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POL-AQUA

CONSOLIDATED QUARTERLY REPORT OF THE POL-AQUA CAPITAL GROUP

for the first quarter ended on 31 March 2012

**containing quarterly financial information of Przedsiębiorstwo Robót
Inżynierskich "POL-AQUA" Spółka Akcyjna in Warsaw**

prepared
in accordance with
International Financial Reporting Standards
in Warsaw on 27 April 2012

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INTRODUCTION

1. The Consolidated Quarterly Report of the Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna, with its registered office in Warsaw, for the first quarter ended on 31 March 2012, includes:

- A. Selected financial data of the POL-AQUA Capital Group and Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. with its registered office in Warsaw.
- B. The interim summarized consolidated financial report of the POL-AQUA Capital Group for the period of 3 months ended on 31 March 2012.
- C. The interim summarized financial report of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. for the period of 3 months ended on 31 March 2012.
- D. Additional notes.
- E. Declaration of the Management Board on the fair and true nature of the interim summarised consolidated financial report of the POL-AQUA Capital Group and the interim summarised financial report of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. with its registered office in Warsaw.

2. Period covered by the statements and comparable data:

Interim summarized consolidated financial report

- The interim summarized consolidated financial report of the POL-AQUA Capital Group covers the period of three months ended 31 March 2012.
- For the data presented in the interim summarized consolidated profit and loss account, comparable financial data for the period from 01 January 2011 to 31 March 2011 were presented.
- For the data presented in the interim summarized consolidated statement of comprehensive income, comparable financial data were presented for the period from 01 January 2011 to 31 March 2011.
- For the data presented in the interim summarized consolidated statement of financial position, comparable financial data were presented as at 31 December 2011.
- For the data presented in the interim summarized consolidated statement of changes in equity and the interim summarised consolidated cash flow statement, comparable financial data were presented for the period from 01 January 2011 to 31 March 2011.

The interim summarised financial report of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna in Warsaw.

- The interim summarized financial report of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. in Warsaw covers the period of three months ended on 31 March 2012.
- For the data presented in the Interim Summarised Income Statement, comparable financial data were presented for the period from 01 January 2011 to 31 March 2011.
- For the data presented in the Interim Summarized Statement of Comprehensive Income, comparable financial data were presented for the period from 01 January 2011 to 31 March 2011.
- For the data presented in the Interim Summarized Statement of Financial Position, comparable financial data were presented as at 31 December 2011.

- For the data presented in the Interim Summarised Statement of Changes in Equity and the Interim Summarised Cash Flow Statement, comparable financial data were presented for the period from 01 January 2011 to 31 March 2011.

3. Explanations of denotations pertaining to the organisation of the POL-AQUA Capital Group

As at 31 March 2012, the POL-AQUA Capital Group consisted of the following companies:

- Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” Spółka Akcyjna with registered office in Warsaw along with branches – Parent Company;
- PA CONEX Sp. z o.o. with its registered office in Gostynin – subsidiary;
- PA Wyroby Betonowe Sp. z o.o. with its registered office in Elbląg – subsidiary;
- Mostostal Pomorze Spółka Akcyjna with its registered office in Gdańsk – subsidiary;
- TECO Sp. z o.o. with its registered office in Wrocław – subsidiary;
- Weneda Sp. z o.o. with its registered office in Opole – subsidiary;
- POL-AQUA WOSTOK Sp. z o.o. with its registered office in Moscow – subsidiary;

Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” S.A. in Warsaw (hereinafter referred to as “P.R.I. “POL-AQUA” S.A., “the Company”, “the Issuer”, “the Parent Entity”, “the Parent Company”) holds shares in Sarnia Dolina Sp. z o.o. with its registered office in Warsaw (associate). Moreover, the Parent Company holds shares in the subsidiary PLACIDUS INVESTMENTS Sp. z o.o. in Warsaw, which is in bankruptcy proceedings. On 04 January 2011, the Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” S.A. lost control over the assets and operating activities of the associate.

A. SELECTED FINANCIAL DATA OF THE POL-AQUA CAPITAL GROUP AND PRZEDSIĘBIORSTWO ROBÓT INŻYNIERYJNYCH “POL-AQUA” S.A. WITH ITS REGISTERED OFFICE IN WARSAW

Selected financial data of the POL-AQUA Capital Group and Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” S.A. for the period of 3 months ended on 31 March 2012 and 2011 are presented in the following tables.

Table No. 1: Selected financial data of the POL-AQUA Capital Group

SELECTED FINANCIAL DATA		in thousands of PLN		in thousands of EUR	
		for the period of 3 months ended 31 March 2012 (unaudited)	for the period of 3 months ended 31 March 2011 (unaudited)	for the period of 3 months ended 31 March 2012 (unaudited)	for the period of 3 months ended 31 March 2011 (unaudited)
I.	Sales revenues	135,231	150,918	32,391	37,974
II.	Gross profit (loss) on sales	10,816	2,562	2,591	645
III.	Profit (loss) on operating activities	3,152	3,687	755	928
IV.	Gross profit (loss)	2,262	2,503	542	630
V.	Net profit (loss) for Shareholders of the Parent Company	486	4,372	116	1,100
VI.	Net cash flows from operating activities	(92,802)	(185,769)	(22,228)	(46,744)
VII.	Net cash flows from investment activities	2,685	(5,994)	643	(1,508)
VIII.	Net cash flows from financial activities	74,374	93,963	17,814	23,643
IX.	Total net cash flows	(15,743)	(97,800)	(3,771)	(24,609)
X.	Total assets	617,229	715,851	148,315	178,432
XI.	Long- and short-term liabilities	348,399	468,941	83,718	116,888
XII.	Share capital	27,500	27,500	6,608	6,855
XIII.	Equity	268,830	246,910	64,598	61,544
XIV.	Number of shares	27,500,100	27,500,100	27,500,100	27,500,100
XV.	Profit (loss) per ordinary share	0.02	0.16	-	0.04
XVI.	Average weighted number of shares	27,500,100	27,500,100	27,500,100	27,500,100
XVII.	Accounting value per share	9.78	8.98	2.35	2.24

Table No. 2: Selected financial data of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna in Warsaw

SELECTED FINANCIAL DATA		in thousands of PLN		in thousands of EUR	
		for the period of 3 months ended 31 March 2012 (unaudited)	for the period of 3 months ended 31 March 2011 (unaudited)	for the period of 3 months ended 31 March 2012 (unaudited)	for the period of 3 months ended 31 March 2011 (unaudited)
I.	Sales revenues	114,637	128,443	27,458	32,319
II.	Gross profit (loss) on sales	8,509	2,972	2,038	748
III.	Profit (loss) on operating activities	3,858	7,131	924	1,794
IV.	Gross profit (loss)	3,151	6,331	755	1,593
V.	Net profit (loss)	1,498	8,325	359	2,095
VI.	Net cash flows from operating activities	(98,192)	(169,678)	(23,519)	(42,695)
VII.	Net cash flows from investment activities	3,645	(11,627)	873	(2,926)
VIII.	Net cash flows from financial activities	77,347	89,088	18,526	22,417
IX.	Total net cash flows	(17,200)	(92,217)	(4,120)	(23,204)
X.	Total assets	546,035	600,173	131,208	149,598
XI.	Long- and short-term liabilities	319,291	377,593	76,723	94,118
XII.	Share capital	27,500	27,500	6,608	6,855
XIII.	Equity	226,744	222,580	54,485	55,480
XIV.	Number of shares	27,500,100	27,500,100	27,500,100	27,500,100
XV.	Profit (loss) per ordinary share	0.05	0.30	0.01	0.08
XVI.	Average weighted number of shares	27,500,100	27,500,100	27,500,100	27,500,100
XVII.	Accounting value per share	8.25	8.09	1.98	2.02

The financial data expressed in EUR were converted in accordance with the following principles:

1. individual assets and liabilities were based on the average exchange rate of the National Bank of Poland valid on the balance sheet date, i.e. 31 March 2012 – 4.1616; comparable data were based on the average exchange rate of the National Bank of Poland valid on the balance sheet date, i.e. 31 March 2011 – 4.0119.
2. particular items of the profit and loss account and cash flow statement were based on the exchange rate equalling the arithmetic mean of the exchange rates of the National Bank of Poland valid on the last day of each finished month, i.e. for the period from 01 January 2012 to 31 March 2012 – 4.1750; comparable data were based on the exchange rate equalling the arithmetic mean of the exchange rates of the National Bank of Poland valid on the last day of each finished month, i.e. for the period from 01 January 2011 to 31 March 2011 – 3.9742.

