ERBUD S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2015

Introduction to Financial Statements

1. Policies adopted for preparation of the Condensed Separate Financial Statements

1.1. Adopted accounting principles

Condensed Separate Financial Statements of Erbud SA for the period of six months of 2015 and the comparative figures have been prepared in accordance with the provisions of the Act of 29 September 1994 (Journal of Laws of 2009, No. 152, item. 1223, as amended) and the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2009 No. 33, item. 259, as amended).

1.2. Comparability of financial data disclosed in the Condensed Separate Financial Statements and those previously prepared and published in the Condensed Separate Financial Statements

In the period covered by the Condensed Separate Financial Statements and in the previous period, there were no events that require achieving comparability of financial data.

1.3. Description of the rules (policies), including methods of valuation of assets and liabilities and measurement of income and expenses

Over the period covered by the Condensed Separate Financial Statements, there were no changes in the rules of preparing the financial statements. A detailed description of the accounting policies is contained in the introduction to the Separate Financial Statements of the Company for the year ended 31 December 2014.

1.4. Going-concern assumption and comparability of financial statements

Condensed Separate Financial Statements presented in this report have been prepared under the assumption, that ERBUD SA will continue its business activity over next 12 months after the balance sheet date, i.e. 30.06.2015. The Management Board of the Company do not state as at the day of signing the financial statement facts and circumstances which would indicate the possibility of risk to continue operations in the period of 12 months after the closing balance date as a result of intentional or involuntary omissions or significantly reducing the current activity.
By the date of preparing the Financial Statements as of 30.06.2015, there were no events that have not been and should be included in the accounts during the reporting period.

2. Composition of the Management Board and the Supervisory Board

Management Board

Dariusz Grzeszczak	- Board Member
Józef Zubelewicz	- Board Member

By Resolution 23/2015 of 16 June 2015 adopted by the Supervisory Board, Mr Paweł Smoleń was appointed as the new member of the Management Board, effective from 1 September 2015.

Supervisory Board

Udo Berner	- Chairman of the Supervisory Board
Józef Olszyński	- Deputy Chairman of the Supervisory Board
Albert Durr	- Member of the Supervisory Board
Gabriel Główka	- Member of the Supervisory Board
Zofia Dzik	- Member of the Supervisory Board
Michał Otto	- Member of the Supervisory Board
Janusz Lewandowski	- Member of the Supervisory Board

CONDENSED SEPARATE FINANCIAL STATEMENT

for the 6-month period ended 30 June 2015 (in PLN '000)

Balance Sheet

ASSETS

		Note	30.06.2015	31.12.2014	30.06.2014
A.	**Fixed assets**		**205 852**	**198 936**	**193 326**
I.	**Intangible assets**		**156**	**252**	**373**
1.	Finished R&D expenses		0	0	0
2.	Goodwill		0	0	0
3.	Other intangible assets		156	252	373
4.	Advances for intangible assets		0	0	0
II.	**Tangible assets**		**7 968**	**6 986**	**6 027**
1.	Tangible fixed assets		6 808	6 394	6 027
a)	Land, incl. perpetual usufruct		0	0	0
b)	Buildings, premises and civil and water engineering structures		3 185	3 234	3 284
c)	Plant and equipment		120	64	67
d)	Means of transport		3 319	2 890	2 475
e)	Other tangible fixed assets		184	206	201
2.	Fixed assets under construction		1 160	592	0
3.	Prepaid tangible fixed assets under construction		0	0	0
III.	**Long-term receivables**		**0**	**0**	**0**
1.	From associates		0	0	0
2.	From other entities		0	0	0
IV.	**Long-term investments**		**177 020**	**165 885**	**166 103**
1.	Real property		232	359	480
2.	Intangibles		0	0	0
3.	Non-current financial assets	2, 6	176 788	165 526	165 623
a)	In associates, incl.:		176 025	164 763	164 862
–	Shares or stocks		136 731	136 731	136 731
–	Other securities		0	0	0
–	Loans granted		39 294	28 032	28 131
–	Other non-current financial assets		0	0	0
b)	In other entities, incl.:		763	763	762
–	Shares or stocks		5	5	5
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other non-current financial assets		758	758	757
4.	Other non-current investments		0	0	0
V.	**Long-term prepayments**		**20 708**	**25 813**	**20 823**
1.	Deferred tax assets	3	20 708	25 813	20 823
2.	Other prepayments		0	0	0

		Note	30.06.2015	31.12.2014	30.06.2014
B.	**Current assets**		**547 177**	**597 485**	**486 777**
I.	**Inventories**	**6**	**0**	**847**	**630**
1.	Materials		0	217	0
2.	Semi-finished products and products in progress		0	630	630
3.	Finished products		0	0	0
4.	Goods		0	0	0
5.	Advances for deliveries		0	0	0
II.	**Short-term receivables**	**4**	**371 863**	**302 405**	**293 824**
1.	From affiliated entities		8 764	18 440	11 369
a)	Trade receivables with a maturity:		6 088	16 326	9 256
–	up to 12 months		6 088	16 326	9 256
–	above 12 months		0	0	0
b)	Other		2 676	2 114	2 113
2.	Receivables from other entities		363 099	283 965	282 455
a)	Trade receivables with a maturity:		351 601	254 833	265 581
–	up to 12 months		338 412	244 109	249 668
–	above 12 months		13 189	10 724	15 913
b)	Receivables from tax, subsidy, customs, social security and other benefits		2 299	20 201	9 132
c)	Other		9 199	8 931	7 742
d)	Claimed at court		0	0	0
III.	**Short-term investments**		**81 646**	**123 450**	**53 574**
1.	Current financial assets	6	81 646	123 450	53 574
a)	In affiliated entities		0	709	161
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		0	709	161
–	Other current financial assets		0	0	0
b)	In other entities		911	0	0
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other current financial assets		911	0	0
c)	Cash and other cash assets		80 735	122 741	53 413
–	Cash in hand and at bank		68 085	109 778	39 647
–	Other cash		12 650	12 963	13 766
–	Other cash assets		0	0	0
2.	Other current investments		0	0	0
IV.	**Short-term prepayments**	**5**	**93 668**	**170 783**	**138 749**
	Total assets		**753 029**	**796 421**	**680 103**

LIABILITIES

		Note	30.06.2015	31.12.2014	30.06.2014
A.	**Equity**		**248 918**	**247 259**	**243 970**
I.	**Share capital**	7	1 276	1 276	1 271
II.	**Called-up share capital (negative value)**		0	0	0
III.	**Treasury shares (negative value)**		0	0	0
IV.	**Reserve capital**		240 768	234 804	234 377
V.	**Revaluation capital reserve**		739	-1 066	0
VI.	**Other reserve capital**		0	0	0
VII.	**Retained profit / accumulated loss brought forward**		0	0	0
VIII.	**Net profit (loss)**		6 135	12 245	8 322
IX.	**Write-offs due to net profit for the financial year (negative value)**		0	0	0
B.	**Liabilities and provisions for liabilities**		**504 111**	**549 162**	**436 133**
I.	**Provisions for liabilities**		**29 542**	**43 345**	**35 920**
1.	Deferred income tax provision	8	14 162	28 747	22 663
2.	Provision for retirement and related benefits		4 520	4 077	3 458
–	Non-current	9	796	542	664
–	Current	10	3 724	3 535	2 794
3.	Other provisions		10 860	10 521	9 799
–	Non-current	11	0	0	0
–	Current	12	10 860	10 521	9 799
II.	**Long-term liabilities**	**13**	**53 390**	**53 065**	**52 451**
1.	To associates		0	0	0
2.	To other entities		53 390	53 065	52 451
a)	Loans and borrowings		0	0	0
b)	Issue of debt securities	15	52 000	52 000	52 000
c)	Other financial liabilities		1 390	1 065	451
d)	Other		0	0	0
III.	**Short-term liabilities**		**348 431**	**419 046**	**271 418**
1.	To associates		41 409	15 859	13 227
a)	Deliveries and services with a maturity:		41 409	15 859	13 227
–	up to 12 months		41 196	15 646	12 540
–	above 12 months		213	213	687
b)	Other		0	0	0
2.	To other entities		307 022	403 187	258 191
a)	Loans and borrowings	14	0	0	0
b)	Issue of debt securities		0	0	10 000
c)	Other financial liabilities		1 692	2 836	1 619
d)	Deliveries and services with a maturity:		269 061	371 301	233 766
–	up to 12 months		262 569	365 022	227 871
–	above 12 months		6 492	6 279	5 895
e)	Advances for deliveries		12 766	22 749	346
f)	Bills		0	0	0
g)	Taxes, customs, social insurance and other benefits		13 738	3 113	2 072
h)	Salaries		2 909	2 157	1 187
i)	Other		6 856	1 031	9 201
3.	Special funds		0	0	0
IV.	**Accruals**		**72 748**	**33 706**	**76 344**
1.	Other accruals	5,1	72 748	33 706	76 344
	Total liabilities		**753 029**	**796 421**	**680 103**

Calculation of book value per share

	30.06.2015	31.12.2014	30.06.2014
Book value (in 000' PLN)	248 918	247 259	243 970
Number of shares	12 761 925	12 761 925	12 714 546
Book value per share (in PLN)	19.50	19.37	19.19

Off-balance sheet items

	30.06.2015	31.12.2014	30.06.2014
1. Conditional receivables	117 925	50 000	25 000
1.1. From affiliated entities	50 000	50 000	25 000
- guarantees and sureties received	50 000	50 000	25 000
1.2 From other entities	67 925	0	0
- guarantees and sureties received	67 925	0	0
2. Conditional liabilities	425 262	460 121	367 953
2.1. To affiliated entities	79 322	98 497	66 574
- guarantees granted	79 322	98 497	66 574
2.2. To other entities	345 940	361 624	301 379
- guarantees and sureties granted	345 940	361 624	301 379
3.Other	0	0	0
Total off-balance sheet items	**307 337**	**410 121**	**342 953**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2015

