Polimex-Mostostal continues the implementation of the restructuring program

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Polimex-Mostostal continues the implementation of the restructuring program. One of the essential elements of it is the sale of assets that are not included in the core business of the Company. Among others, Sefako Boiler Factory has already been sold. The sale of Energomontaż-Północ Gdynia Company is in the final phase.

Polimex-Mostostal has also put on sale about 50 real-estates whose common feature is the significant potential for property development. These include, among others:

· an office building in the center of Warsaw at Czackiego Street (formerly a theatre called Teatr Kwadrat) with a usable area of about 4,500 m2

· an office building in the Warsaw district Powiśle at Elektryczna Street with a usable area of about 2,000 m2,

· a real estate at Górczewska Street in Warsaw (Bemowo District) with an area of about 7.8 ha, currently with a Tesco shopping center,

· two investment areas in the southern part of Katowice with a total area of over 5 hectares for building and housing services,

· four investment areas in Cracow with a total area of approximately 4.5 hectares for building and housing services.

Until now, the Company has signed asset purchase agreements in the amount of ca. PLN 200 million. At the end of 2015 revenue from the sale will reach PLN 600 million.

- We assume that the revenue from divestment will be increased by an amount of approximately PLN 150 million in respect of the planned, new share issues, including approximately PLN 50 million to be brought by public issue and a little more than PLN 100 million by the issue of subscription warrants - Przemysław Milczarek informs, the Director of Operations.

The first phase of the repair process of the Company has been completed. Among other things, the organizational structure has been significantly simplified and the fixed costs have been reduced. Polimex-Mostostal has also entered into a restructuring agreement with banks.

With the restructuring measures carried out so far the company's financial situation has been stabilized.

- The Company acquired a warranty line for a group of 5 banks, with the leading share of PKO BP for the amount of over PLN 200 million. We can now focus on operations in the segments we considered strategic. We are looking for further orders, taking part in tender procedures selecting only projects with satisfactory margins, which guarantee achieving attractive financial results – Mr. Milczarek adds.

The current value of the Group's portfolio of signed contracts exceeds PLN 11 billion net, 62% of the amount are contracts carried out in the energy sector.

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