.....
Piotr Stanisław Chełkowski
President of the Management Board

.....
Eduardo Martínez Martínez
First Vice President of the Management Board

.....
Marek Sobiecki
Second Vice President of the Management Board

.....
Robert Stefan Molo
Member of the Management Board

.....
Mario Serrano Villate
Member of the Management Board

.....
Servando Sierra Martí
Member of the Management Board

Warsaw, 27 April 2012

B. INTERIM SUMMARIZED CONSOLIDATED FINANCIAL REPORT OF THE POL-AQUA CAPITAL GROUP FOR THE PERIOD OF 3 MONTHS ENDED ON 31 MARCH 2012 – APPENDIX NO. 1

- presented in a separate file containing:

1. the Interim Summarized Consolidated Income Statement.
2. the Interim Summarized Consolidated Statement of Comprehensive Income.
3. the Interim Summarized Consolidated Statement of Financial Position
4. the Interim Summarized Consolidated Statement of Changes in Equity.
5. the Interim Summarized Consolidated Statement of Cash Flows.
6. Additional explanatory notes.

C. INTERIM SUMMARIZED FINANCIAL REPORT OF PRZEDSIĘBIORSTWO ROBÓT INŻYNIERYJNYCH “POL-AQUA” S.A. FOR THE PERIOD OF 3 MONTHS ENDED ON 31 MARCH 2012 – APPENDIX NO. 2

- presented in a separate file containing:

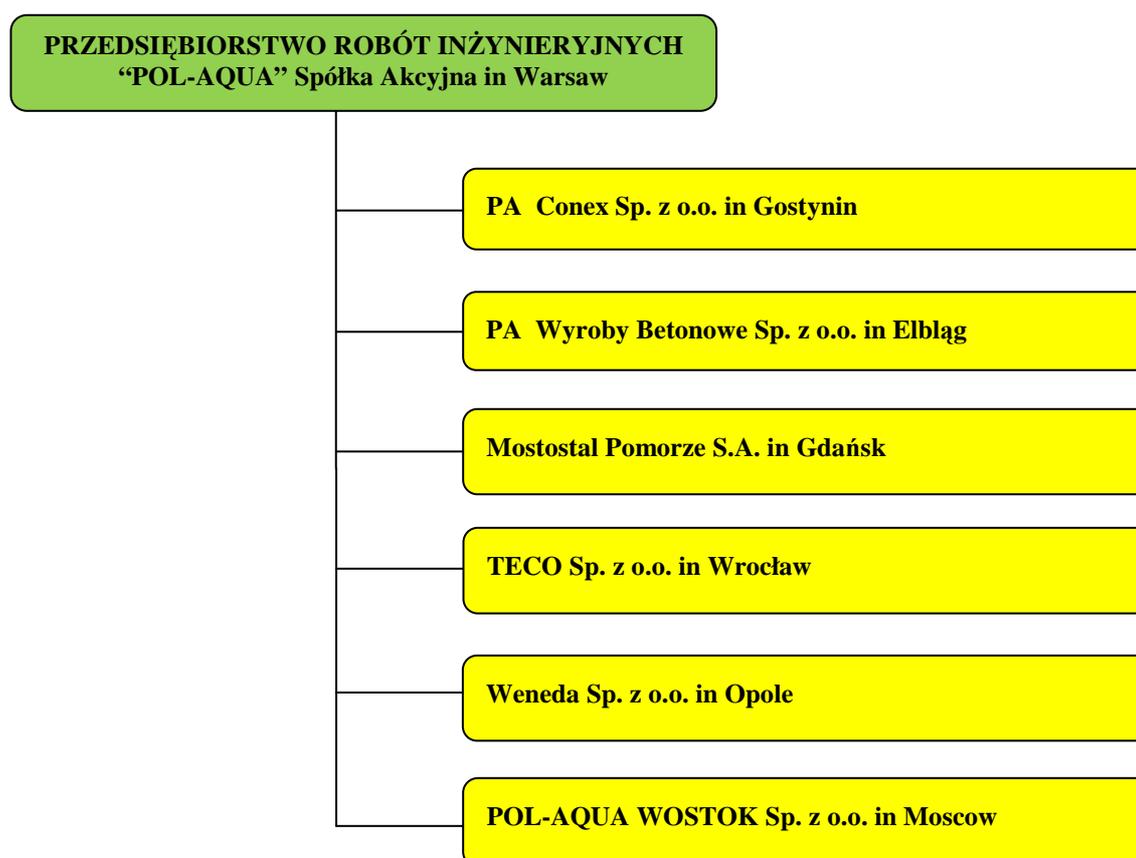
1. the Interim Summarized Income Statement.
2. the Interim Summarized Statement of Comprehensive Income.
3. the Interim Summarized Statement of Financial Position.
4. the Interim Summarized Statement of Changes in Equity.
5. the Interim Summarized Statement of Cash Flows.
6. additional explanatory notes.

D. ADDITIONAL NOTES

1. Description of the organisation of the POL-AQUA Capital Group and consolidated entities

Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. is the Parent Company in the POL-AQUA Capital Group. On 31 March 2012, the POL-AQUA Capital Group consisted of the following subsidiaries and associates:

Chart No. 1: Companies belonging to the POL-AQUA Capital Group covered by consolidation as at 31 March 2012



Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna holds shares in Sarnia Dolina Sp. z o.o. (Polish limited liability company) with its registered office in Warsaw (affiliated company).

Moreover, the Parent Company holds shares in the subsidiary PLACIDUS INVESTMENTS Sp. z o.o. in Warsaw, which is in bankruptcy proceedings. On 04 January 2011, Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. lost control over the assets and operating activities of the associate.

Apart from P.R.I. "POL-AQUA" S.A., the following affiliated entities were included in the Consolidated Quarterly Report of the POL-AQUA Capital Group for the first quarter ended on 31 March 2012:

Table No. 3: Companies belonging to the POL-AQUA Capital Group covered by consolidation as at 31 March 2012

Company name	Registered office	Scope of activities	Competent court or other registration body	Consolidation method	Percent share of the Group in capital	
					31.03. 2012	31.12. 2011
PA CONEX Sp. z o.o.	09-500 Gostynin ul. Ziejkowa 2a	installation and assembly of steel structures and pressure equipment, construction works and repairs of industrial buildings and facilities	District Court for the Capital City of Warsaw in Warsaw, 14 th Business Division of the National Court Register	full	100	100
PA Wyroby Betonowe Sp. z o.o.	82-300 Elbląg ul. Plk. Dąbka 215	manufacture of concrete construction products	District Court in Olsztyn, 8 th Business Division of the National Court Register	full	100	100
Mostostal Pomorze S.A.	80-557 Gdańsk ul. Marynarki Polskiej 59	manufacture of steel pipes, construction of installations in the petroleum chemistry industry	District Court in Gdańsk, 12 th Business Division of the National Court Register	full	92.50*	89.99
TECO Sp. z o.o.	51-502 Wrocław ul. Mydlana 1	general construction works related to line and pipeline structures	District Court for Wrocław-Fabryczna in Wrocław, 6 th Business Division of the National Court Register	full	100	100
Weneda Sp. z o.o.	45-355 Opole ul. 1-go Maja 77/1	hotel and catering services	District Court in Opole, 8 th Business Division of the National Court Register	full	100	100
POL-AQUA WOSTOK Sp. z o.o.	115184 Moscow, ul. Novokuznieckaya 9, bud. 2	oil and gas exploitation, engineering structures	Единый государственный реестр юридических лиц	full	51	51

* in connection with the agreement on the sale of shares owned by non-controlling shareholders, which transfer ownership rights to the shares, the Group recognizes the shares as purchased and the Group's percentage share in the capital is 100%, and the Group does not demonstrate the shares held by non-controlling shareholders.

Performing the agreement of 30 November 2010 entered into by and between P.R.I. "POL-AQUA" S.A. and Mr Józef Popławski and regulating the procedure of the sale of shares in the share capital of the company Mostostal Pomorze S.A., the Parent Company signed a share transfer agreement on 13 January 2012 and purchased 14,245 (fourteen thousand two hundred and forty five) shares for PLN 1,500 thousand. As a result, the Company's share in the share capital of Mostostal Pomorze S.A. was increased to 92.50%.

1.1. Companies of the POL-AQUA Capital Group

PA Conex Sp. z o.o. with its registered office in Gostynin

The company was incorporated in the POL-AQUA Capital Group on 23 June 2005.

Among others, the company deals with:

- manufacture and installation of steel constructions,
- manufacture of metal construction elements,
- construction works and repairs of industrial buildings and facilities.

The Company's core activities include manufacturing steel constructions and pressure equipment for the power engineering and fuel industry.

PA Wyroby Betonowe Sp. z o.o. with its registered office in Elbląg

The company was incorporated in the POL-AQUA Capital Group on 01 April 2007.

Among others, the company deals with:

- manufacture of ready-mix concrete,
- manufacture of FILIGRAN roof boards,
- manufacture of oval post-tensioned tanks,
- manufacture of Żeran channel boards, lintel booms.

Mostostal Pomorze S.A. with its registered office in Gdańsk

The company was incorporated in the POL-AQUA Capital Group on 02 January 2008.

Among others, the company deals with:

- comprehensive investment, modernisation and repair works in the mechanical and construction industry for the petrochemical and petroleum sector, fuel sector, power engineering sector and industrial construction sector,
- manufacture of structures, assembly of cranes and elevators, both onshore and ship-mounted, prefabrication, assembly, anti-corrosion protection and loading large oil rig structures onto vessels.

TECO Sp. z o.o. with its registered office in Wrocław

The company was incorporated in the POL-AQUA Capital Group on 21 July 2008.

TECO Sp. z o.o. primarily deals with:

- diagnostics and trenchless repairs of sanitary and rainwater channels, water pipes, deep-water wells, pipelines, gas pipes and oil pipes.

Weneda Sp. z o.o. with its registered office in Opole

The company was incorporated in the POL-AQUA Capital Group on 01 April 2007.

The scope of activity of the company includes, among others:

- hotel services,
- catering services.

The operations of the company Weneda Sp. z o.o. constitute secondary activities of the Capital Group.

POL-AQUA WOSTOK Sp. z o.o. with the registered office in Moscow (on 24 October 2011, a resolution of the General Meeting on the liquidation of POL-AQUA WOSTOK Sp. z o.o. with its registered office in Moscow was adopted)

On 21 September 2007, P.R.I. "POL-AQUA" S.A. together with its business partners established POL-AQUA WOSTOK Sp. z o.o. in order to pursue activities comprising:

- extraction of oil and gas,
- engineering and general construction works.

The company was registered on 10 October 2007 and on that day it was incorporated in the POL-AQUA Capital Group.

Sarnia Dolina Spółka z ograniczoną odpowiedzialnością with registered office in Warsaw – an affiliated company

The company was incorporated in the POL-AQUA Capital Group on 24 September 2009.

Among others, the company deals with:

- general construction works,
- sale of houses and flats.

1.2. Changes in the POL-AQUA Capital Group within the period of 3 months ended on 31 March 2012

The balance sheet value of shares of associate companies of the POL-AQUA Capital Group as at 31 March 2012 is presented in the table below.

Table No. 4: *Organisational and capital relations of the Parent Company and subsidiaries and associates (balance sheet value of shares of subsidiaries and associates of the POL-AQUA Capital Group as at 31 March 2012)*

Company	Registered office	% of share capital held	Value of shares at purchase price	Balance sheet value of shares	Number of shares held by the Company
PA CONEX Sp. z o.o.	09-500 Gostynin ul. Ziejkowa 2a	100.00	19,400,000.00	-	38,800
PA Wyroby Betonowe S.A.	82-300 Elbląg ul. Płk. Dąbka 215	100.00	5,500,000.00	5,500,000.00	55
Mostostal Pomorze S.A.	80-557 Gdańsk ul. Marynarki Polskiej 59	92.50*	55,996,861.70	55,996,861.70	527,224
TECO Sp. z o.o.	51-502 Wrocław ul. Mydlana 1	100.00	18,809,870.00	18,809,870.00	2,494
Weneda Sp. z o.o.	45-355 Opole ul. 1-go Maja 77/1	100.00	3,300,000.00	3,300,000.00	34,400
POL-AQUA WOSTOK Sp. z o. o.	115184 Moscow ul. Novokuznieckaya 9, bud. 2	51.00	5,100.00 roubles (PLN 533.46)	5,100.00 roubles (PLN 533.46)	51
Sarnia Dolina Spółka z ograniczoną odpowiedzialnością	00-640 Warszawa Ul. Mokotowska 1	44.00	3,294,230.88	-	44

* in connection with the agreement on the sale of shares owned by non-controlling shareholders who will transfer ownership rights to the shares, the Group recognizes the shares as purchased and the Group's percentage share in the capital is 100% and does not include shares held by Non-controlling Shareholders.

As at 31 March 2012, the share in the total number of votes held by the Parent Company in associates is equal to the share of the Company in share capitals of such entities.

Performing the agreement of 30 November 2010 entered into by and between P.R.I. "POL-AQUA" S.A. and Mr Józef Popławski and regulating the procedure of the sale of shares in the share capital of Mostostal Pomorze S.A., the Parent Company signed a share transfer agreement on 13 January 2012 and purchased 14,245 (fourteen thousand two hundred and forty-five) shares for PLN 1,500 thousand. As a result, the Company's share in the share capital of Mostostal Pomorze S.A. was increased to 92.50%.

Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna in Warsaw holds shares in Sarnia Dolina Sp. z o.o. (Polish limited liability company) with its registered office in Warsaw (affiliated company). Moreover, the Parent Company holds shares in the subsidiary PLACIDUS INVESTMENTS Sp. z o.o. in Warsaw, which is in bankruptcy proceedings. On 04 January 2011, the Company lost control over the assets and operating activities of the associate.

1.3. General information about the Parent Company of the POL-AQUA Capital Group

Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna with its registered office in Warsaw is entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, 13th Business Division under number 0000044166.

Name of the Parent Entity

Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna

Company Address 02-972 Warsaw, ul. Adama Branickiego 15

NIP (Tax Identification Number) 775-00-01-125

REGON No. 012783671

Contact details: Phone number: (22) 201 73 00

Fax: (22) 201 73 10

Website: www.pol-aqua.com.pl

Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. with its registered office in Warsaw has the following branches:

- POL-AQUA S.A. Branch of General Contracting Works
ul. Na Piaskach 10, Lok. 211
80-846 Gdańsk;
- POL-AQUA S.A. Branch of General Contracting Works – South
No. Z 51, Lok. 48
46-021 Brzezie k/Opola.

The Company started its business operations in July 1990 as a Polish limited liability company under the name of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka z ograniczoną odpowiedzialnością.

On 1 October 1997, the Extraordinary General Meeting of Shareholders of P.R.I. "POL-AQUA" Sp. z o.o. adopted a resolution on changing the company's legal form to a Polish Joint-Stock Company and since that day the Company has been operating under the name of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. The share capital of the transformed Company amounted to PLN 10,493,400 and was divided into 104,934 shares with nominal value of PLN 100 each, currently designated as A series shares. By way of issuing the decision of 3 October 1997, the District Court for the Capital City of Warsaw, 14th Business Division, recorded the transformation of the Company's legal form and entered the Company into the commercial register under RHB number 51653.

By decision dated 17 September 2001, the Company was entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, 14th Business Division of the National Court Register, under KRS number 0000044166.

The Company provides services in the area of civil engineering, general, environmental, road and fuel-related engineering (construction of transportation pipelines for oil and gas). The Company performs complete development of underground installations, builds roads for commercial facilities, housing estates, logistics centres, etc. In the area of construction works, P.R.I. "POL-AQUA" S.A. performs construction and engineering works related to the construction of infrastructure for land earmarked for development, as well as the extension of existing municipal or communal infrastructure (e.g. water supply and sewage networks, heating networks, power supply networks, telecommunication networks). The Company carries out operations as a general contractor responsible for comprehensive implementation of construction projects and certain auxiliary activities. Moreover, the Company also provides its services in the capacity of general contractor for projects covering residential/commercial/industrial buildings, public utility facilities, shopping centres, industrial and auxiliary plants, as well as services in the area of residential building and energy facility construction.

The Company has been listed on the Warsaw Stock Exchange since 30 July 2007.

The Parent Company of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. and the POL-AQUA Capital Group is DRAGADOS S.A., a company established under Spanish law with its registered office in Madrid, which holds 18,150,066 shares of the Issuer, i.e. 66% of the total number of votes at the General Meeting of P.R.I. "POL-AQUA" S.A.

DRAGADOS S.A. constitutes part of the Capital Group of ACS Actividades de Construcción y Servicios Sociedad Anónima (ACS S.A.) – a Spanish joint-stock company. ACS S.A. directly holds more than 99.9% of the shares in the share capital of DRAGADOS S.A. and indirectly less than 0.1% of DRAGADOS S.A. shares through its subsidiary named Comunidades Gestionadas S.A.

1.4. Governing Bodies of the Issuer and the POL-AQUA Capital Group

Management Board

As at the report date, the Management Board of P.R.I. "POL-AQUA" S.A. in Warsaw was composed of the following members:

Forename and Surname	Position
Piotr Stanisław Chełkowski	President of the Management Board,
Eduardo Martínez Martínez	First Vice President of the Management Board,
Marek Sobiecki	Second Vice President of the Management Board,
Robert Stefan Molo	Member of the Management Board,
Mario Serrano Villate	Member of the Management Board,
Servando Sierra Martí	Member of the Management Board.

Supervisory Board

As at the report date, the Supervisory Board was composed of the following members:

Forename and Surname	Position
Alfonso Costa Cuadrench	President of the Supervisory Board,
Gustavo Tunell Ayuso	Vice President of the Supervisory Board,
Alberto Laverón Simavilla	Member of the Supervisory Board,
Janusz Steinhoff	Member of the Supervisory Board,
Krzysztof Gerula	Member of the Supervisory Board.

General Meeting

According to information held by the Management Board of P.R.I. "POL-AQUA" S.A., as at 31 March 2012 and as at the report preparation date, the shareholders that hold large blocks of shares, with a specification of the number of shares held by the entities, their percentage share in the share capital, number of votes resulting therefrom and the corresponding percentage share in the total number of votes at the General Meeting are presented in tables No. 5 and No. 6.

- 2. Specification of shareholders holding directly or indirectly through subsidiaries at least 5% of overall number of votes at the Company's General Meeting as at the date of quarterly statements submission, along with indication of numbers of shares held by these entities, their percentage share in the share capital, number of votes stemming therefrom and percentage share in the overall number of votes at the General Meeting and specification of changes in the structure of ownership of large blocks of P.R.I "POL-AQUA" S.A. shares within the period from the submission of previous quarterly statements.**

According to information held by the Parent Company as at 31 March 2012 (Q1 2012), the following Shareholders held at least 5% of the general number of votes at the General Meeting P.R.I. "POL-AQUA" S.A.:

Table No. 5: Shareholders holding at least 5% of the general number of votes at the General Meeting as at 31 March 2012

Shareholder	Number of shares	Share in the share capital	Number of votes at General Meeting	Share in total number of votes at General Meeting
DRAGADOS S.A. ¹	18,150,066	66.00%	18,150,066	66.00%
DIM S.a.r.L. ^{1 and 2b}	2,929,059	10.65%	2,929,059	10.65%
Pioneer Pekao Investment Management ³	1,650,006	6.00%	1,650,006	6.00%
ING Otworthy Fundusz Emerytalny ¹	1,408,519	5.12%	1,408,519	5.12%
Marek Stefański ^{2a and 2b}	428,305	1.56%	428,305	1.56%
ALTUS TFI S.A. (directly) ⁴	226,010	0.82%	226,010	0.82%
Other Shareholders	2,708,135	9.85%	2,708,135	9.85%

¹ acc. to the information received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

² a) according to the information held by P.R.I. "POL-AQUA" S.A., received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, and pursuant to Article 160 of the Act on Trading in Financial Instruments,

b) DIM S.a.r.L. with its registered office in Luxemburg is a subsidiary of Mr Marek Stefański.

³ according to the information notified to the public pursuant to Article 70 point 3 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies.

⁴ acc. to the information received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

Altus TFI S.A. holds, directly and indirectly 2,955,069 shares and votes at the General Meeting (10.75% share in the share capital of the Company and the number of votes at its General Meeting) in accordance with the notification of 27 December 2011 (Current Report no. 55/2011), including indirectly 2,729,059 shares of POL-AQUA on the basis of the agreement on portfolio management activities signed with DIM S.a.r.L – a significant shareholder of POL-AQUA, the said portfolio containing one or more financial instruments. (Current Reports No. 17/2011, No. 27/2011).

According to the information held by the Parent Company as at this report's publication date for Q1 2012, the following Shareholders held at least 5% of the general number of votes at the General Meeting P.R.I. "POL-AQUA" S.A.:

Table No. 6: Shareholders holding at least 5% of the general number of votes at the General Meeting as at the date of publishing the report for Q1 2012

Shareholder	Number of shares	Share in the share capital	Number of votes at General Meeting	Share in total number of votes at General Meeting
DRAGADOS S.A. ¹	18,150,066	66.00%	18,150,066	66.00%
DIM S.a.r.L. ^{1 and 2b}	2,929,059	10.65%	2,929,059	10.65%
Pioneer Pekao Investment Management ³	1,650,006	6.00%	1,650,006	6.00%
ING Otworthy Fundusz Emerytalny ⁵	1,500,000	5.45%	1,500,000	5.45%
Marek Stefański ^{2a and 2b}	428,305	1.56%	428,305	1.56%
ALTUS TFI S.A. (directly) ⁴	226,010	0.82%	226,010	0.82%
Other Shareholders	2,616,654	9.52%	2,616,654	9.52%

¹ acc. to the information received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

² a) according to the information held by P.R.I. "POL-AQUA" S.A., received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, and pursuant to Article 160 of the Act on Trading in Financial Instruments.

b) DIM S.a.r.L. with its registered office in Luxemburg is a subsidiary of Mr Marek Stefański.

³ according to the information notified to the public pursuant to Article 70 point 3 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies.

⁴ acc. to the information received in connection with the notifications sent to the Company pursuant to Article 69 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

Altus TFI S.A. holds, directly and indirectly 2,955,069 shares and votes at the General Meeting (10.75% share in the share capital of the Company and the number of votes at its General Meeting) in accordance with the notification of 27 December 2011 (Current Report no. 55/2011), including indirectly 2,729,059 shares of POL-AQUA on the basis of the agreement on portfolio management activities signed with DIM S.a.r.L. – a significant shareholder of POL-AQUA, the said portfolio containing one or more financial instruments. (Current Reports No. 17/2011, No. 27/2011)

⁵ according to the information received in connection with the list of shareholders entitled to participate in the Extraordinary General Meeting of Shareholders on 12 April 2012.

Specification of changes in the structure of ownership of substantial blocks of Issuer's shares from the date of submission of the Report for 2011 (i.e. 20 March 2012):

In the period from the submission of the Report for 2010 (i.e. 20 March 2012) to the date of publication of the report for Q1 2012 (i.e. 27 April 2012), according to the information held by the Company, there were no changes in the structure of shareholders who held, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of the Issuer.

According to the information received in connection with the list of shareholders entitled to participate in the Extraordinary General Meeting of Shareholders on 12 April 2012. ING Otworthy Fundusz Emerytalny registered 1,500,000 shares which constitutes a 5.45% stake in the share capital and the total number of votes at the General Meeting of Shareholders.

3. Ownership of the P.R.I. “POL-AQUA” S.A. shares or rights in shares by persons who manage and supervise the POL-AQUA Capital Group as at the submission date of the report for Q1 2012, together with the specification of changes in ownership from the date of submitting the report for 2011, separately for each person

The total number and nominal value of all P.R.I. “POL-AQUA” S.A. shares held by members of the POL-AQUA Capital Group Management and Supervisory Board, as at the day of publishing this report, are presented in the table below:

Table No. 7: Members of the P.R.I. “POL-AQUA” S.A. Management and Supervisory Board who hold shares in the company

Forename and Surname	Position	As at the publication date of the report for 2011	As at the publication date of the report for Q1 2012
Persons performing managerial functions			
Piotr Chełkowski	President of the Management Board	-	-
Eduardo Martínez Martínez	First Vice President of the Management Board	-	-
Marek Sobiecki	Second Vice President of the Management Board	-	-
Robert Molo	Member of the Management Board	-	-
Mario Serrano Villate	Member of the Management Board	-	-
Servando Sierra Martí	Member of the Management Board	-	-
Persons performing supervisory functions			
Alfonso Costa Cuadrench	President of the Supervisory Board	indirectly through relations with DRAGADOS S.A., shareholder of the Company ¹	indirectly through relations with DRAGADOS S.A., shareholder of the Company ¹
Gustavo Tunell Ayuso	Vice President of the Supervisory Board	Not applicable	indirectly through relations with DRAGADOS S.A., shareholder of the Company ¹
Alberto Laverón Simavilla	Member of the Supervisory Board	indirectly through relations with DRAGADOS S.A., shareholder of the Company ¹	indirectly through relations with DRAGADOS S.A., shareholder of the Company ¹
Janusz Steinhoff	Member of the Supervisory Board	-	-
Krzysztof Gerula	Member of the Supervisory Board	-	-

1. DRAGADOS S.A. owns 18,150,066 shares of P.R.I. “POL-AQUA” S.A., which constitutes 66% of the total number of votes at the Company’s General Meeting of Shareholders. Therefore DRAGADOS S.A., a Spanish company with its registered office in Madrid, pursuant to Article 4 par. 1 item 4 letter A of the Commercial Companies Code has become the Parent Company for P.R.I. “POL-AQUA” S.A., which is now its subsidiary. According to the submitted declaration, Members of the Supervisory Board, apart from the activities performed at DRAGADOS S.A. – the dominant shareholder of P.R.I. “POL-AQUA” S.A., or together with the parent company of DRAGADOS S.A. – ACS S.A. (competitor of P.R.I. “POL-AQUA” S.A.), do not perform any other activities competitive to the Company’s activities.

According to the information held by the Management Board of P.R.I. "POL-AQUA" S.A., the persons managing and supervising the Issuer's operations did not hold shares in any related entities as at the report publication date.

On 14 March 2012, the Company received a letter in which Mr José Puente García notified of his decision to resign as Member and Vice President of the Supervisory Board of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna.

On 12 April 2012, Mr José Puente García tendered his resignation from the function of Member and Vice President of the Supervisory Board, and Mr Gustavo Tunell Ayuso was appointed Member and Vice President of the Company's Supervisory Board by way of a resolution adopted at the Company's Extraordinary General Meeting.

4. Information about the issue, redemption and repayment of debt and equity securities

In the first quarter of 2012, neither the Parent Company P.R.I. "POL-AQUA" S.A. nor any of the companies belonging to the POL-AQUA Capital Group issued, redeemed or repaid debt or equity securities.

5. Information about paid (or declared) dividend, total and per share, divided into ordinary and privileged shares

In the first quarter of 2012, the Parent Company P.R.I. "POL-AQUA" S.A. did not pay nor declare any dividends.

6. Results of changes in the structure of the economic entity, including those resulting from a merger of economic entities, take-over or sales of Capital Group entities, long-term investments, division, restructuring and discontinuation of activities

Performing the agreement of 30 November 2010 entered into by and between P.R.I. "POL-AQUA" S.A. and Mr Józef Popławski and regulating the procedure of the sale of shares in the share capital of Mostostal Pomorze S.A., the Parent Company signed a share transfer agreement on 13 January 2012 and purchased 14,245 (fourteen thousand two hundred and forty-five) shares for PLN 1,500 thousand. As a result, the Company's share in the share capital of Mostostal Pomorze S.A. was increased to 92.50%.

The above change did not influence the consolidated financial statements of the POL-AQUA Capital Group.

7. Brief description of major achievements or failures of the POL-AQUA Capital Group in Q1 2012 stating the most important events relating to such achievements and failures.

7.1. Relevant and major commercial contracts

✓ *Agreement for the construction of section no. 5 of the S8 expressway*

On 5 January 2012, a major contract was signed between the consortium formed by P.R.I. "POL-AQUA" S.A. (Leader) and DRAGADOS S.A. (partner) and the State Treasury – the General Directorate for National Roads and Motorways, Division in Łódź.

The subject of the agreement is: "the Construction of the S8 expressway, section from Walichnowy junction – Wrocław (A1) section 5 (Sieradz Południe junction [excluding the junction itself] – Łask junction [excluding the junction itself]) from km 140+552.05 to km 174+200.00." The value of the agreement totals PLN 1,129,111,686.73 net (PLN 1,388,807,374.68 gross). The share of P.R.I. "POL-AQUA" S.A. in the consortium amounts to 51%.

