



CURRENT REPORT 25 / 2012

14 December 2012

Legal basis: Art. 56.1.2 of the Public Offering Act – Current and Periodic Reports

Subject: Information on Conclusion of Major Contract – the Total of Contracts Concluded with One Company

Content:

The Management Board of ZUE S.A. of Cracow (the “Company”) informs that it learnt on 14 December 2012 that the total net value of the contracts concluded with PKP Polskie Linie Kolejowe S.A. (the “Client”) over the past 12 months amounted to PLN 20,562,499.58.

Under the contracts, the Company provided construction services to the Client.

The highest value contract (the “Contract”) of the reporting period was concluded by the Company (the “Contractor”) on 17 September 2012.

The Contract provided for the provision of construction services by the Contractor to the Client as part of the following project: “Upgrade of the Wrocław – Zgorzelec railway no. 274, section Wrocław – Jelenia Góra – upgrade of OCL network with auxiliary works, track no. 2, section Smolec – Kąty Wrocławskie.”

Gross value of the Contract: PLN 11,308,976.70

Net value of the Contract PLN 9,194,290.00

Completion date: 31 May 2013

Contractor’s warranty: 36 months

The Contractor will pay the Client the contractual penalties of:

- 1) 10% of the Contract gross value if the Contract is terminated through the fault of the Contractor;
- 2) 0.04% of the Contract gross value for each day of delay in delivering a stage of the Contract;
- 3) 0.04% of the Contract gross value for each day of delay in delivering the project;
- 4) 0.04% of the Contract gross value for each day of delay following the deadline for the removal of defects; and
- 5) 0.05% of the Contract gross value for the Contractor’s subcontracting of tasks or works to the Subcontractors without the Client’s consent.

The Client will pay the Contractor the contractual penalties of:

- 1) 0.04% of the Contract value for each day of delay in delivering the site; and
- 2) 0.04% of the works' value for each day of delay in the acceptance of the Contract object or any part thereof.

If one party fails to fulfil its contractual obligation by a specified deadline the other party will grant it additional time to remedy the default. If the defaulting party fails to remedy the default within the additional time period the penalties will increase by 50%.

The parties reserve the right to claim additional damages up to the value of actual damage (Article 484 of the Polish Civil Code).

The contracts are deemed major since their total value exceeds 10% of the Company's equity.

Legal basis: § 5.1.3 of the Ordinance by the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the conditions for recognizing information required under the law of a non-member state as equivalent.