

**CURRENT REPORT 52 / 2017**

**11 August 2017**

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

Subject: Cooperation with Zarząd Infrastruktury Komunalnej i Transportu w Krakowie.

Content:

With reference to the current report 24/2017 of 6 April 2017 concerning the cooperation with Zarząd Infrastruktury Komunalnej i Transportu w Krakowie (ZIKiT), the Management Board of ZUE S.A. with registered office in Cracow (the "Company") inform that following the conclusion on 11 August 2017 by the consortium including the Company of a contract for additional works in connection with the following project: "Extension of the Igołomska Street, national road no. 79 – Stage 2 together with the infrastructure in Cracow," the total net value of the contracts entered into with ZIKiT since 6 April 2017 is PLN 26.3m.

Apart from the abovementioned project, the cooperation of the Company and ZIKiT under the said contracts includes, in particular, the reconstruction of the Basztowa Street in Cracow and the reconstruction of tramway tracks, OCL network and dehydrating and lightening system as well as the reconstruction of colliding technical infrastructure and the reconstruction of tramway tracks in the intersection of the Basztowa, Długa and Westerplatte Streets (project executed by the consortium including the Company, project approximate net value: PLN 13.2m).

The construction works under the abovementioned contracts will be carried out for ZIKiT in the period 2017 - 2019.

The terms of cooperation with ZIKiT including, in particular, technical terms, bonds, liability (terms and conditions of warranties or contractual penalties of 15%-30% of contract values) as well as cooperation completion terms (termination of contracts) are typical for such type of transactions.