PROFIT AND LOSS STATEMENT

	Note	6-month period ended 30.06.2015	6-month period ended 30.06.2014
Revenues from sales of products, goods and materials, incl.:		**559 098**	**501 086**
- From associates		969	836
Net revenues from sales of products	18	559 098	501 086
Net revenues from sales of goods and materials		0	0
Cost of products, goods and materials sold, incl.:		**526 523**	**473 302**
- To associates		66 880	31 505
Manufacturing cost of products sold	19	526 523	473 302
Value of goods and materials sold	20	0	0
Gross profit (loss) on sales		**32 575**	**27 784**
Sales costs		0	0
General and administrative costs		20 145	16 899
Profit (loss) on sales		**12 430**	**10 885**
Other operating revenues	21	**2 701**	**1 357**
Profit on disposal of non-financial fixed assets		1 007	490
Subsidies		0	0
Other operating revenues		1 694	867
Other operating expenses	22	**6 147**	**2 725**
Loss on disposal of non-financial assets		0	0
Revaluation of non-financial fixed assets		0	0
Other operating expenses		6 147	2 725
Profit (loss) on operating activities		**8 984**	**9 517**
Financial revenues	23	**2 189**	**4 973**
Dividends and profit sharing		576	3 498
- From associates		576	3 498
Interest		1 291	1 294
- From associates		689	914
Profit on investments sale		0	0
Revaluation of investments		0	0
Other		322	181
Financial costs	24	**2 786**	**3 375**
Interest:		1 854	2 224
- To associates		7	0
Loss on selling investments		0	0
Revaluation of investments		0	0
Other		932	1 151
Profit (loss) on business activities		**8 387**	**11 115**
Result on extraordinary events		**0**	**0**
Extraordinary profit		0	0
Extraordinary loss		0	0
Gross profit (loss)		**8 387**	**11 115**
Income tax		2 252	2 793
Other statutory reductions in profit (increases in loss)		0	0
Net earnings (loss)		**6 135**	**8 322**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)	25	**12 761 925/ 12 794 073**	**12 714 564/ 12 744 886**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)		**0.4807 / 0.4795**	**0.655 / 0.653**

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/Chief Accountant/

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/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2015

CASH FLOW STATEMENT

	6-month period ended 30.06.2015	6-month period ended 30.06.2014
Net profit (loss)	**6 135**	**8 322**
Total adjustments	**-34 862**	**-33 305**
Amortisation and depreciation	1 138	1 019
Foreign currency translation gain (loss)	-73	526
Interest and profit sharing (dividends)	74	-1 910
(Profit (loss) on investment activities	-1 007	-490
Change in provisions	-13 803	-1 782
Change in inventory	847	1 883
Change in receivables	-67 639	-73 469
Change in short-term liabilities, excluding credits and loans	-75 850	23 017
Change in prepayments and accruals	121 262	17 694
Other adjustments	189	207
Net cash flows from operating activities	**-28 727**	**-24 983**
Cash flows from investment activities		
Inflows	**4 283**	**14 201**
Disposal of intangible and tangible fixed assets	174	252
Disposal of investments in real property and intangible assets	972	0
From financial assets, incl.:	3 137	13 949
a) In associates	3 059	13 731
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	2 840
- Repayment of granted long-term loans	1 870	8 791
- Interest	1 189	2 100
- Other inflows from financial assets	0	0
b) In other entities	78	218
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	0	0
- Interest	78	218
- Other inflows from financial assets	0	0
Other inflows from investment activities	0	0
Outflows	**15 177**	**137**
Purchase of intangible assets and tangible fixed assets	445	137
Investments in real property and intangible assets	0	0
Due to financial assets, incl.:	14 732	0
a) In associates	14 732	0
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	14 732	0
- Interest	0	0
- Other outflows from financial assets	0	0
b) In other entities	0	0
- Purchase of financial assets	0	0
- Long-term loans granted	0	0
Other outflows due to investment activities	0	0
Net cash flows from investment activities	**-10 894**	**14 064**

	6-month period ended 30.06.2015	6-month period ended 30.06.2014
Cash flow from financial activities		
Inflows	**0**	**9 395**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Loans and borrowings	0	0
Issue of debt instruments	0	9 395
Other financial inflows	0	0
Outflows	**2 385**	**2 983**
Redemption of own shares	0	0
Dividends and other payments to the shareholders	0	0
Other than payments to shareholders, expenses due to profit distribution	0	0
Repayment of loans and borrowings	0	6
Repayment of debt instruments issued	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	549	385
Interest paid	1 836	2 592
Other	0	0
Net cash flow from financial activities	**-2 385**	**6 412**
Total net cash flow	**-42 006**	**-4 507**
Balance sheet change in cash, incl.:	**-42 006**	**-4 507**
- change in cash due to foreign exchange differences	0	0
Cash opening balance	**122 741**	**57 920**
Closing balance of cash, incl.:	**80 735**	**53 413**
- restricted cash	12 650	13 766

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2015

STATEMENT OF MOVEMENTS IN EQUITY

	6-month period ended 30.06.2015	12-month period ended 31.12.2014	6-month period ended 30.06.2014
I. Equity opening balance	**247 259**	**244 341**	**244 341**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
I.a. Equity opening balance at the beginning of the period after adjustment to comparative data	**247 259**	**244 341**	**244 341**
1. Share capital at the beginning of the period	**1 276**	**1 271**	**1 271**
1.1. Changes to share capital	**0**	**5**	**0**
a) Increases from	0	5	0
– issue of shares of Series I	0	5	0
– issue of shares of Series H	0	0	0
b) Decreases from	0	0	0
– redemption of shares	0	0	0
1.2. Share capital at the end of the period	**1 276**	**1 276**	**1 271**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	0	0
a) Increases	0	0	0
b) Decreases	0	0	0
2.2. Called-up share capital at the end of the period	**0**	**0**	**0**
3. Own shares at the beginning of the period	**0**	**0**	**0**
a) Increases	0	0	0
b) Decreases	0	0	0
3.1. Own shares at the end of the period	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**234 804**	**234 654**	**234 654**
4.1. Changes in capital reserves	5 964	150	-277
a) Increases from	5 964	634	8 623
– capital reserves transfer	0	0	0
– profit distribution	5 864	0	8 416
– redemption of shares	0	0	0
– profit from disposal of own shares	0	0	0
– issue of Series I shares above par value	0	516	0
– manager options	100	118	207
b) Decreases	0	484	8 900
– dividend payment	0	484	8 900
4.2. Capital reserves at the end of the period	**240 768**	**234 804**	**234 377**
5. Revaluation reserve at the beginning of the period	**-1 066**	**0**	**0**
5.1.Changes in revaluation reserve	1 805	-1 066	0
a) Increases	1 805	0	0
– financial assets valuation	1 805	0	0
b) Decreases	0	1 066	0
– valuation of financial instruments held for sale	0	1 066	0
5.2. Revaluation reserve at the end of the period	**739**	**-1 066**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**
6.1. Changes in other capital reserves	0	0	0
a) Increases	0	0	0
- reserves for Staff Incentive Scheme	0	0	0
b) Decreases – transfer to capital reserves	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**

	6-month period ended 30.06.2015	12-month period ended 31.12.2014	6-month period ended 30.06.2014
7. Retained profit (loss) at the beginning of the period	**12 245**	**8 416**	**0**
7.1. Retained profit at the beginning of the period	12 245	8 416	0
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
– recognition of the last year result as a result of previous years	0		8 416
7.2 Retained profit at the beginning of the period after adjustment	12 245	8 416	8 416
a) Increases	0	0	0
b) Decreases	12 245	8 416	8 416
– profit-sharing for capital reserves	5 864	0	0
– profit-sharing for dividends	6 381	8 416	8 416
– profit-sharing to cover losses from previous years	0	0	0
7.3. Retained profit at the end of the period	**0**	**0**	**0**
7.4. Retained loss at the beginning of the period	**0**	**0**	**0**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
7.5. Retained loss at the beginning of the period after adjustment	0	0	0
a) Increases	0	0	0
– presentation adjustments	0	0	0
b) Decreases	0	0	0
– profit-sharing to cover losses	0	0	0
7.6. Retained loss at the end of the period	**0**	**0**	**0**
7.7 Retained profit (loss) at the end of the period	**0**	**0**	**0**
8. Net result	**6 135**	**12 245**	**8 322**
a) Net profit	6 135	12 245	8 322
b) Net loss	0	0	0
c) Write-downs from profit	0	0	0
II. Equity closing balance	**248 918**	**247 259**	**243 970**
III. Equity, after including proposed profit distribution (coverage of loss)	**248 918**	**247 259**	**243 970**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2015

Key items converted to the EURO

	30.06.2015		31.12. 2014		30.06.2014	
	PLN	**EUR**	**PLN**	**EUR**	**PLN**	**EUR**
Fixed assets	205 852	49 078	198 936	46 673	193 328	46 463
Current assets	547 177	130 454	597 485	140 179	486 777	116 988
Shareholders' equity	248 918	59 345	247 259	58 011	243 970	58 634
Liabilities and provisions for liabilities	504 111	120 187	549 162	128 842	436 133	104 817

Items of the balance sheet data as at 30 June 2015 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.1944 PLN/EUR.

Items of the balance sheet data as at 31 December 2014 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.2623 PLN/EUR.

Items of the balance sheet data as at 30 June 2014 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.1609 PLN/EUR.

	6-month period ended 30.06.2015		6-month period ended 30.06.2014	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products, services, goods and materials	559 098	135 241	501 086	119 923
Cost of products, services, goods and materials sold	526 523	127 361	473 302	113 273
Profit on sales before tax	32 575	7 880	27 784	6 650
Profit on operating activities	8 984	2 173	9 517	2 278
Profit (loss) before tax	8 387	2 029	11 115	2 660
Net profit (loss)	6 135	1 484	8 322	1 992

Items of the profit and loss statement for the period from 1.01.2015 to 30.06.2015 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing o the last day of given month in the period, set by the NBP as of that day, i.e. 4.1341 PLN/EUR.

Items of the profit and loss statement for the period from 1.01.2014 to 30.06.2014 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing o the last day of given month in the period, set by the NBP as of that day, i.e. 4.1784 PLN/EUR.

