



## **CURRENT REPORT 9 / 2013**

**8 April 2013**

*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. with registered office in Cracow (the “Company”) informs it learnt on 8 April 2013 that the total net value of the contracts concluded over the past 12 months with Przedsiębiorstwo Robót Komunikacyjnych w Krakowie S.A. the Company’s subsidiary (the “Contracting Authority”) amounted to PLN 20,178,031.07.

Under the contracts, the Company provided to the Contracting Authority the construction services and other services related to day-to-day operations of the two companies.

The highest value contract (the “Contract”) in the past 12 months between the Company and the Contracting Authority was concluded on 31 May 2012.

The Contract provided for the provision of construction services by the Company to the Contracting Authority as part of the following project: “Reconstruction of the Pyskowice station and the replacement of OCL network in the tracks no. 1 and no. 2 of the Pyskowice – Paczyna route up to 44,480 km and the reinforcement of the substructure in the tracks no. 1 and no. 2 between 43,100 km and 43,500 km of the line 132 as part of the following investment: “Upgrade of the railway line no. 132/135 on the Gliwice Łabędy – Strzelce Opolskie – Opole Groszowice section” with PKP Polskie Linie Kolejowe S.A. as the contracting authority (the “Investor”).

The Contract provided for the following works:

- 1) Comprehensive reconstruction of the Pyskowice station OCL network for the tracks no. 4 and 5 and the system of turnouts with paths diverging to the tracks no. 1, 2 and 7;
- 2) Comprehensive reconstruction of the Pyskowice – Paczyna route OCL network for the tracks no. 1 and 2 up to 44,480 km and the reconstruction of the power supply system and disconnecting switches within the Pyskowice traction substation;
- 3) Installation of turnout electrical heating at two systems of turnouts (at 12 turnouts); and
- 4) Reconstruction of the lighting system at two systems of turnouts.

Contract gross value: PLN 10,260,537.

Contract net value: PLN 8,341,900.

Completion date: 30 November 2013.

Warranty given by the Contractor: 36 months.

The contractual penalties payable by the Company to the Contracting Authority include:

- 1) 20% of the Contract net value if the Contract is terminated by the Company or the Contracting Authority through the fault of the Company;
- 2) 0.1% of the Contract net value for each day of delay in the final acceptance of the object of the Contract;
- 3) 0.1% of the net value of a part of the Contract object as specified in the construction schedule for each day of delay in their delivery.

The total amount of the abovementioned contractual penalties must not exceed 30% of the Contract net value.

The Contracting Authority will pay the Company the contractual penalty of 20% of the Contract net value if the Contract is terminated by the Contracting Authority through the fault of the Contracting Authority (this will not include the termination of the Contract by the Contracting Authority as a result of the termination by the Investor – Art. 145.1 of the Public Procurement Act).

If one Party fails to perform its contractual obligation by the specified deadline the other Party will extend the deadline in writing. If the obligation is not performed within the extended deadline the contractual penalties may increase by 50%.

If the actual damage resulting from the failure to perform or duly perform the Contract exceeds the amount of a contractual penalty the Contracting Authority may claim damages up to the value of the actual damage (Art. 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.*