

Current report No. 125/2012

Date prepared: 19.12.2012

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject:
Signing of the significant contract and performance bond by the Issuer's Subsidiary Company

Legal basis:
Art. 56 sec. 1 item 2 of the Act on Public Offering – current and periodic information

With reference to the current report no. 39/2012 of 6 June 2012 and current report no. 124/2012 of 19 December 2012, the Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul. Czackiego 15/17 ("**the Company**") informs that it obtained the information about signing on 19 December 2012 of the contract for **Designing and execution of construction works for the Modernisation of the railway line E75 Rail Baltica along the section Warsaw – Białystok – the border with Lithuania, the first stage, Warsaw – Rembertów – Zielonka – Tłuszcz (Sadowne) section** by the Subsidiary company Torpol S.A. ("**Subsidiary Company**")

The contracting parties are:

The Ordering Party – PKP Polskie Linie Kolejowe S.A. with its registered office in Warsaw, ul. Targowa 74, 03-734 Warsaw,

The Contracting Party: consortium of the companies – TORPOL S.A., ul. Mogileńska 10G, 61-052 Poznań, (Consortium leader) – Polimex-Mostostal S.A., ul. Czackiego 15/17, 00-950 Warsaw,
– Przedsiębiorstwo Usług Technicznych INTERCOR Sp. z o.o., ul. Okólna 10, 42-400 Zawiercie;

Terms and conditions of the Contract:

Contract price for the entire consortium amounts to:

- net value: PLN 1,298,759,327.35
- gross value: PLN 1,597,473,972.64

The scope of works to be jointly executed by Torpol S.A. and Polimex-Mostostal S.A. is approx. 83%,

Execution period: 33 months of the commencement date,

The period of reporting defects: 60 months (5 years),

All the consortium partners shall be held jointly and severally liable for the performance of the contract;

The maximum amount of contractual penalties is 30% of the gross contract price;

The value of the issuer's equity capital.

Within the past 12 months, TORPOL S.A. has concluded with PKP Polskie Linie Kolejowe S.A. four contracts, the most significant of which is the aforementioned contract. The total value of the foregoing contracts for the entire consortium amounts to PLN 1,300,495,988.38 net, of which PLN 1,079,447,150.87 net falls to Torpol S.A. and Polimex-Mostostal S.A.

Furthermore, **the Company, the Subsidiary Company** and Przedsiębiorstwo Usług Technicznych INTERCOR Sp. z o.o., obtained the performance bond issued on 19.12.2012 by BZ WBK for the aforementioned contract. The Beneficiary is PKP Polskie Linie Kolejowe S.A. with its registered office in Warsaw.

The value of the guarantee issued: PLN 48,000,000.00 for performance bond contract and PLN 14,400,000.00 for warranty for defects and quality guarantee.

The term of guarantee is until 16.11.2015 for performance bond contract and 21.12.2020 for warranty for defects and quality guarantee.

Securities and the amount of commission have been agreed upon on the market terms.

The value of the issuer's equity capital has been assumed to be the material criterion for considering the guarantee value;

Within the past 12 months, Torpol S.A. has concluded with Bank Zachodni WBK S.A. two contracts, the most significant of which is the aforementioned contract. The total value of the foregoing contracts amounts to PLN 73,000,000.00.

Signatures of persons representing the Company:

Robert Kosmal – Manager of the Mergers and Acquisitions Office