

Subject: Signing conditional agreements for sale of shares of Pfeiderer OOO and disposal of assets dedicated to Project MDF in Russia

Current Report 71/2012

The Management Board of Pfeiderer Grajewo S.A. ("Company"), hereby reports that on October 19th 2012 Company, as the seller, concluded with Ingka Pro Holding Subholding I B.V. and SWEDSPAN Holding B.V., as the buyers, an agreement for sale and purchase of 100% of the participation interests in Pfeiderer OOO in Russia.

The agreement is conditional and its performance is subject to fulfilment in particular of the following conditions precedent:

- consent of the Russian Antimonopoly Service,
- purchase by the Company the stake of 15.81% in Pfeiderer OOO presently owned by European Bank for Reconstruction and Development,
- approval of banks presently financing Pfeiderer Grajewo SA Group.

The purchase price will be the amount of EUR 160 Mio. (PLN 656,544,000), deducted by:

- value of the bank loan of Pfeiderer OOO with European Bank for Reconstruction and Development remaining unpaid at the moment of transaction completion amounting approximately to EUR 3.8 Mio (PLN 15.6 Mio),
- amount to be deposited on escrow accounts in the total value of EUR 14 Mio (PLN 57,447,600).

Additionally the adjustment connected to the value of working capital of Pfeiderer OOO at the moment of transaction completion is assumed.

Within the purchase price there will be repaid the loans granted by Pfeiderer Grajewo S.A. to Pfeiderer OOO, outstanding as of the date of transaction completion.

Simultaneously, on October 19th 2012, Pfeiderer MDF OOO in Russia, subsidiary of Company and Blitz 11-446 GmbH in Germany, entity affiliated to Company, as the sellers, concluded with Ingka Pro Subholding I B.V., as the buyer, an agreement for the sale and purchase of assets owned by the sellers ("Assets"). Assets consist of elements of entire production line dedicated to Project MDF in Russia.

Company holds 50% of the total number of shares of Pfeiderer MDF OOO and 50% of the shares of Blitz 11-446 GmbH.

The agreement is conditional and its performance is subject to fulfilment in particular of approval of banks presently financing Pfeiderer Grajewo SA Group and Pfeiderer AG Group.

The purchase price amounting to EUR 45 Mio. (PLN 184,653,000) will be deducted at completion by amount to be deposited on escrow accounts in the total value of EUR 8.7 Mio (PLN 36,599,580 PLN). The price could be also reduced in case of any parts occurred to be missing during the expected Assets stock-taking.

Completion of the agreement for sale and purchase of 100% of the participation interests in Pfeiderer OOO in Russia and completion of the agreement for the sale and purchase of the Assets shall take place simultaneously.

The criterion for recognising the contracts as significant is the value of the Company's equity.

Pursuant to the Regulation of the Polish Council of Ministers on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. No. 33, item 259).

October 19th 2012