

CURRENT REPORT 99 / 2015**23 December 2015**

Legal basis: Art. 56.1.1 of the Public Offering Act – Confidential Information.

Subject: Settlement and Judgment of Arbitration Court in contract: “Construction of the tramway line from os. Lecha to Franowo.”

Content:

The Management Board of ZUE S.A. of Cracow (the “Company”) inform that they learnt on 23 December 2015 about the settlement reached on 22 December 2015 before the Court of Arbitration at the Polish Chamber of Commerce in Warsaw (the “Court”). The case was brought by PORR Polska Infrastruktura S.A. (former Bilfinger Infrastruktura S.A.), the Company and Przedsiębiorstwo Budowy Kopalń PEBEKA S.A. (the “Petitioners”) against Miasto Poznań – Zarząd Transportu Miejskiego (the City of Poznań) and Poznańskie Inwestycje Miejskie Sp. z o.o. (the “Defendants”) and concerned, *inter alia*, the payment of approx. PLN 12.6m by the City of Poznań to the Petitioners to cover various costs and expenses incurred in connection with the performance of the following contract: “Construction of the tramway line from os. Lecha to Franowo” (the “Contract”). The settlement was reached by PORR Polska Infrastruktura S.A. acting on behalf of the Petitioners. In addition, the Court passed the final judgment on 22 December 2015 whereby the City of Poznań was ordered to transfer the gross amount of PLN 9.7m to the bank account of PORR Polska Infrastruktura S.A. At this report publication date, the estimated net amount attributable to the Company under the consortium agreement is approx. PLN 2m. The amount may change following internal detailed settlements between the Petitioners. The Company informs that if the City of Poznań pays the abovementioned amount payable in connection with the settlement, the parties waive their claims connected with and/or arising out of the Contract.

The Company informed about the dispute between the Petitioners and the Defendants in the consolidated report for the third quarter of 2015 published on 13 November 2015 (Case concerning the following project: “Construction of the tramway line from os. Lecha to Franowo,” pp. 37-39).

Legal basis: Art. 56.1.1 of the Polish Act on Public Offering and Terms of Introducing Financial Instruments to Organised Trading and on Public Companies of 29 July 2005.