	6-month period ended 30.06.2015		6-month period ended 30.06.2014	
	PLN	**EUR**	**PLN**	**EUR**
Cash flows from operating activities	-28 727	-6 949	-24 983	-5 979
Cash flows from investment activities	-10 894	-2 635	14 063	3 366
Cash flows from financial activities	-2 385	-577	6 412	1 535
Net cash flows	-42 006	-10 161	-4 507	-1 078
Cash opening balance	122 741	28 797	57 921	13 966
Cash closing balance	80 735	19 248	53 413	12 837

Items of the cash flow for the period from 1.01.2015 to 30.06.2015 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.1341 PLN/EUR.

Items of the cash flow for the period from 1.01.2014 to 30.06.2014 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.1784 PLN/EUR.

For translating cash as at 1 January 2015, the exchange rate set by the NBP as of that day was applied, i.e. 4.2623 PLN/EUR.

For translating cash as at 1 January 2014, the exchange rate set by the NBP as of that day was applied, i.e. 4.1472 PLN/EUR.

For translating cash as at 30 June 2015, the exchange rate set by the NBP as of that day was applied, i.e. 4.1944PLN/EUR.

For translating cash as at 30 June 2014, the exchange rate set by the NBP as of that day was applied, i.e. 4.1609 PLN/EUR.

EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 30 June 2015 the Company has conducted operations under the following business segments:

- civil engineering - large volume construction
- construction for power industry.

During the reporting period ended 30 June 2015 the Company has conducted operations in the following geographical segments:

- domestic
- abroad (Belgium, Luxembourg).

The segmentation was made on classification basis of individual construction contracts. The Company applies an uniform accounting policy for all segments.

Business segments

The tables below present figures for particular business segments of the Company for the period from 1 January to 30 June 2015:

Income and expenses by business segments

Period from 1 January to 30 June 2014	Large volume construction	Construction for power industry	Other activity	Total
Sale to external clients	503 181	55 917	0	**559 098**
Total income	**503 181**	**55 917**	**0**	**559 098**
Cost of products, goods and materials sold to external clients	471 819	54 704	0	**526 523**
Total cost of products, goods and materials sold	**471 819**	**54 704**	**0**	**526 523**
Total gross sales	**31 362**	**1 213**	**0**	**32 575**
Cost of sales	0	0	0	**0**
General and administrative costs	19 742	16	387	**20 145**
Profit (loss) on other operating activity	-3 446	0	0	**-3 446**
Segment profit (loss)	**8 174**	**1 197**	**-387**	**8 984**
Profit (loss) on other financing activity	-597	0	0	**-597**
Income tax	2 252	0	0	**2 252**
Net profit	**5 325**	**1 197**	**-387**	**6 135**

Income and expenses by business segments

Period from 1 January to 30 June 2014	Large volume construction	Road-engineering	Construction for power industry	Total
Sale to external clients	501 078	8	0	**501 086**
Total income	**501 078**	**8**	**0**	**501 086**
Cost of products, goods and materials sold to external clients	473 073	229	0	**473 302**
Total cost of products, goods and materials sold	**473 073**	**229**	**0**	**473 302**
Total gross sales	**28 005**	**-221**	**0**	**27 784**
Cost of sales	0	0	0	**0**
General and administrative costs	15 938	109	852	**16 899**
Profit (loss) on other operating activity	-1 368	0	0	**-1 368**
Segment profit (loss)	**10 699**	**-330**	**-852**	**9 517**
Profit (loss) on other financing activity	1 598	0	0	**1 598**
Income tax	2 793	0	0	**3 173**
Net profit	**9 504**	**-330**	**-852**	**8 322**

Geographical segments

Income and expenses by geographical segments

Period from 1 January to 30 June 2015	Domestic	Abroad	Total
Sale to external clients	525 811	33 287	**559 098**
Total income	**525 811**	**33 287**	**559 098**
Cost of products, goods and materials sold to external clients	494 994	31 529	**526 523**
Total cost of products, goods and materials sold	**494 994**	**31 529**	**526 523**
Total gross sales	**30 817**	**1 758**	**32 575**
Cost of sales	0	0	**0**
General and administrative costs	19 081	1 064	**20 145**
Profit (loss) on other operating activity	-3 623	177	**-3 446**
Segment profit (loss)	**8 113**	**871**	**8 984**
Profit (loss) on other financing activity	-522	-75	**-597**
Income tax	2 252	0	**2 252**
Net profit	**5 339**	**796**	**6 135**

Period from 1 January to 30 June 2014	Domestic	Abroad	Total
Sale to external clients	496 176	4 910	**501 086**
Total income	**496 176**	**4 910**	**501 086**
Cost of products, goods and materials sold to external clients	469 736	3 566	**473 302**
Total cost of products, goods and materials sold	**469 736**	**3 566**	**473 302**
Total gross sales	**26 440**	**1 344**	**27 784**
Cost of sales	0	0	**0**
General and administrative costs	15 419	1 480	**16 899**
Profit (loss) on other operating activity	-1518	150	**-1 368**
Segment profit (loss)	**9 503**	**14**	**9 517**
Profit (loss) on other financing activity	-1 111	2 708	**1 597**
Income tax	2 134	659	**2 793**
Net profit	**6 258**	**2 064**	**8 322**

Note 2.
Note 2.1. Change in long-term financial assets (by type)

	30.06.2015	31.12.2014	30.06.2014
a) As at the beginning of the period	165 526	175 605	175 605
- Shares	136 736	136 736	136 736
- Loans granted	28 032	38 112	38 112
- Other long-term financial assets	758	757	757
b) Increases (from)	11 262	1	0
- Shares	0	0	0
- Loans granted	11 262	0	0
- Other long-term financial assets	0	1	0
c) Decreases (from)	0	10 080	9 981
- Shares	0	0	0
- Loans granted	0	10 080	9 981
- Other long-term financial assets	0	0	0
d) As at the end of the period	176 788	165 526	165 623
- Shares	136 736	136 736	136 736
- Loans granted	39 294	28 032	28 130
- Other long-term financial assets	758	758	757

Note 2.2. Shares or stocks in subsidiaries as at 30 June 2015

No.	Name (business name) of entity and form of incorporation	Seat	Business area	Type of relationship (subsidiary, joint controlled subsidiary or affiliated, specifying direct and indirect connections)	Applied method of consolidation / equity method or indication that the entity is not subject to consolidation / valuation by equity method	Total value adjustments	Carrying amount of shares /stocks	Equity stake held	Share of total vote number at the AGM
1.	Erbud Construction Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated due to immateriality	39	0	100.00%	100.00%
2.	Toruńska Sportowa S.A. w likwidacji	Toruń	construction	associated	non-consolidated due to immateriality	39	0	39.00%	39.00%
3.	Erbud Rzeszów Sp. z o.o.	Rzeszów	construction	subsidiary	full method	0	79	79.00%	79.00%
4.	Erbud International Sp. z o.o.	Toruń	construction	subsidiary	full method	0	50	100.00%	100.00%
5.	GWI GmbH	Dusseldorf, Germany	construction	subsidiary	full method	0	347	85.00%	85.00%
6.	Budlex S.A.	Toruń	real estate development	subsidiary	full method	0	73 575	89.96%	89.96%
7.	Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	Toruń	road-engineering	subsidiary	full method	0	49 554	94.27%	94.27%
8.	Erbud Industry Sp. z o.o.	Toruń	engineering services	subsidiary	full method	2 850	13 126	100.00%	98.66%
9.	Erbud Industry Centrum Sp z o.o.	Łódź	services for power industry	indirectly controlled subsidiary	full method	0	11 479	98.66%	50.00%
10.	Deptak Projekt P2 Sp. z o.o.	Poznań	real estate development	indirectly jointly-controlled company	equity method	0	13 465	50.00%	99.29%
11.	Ciepło – Service Sp. z o.o.	Będzin	services for power industry	indirectly controlled subsidiary	full method	0	5 877	99.29%	100.00%
12.	Erbud Industry Pomorze Sp. z o.o.	Toruń	services for power industry	indirectly controlled subsidiary	full method	0	4 579	100.00%	100.00%
13.	Energoserv Pomorze Sp. z o.o.	Gdańsk	services for power industry	indirectly controlled subsidiary	full method	0	3 062	100.00%	100.00%
				Shares or stocks in directly and indirectly controlled companies as at 30.06.2015		2 928	175 193		
			of which:	Shares or stocks in directly controlled companies as at 30.06.2015		2 928	136 731		

Note 2.3. Profit (loss) attributable to fully consolidated companies

	6-month period ended 30.06.2015	6-month period ended 30.06.2014
Erbud International Sp. z o.o.	952	527
GWI GmbH	1 065	965
Grupa Budlex S.A.	5 935	603
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	4 461	483
Erbud Energetyka Sp. z o.o.	-	-34
Erbud Industry Sp. z o.o.	3 737	802
Erbud Industry Centrum Sp. z o.o.	-2 263	439
Erbud Industry Pomorze Sp. z o.o.	454	-
Energoserv Sp. z o.o.	36	-
Ciepło Service Sp. z o.o.	285	-
Delta Sp. z o.o.	-	-277
Erbud Rzeszów Sp. Z o.o.	114	264

The above results relate to the performance of individual companies adopted for the consolidation purpose of the ERBUD Group, i.e. after taking into account the conversion result in accordance with IFRS.

Note 2.4. Securities, shares and other long-term financial assets (by tradability)

	30.06.2015	31.12.2014	30.06.2014
A. With non-restricted transferability, listed on stock exchange market (carrying value)	0	0	0
B. With non-restricted transferability, listed on OTC market (carrying value)	0	0	0
C. With non-restricted transferability, not listed on a regulated market (carrying value)	0	0	0
D. With restricted transferability (carrying value)	184 974	184 974	184 974
a) Shares and stocks (carrying value)	136 736	136 736	136 736
- Value adjustments (cumulative)	-2 928	-2 928	-2 928
- Value at the beginning of the period	0	0	0
- Value at acquisition prices	139 664	139 664	139 664
b) Bonds (carrying value)	0	0	0
c) Loans granted (carrying value)	39 294	28 032	28 130
d) Other - by type (carrying value)	758	758	757
- Value at acquisition prices	810	810	810
- Value adjustments (cumulative)	-52	-52	-53
Total carrying value	**176 788**	**165 526**	**165 623**

Note 3. Deferred income tax assets

Deferred income tax assets	30.06.2015	31.12.2014	30.06.2014
- Valuation of long-term contracts	13 822	6 404	14 499
- Tax loss	0	1 088	1 088
- Accruals	2 008	13 211	1 446
- Provision for loss on contracts	70	51	0
- Other	4 808	5 059	3 790
Total assets from deferred income tax	**20 708**	**25 813**	**20 823**

Deferred income tax is created on the rate basis of 19% for positive and negative taxable temporary differences relating to assets and liabilities.

