

## Polimex-Mostostal agreed the company's financial restructuring

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June 23, 2014, Polimex-Mostostal signed a preliminary agreement with creditors, specifying the conditions and stages of the financial restructuring of the company - the so-called Term Sheet, which provides, inter alia, issuance of bonds, conversion of the debt of the company into shares, launching guarantee lines and postponement of other liabilities.

The Company has entered into an agreement, inter alia, with such banks as PKO BP, Pekao SA, BOŚ, BZ WBK, and institutions representing bondholders.

The Parties agreed to conclude, until 3 July 2014, an addendum to the restructuring agreement of December 21, 2012, where the conditions agreed in the Term Sheet will be reflected.

According to the findings, the company will carry out organizational restructuring which shall result in the formation of a holding structure. The main competences of the Group will include industrial construction within energy and petrochemical sectors.

Initial conditions also provide for the recapitalization of the Company through the issuance of bonds, some of which will constitute bonds convertible into shares of the company.

In addition, financial liabilities of Polimex-Mostostal, worth PLN 470 million, will be converted into shares of the company.

Payment of not converted claims against financial institutions and bondholders will be deferred until 2019.

Sources obtained in this manner and the guarantee line run by the

aforementioned banks will be used to acquire new contracts.

- Signing the agreement was possible thanks to the involvement of the main banks such as PKO BP, Pekao SA, BOŚ and BZ WBK. Creditors agreed that restructuring of the company would increase its value, and achieve their long-term benefits – Maciej Stańczuk said, the Acting President of the Board of Polimex-Mostostal.

- These actions will allow the company to remain the largest Polish construction company, whose importance to the economy cannot be overestimated – Stańczuk added.

Currently Polimex-Mostostal continues corrective actions and their divestment program, in which the non-core assets of the company will be sold.

- With the effects of the recovery program that have already achieved, we presented the creditors with a financial restructuring proposal based on solid foundations and projections – Joanna Makowiecka, the Vice President of the Board.

Polimex-Mostostal maintains a high level of orders with a value of PLN 9.3 billion. Currently, the company is conducting significant energy investments, such as the construction of a power unit in Koźienice a total value of PLN 6.3 billion and two power units in the Opole Power Plant with a total value of PLN 11.5 billion.

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