

Current report no. 107/2012

Date prepared: 14.11.2012

Issuer's abbreviated name:

POLIMEX-MOSTOSTAL

Subject:

Disposal of an organised part of the enterprise

Legal basis:

Article 56 (1) (1) of the Act on Public Offering – confidential information

The Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul. Czackiego 15/17 hereby informs that on 14 November 2012 ZREW TRANSFORMATORY Sp. z o.o. with its registered office in Lodz (formerly operating under the company name of Dellona Investments Sp. z o.o.) - a special purpose vehicle controlled by Highlander Partners with its registered office in the United States of North America (Dallas) concluded with the Issuer a preliminary contract of sale of an organised part of Polimex-Mostostal S.A., i.e. ZREW Transformatory headquartered in Lodz.

The subject matter of the activity conducted by the organised part of Polimex-Mostostal S.A. provided for hereinabove is the production, modernisation and repairs as well as comprehensive diagnostics of oil-immersed power transformers.

The sales price of the organised part of the enterprise amounts to PLN 46,700,000.00 (in words: (forty-six million, seven hundred thousand Polish zlotys).

Conclusion of the Promised Contract of Sale ought to take place by 15 January 2013 and shall be predicated on the fulfilment of numerous conditions precedent, namely:

- (i) conclusion of escrow account agreements and of a trust account agreement, and crediting the accounts with the Sales Price, and
- (ii) deletion from the land and mortgage register of the consolidated mortgage encumbering a property constituting a component of the organised part of the enterprise, or provision of PKO BP S.A. consent to separate the aforementioned property from the consolidated mortgage free from any encumbrances, and
- (iii) entering into agreements with key customers with respect to assumption by the Buyer of the Seller's rights and obligations arising from transformer delivery contracts; in the case of transformer delivery contracts executed within the framework of public procurement (which also applies to tenders won by the Seller until the Closing Date) – entering into agreements with key customers with respect to assumption by the Buyer of the Seller's rights and obligations arising from those contracts and to the Buyer's assumption of the Seller's liabilities arising from those contracts, and
- (iv) issuance of decisions by competent public administration bodies with respect to the assignment onto the Buyer of administrative permits associated with the activity conducted by the organised part of the enterprise (gas and water use licences), and
- (v) obtainment of certificates from the Tax Office and the Social Insurance Institution as agreed upon between the Parties, and
- (vi) conclusion by the Buyer of any contracts required by ZCP to continue its activity, as agreed upon between the Parties.

Signatures of persons representing the Company:

Przemysław Milczarek – Managing Director