



KORDÁRNA

A MEMBER OF THE KORD GROUP

Velká nad Veličkou 27 January 2010

Dear Madam, Dear Sir,

Allow me to inform you about recent developments in the restructuring of KORDÁRNA, a.s. and the entire KORD Group. As you may be aware from previous correspondence, our creditors and the Regional Court in Brno approved the reorganization of KORDÁRNA, a.s. in August 2009. The key principle of the proposed reorganization, as presented by the board of directors of KORDÁRNA, a.s., involves the stabilization of the company through the entry of a new investor.

We would like to announce that CEFEUS CAPITAL a.s., a member of the Jet Investment group, placed the winning offer in a public tender, organized in cooperation with PricewaterhouseCoopers (PwC). Jet Investment is a well-established Czech financial investor, specializing in the restructuring of industrial companies which it owns and operates. The financial background and experience of this investor serve as a guarantee of the stability and future development of our company. The creditors' committee approved the outcome of the tender and instructed the board of directors of KORDÁRNA, a.s. to sign the share purchase agreement with the winning participant.

Financial stability will be strengthened by the fact that KORDÁRNA Plus a.s. will no longer be burdened by historic liabilities. Moreover, it will possess sufficient levels of working capital for maintaining production, ensuring business-as-usual, and allowing for future development.

The sale of KORDÁRNA Plus a.s. will become part of the reorganization plan of KORDÁRNA, a.s., which will be put forward for approval to the creditors and subsequently the insolvency court in mid-March 2010. We anticipate that the transfer of ownership of the company will take place after the expiry of all legal deadlines in April 2010. At that moment, the reorganization of KORDÁRNA, a.s. will effectively be completed. Pre-insolvency liabilities will be settled through the distribution of proceeds from the sale of KORDÁRNA Plus a.s.

We would also like to confirm that there will be continuity at both board and management levels and hope to maintain strong business relations with all of our current customers and suppliers. At present, the company has stable operations and we anticipate that the new owner will be keen on developing and supporting our existing efforts.

In conclusion, I would like to thank you for your constructive approach and I am pleased by the prospect of our ongoing cooperation in the future. In case of interest, the board of directors is prepared to provide you with further information regarding the process.

Sincerely,

Dr. Ing. Radim Valas
Chairman of the Board and CEO
KORDÁRNA, a.s.

Ing. Igor Fait
Chairman of the Board
CEFEUS CAPITAL a.s.

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