

Current report No. 113 /2015
Date prepared: 17.11.2015
Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Subject: Conclusion of a preliminary agreement with respect to a new strategy of the Group – consent to separate Mostostal Siedlce as a separate company

Legal basis: Art. 56 sec. 1 item 1 of the Act on Public Offering – confidential information

With reference to current report no. 95/2015 dated 31.08.2015 with respect to the Polimex-Mostostal Group Sustainable Development Strategy, the Management Board of Polimex-Mostostal S.A. having its registered office in Warsaw at ul. Jana Pawła II 12 (hereinafter referred to as the '**Company**') hereby informs that on 16 November 2015 the Company and its financial creditors being a party to the agreement on the principles of the Company's financial debt management dated 21 December 2012 (hereinafter referred to as the '**ZOZF Agreement**') (please refer to current report no. 130/2012) and Agencja Rozwoju Przemysłu S.A. acting in the capacity of a New Bond Holder (please refer to current report no. 131/2012) (hereinafter collectively referred to as the '**Creditors**') entered into a preliminary agreement on the Polimex-Mostostal Group New Strategy (hereinafter referred to as the '**Preliminary Agreement**').

Conclusion of the Preliminary Agreement is a prerequisite for undertaking further actions aimed at implementing the Polimex-Mostostal Group Sustainable Development Strategy and at implementing further reorganisation activities the direct purpose of which is to increase the operational stability and the value of the Polimex-Mostostal Capital Group. Polimex-Mostostal Group is planning on focusing its entire operations on specific business segment companies, inclusive of Mostostal Siedlce Sp. k. (limited joint stock company); in the resulting holding structure, the Company will manage operating companies and business supporting companies. Pursuant to the Preliminary Agreement, by 30 November 2015 the Company shall have developed a plan of detailed activities and schedules of strategic initiatives; furthermore, as of 1 December 2015, the Company shall monitor implementation of the Strategy on an ongoing basis.

Within the framework of the Preliminary Agreement, the Creditors consented to Mostostal Siedlce manufacturing plant remaining within the structures of the Polimex-Mostostal Capital Group. The Agreement stipulates that Mostostal Siedlce shall be separated from the structures of the Company in the near future and contributed in kind or sold to the newly established Mostostal Siedlce Spółka Komandytowa (limited joint stock company) by PKO BP S.A. (at the value of approx. 100 million Polish zlotys) and Pekao S.A. (at the value of approx. 50 million Polish zlotys), currently secured on the assets of Mostostal Siedlce. The Preliminary Agreement also stipulates possible refunding of the current debt with a new loan appropriated to repayment of liabilities under current loans, to be granted to Mostostal Siedlce Spółka komandytowa by PKO BP S.A. and Pekao S.A. The Preliminary Agreement sets the rules, dates and financial terms pursuant to which Mostostal Siedlce Spółka Komandytowa shall manage repayment of debt under the said loans or under a loan granted to refund the said debts, terms of possible refunding and security, and terms in accordance with which Mostostal Siedlce shall provide the Company with any cash surplus.

The Preliminary Agreement is not binding, and the Parties' obligation to carry out the transactions set in the Agreement shall not arise until the transaction documentation is coordinated and signed. However, the Parties are obligated to exercise due diligence in order to carry out further negotiations with respect to the issues provided for in the Preliminary Agreement.

The Company resigned from the sale of Mostostal Siedlce as a result of, inter alia, the Management Board of the Company anticipating that as a result of the Strategy adopted the entity remaining within the structures of the Polimex-Mostostal Capital Group will – in the long term – bring about more benefits than disposal of it.

Signatures of persons representing the Company:
Joanna Białas – Disclosure Requirement Coordinator