



## **CURRENT REPORT 27 / 2017**

**24 April 2017**

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

Subject: Preliminary Financial Results for Q1 2017.

Content:

The Management Board of ZUE S.A. (the "Company," ZUE) inform that after they had completed on 24 April 2017 aggregating financial data for the purpose of preparation of Q1 2017 consolidated financial statements of the Company and the Capital Group, a decision was made to publish the preliminary financial results for Q1 2017. Given the seasonal nature of the activities conducted by the Company, sales values reported for the first quarters of a financial year are lower when compared with yearly average results. This accompanied by a decision to maintain full operating capacity does not guarantee positive profitability trends.

Preliminary financial results of the Company for Q1 2017:

- Revenue: PLN 30,383 thousand;
- Profit (loss) on operating activities: PLN - 8,298 thousand; and
- Net profit loss: PLN - 7,023 thousand.

Preliminary financial results of the Group for Q1 2017:

- Revenue: PLN 33,167 thousand;
- Profit (loss) on operating activities: PLN - 9,198 thousand; and
- Net profit loss: PLN - 8,168 thousand.

The Issuer informs that the results reported for the first quarter of 2016 are significantly influenced by the settlement of lower margin contracts (the Management Board informed thereof in 2016 interim report) and, to a slight extent, by the performance of new contracts measured on a prudent basis.

The Management Board of ZUE inform that since the beginning of 2017, the Company has signed the construction contracts worth in total PLN 833m. Approx. 92% of the said contracts are the railway contracts won as a result of recovery on the



rail infrastructure market observed at the end of 2016. The Company continues to participate in tender procedures on both urban and rail infrastructure market. At the date of publication of this report, the Group companies have an order book worth PLN 948m. The value of tenders in case of which ZUE ranks first is PLN 1.09bn and the total value of the potential order book is approx. PLN 2bn. The Group's potential enables it to search for new contracts.

The Issuer informs that detailed information about the order book and the final financial results will be provided in the extended consolidated report of the Capital Group for Q1 2017.