

**POLISH FINANCIAL SUPERVISION AUTHORITY****Current Report No.****19****/****2017**

Date:

May 9th 2017

Abbreviated issuer name

FAMUR S.A.

Subject

Delayed disclosure of inside information - Submission of offer to acquire shares in KOPEX S.A. and adoption of integration model for FAMUR Group and KOPEX Group consisting in spinning off mining machinery and equipment manufacturer from KOPEX

Legal basis

Art. 17.1 of MAR – Inside information

Text of the report:

Acting pursuant to Art. 17.1 and Art. 17.4 of MAR, the Management Board of FAMUR S.A. (the “Company” or “FAMUR”) publishes inside information on submission of a conditional proposal to purchase 65.83% of shares in KOPEX S.A. (“KOPEX”) from the subsidiaries of TDJ S.A. and adoption of an integration model for the FAMUR Group and the KOPEX Group. Public disclosure of the Inside Information was delayed on May 5th 2017.

Content of inside information:

“The FAMUR Management Board reports that on May 5th 2017 it made a conditional offer to purchase 65.83% of KOPEX shares from the subsidiaries of TDJ S.A. The price proposed by FAMUR for 48,932,015 shares in KOPEX, representing 65.83% of the company’s share capital and 48,932,015 voting rights at its general meeting (65.83 % of total voting rights) is PLN 204,046,502.55. Upon acquisition of the shares, the Company will become the parent of KOPEX. The Company’s Management Board expects that the acquisition of the controlling interest in KOPEX S.A. should be completed by June 30th 2017. The offer is conditional on the consent of the FAMUR Supervisory Board.

The Company’s Management Board believes that an issue of new FAMUR shares represents the best means of financing the acquisition of the controlling interest in KOPEX. Therefore, on May 5th 2017, the Company’s Management Board requested the main shareholder, TDJ Equity I sp. z o.o., for support in obtaining additional funds, including for the purposes of financing the acquisition of KOPEX.

Also on May 5th 2017, the FAMUR Management Board passed a resolution outlining an integration model for the FAMUR Group and the KOPEX Group and entered into a conditional agreement with KOPEX (subject to FAMUR Supervisory Board’s consent), defining the terms of cooperation and integration of the companies (the “Agreement”).

The integration is planned to comprise the following steps:

1. Preparation to the integration by establishing within KOPEX:
  - a. the trade and services business, comprising the KOPEX Group’s current trade operations and services, to include Kopex PBSz, ŚTW Dalbis and coal trade; and
  - b. the machinery business, including in particular the operating assets and companies

involved in the manufacture, maintenance and distribution of mining machinery (the "Machinery Business").

2. Commencement of integration of the Machinery Business pursuant to the Agreement, in particular through:
  - a. integration of sales processes,
  - b. reorganisation of production processes,
  - c. concentration of sales, sales support, cooperation and logistics departments as well as other central functions currently performed by KOPEX in FAMUR.
  
3. Preparation and signature, by June 30th 2017, of a plan to demerge KOPEX by establishing the Machinery Business, which will be acquired by FAMUR in exchange for new shares issued by FAMUR. In exchange for KOPEX shares representing the Machinery Business, minority shareholders will, following the demerger of KOPEX, receive new shares issued by FAMUR in accordance with the exchange ratio of 0.76 FAMUR share for 1 cancelled KOPEX share. Given the net asset value of the Machinery Business estimated as at March 31st 2017, it is expected that the demerger will result in the cancellation of approximately 81% of KOPEX shares held by KOPEX shareholders and that the FAMUR shares to be issued in connection with the demerger will represent up to 3% of FAMUR's current share capital. The final net asset value of KOPEX, and thus the net asset value of the Machinery Business, will be determined at the time of signature of the demerger plan, according to the value as at May 1st 2017. The exchange ratio is based on the average market prices of KOPEX and FAMUR shares for the three months preceding the date of adoption of data for the demerger plan, i.e. May 1st 2017, which are PLN 3.94 and PLN 5.16 per share, respectively. To determine the exchange ratio, a method analogous to that defined in Art. 79.7. of the Public Offering Act was applied, i.e. the ratio was based on the arithmetic mean of daily volume-weighted average prices of KOPEX and FAMUR shares. The demerger of KOPEX is expected to be officially completed in Q1 2018.

Acting in accordance with the Articles of Association, on May 5th 2017 the FAMUR Management Board submitted a request to the Supervisory Board for approval of the integration plan for FAMUR and KOPEX and the Agreement."

On May 9th 2017, the Company was informed that the Supervisory Board approved both the offer to acquire the controlling interest in KOPEX and the integration plan, thus the condition precedent set out in the Agreement was fulfilled. In view of the above, the Company's Management Board decided to disclose the above inside information to the public.

In the Company's opinion, delayed disclosure of the above inside information is justified since that its public disclosure on May 5th 2017 could distort the assessment of the information by the public considering the process of obtaining the Supervisory Board's consent, which could also prejudice the Company's legitimate interests. The Company's Management Board also warrants that it was able to ensure the confidentiality of the above information.

FAMUR Spółka Akcyjna	(full issuer name)
FAMUR S.A.	Electromechanical (ele)
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### SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
May 9th 2017	Mirosław Bendzera	President of the Management Board	
May 9th 2017	Zbigniew Fryzowicz	Vice President of the Management Board	