Extraordinary General Meeting of Polimex-Mostostal have adopted resolutions on the execution of reorganisation

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Today, i.e. 12 July 2010, Extraordinary General Meeting of Shareholders of Polimex-Mostostal S.A. adopted resolutions regarding adoption of two Merger Plans involving seven companies of the Group and Polimex-Mostostal.

The aim of the Management Board of Polimex-Mostostal is to achieve and maintain a significant competitive advantage in developing sectors, first of all in the power engineering sector. Successful realisation of so imposed a task requires:

- acquiring capacities to comprehensively realise large investments,
- increasing participation of own resources in works execution,
- reducing the negative impact of seasonality and cyclicity by enabling free movement of human resources and equipment between individual business units,
- extending the scope of own supplies with new products, in particular of significant importance to the realisation of entire orders,
- reducing the costs being incurred.

Accomplishment of so defined tasks requires resource concentration which the incorporation of the selected subsidiary companies is to serve. In accordance with the two reorganisation plans, Polimex-Mostostal S.A. shall incorporate the following companies:

- 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.

Today’s Extraordinary General Meeting of Shareholders of Polimex-Mostostal, during which the form of further development of the Group proposed by the Management Board of Polimex-Mostostal was considered to be the most effective, authorised incorporation in the organisational structure of Polimex-Mostostal of seven subsidiary companies.

In particular, the Extraordinary General Meeting of Shareholders authorised two merger plans, i.e.

1. regarding Polimex-Mostostal and the following six 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.**

1. **2.regarding Polimex-Mostostal and Naftobudowa S.A.**

The merger is to take place by means of transfer of the entire assets of the foregoing companies onto Polimex-Mostostal with a concurrent increase of the business capital of Polimex-Mostostal with a new issue of stock to be distributed to shareholders and stockholders of the companies being acquired.

Benefits arising from the merger:

- Reinforcement of the competitive advantage.

As a result of the merger the competitive advantage of the Polimex-Mostostal shall be reinforced in the area of engineering and construction services in industries of significant growth potential, first of all in the power engineering industry, through the provision of comprehensive realisation of large structures and maintenance of them, but also in the fuel and chemical industries as well as waste utilisation and environment protection systems, and through becoming oriented at new technologies, inclusive of biotechnologies. Resource concentration will enable extension of the scope of services provided, increase of the scope of works realised with own resources, and will limit the impact of seasonality by means of shifting the potential between the business units of Polimex-Mostostal.

- Rationalisation of management and more effective cost control.

The merger will enable cost-related savings within the administrative, organisational and financial areas. Operating effectiveness will improve.

- Increase of attractiveness to investors.

Thanks to the merger, Polimex-Mostostal will become more attractive to shareholders and partners of both the Companies being acquired and of Polimex-Mostostal.

As a result of thorough consolidation of financial results achieved by the Companies being acquired and the planned economic growth of the Polimex-Mostostal, the profit attributed to the shareholders of Polimex-Mostostal will increase, and the stock of the Company, following the merger, will also be held by the shareholders and partners of the Companies being acquired.

Simplification of the structure and unification of the management systems will increase the transparence of the Capital Group to owners and investors, thus facilitating their analysis and assessment of the current standing and business development potential.

In addition, the current stockholders and shareholders of the Companies being acquired, the assets of which are not listed at the Warsaw Stock Exchange, will obtain stock listed on the public market. Greater liquidity of the stock held will be an advantage to the current stockholders of public companies quoted at the Warsaw Stock Exchange.

- *During today’s Extraordinary Meeting of Shareholders, the shareholders approved of two merger plans providing for incorporation of seven companies into*

Polimex-Mostostal. We are very much satisfied with it.

General Meetings of individual companies to be incorporated, the agenda of which will include adoption of individual resolutions regarding the mergers, will be successively held until 22 July. The Management Board of the Company hopes that results of votes regarding the resolutions will also be positive, **informs Konrad Jaskóła, President of the Management Board of Polimex-Mostostal S.A.**

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