

Date prepared: **11.02.2011**

Issuer's abbreviated name

POLIMEX-MOSTOSTAL

Subject

Conclusion of a material contract by a subsidiary company of Polimex-Mostostal S.A.

Legal basis

Article 56 (1) (1) of the Act on public offer – confidential information.

Report content:

The Management Board of Polimex-Mostostal S.A., with reference to current report no. 35/2010 dated 25 May 2010, informs that on 11 February 2011 it obtained information about the conclusion of a contract by a subsidiary company, Torpol Sp. z o.o., for the execution of construction works on the modernisation of the railway infrastructure of railway stations and routes within the area of LCS Ciechanów, Ciechanów – Mława section, from km 99.450 to km 131.100. LOT A – stations: Konopki, Mława. LOT B – routes: Ciechanów – Konopki, Konopki – Mława, as part of the 'Modernisation of the E 65 / CE 65 railway line along the section Warsaw – Gdynia – LCS Ciechanów area' project.

The Contracting Parties are: PKP Polskie Linie Kolejowe S.A. having its registered office in Warsaw (the Ordering Party) and a consortium of the following companies: FEROCO S.A. having its registered office in Poznań (Consortium Leader), TORPOL Sp. z o.o. having its registered office in Poznań, Zakład Robót Komunikacyjnych – DOM in Poznań Sp. z o.o. having its registered office in Poznań and Przedsiębiorstwo Usług Technicznych INTERCOR Sp. z o.o. having its registered office in Zawiercie.

Contract price for the entire consortium amounts to: net: PLN 397,652,629.75, gross: PLN 489,112,734.59.

Estimated value of the works to be executed by Torpol Sp. z o.o.: - net: 124,531,694.19, gross: 153,173,983.85. Execution period: 24 months of the commencement date.

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

Maximum amount of contractual penalties for delays in the performance of the Contract amounts to 10% of the gross contract price. The Ordering Party shall not seek compensation for a delay in the performance of the Contract exceeding the aforementioned contractual penalties. Moreover, the Contract provides for the payment of compensation for exceeding the time of railway track closure in the amount of the cost incurred by the Ordering Party as a result of the excess.

Since the last current report announcing conclusion of a material contract between Torpol Sp. z o.o. and PKP PLK S.A., Torpol Sp. z o.o., as a member of various consortiums of companies, has concluded with PKP PLK S.A. two contracts of which the most significant is the Contract presented hereinabove. Total net value of the contracts for the entire consortiums of companies amounts to PLN 521,105,679.55. Planned value of the works to be executed by Torpol Sp. z o.o. amounts in total to PLN 204,757,355.39 net.

Legal basis: Article 56 (1) (1) of the Act on public offer and Conditions for Introducing of Financial Instruments to the Organized Trading System, and on Public Companies, as related to § 5 (1) (3) as related to § 9 of the Ordinance of the Minister of Finances dated 19 February 2009 on current and periodical information provided by issuers of securities and terms of deeming information required by the regulations of a non-Member State equivalent (Dz.U. [Dziennik Ustaw, Journal of Laws] of 2009, No. 33, item 259).