

**Condensed consolidated interim financial statements
of the Mostostal Warszawa Group
prepared in accordance with IAS 34**

as at and for the six months ended 30.06.2012

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland.

The accompanying translated report has not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than in Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

Independent registered auditor's report on the review of the interim condensed consolidated financial statements for the period from 1 January to 30 June 2012

To the Shareholders and the Supervisory Board of Mostostal Warszawa S.A.

We have reviewed the accompanying interim condensed consolidated financial statements of The Mostostal Warszawa S.A. Group (hereinafter called *the "Group"*), with parent entity Mostostal Warszawa S.A ("the Company") with its registered office in Warsaw, Konstruktorska 11a Street, comprising the consolidated statement of financial position as at 30 June 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the statement of consolidated cash flows for the period from 1 January to 30 June 2012 and selected explanatory notes.

The Company's Management Board is responsible for the preparation of interim condensed consolidated financial statements which comply with the International Financial Reporting Standards adopted by the European Union concerning interim reporting (IAS 34). Our responsibility was to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the requirements of the national standards of auditing issued by the National Chamber of Registered Auditors. These standards require us to plan and perform the review to obtain moderate assurance that the interim condensed consolidated financial statements are free of material misstatements. We conducted the review mainly by analysing the data in the consolidated financial statements, review of consolidation documentation and making use of information obtained from management and persons responsible for financial and accounting matters in the Group.

The scope and methodology of the review of interim condensed consolidated financial statements is significantly different from the scope of an audit aimed at expressing an opinion on compliance of the consolidated financial statements with the applicable accounting policies and

**Independent registered auditor's report
on the review of the interim condensed financial statements
for the period from 1 January to 30 June 2012**

**To the Shareholders and the Supervisory Board of Mostostal Warszawa S.A.
(cont.)**

their fairness and clarity, therefore we cannot express an opinion on the attached consolidated financial statements.

The Group applies International Accounting Standard 11 (IAS 11) in accounting for construction contracts. The Group is claiming additional revenues from its customers in relation to certain road construction contracts. Revenue for the period ended 30 June 2012 includes an amount of PLN 102.067 thousand, relating to such claims and the retained earnings as at 31 December 2011 and 30 June 2012 include PLN 85.239 thousand and PLN 167.181 thousand respectively. IAS 11 requires revenue to be recognized only when negotiations with customers have reached an advanced stage and when it is probable that the customer will accept the claim. As at the date of this review report, the legal processes and negotiations with the customers have not yet reached an advanced stage.

Based on our review, except for the effect of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Conducting the review on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Piotr Wyszogrodzki

Key Registered Auditor
No. 90091

Warsaw, August 27, 2012

**Raport niezależnego biegłego rewidenta
z przeglądu półrocznego skróconego skonsolidowanego sprawozdania
finansowego
za okres od 1 stycznia 2012 r. do 30 czerwca 2012 r.**

Dla Akcjonariuszy i Rady Nadzorczej Mostostal Warszawa S.A.

Przeprowadziliśmy przegląd załączonego półrocznego skróconego skonsolidowanego sprawozdania finansowego Grupy Kapitałowej Mostostal Warszawa S.A. (zwanej dalej „Grupą”), w której jednostką dominującą jest Mostostal Warszawa S.A. („Jednostka Dominująca”) z siedzibą w Warszawie przy ulicy Konstruktorskiej 11a, na które składają się skonsolidowane sprawozdanie z sytuacji finansowej sporządzone na dzień 30 czerwca 2012 r., skonsolidowany rachunek zysków i strat, skonsolidowane sprawozdanie z całkowitych dochodów, skonsolidowane sprawozdanie ze zmian w kapitale własnym, skonsolidowane sprawozdanie z przepływów pieniężnych sporządzone za okres od 1 stycznia do 30 czerwca 2012 r. oraz skrócona informacja dodatkowa o przyjętych zasadach rachunkowości i inne informacje objaśniające.

Za sporządzenie zgodnego z Międzynarodowymi Standardami Sprawozdawczości Finansowej zatwierdzonymi przez Unię Europejską dotyczącymi sprawozdawczości śródrocznej (MSR 34) półrocznego skróconego skonsolidowanego sprawozdania finansowego odpowiedzialny jest Zarząd Jednostki Dominującej. Naszym zadaniem było przedstawienie raportu o tym półrocznym skonsolidowanym sprawozdaniu na podstawie dokonanego przeglądu.

Przegląd przeprowadziliśmy stosownie do postanowień krajowych standardów rewizji finansowej wydanych przez Krajową Radę Biegłych Rewidentów. Standardy nakładają na nas obowiązek zaplanowania i przeprowadzenia przeglądu w taki sposób, aby uzyskać umiarkowaną pewność, że półroczne skrócone skonsolidowane sprawozdanie finansowe nie zawiera istotnych nieprawidłowości. Przegląd przeprowadziliśmy głównie drogą analizy danych skonsolidowanego sprawozdania finansowego, przeglądu dokumentacji konsolidacyjnej, a także wykorzystania informacji uzyskanych od kierownictwa oraz osób odpowiedzialnych za finanse i rachunkowość Grupy.

Zakres i metoda przeglądu półrocznego skróconego skonsolidowanego sprawozdania finansowego istotnie różni się od zakresu badania stanowiącego podstawę do wyrażenia opinii o zgodności sprawozdania finansowego z wymagającymi zastosowania zasadami (polityką) rachunkowości oraz o jego rzetelności i jasności, dlatego nie możemy wydać takiej opinii o załączonym sprawozdaniu.

Przy rozliczaniu kontraktów budowlanych Grupa stosuje Międzynarodowy Standard Rachunkowości 11 („MSR 11”). Grupa posiada roszczenia w stosunku do zamawiających na

niektórych realizowanych kontraktach drogowych. Przychody za okres zakończony 30 czerwca 2012 zawierają kwotę 102.067 tys. zł z tytułu tych roszczeń. Kapitał własny na dzień 31 grudnia 2011 r. oraz 30 czerwca 2012 r. zawiera odpowiednio 85.239 tys. zł oraz 167.181 tys. zł z tytułu tych roszczeń. MSR 11 przewiduje ujęcie roszczeń w przychodach jedynie wówczas, gdy negocjacje z zamawiającym znajdują się w zaawansowanym stadium oraz prawdopodobna jest akceptacja roszczeń przez zamawiającego. Na dzień wydania niniejszego raportu z przeglądu proces postępowania prawnego oraz negocjacje z zamawiającymi nie osiągnęły jeszcze zaawansowanego stadium.

Na podstawie przeprowadzonego przeglądu, za wyjątkiem skutków kwestii opisanej powyżej, nie zidentyfikowaliśmy niczego, co pozwoliłoby stwierdzić, że załączone półroczne skrócone skonsolidowane sprawozdanie finansowe nie zostało przygotowane, we wszystkich istotnych aspektach, zgodnie z Międzynarodowym Standardem Rachunkowości 34 „*Śródroczna sprawozdawczość finansowa*”.

Przeprowadzający przegląd w imieniu PricewaterhouseCoopers Sp. z o.o., spółki wpisanej na listę podmiotów uprawnionych do badania sprawozdań finansowych pod numerem 144:

Piotr Wyszogrodzki

Kluczowy Biegły Rewident
Numer ewidencyjny 90091

Warszawa, 27 sierpnia 2012 r.

Consolidated income statement
for the six month period from 01.01.2012 to 30.06.2012 and from 01.01.2011 to 30.06.2011

		data in PLN'000	
No.	CONTINUED OPERATIONS	01.01.12 - 30.06.12 (unaudited)	01.01.11 - 30.06.11 (unaudited)
	Continued operations		
I	Sales revenue	1 662 566	1 423 380
	Revenues from completion of construction contracts	1 626 734	1 384 024
	Sales of services	30 497	33 951
	Sales of goods for resale and materials	5 335	5 405
II	Cost of sales	1 624 045	1 375 598
III	Profit/(loss) from sales	38 521	47 782
IV	Selling costs	828	577
V	Administrative expenses	39 690	36 474
VI	Other operating income	8 323	15 536
VII	Other operating expenses	12 865	15 139
VIII	Operating profit/(loss)	-6 539	11 128
IX	Financial income	5 002	6 826
X	Financial costs	12 257	5 009
XI	Share in profits of associates	0	0
XII	Profit/(Loss) before tax	-13 794	12 945
XIII	Income tax expense	-872	4 982
	a) current portion	1 539	2 090
	b) deferred portion	-2 411	2 892
XIV	Net profit/(loss) on continued operations	-12 922	7 963
XV	Discontinued operations		
XVI	Net profit/(loss) on discontinued operations	0	0
XVII	Net profit/(loss)	-12 922	7 963
	Net profit (loss) attributable to equity holders of the Parent Company	-16 096	8 596
	Net profit (loss) attributable to non-controlling interests	3 174	-633
	Net profit (loss) attributable to equity holders of the Parent Company	-16 096	8 596
	Weighted average number of ordinary shares	20 000 000	20 000 000
	Net profit/(loss) per share attributable to equity holders of the Parent Company in PLN	-0,80	0,43
	Diluted net profit/(loss) per share attributable to equity holders of the Parent Company in PLN	-0,80	0,43

Consolidated statement of comprehensive income
for the six month period from 01.01.2012 to 30.06.2012 and from 01.01.2011 to 30.06.2011

		data in PLN'000	
	DESCRIPTION	01.01.12 - 30.06.12 (unaudited)	01.01.11 - 30.06.11 (unaudited)
	Net profit/(loss) for the period	-12 922	7 963
	Exchange differences on translation of foreign operations	-924	93
	Effective part of profits and losses related to cash flow hedges	541	-333
	Income tax relating to components of other comprehensive income	-6	63
	Other comprehensive income	-159	-109
	Total other comprehensive income after taxation	-548	-286
	Total comprehensive income	-13 470	7 677
	Attributable to equity holders of the Parent Company	-16 364	8 297
	Attributable to non-controlling interests	2 894	-620

**Consolidated balance sheet
as at 30.06.2012, 31.12.2011, 30.06.2011**

data in PLN'000

No.	ASSETS	30.06.2012 (unaudited)	31.12.2011	30.06.2011 (unaudited)
I	Non-current assets	397 484	436 462	408 563
I.1	Intangible assets	7 838	8 412	6 231
I.2	Permanent usufruct of land	31 560	31 560	31 560
I.3	Property, plant and equipment	247 860	282 416	288 013
I.4	Long-term receivables, including long-term performance bonds in respect of construction contracts, receivables from clients	26 902	31 244	30 007
I.5	Investment properties	972	972	972
I.6	Long-term financial assets	5 097	5 097	5 097
I.7	Deferred income tax assets	75 874	75 157	44 886
I.8	Long-term prepayments and deferred costs	1 381	1 604	1 797
II.	Current assets	1 744 090	1 503 331	1 382 044
II.1	Inventories	59 540	63 144	92 043
II.2	Trade and other receivables	731 969	546 302	580 572
II.3	Income tax receivable	879	3 373	3 193
II.4	Prepayments for construction works	19 665	17 671	17 422
II.5	Cash and cash equivalents	91 060	301 163	140 809
II.6	Short-term financial assets	61	368	435
II.7	Prepayments and deferred costs relating to contract valuation (gross amounts receivable from clients under construction contracts)	819 390	551 864	529 481
II.8	Other prepayments and deferred costs	21 526	19 446	18 089
	Total assets	2 141 574	1 939 793	1 790 607
No.	EQUITY AND LIABILITIES	30.06.2012 (unaudited)	31.12.2011	30.06.2011 (unaudited)
I	Equity (attributable to equity holders of the Parent Company)	365 164	381 528	514 930
I.1	Share capital	44 801	44 801	44 801
I.2	Share capital not paid up (negative amount)	0	0	0
I.3	Treasury shares (negative amount)	0	0	0
I.4	Supplementary capital/reserves	330 461	455 646	455 647
I.5	Exchange differences on translation of foreign operations	-298	410	28
I.6	Retained earnings / (Accumulated losses)	-9 800	-119 329	14 454
	Retained earnings/(Accumulated losses)	6 296	5 201	5 858
	Profit / (loss) for the period	-16 096	-124 530	8 596
II.	Non-controlling interests	67 949	65 055	68 005
III.	Total equity	433 113	446 583	582 935
IV.	Long-term liabilities	105 655	121 565	117 593
IV.1	Interest bearing bank borrowings and loans	5 166	6 002	5 838
IV.2	Long-term lease liabilities	37 942	55 800	57 824
IV.3	Long-term performance bonds in respect of construction contracts receivable by suppliers	50 468	45 427	38 849
IV.4	Deferred income tax provision	4 866	5 030	5 793
IV.5	Non-current provisions	7 033	9 074	9 047
IV.6	Other non-current liabilities	180	232	242
V.	Short-term liabilities	1 602 806	1 371 645	1 090 079
V.1	The current portion of the interest-bearing bank loans and borrowings	297 695	114 387	75 997
V.2	Short-term lease liabilities	20 237	27 158	23 225
V.3	Trade payables	631 530	687 573	437 063
V.4	Income tax expense	1 191	2 194	1 554
V.5	Other liabilities	115 766	82 239	69 468
V.6	Prepayments for construction works	99 411	71 501	93 893
V.7	Current provisions	118 235	115 593	66 274
V.8	Accruals and deferred income relating to contract valuation (gross amounts receivable from clients under construction contracts)	18 822	70 637	36 354
V.9	Other accruals and deferred income	299 919	200 363	286 251
VI.	Total liabilities	1 708 461	1 493 210	1 207 672
	Total equity and liabilities	2 141 574	1 939 793	1 790 607

