

Current report no. 19/2011

03.03.2011

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. having its registered office in Warsaw at ul. Czackiego 15/17, with reference to the current report no. 83/2010 dated 7 October 2010 informs that on 2 March 2011 a subsidiary company of the Issuer, operating under the company name of TORPOL Sp. z o.o. having its registered office in Poznań, as a consortium leader and partner concluded with PKP Polskie Linie Kolejowe S.A. having its registered office in Warsaw at ul. Targowa 74 two contracts for the execution of construction works within the following areas of LCS Gdańsk: LOT A – stations, LOT B – routes, and of LCS Gdynia: LOT A – stations, LOT B – routes, as a part of the project no. 7.1-1.2, 'Modernisation of the E 65 / C-E 65 railway line along the section Warsaw - Gdynia - LCS Gdańsk area, LCS Gdynia' for the total value of PLN 850,618,277.16 net, inclusive of the most important of them:

- as a Leader of a consortium of the following companies: TORPOL Sp. z o.o. having its registered office in Poznań, FEROCO S.A. having its registered office in Poznań and Przedsiębiorstwo Usług Technicznych INTERCOR Sp. z o.o. having its registered office in Zawiercie – for the execution of construction works within the area of LCS Gdańsk: LOT A – stations, LOT B – routes, as a part of the project no. 7.1-1.2, 'Modernisation of the E 65 / C-E 65 railway line along the section Warsaw - Gdynia - LCS Gdańsk area, LCS Gdynia'.

Net remuneration for the execution of the subject matter of the Contract has been agreed to the amount of PLN 479,129,342.49, out of which the estimated value of the works to be executed by TORPOL Sp. z o.o. amounts to PLN 344,781,895.67 net.

The period of execution of the subject matter of the Contract has been set to last 36 months of the date of commencement of the works.

The defect warranty period amounts to 1 year; all the consortium partners shall be held jointly and severally liable for the performance of the subject Contract.

Moreover, the Parties have agreed that:

- the maximum amount of contractual penalties for delays in the execution of the subject matter of the Contract amounts to 10% of the gross contract price agreed to the amount of PLN 589,329,091.26;
- the Ordering Party shall not seek compensation for a delay in the execution of the subject matter of the Contract exceeding the aforementioned contractual penalties.

The Contract also stipulates:

- payment of compensation for train delays arising from reasons on the part of the Contractor, in the amount of the costs incurred by the Ordering Party,
- a contractual penalty for the cancellation or modification of the period of track closure within the time shorter than 14 business days of the set closure date in the amount of PLN 1,700.00 per each track along the route or at a station subject to the closure.

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

Signatures of persons representing the Company:

Grzegorz Szkopek - Vice-President of the Management Board