The execution of this project will consist in the performance of comprehensive construction works, including: road and bridge construction works, residential/commercial/industrial construction works and engineering works, including: engineering structures, residential/commercial/industrial structures, rain drainage system, sewerage systems, environment protection facilities, traffic safety equipment, lighting, conversion of existing technical infrastructure.

The commencement of works and obtaining the right to access the construction site will take place no later than within 14 days from the date of signing the agreement.

The subject matter of the agreement is to be delivered within 27 months from the date of signing the agreement, including winter periods.

The works which form the subject of the agreement will be performed in accordance with Contract Terms for construction and engineering works planned by the Ordering Party, English-Polish edition 2000 (translation of the first edition of FIDIC 1999).

The Contractor gives quality guarantee for:

- a) 60 months (construction works) calculating from the date specified in the Certificate of Acceptance;
- b) Contractor Documents – a 36-month guarantee as of final acceptance of Contractor's Documents.

The contractor's period of warranty for defects shall amount to 12 months calculating from the date specified in the Certificate of Acceptance. Payments will be made within 30 days from the date of delivering the relevant invoice to the ordering party. The minimum amount for Interim Payment Certificates will amount to 2% of the approved contract amount. The Consortium presented an insurance performance bond in the amount of 5% of the approved gross contractual amount.

The minimum performance requirements are as follows:

- a) performance of not less than 20% of the approved contractual amount within 10 months from the date of signing the agreement;

and

- b) performance of not less than 40% of the approved contractual amount within 15 months from the date of signing the agreement. the Contractor is obliged to satisfy both of the above requirements.

The Contractor will pay contractual penalties to the Contracting Party:

- a) for failure to complete the works within the designated timeframe – 0.02% of the approved gross amount for each day of delay,
- b) for failure to attain the minimum performance requirements within the designated timeframe – 0.02% of the approved gross amount for each day of delay. Contractual penalties for the failure to comply with the minimum performance requirements will be calculated separately,
- c) for withdrawal from the agreement due to reasons attributable to the contractor - 10% of the approved gross amount,
- d) for failure to comply with the period allocated for the removal of defects and the performance of small-scale outstanding works specified in the Certificate of Acceptance, or for failure to comply with the period allocated for the removal of defects and to perform small-scale outstanding works within the period of warranty for defects according to the deadlines specified by the Engineer or the Ordering Party – PLN 5,000 for each day of delay.

The Ordering Party will pay a contractual penalty to the contractor in the event of withdrawal from the agreement for reasons attributable to the Ordering Party – 10% of the approved gross amount. The penalty will not apply in cases where the said withdrawal is caused by reasons specified in Sub-clause 15.2 of FIDIC or in the event of a material change in circumstances resulting in the performance of the agreement no longer being in the interest of the public, which could not have been foreseen at the time of signing the agreement (Article 145 of the Public Procurement Law).

The Parties have stipulated in the Contract that if the sustained loss exceeds the contractual penalty, the Ordering Party can seek supplementary damages on general terms, as provided by the applicable provisions of the Civil Code. The Contractor is obliged to pay the contractual penalty even if the Ordering Party does not sustain loss. The Agreement was entered into on the terms and conditions commonly applied in contracts of this type. The agreement was classified as a major agreement based on the criterion of sales revenues volume of the Issuer's Capital Group for the period of the last four financial quarters.

The value of the agreement exceeds 10% of the value of the revenue on sales of the POL-AQUA Capital Group.

For detailed information, see Current Report No. 1/2012 of 05 January 2012.

✓ ***Signing an annex to the contract for the construction of the Northern Bridge Route in Warsaw***

On 16 February 2012, the Company received the signed annex no. 9 to the agreement for “the Construction of the Northern Bridge Route, task 1, stage i – from the intersection with Pułkowa Street to the intersection with Modlińska Street” in Warsaw signed by the Capital City of Warsaw represented by the Road Investments Management Authority and the Consortium consisting of the following companies: P.R.I. “POL-AQUA” S.A., SANDO Budownictwo Polska Sp. z o.o., CONSTRUCCIONES SANCHEZ DOMINGUEZ - SANDO S.A. and KROMISS-BIS Sp. z o.o. represented by P.R.I. “POL-AQUA” S.A. (Consortium leader).

This annex postpones the deadlines:

- for the performance of works to 30 June 2012;

- for preparing and submitting the required documents necessary for submitting the application for the occupancy permit by the Ordering Party to 31 July 2012.

The remaining material terms and conditions of the agreement remain unchanged.

The information specified above was published in Current Report no. 4/2012 of 16 February 2012.

✓ ***Selection of the most favourable offer for performing design and construction services for the Local Railway Traffic Control Centre in Łuków – Siedlce, Łuków and Międzyrzec Podlaski stations – to the benefit of PKP Polskie Linie Kolejowe S.A.***

On 02 March 2012, the Company received a letter from PKP Polskie Linie Kolejowe S.A. in Warsaw.

This letter notified that the offer of the consortium composed of the companies listed below was recognised as the most favourable in the open tender “Designing and performing construction works for the Local Railway Traffic Control Centre in Łuków – Siedlce, Łuków and Międzyrzec Podlaski stations (full scope of works) and free lines (only railway traffic control systems and telecommunications) within the project POiS 7.1-9.1 “Modernisation of the E 20/CE 20 railway line between Siedlce and Terespol, stage II”. Composition of the consortium:

- Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” Spółka Akcyjna, Warsaw – Leader,
- DRAGADOS S.A., Madrid – Partner,
- Vias y Construcciones S.A., Madrid - Partner,
- Electren S.A., Madrid - Partner.

The value of the agreement totals PLN 427,390,878.05 net (PLN 525,690,780 gross). The share of P.R.I. “POL-AQUA” S.A. in the consortium amounts to 38% (DRAGADOS S.A. 37%, Vias y Construcciones S.A 20%, Electren 5%)

Entities taking part in the tender are entitled to appeal against the tender decision to the National Appellation Chamber within 10 days from the date of selecting the most favourable offer.

Signing the agreement will take place after completion of procedures provided for in the Act of 29 January 2004 – the Public Procurement Law.

For detailed information, see Current Report No. 5/2012 of 02 March 2012.

✓ ***Signing another agreement with the Municipal Water and Sewerage Company in Warsaw – exceeding major agreement threshold***

On 28 March 2012, the company received the agreement of 23 March 2012 between the Company and Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawa S.A. (hereinafter referred to as “Ordering Party”), signed by both parties, for additional works aimed at completing the investment “Construction of Interceptor ‘W’” titled “Water supply and sewage treatment in Warsaw – STAGE IV”. The agreement for PLN 9,978,034.08 net concerns additional works connected with constructing intercepting sewers along the “W” Interceptor together with drain tiles in side streets and fragments of the network to the borders of the land adjacent to:

- ul. Kadetów, section from ul. Nowozabielskiej to ul. Trakt Lubelski and along ul. Trakt Lubelski, section from Kadetów to ul. Bronowska Dz 0.315 m L=1076.5 m; Dz 0.2 m L=221.5 m; Dz 0.16 m L=728.5 m;
- ul. Trakt Lubelski, section from ul. Bronowska to ul. Zwoleńska and along ul. Zwoleńska, section from ul. Trakt Lubelski to 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 Przedsiębiorstwo Robót Inżynieryjnych “POL-AQUA” S.A. informs that it estimates the total worth of agreements signed over the last 12 months with Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji w m.st. Warszawa S.A. at PLN 81 million net. The agreements were classified as major agreements based on the criterion of sales revenues volume of the Issuer's Capital Group for the period of the last

four financial quarters. The total value of the agreement exceeds 10% of the value of the revenue on sales of the Issuer's Capital Group. Moreover, the following amounts constitute the total value of the agreements which amount to the significant amount:

- agreement of 15 July 2011 for the completion of outstanding works under the contract: "Construction of sewage transmission unit from left-bank Warsaw to the Czajka sewage treatment plant – Stage II – construction of the left-bank collectors along with cubature facilities and the network crossing with the North Bridge Route in the area of the Marymoncka node with cascade and connecting chamber in the area of ul. Farysa in the amount of PLN 12,520,000 net.
- agreement of 08 July 2011 for the "Construction of 'W' Interceptor" titled "Water supply and sewage treatment in Warsaw – STAGE IV" totalling PLN 58,741,000 net, which is at the same time the most valuable agreement listed in this report.