Note 4.
Note 4.1. Changes in write-offs of current debts

	30.06.2015	31.12.2014	30.06.2014
At the beginning of the period	4 154	**4 648**	4 648
a) Increases	4 138	1 651	2 000
- Creations	4 138	1 651	2 000
b) Decreases	120	2 145	2 162
- Impairment loss release	120	2 145	2 162

- Use of write-downs	0	0	0
Short-term write-offs of receivables at end of the period	**8 172**	**4 154**	**4 486**

Note 5. Short-term prepayments

	30.06.2015	31.12.2014	30.06.2014
Prepaid expenses, including:	93 668	170 783	138 749
- long-term contracts	68 554	71 447	113 120
- other costs	4 992	5 634	5 507
- deferred income (sale invoices for 2014 issued after the balance sheet)	0	73 580	0
- costs arising from the Modlin project (expenses claimed from suppliers of aggregate)	20 122	20 122	20 122
Total short-term prepayments	**93 668**	**170 783**	**138 749**

Note 5.1. Prepayments due to construction contracts

	30.06.2015	31.12.2014	30.06.2014
Expected revenues from ongoing projects	1 830 124	2 185 324	2 139 997
Expected costs of ongoing projects	1 667 050	1 980 386	1 943 512
Expected margin on ongoing projects	163 074	204 937	196 485
Cumulative revenues recognized in the profit or loss	1 130 720	1 306 796	1 332 724
Cumulative costs recognized in the profit or loss	1 039 310	1 199 884	1 213 559
Cumulative margin recognized in the profit or loss	91 410	106 912	119 165
Margin to be recognized in next periods	71 664	98 025	77 320
Percentage of margin to be recognized in next periods	43,95%	47,83%	39,35%
Revenue surplus over partial invoices by staging	30 766	45 734	92 125
Costs surplus over expenses arising from the accounting costs by staging	33 146	23 016	46 919
Surplus on partial invoices over incomes by staging	39 602	10 691	29 393
Surplus on costs resulting from the accounting costs over expenses by staging	37 788	25 713	20 995
Total amounts presented in deferred expenditures	68 554	71 447	113 120
Total amounts presented in deferred revenues	72 748	33 707	76 312

Note 6. Significant amount of allowances recognized or reversed due to impairment losses

Impairment of long-term financial assets	**30.06.2015**	**31.12.2014**	**30.06.2014**
Opening balance	**2 928**	**2 928**	**2 928**
Increase / Decrease	0	0	0
Closing balance	**2 928**	**2 928**	**2 928**

Impairment of short-term financial assets	**30.06.2015**	**31.12.2014**	**30.06.2014**
Opening balance	**0**	**0**	**0**
Increase / Decrease	0	0	0
Closing balance	**0**	**0**	**0**

Impairment of inventories	**30.06.2015**	**31.12.2014**	**30.06.2014**
Opening balance	**262**	**262**	**262**
Increase / Decrease	0	0	0
Closing balance	**262**	**262**	**262**

Impairment of fixed assets	**30.06.2015**	**31.12.2014**	**30.06.2014**
Opening balance	**0**	**0**	**0**
Increase / Decrease	0	0	0
Closing balance	**0**	**0**	**0**

Note 7. Shareholding of ERBUD S.A.
Note 7.1. Ownership structure of share capital as at 06.30.2015

Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	4 152 865	32.54%	None
DGI Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	None	None	2 136 260	16.74%	None
ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 266 900	9.93%	None
AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.27%	None
Dariusz Grzeszczak	Ordinary	None	None	773 900	6.06%	None
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	None	None	712 087	5.58%	None
ING Otwarty Fundusz EmerytalnyQuertus TFI	Ordinary	None	None	661 185	5.18%	None
Józef Zubelewicz	Ordinary	None	None	259 500	2.03%	None
Free Float	Ordinary	None	None	1 646 255	12.91%	None
Total				**12 761 925**	**100%**	
Par value of shares of all series In PLN		0.10	Share capital value in PLN	1 276 192.50		

Detailed information about the shareholding as at 31 December 2014 is included in the Annual Financial Statements for the year ended 31 December 2014.

Number of shares comprising the authorized capital is equal to the number of shares issued. The nominal value of each share is PLN 0.10. Subsidiaries do not hold any shares of the Parent.

No shares have been reserved for the purpose of issuance under options of sale contracts.

In addition to the powers arising from directly held shares of Erbud S.A., the major shareholders have no other voting rights at a General Meeting.

Shares of Erbud S.A. held by the above mentioned persons are not preferred ones.

The Company's Articles of Association do not grant the above mentioned shareholders any personal rights towards Erbud SA, in particular, do not give the right to appoint members neither of the Management Board nor the Supervisory Board of Erbud SA.

Note 8. Provision for deferred income tax

Provision due to:	30.06.2015	31.12.2014	30.06.2014
- Measurement of construction contracts	13 025	13 575	21 493
- Other	1 137	15 172	1 170
Provision for deferred income tax	**14 162**	**28 747**	**22 663**

Provision for deferred tax liability is based on the rate of 19% for taxable e and deductible temporary differences on domestic assets and liabilities.

Note 9. Changes in long-term provisions for pensions and similar benefits

	30.06.2015	31.12.2014
a) At the beginning of the period	542	479
b) Increases (from)	254	63
- retirement payments	254	63
c) Used (due to)	0	0

d) Released (due to))	0	0
- jubilee awards	0	0
e) At the end of the period	796	542

Note 10. Changes in short-term provisions for pensions and similar benefits

	30.06.2015	31.12.2014
a) At the beginning of the period	3 535	2 849
b) Increases (from)	189	686
- unused leave	189	686
c) Used (due to)	0	0
d) Released (due to)	0	0
e) At the end of the period	3 724	3 535

Note 11. Changes in other long-term provisions (by titles)

As at 30 June 2015, 31 December 2014 and 30 June 2014, such item was not accounted.

Note 12. Change in other current provisions (by titles)

	30.06.2015	31.12.2014
a) At the beginning of the period	**10 521**	**10 244**
b) Increases (from)	1 540	468
- Litigation and claims	1 000	199
- Guarantee repair	0	0
- Losses on long-term contracts	362	269
- Other	178	
c) Use (from)	0	0
d) Release (from)	1 201	191
- Litigation and claims	199	94
- Guarantee repair	733	97
- Losses on long-term contracts	269	0
e) At the end of the period	**10 860**	**10 521**

Note 13. Long-term liabilities

As of 30 June 2015, bonds with a nominal value of PLN 52,000,000 denominated in Polish Zloty, as described in Note #15 of Explanatory notes, are a significant portion of the long-term debt. The maturity date is 26 March 2018.

Note 14. Loans and borrowings

As of 30.06.2015, the Company had available credit lines with five banks. As at 30.06.201, the Company did not use the overdraft at any of the banks.

Terms and conditions of loan agreements
Under the loan agreements, the companies of the Group are required to meet certain financial ratios (covenants). As required by IAS 1, the breach of the terms of loan agreements, which can potentially limit the unconditional availability of credit in the following year, makes it necessary to classify such liabilities as current ones.
During the first six months of 2015, the conditions of loan agreements in the Group were not breached.
As at the date of preparing Consolidated Financial Statement, the Management Board of the Parent Company does not see any significant problems with maintaining the current bank financing for the Group.

As of 31 June 2015, ERBUD SA did not have any liabilities due to short-term overdrafts

Note 15. Issue / Redemption / Repayment of debt securities

On 26 March 2014, ERBUD SA issued a total of 5,200 bearer bonds, dematerialized, unsecured, with a total nominal value of PLN 52 million zł. The par value of one bond amounted to PLN 10,000. The issue price was PLN 9.587. The redemption date was set for 26 March 2018. The interest ate on bonds is variableand based on 6M WIBOR plus a margin equal to 3.0. The interest rate will be paid every six months. The Company will apply for placing bonds on the trading platform for debt financial instruments carried by the Stock Exchange in Warsaw in the form of alternative trading system. The Company has allocated funds for the redemption of 40,000 series A bonds issued by the Issuer and to finance the increased demand for working capital associated with a record

portfolio of the Capital Group. The remaining 10,000 bonds of Series A will be redeemed by the original fixed term, i.e. 14 July 2014.

In the period ended 30 June 2015, the Company incurred finance costs due to interest on the bonds issued amount ing to PLN 1,385 thousand.

Note 16. Issue / Redemption / Repayment of equity securities

By the Resolution No. 22/2012, the Annual General Meeting of Shareholders of Erbud S.A. agreed that the Company will conduct a Manager Option Scheme over the period of 2013-2015, within the scope of which entitled persons will be granted the possibility to subscribe for shares of the Company issued within the scope of the authorised capital. Shares will be offered to the persons entitled to subscribe in the years 2013- 2015 in an amount of not more than 50,000 shares per year. The Manager Option Scheme refers to financial years 2012-2014. The employee may be covered by an option program, if he/she has been working for at least 24 months. As far as concerned persons working in subsidiaries, the company must be a member of the group for at least two years. Moreover, the subscription will be effected on the condition that the Capital Group will achieve in the financial year for which the shares will be offered a consolidated net profit of at least ten million Zlotys. Moreover, to the person who would be entitled may not be given a termination notice.

On 20 April 2015, in connection with the declared by the Management Board increase of the Company's share capital by an amount not exceeding PLN 5.000 through the issuance of not more than 50,000 shares of Series J for the purpose of the adopted Management Option Plan, the Supervisory Board of Erbud SA at the request of the Management Board of 20 April 2015 adopted Resolution No. 4/2015 on depraving the existing shareholders of pre-emptive rights to acquire Series J shares and determining the issue price of shares of Series J for PLN 11.

