Polimex-Mostostal to construct the Museum of the History of Polish Jews in Warsaw for over 152 million PLN.

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Today, i.e. on 17 June 2009, Polimex-Mostostal signed with the State Treasury, represented by the Minister of Culture and National Heritage and the Capital City of Warsaw – the Capital Board of City Development, a contract regarding construction of the Museum of the History of Polish Jews in Warsaw.

The contract will be executed by a group of companies:

Consortium Leader: Polimex-Mostostal S.A.,
Consortium Partner: Interbud-West Sp. z o.o. of Gorzów Wielkopolski.
Net contract value: 124,830,850.35 PLN

Gross contract value: 152,293,637.43 PLN

The object will be realised within 33 months of the date of signature of the Contract i.e. by March 2012.

Building design was selected in an international architectural contest conducted in 2006. The first award in the contest was given to a design by the Finnish Lahdelma & Mahlamaki. According to the contest programme, the Museum will be: an education and culture centre serving to inform of the importance of the heritage,with particular emphasis put on the education of the young generation. The Museum will provide the visiting Poles, Jews and representatives of other nations with the knowledge of the history of Jews.

Apparently simple, glazed building of the Museum, according to the design by the Finnish architects, will correspond with the surrounding buildings. The object has been harmoniously integrated with the existing surroundings, i.e. the buildings,

the Monument to the Ghetto Heroes, and the greenery.

The primary composition element of the building interiors is the spatially shaped main hall, open through the glazed walls to the square featuring the Monument to the Ghetto Heroes from the east, and to the greenery from the west.

The object uniqueness will be revealed by the crack concealing the main entrance and going along the entire building. The irregular crack is intended to symbolise Israel's passing through the Red Sea. The crack in the central traffic space including the staircases and elevators will enable the visitors to easily access the main exhibition areas of the Museum. The underground storey will feature a narrative exhibition whereas the overground storey will feature: a library, an auditorium and an education centre.

The building has a simple, minimalistic form based on a square projection of a side of approx. 67 m. It was designed to be made of a reinforced concrete frame structure, and the roof – of a steel and reinforced concrete structure. The façade external surface is an open structure made of vertical printed glass panels and perforated metal panels. In the main hall of the building, the most important element shaping the aesthetics of the rooms and constituting a structural element supporting the intermediate floors are two wave-shaped walls. Both walls go along the entire height of the building, from the foundations to the roof.

The Museum has been designed as a multimedia object, which means that the story of a nearly one thousand years of the history of Jews on the Polish soil will be presented with modern techniques in a chronological manner, from the early Middle Ages to the contemporary times, divided into nine thematic galleries. We will not only see the history of the Jewish nations through the prism of the war and the Holocaust but also, among others, a pre-war Nalewki Street in Warsaw.

The Museum exhibition programme will cover five areas: the main exhibition, temporary exhibitions, an education centre, public cultural programmes, and a service and catering area. This multi-function establishment will offer the visitors a wide range of educational, cultural and entertainment activities. Its range will cover conferences, film screening, chamber concerts, literary evenings as well as museum classes for youths and educational activities for adults.

Figures:

Building area – 4,414.50 m2
Net surface area – 16,374.16 m2
Building height – 21.15 m

Number of overground storeys – 4
Number of underground storeys – 2
Curved wall surface area: approx. 5,700 m2
Total steel structure - approx. 800 tons, Including:
approx. 300 tons – roof steel structure,
approx. 360 tons – curved wall steel structure.
Quantity of structural concrete – approx. 15,000 m3
The area to feature the Museum is part of the square demarcated by the following streets: Anielewicza, Zamenhofa, Lewartowskiego and Karmelicka. Following completion of the construction, the square will remain an open and generally accessible park.

Good perspectives for new contracts to be concluded by Polimex-Mostostal.

-Polimex-Mostostal to make an offer regarding modernisation of the Silesian Stadium (Stadion Slaski) in Chorzów. We expect that there will also arise large contracts in the power engineering sector regarding, among others, construction of a desulphurisation system and realisation of new power units. The Polish power engineering sector requires significant financial inputs associated with the need to adjust to EU requirements (gas emissions), improve the efficiency and increase the power generated. In the long-time perspective, it is planned to launch annually approx. 1,000 MWs of power, which means that each year approx. 2 billion EUR will have to be invested in the power engineering sector. Polimex plans to extensively participate in the realisation of this task. For this purpose, we are developing our production as well as design capacities so that in the near future it was possible to offer investors complex services with respect to the realisation of high capacity power units. For several years now, Polimex-Mostostal has been consequently increasing the number of road and railway contracts in its portfolio. The increase of the investments in the national transportation infrastructure as well as projects associated with the organisation of the European football championships in 2012 constitute the grounds for an optimistic assessment of the level of orders in this sector. This year’s sale in the road sector will amount to approximately 500 million PLN, as compared to last year’s sale slightly exceeding 400 million PLN. Similarly, in the railway sector our sale will increase from 300 million PLN in 2008 to over 500 million PLN this year. The increase in these sectors will be much higher than the planned 20% within the entire Capital Group. Polimex-Mostostal is (or will be) participating in various stages of tenders regarding sections of roads and motorways, informs Konrad Jaskóła, President of the Management Board.