Consolidated cash flow statement
for the six month period from 01.01.2012 to 30.06.2012 and from 01.01.2011 to 30.06.2011

No.	DESCRIPTION	data in PLN'000	
		01.01.12 - 30.06.12 (unaudited)	01.01.11 - 30.06.11 (unaudited)
I	Cash flows from operating activities		
I.1	Profit/(Loss) before tax (attributable to equity holders of the Parent Company and non-controlling interests)	-13 794	12 945
I.2	Adjusted for:	-351 070	-366 711
I.2.1	Depreciation and amortization	18 052	19 539
I.2.2	Foreign exchange differences	-416	54
I.2.3	Interest received and paid	4 956	8 573
I.2.4	Gains / (losses) on investing activities	-802	-4 435
I.2.5	Increase / decrease in receivables	-180 784	-137 212
I.2.6	Increase / (decrease) in inventories	3 204	-26 140
I.2.7	Increase/decrease in liabilities, excluding loans and borrowings	24 882	-8 387
I.2.8	Increase / decrease in accruals and prepayments	-233 990	-232 329
I.2.9	Increase/Decrease in reserves and provisions	3 795	-4 793
I.2.10	Income tax paid	-49	23 985
I.2.11	Eliminating Terramost Sp. z o.o. from consolidation	11 478	0
I.2.12	Other	-1 396	-5 566
I	Net cash from operating activities	-364 864	-353 766
II	Cash flows from investing activities		
II.1	Sale of property, plant and equipment and intangible assets	1 205	1 354
II.2	Purchase of property, plant and equipment and intangible assets	-9 213	-21 804
II.3	Proceeds from sale of financial assets	0	2 256
II.4	Purchase of financial assets	0	0
II.5	Liquidation of long-term deposit	0	0
II.6	Interest received and paid	830	5
II.7	Repayment of loans granted	0	0
II.8	Loans granted	0	0
II.9	Other	365	10 036
II	Net cash from investing activities	-6 813	-8 153
III	Cash flows from financing activities		
III.1	Net cash inflows from issuance of shares	0	0
III.2	Payment of finance lease liabilities	-10 563	-13 160
III.3	Proceeds from loans/borrowings	193 760	59 975
III.4	Repayment of loans/borrowings	-15 638	-298
III.5	Dividend paid to equity holders of the Parent Company	0	0
III.6	Dividend paid to non-controlling interests	0	-56
III.7	Interest paid	-6 096	-3 797
III.8	Other	265	-3
III	Net cash from financing activities	161 728	42 661
IV	Net increase/decrease in cash and cash equivalents	-209 949	-319 258
	Net foreign exchange differences	89	198
V	Cash and cash equivalents at beginning of year	301 163	460 067
	Cash and cash equivalents of companies not eliminated/eliminated from consolidation	-154	0
VI	Cash and cash equivalents at end of period, including:	91 060	140 809
	Restricted cash and cash equivalents	3 696	3 249

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

data in PLN'000

	Equity attributable to equity holders of the Parent Company							Equity attributable to non-controlling interests	Total equity
	Share capital	Share capital not paid up (negative amount)	Treasury shares	Supplementary capital/reserves	Exchange differences on translation of foreign operations	Retained earnings / (Accumulated losses)	Equity (attributable to equity holders of the Parent Company)		
1ST HALF OF 2012 period from 01.01.2012 to 30.06.2012 (unaudited)									
At 1 January 2012	44 801	0	0	455 646	410	-119 329	381 528	65 055	446 583
Profit / (loss) for the period	0	0	0	0	0	-16 096	-16 096	3 174	-12 922
Other comprehensive income	0	0	0	0	-708	440	-268	-280	-548
Total comprehensive income	0	0	0	0	-708	-15 656	-16 364	2 894	-13 470
Appropriation of retained earnings	0	0	0	-125 185	0	125 185	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
At 30 June 2012	44 801	0	0	330 461	-298	-9 800	365 164	67 949	433 113

data in PLN'000

	Equity attributable to equity holders of the Parent Company							Equity attributable to non-controlling interests	Total equity
	Share capital	Share capital not paid up (negative amount)	Treasury shares	Supplementary capital/reserves	Exchange differences on translation of foreign operations	Retained earnings / (Accumulated losses)	Equity (attributable to equity holders of the Parent Company)		
2011 period from 01.01.2011 to 31.12.2011									
At 1 January 2011	44 801	0	0	415 390	-23	57 465	517 633	70 028	587 661
Profit / (loss) for the period	0	0	0	0	0	-124 530	-124 530	-3 774	-128 304
Other comprehensive income	0	0	0	0	433	-1 008	-575	203	-372
Total comprehensive income	0	0	0	0	433	-125 538	-125 105	-3 571	-128 676
Appropriation of retained earnings	0	0	0	40 256	0	-40 256	0	0	0
Dividends paid	0	0	0	0	0	-11 000	-11 000	-1 402	-12 402
At 31 December 2011	44 801	0	0	455 646	410	-119 329	381 528	65 055	446 583

data in PLN'000

	Equity attributable to equity holders of the Parent Company							Equity attributable to non-controlling interests	Total equity
	Share capital	Share capital not paid up (negative amount)	Treasury shares	Supplementary capital/reserves	Exchange differences on translation of foreign operations	Retained earnings / (Accumulated losses)	Equity (attributable to equity holders of the Parent Company)		
1ST HALF OF 2011 period from 01.01.2011 to 30.06.2011 (unaudited)									
At 1 January 2011	44 801	0	0	415 390	-23	57 465	517 633	70 028	587 661
Profit / (loss) for the period	0	0	0	0	0	8 596	8 596	-633	7 963
Other comprehensive income	0	0	0	0	51	-350	-299	13	-286
Total comprehensive income	0	0	0	0	51	8 246	8 297	-620	7 677
Appropriation of retained earnings	0	0	0	40 257	0	-40 257	0	0	0
Dividends paid	0	0	0	0	0	-11 000	-11 000	-1 403	-12 403
At 30 June 2011	44 801	0	0	455 647	28	14 454	514 930	68 005	582 935

Additional notes and explanations
to the condensed consolidated interim financial statements
for the six months ended 31.06.2012

1. General information

The Mostostal Warszawa Group comprises the Parent Company Mostostal Warszawa S.A. and its subsidiaries. The Group's condensed consolidated interim financial statements cover the six months ended 30.06.2012 and comparative data for the six months ended 30.06.2011.

Mostostal Warszawa, i.e. the Parent Company is a joint-stock company with legal personality, registered with the District Court for the capital city of Warsaw in Warsaw, the 13th Business Department of the National Court Register, with the KRS number: 0000008820. The registered office of Mostostal Warszawa S.A. is in Warsaw, at ul. Konstruktorska 11a. The core business activity of the Company is specialized construction activities (PKD — Polish Classification of Business Activity — 4399Z). The Company's shares are listed on the Warsaw Stock Exchange, sector: construction.

The duration of the Parent Company and of other members of the Group is unlimited.

The financial statements of two subsidiaries, i.e. Mostostal Puławy S.A. and Remak S.A., covered by consolidation, comprise the combined data of the internal organizational entities which prepare independent financial statements.

The Parent Company of Mostostal Warszawa S.A. is Acciona S.A.

In the 1st half of 2012, the Parent Company and Group Companies continued activities aimed at diversifying their operations, which had been started in the prior years. The Parent Company and the Group had a lead position in various areas of construction.

The Group's main objectives are:

- geographical diversification of activities involving execution of projects in different parts of the country in order to create a strong, nationwide brand and establish relations with many subcontractors;
- continued diversification of activities by executing contracts for different sectors of the construction industry;
- further increase in the role of Mostostal Warszawa S.A. as a centre for Group management;
- stabilizing the financial results and increasing the margins as a guarantee of long-term development;
- building long-term relationships with clients as an important success factor affecting the Group's development on the market;
- offering comprehensive solutions and aiming to achieve maximum flexibility of the offer, as well as developing skills.

During the reporting period there were changes in the Management Board of the Parent Company.

On 2 February 2012, the Supervisory Board, by a resolution, appointed Jacek Szymanek member of the Management Board.

On 21 May 2012, the Supervisory Board, by a resolution, appointed Marek Józefiak Chairman of the Management Board as of 1 June 2012.

Moreover, on 21 May 2012, the Supervisory Board of Mostostal Warszawa S.A. appointed the following persons to the Company's Management Board for a 7th term of office: Andrzej Sitkiewicz, Deputy Chairman of the

Management Board; Jose Angel Andres Lopez, Deputy Chairman of the Management Board; and the Management Board members: Jacek Szymanek, Miguel Vegas Solano, Fernando Minguez Llorente. The appointments to the Management Board of Mostostal Warszawa S.A. were effective as of the date of the Annual General Shareholders' Meeting of Mostostal Warszawa S.A. approving the financial statements for 2011, which was convened for 31 May 2012.

On 19 July 2012, Andrzej Sitkiewicz resigned as Deputy Chairman of the Management Board for personal reasons.

As at 27 August 2012, the following persons sat on the Management Board:

Marek Józefiak - Chairman of the Management Board

Jose Angel Andres Lopez - Deputy Chairman of the Management Board

Jacek Szymanek - Management Board Member

Miguel Vegas Solano - Management Board Member

Fernando Minguez Llorente - Management Board Member

2. Composition of the Group

In the first half of 2012, the Mostostal Warszawa Group comprised the following companies consolidated on the acquisition basis:

No.	Name	Registered office	Business	Relevant court	Share of M. Warszawa S.A. in the number of votes at the Company's GSM (30.06.2012)	Share of M. Warszawa S.A. in the Company's share capital (30.06.2012)
1	2	3	4	5	6	7
1	Mostostal Warszawa S.A. - Parent Company	Warsaw	Construction	The District Court for the Capital City of Warsaw, the 13th Business Department of the National Court Register, with the reference number KRS 000008820	-	-
2	Mostostal Puławy S.A.	Puławy	Construction	The District Court in Lublin, the 11th Business Department of the National Court Register with the number KRS 0000051433	99.76%	99.76%
3	Mostostal Kielce S.A.	Kielce	Construction	The District Court in Kielce, the 10th Business Department of the National Court Register, with the number KRS 0000037333	100.00%	100.00%
4	AMK Kraków S.A.	Kraków	Engineering services, designing, construction project management, completion of turnkey projects	The District Court in Kraków Śródmieście, the 11th Business Department of the National Court Register, with the number KRS 0000053358	60.00%	60.00%
5	Mieleckie Przedsiębiorstwo Budowlane S.A.	Mielec	Construction	The District Court in Rzeszów, 12th Business Department with the number KRS 0000052878	97.14%	97.14%
6	Wrocławskie Przedsiębiorstwo Budownictwa	Wrocław	Construction	The District Court for Wrocław-Fabryczna, 6th Business Department of the National Court Register, with the KRS number	98.05%	98.05%

	Przemysłowego nr2 Wrobis S.A.			0000032628		
7	Mostostal Płock S.A.	Płock	Construction	The District Court for the Capital City of Warsaw, the 19th Business Department of the National Court Register with the number KRS 0000053336	52.65%	48.66%
8	Przedsiębiorstwo Modernizacji Urządzeń Energetycznych "REMAK" S.A.	Opole	Modernization and repair services in respect of energy devices, construction services	The District Court in Opole, 8th Business Department of the National Court Register with the KRS number 0000021123	Direct share 39.31% indirect share 49.31%	Direct share 39.31% indirect share 44.17%

On 9 March 2012, the District Court for the capital city of Warsaw in Warsaw, Business Court, 10th Business Department for bankruptcy and recovery proceedings announced the bankruptcy of Terramost Sp. z o.o. (Mostostal Warszawa holds a 72.60% interest in the share capital and voting rights of the company), covering the liquidation of the debtor's assets.

