

Subject: Approval by the Company of draft restructuring agreement and arrangement proposals, and their delivery to selected Creditors

The Management Board of PBG S.A. w upadłości układowej (in company voluntary arrangement) of Wysogotowo (hereinafter referred to as the "Company" or "PBG") hereby reports that on September 3rd 2013 the Company completed work on and adopted a draft restructuring agreement and arrangement proposals, on which the Company's Supervisory Board expressed its positive opinion.

The draft restructuring agreement, with arrangement proposals and other appendices, as well as an invitation to final consultations, will be delivered to the key Creditors of the Company, including banks, bondholders, insurers, significant trade creditors and Mr Jerzy Wiśniewski, a Company shareholder.

The full text of the draft documents will be available on the Company's website at [www.pbg-sa.pl](http://www.pbg-sa.pl) in the 'Restructuring' section.

### **Arrangement Proposals**

According to the arrangement proposals attached to the draft restructuring agreement, the Company's Creditors will be satisfied in seven groups, depending on the category of interest they represent and the type and size of their claims. The creditors will be divided into categories of interest in accordance with the Bankruptcy and Recovery Law.

The creditors will be satisfied partially by instalment repayments of between 8% and 20% of the value of claims covered by the arrangement, depending on their category, with a proviso that in category 1, comprising cash claims under contracts not classified under other categories, the portion of each creditor's claims up to the amount of PLN 500 thousand will not be subject to reduction. In categories 3 and 5, comprising selected trade creditors as well as financial creditors, the claims covered by the arrangement will be also satisfied through their conversion into the Company shares issued as part of the arrangement.

Small creditors - whose claims do not exceed PLN 500 thousand (excluding their claims in categories 4 and 6, as well as creditors and claims in categories 5 and 7) - will be offered more favourable terms of claims restructuring. Small creditors will be satisfied fully in instalments.

Significant shareholders holding claims covered by the arrangement will not receive any cash payments. The claims of such shareholders will be fully converted into the Company shares.

In accordance with the Company's arrangement proposals, the Creditors who conclude with the Company an agreement for the provision of new financing in an expected amount of PLN 250,000,000 will be entitled to receive extra repayments of their arrangement claims at the rate of PLN 0.055 for each full month in the period of the arrangement implementation during which the Company uses each full PLN 2.5 of the granted new financing. The aggregate amount of such extra repayments will not exceed PLN 400,000,000.

All claims covered by the arrangement, to the extent not satisfied in one of the ways specified in the arrangement proposals, will be cancelled.

The Company's Management Board informs that the Company is required, pursuant to an order of the Bankruptcy Court in Poznań, to submit current arrangement proposals by September 30th 2013. In view of the above, the arrangement proposals, attached to the draft restructuring agreement, will be prepared by the Company pursuant to the Bankruptcy and Restructuring Law and filed with the court within the specified deadline.

### **Company's shareholders after the arrangement**

After the arrangement, as a result of issuing all shares under the arrangement proposals and pursuant to the terms of the restructuring agreement, the Company's shareholders will be as follows:

- a) creditors participating in the arrangement will hold ordinary bearer shares representing approx. 75% of the Company's share capital;
- b) Jerzy Wiśniewski will hold ordinary bearer shares representing approx. 23.45% of the Company's share capital;
- c) other shareholders will hold ordinary bearer shares representing approx. 1.46% of the Company's share capital.

## Restructuring Agreement

The draft restructuring agreement provides for the cooperation of the Parties in a way that would ensure the adoption of the arrangement by a meeting of creditors and its approval by the bankruptcy court in the shortest time possible, in accordance with the text of the arrangement proposals attached to the draft agreement.

The draft restructuring agreement obliges the Management Board to present the Company's General Meeting (convened at a date appointed by the Management Board) with draft resolutions which are to be used in implementation of the arrangement proposals, and to take all necessary actions to ensure that shareholders adopt these resolutions. Upon publication, the draft resolutions proposed by the Management Board and attached to the draft restructuring agreement will be available on the PBG website, in the 'Restructuring' and 'GM' sections.

The draft restructuring agreement obliges Mr Jerzy Wiśniewski (i) to acquire part of the claims covered by the arrangement from the Creditors who would like to accede to the restructuring agreement, and (ii) not to distribute the Company shares acquired as part of the arrangement for five years from the effective date of the agreement. The text of the shareholder's future obligations is yet to be drafted and confirmed through negotiations.

The draft restructuring agreement includes the Company's proposal to enter into a new financing agreement of PLN 250,000,000 with the creditors participating in the arrangement. The new financing agreement would take effect after the arrangement is executed and the decision concerning execution of the arrangement becomes final. The key terms of the future financing proposed by the Company are presented in Appendix 11 to the draft restructuring agreement and are to be agreed with the creditors.

Appendix 9 to the draft restructuring agreement contains the Company's Articles of Association that will be effective after the decision to approve the Arrangement becomes final, in accordance with the Company's proposal.

Legal basis: Art. 56.1.1 of the Public Offering Act – inside information

For PBG S.A.:

Magdalena Eckert