

Current report no. 38/2011

Date prepared: 28.06.2011.

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject:

Conclusion of a material contract by a subsidiary company of the Issuer

Legal basis:

Article 56 (1) (1) of the Act on Public Offer – confidential information

The Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul. Czackiego 15/17 informs that on 27 June 2011 a subsidiary company of the Issuer, operating under the company name of TORPOL Sp. z o.o. with its registered office in Poznań, acting in the capacity of a consortium partner concluded a contract with the Consortium leader, FEROCO S.A. with its registered office in Poznań.

The subject matter of the Contract is determination of the scope of works to be executed by TORPOL Sp. z o.o. and the rules applicable to the settlements between the Consortium members during the execution of the Contract concluded with PKP Polskie Linie Kolejowe S.A. for the execution of construction works regarding modernisation of the railway infrastructure of railway stations and routes within the area of LCS Ciechanów, Ciechanów – Mława section from km 99.450 to km 131.100; LOT A – railway stations: Konopki and Mława. LOT B – routes: Ciechanów – Konopki, Konopki – Mława, as part of the 'Modernisation of the E 65/CE 65 railway line at the section Warsaw – Gdynia – LCS Ciechanów area' Project, as presented in the current report no. 17/2011 dated 11 February 2011.

The total value of the works amounts to: PLN 121,837,669.83 net, PLN 149,860,333.89 gross.

Works completion date – 24 March 2013.

The maximum amount of contractual penalties for delays in the performance of the Contract amounts to 10% of the gross contract price. The Ordering Party shall not seek compensation for a delay in the performance of the Contract exceeding the aforementioned contractual penalties. Moreover, the Contract provides for the payment of compensation for exceeding the time of railway track closures in the amount of the costs incurred by the Ordering Party as a result of the excess.

The value of the Issuer's equity capital has been assumed to be the criterion for considering the Contract to be material.

During the period of 12 months, TORPOL Sp. z o.o. concluded with FEROCO S.A. three contracts (in one of them FEROCO S.A. acts as a services recipients, and in the remaining two contracts – as a services provider), with the aforementioned contract being the most valuable of them. The total net value of the contracts concluded amounts to PLN 194,149,036.29.

Signatures of persons representing the Company:

Grzegorz Szkopek - Vice-President of the Management Board