



CURRENT REPORT 23 / 2014

18 April 2014

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

Subject: Conclusion of Major Contract – the Total of Contracts Concluded with One Entity.

Content:

The Management Board of ZUE S.A. with registered office in Cracow (the “Company”) inform they learnt today that the total net value of the contracts concluded by and between the Company and Przedsiębiorstwo Inżynieryjne SOCAR Sp. z o.o., Sp. komandytowo–akcyjna with registered office in Żarki Letnisko (the “Subcontractor”) in the past 12 months was PLN 22,415,000.00.

Under the contracts, the Subcontractor provided construction services to the Company. The services concerned, *inter alia*, the track works in connection with the contracts performed by the Company.

The highest value contract (the “Contract”) in the reporting period was concluded by the parties on 30 April 2013.

Under the Contract, the Subcontractor provided construction services to the Company in connection with the design and construction contract performed by the Company as part of the following project: “Raising the quality of transport services through the improvement of technical condition of the railway lines no. 1, 133, 160 and 186 on the Zawiercie – Dąbrowa Górnicza Ząbkowice – Jaworzno Szczakowo section.”

Net value of the Contract: PLN 13,675,000.

Gross value of the Contract: PLN 16,820,250.

Completion date: 14 March 2014.

Warranty given by the Subcontractor: 36 months and 30 days of the final acceptance.

The contractual penalties payable by the Subcontractor to the Company included:

- 1) 10% of the Contract gross value for the termination of the Contract through the fault of the Subcontractor;
- 2) 1% of the gross value of defective works for each day of delay in the removal of defects detected upon the acceptance or during the defect liability period;
- 3) 0.05% of the Contract gross value for each day of delay in the Contract performance; and



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- 4) 0.06% of the gross value of particular works for each day of delay in the completion of particular works or other activities set out in the schedule.

The Company was obliged to pay the following contractual penalties to the Subcontractor:

- 1) 10% of the Contract gross value for the Subcontractor's termination of the Contract through the fault of the Company; and
- 2) 0.2% of the Contract gross value for each day of delay in the Contract acceptance.

The contracts are deemed major because 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.