Extraordinary General Meeting of Polimex-Mostostal Stockholders concluded.

03/12/2010

Today, on 12 March 2010, the Extraordinary General Meeting of Polimex-Mostostal S.A. Stockholders concluded its session.

The session aimed at adopting resolutions related to the process of approving the restructurisation of the Group.

According to the plan which the Management Board presented to the Stockholders, Polimex-Mostostal is going to merge with the following subsidiary companies operating in the area of power and chemical industries:

Energomontaż-Północ S.A.
Naftobudowa S.A.
Naftoremont sp. z o.o.
ZRE Kraków sp. z o.o.
ZRE Lublin S.A.
EPE-Rybnik sp. z o.o.
ECeRemont sp. z o.o.
The merger will be executed by transferring the entire property of the above subsidiaries over to Polimex-Mostostal and a simultaneous increase of the share capital thereof by issue of new stocks to be distributed among the minority stockholders and shareholders of the subsidiaries.

Regardless of the fact that majority of Polimex-Mostostal Stockholders voted “for”, the required minimum of 2/3 of all voters has not been achieved in order to approve the share exchange ratio set out during the Extraordinary General Meeting of Naftobudowa S.A. Stockholders.

Therefore, the Extraordinary General Meeting of Polimex-Mostostal Stockholders decided not to vote on the remaining merger-related draft resolutions during that session.

In relation to the above, the Polimex-Mostostal Management Board announced to continue the merger proceedings on the basis of separate merger documentation related to Naftobudowa S.A. and six other companies:

Energomontaż-Północ S.A.
Naftoremont sp. z o.o.
ZRE Kraków sp. z o.o.
ZRE Lublin S.A.
EPE-Rybnik sp. z o.o.
ECeRemont sp. z o.o.
The Polimex-Mostostal Management Board assumes that the General Meetings of Stockholders to take place in June this year are going to approve the above merger plan as amended.

„The Management Board have decided that the most effective way for further development is via incorporation of the subsidiary companies operating in the power and chemical industries. Such restructurisation allows achieving certain objectives:

stronger competitive advantage in industries of high growth potential – with the power sector at the first place
higher profits for Polimex-Mostostal S.A. thanks to consolidation of all results achieved by the subsidiaries
higher profits distributed to stockholders and shareholders of merged companies
concentrated resources and development of new products to enable larger projects
improved liquidity of assets held by investors in subsidiaries
wider scope of services performed within the Group
higher sales resulting from stronger competitive advantage
improved operational effectiveness thanks to improved management
reduced overhead and financial costs of formerly self-reliant companies”
- said President Konrad Jaskóła.

”The Polish power sector requires high expenditures for the development of new capacity and the modernisation of the current production potential and the grid line,” explained President Konrad Jaskóła. ”Moreover, project financing options in the power sector are becoming more crystallised and the contract award

procedures are speeding up. Polimex-Mostostal is going to participate on a major scale in such investments. With that objective in mind, thanks to the restructurisation among other things, we are building an organization strong enough in Poland and our part of Europe to become a reliable partner for investors and a general contractor of major power and heat generation projects as well as other investments leveraging the renewable sources," the President added.

"We have also launched the Engineering Design Centre in the town of Gliwice based on the merger of Energotechnika and Biprokwas. The Engineering Design Centre and other design-oriented offices of the Group provide hundreds of highly specialised engineers who design power systems among other things," added President Konrad Jaskóła.

Being the central company of the consortium and the general contractor, Polimex-Mostostal is currently participating in a tender for construction of a 480 MW unit for Siekierki Power Plant. The company has also qualified to participate in the tender for construction of two power boilers, 900 MW each, for Opole power plant.

"We are also interested in power supplier operations. It drives our talks with Polskie Górnictwo Naftowe i Gazownictwpo S.A., Zakłady Azotowe w Tarnowie-Mościcach S.A. and Tauron Polska Energia S.A. aimed at erecting a new combined plant of 200 MW at Zakłady Azotowe site which would generate power from natural gas," the President concluded.

PDF