



## **CURRENT REPORT 15 / 2017**

**8 March 2017**

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

Subject: Preliminary Financial Results for 2016.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 8 March 2017 aggregating financial data for the purpose of preparation of 2016 consolidated financial statements of the Capital Group and the Company, a decision was made to publish preliminary financial results for 2016

Preliminary financial results of ZUE S.A. for 2016:

- Revenue: PLN 311,086 thousand;
- Profit on operating activities: PLN 743 thousand;
- Net profit: PLN 1,480 thousand.

Preliminary financial results of the Capital Group for 2016:

- Revenue: PLN 343,017 thousand;
- Profit on operating activities: PLN 154 thousand;
- Net profit: PLN 406 thousand.

The Company's Management Board inform that despite negative results disclosed during the year, gross margins on contracts reported at the end of 2016 were higher than expected as a result of which all items of profit or loss improved.

In 2016, the Company performed lower value construction contracts as a result of which, its order book was fragmented. The Company won these contracts during the downturn on the urban and rail infrastructure construction market and a smaller number of orders contributed to lower margins. At the same time, the Company intends to maintain its operating capacity necessary to carry out the projects on the urban and rail infrastructure construction market financed under the EU perspective for the years 2014-2020 and this generates costs. The second half of 2016 saw a greater number of big value contracts awarded by contracting authorities, mainly



covered by the National Railway Programme until 2023. This resulted in new contracts won by the Company and favourable outcome of subsequent tenders.

The Company informs that at the date of publication of this current report, the ZUE Capital Group companies have an order book with a total value of approx. PLN 332m and expected remuneration for the Company in connection with the tenders in which the Company has submitted the lowest price bid, either independently or as a consortium member, is approx. PLN 928m. Thus, the total amount is approx. PLN 1.26bn.

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