



CURRENT REPORT 67 / 2015

10 June 2015

Legal basis: Art. 56.1.2 of the Public Offering Act – Current and Financial Reports.

Subject: Value of Contracts with PKP PLK S.A.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Issuer”) informs that following the receipt on 10 June 2015 of the signed railway line upgrade contract (the “Contract”) from PKP Polskie Linie Kolejowe S.A. with registered office in Warsaw (“PKP PLK”), the total net value of the contracts concluded in the past 12 months between the Issuer and the companies comprising ZUE Capital Group (the “Group”) and PKP PLK and the companies comprising PKP PLK Capital Group is PLN 28.8m.

The abovementioned Contract is the highest value contract concluded in the past 12 months. The Contract provides for the performance by the Company of a set of tasks in connection with the following project: “Upgrade of the railway line no. 273 on the Głogów - Zielona Góra - Rzepin-Dolna Odra section. Reconstruction of the overpass as well as track and platform layout at the Zielona Góra station.”

Net value of the Contract is PLN 19.6m. Gross value of the Contract on the basis of which contractual penalties are calculated is PLN 24.1m.

The completion date has been set at 30 June 2016.

Warranty and guarantee provided by the Company to PKP PLK is 6 years of the final acceptance date.

Under the Contract, PKP PLK may impose contractual penalties on the Company. The contractual penalties payable by the Company to PKP PLK include the contractual penalties for each day of delay in the Contract performance and the failure to perform the key stages of the Contract or to remove defects in a timely fashion. In addition, the contractual penalties of 30% of the Contract gross value may be imposed on the Company if the Contract is terminated through the fault of the Company or if the Contract is terminated by the Company for the reasons other than specified in the Contract or common laws. The total amount of all contractual penalties specified in the Contract must not exceed 30% of the Contract gross value.

Regardless of the contractual penalties, the Contracting Authority may claim damages exceeding the amount of the contractual penalties on general terms set out in the Polish Civil Code. The Parties reserve the right to claim additional damages up to the value of actual damage. The Parties may also claim damages in other cases of improper performance or non-performance of the Contract.



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The remaining terms of the Contract, including a termination clause, do not differ from standard terms of such contracts.

The contracts are deemed major since their total value exceeds 10% of the Company's equity.

Legal basis: § 5.1.3 of the Ordinance by the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent.