

Current report No. 80/2012

Date prepared: 21.09.2012

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject:

Conclusion of a significant contract

Legal basis:

Article 56 (1) (2) of the Act on public offering – current and periodical information

The Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul. Czackiego 15/17 (hereinafter referred to as the '**Company**') hereby informs that on 21 September 2012, acting in the capacity of a contractor in the consortium with Hitachi Power Europe GmbH (hereinafter referred to as '**Hitachi**'), it concluded with Enea Wytwarzanie S.A. acting in the capacity of the Ordering Party (hereinafter referred to as the '**Ordering Party**') a contract regarding design and 'turnkey' execution of a power unit for supercritical parameters, inclusive of auxiliary systems and structures, of the net output of 1,075 MWe (hereinafter referred to as the '**Subject Matter of the Contract**') in Świerże Górne (hereinafter referred to as the '**Contract**').

The total remuneration due to the consortium of companies pursuant to the Contract amounts to:

- PLN 5,105,386,417 net
 - PLN 6,279,625,292 gross (according to the currently applicable VAT rates),
- out of which 42.7% shall be due to the Company.

The Subject Matter of the Contract shall be executed within 58 months of the date of conclusion of the Contract.

The Subject Matter of the Contract shall be covered by a 36-month guarantee, starting on the date of commissioning of the Subject Matter of the Contract, on condition that certain elements provided for in the Contract are covered by a five-year guarantee.

Members of the consortium provided the Ordering Party with a performance bond in the form of a guarantee in the amount of 10% of gross remuneration due to the consortium.

The Contract stipulates contractual penalties applicable to contractors:

- a) due to delays in the commissioning of the structure, removal of defects during the guarantee period, or delays in the commissioning of the Subject Matter of the Contract, in a total amount not exceeding 15% of net remuneration due to the consortium.
- b) due to a failure to observe technical parameters of the Subject Matter of the Contract, in a total amount not exceeding 10% of net remuneration due to the consortium.
- c) due to the Ordering Party's withdrawal from the Contract due to reasons attributable to the contractors, in the total amount of 7% of net remuneration due to the consortium.

Members of the consortium shall be jointly and severally liable towards the Ordering Party.

The Contract provides for numerous situations in which the Ordering Party shall be entitled to withdraw from the Contract in the event of improper performance thereof by the contractors. Grounds justifying termination of the Contract shall include conclusion by the contractor of an agreement with creditors, pertaining to restructuring of the contractor's debt.

The contract is deemed material due to the fact that the value of remuneration due to the Company under the Contract exceeds 10% of the Company's equity capital.

Signatures of persons representing the Company:

Robert Kosmal – Head of M&A Department