

Current report No. 160/2013

Date prepared: 8.11.2013

Issuer's abbreviated name:

POLIMEX-MOSTOSTAL S.A.

Subject: Agreements on massive layoffs

Legal basis: Art. 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 (hereinafter referred to as the "**Company**") informs of conclusion on 7 November 2013 of an agreement with trade unions operating within the Company, i.e. (i) KM NSZZ no. 36 "Solidarność" Polimex-Mostostal S.A., (ii) "Budowlani" within Polimex-Mostostal, (iii) NSZZ Pracowników Polimex-Mostostal, (iv) NSZZ Pracowników ZREW and (v) MZZ "Chemików", providing for the mode and principles of employment termination and the change of employment and salary conditions due to the reasons not concerning the employees of the Company (hereinafter referred to as the "**Agreement**").

The Agreement provides for the mode and principles of procedure in matters concerning employees with whom the employment is intended to be terminated and to whom the employment and salary conditions notice is intended to be given as well as the obligations of the Company within the scope indispensable for the settlement of other employment law litigations related to the intended massive layoff.

The reasons of the intended massive layoff are, among others: (i) decrease in number of contracts performed by the Company, (ii) difficult economic and financial situation of the Company, (iii) net loss for the 6-month financial period ended on 30 June 2013, (iv) changes to the organisational structure of the Company.

Massive layoff and intended change of employment and salary conditions may concern 880 employees of the Company. These employees will receive the notice on termination of the employment contract or the change of employment conditions and salary during the period from 20 November 2013 to 31 March 2014. It also provides for criteria of selection for the intended massive layoff and the change of employment conditions and salary as well as principles for application of these criteria.

Moreover, on the basis of the Agreement, the Company will pay to the employees with whom the employment contract will be terminated as part of massive layoff the severance payment dependent on the length of service of a given employee.

The Company will make effort to ensure information and legal help to the employees and the help in collecting the documents necessary for obtaining the relevant benefits.

Signatures of persons representing the Company:
Robert Kosmal - Manager of the Shareholder Supervision Office