On 3 June 2015, the Management Board adopted Resolution No. 4/2015 on increasing the share capital by an amount not greater than PLN 5,000 through the issuance of not more than 50,000 shares of Series J, on depraving the existing shareholders of pre-emptive rights to acquire Series J shares and determining the issue price of shares of Series J for PLN 11.

By the Resolution No. 22/2015, the Annual General Meeting of Shareholders of Erbud S.A. agreed that the Company will conduct a Manager Option Scheme over the period of 2016-2018, within the scope of which entitled persons will be granted the possibility to subscribe for shares of the Company issued within the scope of the authorised capital. In 2016- 2018 shares will be offered to the persons entitled to subscribe in an amount of not more than 50,000 shares per year. The Manager Option Scheme refers to financial years 2015-2017. The condition for covering a person by the option program is length of service of at least 24 months, and there is a requirement that presidents and vice-presidents of the subsidiaries will held their office for not less than 12 months. In the case of persons employed in the subsidiaries, the company must be a member of the Group for at least two years. Moreover, the subscription will be effected upon the condition that in the financial year for which the shares will be offered, the Capital Group will achieve a consolidated net profit of at least ten million Zlotys. Moreover, to the person who would be entitled may not be given a termination notice.

Note 17. Acquisition / Sale of subsidiaries / Sale of long-term investments

On **2 February 2015**, there was a merger between ERBUD Industry Sp. z o.o. and DELTA Sp. z o.o. in line with Art. 492 item 1 point 1 of the CCC. The business combination took place in the way of taking over DELTA Sp. z o.o. by Erbud Industry Sp. z o.o. through transferring all assets of DELTA Sp. z o.o. to Erbud Industry Sp. with o.o against shares to be delivered by ERBUD Industry Sp. z o.o. to the shareholders of DELTA Sp. z o.o.. Companies covered by the combination belong to the group of companies, which have the identity of the shareholders. In both companies ERBUD SA is a sole shareholder.

The aforementioned change was the one in the structure of subsidiaries and long-term investments.

Note 18. Net revenues from sales of products and services (by region)

	30.06.2015	30.06.2014
a) Domestic	525 811	496 176
- Sale of goods	0	0
- Sales of services	525 811	496 176
of which: to associates	969	836
b) Export	33 287	4 910
- Sale of goods	0	0
of which: to associates	0	0
- Sales of services	33 287	4 910
of which: to associates	0	0
Total net income on sales of goods and materials	**559 098**	**501 086**

of which: to associates	**969**	**836**

Note 19. Expenses by sort

	30.06.2015	30.06.2014
a) Depreciation and amortisation	1 138	1 019
b) Consumption of materials and power	57 139	58 613
c) External services	443 242	417 388
d) Taxes and charges	2 642	1 227
e) Payroll	34 309	17 555
f) Social security and other benefits	6 881	4 600
g) Other costs	2 632	1 977
h) Goods and materials sold	0	0
Total expenses by sort	**547 983**	**502 379**
Change in products and accrued expenses due to construction contracts	-1 315	-12 178
Cost of products manufactured for in-house use (negative value)	0	0
Sales cost (negative value)	0	0
General and administrative costs (negative value)	-20 145	-16 899
Value of goods and materials sold		**0**
Cost of products sold	**526 523**	**473 302**

Note 20. Sale costs

The Company does not identify the cost of sales due to immateriality.

Note 21. Other operating income

	30.06.2015	30.06.2014
a) Profit on disposal of non-financial fixed assets	1 007	490
- Real estate	1 007	490
b) Other, incl.:	1 694	867
- Indemnities	70	136
- Released provision for receivables	121	18
- Release of provision for litigation	199	18
- Release of provision for warranty repairs	733	427
- Penalties, fines and indemnities	408	73
- Other	163	195
Total other operating income	**2 701**	**1 357**

Note 22. Other operating expenses

	30.06.2015	30.06.2014
a) Profit on disposal of non-financial fixed assets	0	0
b) Revaluation of non-financial assets	0	0
- Write-offs of receivables	0	0
- Write-offs of inventories	0	0
b) Other, incl.:	6 147	2 725
- Impairment of receivables	4 138	2 000
- Penalties, fines and indemnities	903	107
- Created provisions	1 000	0
- Donations	3	24
- Other	103	594
Total other operating expenses	**6 147**	**2 725**

Note 23. Financial income
Note 23.1. Financial income from dividends and profit sharing

In the reporting period ended 30 June 2015, the Company recorded financial income related to the dividend from the subsidiary Erbud Rzeszów Spółka z o.o. amounted to PLN 576 thousand.

In the reporting period ended 30 June 2014, the Company recorded financial income related to the dividend from the subsidiary GWI GmbH amounted to PLN 2,495 thousand and from the subsidiary PBDI amounted to PLN 1,003 thousand.

Note 23.2. Financial income due to interests

	30.06.2015	30.06.2014
a) Loans granted	689	914
- to associated entities, of which:	689	914
- to subsidiaries	689	914
- to other entities	0	0
b) Other interests	602	380
- from associated entities	0	0
- from other entities	602	380
Total financial income due to interests	**1 291**	**1 294**

Note 24. Financial costs
Note 24.1. Financial costs due to interests

	30.06.2015	30.06.2014
a) Loans granted	7	0
- to subsidiaries	7	0
b) Other interests	1 847	2 224
- from bonds,	1 385	1 315
- from loans	376	537
- due to discount of accounts	0	319
- other	86	53
Total financial cost due to interests	**1 854**	**2 224**

Note 25. Net earnings (loss) per share

	6-month period ended 30.06.2015	6-month period ended 30.06.2014
Net earnings (loss)	6 135	8 322
Weighted average number of shares / Diluted weighted average number of shares (in units)	12 761 925/ 12 794 073	12 714 564/ 12 744 886
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	0.4807 / 0.4795	0.655 / 0.653

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company, and weighted average number of ordinary shares in use during the year.
Diluted earnings per share are calculated by dividing the profit attributable to shareholders of the Company, and diluted weighted average number of ordinary shares in use during the year.

Note 26. Net earnings (loss) – distribution

By Resolution No. 5/2015 of 29.05.2015 passed by the AGM of Erbud SA has been decided to divide net profit for the year 2014 amounting to PLN 12,245,000 as follows:
- PLN 6 381 000 for the payment of dividends payable to Shareholders
- PLN 5 864 000 for increasing the supplementary capital of Erbud SA.

Profit intended to be paid as dividends is PLN 0.50 per each share entitling to participate in the dividend. The dividend payment date was set at 30 July 2015. By the date of this report the dividend was paid.

Note 27. Cash at the beginning and end of the period (structure)

	30.06.2015	30.06.2014
a) Total cash (as of the beginning of the period)	122 741	57 920
- Cash in hand and at bank	109 778	44 302
- Other cash	12 963	13 618
b) Total cash (as of the end of the period)	80 735	53 413
- Cash in hand and at bank	68 085	39 647
- Other cash	12 650	13 766
Change in cash	**-42 006**	**-4 507**
Change in cash due to exchange rate differences	0	0
Cash generated from operating activities	-28 727	-24 983
Cash from investing activities	-10 894	14 064
Cash from financing activities	-2 385	6 412

Reconciliation of movements in balance sheet items to changes reported in the statement of cash flows as at 30 June 2015 is presented below:

	30.06.2015
Change in receivables in the balance sheet	**-69 458**
Claims offsetting	1 819
Change in prepayments and accruals the cash flow account	**-67 639**

	30.06.2015
Change in current liabilities in the balance sheet, excluding loans	**-69 469**
Liabilities to shareholders due to dividends	-6 381
Change in prepayments and accruals the cash flow account	**-75 850**

Note 28a. Information on changes in the method of determining the value of financial instruments measured at fair value

In the period ended 30 June 2015, the Company did not change the method of determining the value of financial instruments measured at fair value.

Note 28b. Information on changes in the classification of financial assets as a result of changing goals or using these assets

In the period ended 30 June 2015, the Company did not change the classification of financial assets as a result of changing the gaol or using these assets.

Note 29. Revenues, costs and results of discontinued operations in the reporting period or to be discontinued during next period

During the reporting period and within the period of 12 months from the reporting date, the Company does not plan to discontinue of any of its business activity.

Note 30. Information about transactions with related parties (mutual receivables and liabilities, as well as costs and revenues from mutual transactions) that are subject to consolidation and those not to be consolidated

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 30.06.2015		period ended 30.06.2015	
Total related entities	**48 058**	**41 409**	**2 310**	**66 887**
- Deliveries and services	6 088	41 409	969	66 880
- Loans and interest liabilities	39 294	0	689	7
- Other	2 676	0	652	0
Related entities that are subject to consolidation	**48 028**	**41 409**	**2 308**	**66 887**

- Deliveries and services	6 058	41 409	967	66 880
- Loans and interest liabilities	39 294	0	689	7
- Other	2 676	0	652	0
Related entities that are not subject to consolidation	**30**	**0**	**2**	**0**
- Deliveries and services	30	0	2	0
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 31.12.2014		period ended 31.12.2014	
Total related entities	**47 180**	**15 859**	**10 934**	**91 906**
- Deliveries and services	16 326	15 859	8 828	91 496
- Loans and interest liabilities	28 740	0	1 378	0
- Other	2 114	0	728	410
Related entities that are subject to consolidation	47 152	15 859	**10 932**	**91 906**
- Deliveries and services	16 298	15 859	8 826	91 496
- Loans and interest liabilities	28 740	0	1 378	0
- Other	2 114	0	728	410
Related entities that are not subject to consolidation	28	0	**2**	**0**
- Deliveries and services	28	0	2	0
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 30.06.2014		period ended 30.06.2015	
Total related entities	**39 661**	**13 227**	**1 845**	**31 505**
- Deliveries and services	9 256	13 227	836	31 505
- Loans and interest liabilities	28 292	0	914	0
- Other	2 113	0	95	0
Related entities that are subject to consolidation	**39 634**	**13 227**	**1 845**	**31 505**
- Deliveries and services	9 229	13 227	836	31 505
- Loans and interest liabilities	28 292	0	914	0
- Other	2 113	0	95	0
Related entities that are not subject to consolidation	**27**	**0**	**0**	**0**
- Deliveries and services	27	0	0	0
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Note 31.

