr. Michael F. Keppel, members of the Supervisory Board of the Company, are at the same time members of the board of directors of Atlantik.

At the same time, the Management Board of the Company gives notice that as the result of the completion of the Reorganization a condition precedent stipulated in the agreement (the “**Amending Agreement**”) amending the super senior revolving credit facility agreement of July 4, 2014 (taking into account the changes ensuing from the Amending Agreement – the “**Revolving Credit Facility Agreement**”) executed on October 5, 2015 by the Company and certain other Group members with a group of financial institutions (the Company reported the execution of the Amending Agreement in Current Report No. 52/2015 of October 5, 2015) was fulfilled. On the day of the Amending Agreement's becoming effective, the Company and its subsidiaries, i.e. Pfeiderer Prospan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o., became borrowers under the Revolving Credit Facility Agreement.

In connection with the Reorganization, also on 19 January 2016, the Company, Pfeiderer Prospan S.A., Pfeiderer MDF sp. z o.o. and Silekol sp. z o.o. (jointly, the “**Core East Guarantors**”) executed a guarantee agreement (the “**Guarantee Agreement**”) regarding obligations arising from the 7,875%

senior secured notes, issued by Pfeiderer GmbH on July 7, 2014, due 2019 in the aggregate principal amount of EUR 321,684,000.00 (the “**Notes**”). The Guarantee Agreement was concluded between the Core East Guarantees, Commerzbank Aktiengesellschaft Filiale Luxemburg (the “**Security Agent**”) and representative of the Notes holders (the “**Holders’ Representative**”).

The Notes were previously guaranteed on a senior basis by, among others, certain subsidiaries of Pfeiderer GmbH (the “**Core West Guarantors**”, and, together with the Core East Guarantors, the “**Guarantors**”; the guarantees issued by the Guarantors, the “**Guarantees**”). Under the Guarantee Agreement, the Notes will be additionally secured by guarantees given by the Core East Guarantors.

Under the Guarantee Agreement, the Guarantors will (subject to certain limitations) jointly and severally guarantee to the Security Agent, acting for the benefit of the holders of the Notes, on a senior basis, the due and punctual payment of principal, interest, costs, expenses or any other amount payable by Pfeiderer GmbH under or in connection with the Notes. Neither the period of the Guarantees nor the remuneration for the Guarantees is specified in the Guarantee Agreement. The Guarantee Agreement is governed by German law.

\*\*\*

This report was prepared pursuant to Article 56 Section 1 Item 2 of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies. (consolidated text: Dz. U. of 2013, Item 1382, as amended) and § 5 Section 1 Clause 1, 4 and 7 of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state of February 19, 2009 (consolidated text: Dz. U. of 2014, Item 133).

January 19, 2016

Disclaimer:

*This report constitutes fulfilment of the reporting obligations of Pfeiderer Grajewo S.A. (the “**Company**”), is for informational and promotional purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in the securities of the Company. The prospectus (the “**Prospectus**”) prepared in connection with the offering and admission of the Company’s securities to trading on the Warsaw Stock Exchange is the sole legally binding document containing information about the Company and the offering of its shares in Poland (the “**Offering**”). The Prospectus has been approved by the Polish Financial Supervision Authority. For the purposes of the Offering in Poland and admission of the Company’s securities to trading on the Warsaw Stock Exchange, the Prospectus is available on the Company’s website ([www.pfeiderer.pl](http://www.pfeiderer.pl)) and, additionally, for information purposes, on the website of Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego w Warszawie ([www.dm.pkobp.pl](http://www.dm.pkobp.pl)).*

*This report (and the information contained herein) does not contain or constitute an offer of securities for sale, or a solicitation of an offer to purchase securities, in the United States, Australia, Canada or Japan, or any other jurisdiction where such an offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States, unless registered under the Securities Act or unless an exemption from the registration requirements set forth in the Securities Act applies to them. No public offering of the securities will be made in the United States and the Company does not intend to make any such registration under the Securities Act.*

*In the United Kingdom, this communication is being distributed only to and is directed only at “qualified investors” within the meaning of section 86 of the Financial Services and Markets Act 2000 who are (a) persons who have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), (b) high net worth entities falling within Article 49(2)(a) to (d) of the Order and (c) other persons to whom it may be lawfully communicated (all such persons together being referred to as “relevant persons”). The securities will be available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be only*

*with, relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.*

*This material does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers Thereof dated October 19, 2005.*

*Statements contained herein may constitute "forward-looking statements". Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "aim", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The Company does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.*