

Warsaw, 16th November 2015

TABLE OF CONTENT

I. ERBUD GROUP'S Q1-Q3 2015 KEY FINANCIAL FIGURES AND MARKET FACTORS AFFECTING THE FINANCIAL RESULTS ..... - 3 -

II. EXTERNAL AND INTERNAL FACTORS OF SIGNIFICANCE TO ERBUD GROUP'S GROWTH ..... - 5 -

1. EXTERNAL FACTORS ..... - 5 -
1.1. Macroeconomic conditions ..... - 5 -
1.2 The construction market ..... - 5 -

2. INTERNAL FACTORS ..... - 5 -
2.1. Construction of residential, office and public utility buildings in Poland and abroad ..... - 6 -
2.2. Other segments of Erbud Group's activities ..... - 7 -
2.3. Operating revenues and expenses ..... - 8 -

3. OUTLOOK ..... - 8 -
3.1. Macroeconomic conditions ..... - 8 -
3.2. The construction market ..... - 8 -
3.3. The directions and objectives of the Group's development ..... - 9 -

III. FINANCIAL RESULTS ..... - 10 -

1. ERBUD GROUP COMPANIES ..... - 10 -

2. GROUP'S PROFIT AND LOSS ACCOUNT ..... **-10-**

3. ERBUD GROUP'S BALANCE SHEET ..... **- 10-**

4. ERBUD GROUP'S CASH FLOW ..... - 11 -

5. SELECTED FINANCIAL INDICATORS ..... - 11 -

ERBUD GROUP
MANAGEMENT'S COMMENTARY TO THE INTERIM REPORT
FOR Q1-Q3 2015

Q3 2015:
REVENUE: PLN 495 654 000
EBITDA: PLN 19 488 000
EBIT: PLN 17 104 000
NET PROFIT: PLN 11 301 000

Q1-Q3 2015:
REVENUE: PLN 1 334 735 000
EBITDA: PLN 50 109 000
EBIT: PLN 42 751 000
NET PROFIT: PLN 27 618 000
CASH: PLN 173 063 000

The following financial figures for Q1-Q3 2015, including the comparables, are based on the Group's consolidated financial statements. The contracts shown below are stated at their net values.

I. ERBUD GROUP'S Q1-Q3 2015 KEY FINANCIAL DATA, SIGNIFICANT EVENTS AND MARKET FACTORS AFFECTING THE FINANCIAL RESULTS

MARKET CONDITIONS

- Between 1Q and 3Q 2015, construction and assembly output in Poland increased by 2% y-o-y, as compared to a 5.5% y-o-y growth in 2014.
- September 2015 saw a 2.5% y-o-y decline in the construction and assembly output, as compared to a 4.8% growth in August 2015.
  - In September 2015, residential, office and public utility segment suffered an 8% decrease y-o-y, while the civil engineering segment experienced a 0.3% decline y-o-y. The specialist construction segment, in turn, enjoyed a 0.8% growth y-o-y.
- The prices for construction and assembly works have declined by 0.6% in September 2015, as compared to -0.8% in September 2014. Year to date, the prices in 2015 have dropped by 0.4% y-o-y.

ERBUD GROUP

- Between July and September 2015, the Group signed 41 contracts totalling PLN 341 279 000, compared to 40 contracts worth PLN 456 781 000 signed in the same period of 2014. Year to date, in the first three quarters of 2015, the Group secured 110 construction contracts totalling PLN 910 787 000, compared to 90 contracts worth PLN 911 076 000 in the same period of 2014.

- In 3Q 2015, Budlex Group's sales increased reaching 28 flats and commercial premises *(based on notarial deeds), as* compared to 43 in Q3 2014. Year to date, the Group has sold 150 flats and commercial premises, compared to 125 in the same period of 2014.

    - In pre-sales for 2015-2016 Budlex has signed preliminary contracts worth PLN 52 million for 199 flats and commercial premises, compared to 164 flats and commercial premises worth approx. PLN 42 million as at the end of September 2014.