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

Pursuant to the provisions of the agreement "Construction of 'W' Interceptor", the deadline for works completion of the works falls on 31 December 2012.

The Company will provide the Ordering Party with:

- a 3-year warranty valid from the date of issuing the Works Acceptance Certificate, in particular for the performance of construction works and delivered machinery, equipment and goods,
- a 3-year warranty valid from the date of issuing the Acceptance Certificate for construction works and the machinery, equipment and goods delivered in connection with these works.

The Company will pay contractual penalties to the Company:

- for failure to complete the works within the designated timeframe – 0.2% of the Approved Contractual Amount (without VAT) specified in the Agreement for each day of delay, payable in PLN;
- for delays in the removal of faults identified in the period of warranty and guarantee – 0.2% of the Approved Contractual Amount (without VAT) specified in the Agreement for each day of delay, payable in PLN.

The total of contractual penalties payable to the Ordering Party cannot exceed the amount equalling 10% of the Approved Contractual Amount.

The Parties stipulated in the Contract that if the sustained loss exceeds the contractual penalty, the Ordering Party can seek supplementary damages from the Company on general terms, as provided by the applicable provisions of the Civil Code.

If the contractual penalties amount to the maximum 10% limit, the Ordering Party can either request further Contract performance, or declare that it acknowledges that Contract performance will not be continued.

If the contractor fails to commence removal of the defects by the dates agreed in the contract or fails to remove the defects on time, the Ordering Party is entitled to entrust this task to a different entity at the cost and risk of the Company.

The works which form the subject of the agreement will be performed in accordance with Contract Terms for Construction and engineering works planned by the Ordering Party, first edition in English in 1999, prepared and published by the International Federation of Consulting Engineers (FIDIC), second edition in English and Polish in 2004.

The Agreement was entered into on the terms and conditions commonly applied in contracts of this type.

The information specified above was published in Current Report no. 9/2012 of 29 March 2012.

7.2. Other events

✓ **Registration of amendments to the Company's Articles of Association – change of registered office**

On 31 January 2012, the District Court for the Capital City of Warsaw, 14th Business Division of the National Court Register issued a decision on registering the amendments to the Company's Articles of Association introduced under Resolution No. 3 adopted by the Extraordinary General Meeting of Shareholders on 29 November 2011 on amending the Articles of Association of the Company (change of registered office).

As a result, the Company's new registered office is located in Warsaw, and the Company's address is as follows: ul. Adama Branickiego 15, 02-972 Warsaw.

For detailed information, see Current Report No. 3/2012 of 08 February 2012.

✓ **Resignation of the Vice President of the Supervisory Board of P.R.I. "POL-AQUA" S.A.**

On 14 March 2012, the Management Board of the Company received a letter in which Mr José Puente García notified of his decision to resign as Member and Vice President of the Supervisory Board of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna.

The information specified above was published in Current Report no. 6/2012 of 14 March 2012.

8. Information about a single or multiple transactions conducted by the Parent Company or the Parent Company's subsidiary with affiliates, if any or all transactions are substantial and were entered into on a non-arm's length basis, except for transactions closed by the Issuer who is a fund with an affiliate; stating their value, where information pertaining to various transactions can be grouped by type, except when information about individual transactions is essential to understand the impact of such transactions on the economic and financial situation of the Issuer and the Issuer's financial result, specifying:

- a) information about the entity with whom the transaction was closed,
- b) information on relations of the Company or its subsidiary with the party to the transaction,
- c) information about the subject of the transaction,
- d) essential terms and conditions of the transaction, in particular financial conditions and specific conditions specified by the parties in the Agreement, in particular different from conditions generally applied in such agreements,
- e) other information pertaining to such information, if required in order to understand the property and financial situation of the Company and the Company's financial result,
- f) all changes in transactions with affiliates described in the last annual report, which could have a major impact on the property and financial situation of the Parent Company and the Parent Company's financial result.

In the reported period, the Parent Entity, P.R.I. "POL-AQUA" S.A., entered into transactions with affiliates which had typical features of transactions resulting from current operating activities of the Issuer and the Issuer's subsidiaries. Transactions were carried out on an arm's length basis. In addition, some of the transactions result from existing agreements with financial institutions, where mutual guaranties of entities of the POL-AQUA Capital Group that are parties to the agreements constitute one of the collaterals.

Transactions most frequently encountered within the POL-AQUA Capital Group:

- contracts of construction and assembly works,
- loan agreements,
- advisory agreements.

Activities of the POL-AQUA Capital Group are based on activities of specialised entities, with operating profiles that include complementary types of services. Undertaking co-operation by the entities within the Capital Group is aimed at improving the utilisation of resources available to entities participating in the transaction and reducing the risk associated with the activity.

Allocation of risk and division of enterprise functions allow for reducing operating costs and making effective use of financial resources. Suretyship for liabilities, as well as collateral for repayment of a liability for related entities facilitates contract performance, which may contribute to more effective management of entities within the POL-AQUA Capital Group.

9. Proceedings pending before court, body competent for arbitration proceedings or public administration authority, taking into account information regarding:

- a) **proceedings relating to liabilities or receivables of the POL-AQUA Capital Group or its subsidiary of at least 10% of the equities of the Capital Group, stating: the subject of the proceedings, value of the litigation, date of the proceedings, parties to the proceedings and position of the POL-AQUA Capital Group,**
- b) **two or more proceedings relating to liabilities or receivables totalling at least 10% of the equities of the POL-AQUA Capital Group, stating the total value of proceedings individually in the group of liabilities and receivables with the POL-AQUA Capital Group position on the case, and regarding the largest proceedings in the group of liabilities and receivables – stating the subject of the proceedings, value of the litigation, date of the proceedings and parties to the proceedings.**

As at 31 December 2012, the aggregate value of the proceedings concerning the liabilities and receivables which are pending before courts, competent arbitration bodies or public authorities amounts to: receivables PLN 91,171,000 Liabilities: PL 175,548,000.

Proceedings with the highest dispute value within the group of receivables and liabilities, the value of which amounts to at least 10% of equity are presented below.