As at 30 June 2015 the managing staff (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Percentage of equity	Number of votes	Percentage of voting rights at the GM
DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	ordinary	2 136 260	16.74%	2 136 260	16.74%
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	ordinary	712 087	5.58%	712 087	5.58%
Dariusz Grzeszczak	ordinary	773 900	6.06%	773 900	6.06%
Józef Adam Zubelewicz	ordinary	259 500	2.03%	259 500	2.03%
Albert Duerr- Supervisory Board Member	ordinary	14 500	0.11%	14 500	0.11%
Walenty Twardy ERBUD SA procuration holder	ordinary	9 852	0.08%	9 852	0.08%
Piotr Augustyniak ERBUD SA procuration holder	ordinary	890	0.01%	890	0.01%
Agnieszka Głowacka ERBUD SA procuration holder	ordinary	5 500	0.04%	5 500	0.04%
Bogdan Duerr ERBUD SA procuration holder	ordinary	7 297	0.06%	7 297	0.06%

Włodzimierz Czystowski ERBUD SA procuration holder	ordinary	5 921	0.05%	5 921	0.05%
Mirosław Młynarski Procuration holder	ordinary	14 952	0.12%	14 952	0.12%
Radosław Kałamaga Procuration holder	ordinary	9 516	0.07%	9 516	0.07%
Maciej Wyrzykowski ERBUD SA procuration holder	ordinary	1 200	0.01%	1 200	0.01%
Kryspin Jarosz ERBUD SA procuration holder	ordinary	3 244	0.03%	3 244	0.03%
Piotr Dobosz Prokuration holder	ordinary	6 413	0.05%	6 413	0.05%
Mariola Zielińska Chief Account of ERBUD SA.	ordinary	3 618	0.03%	3 618	0.03%

As at 31 December 2014 the managing staff (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Percentage of equity	Number of votes	Percentage of voting rights at the GM
DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	ordinary	2 136 260	16.74%	2 136 260	16,74%
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	ordinary	681 914	5.34%	681 914	5,34%
Juladal Investments Ltd. (a company controlled by members of the Board of Erbud SA))	ordinary	30 173	0.24%	30 173	0,24%
Dariusz Grzeszczak	ordinary	773 900	6.06%	773.900	6,06%
Józef Adam Zubelewicz	ordinary	259 500	2.03%	259.500	2,03%
Albert Dürr- Supervisory Board Member	ordinary	14 500	0.11%	14.500	0,11%
Walenty Twardy ERBUD SA procuration holder	ordinary	9 852	0.08%	9,852	0,08%
Piotr Augustyniak ERBUD SA procuration holder	ordinary	890	0.01%	890	0,01%
Agnieszka Głowacka ERBUD SA procuration holder	ordinary	5 500	0.04%	5.500	0,04%
Bogdan Duerr ERBUD SA procuration holder	ordinary	7 297	0.06%	7.297	0,06%
Włodzimierz Czystowski ERBUD SA procuration holder	ordinary	5 921	0.05%	5.921	0,05%
Mirosław Młynarski Procuration holder	ordinary	14 952	0.12%	14.952	0,12%
Radosław Kałamaga Procuration holder	ordinary	9 516	0.07%	9.516	0,07%
Maciej Wyrzykowski ERBUD SA procuration holder	ordinary	2 200	0.02%	2.200	0,02%
Kryspin Jarosz ERBUD SA procuration holder	ordinary	3 244	0.03%	3.244	0,03%
Piotr Dobosz Prokurent	ordinary	9 256	0.07%	9.256	0,07%
Mariola Zielińska Chief Account of ERBUD SA	ordinary	5 618	0.04%	5.618	0,04%

As of the date of submitting this report the members of the Management Board and Holders of procuration do not have any Erbud SA stock options.

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2015 and 31 December 2014 did not have outstanding loans, credits or a guarantees granted by the companies of the Erbud Group.

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2015 and 31 December 2014 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Note 32. Information about joint ventures that are not subject to consolidation

The Company does not conduct any non-consolidated joint ventures.

Note 33. Information about significant events that occurred during the first half of 2014 and after the balance sheet date

Significant contracts concluded

On **12 January 2015**, Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń (the "Contractor") - a subsidiary owned 94.27 per cent by the Issuer, concluded on 12 January 2015 with the Dąbrowice Wind Power Plant based 28-230 Połaniec, Zawada 26 (the "Builder") - a company belonging to GDF Suez Energy Polska SA, a contract for preparing detail design and construction works: distribution substation, roads, foundations, assembly yards for wind power plants with installation of high and medium voltage cable lines, fibre-optic cable for the 36,2MW Dąbrowice Wind Farm as well as electrical works.
Total contract value: PLN 38,500,000 net (said: thirty-eight million five hundred thousand Zlotys).
The commissioning of the Dąbrowice Wind Farm will be by 31 December 2015, while the final settlement of the task by 31 March 2016.

On **19 January 2015**, the Issuer entered with Potegowo Winergy sp. z o.o. with its registered office in Warsaw, 11 Polna St. (the "Employer") into a contract to build the Potęgowo-Wschód Wind Farm with a capacity of 101.25 MW, consisting of 38 wind turbines grouped into four wind farms: Karżcino, Wrzeście-Kępno, Bięcino, Głuszynko-Grapice, including accompanying infrastructure (i.e. building facilities, roads, energy infrastructure and low voltage systems) and power transfer system, i.e. 30/110 kV cable lines with associated network and 30/110 kV power take-off unit.
The Issuer is a Partner of Consortium formed with PBDI SA based in Torun (the "Consortium Leader") - a subsidiary 94.27 percent owned by the Issuer and Electrum Sp. z o. o. based in Białystok (the "Consortium Partner").
The total net Contract value is PLN 198,600,000.00 (in words: one hundred and ninety-eight million, six hundred thousand Zlotys).
The value of Electrum sp. z o.o. works amounts to PLN 102,012,500.00 (in words: one hundred and two million, twelve thousand, five hundred Zlotys) net.

On **11 February 2015**, the Issuer concluded with the PEP Group - Farma Wiatrowa Mycielin Spółka z ograniczoną odpowiedzialnością with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") a contract to build the Mycielin Wind Farm, including accompanying infrastructure, with a total capacity of 48 MW, located in Niegosławice and Szprotawa Commune, Żagań District, Lubuskie Provinz.
The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the "Consortium Leader"), a subsidiary 94.27 percent owned by the Issuer.
The total net Contract value is PLN 72,548,990 (in words: seventy-two million, five hundred and forty-eight thousand, nine hundred and ninety Zlotys).
The project is scheduled to be completed by the Consortium till 3 March 2016.

On **11 February 2015**, the Issuer concluded with the PEP Group - Farma Wiatrowa 4 Spółka z ograniczoną odpowiedzialnością seated in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") a contract to execute complex construction works for the construction of wind turbines constructions, service roads and mezzanine platforms for the second stage of Skurpie Wind Farm.
The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the "Consortium Leader"), a subsidiary 94.27 percent owned by the Issuer.
The total net Contract value is PLN 3,410,648.36 (in words: three million, four hundred and ten thousand, six hundred and forty-eight point three six Zlotys).
The project is scheduled to be completed by the Consortium till 4 January 2016.

On **11 March 2015**, the Issuer entered with the Grupa PEP – Farma Wiatrowa 1 Spółka z ograniczoną odpowiedzialnością, with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the "Employer") into a contract for comprehensive building works related to the construction of a wind farm.
The Issuer is a Partner of Consortium formed with PBDI SA based in Torun (the "Consortium Leader") - a subsidiary 94.27 percent owned by the Issuer.
The total net Contract value is PLN 4,504,357.39 (said: four million, five hundred and four thousand, three hundred and fifty-seven, point three nine Zlotys).
The project is scheduled to be completed by the consortium till 6 February 2016.

On **11 March 2015**, Erbud S.A. concluded a contract for demolition of existing building and construction of SZUCHA Premium Offices – office building consisting of two aboveground, seven- and three-storey portions, three-storey underground car park and necessary in-building facilities, incl. on-site development works.

The Investor: GPG CORNER - Green Property Group Sp. z o. o. S.K.A ul. Podkocka 4B, 63-460 Nowe Skalmierzyce.
Net contract value: PLN 41,286,000
Site location: Warszawa, Al. Szucha 17/19
Completion period: 18 months from the date of signing the contract.

On **31 March 2015**, the Issuer signed with Wiatromil Sp. z o.o based in 80-307 Gdansk, 1A Abrahama St. (the Employer) an annex to the conditional contract dated 15.10.2014 for the design, plant, construction and commissioning of building and power infrastructure for a wind farm in the towns of of Banie i Kozielice in Poland, consisting of 96 wind turbines, three power stations and connections to the 220 kV transmission grid in Krajnik station. About concluding the above said contract the Issuer has informed in the Current Report No. 39/2014 of 16 October 2014.
The Issuer is a Partner of the Consortium (Contractor) formed together with PBDI SA seated in Toruń as a Consortium Leader - a subsidiary in which the Issuer owns 94.27% in share capital, and Electrum sp. z o.o. based in Białystok as a Consortium Partner.

The annex includes the following amends:
1) Reducing the scope of the project. The remaining scope is divided into three phases.
2) Reduction of the total contract value to PLN 157,200,000.00 (say: one hundred and fifty-seven million, two hundred thousand Zlotys) wherein:
- the value of the first phase is set at PLN 117,500,000.00 (say: one hundred and seventeen million, five hundred thousand Zlotys), of which the value of range to be executed by Electrum sp. z o.o. is 39,500,000.00 (say: thirty-nine million, five hundred thousand Zlotys);
- the value of the second phase is set at PLN 28,700,000.00 (say: twenty-eight million, seven hundred thousand Zlotys);
- the value of the third phase is set at PLN 11,000,000 (say: eleven million Zlotys).
The detailed range of works range in the phase II and III will be made prior to the Instruction to Proceed Commencement of these works. The value of works to be completed by Electrum Sp. z o.o is not more than 30 percent of the II and III stages together.
3) The Contractor has been instructed to start of the first phase works; the completion is scheduled for 30 April 2016.
4) The performance of phase II and III of the project will depend on the Employer's decision.
The original value of the contract amounted to PLN 250,740,540.13, of which the value of the work performed by the Consortium Partner Electrum Sp. z o.o. is PLN 136.558.300.00.

