

Current report No. 21/2014

Date prepared: 5.02.2014

Issuer's abbreviated name
POLIMEX-MOSTOSTAL

Subject: Initiating enforcement proceedings against GDDKiA

Legal basis: Article 56 (1) (2) of the Act on Public Offering – current and periodical information

I. Proceedings in reference to the contract concerning construction of the A4 motorway Rzeszów (Rzeszów Wschód junction) – Jarosław (Wierzbna junction) from 581+250 to 622+450 km. The Management Board of Polimex-Mostostal S.A. with its registered office in Warsaw at ul Czackiego 15/17 (the "Company") hereby informs that on 4 February 2014 plaintiffs: the Company and Doprastav a.s ("Plaintiffs") submitted a suit for proceedings by writ of payment against the defendant: the State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad ("Defendant"), regarding the contract dated on 23 September 2010 referring to construction of the A4 motorway Rzeszów (Rzeszów Wschód junction) – Jarosław (Wierzbna junction) from 581+250 to 622+450 km ("Contract I"). The value of the object of litigation amounts to PLN 219.592.408. The legal proceedings were initiated on 4 February 2014. Despite the written demand of the Plaintiffs as the Contractors, the Defendant as the Ordering Party has not presented any guarantee for payment of remuneration under the Contract I, required by the contractors pursuant to Article 649 (4) § 1 the Civil Code. Due to the ineffective lapse of the period of 45 days since the guarantee was granted by the Defendant, the Plaintiffs had had the right to withdraw from the Contract I by fault of the Defendant. The Plaintiffs exercised their rights by submitting suitable statements regarding withdrawal from the Contract I. In accordance with the terms and conditions of the Contract I, in the case of withdrawal from the contract by the Plaintiffs as the Contractors by fault of the Defendant as the Ordering Party, the Defendant is obliged to pay in favour of the Plaintiffs the contractual penalty at the amount of 10% of the value accepted in the contract which amounts to PLN 219,592,408.75 together with late payment interest. The share of the Company in the amount of the contractual penalty is 51%.

II. Proceedings in reference to the contract concerning construction of S-69 Expressway Bielsko Biała-Żywiec-Zwardoń, section from "Mikuszowice" junction ("Żywiecka/Bystrzańska") to Żywiec. The Company informs that on 4 February 2014 the Plaintiffs: the Company and Doprastav a.s ("Plaintiffs") submitted a suit for proceedings by writ of payment against the defendant - the State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad ("Defendant"), regarding the Contract dated on 20 July 2010 no. GDDKiA/R-1/S-69/M-Z/2009 referring to construction of the S-69 Expressway Bielsko-Biała – Żywiec – Zwardoń, section "Mikuszowice" junction ("Żywiecka/Bystrzańska") – Żywiec ("Contract II"). The value of the object of litigation amounts to PLN 78,810,044. The legal proceedings were initiated on 4 February 2014. Despite the written demand of the Plaintiffs as the Contractors, the Defendant as the Ordering Party has not presented any guarantee for payment under the Contract II, required by the contractors pursuant to Article 649 (4) § 1 the Civil Code. Due to the ineffective lapse of the period of 45 days since the guarantee was granted by the Defendant, the Plaintiffs had had the right to withdraw from the Contract I by fault of the Defendant. The Plaintiffs exercised their rights by submitting suitable statements concerning the withdrawal from the Contract II. In accordance with the terms and conditions of the Contract II in the case of withdrawal from the Contract II by the Plaintiffs as the Contractors by fault of the Defendant as the Ordering Party, the Defendant is obliged to pay in favour of the Plaintiffs the contractual penalty in the amount of 10% of the value accepted in the contract which amounts to PLN 78,810,044.69 together with late payment interest. The share of the Company in the amount of the contractual penalty is 50.50%.

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