

Current report No. 75/2012

Date prepared: 20.09.2012

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject:

Withdrawal from a material contract by a Company's contractor

Legal basis:

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

The Management Board of Polimex-Mostostal S.A. (hereinafter referred to as the '**Contractor**') with its registered office in Warsaw at ul. Czackiego 15/17 hereby informs that on 19 September 2012 it received a letter from the City of Katowice (hereinafter referred to as the '**Ordering Party**') on withdrawal from the contract for the 'Construction of a multi-functional building of the International Congress Centre (Międzynarodowe Centrum Kongresowe, **MCK**) in Katowice, entered into on 3 October 2011 (the contract was described in the Issuer's current report no. 58/2011).

The Ordering Party specified the following as the reasons for withdrawal:

- the Contractor having the delay in the execution of the MCK building to such an extent that it is not likely that they will complete it within time agreed upon;
- abandonment of works execution in accordance with the authorised schedule of works and expenditures, which resulted in a delay in the works execution with respect to the authorised schedule that exceeded one month.

In the event of the Ordering Party's effective withdrawal from the contract, it shall be terminated within 14 days of receipt of the Ordering Party's statement by the Contractor, i.e. on 4 October 2012.

At the same time, the Ordering Party demanded that the Contractor pay a contractual penalty in the amount of 5% of the gross remuneration within 21 days of submission of the statement of withdrawal from the contract by the Ordering Party. Moreover, in the event of the Ordering Party's effective withdrawal from the contract, the Contractor shall only receive part of the contractual remuneration due for the part of the works performed to date.

The Contractor considers withdrawal from the contract in question to be unfounded: therefore, they shall undertake all measures aimed at persuading the Ordering Party to change their position.

Signatures of persons representing the Company:

Robert Kosmal – Head of M&A Department