



## **CURRENT REPORT 11 / 2017**

**23 February 2017**

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

Subject: Updated Information About the Lowest Price Tender.

Content:

With reference to the current report 57/2016 of 25 November 2016 concerning the submission by the consortium of ZUE S.A. and PORR Polska Infrastructure S.A. (the "Consortium") of the lowest price tender in the tender procedure for the following project: "Preparation of design documentation and obtaining necessary administrative decisions as well as the construction of KST tram line, stage III (os. Krowdrza Górka – Górka Narodowa) and a two-level interchange along the Opolska Street in Cracow together with accompanying road infrastructure" (the "Project"), the Management Board of ZUE S.A. with registered office in Cracow (the "Company," ZUE) inform that the 90-day period of being bound by the tender expired on 22 February 2017. Consequently, the most economically advantageous tender was not selected by the date initially set by the parties and the relevant contract was not signed. ZUE state that at the request of the Contracting Authority; i.e. Zarząd Infrastruktury Komunalnej i Transportu w Krakowie, the Company intended to approve by the date specified by the Contracting Authority; i.e. 22 February 2017, of the extension of the said 90-day period by 60 days and extend the expiry date of the bid bond on part of ZUE. Therefore, ZUE (the "Consortium Leader") asked PORR Polska Infrastructure S.A. (the "Consortium Member") to give their analogous approval necessary to extend the 90-day period for the entire Consortium and the expiry date of the bid bond on part of PORR Polska Infrastructure S.A.

PORR Polska Infrastructure S.A. failed to give their approval to the said extension and to provide their part of the bid bond by the date specified by the Contracting Authority; i.e. 22 February 2017. Consequently, the Consortium Member stopped their efforts to win the contract for reasons unrelated to the Company. The Consortium Member's failure to give their approval and to provide their part of the bid bond prevents the Consortium from participation in the tender procedure.

In addition, the Company inform that the total value of the book of orders held by the ZUE Group companies at the date of this report is approx. PLN 327m and the



expected remuneration payable to the Company in connection with the lowest price tenders submitted by the Company (independently or as part of the consortium), excluding the abovementioned Project, is approx. PLN 771m (the total of approx. PLN 1.1bn). Notwithstanding the foregoing, ZUE is prepared to submit new tenders to expand its order book. The Company's ability to build its order book is judged favourably by the Company's Management Board.