Polimex-Mostostal SA announced a moratorium with banks and bondholders

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Polimex-Mostostal implements a wide range of actions aimed at increasing the efficiency of operation, improving financial liquidity, reducing debt, and ultimately increasing performance.

- A framework of Polimex-Mostostal financing has been developed. On its basis discussions were conducted with all the financial creditors of the Company, particularly with banks and bondholders. As a result of these discussions, temporary suspension of the enforcement of the Company's financial liabilities repayment has been agreed - Jaskóła Konrad, the President of the Board informs.

A moratorium has been set for a period of four months, in which the Company will negotiate with the creditors a final financial agreement amending the terms of Company’s financing. Each of the creditors agreed that during this period they shall neither require repayment of the existing financial debt, nor accelerate its repayment terms, nor put it in foreclosure. Moreover, during the moratorium, each of the cooperating banks will make available and renew the existing capital loans of the Company.

- Under the agreement there was a shift of liabilities which have fallen due before the signing of the Agreement or that would become due in the term of it, by the end of the moratorium - the President of the Board, Jaskóła complements.

- The Company conducts regular operations, generating cash flow. Accounts for the subcontractors and suppliers take place on a regular basis. As a result of successfully conducted offers Polimex-Mostostal amassed a huge portfolio of signed contracts, amounting to several billion zloty. This ensures the implementation of most of the current financial year and provides a solid foundation for business in subsequent years. A strict, internal financial discipline

is being imposed and the operating costs are being lowered – the President Jaskóła complements.

- During the moratorium Polimex-Mostostal will agree changes in the conditions of funding granted to the Company by the creditors, including deferral of repayment dates and levels of financial indicators applying to the Company. We shall also analyze the adequacy of the Company's capital equity level to the scale and risks of the business - the President Jaskóła adds.

In order to conclude a final agreement with creditors, the Company has agreed to provide the creditors with information about the planned restructuring activities and projected financial situation, as well as to hire an adviser who will make an independent assessment of the information provided by the Company.

- Short and long term actions taken in Polimex-Mostostal including the arrangements with creditors and restructuring processes are aimed at increasing the efficiency of operation, improving financial liquidity, reducing debt and ultimately, increasing performance, improving productivity and optimizing the management of human resources - the President Konrad Jaskóła sums up.

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