Końskie, 16ᵗʰ of October 2014

Polish Financial Supervisory Authority

Warsaw Stock Exchange

Polish Press Agency

Current report 17/2014

Topic: Decrease of share capital through redemption of own shares.

Ceramika Nowa Gala SA (Company) informs about receiving on the 16ᵗʰ of October 2014 information that the District Court, Commercial Division of the National Court Register in Kielce, on 16ᵗʰ of October 2014 registered a decrease in the share capital of the Company. Decrease of share capital through redemption of own shares took place on the basis of resolutions 13 and 14 of the ordinary shareholders meeting of 30ᵗʰ of June 2014. It was 9.220.757 ordinary bearer shares with a nominal value of PLN 1 each, that have been redeemed and which have corresponded to 9.220.757 votes at the shareholders meeting of the Company. Among all redeemed shares, 237.149 were purchased pursuant to resolution number 3 of the extraordinary shareholders meeting of 10tᵗʰ of October 2008, and the total remuneration paid to shareholders amounted to 536.767.93 zlotys. The remaining 8.983.608 own shares were acquired without remuneration from a subsidiary of CNG Luxembourg Sarl under the agreement for the transfer of shares. The redemption of shares took place within the framework of voluntary redemption. After the decrease of the share capital through redemption of own shares, the share capital of the Company amounts to 46.893.621 zlotys and is divided into 46.893.621 ordinary bearer shares with a nominal value of PLN 1 each, and the total number of votes at the shareholders meeting of the Company amounts to 46.893.621.

<u>Legal basis:</u> Article 56, paragraph 1, point 2 of the Act of July 29, 2005, The Law on Public Offering, Conditions Governing the Introductions of Financial Instruments to Organized Trading and Public Companies and §56.1(9,12) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent.