

RESULTS OF "POLIMEX-MOSTOSTAL" SA FOR THE FIRST HALF OF 2018

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Operating income of the Polimex Mostostal Capital Group in the first half of 2018 amounted to PLN 810 million and is lower by PLN 324 million compared to the same period in 2017. Similarly, the Capital Group's EBITDA in the first half of 2018 amounted to PLN 6 million and is lower by PLN 69 million PLN compared to a similar period in the previous year.

Operating revenues of "Polimex-Mostostal" SA in the first half of 2018 amounted to PLN 230 million and were lower by PLN 381 million compared to the same period in 2017. In the first half of 2018, the Company's EBITDA was -17 million PLN and is lower by 19 PLN million compared to a similar period in the previous year.

**Selected financial data of the Polimex Mostostal Capital Group
for the first half of 2018 in million PLN**

in PLN million PLN	I H 2017	I H 2018
Operating revenues	1 134	810
Operating profit	63	-7
EBITDA	75	6
Gross result	49	-17
Net result	35	-21

Selected financial data of "Polimex-Mostostal" SA for the first half of 2018 in million PLN

in PLN million PLN	I H 2017	I H 2018
Operating revenues	611	230
Operating profit	-2	-18
EBITDA	2	-17
Gross result	41	-13
Net result	27	0

The first half of 2018 is another period of hard work on the projects implemented by the Companies, improving the operational area and building a portfolio of new orders for the whole Capital Group. In accordance with the declarations, we focused on increasing the competences of managing the implementation of projects and on improving the bidding and budgeting process. We have also increased the role of controlling, risk management and supervisory mechanisms.

*We operate on a difficult market and in a highly competitive environment. We focus on reliable offers and valuation, as well as realistic deadlines. Thanks to our extensive experience, good production facilities and, above all, our own personal resources, we believe that the market will appreciate us and we will accomplish the goals planned for this year. - **said Krzysztof Figat, president of the board of "Polimex-Mostostal".***

The downward trend in operating income and EBITDA for the first half of 2018, both for the Capital Group and "Polimex-Mostostal" SA, results to a large extent from the successive settlement of strategic contracts implemented by the Capital Group (Project Opole, Project Kozienice - completed in XII 2017), as well as the

creation of an additional cost reserve on the Żerań project. We carefully analyze the budgets of all our projects, pay attention to costs and undertake activities related to their optimization. - **said Maciej Korniluk, vice president of the board of "Polimex-Mostostal" for financial area.**

In the current realities of the Polish market, the order portfolio for 2018 of the Capital Group Polimex Mostostal allows us to function safely. It relies heavily on new contracts. We also have more and more orders from our regular clients, both in Poland and abroad.

We strive to be flexible and fully tailored to the needs of our clients. We can also support numerous references and examples, successfully completed, implementation. We are calm because on the construction market we have the reputation of reliable partner.

We are determined to implement our plans with success. - **Przemysław Janiszewski, Vice-President of the Management Board of Polimex-Mostostal responsible for the operational area added.**

PRESENTATION OF FINANCIAL RESULT FOR FIRST HALF 2018 OF "POLIMEX-MOSTOSTAL" SA

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