Restructuring affects financial results achieved by Polimex-Mostostal in the first half of 2014

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Reduced financial expenses by 65% in the first half of 2014, as compared to the first half of 2013
Decrease in general and administrative expenses by over 20% in the first half of 2014, as compared to the first half of 2013
Expected further reduction of indirect costs
Negative impact of one-off events on financial results
General and administrative expenses have been significantly reduced (a decrease from approx. PLN 60.5 million to approx. PLN 46 million) and financial costs (down from approx. PLN 84 million to approx. PLN 29.5 million).

- We expect that in the next six months will see even more far-reaching effects of restructuring. According to our assumptions, financial costs can be further reduced by approx. 30%, and general and administrative expenses by at least 20% –Maciej Stańczuk says, acting Chairman of the Board of Polimex-Mostostal SA – This year we are going to lead to a stable, cost-efficient company structure.

Polimex-Mostostal SA recorded, in the first half of 2014, PLN 84 591 thousand net loss. The financial result of the company was negatively affected by one-off events include write-offs and severance paid in connection with restructuring employment. In the first half of 2014, the value of negative one-offs exceeded PLN 50 million.

One-off events will also affect the second half of the year. Effects of corrective actions in the company make the assumptions of achieving the EBITDA positive in 2015 realistic.

On July 30, 2014, the company signed an annex to the restructuring agreement with creditors. In line with the agreement and the business plan accepted by the

creditors, Polimex-Mostostal will next year reach positive financial results. The company is currently implementing a number of important energy contracts (including the power plants in Kozienice and Opole) and is preparing implementation of further orders.

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