

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 19 / 2012

Date of issue: 13/07/2012

Short name of the issuer: ELEKTROTIM S.A.

Subject: Conclusion of a contract with TAURON Dystrybucja S.A.

Legal grounds: Article 56, section 1, subsection 2 of the Public Offering Act – current and periodical information

Content of the Report:

Having regard to Article 9, subsection 8) of the Ordinance of the Minister of Finance of 19.02.2009 on current and periodical information, the Management Board of ELEKTROTIM S.A. notifies that within last 12 months it concluded 15 contracts with TAURON Dystrybucja S.A., for a total amount of PLN 8,841,506.54 net (say: eight million, eight hundred forty one thousand, five hundred six, 54/100 PLN), which constitutes a basis for handing over this report due to the criterion of the size of own capital of ELEKTROTIM S.A. (the concluded contracts exceed 10% of own capital of the Company).

The last concluded contract with the same entity was the contract received on 12.07.2012, signed on 11.07.2012, where the subject of the contract is "Development of PRZYBKÓW 110/20 kV Station". The flat rate value of the above-mentioned contract is PLN749,000.00 (say: seven hundred forty nine thousand PLN). The completion by ELEKTROTIM S.A. of works being part of the above-mentioned contracts is due at 14 December 2012.

Pursuant to Article 9, subsection 8) of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodical information, the Board provides information specified in Article 9, section 5) - contractual penalties - with regard to the contract of the highest value, i.e. a contract concluded on 30.03.2012 on completing the following task: "Dwory Station - redevelopment of 110 kV switch station" for PLN 2,805,168.54 (say: two million, eight hundred five thousand, one hundred sixty eight, 54/100 PLN).

In case of failure to perform or improper performance of contractual duties Parties reserve the right to implement contractual penalties in the following cases and of the following amounts: ELEKTROTIM S.A. shall pay to the Ordering Party a contractual penalty: a) for a delay in completing the subject of the contract - 0.1% of the value of the contracts net for each day of delay, b) for delay or default in repairing faults discovered by the Ordering Party within the guarantee period or warranty period amounting to 0.1% of the value of contractual remuneration net for each day of default starting on the day set for the repair of faults, c) for withdrawing from the contract by the Ordering Party due to reasons attributable to the Contractor - 10% of the remuneration.

The Ordering Party reserved in the Contract the possibility of seeking supplementary compensation transferring the reserved contractual penalties. The Agreement shall be considered as significant if the total value of all contracts with TAURON Dystrybucja S.A. concluded within last 12 months exceeds 10% of own capital of ELEKTROTIM S.A.