Terramost Sp. z o.o. was consolidated over the first two months of 2012 and then was eliminated from consolidation as a result of the loss of control over the company. The elimination of Terramost Sp z o.o. from consolidation had an impact on the net result on continued operations of –PLN 7,508 thousand and on the net result attributable to the Shareholders of the Parent Company of – PLN 10,428 thousand.

The subsidiary Mostostal Płock S.A. holds a 10% interest (i.e. 300,050 shares) in the share capital of Remak S.A. Mostostal Puławy S.A. prepares consolidated financial statements. The Mostostal Puławy Group comprises the following entities: The Parent Company Mostostal Puławy S.A. and its subsidiaries: Mezap Sp. z o.o., Energiezap Sp. z o.o.

Mostostal Puławy S.A. holds a 97% interest (i.e. 6,727 shares) in the share capital of Mezap Sp. z o.o., which represents 97% of the total voting rights at the GSM and 92% of shares in the share capital of of Energiezap Sp. z o.o. (i.e. 1,376 shares), which represents 92% of the total voting rights at the GSM.

Wrobis S.A. prepares the consolidated financial statements. The Wrobis Group comprises the following entities: the Parent Company Wrobis S.A. and the subsidiary Wrobis Developer Świdnica Sp. z o.o.

Wrobis S.A. holds 100% interest in the share capital of Wrobis Developer Świdnica Sp. z o.o., which represents 100% of the total number of voting rights at the GSM.

Mostostal Warszawa S.A. holds 907,095 ordinary bearer shares and 66,057 registered preference shares (1 share = 5 voting rights), in total giving a 48.66% interest in the share capital and 52.65% of the total voting rights at the GSM of Mostostal Płock S.A. In accordance with art. 4 of the Act on Public Offerings, as a result of Mostostal Warszawa S.A. having four of five voting rights in the Supervisory Board of Mostostal Płock S.A., which is authorized to appoint and remove members of the management body, and as a result of having influence on the operations of the company, Mostostal Warszawa S.A. is an entity superior to Mostostal Płock S.A., which results in the latter's consolidation according to the acquisition method.

Mostostal Warszawa S.A., which holds 1,179,235 shares in Remak S.A., has a direct 39.31% interest in the share capital of the company, which represents 39.31% of the total voting rights at the GSM. At the same time, Mostostal

Płock S.A. – a subsidiary of Mostostal Warszawa S.A., holds a 10% interest in Remak S.A., which gives it 10% of the total voting rights at the Company's GSM.

Taking into consideration the dispersed share capital of Remak S.A., Mostostal Warszawa S.A. and its subsidiary, i.e. Mostostal Płock S.A. have in fact such number of voting rights at the GSM of Remak S.A. which entitles them to appoint most of the members of the company's Supervisory Board, and thus have a significant influence on the appointment of the managing bodies of Remak S.A.

In accordance with art. 4 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005, Mostostal Warszawa S.A. which holds the majority of voting rights in the Supervisory Board of Remak S.A., which in turn is entitled to appoint and remove members of the managing bodies, and in consideration of Mostostal Warszawa S.A.'s practical impact on the operations and finances of the company, it is the Parent Company of Remak S.A. Mostostal Warszawa S.A., as the long-term investor and Parent Company of Remak S.A., consolidated the company under the acquisition method.

3. Approval of the financial statements

The condensed consolidated interim financial statements for the first half of 2012 were approved for publication by the Management Board of the Parent Company on 27.08.2012.

4. The basis for preparation of the condensed financial statements for the 1st half of 2012 and the accounting policies

4.1 Basis for preparation of the consolidated financial statements

The condensed interim financial statements have been prepared on the assumption that the Group will continue in operation as a going concern in the foreseeable future. As at the date of approving these financial statements, there are no circumstances indicating any threats to the Group's continuing in operation.

Mostostal Warszawa S.A. prepares its separate financial statements in accordance with the International Financial Reporting Standards, and the other Group companies maintain their books of account in accordance with the accounting policy stipulated by the Accounting Act of 29 September 1994 ("the Act") and the regulations published on its basis (jointly: "Polish Accounting Standards"). The consolidated financial statements include adjustments which are not included in the Group's books of account and which have been introduced to ensure compliance of the financial statements of those companies with IFRS.

These condensed consolidated interim financial statements for the period ended 30.06.2012 have been prepared in accordance with International Accounting Standard No. 34.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and they should be read jointly with the Group's consolidated financial statements as at and for the year ended 31.12.2011.

The condensed consolidated interim financial statements of the Mostostal Warszawa Group for the period ended 30.06.2012 were reviewed by an independent registered auditor.

4.2 Accounting policies

The detailed accounting policies adopted by the Group have been described in detail in the consolidated financial statements as at and for the year ended 31 December 2011.

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's consolidated annual financial statements as at and for the year ended 31 December 2011.

The Group did not decide on the early application of any standard, interpretation or amendment, which has been published but is not yet effective.

In the period covered by the condensed consolidated interim financial statements there were no changes to the policies used in preparing the financial statements.

4.3 Presentation changes

The Group made the following changes to the presentation of certain balance sheet items:

1. perpetual usufruct of land, which as at 30.06.2012, 31.12.2011 and 30.06.2011 amounted to PLN 31,560 thousand, was presented as a separate item. In previous periods it was presented in property, plant and equipment;
2. prepayments for construction works were presented as a separate item of assets; as at 30.06.2012 they amounted to PLN 19,665 and as at 31.12.2011 and 30.06.2011 they amounted to PLN 17,671 thousand and 17,422 thousand, respectively. In previous periods, prepayments for construction works were presented in other prepayments and deferred costs;
3. prepayments for construction works were presented as a separate item of equity and liabilities; as at 30.06.2012 they amounted to PLN 99,411 and as at 31.12.2011 and 30.06.2011 they amounted to PLN 71,501 thousand and 93,893 thousand, respectively. In previous periods, prepayments for construction works were presented in other accruals and deferred income;
4. provisions for guarantee repairs were reclassified from accruals to short-term provisions. As at 30.06.2012, provisions for guarantee repairs amounted to PLN 22,932 thousand (as at 31.12.2011: PLN 23,996 thousand and as at 30.06.2011: PLN 25,612 thousand).

The Group also made the following presentation changes to the presentation of certain income statement items:

1. receivables write-downs recorded and reversed are presented in the net amount in other operating income or other operating expenses, respectively. In the 1st half of 2012, the net amount of reversed receivable write-downs was presented in other operating income and amounted to PLN 2,186 thousand (in the 1st half of 2011, it amounted to PLN 149 thousand), and other operating expenses in respect of receivable write-downs recorded amounted to PLN 2,201 thousand (in the 1st half of 2011: PLN 6,412 thousand).
2. income and costs of projects financed from EU funds were presented in the net amount. In the 1st half of 2012, an excess of costs over income of PLN 2,120 thousand was recorded (in the comparative period, the excess of costs amounted to PLN 2,547 thousand).

These changes did not affect the Group's financial result or equity.

4.4 Principles adopted for translating selected financial data into euro

The following principles were adopted to calculate selected financial data for the 1st half of 2012 in euro:

- the income statement and cash flow statement items for the 1st half of 2012 were translated at the rate of PLN 4.2246 / EUR 1, i.e. the arithmetic mean of the exchange rates announced by the National Bank of Poland (NBP) as at the last days of January, February, March, April, May and June 2012;
- the individual components of balance sheet assets and equity & liabilities were translated at the exchange rate as at 29.06.2012 of PLN 4.2613 / EUR 1.

4.5 Currency of the financial statements

The condensed consolidated interim financial statements for the 1st half of 2012 have been presented in Polish zlotys, and all the amounts – if not specified otherwise – have been presented in thousands of zlotys.

4.6 Material changes in estimates

Preparation of the financial statements in accordance with IFRS requires performing critical accounting estimates and judgments, which affect the amounts shown in the financial statements, including additional notes and explanations. Estimates and judgments are continually verified, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recognition of sales made by Group companies under long-term construction contracts is a material estimate. Group companies recognize revenues on long-term construction contracts in accordance with the percentage of completion method, measured with the share of costs incurred from the date of conclusion of the contract to the date of determining the revenue in the total costs of the service. In the event of differences between the value of the invoiced revenues and the value of revenues recognized under the percentage of completion method with reference to a given contract, the companies appropriately adjust the sales revenues. Total revenues in respect of long-term construction contracts denominated in foreign currencies are determined based on invoices made out until the balance sheet date and the exchange rate as at that date. Budgets of particular contracts are officially updated (reviewed) based on current information at least once a quarter. In the event of events occurring between the official budget reviews, which have a material impact on the contract results, the value of total revenues or costs relating to the contract may be updated earlier.

5. Description of significant achievements or failures and major events

that took place in the 1st half of 2012 and evaluation of financial resources management

Selected financial data from the consolidated income statement for the 1st half of 2012

data in PLN'000

Description	1st half of 2012	1st half of 2011
Sales revenue	1,662,566	1,423,380
Gross profit from sales	38,521	47,782
Management and selling costs	40,518	37,051
Net income/costs on other operating activities	-4,542	397
Operating profit/(loss)	-6,539	11,128
Net income/(costs) on financial activities	-7,255	1,817
Profit/(loss) before tax	-13,794	12,945
Income tax expense	-872	4,982

Net profit/(loss) on continued operations	-12,922	7,963
Net profit/(loss) attributable to:		
Shareholders of the Parent Company	-16,096	8,596
Non-controlling interests	3,174	-633

In the 1st half of 2012 the Group's sales revenues amounted to PLN 1,662,566 thousand and increased by PLN 239,186 thousand compared with the 1st half of the prior year, whereas profit on sales dropped by PLN 9,261 thousand compared with the 1st half of 2011 and amounted to PLN 38,521 thousand.

Gross profit decreased due to the low profitability of contracts executed, which was a result of increased competition on the market of construction services (mainly in the area of infrastructural contracts), higher prices of materials (in particular, fuels and aggregates) and higher prices of subcontractors' services. In the 1st half of 2012, the Group incurred a net loss on continued operations of PLN 12,922 thousand.

Cash and cash equivalents as at 30.06.2012 amounted to PLN 91,060 thousand and were PLN 210,103 thousand lower than as at the end of the previous year, which was mainly due to an increase in trade receivables. In the 1st half of 2012, the Group used overdrafts and loans, whose balance as at 30.06.2012 was PLN 302,861 thousand and it was PLN 182,472 thousand higher than as at 31.12.2011. The current situation of the Group companies in the area of liquidity and access to external sources of financing does not present any threats to the financing of operations. The Group plans to finance its planned investments with its own funds, bank loans, borrowings and leasing. In the 1st half of 2012, the Group companies maintained their financial liquidity, which allowed them to settle their liabilities as they became due.

In the reporting period, i.e. from 01.01.2012 to 30.06.2012, the following events, significant for the Mostostal Warszawa Group, took place:

- on 12 January 2012 the subsidiary Remak S.A. signed a contract with Alstom Boiler Deutschland GmbH for the "Assembly of the pressurized portion and the pipelines to the new generator with a capacity of 600 MW in the TES Power Plant, Sostanj, Slovenia". The value of the contract is EUR 36.4 million (the equivalent of PLN 162.1 million). On 25 July 2012, the company signed an annex reducing the value of the contract in Sostanj, Slovenia from EUR 36.4 million to EUR 26.4 million (the equivalent of PLN 111.1 million). The change was due to eliminating packages 3 - 5 totalling EUR 10 million and recognizing them as options which may be achievable at a later stage. The deadline also changed from: June 2012 – October 2013 to: August 2012 – January 2014.