All other terms and conditions of the contract shall remain unchanged.

On **1 April 2015**, Erbud S.A. signed contract for construction works to erect a retail and office building on a turnkey basis.
Investor: OMEX Sławomir Stepnowski 54-201 Wrocław, 6-10 Przedmiejska St.
The estimated contract value is PLN 25,450,605.69 - unit price remuneration
The Investor: OMEX Sławomir Stepnowski 54-201 Wrocław, 6-10 Przedmiejska St.
Site location: Wrocław, 38-40 Braniborska St.
Completion period: 02.04.2015 - 16.01.20173.

On **1 April 2015**, the Issuer signed with Potegowo Winergy sp. z o.o. with its registered office in Warsaw (00-633), 11 Polna St. (the “Employer”) an annex to the conditional contract to build the Potęgowo-Wschód Wind Farm. About concluding the above said contract the Issuer has informed in the Current Report No. 14/2015 dated 19 January 2015.
The Issuer is a Partner of Consortium formed with PBDI SA based in Torun (the “Consortium Leader”) - a subsidiary 94.27 percent owned by the Issuer, and Electrum Sp. z o. o. based in Białystok (the “Consortium Partner”).
The annex includes the following amends:
1) Reducing the scope of project works.
2) Reduction of the total contract value to PLN 149,000,000.00 (say: one hundred and forty-nine million Zlotys) of which the value of range to be executed by Electrum sp. z o.o. is 74,500,000.00 (say: seventy-four million, five hundred thousand Zlotys).
The contract is still conditional – it shall come into force subject to receiving from the Employer the Instruction to Commence the Works. It has been agreed that in case the Contractor will be requested to start work before 15 April 2015, the contract will be completed by 5 February 2016. In the event that the Contractor will be requested to start work later, the deadline will be postponed, provided that if the Contractor is not requested to commence work by 4 August 2015, the contract expires.

The original value of the contract amounted to PLN 198,600,000.00, of which Electrum Sp. z o.o. had PLN 102,012,500.00.

On **15 April 2015**, the Company entered with Dom Development SA seated in Warsaw into a contract for the construction as prime contractor of a multi-family housing complex located in Warsaw near to Olbrachta Street.
The remuneration of Erbud SA for the execution of the contract amounts to PLN 63,650,000 (say: sixty-three million, five hundred thousand Zlotys) add VAT.
The total net value of contracts signed with Dom Development SA in the last 12 months is PLN 110,880,000. (say: one hundred and ten million, eight hundred and eighty thousand Zlotys).
The construction works will start on 15 April 2015 with completion scheduled for 15 June 2017.

On **25 June 2015,** the Issuer entered with LC Corp Invest XV Sp. z o.o. Projekt 5 sp. k. as Investor, seated in 53-335 Wrocław at 2-4, Powstańców Śląskich St. registered under the KRS number 0000393606, NIP: 899-276-60-16, REGON: 02167691, into a contract to build multi-family buildings with underground garages in Wrocław on Tęczowa St.
Net contract net value: PLN 28 850 000 (in words: twenty-eight million, eight hundred and fifty thousand Zlotys).
Completion period: 15 months since the receipt of a Notice to Proceed.

On **6 July 2015**, the Issuer and VD Spółka z ograniczoną odpowiedzialnością Mieszkania X Spółka komandytowa, seated in Wroclaw, signed a contract for construction work on the following conditions:
1. The Investor: VD Spółka z ograniczoną odpowiedzialnością Mieszkania X spółka komandytowa, based in Wroclaw, 44 Dabrowskiego St., Wroclaw 50-457, entered into the register of entrepreneurs kept by the District Court for Wrocław-Fabryczna in Wrocław, VI Economic Division of the National Court Register, under KRS number 0000528052, NIP: 8992759004, REGON: 022526920, on behalf of which acts the general partner VD spółka z ograniczoną odpowiedzialnością, based in Wroclaw, 44 Dabrowskiego St., entered into the register kept by the District Court for Wrocław-Fabryczna in Wrocław, VI Economic Division of the National Court Register, under KRS number 0000291788, REGON: 020604900, NIP: 8971735091.
2. Contract value: PLN 24,995,000
3. Contract subject: Construction of a residential building with retail space and underground car park, utilities and structural landscaping.
4. Completion period: obtaining an occupancy permit - 64 weeks after the receipt of a Notice to Proceed; conditions to issue a Fit-out Taking-Over Certificate for works in the stairwell B and C should be fulfil within 73 weeks from the receipt of a Notice to Proceed.

In addition to significant construction contracts, Erbud SA signed a number of agreements which do not exceed the criterion of a "Significant Agreement".

Note 34. Changes in accounting policy applied and the method of preparing financial statements, introduced in relation to the previous financial year (years), their causes and the impact on the asset and financial position, liquidity, result and profitability.

In the current period, the Company did not make any changes in accounting policies and method of preparation of the financial statements compared to the previous fiscal year.

Note 35. Business combinations

During the period from 1 January 2015 to 30 June 2015 there were no mergers between the Company and other business entities.

Note 36. Dividend policy - description of the dividends payment policy and any limitations connected. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted for comparison purposes in case of changes in the number of shares

By Resolution No. 5/2015 of 29.05.2015 passed by the AGM of Erbud SA it has been decided to pay the dividend to the Shareholders amounting to PLN 6 381 thousand. Profit allocated for dividend is PLN 0.50 per each share entitling to participate in the dividend. The dividend payment date was set at 30 July 2015. By the date of this report the dividend was paid.

Note 37. Derivative financial instruments

In 2014, the Group signed a contract for construction services with Hala Koszyki Grayson Investments sp. z o.o. sp.k. Accordingly, the Group expects specified payments in Euro. In order to hedge cash flows arising from the contract the Group entered with ING Bank Slaski SA. into a par forward contract (one rate of 4.2815 PLN/EUR for all cash flows) for amounts and dates corresponding to the expected flows arising from completion of the construction contract.

Changes in fair value of financial derivatives designated as cash flow hedges to the extent that it relates to the effective hedge recognized directly in other comprehensive income. Changes in fair value of financial derivatives designated as cash flow hedges to the extent that they not represent an effective hedge are included in other income or loss for the period.

When establishing the hedge, the Company designates and formally documents the hedging relationship, as well as the risk management objective and strategy for undertaking the hedge. This documentation includes: (i) identification of the hedging instrument, (ii) identification of the hedged item or transaction, (iii) determination of the nature of the hedged risk, and (iv) determination of the method of assessing the hedge effectiveness in offsetting threats associated with changes in the fair value of the hedged item or cash flows related to the hedged risk.

It is expected that the hedge will be highly effective in offsetting changes in fair value or cash flows arising from the hedged risk. The hedge effectiveness is assessed on an ongoing basis to determine whether it is highly effective in all reporting periods for which it was established.

Note 38. Significant transactions concluded by the company with related parties under conditions other than market ones

In the period from 1 January 2015 to 30 June 2015 there were no such transactions.

Note 39. Information on the nature and economic purpose of agreements concluded by the unit, which are not included in the balance sheet as necessary to assess their impact on the assets, financial position and financial result of the company

There were no such agreements.

Note 40. Contingent liabilities to related parties

	30.06.2015	31.12.2014	30.06.2014
1) Contingent liabilities to related entities from			
a) guarantees and sureties provided, of which	79 322	98 497	66 574
- to subsidiaries	79 322	98 497	66 574
- to associates	0	0	0
b) other, of which	0	0	0
- to subsidiaries	0	0	0
- to associates	0	0	0
Total contingent liabilities to affiliated entities	**79 322**	**98 497**	**66 574**

Note 41. Asset-backed securities

Mortgages on fixed assets of the company

The book value of fixed assets of the company covered by the mortgage: PLN 3.284 thousand.

Collateral: conventional mortgage up to PLN 120m on cooperative ownership right to the premises registered under KW WA5M/00451397/7, WA5M/00451398/4, WA5M/00451399/1, managed by the District Court in Warsaw.

Note 42. Ligation and claims

Claim against the Bank Millennium SA

On 22 December 2010, Erbud SA brought to the Regional Court in Warsaw, XVI Commercial Division an action for payment against Bank Millennium S.A.

Value of the dispute: PLN 71,065,496. The respondent: Bank Millennium S.A. in Warsaw.

In 2008, the Bank Millennium S.A. advised the Issuer (Erbud S.A.) concluding a transaction on currency options to protect euro-denominated contracts executed by the Issuer against an exchange rate risk. The Bank's offer followed the Issuer's need to adequate secure its situation. According to the Company, the product was not optimally adapted to the needs of Erbud SA. In the fourth quarter of 2008, as a result of the drastic depreciation of the Polish zloty against euro, the Bank Millennium S.A. reported to the Issuer a negative valuation of its exposure. At the same time, there arose a dispute as to content of the currency options transactions, primarily concerning exclusion of optional structures. During many talks, the Issuer presented its position to the Bank, which requested to execute of

the transaction with taking action for compulsory execution of claims. In order to reduce the amount of potential loss, the disputed transactions were restructured, and the Bank has been informed about future legal action to compensate damage resulting from the transactions of currency options. The restructuring details were announced by the Issuer in the Current Report No. 43/2008 of 21.11.2008, and in the financial statements for the year 2008. The Issuer has never agreed with the position of the Bank Millennium S.A. and therefore called the Bank twice to pay the amount of PLN 71,065,496, which consists of amounts collected by the Bank from the Issuer's bank account, lost benefits, and legal and financial advisors' fees. Accordingly, the Issuer has decided to enter a lawsuit for payment in order to compensate the damage suffered.

As at the report publishing date of the Financial Statements the litigation is in progress; hearings of witnesses are continued.