Presently, Polimex-Mostostal is realising, among others, significant road and railway contracts, reconstructing football stadiums in Warsaw and Cracow, realising service and shopping centres in Nowy Sacz and Tarnów, and executing special cultural projects: the Chopin Centre, the Library of the Medical University of Warsaw, and the Artistic Education Centre in Gorzów Wielkopolski.

Diversification of the services provided by the Company and the Group is also beneficial. Beside general contractorship in the petroleum, chemical and power engineering industries, Polimex-Mostostal effectively operates in the area of projects financed from public, including EU funds, and offers a wide range of steel products and modern rust-proofing services utilised in, among others, infrastructural projects.

- We assume a 15-20% increase of profit and income every year by 2011 at a minimum. We also want to successively increase the net margin. Let me remind that in 2007 the Company realised 3.7 billion PLN of sale and 100 million PLN of net profit at the consolidated level. As compared to 2007, the consolidated income from sale increased in 2008 by over 16% and amounted to over 4.3 billion PLN. Net profit generated in 2008 at the level of 120 million PLN means an increase by approx. 20% as compared to 2007, informs President Jaskóła.

Stable and strong position of Polimex-Mostostal.

- The predicted good perspectives for Polimex in 2009 and next years based on the actual macroeconomic premises remain valid. In the coming period, we will be facing a difficult market yet favouring large, having a diversified portfolio of services engineering and construction companies such as Polimex-Mostostal. At the moment, our portfolio of orders exceeds 7.7 billion PLN and we are intensely supplementing it with further contracts to be executed this year and in the years to come, adds the President.

-Nevertheless, it ought not to be forgotten that we are dealing with a difficult market where small and medium companies in particular are undergoing negative impacts of the economic slowdown and may be facing problems. This can be clearly seen in the property development sector, for instance.
We are ready to extend our cooperation with those companies, providing them with a source of orders appearing along new contracts successively concluded by Polimex-Mostostal. The cooperation is all the more expected that we will not be capable of executing 100% of the orders independently. As a result, Polimex-Mostostal attempts to provide small and medium-sized construction companies with the opportunities to jointly counteract the difficulties arising from the

economic slowdown which we are facing.
Managing the Company based on the current model of activity is becoming more and more difficult. Hence the need to consider the possibility for the Company to assume the so-called operator functions, which will constitute a long-term business of satisfactory profitability, e.g. in the power engineering or the transportation infrastructure sector. As a result, we will achieve further and advantageous diversification of the activities. Such approach towards one's own development has been successfully applied by companies similar to ours in other countries, adds the President.

Developing this concept, Polimex-Mostostal, Polskie Górnictwo Naftowe i Gazownictwo S.A., Zakłady Azotowe w Tarnowie-Moscicach S.A. (ZAT) and Tauron Polska Energia S.A. signed on 30.04.2009 a letter of intent regarding joint realisation of an undertaking involving construction of a new heat and power generating plant of the output of 200 MW, producing energy based on natural gas, and modernisation of the existing heat and power generating plant of the output of 65 MW, located at the premises of ZAT. As part of the joint venture, Polimex-Mostostal S.A will assume the following tasks:

development of the concept and technical assumptions,
development of the investment funding options,
possible realisation of the planned investment and modernisation,
possible assumption of the new heat and power generating plant operator function.
Despite the relatively good financial standing which results from, among others, the contracts signed and beneficial relations with numerous cooperating banks, we are continuing the activities aimed at reducing the costs and, on the other hand, are planning further development of the Company. Such approach is aimed at stabilising and further increasing the value of the Company.

Our objective is further dynamic development of the Group as well as improvement of profitability and reduction of the risk involved in the operating activity.

We care for the profitability of the contracts concluded and assume successive increase of the net profitability in the next 2 to 3 years, summarises President Jaskóła.

Ordinary General Meeting of the Company Stockholders.

On 16 June this year, an Ordinary General Meeting of the Polimex-Mostostal Stockholders was held, during which, among others, reports of the Management Board and of the Supervisory Board for 2008 were accepted. The stockholders also adopted - pursuant to the recommendation from the Management Board – a resolution regarding division of the profit. They granted the Members of the Management Board and of the Supervisory Board of the Company a vote of acceptance confirming discharge of their duties in 2008.

Moreover, the stockholders appointed Artur Jedrzejewski a Member of the Supervisory Board of the Company.

Polimex-Mostostal and its Management Board have been recognised.

This year, Polimex-Mostostal S.A. and the President of the Management Board have been awarded:

1st place in the TOP TSR (Total Shareholder Return) 2004 – 2008 ranking in the WIG 20 (Warszawski Indeks Giełdowy - Warsaw Stock Exchange Index) group [06.2009];
3rd place among 100 Most Valuable Companies in Poland in 2008 in the construction sector. Newsweek and Atkearney ranking [27.04.2009];
Title and statuette of the “Diamentowy InQynier” (‘Diamond Engineer’) on the 15th anniversary of the „Złoty InQynier Roku” (‘Golden Engineer of the Year’) contest of the readers of the ‘Przeglad Techniczny’ magazine for Konrad Jaskóła, President of the Management Board [02.2009];
Professor Stanisław Pilat Medal for Konrad Jaskóła, President of the Management Board, for the activity in favour of the development of the petroleum industry in Poland and long-time creative cooperation with the Institute of Petroleum Processing granted by the Chapter of the Medal in coordination with the General Director of the Oil and Gas Institute and the Research Council of the Oil and Gas Institute [01.2009].

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