



CURRENT REPORT 2/2017

4 January 2017

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

Subject: Lawsuit Filed by the Consortium Including the Company.

Content:

The Management Board of ZUE S.A. of Cracow (the "Company," the "Issuer") inform that they learnt on 4 January 2017 about the lawsuit of 30 December 2016 (the "Lawsuit") filed against PKP Polskie Linie Kolejowe S.A. of Warsaw (the "Contracting Authority") by an agent of the consortium of:

- 1) OHL ŹS, a.s. (Leader);
- 2) Swietelsky Baugesellschaft m.b.H; and
- 3) ZUE S.A. (hereinafter referred to as the "Consortium" or the "Contractor");

performing the following construction contract: Design and completion of construction works on the Cracow – Medyka – state border railway line, the Biadoliny – Tarnów section between 61,300 km and 80,200 km as part of the following project: "Modernisation of E 30/C-E 30 railway line, the Cracow – Rzeszów section, stage III" (the "Contract").

The litigation value (the "Amount") is PLN 39.3m. The Amount includes:

- 1) PLN 1.2m – costs relating to the requirement to extend the performance bond and insurance provided by the Contractor; and
- 2) PLN 38.1m – fixed costs relating to the performance of works over the extended period.

The Company's total share in the said Amount is approx. PLN 15.7m.

The Company informed about the said Contract in the current report 22/2010 of 11 November 2010 and the current report 39/2016 of 2 August 2016.