



## **CURRENT REPORT 42 / 2016**

**19 August 2016**

*Legal basis: Art. 17.1 of the MAR – Confidential Information.*

Subject: Preliminary Financial Results for H1 2016.

Content:

The Management Board of ZUE S.A. (the “Company”) inform that after they had completed on 19 August 2016 aggregating financial data for the purpose of preparation of H1 2016 consolidated financial statements of the Company and the Capital Group, a decision was made to report preliminary financial results for H1 2016.

Preliminary financial results of the Capital Group for H1 2016:

- Revenue: PLN 127,774 thousand;
- Profit (loss) on operating activities: PLN (-) 2,611 thousand;
- Net profit (loss): PLN (-) 1,560 thousand.

Preliminary financial results of the Company for H1 2016:

- Revenue: PLN 111,902 thousand;
- Profit (loss) on operating activities: PLN (-) 2,075 thousand;
- Net profit (loss): PLN (-) 696 thousand.

The Management Board of the Company inform that the abovementioned preliminary financial results for H1 2016 were impacted mainly by revenue, which turned out to be lower than revenue reported for H1 2015. It was caused, in particular, by a sharp and expected downturn in the rail and urban infrastructure market and no selection of winning tenders for big projects. The Company participates in tenders concerning smaller amounts. Thus, the number and value of performed contracts is lower as a result of which, the portfolio of orders is fragmented.

Despite the abovementioned factors, financial results reported by the Company for the second quarter of 2016 proved much better than those in the first quarter of



2016. This was accompanied by a gradual growth of revenue as a result of which the results improved when compared with the beginning of the financial year.

In addition, the Management Board of the Company inform that at this report publication date, the Group companies have the portfolio of orders worth approx. PLN 641m.

The Issuer states that detailed information about the abovementioned portfolio and final financial results for H1 2016 will be provided in the consolidated report of the Capital Group for H1 2016.