



Fortis - extension of financing

Yesterday Złomrex S.A. (Złomrex, the Company) agreed with Fortis Bank Polska S.A. (Fortis, the Bank) the terms and conditions of further financing.

The agreement relates to the PLN 30,0 million revolving credit facility (the RCF) maturing in August 29, 2008 with the security package comprising of: (i) pledge over inventories at the amount of not less than PLN 50,0 million and (ii) assignment of receivables at the amount of not less than PLN 30,0 million. The RCF agreement contains also certain covenants including Debt/EBITDA<3,5 covenant which was breached by the Company at December 31, 2008 and waived by the Bank in February 2008.

Złomrex and Fortis agreed that the RCF will be replaced by PLN 30,0 million recourse factoring arrangement on the following main conditions:

1. Maturity - indefinite,
2. Collateral - limited to the receivables being financed,
3. Covenants - none.

The agreement constitutes a further step in management of short-term indebtedness. Within the next few days Złomrex expects to finalize negotiations on PLN 72,2 million revolving credit facility provided to the Company by BRE Bank S.A. maturing in August 29, 2008. Złomrex also waits to receive first binding offer from one of potential new lenders very soon. The Company will report any development with respect to financing right on receiving feedback from the banks.