

CURRENT REPORT 9 / 2016

11 February 2016

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

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

Content:

With reference to the current report 92/2015 of 28 October 2015 concerning the value of contracts entered into with PKP PLK S.A., the Management Board of ZUE S.A. with registered office in Cracow (the “Company,” the “Issuer”) informs that following the conclusion on 11 February 2016 of the railway line conversion contract between the Company and PKP Polskie Linie Kolejowe S.A. with registered office in Warsaw (“PKP PLK”), the total net value of contracts entered into since 29 October 2015 between the companies comprising the ZUE Capital Group and the companies comprising the PKP PLK Capital Group amounted to PLN 23.9m.

The abovementioned contract between PKP PLK and the Company is the highest value contract signed in the reporting period.

The contract provides for the following construction works: “Conversion of a jointed track into a continuous welded track, tracks no. 1 and 2 from km 105,000 to km 124,000 on the line 014 Łódź Kaliska - Tuplice” (the “Contract”).

The Contract net value used also to calculate contractual penalties is PLN 10m. The Contract gross value is PLN 12.3m.

The Contract completion date has been set at 30 June 2016.

The warranty given by the Company to PKP PLK is three years of the defect-free final acceptance.

The Contract provides for contractual penalties payable by the Company to PKP PLK. The Company will pay PKP PLK contractual penalties for each day of the Company’s delay in the Contract performance. In addition, the Company will be charged a contractual penalty of 10% of the Contract net value if the Contract is terminated by the Company.

Regardless of the contractual penalties, PKP PLK will have the right to claim additional damages up to the value of actual damage.

The remaining terms of the Contract, including but not limited to the termination terms, do not differ from the standard terms of such type of contracts.

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



Legal basis: § 5.1.3 of the Regulation of 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.