

Date of issue: 2010-12-31

Short name of the issuer ELEKTROTIM S.A.

Subject Conclusion of a meaningful contract - ELEKTROTIM S.A. as a sub-executor within framework of
“ Performance of the Intelligent Transport System in Wrocław”

Legal ground Article 56 section 1 subsection 2 of the act upon tender – current and periodical information

Report's content:

According to § 5 section 1 subsection 3 of the Financial Minister's Decree of 19.02.2009 regarding current and periodical information passed by issuers of securities and conditions of acknowledging as equivalent the information required by legal rules of a non-member country, the Management of Elektrotim is informing that on 30.12.2010r two contracts with the Ordering Party, that is **WASKO S.A.** with the registered office in Gliwice, were brought into life.

Acting as a sub executor of the Ordering Party, ELEKTROTIM S.A. shall perform the above mentioned contracts within framework of realizing a task, whose subject is: „Performance of the Intelligent Transport System in Wrocław in the scope of key functions”, with division into the following financial and material ranges:

1. Contract- task 1 - for „Performance of the Intelligent Transport System within scope of a Project named “the Integrated Rail Transport System in Wrocław and its agglomeration – STAGE I”.
2. Contract- task 2 - for „Performance of the Intelligent Transport System in the scope of realizing key functions that are not included in the range of the Project of the Intelligent Rail Transport System – STAGE I”

A total value of the contractual subject is a remuneration constituting a sum of lump sum prices for stages of a subject of the separate Contracts destined for separate receptions and amounts to **26.345.456,44 net** zloty (in words: twenty six million forty five thousand four hundred and fifty six zloty 44/100):

- a) including: for the Contract - Task 1 - 18.903.652,24 zloty (in words: eighteen million nine hundred and three thousand six hundred fifty two zloty, 24/100) net
- b) including: for the Contract - Task 2 - 7.441.804,20 zloty (in words: seven million four hundred forty one thousand Wight hundred and four zloty 20/100) net.

The Contracts have been concluded for the periods:

- a) Contract - Task 1 - to 31.10.2011.
- b) Contract - Task 2 – to 30.11.2012.

The Parties have established a compensation responsibility in a form of contractual penalties for the following failures and in the given amounts:

1. ELEKTROTIM S.A. may charge WASKO S.A. with a contractual penalty for withdrawal from the Contract by WASKO's fault, to the amount of 15 % of net remuneration. This allowance does not regard a situation of Investor's (that is the Road and City Maintenance Management in Wroclaw) withdrawal from the Contract in case of occurrence of a significant change due to which the performance of the Contract is no longer in public interest, which could not have been predicted at the time of entering into the Contract.
2. ELEKTROTIM S.A. shall pay WASKO S.A. contractual penalties:
 - 1) for withdrawal from the Contract by ELEKTROTIM S.A. fault, to the amount of 15% of Executor's net remuneration,
 - 2) for non performance of a contractual subject within deadlines determined in the Contract, to the amount of:
 - a) 0,1% of net remuneration for performance of a given Stage to which the delay relates, for each Day of delay in performance of a given Stage, without prejudice to subsection b) below,
 - b) if a delay in performance of a given Stage exceeds 30 days in relation to a deadline determined in the Contract, ELEKTROTIM S.A. shall pay WASKO S.A. a contractual penalty to the amount of 50.000,00 zloty for each day of delay in performance of a given Stage,
 - 3) for non-removal of faults detected during receptions or in the guarantee period, to the amount of 10.000,00 zloty per each day counted from expiration of a deadline determined for removal of faults,
 - 4) for lack of passing an approved conception, to the amount of 30.000,00 zloty per each day counted from expiration of a deadline,
 - 5) for non performance of works in accordance with the schedule to the amount of 30.000,00 zloty for each case of non performance of works in accordance with the schedule,
 - 6) for default on contractual obligations (delivery of personnel lists in the range of technical staff)), to the amount of 5.000,00 zloty per each case of default on obligations,
 - 7) for default on contractual obligations (stages of construction works), to the amount of 15.000,00 zloty for every case of default on obligations,
 - 8) for default on contractual obligations (submission of a workmanship bond and source code depository and documentation of traffic light controllers' software) to the amount of 20.000,00 zloty per each day of delay counted from expiration of a deadline.
3. WASKO S.A. reserves the right to claim for supplementary compensation exceeding the reserved contractual penalties to the full, factually sustained damage, including lost profits. A total responsibility of ELEKTROTIM S.A. for contractual penalties is restricted to 50% of Executor's gross remuneration mentioned in the Contract, with exclusion of responsibility due to Investor's loss of Union's means as a result of non performance or inappropriate performance of the following Contract by ELEKTROTIM S.A., where WASKO S.A reserves a possibility of claiming for compensation exceeding the value of contractual penalties, counted by the Investor for WASKO S.A. for circumstances depending on ELEKTROTIM S.A., which have influenced Investor's loss of Union's means.
4. ELEKTROTIM S.A is obliged to fix damages sustained by WASKO S.A. as a result of non performance or inappropriate performance of the Contract by WASKO S.A., being a consequence of non performance or inappropriate performance of this Contract by ELEKTROTIM S.A., particularly to fix a damage sustained by WASKO as a result of advancing a claim to WASKO S.A by the Investor or third parties, and to make WASKO S.A pay a compensation for the Investor or third parties and to bear all consequences charging WASKO S.A. resulting from non performance or inappropriate performance of this Contract by ELEKTROTIM S.A., where above all ELEKTROTIM S.A. shall be obliged to return WASKO S.A. the contractual penalties paid by

WASKO S.A. for the Investor due to non performance or inappropriate performance of the Contract in the part regarding obligations of ELEKTROTIM S.A determined in this Contract. ELEKTROTIM S.A. shall be also obliged to fix a damage sustained by WASKO S.A., resulting from Investor's suspension of payment owed by WASKO S.A or Investor's dissolution or withdrawal from the Contract by ELEKTROTIM S.A. fault. A criterion of acknowledging the concluded Contracts as meaningful is a value exceeding 10% of own capitals of ELEKTROTIM S.A.