

Current report no. 54/2016

Date prepared: 24.11.2016

Issuer's abbreviated name: POLIMEX-MOSTOSTAL

Legal basis: Article 17 (1) of MAR - Confidential Information

Subject: The launch of actions aimed at the recapitalisation of the Company through an increase of its share capital by way of a new share issue

The Management Board of Polimex-Mostostal S.A. having its registered address in Warsaw (hereinafter referred to as the "Company") hereby announces that, considering the current financial needs of the Company and the difficulties in providing the Company with guarantees of an appropriate amount necessary to win and execute construction contracts, further financial restructuring of the Company is necessary. Consequently, seeing a need to recapitalise the Company, today the Management Board has adopted a framework resolution to undertake actions related to the increase of the share capital of the Company through the issue of Class T shares by way of private subscription with the waiver of the current shareholders' pre-emptive rights.

The Management Board sees a need to recapitalise the Company by increasing its share capital by an amount not higher than PLN 300,000,000 through the issue of not more than 150,000,000 Class T shares by way of private subscription with the waiver of the current shareholders' pre-emptive rights and without a need to carry out a public procurement procedure.

The Management Board has launched actions aimed at preparing the issue of shares. The decision to increase the share capital of the Company through the issue of shares and to determine the terms and conditions of its execution lies within the responsibility of the General Meeting. Consequently, the Management Board intends to convene an Extraordinary General Meeting.

The Issuer will inform about each individual stage related to the issue of shares, in particular about convening an Extraordinary General Meeting of Shareholders, in separate reports.

Signatures of persons representing the Company:

Joanna Białas – Disclosure Requirement Fulfilment Coordinator