Polimex-Mostostal closer to the restructuring of financial liabilities

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On 24 July 2012 the Company entered an agreement to refrain from enforcing obligations with the banks financing the activities of the Company and the holders of the bonds issued by the Company.

The agreement was concluded for a period of four months. During that time an agreement amending the terms of debt financing for the Company will be worked out.

The agreement could be terminated ahead of schedule in the event of not meeting one of several conditions till 30 July 2012:

· bondholders, holding a total of Polimex-Mostostal bonds of at least 390 million zloty would not enter the contract,

· BPH S.A. Bank or DZ Bank Polska S.A. would not commit to a specific change to binding credit agreements,

· CaixaBank S.A. of RBS Bank S.A. would not enter the agreement

As we have previously informed, Polimex-Mostostal, on 27 July 2012, the RBS S.A. Bank signed an agreement to refrain from enforcing the obligations of the Company and BPH Bank agreed to change the terms of the binding credit agreement with the Company.

Moreover, on the same day yet another bondholder signed another contract, so the agreement is signed by bondholders holding the Company’s bonds worth 392 million zloty.

On 27 July BPH SA Bank agreed to change the terms of the binding credit agreement.

- In view of these facts, the Board of Polimex-Mostostal on 30 July entered an amendment to the agreement of 24 July with cooperating banks and bondholders to refrain from enforcing obligations. This amendment removes from the contract provisions under which it could be automatically terminated ahead of schedule - Konrad Jaskóła informs, the President of the Board, CEO of Polimex-Mostostal.

It was also agreed in the amendment to the agreement that the signing of the agreement by CaixaBank SA Branch in Poland is not a prerequisite.

- Therefore, the agreement between the Company and cooperative banks and bondholders remains in force. This is an important step in the process of developing common target solutions to ensure sustained financial stability for our business operations - the President adds.

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