CURRENT REPORT 14 / 2016

8 March 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 9/2016 of 11 February 2016 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 8 March 2016 of the contract for the Company's provision of services in connection with the following project: "Strengthening of the substructure on the line no. 139 Katowice – Zwardoń, tracks no. 1 and 2, section from km 10,300 to km 25,360 in the selected locations, and on the line no. 93 Trzebinia – Zebrzydowice, section from km 62,260 to km 68,780 in the selected locations, plus the accompanying works and services provided in connection with Substructure Repair Train with the use of AHM-800R formation rehabilitation machine, RM80 ballast cleaning machine and 20 hopper cars of type 426 Vb, representing the potential of the Contracting Authority - Zakład Maszyn Torowych w Krakowie" (the "Contract"), the total net value of the contracts entered into since 12 February 2016 between the companies comprising the ZUE Capital Group (the "Group") and the contracts signed by the Group companies as part of consortiums, and the companies comprising the PKP PLK Capital Group amounted to PLN 25.6m.

The abovementioned Contract is the highest value contract signed in the reporting period.

The Company informed about the submission of the lowest price tender in the current report 10/2016 of 15 February 2016 and the selection of the Company's tender as the most economically advantageous tender in the current report 12/2016 of 25 February 2016.

The Contract net value is PLN 25.6m and the Contract gross value is PLN 31.5m.

The Contract completion date has been set at 31 December 2016.

The warranty given by the Company is 72 months of the final acceptance protocol. The guarantee given by the Company is 36 months of the final acceptance.

Under the Contract, the Company may be obliged to pay contractual penalties to the Contracting Authority. The Company will pay the Contracting Authority the contractual penalties of 0.02% of the Contract net value for each day of the Company's delay in the completion of the works, completion of a stage of the works specified in the Contract or removal of defects by the date specified by the Contracting Authority. In addition, if the Contract is terminated by any party through the fault of the Company, the Issuer will pay 20% of the Contract net value. The total amount of all contractual penalties charged by the Contracting Authority must not exceed 30% of the Contract net value.

The Contracting Authority reserves 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 attributable to the Issuer 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.