- On 1 February 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: Mostostal Warszawa S.A., Acciona Infraestructuras S.A. - Partner, signed a contract with the Municipal Roads Board [Zarząd Dróg Miejskich] in Poznań for the reconstruction of the Górczyński Wschodni viaduct in Poznań (DK5) in the 'design and build' system as part of the Project entitled: "The reconstruction of the Górczyński Wschodni viaduct in Poznań (DK5)" - POIS.06.01.00-00-009/09 as part of Measure 6.1: Development of the TEN - T road network, priority VI: Ten - T road and air transport network, under the Infrastructure and the Environment Operational Programme 2007 - 2013. The contract value is PLN 52.6 million (gross).

- On 10 February 2012 the subsidiary Mostostal Płock S.A. signed a contract with ORLEN Litwa S.A. with its registered office in Mazeikiai for performing mechanical works during the interruption in operations of the ORLEN Litwa S.A. refinery installations. The value of the contract is EUR 13.4 million, gross.
- On 15 February 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: RAFAKO S.A.– Leader, Polimex - Mostostal S.A.– the Partner, signed a contract with PGE Elektrownia Opole S.A. with its registered office in Bełchatów for the: “Construction of power units Nos. 5 and 6 at PGE Elektrownia Opole S.A.” The total gross value of the contract is: PLN 11,558 million. The share of Mostostal Warszawa S.A. in the Consortium is 23.93%.
- On 16 February 2012 the subsidiary Wrobis S.A signed a contract with Dolnośląski Park Innowacji i Nauki S.A. for “Designing and executing the Building of Dolnośląski Park Innowacji i Nauki S.A. - stage I – infrastructure supporting the innovative character of Lower Silesia, earmarked for businesses.” The value of the contract is PLN 16.2 million, gross.
- On 27 February 2012, Mostostal Warszawa S.A. signed a contract with Filharmonia Śląska im. Henryka Mikołaja Góreckiego [the Silesian Philharmonic] for the continuation and completion of the construction works under the project entitled: “Extension of the Silesian Philharmonic building in Katowice”. The contract value is PLN 35.2 million (gross).
- On 14 March 2012 the subsidiary Wrobis S.A., as subcontractor of AF Bygg Oslo (AF Gruppen Norge AS, P.O. Box 6272 Etterstad, N - 0603 Oslo) signed a preliminary contract for the execution of the project: completion of the shell building of the residential and office building in Oslo, under the project “Sorenga trinn 4, D1b-5”. The deadline for completion has been determined by the Parties as 15.02.2013. The value of the contract is NOK 39.8 million, net, which is PLN 22 million, net.
- On 30 March 2012, Mostostal Warszawa S.A. signed a loan agreement with Acciona Infraestructuras S.A., on the basis of which Acciona Infraestructuras S.A. granted Mostostal Warszawa S.A. a loan of EUR 25 million, which was the equivalent of PLN 104 million at the mean exchange rate announced by the National Bank of Poland as at 30 March 2012. The interest on the loan was determined on an arm's length basis. The Parties agreed that the loan was to be repaid by 30 March 2013. The funds were received on 03.04.2012.
- On 21 May 2012, the subsidiary Wrobis S.A, as the General Contractor, signed a contract with Archicom Realizacja Inwestycji Sp. z o.o. for the execution of the contract: “Construction of multi-family residential buildings with services, underground parking places and land development, and technical infrastructure with the exclusion of the transformer station at ul. Betonowa 6/7 in Wrocław”. The deadline for completion has been determined by the Parties as 30.11.2013. The value of the contract is: PLN 24 million net.
- On 23 May 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: Mostostal Warszawa S.A., Acciona Infraestructuras S.A. - the Partner, signed a contract with Port - Hotel Sp. z o.o. entitled:

“Construction of a hotel at ul. Spadochroniarzy in Gdańsk with the necessary technical infrastructure and land development”. The value of the contract is: PLN 23.3 million, gross.

- On 27 June 2012, the Management Board of Mostostal Warszawa SA decided to optimize the Company's organizational structure and adjust it to the activities planned for the following years. In view of the need to adjust the number of employees to the current and forecast contract volumes, in particular in the road construction segment, which will lead to redundancies, as well as due to the difficult economic situation, in compliance with art. 2 clauses 3 and 4 of the Act on special rules for terminating employment contracts for reasons not attributable to employees of 13 March 2003 (Dz. U. of 2003, No. 90, item 844 as amended), on 27 June 2012 the Management Board informed the trade unions active at the Company about initiating the collective redundancies procedure at the Company. The relevant information was also provided to the District Labour Office [Powiatowy Urząd Pracy] in Warsaw. It is planned that the employment contracts will be terminated by 31 January 2013 and no more than 450 employees will be affected. Preparing the organization to operate on a scale that corresponds to the potential of the construction market by reducing the Company's operating expenses should support the achievement of the Company's business objectives and help increase its business efficiency.

In connection with the agreement concluded with the Labour Unions on the collective redundancies Mostostal Warszawa S.A. set up a provision for severance payments as at 30.06.2012 of PLN 7.3 million.

6. Description of factors and events, especially unusual in nature, affecting the results achieved

There were no unusual events which would affect the financial result for the 1st half of 2012.

7. Seasonal or cyclical nature of the Group's operations in the 1st half of 2012

The Group's activities depend on weather conditions and they are much less intensive in winter than in the other seasons. In the 1st half of 2012, weather conditions did not have a significant effect on the Group's activities and results.

8. Issues, redemptions, and payments made in respect of debt and equity securities

No share issues took place in the 1st half of 2012. No debt or equity instruments were redeemed.

9. Dividends paid (declared for payment) by the Issuer

The Parent Company did not pay any dividends in the 1st half of 2012.

10. Other information

1. Long-term construction contracts

Selected data - income statement

data in PLN'000

Description	1st half of 2012	1st half of 2011
Revenues from completion of construction contracts	1,626,734	1,384,024
Costs of construction works	1,582,638	1,340,902
Profit	44,096	43,122

During the execution of infrastructural contracts by the Parent Company circumstances occurred for which the Company is not responsible but nevertheless cause it losses (damages, larger unexpected expenses, etc.). These circumstances comprise mainly:

- increase in the scope of the project compared with the project (tender) assumptions presented to the Company by the Clients;
 - unexpected significant increase in the prices of: construction materials (including fuels and oil derivatives), transport, rental of equipment and construction services;
- the Company having no access to the construction site due to e.g. weather conditions.

They resulted in claims arising against the clients in accordance with the contractual provisions and general legal regulations.

Based on the analyses performed, as at 30.06.2012 the Parent Company included claims against its Clients totalling PLN 207,222 thousand in the budgets of some of the infrastructural contracts (the amount of claims included in the budgets as at 31.12.2011 was PLN 109,330 thousand). The impact on the Group's financial result for the 1st half of 2012 amounted to PLN 81,942 thousand. In the Parent Company's opinion, the abovementioned claims are fully justified. The Management Board of Mostostal Warszawa S.A. took all possible actions to collect the abovementioned amounts.

Selected balance sheet data

data
in PLN'000

Assets	As at 30.06.2012	As at 31.12.2011	As at 30.06.2011
Amounts due from clients under construction contracts (long-term contracts)	708,627	530,638	560,638
- including short-term security deposits retained receivable from customers	110,582	29,751	19,494
Long-term security deposits in respect of construction contracts	26,902	31,244	30,007
Prepayments for construction works	19,665	17,671	17,422
Prepayments and deferred costs relating to contract valuation (gross amounts receivable from clients under construction contracts)	819,390	551,864	529,481

Liabilities	As at 30.06.2012	As at 31.12.2011	As at 30.06.2011
Amounts due to suppliers under construction contracts (long-term contracts)	631,530	687,573	437,063
- including short-term security deposits retained receivable by the suppliers	88,253	86,012	63,793
Long-term security deposits in respect of construction contracts	50,468	45,427	38,849
Prepayments for construction works	99,411	71,501	93,893
Provision for expected losses	76,089	106,451	57,704
Prepayments and deferred costs relating to contract valuation (gross amounts receivable from clients under construction contracts)	18,822	70,637	36,354

2. Property, plant and equipment and intangible assets

During the reporting period the Group companies purchased property, plant and equipment and intangible assets totalling PLN 14,444 thousand. Purchases of property, plant and equipment were related to the construction contracts in progress and will be used to complete them.

In the 1st half of 2012 the Group companies sold or scrapped property, plant and equipment and intangible assets totalling PLN 10,451 thousand, gross (amortization and depreciation charges on those assets amounted to PLN 7,035 thousand).

Finance lease contracts are signed for 5 years (with the exception of car leases which are concluded for 3 years).

3. Inventories

As at 30.06.2012 inventories amounted to PLN 59,540 thousand, which is a drop of PLN 32,503 thousand compared with the prior year. As at 30.06.2012, the Group companies set up provisions for inventories of PLN 108 thousand.

4. Trade and other receivables

Trade and other receivables amounted to PLN 731,969 thousand as at 30.06.2012 and increased by PLN 151,397 thousand as a result of achieving higher sales revenues compared with the prior period, and compared with 31.12.2011 they increased by PLN 185,667 thousand; they comprise mainly trade receivables.

5. Interest bearing bank borrowings and loans

In the reporting period, the Mostostal Warszawa Group companies used borrowings and loans, whose total value as at 30.06.2012 was PLN 302,861 thousand.

In the reporting period Mostostal Warszawa S.A drew borrowings of EUR 25,000 thousand from Acciona Infraestructuras S.A. on an arm's length basis, repayable by 30.03.2013.

As at 30.06.2012 there were the following long-term bank loans:

Name of bank/lender	Amount of loan/borrowing	Amount used in PLN'000	Interest	Repayment deadline
BANK PEKAO S.A.	PLN 7,000 thousand	4,448	1m WIBOR + the bank's margin	30.06.2018
BANK PEKAO S.A.	PLN 1,200 thousand	202	1m WIBOR + the bank's margin	30.11.2015
BANK PEKAO S.A.	PLN 720 thousand	506	1m WIBOR + the bank's margin	30.10.2016
FORD BANK	PLN 60 thousand	10	Effective annual interest	20.09.2013

The current portion of the interest-bearing bank loans as at 30.06.2012:

Name of bank/lender	Amount of loan/borrowing	Amount used in PLN'000	Interest	Repayment deadline
PKO BP S.A.	PLN 40,000 thousand	36,390	3m WIBOR + the bank's margin	15.02.2013
Bank PKO S.A.	PLN 10,000 thousand	0	1m WIBOR + the bank's margin	30.06.2013
Societe Generale S.A. Polish Branch	PLN 10,000 thousand	9,266	1m WIBOR + the bank's margin	31.08.2012
Bank Zachodni WBK S.A.	PLN 3,000 thousand	0	1m WIBOR + the bank's margin	31.12.2012
BANK PEKAO S.A.	PLN 6,000 thousand	5,807	1m WIBOR + the bank's margin	30.06.2013
BANK PEKAO S.A.	PLN 4,000 thousand	4,000	1m WIBOR + the bank's margin	30.06.2013
Bank Millenium S.A.	PLN 10,000 thousand	9,045	1m WIBOR + the bank's margin	30.10.2012
BANK PEKAO S.A.	PLN 1,000 thousand	888	1m WIBOR + the bank's margin	30.06.2018
BANK PEKAO S.A.	PLN 300 thousand	300	1m WIBOR + the bank's margin	30.11.2015
BANK PEKAO S.A.	PLN 180 thousand	180	1m WIBOR + the bank's margin	30.10.2016
FORD BANK	PLN 176 thousand	119	Effective annual interest	20.09.2013
Bank Millenium S.A.	PLN 3,000 thousand	2,423	1m WIBOR + the bank's margin	30.10.2012
BRE BANK S.A.	PLN 13,000 thousand	10,965	1m WIBOR + the bank's margin	29.09.2012
Bank Millenium S.A.	PLN 10,000 thousand	9,310	1m WIBOR + the bank's margin	30.05.2013
RAIFFESEN BANK	PLN 3,000 thousand	2,198	1m WIBOR + the bank's margin	15.07.2012
BZ WBK S.A.	PLN 5,000 thousand	3,761	1m WIBOR + the bank's margin	30.12.2012
BRE BANK S.A.	PLN 5,000 thousand	2,871	1m WIBOR + the bank's margin	30.12.2012
Bank Millenium S.A.	PLN 5,000 thousand	4,516	1m WIBOR + the bank's margin	14.02.2013

Bank Pekao S.A.	PLN 10,000 thousand	2,121	1m WIBOR + the bank's margin	30.09.2012
Bank Millenium S.A.	PLN 10,000 thousand	2,993	1m WIBOR + the bank's margin	21.02.2013
BANK PEKAO S.A.	PLN 8,000 thousand	7,799	1m WIBOR + the bank's margin	31.03.2013
BOŚ S.A	PLN 4,500 thousand	4,457	1m WIBOR + the bank's margin	09.11.2012
BANK PEKAO S.A.	EUR 16,000 thousand	7,364	1M EURIBOR + the bank's margin	31.03.2013
BANK PEKAO S.A.	PLN 7,000 thousand	1,000	1m WIBOR + the bank's margin	31.03.2013

In the 1st half of 2012 no loans or borrowings were terminated.

6. Prepayments, accruals and deferred income

Prepayments and deferred costs on valuation of long-term contracts as at 30.06.2012 amounted to PLN 819,390 thousand and was PLN 267,526 thousand higher than as at the end of the prior year. This was caused mainly by postponing invoicing of the work performed to the consecutive month due to the investors' delays in receipt of the works performed and an increase in the value of claims in budget revenues.

Other accruals and deferred income as at 30.06.2012 amounted to PLN 299,919 thousand and were PLN 99,556 thousand higher than as at the end of the prior year. This increase was mainly caused by an increase in the value of provisions for costs of construction in connection with the work performed by subcontractors, which had not been invoiced by 30.06.2012.

11. Changes in the major management principles at the Parent Company and in the Mostostal Warszawa Group companies covered by consolidation

In the reporting period there were no material changes to the major management principles at the Parent Company and in the Mostostal Warszawa Group companies covered by consolidation.

12. Events after the balance sheet date which could have a significant effect on future results

- On 16 July 2012, an agreement was signed with the trade unions on carrying out group redundancies at Mostostal Warszawa S.A. in the period from 17 July 2012 to 31 January 2013. The redundancies will affect in total from 410 to 439 employees. The agreement provides for better termination conditions than those resulting from the Polish law. The employees affected by group redundancies will receive statutory severance payments in the amount guaranteed by law, as well as additional severance payments depending inter alia on the length of service and various benefits aimed at mitigating the effect of termination. In addition to financial support, the employees will also have the possibility of participating in an outplacement programme.

- On 18 July 2012, Mostostal Warszawa S.A. signed a contract with Zakład Unieszkodliwiania Odpadów Sp. z o.o. for the execution of an investment project involving design, execution of construction works, delivery of equipment and launch of the project entitled: Contract 1 "Construction of a Thermal Waste Treatment Plant for the Szczecin Metropolitan Area". The value of the contract is PLN 666.2 million, gross.

- On 18 July 2012, Mostostal Warszawa S.A. signed a loan agreement with Acciona Infraestructuras S.A., on the basis of which Acciona Infraestructuras S.A. granted the Parent Company a loan of EUR 15 million, which was the equivalent of PLN 62.6 million at the mean exchange rate announced by the National Bank of Poland as at 18 July 2012. The interest on the loan was determined on an arm's length basis. The Parties agreed that the loan was to be repaid by 18.07.2013. The funds were received on the date of signing the contract.

- On 19 July 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: Mostostal Warszawa S.A., Acciona Infraestructuras S.A. - the Partner, concluded a contract with Przedsiębiorstwo Gospodarki Odpadami Sp. z o.o. for the execution of the investment project entitled: "Design and construction of the Waste Treatment Plant for the city of Kielce and the Kielce district in Promnik near Kielce". The value of the contract is: PLN 275.4 million, gross.

13. Effects of changes in the structure of the business entity

In the 1st half of 2012 no material effects were noted of changes to the organizational structure of the Group companies.

14. Changes in contingent liabilities or assets which occurred after the end of the previous reporting year

Contingent liabilities

Description	30.06.2012	31.12.2011	data in
			PLN'000
	30.06.2012	31.12.2011	30.06.2011
Bills of exchange issued to secure commercial contracts	381,671	383,601	438,410
Guarantees securing commercial contracts	993,585	786,213	792,468
Mortgages	25,195	32,015	21,356
Other	7,415	7,890	12,940
Total contingent liabilities	1,407,866	1,209,719	1,265,174

Contingent receivables

Description	30.06.2012	31.12.2011	data in
			PLN'000
	30.06.2012	31.12.2011	30.06.2011
Guarantees and warranties received	198,890	174,403	177,488
Bills of exchange received	8,137	4,222	4,945
Total contingent receivables	207,027	178,625	182,433

As at 30.06.2012, contingent liabilities amounted to PLN 1,407,866 thousand, which represents an increase compared with the same period of the prior year. This increase was mainly due to an increase in the value of guarantees issued to secure commercial contracts.

Contingent receivables as at 30.06.2012 amounted to PLN 207,027 thousand, which represents an increase compared with the same period of the previous year. This increase was due to the receipt of performance bonds from subcontractors.

15. Court and administrative proceedings

In the reporting period, the Group companies participated in proceedings relating to receivables whose total value amounted to PLN 170,051 thousand, and in proceedings relating to liabilities totalling PLN 49,285 thousand.

The highest-value proceedings were instigated by Group companies.

Defendant	Disputed amount	Date of instigating proceedings and the subject matter of the dispute	The Company's position
The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads	PLN 77,345 thousand	11.07.2012 The dispute concerns the claims of Mostostal Warszawa S.A. associated with the execution of the contract dated 26 February 2010 for performing works relating to the construction of the A-4 motorway Tamów - Rzeszów, the section from the Rzeszów Centralny node to the Rzeszów Wschód node, ca. 574+300 km to ca. 581+250	The plaintiff's aim is to create such relationship with the defendant that would bring the parties closer to the original balance of interests between the parties assumed in the contracting process. In order to achieve this aim, the plaintiff demands changing the contract by increasing the fee by an amount equal to the increase in the costs of contract execution by the plaintiff resulting from the following extraordinary events, which could not be foreseen at the time of making the plaintiff's offer: a) fuel price increase, b) asphalt price increase, c) change in the traffic organization by the head of the local government in the Rzeszów district on the communal and district roads leading to the construction site of the section built by the plaintiff. The total increase in the plaintiff's costs incurred in connection with contract execution for the reasons described in the preceding sentences amounts to PLN 62,883 thousand (net of VAT). At present, the plaintiff is waiting for the hearing to be scheduled, which should be preceded by a call to complete the formalities.
The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads	PLN 36,961 thousand	11.07.2012 The dispute concerns the claims of Mostostal Warszawa S.A. associated with the execution of the contract dated 28.09.2009, entitled "Design and construction of the A-2 motorway Stryków - Konotopa in the section from km 394+500 to km 411+465.8"	In the course of completion of the contract an extraordinary change occurred in the form of an unpredictable, violent increase in liquid fuel and asphalt prices. As a result of the extraordinary change in relations during the term of the contract, the equivalent position of both parties became unbalanced. The plaintiff requests that the lump-sum fee of PLN 36,961 thousand, gross, be increased; the amount is the total value of the claim in this case. At present, the plaintiff is waiting for the hearing to be scheduled, which should be preceded by a call to complete the formalities.
Polski Związek Kolarski	PLN 5,275 thousand	09.12.2009 The subject matter of the dispute is the claim of Mostostal Puławy S.A. in respect of the payment for	On 09.12.2009 Mostostal Puławy S.A. filed a claim against Polski Związek Kolarski in Pruszków for the payment of PLN 5,275 thousand in respect of construction works executed on the bicycle track in Pruszków. On 22.02.2010 the District Court in Warsaw, 6th Civil Department, issued an order under payment-order proceedings for PZKO to pay PLN 5,275 thousand with statutory interest and court fees. The

		construction works	<p>defendant raised defences in respect of the payment order. The next hearing date was set at 15.03.2011 (there is a chance of concluding an amicable agreement in favour of Mostostal Puławy S.A.). The defendant raised defences in respect of the payment order on 18.06.2010, and filed a request to be exempt from the payment of the court fee for the defences raised. The court set the date of the hearing at 11.01.2011, the defendant filed a motion to suspend the proceedings due to the action brought against Mostostal Puławy with the District Court in Lublin to annul the preliminary contract dated 04.02.2009. At the hearing on 15.03.2011 the court issued a decision to suspend the proceedings until the proceedings before the District Court in Lublin are finalized. Mostostal Puławy S.A. filed a motion with the District Court in Warsaw to continue the proceedings for payment suspended on 15.03.2011 (see point 2).</p> <p>2. On 10.01.2011, Polski Związek Kolarski in Pruszków filed a statement of claim against Mostostal Puławy S.A. in Puławy to consider the preliminary contract from 04.02.2009 invalid. The defendant, Mostostal Puławy, filed for the statement of claim to be fully dismissed due to its being unjustified. On 21.09.2011 the court issued a judgment on the case dismissing PZKOI's statement of claim in full. PZKOI appealed the judgment. The court of 2nd instance set the date of the appeal proceedings for 25.07.2012.</p> <p>As a result of the plaintiff's appeal and the complaint of the defendant, in its decision dated 25.07.2012 the Court of Appeal in Lublin, 1st Civil Department (file no. I A Ca 152/12, I A Cz 313/12) revoked the appealed judgment of the District Court in Lublin, 1st Civil Department, dated 21.09.2011 and dismissed the claim of Polski Związek Kolarski and adjudged the costs of proceedings in both instances to be paid by PZKOI on behalf of Mostostal Puławy. This judgment is final; therefore the Company filed a motion with the District Court in Warsaw to continue proceedings for payment suspended on 15.03.2011 - file no. IV C 1186/10.</p>
The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads	PLN 16,658 thousand	10.02.2010 Claims of Mostostal Warszawa S.A. relating to the execution of the contract dated 6 July 2006 for "Reconstruction of national road No. 7 to meet the parameters of an express road, the section Białobrzegi – Jedlińska"	In this statement of claim, the plaintiff claims the payment of the following amounts: PLN 11,408 thousand damages for the additional costs incurred by the plaintiff in the extended period of contract execution for reasons on the part of the defendant; PLN 1,907 thousand as reimbursement of the value of replacement works carried out by the plaintiff (horizontal road signs made from reflective tape); PLN 2,785 thousand as reimbursement of the value of additional diggings performed by the plaintiff to remove an additional layer of humus; PLN 381 thousand as reimbursement of the value of additional works performed by the plaintiff to assemble and deliver the steel structures for one- and two-lock gantry cranes; PLN 150 thousand as reimbursement of the value of additional work performed by the plaintiff to build supporting structures; PLN 27 thousand as the fee for assembling power supply devices for variable content signs.
The State Treasury The Ministry of National Defence	PLN 19,093 thousand	23.06.2010 A claim for payment of the fee and reimbursement of expenses	The claim brought by the Consortium of Mostostal Warszawa S.A. - Unitek Ltd concerns an additional fee and reimbursement of expenses incurred in connection with the execution of contract No. 3/NSIP/P/2000 for execution of the CP 2A0022 Investment Package projects involving adjustment of two sea ports to the NATO requirements and standards. Under the contract, the plaintiff performed the function of a substitute

			investor. During the contract execution, the scope and substance of the investment changed for reasons independent of the plaintiff. The most important change was the extension of project duration (in accordance with the Contract, it should have been completed by 31/12/2006).
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16. Transactions with related entities

Transactions concluded with related entities in the 1st half of 2012 were typical and routine transactions and were concluded on an arm's length basis.

The following table shows total amounts of transactions concluded by the Group companies with related entities in the financial year:

data in
PLN'000

Related entity of the Group		Sales made by Group entities to related entities	Purchases made by related entities from Group companies	Trade receivables from related entities	Trade payables to related entities except for loans and borrowings
Associate					
Centromost Stocznia Rzeczna Sp. z o.o.	31.12.11	632	257	0	0
	30.06.11	0	0	0	0
Other related entities					
Acciona Infraestructuras S.A. Polish Branch	30.06.12	38	2,558	531	19,704
	31.12.11	163	19,620	839	17,271
	30.06.11	88	9,412	856	13,794
Acciona Nieruchomości Sp. z o.o.	30.06.12	0	0	512	195
	31.12.11	56	301	677	210
	30.06.11	6	52	1,834	70
Acciona Nieruchomości Wilanów Sp. z o.o.	30.06.12	0	0	4,737	0
	31.12.11	2,916	191	4,737	0
	30.06.11	2,916	199	7,839	22
Towarowa Park Sp. z o.o.	30.06.12	175	0	145	0
	31.12.11	428	0	326	0
	30.06.11	209	0	481	0
Mostostal Ukraina Sp. z o.o.	30.06.12	0	0	0	0
	31.12.11	0	14	0	0
	30.06.11	0	14	0	0
Acciona Nieruchomości Żoliborz Sp. z o.o.	30.06.12	9	0	2	0
	31.12.11	18	16	2	0
	30.06.11	9	0	9	0
Acciona Infraestructuras S.A.	30.06.12	0	0	5	3,533
	31.12.11	0	509	5	2,415
	30.06.11	0	0	0	0
W.M.B. Miękinia Sp. z o.o.	30.06.12	0	0	0	0
	31.12.11	0	120	0	0
	30.06.11	0	60	0	0
Terramost Sp. z o.o. (in bankruptcy)	30.06.12	0	0	331	1,509
	31.12.11	0	0	0	0
	30.06.11	0	0	0	0
TOTAL	30.06.12	222	2,558	6,263	24,941
	31.12.11	4,213	21,028	6,586	19,896
	30.06.11	3,228	9,737	11,010	13,886

In respect of Centromost Stocznia Rzeczna Sp. z o.o. Mostostal Płock S.A. is the party to contracts and mutual settlements (recognized in the table above).

In respect of the following companies: Acciona Infraestructuras S.A., Acciona Nieruchomości Sp. z o.o., Acciona Nieruchomości Wilanów Sp. z o.o., Acciona Nieruchomości Żoliborz Sp. z o.o., Towarowa Park Sp. z o.o., Mostostal Warszawa – Ukraina Sp. z o.o., W.M.B. Miękinia Sp. z o.o., Terramost Sp. z o.o. in bankruptcy Mostostal Warszawa S.A. is the party to contracts and mutual settlements (recognized in the table above).

Sales on behalf and purchases from related entities are made on an arm's length basis. Amounts due from Acciona Infraestructuras S.A. Polish Branch, Acciona Nieruchomości Sp. z o.o., Acciona Nieruchomości Wilanów Sp. z o.o., Acciona Nieruchomości Żoliborz Sp. z o.o., Towarowa Park Sp. z o.o., Mostostal Ukraina Sp. z o.o., W.M.B. Miękinia Sp. z o.o. and Centromost Stocznia Rzeczna Sp. z o.o. are not secured and are accounted for on a cash basis or offset against liabilities. As at the end of the reporting periods, the Group did not provide against those receivables.

As at 30.06.2012, the Group had contingent liabilities in respect of related entities:

- Acciona Nieruchomości Sp. z o.o. of PLN 5,729 thousand – guarantees issued by Mostostal Warszawa
- Terramost Sp. z o.o. in bankruptcy of PLN 4,261 thousand in respect of warranties.

17. Remuneration of the Parent Company's Management and Supervisory Boards

In the 1st half of 2012 remuneration of members of the Management Board of Mostostal Warszawa S.A. was PLN 4,854 thousand.

In the period remuneration of the Supervisory Board of Mostostal Warszawa S.A. amounted to PLN 96 thousand.

18. Segment reporting

The Group's organization and management is divided into segments corresponding to the type of finished goods offered. The Group settles transactions between segments in the same manner as transactions with non-related entities – using current market prices.

The following tables present consolidated income statement data for the 6 months ended 30.06.2012 and 30.06.2011 for the individual reporting segments of the Group.

Continued operations are divided into the following segments:

1. The engineering segment, comprising the activities relating to the construction of roads and bridges, industrial facilities and infrastructure (M. Warszawa S.A., GK M. Puławy, M. Kielce S.A., AMK Kraków S.A., M. Płock S.A., Remak S.A., Terramost Sp. z o.o.).
2. The general construction segment, comprising the activities relating to the construction of residential, non-residential and public buildings (M. Warszawa S.A., MPB Mielec S.A., GK Wrobis).
3. Unallocated revenues and costs relate to other production and service activities and administrative expenses.

Consolidated income statement for the individual segments:

data in
PLN'000

6 months ended 30.06.2012	Continued operations				Total operations
	Engineering segment	General construction segment	Unallocated income and costs	Total	
Sales revenue					
Sales to external clients	1,110,625	544,425	7,516	1,662,566	1,662,566
Sales revenues – between segments	0	0	0	0	0
Total sales of the segment	1,110,625	544,425	7,516	1,662,566	1,662,566
Profit / (loss)					
Profit / (loss) of the segment (including operating income and expenses)	38,031	-2,696	-1,356	33,979	33,979
Unallocated costs (administrative expenses and selling costs)	0	0	40,518	40,518	40,518
Operating profit/(loss)	38,031	-2,696	-41,874	-6,539	-6,539
Financial income	1,966	1,118	1,918	5,002	5,002
Financial costs	5,450	940	5,867	12,257	12,257
Profit/(loss) before tax	34,547	-2,518	-45,823	-13,794	-13,794
Income tax expense	0	0	-872	-872	-872
Net profit/(loss) on continued operations	34,547	-2,518	-44,951	-12,922	-12,922
Discontinued operations	0	0	0	0	0
Net profit/(loss) of the segment	34,547	-2,518	-44,951	-12,922	-12,922
Net profit (loss) attributable to equity holders of the Parent Company	34,547	-2,518	-48,125	-16,096	-16,096
Net profit/(loss) attributable to non-controlling interests	0	0	3,174	3,174	3,174

data in PLN'000

6 months ended 30.06.2011	Continued operations				Total operations
	Engineering segment	General construction segment	Unallocated income and costs	Total	
Sales revenue					
Sales to external clients	995,357	425,634	2,389	1,423,380	1,423,380
Sales revenues – between segments	0	0	0	0	0
Total sales of the segment	995,357	425,634	2,389	1,423,380	1,423,380
Profit / (loss)					
Profit / (loss) of the segment (including operating income and expenses)	45,924	5,016	-2,761	48,179	48,179
Unallocated costs (administrative expenses and selling costs)	0	0	37,051	37,051	37,051
Operating profit/(loss)	45,924	5,016	-39,812	11,128	11,128
Financial income	2,887	267	3,672	6,826	6,826
Financial costs	2,293	528	2,188	5,009	5,009
Profit/(loss) before tax	46,518	4,755	-38,328	12,945	12,945
Income tax expense	0	0	4,982	4,982	4,982
Net profit/(loss) on continued operations	46,518	4,755	-43,310	7,963	7,963
Discontinued operations	0	0	0	0	0
Net profit/(loss) of the segment	46,518	4,755	-43,310	7,963	7,963
Net profit (loss) attributable to equity holders of the Parent Company	46,518	4,755	-42,677	8,596	8,596
Net profit (loss) attributable to non- controlling interests	0	0	-633	-633	-633

The Management Board of Mostostal Warszawa S.A., which is responsible for making decisions concerning operations, does not review the segments' assets and liabilities, but it monitors assets and liabilities at the level of particular Group companies, due to the shifts of assets between segments.

Mostostal Warszawa Group companies engage in operations on the Polish and foreign markets.

1. Sales revenues broken down by the domestic and foreign markets are shown below:

data in PLN'000

Description	1st half of 2012			1st half of 2011	
	PLN'000	%	<i>1st half of 2011 = 100</i>	PLN'000	%
Total sales revenue	1,662,566	100	16.6	1,423,380	100.0
Revenues from completion of construction contracts	1,626,734	97.9	17.5	1,384,024	97.1
Domestic market	1,347,364			1,307,587	
Foreign markets	279,370			76,437	
Sales of services	30,497	1.8		33,951	2.5
Domestic market	15,215			16,890	
Foreign markets	15,282			17,061	
Sales of goods for resale and materials	5,335	0.3		5,405	0.4

The main source of the Group's sales revenues in the 1st half of 2012 was the domestic market.

The share of export sales in total sales in the 1st half of 2012 amounted to 17.7%, and in the 1st half of 2011 to 6.6%.

2. Sales revenues broken down by the countries are shown in the table below:

data in PLN'000

Description	1st half of 2012	1st half of 2011
Domestic sales - Poland	1,367,914	1,329,882
Export sales:	294,652	93,498
Netherlands	147,856	24,948
Germany	81,512	45,773
Sweden	15,923	3,279
Lithuania	11,956	7,175
Estonia	11,686	0
Finland	10,677	1,512
Norway	7,217	750
Denmark	6,686	3,074
Austria	0	6,448
other countries	1,139	539

Group Directors' Report
to the condensed consolidated interim financial statements
for the six months ended 30.06.2012

1. The Group's market position

Composition of the Mostostal Warszawa Group

In the first half of 2012 the Mostostal Warszawa Group comprised the following consolidated companies:

- The Parent Company: Mostostal Warszawa S.A.
- Subsidiaries: Mostostal Kielce S.A., AMK Kraków S.A., MPB Mielec S.A., Mostostal Płock S.A., Remak S.A.,
- the Mostostal Puławy Group, the Wrobis Group.

On 9 March 2012 the District Court for the capital city of Warsaw in Warsaw, Business Court, 10th Business Department for bankruptcy and recovery proceedings announced the bankruptcy of Terramost Sp. z o.o. (Mostostal Warszawa S.A. holds a 72.60% interest in the share capital and voting rights of the company), covering the liquidation of the debtor's assets.

Terramost Sp. z o.o. was consolidated over the first two months of 2012 and was then eliminated from consolidation as a result of the loss of control over the company.

In the 1st half of 2012 the Parent Company and Group Companies continued the activities aimed at diversifying their operations which had been started in the prior years. The Parent Company and the Group had a lead position in various areas of construction.

The Group's main objectives are:

- geographical diversification of activities involving execution of projects in different parts of the country in order to create a strong, nationwide brand and establish relations with many subcontractors;
- continued diversification of activities by executing contracts for different sectors of the construction industry;
- further increase of the role of Mostostal Warszawa S.A. as the centre for Group management;
- stabilizing the financial results and increasing the margins as a guarantee of long-term development;
- building long-term relationships with clients as an important success factor affecting the Group's development on the market;
- offering comprehensive solutions and aiming to achieving maximum flexibility of the offer, as well as development of skills.

2. Key shareholders of the Parent Company Mostostal Warszawa S.A.

Schedule of shareholders with at least 5% voting rights at the GSM of Mostostal Warszawa S.A., as at 30.06.2012:

Entity	Number of shares	Number of voting rights	100% interest	% voting rights
ACCIONA S.A.	10,018,733	10,018,733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU "Złota Jesień"	3,426,431	3,426,431	17.13%	17.13%
AVIVA Powszechnie Towarzystwo Emerytalne AVIVA BZ WBK S.A.	1,018,000	1,018,000	5.09%	5.09%

In the 1st half of 2012 no changes were noted in the shareholdings of Mostostal Warszawa S.A. by members of the Management or Supervisory Board of the Parent Company.

The Chairman of the Management Board of Mostostal Warszawa S.A., Mr Marek Józefiak, holds 1,097 shares in Mostostal Warszawa S.A.

3. Description of significant achievements and major events in the 1st half of 2012 and assessment of financial resources management.

Selected financial data from the consolidated income statement for the 1st half of 2012

data in PLN'000

Description	1st half of 2012	1st half of 2011
Total sales revenue	1,662,566	1,423,380
Gross profit from sales	38,521	47,782
Management and selling costs	40,518	37,051
Net income/costs on other operating activities	-4,542	397
Operating profit/(loss)	-6,539	11,128
Net financial income (costs)	-7,255	1,817
Profit/(loss) before tax	-13,794	12,945
Income tax expense	-872	4,982
Net profit/(loss) on continued operations	-12,922	7,963
Net profit/(loss) attributable to:		
Shareholders of the Parent Company	-16,096	8,596
Non-controlling interests	3,174	-633

In the 1st half of 2012 the Group's sales revenues amounted to PLN 1,662,566 thousand and increased by PLN 239,186 thousand compared with the 1st half of the prior year, whereas profit on sales dropped by PLN 9,261 thousand compared with the 1st half of 2011 and amounted to PLN 38,521 thousand.

Gross profit decreased due to the low profitability of contracts executed, which was a result of increased competition on the market of construction services (mainly in the area of infrastructural contracts), higher prices of materials (in particular, fuels and aggregates) and higher prices of subcontractors' services. In the 1st half of 2012, the Group incurred a net loss on continued operations of PLN 12,922 thousand.

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Cash and cash equivalents as at 30.06.2012 amounted to PLN 91,060 thousand and were PLN 210,103 thousand lower than as at the end of the previous year, which was mainly due to an increase in trade receivables. In the 1st half of 2012, the Group companies used overdrafts and loans, whose balance as at 30.06.2012 was PLN 302,861 thousand and it was PLN 182,472 thousand higher than as at 31.12.2011. The current situation of the Group companies in the area of liquidity and access to external sources of financing does not present any threats to the financing of operations. The Group plans to finance its planned investments with its own funds, bank loans, borrowings and leasing.

In the 1st half of 2012, the Group companies maintained their financial liquidity, which allowed them to settle their liabilities as they became due.

The largest contracts realized by Group companies in the 1st half of 2012 were as follows:

- construction of the A4 motorway, Tarnów – Rzeszów section;
- Construction of the power unit in Elektrociepłownia Elbląg;
- construction of the A2 Motorway, Stryków – Konotopa section;
- the bridge on Odra river in Wrocław;
- the Kielce ring road;
- the hard coal mine BOGDANKA;
- the national road no. 8 – Radziejowice;
- the National Music forum in Wrocław;
- the Warsaw –Modlin terminal;
- the “Przy Ratuszu” housing development in Warsaw;
- the “Zielona Italia” housing development in Warsaw;
- reconstruction of the Kraków Główny railway station;
- the Czyżyny Hall in Kraków;
- the Hamm power plant – installation of electro-filters;
- construction of overpasses for the bridge in Toruń;
- Expansion of the installation of Waelz kilns in Bolesław Recycling Sp. z o.o. in Bukowno;
- Expansion of the tank park in BS Miszewko Strzałkowskie;
- Assembly of 2 boilers in Westfalen, Germany;
- Assembly of boilers in Emshaven, the Netherlands.

In the reporting period, i.e. from 01.01.2012 to 30.06.2012, the following events, significant for the Mostostal Warszawa Group, took place:

- on 12 January 2012 the subsidiary Remak S.A. signed a contract with Alstom Boiler Deutschland GmbH for the “Assembly of the pressurized portion and the pipelines to the new generator with capacity of 600 MW in the TES Power Plant, Sostanj, Slovenia”. The value of the contract is EUR 36.4 million (the equivalent of PLN 162.1 million). On 25 July 2012 the Company signed an annex reducing the value of the contract in Sostanj, Slovenia from EUR 36.4 million to EUR 26.4 million (the equivalent of PLN 111.1 million). The change was due to eliminating packages 3 - 5 totalling EUR 10 million and recognizing them as options which

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may be achievable at a later stage. The deadline also changed from: June 2012 – October 2013 to: August 2012 – January 2014.

- On 1 February 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: Mostostal Warszawa S.A., Acciona Infraestructuras S.A. - Partner, signed a contract with the Municipal Roads Board [Zarząd Dróg Miejskich] in Poznań for the reconstruction of the Górczyński Wschodni viaduct in Poznań (DK5) in the 'design and build' system as part of the Project entitled: "The reconstruction of the Górczyński Wschodni viaduct in Poznań (DK5)" - POIS.06.01.00-00-009/09 as part of Measure 6.1: Development of the TEN - T road network, priority VI: Ten - T road and air transport network, under the Infrastructure and the Environment Operational Programme 2007 - 2013. The contract value is PLN 52.6 million (gross).

- On 10 February 2012 the subsidiary Mostostal Płock S.A. signed a contract with ORLEN Litwa S.A. with its registered office in Mazeikiai for performing mechanical works during the interruption in operations of the ORLEN Litwa S.A. refinery installations. The value of the contract is PLN 13.4 million, gross.

- On 15 February 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: RAFAKO S.A.– Leader, Polimex - Mostostal S.A.– the Partner, signed a contract with PGE Elektrownia Opole S.A. with its registered office in Bełchatów for the: "Construction of power units No. 5 and 6 in PGE Elektrownia Opole S.A.". The gross value of the contract totals: PLN 11,558 million. The share of Mostostal Warszawa S.A. in the Consortium is 23.93%.

- On 16 February 2012 the subsidiary Wrobis S.A signed a contract with Dolnośląski Park Innowacji i Nauki S.A. for "Designing and executing the Building of Dolnośląski Park Innowacji i Nauki S.A. - stage I – infrastructure supporting the innovative character of Lower Silesia, earmarked for businesses." The value of the contract is PLN 16.2 million, gross.

- On 27 February 2012, Mostostal Warszawa S.A. signed a contract with Filharmonia Śląska im. Henryka Mikołaja Góreckiego [the Silesian Philharmonic] for the continuation and completion of the construction works under the project entitled: "Extension of the Silesian Philharmonic building in Katowice". The contract value is PLN 35.2 million (gross).

- On 14 March 2012 the subsidiary Wrobis S.A., as subcontractor of AF Bygg Oslo (AF Gruppen Norge AS, P.O. Box 6272 Etterstad, N - 0603 Oslo) signed a preliminary contract for the execution of the project: completion of the shell building of the residential and office building in Oslo, under the project "Sorenga trinn 4, D1b-5". The deadline for completion has been determined by the Parties as 15.02.2013. The value of the contract is NOK 39.8 million, net, which is PLN 22 million, net.

- On 30 March 2012, Mostostal Warszawa S.A. signed a loan agreement with Acciona Infraestructuras S.A., on the basis of which Acciona Infraestructuras S.A. granted Mostostal Warszawa S.A. a loan of EUR 25 million, which was the equivalent of PLN 104 million at the mean exchange rate announced by the National Bank of

Poland as at 30 March 2012. The interest on the loan was determined on an arm's length basis. The Parties agreed that the loan was to be repaid by 30 March 2013. The funds were received on 03.04.2012.

- On 21 May 2012 the subsidiary Wrobis S.A, as the General Contractor, signed a contract with Archicom Realizacja Inwestycji Sp. z o.o. for the execution of the contract: "Construction of multi-family residential buildings with services, underground parking places and land development, and technical infrastructure with the exclusion of the transformer station at ul. Betonowa 6/7 in Wrocław". The deadline for completion has been determined by the Parties as 30.11.2013. The value of the contract is: PLN 24 million net.

- On 23 May 2012 Mostostal Warszawa S.A., as the Leader of the Consortium consisting of: Mostostal Warszawa S.A., Acciona Infraestructuras S.A. - the Partner, signed a contract with Port - Hotel Sp. z o.o. entitled: "Construction of a hotel at ul. Spadochroniarzy in Gdańsk with the necessary technical infrastructure and land development". The value of the contract is: PLN 23.3 million, gross.

- On 27 June 2012, the Management Board of Mostostal Warszawa SA decided to optimize the Company's organizational structure and adjust it to the activities planned for the following years. In view of the need to adjust the number of employees to the current and forecast contract volumes, in particular in the road construction segment, which will lead to redundancies, as well as due to the difficult economic situation, in compliance with art. 2 clauses 3 and 4 of the Act on special rules for terminating employment contracts for reasons not attributable to employees of 13 March 2003 (Dz. U. of 2003, No. 90, item 844 as amended), on 27 June 2012 the Management Board informed the trade unions active at the Company about initiating the collective redundancies procedure at the Company. The relevant information was also provided to the District Labour Office [Powiatowy Urząd Pracy] in Warsaw. It is planned that the employment contracts will be terminated by 31 January 2013 and no more than 450 employees will be affected. Preparing the organization to operate on a scale that corresponds to the potential of the construction market by reducing the Company's operating expenses should support the achievement of the Company's business objectives and help increase its business efficiency.

In connection with the agreement concluded with the Labour Unions on the collective redundancies Mostostal Warszawa S.A. set up a provision for severance payments as at 30.06.2012 of PLN 7.3 million.

4. Transactions with related entities

Schedule of consolidated sales revenues in total and within the Group in the 1st half of 2012:

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data in
PLN'000

Group companies	Total net sales	Sales within the Group	Net consolidated sales revenues
1	2	3	4
Parent Company	1,058,789	11,177	1,047,612
Other companies	653,195	38,241	614,954
TOTAL	1,711,984	49,418	1,662,566

Total sales revenue of companies consolidated under the acquisition method amounted to PLN 1,711,984 thousand in the 1st half of 2012. Sales within the Group amounted to PLN 49,418 thousand, i.e. 3% of the total sales revenue net of consolidation eliminations.

All transactions with subsidiaries covered and not covered by consolidation were concluded on an arm's length basis.

The following table shows total amounts of transactions concluded by the Group companies with related entities in the financial year:

data in
PLN'000

Group related entity		Sales made by Group entities to related entities	Purchases made by related entities within the Group	Trade receivables from related entities	Trade payables to related entities except for loans and borrowings
Associate					
Centromost Stocznia Rzeczna Sp. z o.o.	31.12.11	632	257	0	0
	30.06.11	0	0	0	0
Other related entities					
Acciona Infraestructuras S.A. Polish Branch	30.06.12	38	2.558	531	19.704
	31.12.11	163	19.620	839	17.271
	30.06.11	88	9.412	856	13.794
Acciona Nieruchomości Sp. z o.o.	30.06.12	0	0	512	195
	31.12.11	56	301	677	210
	30.06.11	6	52	1.834	70
Acciona Nieruchomości Wilanów Sp. z o.o.	30.06.12	0	0	4.737	0
	31.12.11	2.916	191	4.737	0
	30.06.11	2.916	199	7.839	22
Towarowa Park Sp. z o.o.	30.06.12	175	0	145	0
	31.12.11	428	0	326	0
	30.06.11	209	0	481	0
Mostostal Ukraina Sp. z o.o.	30.06.12	0	0	0	0
	31.12.11	0	14	0	0
	30.06.11	0	14	0	0
Acciona Nieruchomości Żoliborz Sp. z o.o.	30.06.12	9	0	2	0
	31.12.11	18	16	2	0
	30.06.11	9	0	9	0
Acciona Infraestructuras S.A.	30.06.12	0	0	5	3.533
	31.12.11	0	509	5	2.415
	30.06.11	0	0	0	0
W.M.B. Miękinia Sp. z o.o.	30.06.12	0	0	0	0
	31.12.11	0	120	0	0

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	30.06.11	0	60	0	0
Terramost	30.06.12	0	0	331	1,509
Sp. z o.o.	31.12.11	0	0	0	0
(in bankruptcy)	30.06.11	0	0	0	0
TOTAL	30.06.12	222	2,558	6,263	24,941
	31.12.11	4,213	21,028	6,586	19,896
	30.06.11	3,228	9,737	11,010	13,886

In respect of Centromost Stocznia Rieczna Sp. z o.o. Mostostal Płock S.A. is the party to contracts and mutual settlements (recognized in the table above).

In respect of the following companies: Acciona Infraestructuras S.A., Acciona Nieruchomości Sp. z o.o., Acciona Nieruchomości Wilanów Sp. z o.o., Acciona Nieruchomości Żoliborz Sp. z o.o., Towarowa Park Sp. z o.o., Mostostal Warszawa – Ukraina Sp. z o.o., W.M.B. Miękinia Sp. z o.o., Terramost Sp. z o.o. in bankruptcy Mostostal Warszawa S.A. is the party to contracts and mutual settlements (recognized in the table above).