The Issuer's standpoint regarding the situation connected with the execution of the project: extension of the Airport Modlin

Facts - Basic information about the contract and its completion

The contract for the construction of the Warsaw-Modlin Airport was signed on September 14, 2010. The total value of works amounted to about PLN 87 million net. Under the contract, ERBUD SA was obliged, inter alia, to upgrade the runway. The Employer established Bud-Invent Sp. z o.o. as the Project Management Company.
The runway with a length of about 2500 meters consists of two thresholds made of concrete cement, each with a length of about 540 meters and a part made of bituminous concrete with a length of 1,421 meters. The net value of the concrete thresholds constructed is about PLN 10m.

DSH – Dospravni stavby a.s., a subsidiary of the construction group Metrostav, was a subcontractor responsible for the construction of the concrete pavement of runway thresholds. The company specializes in such kind of works. The Employer has been informed of the choice of the subcontractor and did not oppose (January 2011).

DSH commissioned the following entities a number of works:
- Instytut Inżynierii Lądowej Politechniki Wrocławskiej [Institute of Civil Engineering, Wrocław University of Technology]:
  The commission included the development of the mix design (concrete mixture components) for the construction of runway thresholds. Developed formulas were in accordance with Polish Standards;
- CEMEX and LAFARGE – two worldwide known suppliers of aggregate:
  The commission included the supply of aggregate for concrete used to complete the runway thresholds.

The suppliers provided declarations of conformity stating that their products for manufacturing the concrete have complied with the Polish standards indicated in the mix design.

On 10 June 2011, DSH submitted the mix design to the Employer. The Employer approved the mix design on 20 June 2011. The runway was carried out by DSH over the period of June - November 2011, according to the mix design prepared by the Instytut Inżynierii Lądowej Politechniki Wrocławskiej. The company used aggregate supplied by CEMEX and Lafarge. All design solutions, concrete mix formulas, certificates of compliance and land surveying were supervised by the staff of the General Contractor and the Employer, and the works were executed under direct supervision of Client's Engineer.

The concrete mix production samples were taken by the laboratory of TPA Instytut Badań Technicznych (Technical Research Institute). The samples were collected pursuant to Polish standards, i.e. from each batch of concrete produced. Tests have shown that the strength and frost resistance of concrete is at least equal to or higher than designed one.

By Decision No. 919/2012 of 6 June 2012 the Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego (Mazovian Provincial Building Control Office) authorized the use of the project. The validation of the operation permit was subject to compliance by the Employer (but not limited to) the following conditions:
- developing guidelines on using the civil structure, including the airport pavement maintenance manual
- regular technical inspections of the airport pavement,
- continuous monitoring of the civil structure.

By Decision No. 1980/2012 dated 28 December 2012 the Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego prohibited to use of the part of the runway (the decision announced verbally on 22 December 2012). The decision was based on Article 66, Section 1, Item 2 and Section 2 of the Building Code of 7 July 1994, that is on "(…) the statement that a structure is used in a manner endangering life or health of people, safety of property or environment (…)".

According to an interview on 23 January 2013 for the TVN CNBC by Mr. Marcin Danił - Vice President of the Management of Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o., the Customer does not have any agreement with Ryanair on the basis of which the carrier could seek compensation for the airport stoppage.

The Customer concluded a contract with WizzAir, but it does not contain any provisions which oblige the Customer to receive the damage. WizzAir cannot demand damage money from the airport (there is no legal basis). 3-4 days

before the airport has been closed, WizzAir informed the Employer that it changes the operating airport due to lack of the ILS-System in Modlin.

In January and February 2013, the Employer and the General Contractor held a number of meetings, as a result of which the General Contractor presented on 20 February 2013 a Framework Schedule for runway works. The schedule has been approved by the Employer.

On 6 March 2013, the General Contractor took over the site from the Contractor and began to carry out the work. On 22 April 2013, the Contractor approved a new formula of concrete. On 17 June 2013 the Mazovian Building Control Officer issued Decision No. 846/2013 which repealed Decision No. 1980/2012 concerning the prohibition of use of part of the runway.

Moreover, on 12 August 2013, the Issuer received the decision issued by the District Court for Warsaw-Mokotów on providing a security on debts of Przedsiębiorstwo Wielobranżowe Ploh Sp. z o.o. amounting to PLN 74,204.84 for loss of profits related to a break in the activity of the airport. The court has established the security in the form of a compulsory mortgage on the vacant plot owned by the Issuer, located in Toruń. On 19 August 2013, it has been brought a protest against the decision on securing the claim. The District Court in Warsaw, due to recognition of a complaint changed the decision on providing the security and dismissed the application. On 26 August 2013, it has been filed an answer to the suit, in which - besides the application to dismiss the complaint in full as manifestly unfounded, it has been raised a plea of lack of jurisdiction. On 24 September 2013, on the ground of lack of jurisdiction, the case was referred for rehearing by the Economics Department of the District Court of the Capital City of Warsaw. The court ordered the authorities to provide documents requested by the claimant party and adjourned the hearing without setting a trial date.

On 17 July 2013, the Issuer received from LS Airport Services SA request for payment in the amount of PLN 1,844 thousand for loss of benefits associated with a break in the activity of Modlin Airport. Law office representing the Issuer filed the response to the request proving that it is unfounded.

On 12 May 2014, a lawsuit was served to the Company, in which the Employer requested the payment of PLN 34,381,374.64 as compensation plus statutory interest and litigation costs. The case is conducted by the District Court in Warsaw, XXVI Commercial Division, under ref. No. XXVI GC 353/14.
Due to the necessity of preparing specialized technical and financial expertise, the application for a further extension of the deadline has been delivered on July 21. According to the information received on 24 July 2014, the date for filing a statement of defence has been extended until 12 October 2014.

On 11 October 2014, ERBUD filed a response to the suit in which it requested to dismiss the MPL's action as a whole and to grant reimbursement of the proceedings costs. At the same time, regardless of repudiating the plaintiff's claim, ERBUD submitted a counterclaim against the MPL applying for ordering to pay the amount of PLN 19 892 thousand plus statutory interest. The counterclaim includes pavement repair costs incurred by ERBUD at Warsaw-Modlin Airport.
On 2 March 2015, Erbud received a pleading in which MPL upheld its request and appealed to dismiss the counterclaim of ERBUD. n response, on 15 May 2015, Weil lawyers filed a letter (prepared together with experts from various fields), in which they maintained the standpoint of ERBUD, presented another arguments and responded to the evidentiary and procedural issues.

On 3 July 2015, Weil lawyers applied to take evidence from information about the results of the audit conducted by the Supreme Audit Office regarding construction of an airport in Modlin, published in the June 2015.

The court set the date of the first hearing on 28 October 2015.

In view of complicated factual situation of the case and extensive evidence filed during the proceedings, including the likelihood of taking a number of evidence from the expert assessments, the first-instance sentence will probably be issued not earlier than after approx. 3 years after submitting the lawsuit by MPL.

Standpoint of the Management Board on financial claims

Pursuant to a contract dated 14 September 2010 that was executed for the Mazowiecki Port Lotniczy Warszawa - Modlin Sp. z o.o., ERBUD SA acted as the general contractor construction the Warsaw-Modlin airport runway. On 28 December 2012, due to the surface defects found Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego (Mazovian Provincial Building Control Office) issued a decision prohibiting the use of a part of the runway at Modlin Airport. Hovever, having regard to the public interest, the Company (as substitute contractor) replaced the runway concrete pavement), without waiting for the explanation of the causes of damage and without confirmation that it is obliged to make repair works under the warranty. These works were completed in June 2013 and the airport was re-admitted to passenger traffic on 3 July 2013.

ERBUD SA does not recognize its responsibility for the defective condition of the runway surface, and commissioned independent technical reports indicate that the reasons for damage were independent of the Company. Therefore, in our opinion as well as evaluation by legal advisors of Erbud SA, all expenses incurred for

the resurfacing of the runway in a total amount of PLN 20.1 million, recorded as of the balance sheet date as assets of the Company, finally will not be addressed to ERBUD SA.

Due to the initial phase of the litigation related to the assignment of responsibility for the defective condition of the runway surface,, complexity of the case and the anticipated long-term legal proceedings, it cannot be excluded that the final financial consequences of the event for the Company may differ from current estimates adopted by the Management Board of Erbud SA for the purpose of preparing the Financial Statements.

On **18 March 2015,** the Issuer filed in the District Court Warsaw Mokotów a suit for damages due to improper performance of the contract, against Cemex Polska sp. z o.o based in Warsaw, and Lafarge Kruszywa i Beton sp. z o.o. based in Warsaw (the "Defendant") in the amount of PLN 18,685,956.97 (say: eighteen million, six hundred and eighty-five thousand, nine hundred and fifty-six, point nine seven), of which a claim of PLN 8,098,200.89 (say: eight million, ninety-eight thousand, two hundred, point eight nine) against Cemex Polska sp. z o.o., and of 10,587,756.08 (say: ten million, five hundred and eighty-seven thousand, seven hundred and fifty-six, point zero eight) against Lafarge Kruszywa i Beton sp. z o.o.

Note 43. Information on significant events from previous years, included in the financial statements for the current period

Such events did not occur.

Note 44. Information on significant events that occurred after the balance sheet date, not included in the financial statements

Such events did not occur.

Note 45. Information about extraordinary profit or loss (random and others)

Such events did not occur.

Note 46. Information on income tax due to extraordinary operations

There were no extraordinary operations.

Note 47. Seasonality

Sales of construction and assembly services in Poland are characterized by some seasonality related primarily to weather conditions. Typically, the highest revenues are achieved in the third quarter, while the lowest - in the first quarter. However, it cannot be considered typical seasonal activities.

Note 48. Factors and events of unusual nature, having a significant impact on the financial results

During the reporting period there were no such events.

Note 49. Information on significant transactions of purchase and sale of tangible fixed assets

In the reporting period, there were no significant purchases and sales of property, plant and equipment.

Note 50. Information on significant obligations due to the purchase of tangible fixed assets

As of 30 June 2015, the Company has no material obligations due to the purchase of property, plant and equipment.

Note 51. Information on adjustments of prior period errors

During the reporting period ended 30 June 2015, the Company did not make any corrections of prior period errors.

Note 52. Information on changes in economic and business conducting conditions, which have a significant impact on the fair value of financial assets and financial liabilities of the company

As compared to the financial year ended 31 December 2014 there were no significant changes.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2015