



CURRENT REPORT 34 / 2014

7 July 2014

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

Subject: Conclusion of Major Contract.

Content:

With reference to the current report 24/2014 of 29 April 2014 concerning the opening and terms of price bids submitted by the consortium including ZUE S.A. in the tender process conducted by Košice, the current report 27/2014 of 23 May 2014 concerning the contracting authority's selection of the consortium's bid as the most advantageous offer and the current report 33/2014 of 27 June 2014 concerning the cancellation of one of the projects in the tender process conducted by Košice, the Management Board of ZUE S.A. (the "Company") inform that today they received a notice from DÚHA a.s. with registered office in Prešov ("DÚHA") according to which a contract (the "Contract") had been signed on 4 July 2014 by and between DÚHA, a leader of the consortium comprising:

- 1) DÚHA a.s. with registered office in Prešov, Slovakia (consortium leader); and
- 2) ZUE S.A. with registered office in Cracow, Poland (consortium partner);

(hereinafter jointly referred to as the "Consortium"), and Košice (Mesto Košice) (the "Contracting Authority").

The Contract provides for comprehensive construction works as part of the following project: "Construction of IKD Košice, Maratónu Mieru Square – Station Yard" in Košice, Slovakia.

Net value of the Contract is EUR 33,284,447.25 and the amount is the equivalent of PLN 138,037,259.64 at the mid-exchange rate quoted by the National Bank of Poland on the date of this report. The Company's share is at least 30% of the project (including all the specialist works relating to the construction of tramway track and OCL network) and this corresponds to the net amount of approx. PLN 41.4m.

The Contract's completion date is 31 July 2015.

The warranty given by the Consortium to the Contracting Authority is 60 months of the acceptance protocol date.



GRUPA ZUE

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

- 1) 0.05% of the Contract net value or the value of individual parts thereof for each day of delay in the performance of the Contract or individual parts thereof;
- 2) 0.05% of the Contract net value or the value of individual parts thereof for each day of delay in the removal of defects to the object of the Contract or individual parts thereof;
- 3) EUR 10,000 for each day of the failure to clean the site;
- 4) 3% of the Contract net value for the failure to provide a bank performance bond.

Payment of a contractual penalty is without prejudice to a remedy of the damage caused by the violation of an obligation and the remedy can be enforced by the authorised party in full amount.

The Contract is deemed major because 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.