- **In Q3 2015, Erbud Group's revenue increased by 15.7% y-o-y, up to PLN 495 654 000, from PLN 428 274 000 in 3Q 2014.**
    - The Group's sales were positively impacted by significant revenues generated by the engineering segment, which saw a 156.6% growth y-o-y, and the building for power segment, which experienced a 93.5% growth in the reported period.
- **Year to date, between Q1 and Q3 2015, the Group's revenue amounted to PLN 1 334 735 000, a 17.4% y-o-y increase as compared to PLN 1 137 363 000 in Q1-Q3 2014,** a result of the exponential sales growth in the engineering segment, which boosted the revenue by 198% y-o-y. In the reported period, the building for power segment grew by 120.3% y-o-y and the property development segment – by 21% y-o-y.
- **In Q3 2015, the Group's EBIT amounted to PLN 17 104 000, as compared to PLN 9 608 000 in Q3 2014, a 78% increase y-o-y. EBIT margin was 3.5% as compared to 2.24% in Q3 2014.**
  In Q3 2015, all business segments recorded a positive EBIT, with the engineering segment reporting an impressive 451% increase in EBIT y-o-y. The residential, office and public utility construction segment improved its results by 57% y-o-y.
- **Year to date, as at the end of September 2015, the Group reported EBIT of PLN 42 751 000, as compared to PLN 26 221 000 in Q1-Q3 2014, a 63% increase y-o-y. In Q1-Q3 2015, EBIT margin was 3.2%, compared to 2.3% in the same period of 2014.** All business segments made a positive impact on the Group's consolidated results from operations.
    - EBIT increase was primarily driven by the engineering (547% y-o-y growth) and property development (429.5% y-o-y growth) segments. The residential, office and public utility construction segment saw a 5.8% increase in EBIT.
- **In Q3 2015, the Group's net profit amounted to PLN 11 301 000, a 55.2% y-o-y increase, compared to PLN 7 280 000 in the same period of 2014. The net margin was 2.3%, compared to 1.7% in the same period of 2014.**
    - In the reported period, the Group posted a loss of PLN 1 544 000 on financial operations (interest on loans and bonds), a 26% y-o-y improvement compared to a loss of PLN 2 096 000 in the same period of 2014.
- **Year to date, between Q1 and Q3 2015, the Group reported a net profit of PLN 27 618 000, a 76.9% increase y-o-y (PLN 15 615 000 in Q1-Q3 2014). The margin was 2.1%, compared to 1.4% in 2014.**
    - In the reported period, the Group posted a loss of PLN 4 499 000 on financial operations (interest on loans and bonds), a 17.2% y-o-y improvement compared to a loss of PLN 5 433 000 in the same period of 2014.

- Erbud Group's cash levels as at the end of September 2015 remained at **PLN 173 063 000, compared to PLN 93 948 000 in September 2014**, an 84% growth y-o-y. The Group currently has credit lines and insurance covers available for the total amount of PLN 1 082 495 000, a 44% y-o-y increase compared to PLN 751 670 000 in the same period of 2014.

- In September 20015, cash after interest payable amounted to PLN 9 180 000.

- As at the end of Q3 2015, the Group's contract portfolio was worth approx. PLN 1 227 000 000, of which approx. PLN 407 000 000 is scheduled for execution this year. To put that into context, as at the end of September 2014, the Group's contract portfolio was worth PLN 1 526 000 000.
    - In the period between October and November 2015, the Group signed another 9 contracts totalling approx. PLN 200 million.
- The contract portfolio includes primarily residential buildings (17.8%), retail projects (17.5%), office buildings (15.5%), power projects (14,1%), hospitals (7.6%), public utility buildings (6.9%), and road engineering projects (12.4%).
    - Public works projects, which now constitute 8.3% of the contract portfolio, have gone down from 14.1% in the same period of 2014.
- As at the end of September 2015, the total value of bids tendered in 2015 amounted to PLN 11.254 billion, of which, at the time of publication of this report, projects worth PLN 5.1 billion remain unawarded.

II. EXTERNAL AND INTERNAL FACTORS OF SIGNIFICANCE TO ERBUD GROUP'S DEVELOPMENT

1. EXTERNAL FACTORS

1.1. Macroeconomic conditions

According to Erste Group estimates, the Polish Gross Domestic Product (GDP) grew by 3.4% y-o-y in Q3 2015, compared to 3.3% in the previous quarter.

1.2. The construction market

According to preliminary data compiled by the Central Statistical Office (GUS), construction output in 1Q-Q3 2015 increased by 2% y-o-y, as compared to 5.5% in the same period of 2014. September 2015, however, saw a 2.5% y-o-y decline in the construction output. In September 2015, residential, office and public utility construction segment suffered an 8% decline y-o-y and the civil engineering segment experienced a 0.3% drop y-o-y. The specialist construction segment enjoyed a 0.8% growth y-o-y. In the reported period, prices for construction and assembly works continued to decline, by 0.6% in September 2015, compared to -0.8% in September 2014. Year to date, the prices have dropped by 0.4% y-o-y.

