

29-03-2012

Current Report No. 9/2012

### **Conclusion of another contract with MPWiK - exceeded threshold of a significant agreement**

The Management Board of the Company Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" SA seated in Warsaw (hereinafter referred to as "the Company") announces that yesterday the Company received the contract of 23 March 2012, signed by both Parties, concluded by the Company and Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawa S.A. (hereinafter referred to as "the Contracting Authority") on additional works for the investment implementation "Construction of the "W" collector" under the name "Water supply and wastewater treatment in Warsaw - STAGE IV".

The contract in question, for the amount of PLN 9,978,034.08 net, concerns additional works associated with the construction of intercepting sewers along the W Collector, together with branch collectors in the side streets and parts of the network to the borders of the properties located along:

- a. ul. Kadetów on the section from ul. Nowozabielska to ul. Trakt Lubelski and along ul. Trakt Lubelski from ul. Kadetów to ul. Bronowska Dz 0.315 m L= 1076.5; Dz 0.2 m L=221.5 m; Dz 0.16 m L=728.5 m;
- b. ul. Trakt Lubelski on the section from ul. Bronowska to ul. Zwoleńska and along ul. Zwoleńska on the section from ul. Trakt Lubelski to ul. Rogatkowa Ø 0.4 m L=59.9 m; Dz 0.315 m L=1359.7 m; Dz 0.2 m L=306.10 m; Dz 0.16 m L=843.7 m.

At the same time, the Management Board of the Company Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. announces that it estimates the value of contracts, which were not the subject of current reports, concluded in the last 12 months with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawa S.A., to be more than PLN 81 million net. The contracts have been recognised to be significant due to the criterion of the value of sales revenues of the Issuer's capital group for the period encompassing four financial quarters. Total contracts value exceeds 10% of the sales revenues of the Issuer's capital group.

The totality of contracts for a significant amount consists of the following additional contracts:

- contract of 15 July 2011 on the execution of works remaining to be implemented: Construction of wastewater transmission system from the left bank Warsaw to the wastewater treatment plant Czajka - Stage II concerning construction of left bank collectors, along with buildings and network intersecting with Trasa Mostu Północnego in the area of Marymoncka interchange, with barrage and connecting chambers in the area of ul. Farysa, for the amount of PLN 12,520,000 net.

- contract of 8 July 2011 on "Construction of the "W" collector", under the name "Water supply and wastewater treatment in Warsaw - STAGE IV" for the amount of PLN 58,741,000 net, which is also the contract with the highest value among those listed in this report.

Detailed information on the contractual provisions of the investment "Construction of the "W" collector":

Deadline for completion of the works was established on 31 December 2012, according to the subject of the contract "Construction of the "W" collector".

The Company shall grant to the Contracting Authority:

- 3 year guarantee, starting from the issuance of the Performance Certificate, in particular on the executed construction works and delivered machinery, equipment and goods,
- 3 year warranty, starting from the issuance of the Performance Certificate, on construction works, as well as delivered machinery, equipment and goods related to these works.

The Company shall pay the Contracting Authority contractual penalties:

- for exceeding the deadline for the completion of works - 0.2% of the Approved Contractual Amount (excluding VAT), as defined in the Contract Document, for each day of delay, to be paid in PLN
- for exceeding the time given for removal of faults and defects discovered during the warranty and guarantee period - 0.2% of the Approved Contractual Amount (excluding VAT), as defined in the Contract Document, for each day of delay, to be paid in PLN

Total contractual penalties payable to the Contracting Authority shall not exceed amount equivalent to 10% of the Approved Contractual Amount.

The Parties have specified in the Contract that whenever a contractual penalty fails to cover the amount of the loss incurred, the Contracting Authority may demand from the Company a compensation in line with general principles specified in the Polish Civil Code.

If the contractual penalties reach a maximum 10% limit, the Contracting Authority may demand continued execution of the Contract or declare that he recognizes that the execution the Contract will not be continued.

In case that the Contractor does not proceed to remove defects within the period specified in the Contract or does not remove the defects within the period, the Contracting Authority shall be entitled to entrust the removal of defects to another entity, at the expense and risk of the Company.

The works that constitute the object of this Contract shall be performed in accordance with Contractual Terms and Conditions for construction that apply to the engineering-construction works planned by the Contracting Authority, first English edition 1999, prepared and published by FIDIC, second English-Polish edition 2004.

The Contract has been concluded on terms and conditions routinely applied for such agreements.

**Legal basis:** Art. 56 paragraph 1, point 2, of the Act on Public Offering – Current and Interim Information

**Signatures:**

Piotr Chełkowski, President of the Management Board of P.R.I. "POL-AQUA" S.A.

Marek Sobiecki, Second Vice President of the Management Board of P.R.I. "POL-AQUA" S.A.