

POLISH FINANCIAL SUPERVISION AUTHORITY**Current Report No.****26****/****2016**

Date:

May 23rd 2016

Abbreviated issuer name

FAMUR S.A.

Subject

Conclusion of significant agreement with MINI MARITZA IZTOK EAD

Legal basis

Art. 56.1.2 of the Public Offering Act – Current and periodic information

Text of the report:

The Management Board of FAMUR S.A. announces that it was notified of the fact that, on May 20th 2016, the Company, acting in consortium with BALGARSKA ENERGETIKA AD (the consortium hereinafter referred to as the “Contractor”), concluded a contract with MINI MARITZA IZTOK EAD (the “Employer”) with a total value exceeding 10% of the FAMUR Group’s consolidated revenue for the most recent four quarters, and as such meeting the criterion of a significant agreement.

The subject matter of the contract is the design, manufacture, delivery and placement in service of SRs 2000 and SRs 200 bucket-wheel excavators by the FAMUR-BALGARSKA ENERGETIKA consortium, under a project co-financed up to 50% by the Kozoduy International Decommissioning Support Fund managed by the European Bank for Reconstruction and Development.

The total contract price amounts to EUR 25,848,663.00, i.e. PLN 114,155,450.41, translated at the mid-rate quoted by the National Bank of Poland for May 20th 2016, that is for the contract execution date. Delivery under the contract is to be made within 156 weeks of the contract effective date. The parties agreed on the following conditions precedent for the contract to take effect:

- 1) Signing of the contract,
- 2) The Contractor’s provision to the Employer of a performance bond and advance payment guarantee,
- 3) The Employer’s payment to the Contractor of an advance payment equal to 15% of the contract price.

Terms of the contract are subject to negotiations if within three months of the contract date the aforementioned conditions precedent have not been met due to reasons not attributable to the Contractor.

The parties agreed on the following payment terms:

- 1) 15% of the contract price payable in advance within 45 days of the date of the provision to the Employer of the advance payment guarantee and the documents specified under the contract,
- 2) 85% of the contract price payable, respectively, after completion of the consecutive stages of the contract/contract milestones.

Amounts payable under the contract will be paid on the basis of interim invoices issued by the Contractor, within 45 days from the date of delivery to the Employer of the pre-approved invoice and documents specified under the contract.

The parties agreed on a contractual penalty of 0.5% of the contract price for each week of delay. The maximum amount of contractual penalties may not exceed 10% of the contract price.

The parties agreed on a performance bond in an amount of 10% of the contract price. Over the defects liability period, the performance bond will be reduced to 3% of the contract price.

Other terms and conditions of the contract do not differ materially from the terms and conditions commonly applied in contracts of such type. Total revenue of the Company's Group for the last four financial quarters, which is the criterion based on which the contract is considered a significant agreement, is PLN 738,536 thousand.

FAMUR Spółka Akcyjna	(full issuer name)
FAMUR S.A.	Electromechanical (ele)
(abbreviated issuer name)	(sector according to the WSE)
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SIGNATURES OF AUTHORISED REPRESENTATIVES

Date	Full name	Position	Signature
May 23rd 2016	Beata Zawiszowska	Vice President of the Management Board	
May 23rd 2016	Dawid Gruszczyk	Vice President of the Management Board	