



GRUPA ZUE

## **CURRENT REPORT 36 / 2014**

**14 August 2014**

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

Subject: Instigation of Court Proceedings.

Content:

The Management Board of ZUE S.A. of Cracow (the “Company”) inform that on 14 August 2014, the consortium of:

- 1) Bilfinger Infrastructure S.A of Warsaw (Leader);
- 2) ZUE S.A. of Cracow (Partner);
- 3) Przedsiębiorstwo Budowy Kopalń PEBEKA S.A of Lubin (Partner);
- 4) Przedsiębiorstwo Napraw i Utrzymania Infrastruktury Kolejowej w Krakowie Sp. z o.o.; and
- 5) Kolejowe Zakłady Automatyki Katowice S.A.;

(hereinafter jointly referred to as the “Plaintiff” and the “Contractor”) filed a lawsuit with the District Court of Warsaw – XXVI Commercial Division (the “Court”) against PKP Polskie Linie Kolejowe S.A. of Warsaw (the “Defendant”).

The Plaintiff sued the Defendant for the contractual penalty of PLN 72,835,010.99 plus interest from 18 August 2012 until payment (with PLN 18,521,943.30 plus interest from 18 August 2012 until payment attributable to the Company) for the Defendant’s delay in the handover of the construction site in connection with the construction contract performed by the Contractor and concerning the modernisation of the railway line no. 8. Stage I: the Warszawa Zachodnia – Warszawa Okęcie section and the construction of the Warszawa Służewiec – Okęcie Airport siding. Phase 3: construction work on the siding as part of the project no. POIiŚ 7.1-18: “Modernisation of the railway line no. 8, construction of the Okęcie Airport siding” (the “Contract”).

Under the Contract concluded by the Contractor and the Defendant on 27 October 2009, the Defendant was obliged to provide the Contractor with an access to the entire construction site and a right to use it on the dates as specified in an appendix to the Contract. In case of delay by the Defendant, the Contractor was authorised to charge the contractual penalties of 0.05% of the Contract total gross price; i.e. PLN 233,820,268.39 for each day of the Defendant’s failure to provide the Plaintiff with an access to all parts of the construction site. According to the Plaintiff, the Defendant failed to meet the abovementioned obligation on the dates specified in the appendix and the total delay in the handover of the entire construction site was 623 days.

The Contract was performed by the Contractor and accepted by the Defendant.



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The Plaintiff tried to settle the dispute amicably before the lawsuit was filed but the Defendant refused the settlement.

Consequently, the Plaintiff was forced to sue the Defendant.

At this stage, the Company is not able to determine whether and to what extent the lawsuit can be considered by the Court. However, the contractual penalty has been calculated based on the provisions of the agreement between the parties and is supported by reliable evidence. It should be noted that in response to the lawsuit, the Defendant may both question its obligation to pay the contractual penalty and demand the contractual penalty be reduced by the Court.

The information on the instigation of the said court proceedings has been published because their value exceeds 10% of the Company's equity.

*Legal basis: § 5.1.8 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.*