



## **CURRENT REPORT 51/ 2013**

**10 December 2013**

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

Subject: Information on Conclusion of Major Contract by Subsidiary.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company”) informs that on 10 December 2013, Przedsiębiorstwo Robót Komunikacyjnych w Krakowie S.A., the Company’s subsidiary (“PRK”), signed a contract (the “Contract”) with PKP Polskie Linie Kolejowe S.A. with registered office in Warsaw (the “Contracting Authority”).

The Contract provides for the upgrade of the track no. 2 of the railway line no. 61 Kielce – Fosowskie on the Koniecpol – Częstochowa Stradom section as part of the following project: “Upgrade of the railway line no. 61 and 572 on the Włoszczowa Północ – Częstochowa Stradom section.”

The Company informed of the selection of the most economically advantageous tender submitted by PRK in the current report 42/2013 of 22 November 2013.

Gross value of the Contract: PLN 43,880,619.

Net value of the Contract: PLN 35,675,300.

Completion date: 28 November 2014.

Term of warranty: 36 months of the final acceptance.

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

- 1) 20% of the Contract net value if PRK or the Contracting Authority terminates the Contract through the fault of PRK;
- 2) 0.05% of the Contract net value for each day of delay in the Contract completion; and
- 3) 0.05% of the Contract net value for each day of delay in the removal of defects beyond the deadline specified by the Contracting Authority.

The Contracting Authority will pay PRK the contractual penalty of:

- 1) 20 % of the Contract net value if the Contracting Authority terminates the Contract through the fault of the Contracting Authority (this does not include the termination of the Contract on the basis of Art. 145.1 of the Polish Act on Public Procurement or Art. 644 of the Polish Civil Code); and
- 2) 0.05% of the Contract net value for each day of delay in the delivery of the construction site beyond the deadline specified in the Contract.

The non-breaching party will extend the deadline in writing for the breaching party to perform its contractual obligation. If the breaching party fails to perform its contractual obligation by the extended deadline the contractual penalties may increase by 50%.

If the damage suffered as a result of the failure to perform or duly perform the Contract goes beyond the contractual penalties the Contracting Authority may claim damages up to the value of the actual damage (Art. 484 of the Polish Civil Code).

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

The Contract is deemed major since its 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.*