Polimex-Mostostal S.A. will sell a middle-power transformers production and repair unit ZREW in Łódź to Private equity fund Highlander Partners.

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The value of the transaction will amount to PLN 46,7 million. The transaction will be finalized in the coming weeks, once the formal requirements are met.

ZREW unit, which is now part of Polimex-Mostostal SA is an entity with almost 50-years' market experience in delivering services for companies from the energy sector as well as from other areas of economy, including industrial services involving machines and production lines, repair and modernization of machines and the implementation of investment projects. Its turnover in 2011 amounted to PLN 62 million. While remaining deep-rooted in the local market, the ZREW unit services clients not only from Poland, but also from Eastern Europe offering them flexible and personalized products and service configurations.

ZREW unit provides production and renovation services which demand developing a highly personalized offer and deep understanding of specific requirements of clients from various industry sectors. Long-term market presence, stability and recognition from current clients as well as excellent understanding of the local market will build the newly-established company's competitive advantage. Acquisition of this segment of operation from Polimex-Mostostal S.A is in line with the broad recovery plan of the listed company, part of which is the sale of assets outside its core business.

- "Involvement of the Highlander Partners fund in the Łódź unit will allow us to raise the capital enabling us to continue the restructuring plan and fulfill our

commitments. We are satisfied that the sale process of ZREW unit was smooth and in just a few months we managed to find not just an investor, but a trustworthy business partner. As the leading Polish engineering and construction company we would like to send a clear message to our investors, employees and business partners that the company is on track to re-enter the path of stable growth. We will undertake all necessary measures to help our company reach this goal" –Robert Kosmal says, Head of M&A at Polimex-Mostostal.

Highlander Partners, an American fund active in Central Europe, has been consistently investing into specialized middle-size companies operating in promising sectors of economy, to which Polish energy sector certainly belongs. The unit will be transformed into a company named ZREW Transformatory and will soon set up investments enabling further growth and the increase of production capacities.

- "We believe that the newly established ZREW Transformatory company possesses not only a well-established position in the Polish market, but also a high growth potential. In reference to this, we are planning further investments, which will ensure a safe and long-term development for the company. Because of highly decapitalized transmission and distribution network infrastructure, both Polish and regional energy sector may benefit from considerable investments in the future. We wish to be a part of that process" –Artur Łakomiec says, Operating Partner at Highlander Partners.

About Highlander Partners L.P.

Highlander Partners, L.P. is a Dallas-based (Texas, USA) private investment firm specializing in long term investments into middle market businesses. Established in 2004 by partners who have committed over $400 million of principal funds for direct private equity investments, the firm has a quick decision making process (independence from institutional investors) and clear investing policy (the firm invests in companies operating on B2B market in targeted industries in which the principals of the firm have significant operating and investing experience). Since 2004 Highlander executed a number of significant equity investments e.g. Pioneer Surgical Technology (healthcare sector), Strategic Equipment & Supply Corp. (food service industry), Lund International (automotive industry).

Highlander Partners established its Warsaw office in September 2008. The Polish team implements locally in Poland and CEE the global investing policy targeting selected industries such as healthcare, basic manufacturing, food, building materials and providing financing at the level of Euro 5 – 15 m. The first equity investments in Poland were: Akomex (2010, packaging industry) and MEDI-System (2011, healthcare sector). In line with the „buy & build” approach the firm remains an active, long term investor in both mentioned companies.For more information about Highlander Partners, please visit www.highlander-partners.com.

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