Polimex-Mostostal signed an annex to the restructuring agreement with creditors

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On 30 July 2014 Polimex-Mostostal concluded negotiations and signed an annex to the restructuring agreement with creditors dated 21 December 2012, specifying conditions for continued financial and organizational restructuring of the company.

The shareholders of the company, during the Extraordinary General Meeting on 31 July 2014 adopted resolutions approving the findings contained in the annex.

The Company signed the annex, among others, with the following banks: PKO BP, Pekao SA, BOS, BZ WBK, and institutions representing bondholders.

The findings include, inter alia, converting a substantial part of the obligations of the company, with the min. value of PLN 470 million, into shares and the launch of a guarantee line for the company’s guarantees. In addition, the company will be recapitalized through bond issues, partly convertible into shares of the company.

Payment of claims due to financial institutions and bondholders, not covered by the conversion shall be deferred for a period from 2017 to 2019.

According to the findings, organizational restructuring of the Group into a new holding structure will be carried out. The principal holding competences will be specialized engineering design activities in the energy and petrochemical industries with a large share of own workmanship and service activities.

- The annex signed on the 30th is a consequence of the liabilities to creditors previously undertaken by the company. On 31 July 2014, during the Extraordinary General Meeting, the shareholders approved the plans - Maciej Stańczuk said, the

acting Chairman of the Board of Polimex-Mostostal.

- The agreement was achieved thanks to the involvement of major banks i.e.. PKO BP, Pekao SA, BOS and BZ WBK. It enables our implementing the long term strategy involving development of holding activities in our key areas i.e.. the energy and petrochemical industries, thereby gradually repaying obligations and, consequently, we shall get an increase in the value of the largest Polish construction company, which is Polimex-Mostostal - Maciej Stańczuk said.

- Today, we are continuing our recovery program, which, along with the actions contained in the annex to the restructuring agreement with creditors, allows us to implement the held contracts. In contrast, the means obtained by the agreement and the guarantee will enable us to acquire and execute new contracts and business development - Krzysztof Cetnar highlighted, the Executive Financial Vice President of Polimex-Mostostal.

Polimex-Mostostal maintains a high level of orders through the implementation of several major contracts, including two being key to Polimex-Mostostal, but very important for the Polish energy sector: the construction of a power unit in the Kozienice Power Plant, with a total value of PLN 6.3 billion, and the construction of two power units in the Opole Power Plant, with a total value of PLN 11.5 billion. In both contracts, the share of Polimex-Mostostal is approx. 42%.

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