The Group as Claimant

Procedure commencement date	Defendant	Value of dispute subject matter in thousands of PLN	Dispute subject matter	Description
22 October 2010	"FED Poland" Sp. z o.o.	28,517	Receivables from guarantee deposits and interest	In the course of court proceedings, the Court awarded payment by the Defendant of the deposit with interest in the amount of PLN 25,579,000. Moreover, the Parent Company was awarded payment of PLN 107,000. on account of costs. The court decision is not binding. The write-down for receivables made in 2010 was not terminated due to considerable uncertainty of recovering the claimed amount.
15 January 2010	Commune of Wrocław	25,087	Contractual remuneration and damages	The dispute subject matter comprises petitions regarding: EUR 1,541,000 on account of the additional payment to the performed construction works connected with installation excavations, with statutory interest calculated from the date of filing the statement of claims to the date of payment; – amount of EUR 4,794,000 on account of damages connected with prolonging contract performance by 9 months, with statutory interest calculated from 5 March 2008 to the date of payment.
28 January 2011	KBP 5 Sp. z o.o.	9,195	Remuneration for performed works with interest	At the same time, the Parent Company claims reimbursement of statutory interests as of the date on which the action was brought before the court to the date of the payment. In reference to the claims listed above, the Parent Company filed petitions for securing the claims for payment on 31 December 2010. In both cases, the Court issued a decision on securing the Company's claims by way of establishing mortgage on property. Based on the principle of prudent valuation, relevant write-downs for receivables were made.
28 January 2011	KBP 6 Sp. z o.o.	7,497		
22 December 2011	MPWiK S.A.	3,397	Remuneration for performed works	The subject of the proceedings is the action for the aggregate amount of PLN 3,397,000 payable due to remuneration for the performed construction activities. The Parent Company received a writ-of-payment in the course of writ-of-payment proceedings.
14 March 2012	MPWiK S.A.	5,301	Remuneration for performed works	The subject of the proceedings is the action for the aggregate amount of PLN 5,301,000 payable due to remuneration for the performed construction activities.

The Group as Defendant

Procedure commencement date	Claimant	Value of dispute subject matter in thousands of PLN	Dispute subject matter	Description
14 March 2011	KBP 5 Sp. z o.o.	78,877	Claim for return of paid remuneration for constructed building	In the opinion of the Management Board of the Parent Company, there were no grounds for the said claim.
14 March 2011	KBP 6 Sp. z o.o.	77,555	Claim for return of paid remuneration for constructed building	In the opinion of the Management Board of the Parent Company, there were no grounds for the said claim.
03 February 2012	KBP 2 Sp. z o.o.	4,384	Claim for return of paid remuneration for constructed building	In the opinion of the Management Board of the Parent Company, there were no grounds for the said claim.

10. Description of factors and events, in particular untypical ones, of major importance to the financial results of the POL-AQUA Capital Group

During the 3 months ended on 31 March 2012, no untypical factors and events of major importance to the financial result of the POL-AQUA Capital Group occurred.

11. Commentary on the seasonal or cyclical nature of activities of the POL-AQUA Capital Group over the presented period

Detailed information on the seasonal and cyclical nature of activities of the POL-AQUA Capital Group has been presented in the Interim Summarized Consolidated Financial Report of the POL-AQUA Capital Group for the period of 3 months ended on 31 March 2012 under item 7.

12. Events which took place after the date of preparation of the summarised quarterly financial report, not included in this report and considerably affecting future financial results of the POL-AQUA Capital Group

✓ *Extraordinary General Meeting of P.R.I. "POL-AQUA" S.A. – appointing a Member of the Supervisory Board*

On 12 April 2012, the Extraordinary General Meeting of P.R.I. "POL-AQUA" S.A. took place. The EGM adopted a resolution on appointing Mr Gustavo Tunell Ayuso to the Supervisory Board of the Company as Member/Vice President of the Company's Supervisory Board. This decision resulted from the resignation from the position of Member/Vice President of the Company's Supervisory Board tendered by Mr José Puente García.

Detailed information on the newly appointed Member of the Supervisory Board and on the Resolutions passed at the Extraordinary General Meeting are included in Current Report no. 11/2012 of 12 April 2012 and Current Report no. 12/2012 of 13 April 2012, respectively.

13. Information about conditional assets or liabilities which occurred since the end of the last financial year

Detailed information about conditional assets or liabilities which occurred since the end of the last financial year has been presented in the Interim Summarized Consolidated Financial Report of the POL-AQUA Capital Group for the period of 3 months ended on 31 March 2012 under item 31.

14. Position of the Management Board regarding possible achievement of published forecast results for the year, given the results presented in the quarterly statements compared to the forecasted results

The Management Board of the Parent Company has not published any forecasts of financial results of the P.R.I. "POL-AQUA" S.A. and the POL-AQUA Capital Group for the year 2012.

15. Information about granting suretyship for a loan or credit or granting a guarantee by the Parent Company or its subsidiary – to one entity

or a subsidiary of that entity if the total value of existing suretyship or guaranties is equivalent to at least 10% of equities of the POL-AQUA Capital Group

In the first quarter of 2012, the POL-AQUA Capital Group did not exceed 10% of equities when entering into individual loan or credit suretyship, or granting a guarantee or conditional suretyship per entity.

16. Other information essential to evaluate personnel, material and financial situation and changes to such situations, as well as information essential to evaluate potential to perform obligations by the POL-AQUA Capital Group

In the first quarter of 2012, there were no other events other than those described in this report which could be essential to evaluate personnel, material and financial situation and changes to such situations, and which could be essential to evaluate potential to perform obligations by the POL-AQUA Capital Group.

17. Factors, which in the Parent Company's opinion will affect results achieved by the Group over the next quarter

In the next quarter of 2012, the POL-AQUA Capital Group will perform the contracts it entered into and continue the operational activities which constitute grounds for the existence of the Group, including manufacturing and service activities.

E. DECLARATION OF THE MANAGEMENT BOARD ON RELIABILITY AND CONFORMITY OF THE INTERIM SUMMARIZED CONSOLIDATED FINANCIAL REPORT OF THE POL-AQUA CAPITAL GROUP AND THE INTERIM SUMMARIZED FINANCIAL REPORT OF P.R.I. "POL-AQUA" S.A. IN WARSAW

The Management Board of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" S.A. in Warsaw declares that to its best knowledge, the Interim Summarized Consolidated Financial Report of the POL-AQUA Capital Group and the Interim Summarized Financial Report of P.R.I. "POL-AQUA" S.A. in Warsaw for the period of three months ended on 31 March 2012 and the comparable data presented in these reports have been prepared in accordance with the binding accounting principles and reflect in a true, reliable and fair manner the economic and financial position and the financial results of the POL-AQUA Capital Group and the Parent Company.

.....
Piotr Stanisław Chełkowski
President of the Management Board

.....
Eduardo Martínez Martínez
First Vice President of the Management Board

.....
Marek Sobiecki
Second Vice President of the Management Board

.....
Robert Stefan Molo
Member of the Management Board

.....
Mario Serrano Villate
Member of the Management Board

.....
Servando Sierra Martí
Member of the Management Board

Warsaw, 27 April 2012

This Consolidated Quarterly Report of the POL-AQUA Capital Group for the first quarter ended on 31 March 2012 has been approved for publication by the Management Board of Przedsiębiorstwo Robót Inżynieryjnych "POL-AQUA" Spółka Akcyjna in Warsaw.

INDIVIDUALS REPRESENTING P.R.I. "POL-AQUA" S.A. in Warsaw

.....
Piotr Stanisław Chełkowski
President of the Management Board

.....
Eduardo Martínez Martínez
**First Vice President
of the Management Board**

.....
Marek Sobiecki
**Second Vice President
of the Management Board**

.....
Robert Stefan Molo
Member of the Management Board

.....
Mario Serrano Villate
Member of the Management Board

.....
Servando Sierra Martí
Member of the Management Board

The Financial Report was prepared by:

.....
Renata Sucharska
Head of Economy and Finance

Warsaw, 27 April 2012