Polimex-Mostostal SA - Signing a letter of intent with the Industrial Development Agency (ARP)

09/19/2012

· The Board of Polimex-Mostostal SA announces that on September 18, 2012, the Company signed a non-binding letter of intent with ARP, the subject of which is ARP participation in the capital increase of the company.

· The letter of intent for enables ARP to acquire newly issued shares of the Company entitling to exercising up to about 32.99% of the votes at the general meeting of the Company.

In August this year we announced that we were talking with potential investors and believed that to be one of the priorities of the new Board of Directors. The consequence of these discussions was signing a letter of intent with the Industrial Development Agency.

As part of our financing strategy, we turned to a number of recognized institutions with a proposal to participate in the capital increase of the Company or warranting the issuance of shares. ARP expressed its interest in cooperating as the first entity. We will strive to develop a solution optimal from the point of view of all stakeholders and the Company itself - Robert Oppenheim, CEO of Polimex-Mostostal, says

The letter of intent provides, among others, two alternative variants of ARP investments in the shares of the Company. According to the first variant ARP or entities designated by it may acquire shares of the Company for an amount of not more than 250,000,000 PLN and according to the second one ARP or entities designated by it may acquire shares of the Company for an amount not less than 150,000,000 PLN and subscription warrants.

Acquisition of shares by ARP is subject to additional terms and conditions specified in the letter of intent, including the conclusion of the Company's restructuring agreement with creditors.

Detailed information on the proposed terms of specific issues of shares are given in the draft resolutions of the general meeting convened by the Board of the Company on 18 September 2012.

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