

Current report No 105/2017

Date prepared: 29/12/2017

Abbreviated name of the issuer: POLIMEX-MOSTOSTAL

Subject: Conclusion of a court settlement in connection with a dispute with Europa Centralna sp. z o.o.

Legal basis: Article. 17(1) of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

The Management Board of Polimex-Mostostal SA with its registered office in Warsaw (the "**Company**") announces that on 29 December 2017 it concluded a court settlement with Europa Centralna Sp. z o.o. regarding disputes arising in connection with the performance of the agreement of 10 November 2011 on construction works of the shopping center Europa Centralna located in Gliwice (the "**Settlement**"). The Company had announced the execution of the agreement in current report No. 64/2011 of 14 November 2011. Litigation proceedings under the agreement were described in the consolidated and separate financial statements of the Company and the Capital Group.

Pursuant to the settlement, Europa Centralna Sp. z o.o. will pay to the Company the amount of EUR 3,000,000 by way of benefits under the Settlement, and the Company hereby confirmed the entitlement of Europa Centralna Sp. Z o.o. to retain the amount of PLN 25,938,604.23, which is the amount that the Bank BGZ BNP Paribas SA had paid to Europa Centralna sp. z o.o. as execution of a bank guarantee/good performance bond for contract No. 2324/11/WAR.

The parties confirmed that: (I) the payment by Europa Centralna Sp. z o.o. of benefits under the Settlement to the Company satisfies all the Company's claims against Europa Centralna Sp. z o.o. and (ii) by confirmation by the Company of the entitlement of Europa Centralna Sp. z o.o. to retain the amount collected under the bank guarantee/good performance bond, any and all the Company's claims against Europa Centralna sp. z o.o. incurred in connection with the agreement of 10 November 2011 on construction works of the shopping center Europa Centralna located in Gliwice and in relation to the implementation of the project in the form of construction of the shopping center Europa Centralna in Gliwice are deemed to have been satisfied.