Sales on behalf and purchases from related entities are made on an arm's length basis. Amounts due from Acciona Infraestructuras S.A. Polish Branch, Acciona Nieruchomości Sp. z o.o., Acciona Nieruchomości Wilanów Sp. z o.o., Acciona Nieruchomości Żoliborz Sp. z o.o., Towarowa Park Sp. z o.o., Mostostal Ukraina Sp. z o.o., W.M.B. Miękinia Sp. z o.o. and Centromost Stocznia Rieczna Sp. z o.o. are not secured and are accounted for on a cash basis or offset against liabilities. As at the end of the reporting periods, the Group did not provide against those receivables.

As at 30.06.2012 the Group has contingent liabilities in respect of the following related entities:

- Acciona Nieruchomości Sp. z o.o. of PLN 5,729 thousand – guarantees issued by Mostostal Warszawa S.A.
- Terramost Sp. z o.o. in bankruptcy of PLN 4,261 thousand in respect of warranties.

5. Information on loan and borrowing agreements concluded and terminated in the 1st half of 2012

In the consolidated financial statements of the Mostostal Warszawa Group as at 30.06.2012, the total borrowings and loans drawn amounted to:

- short-term loans and borrowings – PLN 297,695 thousand
- long-term loans and borrowings – PLN 5,166 thousand

In the reporting period Mostostal Warszawa S.A. drew borrowings of EUR 25,000 thousand from Acciona Infraestructuras S.A. on an arm's length basis, repayable by 30.03.2013.

6. Borrowings granted in the 1st half of 2012

During the reporting period the Group companies did not grant any borrowings.

7. Information on contingent liabilities

As at 30.06.2012 contingent liabilities of the Mostostal Warszawa Group amounted to PLN 1,407,866 thousand, of which:

Guarantees and warranties – PLN 993,585 thousand;

Promissory notes and bill of exchange warranties – PLN 381,671 thousand;

Mortgages – PLN 25,195 thousand;

Other – PLN 7,415 thousand.

8. Explanation of differences between the financial results disclosed in the annual report and in previously published forecasts

The Mostostal Warszawa Group did not publish forecasts relating to its financial results for 2012.

9. Assessment of feasibility of capital expenditure plans

Currently the Group is able to finance the planned investments from its own funds and through finance lease and loans.

10. Description of external and internal factors affecting the Group's development and a description of its growth perspectives

In the future, external factors affecting the Company's development will include: inflow of European funds for the development of the infrastructure in Poland and improvement of the economic conditions, which can bring an increase in the capital expenditure of the private sector in Poland; increased competition on the construction services market, which is characterized by a decrease in demand; exchange rate fluctuations.

Internal factors affecting the Group's development include diversification of contracts executed, strengthening the human resources necessary to execute such contracts, acquiring funds to enable efficient operation of the Group companies.

11. Changes in the major management principles at the Parent Company and in the Mostostal Warszawa Group companies covered by consolidation

In the reporting period there were no material changes to the management principles at the Parent Company and in the Mostostal Warszawa Group companies covered by consolidation.

12. Effects of changes in the structure of the business entity

In the reporting period no material effects were noted of changes to the organizational structure of the Group companies.

13. Forecast results

The Mostostal Warszawa Group did not publish forecasts relating to its financial results for 2012.

14. Description of significant risk factors and threats associated with the remaining months of the financial year

The most important risks and threats to which the Group companies may be exposed include:

- a) the risk of an increase in the prices of construction materials and subcontractors' services.

The companies are exposed to a price risk associated with the increases in the prices of the most frequently bought construction materials, such as: steel and concrete, as well oil-derivative products such as: petrol, diesel, asphalts and heating oil. Moreover, the increases in the prices of materials can result in increases in the prices of services provided to the Company by its subcontractors. The prices set in contracts signed with the investors are fixed throughout the period of contract execution (usually from 6 to 36 months), whereas the contracts with subcontractors are signed later, depending on the progress of work.

In order to mitigate the price risk, the Companies monitor the prices of the most frequently bought construction materials on an on-going basis, and the parameters of contracts signed, such as the contract term and value, are adjusted accordingly to the market situation.

- b) financing risk

The Companies' objective is to maintain balance between the continuity and the flexibility of its financing by using various sources of financing, such as: borrowings, overdrafts, bank loans, factoring agreements and finance lease agreements.

- c) strong competition on the market of construction and assembly services, resulting in a decrease in the margins on the contracts executed.
- d) extreme weather conditions making it harder to carry out road works.

15. Court and administrative proceedings

In the reporting period, the Group companies participated in proceedings relating to receivables whose total value amounted to PLN 170,051 thousand, and in proceedings relating to liabilities totalling PLN 49,285 thousand.

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The highest-value proceedings were instigated by Group companies.

Defendant	Disputed amount	Date of instigating proceedings and the subject matter of the dispute	The Company's position
The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads]	PLN 77,345 thousand	11.07.2012 The dispute concerns the claims of Mostostal Warszawa S.A. associated with the execution of the contract dated 26 February 2010 for performing works relating to the construction of the A-4 motorway Tarnów - Rzeszów, the section from the Rzeszów Centralny node to the Rzeszów Wschód node, ca. 574+300 km to ca. 581+250	The plaintiff's aim is to create such relationship with the defendant that would bring the parties closer to the original balance of interests between the parties assumed in the contracting process. In order to achieve this aim, the plaintiff demands changing the contract by increasing the fee by an amount equal to the increase in the costs of contract execution by the plaintiff resulting from the following extraordinary events, which could not be foreseen at the time of making the plaintiff's offer: a) fuel price increase, b) asphalt price increase, c) change in the traffic organization by the head of the local government in the Rzeszów district on the communal and district roads leading to the construction site of the section built by the plaintiff. The total increase in the plaintiff's costs incurred in connection with contract execution for the reasons described in the preceding sentences amounts to PLN 62,883 thousand (net of VAT). At present, the plaintiff is waiting for the hearing to be scheduled, which should be preceded by a call to complete the formalities.
The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads]	PLN 36,961 thousand	11.07.2012 The dispute concerns the claims of Mostostal Warszawa S.A. associated with the execution of the contract dated 28.09.2009, entitled "Design and construction of the A-2 motorway Stryków - Konotopa in the section from km 394+500 to km 411+465.8"	In the course of completion of the contract an extraordinary change occurred in the form of an unpredictable, violent increase in liquid fuel and asphalt prices. As a result of the extraordinary change in relations during the term of the contract the equivalent position of both parties became unbalanced. The plaintiff requests that the lump-sum fee of PLN 36,961 thousand, gross, be increased; the amount is the total value of the claim in this case. At present, the plaintiff is waiting for the hearing to be scheduled, which should be preceded by a call to complete the formalities.
Polski Związek Kolarski	PLN 5,275 thousand	09.12.2009 The subject matter of the dispute is the claim of Mostostal Puławy S.A in respect of the payment for construction work	On 09.12.2009 Mostostal Puławy S.A. filed a claim against Polski Związek Kolarski in Pruszków for the payment of PLN 5,275 thousand in respect of construction works executed on the bicycle track in Pruszków. On 22.02.2010 the District Court in Warsaw, 6th Civil Department, issued an order in payment-order proceedings for PZKO to pay PLN 5,275 thousand with statutory interest and court fees. The defendant raised defences in respect of the payment order. The next hearing date was set at 15.03.2011 (there is a chance of concluding an amicable agreement in favour of Mostostal Puławy S.A.). The defendant raised defences in respect of the payment order, on 18.06.2010, and filed a request to be exempt from the payment of the court fee for the defences raised. The court set the date of the hearing at 11.01.2011, the defendant filed a motion to suspend the proceedings due to the action brought against Mostostal Puławy with the District Court in Lublin to annul the

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			<p>preliminary contract dated 04.02.2009. At the hearing on 15.03.2011 the court issued a decision to suspend the proceedings until the proceedings before the District Court in Lublin are finalized. Mostostal Puławy S.A. filed a motion with the District Court in Warsaw to continue the proceedings for payment suspended on 15.03.2011 (see point 2).</p> <p>2. On 10.01.2011, Polski Związek Kolarski in Pruszków filed a statement of claim against Mostostal Puławy S.A. in Puławy to consider the preliminary contract from 04.02.2009 invalid. The defendant, Mostostal Puławy, filed for the statement of claim to be fully dismissed due to its being unjustified. On 21.09.2011 the court issued a judgment on the case dismissing PZKOI's statement of claim in full. PZKOI appealed the judgment. The court of 2nd instance set the appeal proceedings for 25.07.2012.</p> <p>In its decision dated 25.07.2012 the Court of Appeal in Lublin, 1st Civil Department (file no. I A Ca 152/12, I A Cz 313/12) as a result of the appeal of the plaintiff and the complaint of the defendant, revoked the appealed judgment of the District Court in Lublin, 1st Civil Department, dated 21.09.2011 and dismissed the claim of Polski Związek Kolarski to determine and adjudged the costs of proceedings in both instances to be paid by PZKOI on behalf of Mostostal Puławy. This judgment is final; therefore the Company filed a motion with the District Court in Warsaw to continue proceedings for payment suspended on 15.03.2011 - file no. IV C 1186/10.</p>
<p>The State Treasury, Generalna Dyrekcja Dróg Krajowych i Autostrad [the General Directorate for National Roads</p>	<p>PLN 16,658 thousand</p>	<p>10.02.2010</p> <p>The dispute concerns the claims of Mostostal Warszawa S.A. associated with the execution of the contract dated 6 July 2006 for "Reconstruction of national road No. 7 to meet the parameters of an express road, the section Białobrzegi – Jedlińska"</p>	<p>In this statement of claim, the plaintiff claims the payment of the following amounts: PLN 11,408 thousand of damages for the additional costs incurred by the plaintiff in the extended period of contract execution for reasons on the part of the defendant; PLN 1,907 thousand as reimbursement of the value of replacement works carried out by the plaintiff (horizontal road signs made from reflective tape); PLN 2,785 thousand as reimbursement of the value of additional diggings performed by the plaintiff to remove an additional layer of humus; PLN 381 thousand as reimbursement of the value of additional works performed by the plaintiff to assemble and deliver the steel structures for one- and two-lock gantry cranes; PLN 150 thousand as reimbursement of the value of additional work performed by the plaintiff to build supporting structures; PLN 27 thousand as the fee for assembling power supply devices for variable content signs.</p>
<p>The State Treasury The Ministry of National Defence</p>	<p>PLN 19,093 thousand</p>	<p>23.06.2010 Mostostal Warszawa S.A.'s claim for payment of the fee and reimbursement of expenses</p>	<p>The claim brought by the Consortium of Mostostal Warszawa S.A. - Unitek Ltd concerns an additional fee and reimbursement of expenses incurred in connection with the execution of contract No. 3/NSIP/P/2000 for execution of the CP 2A0022 Investment Package projects involving adjustment of two sea ports to the NATO requirements and standards. Under the contract, the plaintiff performed the function of a substitute investor. During the contract execution, the scope and substance of the investment changed for reasons independent of the plaintiff. The most important change was the extension of the project's duration (in accordance with the Contract, it should have been completed by 31/12/2006).</p>

16. Information on warranties granted in respect of loans and borrowings, and on guarantees granted

In the reporting period the Group companies did not grant any warranties in respect of loans and borrowings, or any guarantees to any one entity which would total to at least 10% of equity.

17. Other information material to assess the position of the Group

In the opinion of the Management Board of the Parent Company there is no information material to the assessment of the Group other than the information provided in other points of the Group Directors' Report to the condensed consolidated interim financial statements for the six months ended 30.06.2012 and in the additional notes and explanations to the condensed consolidated interim financial statements for the six months ended 30.06.2012.

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Warsaw, 27.08.2012

Signatures:

Marek Józefiak - Chairman of the Management Board

Jose Angel Andres Lopez - Deputy Chairman of the Management Board

Miguel Vegas Solano - Management Board Member

Jacek Szymanek - Management Board Member

Fernando Minguez Llorente - Management Board Member