

Subject: Agreeing and signing of the division plan of a subsidiary

Current Report no. 59/2016

The Management Board of Pfeiderer Group S.A. (the “**Company**”), in reference to the current report No. 36/2016 dated June 1, 2016, hereby informs that on October 3, 2016 its subsidiaries – Pfeiderer Grajewo sp. z o.o. (“**PGPL**”) and Pfeiderer Services sp. z o.o. (“**PPL**”) agreed and signed the division plan of PGPL, which was made in compliance with Article 534 Section 1 and 2 of the Commercial Companies Code (the “**Division Plan**”).

The division will be effected in accordance with the procedure specified in Article 529 Section 1 item 4 of the Commercial Companies Code (division through separation), hereinafter the “**Division**”, taking into account that:

1. under the Division an organized part of the enterprise of PGPL connected with the carrying out an economic activity of PGPL in scope of marketing, sale and distribution of manufactured products, as well as activities which support the activities of the PGPL, as well as, to a certain extent, of other companies in the capital group of the Company, e.g. in the areas of accounting / finance, personnel and information technology issues, administration, quality assurance, integrated planning, controlling, customer service, safety and preservation of environment, product development (“**Sale Activity / Shared Services**”) will be transferred to PPL, while the remaining organized part of the enterprise of PGPL, connected with the carrying out an economic activity in scope of manufacturing of wood-based products, including laminated and raw chipboards and others wood and wood-based products, manufacturing other wood products and coating, lamination and impregnation of papers and chipboards, will remain in PGPL;
2. in connection with the Division, PPL’s share capital will be increased by PLN 10,898,000 (ten million eight hundred and ninety-eight thousand zlotys) through the issuance of 21,796 (twenty-one thousand seven hundred ninety-six) shares in PPL with a nominal value of PLN 500 (five hundred zlotys) each, all of which will be allocated to the Company;
3. the Sale Activity / Shared Services will be transferred to PPL on the date of registration of the above share capital increase of PPL and pursuant to Article 531 Section 1 of the Commercial Companies Code on that date PPL will take over the rights and duties connected with the Sale Activity / Shared Services;
4. the Division will be made from PGPL's own capital other than the share capital, i.e. without the decrease of the PGPL's share capital.

Additionally, please note that pursuant to Article 535 Section 3 of the Commercial Companies Code, the Division Plan will be disclosed at the PPL’s website: www.pfleiderer.pl in the bookmark “Aktualności”.

Moreover, please note that the Company withdraw from the intention to transfer to PPL of the sale activity / shared services conducted by Pfeiderer Prospan S.A. (“**PWPL**”) and Pfeiderer MDF sp. z o.o. (“**PMDF**”) through division in the meaning of Article 529 Section 1 item 4 of the Commercial Companies Code, i.e. division through separation. The transfer of the sale activity /

shared services conducted by PWPL and PGPL to PPL will be conducted based on a civil law agreements conducted between those companies.

This report was prepared pursuant to Article 17 Section 1 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (OJ EU L 173/1 dated June 12, 2014).

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