



**ZŁOMREX agreed the final price for STALEXPORT.**

Last Thursday ZŁOMREX S.A. reached an agreement with STALEXPORT AUTOSTRADY S.A. (the Seller) on the price for sale of its steel activities (the Transaction). The final price was set at PLN 138.7 million.

The Transaction took place in October 1, 2007. On that day ZŁOMREX S.A. entered into the agreement with STALEXPORT AUTOSTRADY S.A. Based on the agreement ZŁOMREX acquired a set of assets and liabilities constituting a steel distribution enterprise (Stalexport Trade, the Enterprise). The Enterprise was acquired by STALEXPORT S.A. (the SPV) which was established by the Seller and sold to ZŁOMREX just before closing of the Transaction.

The price for the Enterprise was defined as a formula including PLN 122.5 million of enterprise value on cash free and debt free basis (the Reference Price). The formula assumed certain adjustments including among others: (i) change in working capital adjustment and (ii) indebtedness adjustment. The Reference Price was defined based on the Enterprise's balance sheet as of September 30, 2006 which was showing the following:

**STALEXPORT TRADE**

*September 30, 2006*

'000 PLN

<b>Non-current assets</b>	<b>74 129</b>
<b>Current assets</b>	<b>155 792</b>
- thereof cash	1 933
<b>ASSETS</b>	<b>229 921</b>

<b>Equity</b>	<b>91 516</b>
<b>Long-term liabilities</b>	<b>5 253</b>
- thereof indebtedness	5 253
<b>Short-term liabilities</b>	<b>133 152</b>
- thereof indebtedness	56 068
- thereof trade payables	77 084
<b>EQUITY AND LIABILITIES</b>	<b>229 921</b>

Since the Transaction closed on October 1, 2007 then the final purchase price was established based on assets and liabilities sold by the Seller to the SPV as of September 30, 2007 (the Opening Balance). The parties agreed that the accounts of the Enterprise will be reviewed by Ernst and Young (E&Y). E&Y, following examination of the Opening Balance confirmed: (i) the final purchase price and (ii) the value of the Enterprise's assets and liabilities transferred to the SPV. The E&Y's report showed the following:

**STALEXPORT TRADE**

September 30, 2007

'000 PLN

<b>Non-current assets</b>	<b>70 562</b>
<b>Current assets</b>	<b>139 600</b>
- thereof cash	7 777
<b>ASSETS</b>	<b>229 921</b>

<b>Equity</b>	<b>157 564</b>
<b>Long-term liabilities</b>	<b>4 735</b>
- thereof indebtedness	4 735
<b>Short-term liabilities</b>	<b>47 863</b>
- thereof indebtedness	23 929
- thereof trade payables	23 934
<b>EQUITY AND LIABILITIES</b>	<b>229 921</b>

Based on E&Y's report and the price formula ZŁOMREX S.A. and STALEXPORT S.A. finally agreed the purchase price to be at PLN 138.7 million. In October 2007 ZŁOMREX paid PLN 100.0 million to the Seller. The remaining PLN 38.7 million falls due on February 29, 2008 and will be paid to the Seller by STALEXPORT S.A. from its own cash-flow.

Execution of the agreement means the final closing of STALEXPORT TRADE takeover. ZŁOMREX S.A. expects that the acquisition will generate at least additional EUR 5,0 mln. of EBIDTA in 2008. It will expand the domestic retail network by another 16 warehouses across all Poland and will help to attain all the synergies in the whole of ZŁOMREX's Distribution Division.