Polimex-Mostostal Group earned nearly PLN 10 million in the first quarter of 2015

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The net profit of the Polimex-Mostostal Group for the first quarter of 2015 amounted to PLN 9.9 million. The Group, for the first time in three years, started the year with positive results.

- It was a good quarter for us. I am glad that the results were achieved thanks to the current operations rather than one-off events. The results for the first quarter of this year are due to the hard work of our staff, as well as a comprehensive change of the management method of the organization - Joanna Makowiecka-Gaca says, the acting President of the Management Board of Polimex-Mostostal.

The Group's sales revenue in the first quarter of 2015 amounted to PLN 511 million and was higher than in the corresponding period of 2014 by almost PLN 100 million. Operating profit was positive, reached PLN 17.5 million. For comparison, in the first quarter of 2014, operating loss exceeded PLN 27 million.

The general and administrative expenses of the Group at the end of March 2015 amounted to PLN 18.5 million, as compared to PLN 22 million at the end of March in 2014. This represents a fall by 16% in nominal terms and a reduction in the share of general and administrative expenses in the sales revenue from the level of 5.3% in the first quarter of 2014 to 3.6% of the share in the first quarter of 2015.

- Changing management includes a new approach to controlling costs, not just the costs of employeee. We closely monitor costs of our projects, selectively approach new projects. We will not build an unprofitable order backlog. The priority is profitability of our contracts - Joanna Makowiecka-Gaca explains. - We are currently working on a strategy for the entire Group, it will be presented to the Supervisory Board by the end of June. After it being approved, we will conduct

the process of consolidation of shares.

Listing of the shares of each company should ensure their proper and fair valuation. With the current nominal value of the shares of Polimex-Mostostal, it is difficult due to the fact that the average share price of PXM during the last months has remained below PLN 0.50.

- Our goal is to return to continuous listing. To do this, we need to realize the process of consolidation of shares. It is a technical process, it is performed with an unchanged amount of the share capital. The Management Board has prepared a detailed plan of the consolidation - Krzysztof Cetnar explains, Vice President of the Management Board of Polimex-Mostostal. – During the General Meeting of Shareholders to be held on June 17, resolutions will be passed on the consolidation process of shares.

After numerous technical "steps" such as: an application for the registration of changes to the Articles of Association in connection with the consolidation or submission to the National Depository of Securities a request for the redemption of shares in the National Depository for Securities held by the Company - according to the plan - the process of consolidation of shares will be completed in July this year . It will be preceded by the presentation of the PxM Group's new strategy.

The consolidation of shares is done by a proportional reduction in the total number of the shares from the number of 4.330.940.100 (four billion three hundred and thirty million nine hundred and forty thousand one hundred) to the number of 86,618,802 (in words: eighty-six million six hundred and eighteen thousand eight hundred and two) by combining each of the 50 values of Polimex with the nominal value of PLN 0.04 into one share of the company with the new nominal value of PLN 2. The exchange ratio will be 50: 1.

May is for Polimex-Mostostal the 33rd month of the project in Kozienice and the 14th month of the Opole project.

In Kozienice, building and assembly reached the halfway point of both advancement and execution time. At the construction site, there are currently 1,400 employees, including more than 200 employees of the engineering staff. In the coming months, employment will gradually increase and will exceed 2,000 employees. In May, the target height - 185.1 m – was reached for the cooling tower - one of the most emblematic buildings of the power plant.

The erection of the steel structure of the machinery building is completed. A new bridge crane, for loads up to 160 tons, started operating; it is currently used for the assembly of heavy elements. In the first decade of July this year, it will help when mounting the turbine generator sets.

In Opole, where Polimex-Mostostal builds two power units, concreting vertical elements on both machinery buildings is currently taking place among other activities, along with the continued installation of the equipment for concreting the cooling tower No. 5 and earthworks for the cooling unit No. 6.

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