

CURRENT REPORT 21 / 2016

27 April 2016

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

Subject: Preliminary Financial Results for Q1 2016.

Content:

The Management Board of ZUE S.A. (the "Company") inform that after they had completed on 27 April 2016 aggregating financial data for the purpose of preparation of Q1 2016 abbreviated financial statements of the Company and the Capital Group, a decision was made to report preliminary financial results for Q1 2016.

Preliminary financial results of the Capital Group for Q1 2016:

- Net sales revenue: PLN 34,575 thousand;
- Profit (loss) on operating activities: PLN (-) 4,260 thousand;
- Net profit loss: PLN (-) 3,503 thousand.

Preliminary financial results of the Company for Q1 2016:

- Net sales revenue: PLN 27,735 thousand;
- Profit (loss) on operating activities: PLN (-) 3,629 thousand;
- Net profit loss: PLN (-) 2,756 thousand.

The Management Board of the Company inform that the abovementioned preliminary financial results for Q1 2016 were impacted mainly by revenue, which turned out to be lower than revenue reported for Q1 2015. It was caused, in particular, by a slowdown on the rail and urban infrastructure market referred to, *inter alia*, in 2015 annual reports on activities and delayed selection of winning tenders. Another factor with an influence on the abovementioned results included the Company's budgetary policy according to which the profitability of new contracts is measured as zero until their budgets are verified. The performance of the contracts won in 2016 began in March and April 2016.

In addition, the Management Board of the Company inform that the total net value of the contracts entered into by the Company by April 2016 is approx. PLN 77m and the value of



the most economically advantageous tenders submitted by the Company is approx. PLN 28m. At the date of this current report, the Company has the portfolio of orders worth approx. PLN 606m.

The Issuer states that detailed information about the abovementioned portfolio and final financial results for Q1 2016 will be provided in the extended consolidated quarterly report of the Capital Group for Q1 2016.