



Commencement of the refinancing of the senior secured notes process

In accordance with the current report No. 20/2013 dated September 16, 2013, Cognor S.A. (the "**Company**") hereby informs that Złomrex International Finance S.A., incorporated under the laws of France and registered in England and Wales ("**ZIF**"), an indirect subsidiary of the Company, has notified today holders of the outstanding 8½% senior secured notes due February 1, 2014 issued by ZIF (the "**Existing Notes**") that ZIF intends to launch an offer by way of which the holders of the Existing Notes would be offered to exchange (the "**Exchange Offer**") the Existing Notes into the new security instruments (the "**Proposal**").

Furthermore, ZIF informed that simultaneous to the Exchange Offer it would apply to the High Court of Justice in England and Wales at the Royal Court of Justice (the "**Court**") for opening of a court supervised procedure under the Companies' Act (the "**Scheme of Arrangement**", the "**Scheme**") to grant ZIF the permission to convene a meeting of persons with beneficial interests as principal (the "**Note Creditors**") in the Existing Notes in order to consider, and if thought fit, approve the Proposal. The intention is that ZIF will launch the Exchange Offer and the Scheme in parallel, and the Scheme would not proceed up to the Note Creditors' meeting should it be clear by that date that holders of a sufficient principal amount of existing notes had validly tendered (and not withdrawn) their consent with regards to the Proposal within the Exchange Offer procedure.

As the Scheme is a court supervised process in England, the first step to be taken by ZIF to commence the Scheme is to request the Court to decide whether to grant the permission to convene the meeting of the Note Creditors at the directions hearing which will take place no earlier than on 26 November 2013 (the "**Directions Hearing**"). If the Court grants permission to convene the meeting, further details regarding the Scheme as well as the simultaneous Exchange Offer will be provided shortly after the Directions Hearing.

The Existing Notes represent approximately €118 million, which constitutes about 93.5% of the Company's and its subsidiaries' (the "**Group**") debt. ZIF has considered several options for a refinancing of the Existing Notes (the "**Refinancing**", the "**Restructuring**"). The directors of ZIF have finally decided that the Exchange Offer and the Scheme of Arrangement undertaken concurrently offer the most viable option in order to achieve the Refinancing. The primary objectives of the Refinancing are, e.g., to:

- address the upcoming maturity of the Existing Notes; and
- implement the new financing structure in order to ensure that ZIF and the Group have a level of debt that is serviceable moving forward, with an adequately extended maturity profile.

The Company's board of directors considers that the Restructuring, as it has been proposed to be implemented, is in the best interests of the Group and its stakeholders. If it becomes effective, the Note Creditors will be issued with new senior secured notes and exchangeable notes in proportion to the Existing Notes they currently hold.

While the Company intends to take all the necessary steps to ensure that the Restructuring succeeds, it cannot guarantee that all the objectives of the Restructuring are achieved when expected or at all, although approximately 69% of the Note Creditors by value have signed support letters with the company with respect to the Restructuring proposal to date.

For the purpose of the Restructuring, on November 18, 2013, the Company's major shareholder PS HoldCo Sp. z o.o. ("**PS HoldCo**"), executed an agreement, pursuant to which it undertook to sell 6,086 series B subscription warrants of the nominal value of PLN 50 each, issued by the Company pursuant to the Shareholders Meeting resolution No. 13 dated March 14, 2011, each of which entitles the holder to subscribe for 10,000 new shares in the share capital of the Company at the price of PLN 4.00 (the "**Warrants**"), to the Company's subsidiary Cognor International Finance PLC ("**CIF**"). According to the agreement, transfer of the legal title to the Warrants will be executed on CIF's demand, by the virtue of the separate agreement to be executed between the parties not later than on March 1, 2014, for the total price of PLN 304,300. In addition, CIF was granted the call option to acquire up to 30,082,812 of the Company's ordinary shares held by PS HoldCo for no consideration, in order to secure the maximum possible participation of the entitled Note Creditors to acquire such shares under the terms and conditions of the exchangeable notes. Furthermore, the parties agreed upon certain amendments to the Warrants' program in order to comply with the proposal of the Refinancing, such amendments requiring a vote at the next available Shareholders Meeting. Details of such amendments to the Warrants' program will be made available following the conclusion of the Directions Hearing.

Under no circumstances shall this announcement constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for any securities in any jurisdiction. The transactions referred to in this announcement shall not be considered an "offer of securities to the public" for purposes of the Luxembourg law on prospectus for public offering dated July 10, 2005 or give rise to or require a prospectus in an EU member state which has implemented the prospectus directive.

Within the United Kingdom, this announcement is directed only at persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("relevant persons"). The investment or investment activity to which this announcement relates is only available to and will only be engaged in with relevant persons and person who receive this announcement who are not relevant persons should not rely or act upon it.

Neither the Company, ZIF nor any of their subsidiaries or affiliates or advisors makes any recommendation whether any person or party should participate in the transactions referred to in this announcement.

This announcement contains "forward-looking statements" regarding the Company, ZIF, their respective subsidiaries and related companies and their business. Such statements are not historical facts and may include management's current views with respect to future events and financial performance. Although these views are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties and assumptions. Accordingly, you should not regard such statements as representations as to whether such anticipated events will occur or that expected objectives will be achieved. All forward-looking statements in this announcement are made on the date hereof, and no party undertakes to update any such statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.