

Current report No. 154/2013

Date prepared: 26.10.2013

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject: Conclusion of the subcontracting agreement concerning the Opole project.

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 (hereinafter referred to as the "**Company**") hereby informs that as a part of the execution of the contract for construction of power units nos. 5 and 6 and 2012 in Elektrownia Opole (Opole Power Plant) dated 15 February 2012 (hereinafter referred to as the "**Main Contract**") concluded by and between PGE Górnictwo i Energetyka Konwencjonalna S.A. (formerly PGE Elektrownia Opole S.A.) (hereinafter referred to as the "**Ordering Party**") and Rafako S.A. and Mostostal Warszawa S.A. acting jointly with the Company as a consortium of companies (hereinafter collectively referred to as the "**Consortium**"), about the conclusion of which the Company informed in current reports no. 8/2012 dated 15 February 2012, no. 64/2013 dated 16 May 2013, no. 111/2013 dated 14 August 2013 and no. 138/2013 dated 12 October 2013, on 26 October 2013 the Company and its subsidiary company, i.e. Polimex-Cekop Development sp z o.o. in liquidation (in the course of registering the change of the business name into Polimex Projekt Opole sp. z o.o.) with its registered office in Warsaw (hereinafter referred to as "SPV-Polimex") concluded a subcontracting agreement (hereinafter referred to as the "**Subcontracting Agreement**"), pursuant to which:

- the Company as contractor ordered for SPV-Polimex as subcontractor to execute 100% of the scope of works and services falling within the scope of works of the Company as part of the Opole Project, including also the coordination of the execution of the subject matter of the Subcontracting Agreement by SPV-Polimex as subcontractor and further subcontractors as well as the supervision of the execution of the subject matter of the Subcontracting Agreement by further subcontractors,

- SPV-Polimex as subcontractor will be held liable for the conclusion of contracts with further subcontractors; however, in the case of the breach by SPV-Polimex of provisions of the Subcontracting Agreement with respect to the method of contract conclusion with further subcontractors, the Company will be entitled to demand from SPV-Polimex the payment of the contractual penalty in the amount of PLN 1,000,000 (in words: one million zloty 00/100) for each case of the breach if as a result of such breach, the Company is requested by the Ordering Party to pay the contractual penalty according to the provisions of the Main Contract,

- the remuneration of SPV-Polimex for the execution of works and services falling within the scope of the works of the Company as part of the Opole Project was determined to amount PLN 4,828 billion (in words: four billion eight hundred twenty-eight million zloty),

SPV-Polimex intends to dedicate its activity to the execution of the Main Contract and during the period of its being in force will not be involved in any other undertakings. The conclusion by each member of the Consortium of the subcontracting agreements with subsidiary companies of particular members of the Consortium, dedicated to the execution of the Opole Project, constituted one of the terms of supporting by Powszechna Kasa Oszczędności Bank Polski S.A. the execution of the Opole Project, the terms of which the Company informed in current report no. 139/2013 dated 12 October 2013. Entrusting by each member of the Consortium the execution of the scope of works specified in the subcontracting agreements as part of the Opole Project to particular subsidiary companies of each member of the Consortium will ensure the stability of cash flow in the Opole Project and will minimize the risk of non-performance or improper performance by any member of the Consortium of the obligations resulting from the Main Contract.

The concluded subcontracting agreement has been deemed significant due to the fact that the value of its subject matter exceeds 10% revenues from sale of Polimex-Mostostal Capital Group for the period of last four working quarters.

Signatures of persons representing the Company:
Robert Kosmal - Manager of the Shareholder Supervision Office