2. INTERNAL FACTORS

Group's core activities in Q3 2015

The following data presents financial results by segment, after consolidation exclusions, and by geographical area

PLN '000 **Q3 2015**	**Construction of residential, office and public utility buildings in Poland and abroad**		*Construction of residential, office and public utility buildings in Poland*		**Property development segment**		**Road-engineering segment**		**Building for power segment**		**Activity in Poland**		**Activity abroad**	
	Q3 2015	Q3 2014	*Q3 2015*	*Q3 2014*	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Revenue from sale	303 768	-9.4% y-o-y	*262 240*	*-10% y-o-y*	7 697	-34% y-o-y	109 014	+156.6 % y-o-y	75 174	+93.5% y-o-y	454 126	+18.2% y-o-y	41 528	-5.4% y-o-y
Share in %	61.3%	78.3%	*53%*	*68%*	1.6%	2.7%	22%	9.9%	15.2%	9.1%	91.6%	89.7%	8.4%	10.2%
EBIT	9113	5806	*7785*	*4537*	447	70	5 752	1044	1789	2689	15775	8 340	1328	1269
EBIT margin (%)	3%	1.7%	*3%*	*1.6%*	5.8%	0.6%	5.3%	2.46%	2.4%	6.9%	3.5%	2.17%	3.2%	2.9%

PLN '000 **Q1-Q3 2015**	**Construction of residential, office and public utility buildings in Poland and abroad**		*Construction of residential, office and public utility buildings in Poland*		**Property development segment**		**Road-engineering segment**		**Building for power segment**		**Activity in Poland**		**Activity abroad**	
	Q1-Q3 2015	Q1-Q3 2014	*Q1-Q3 2015*	*Q1-Q3 2014*	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Revenue from sale	854 626	-8.6% y-o-y	*732 028*	*-7.4% y-o-y*	40959	+21% y-o-y	263 074	+198% y-o-y	176 076	+120.3 % y-o-y	1 212 137	+22% y-o-y	122598	-15% y-o-y
Share in %	64%	82.3%	*55%*	*70%*	3.1%	3%	19.7%	7.8%	13.2%	7.03%	90.8%	87%	9.2%	12.7%
EBIT	20 475	19 357	*15 939*	*15 827*	8 620	1 628	11 305	1748	2350	3488	38 215	22 691	4536	3 530
EBIT margin (%)	2.4%	2.1%	*2.2%*	*2.0%*	21%	4.8%	4.3%	2%	1.33%	4.4%	3.15%	2.3%	3.7%	2.5%

2.1. Construction of residential, office and public utility buildings in Poland and abroad

Between July and September 2015, the Group signed 18 contracts for the construction of residential, office and public utility buildings with an aggregate value of PLN 274 000 000, as compared to 14 contracts worth PLN 301 000 000 in Q3 2014. Year to date, the Group has signed 42 contracts worth PLN 549 000 000, compared to 35 contracts worth 603 808 000 in Q1-Q3 2014. As at the end of September 2015, the contract portfolio for the construction of residential, office and public utility buildings was worth PLN 875 000 000, of which PLN 279 000 000 is scheduled for execution in 2015.

Sales revenue in Q3 2015 amounted to PLN 303 768 000, compared to PLN 335 228 000 in 2014, a 9.4% drop year-on-year. Year to date, the Group has generated revenue of PLN 854 626 000, compared to PLN 935 334 000, an 8.6% decline compared to the same period of 2014. The Group's EBIT on the construction of residential, office and public utility buildings in Q3 2015 increased by 57% y-o-y, up to PLN 9 113 000, representing a 3% margin compared to PLN 5 806 000 in the same period of 2014, when the margin stood at 1.7%. Year to date, between Q1 and Q3 2015, the Group posted a 5.8% y-o-y increase in EBIT, reaching PLN 20 475 000, or a 2.4% EBIT margin, compared to PLN 19 357 000 in Q1-Q3 2014 (i.e. 2.1% margin in 2014). The segment of residential, office and public utility building construction constitutes approx. 64% of the Group's consolidated sales.

Construction of residential, office and industrial buildings in Poland (completed by Erbud SA)
In Q3 2015 sales of the residential, office and public utility building construction segment amounted to PLN 262 240 000, as compared to PLN 291 319 000 in Q3 2014, a 10% drop y-o-y. As at the end of September 2015, year-to-date revenue reached PLN 732 028 000, as compared to PLN 790 979 000 in the same period of 2014, a 7.4% drop year-on-year. In Q3 2015 EBIT amounted to PLN 7 785 000, compared to PLN 4 537 000 in the same period of 2014, a 71.6% increase y-o-y. EBIT margin in Q3 was at 3%, compared to 1.6% in the same period of 2014. Year to date, the segment recorded PLN 15 939 000 in operating profit, as compared to PLN 15 827 000 in 2014, a 0.71% increase y-o-y. EBIT margin was 2.2% as at the end of the reporting period. As at the end of September 2015, the portfolio of contracts for the construction of residential, office and public utility buildings was worth PLN 662 000 000, of which PLN 196 000 000 is scheduled for execution in 2015.

Activity abroad (geographically)

In Q3 2015, the Group's foreign sales revenue declined by 5.4% y-o-y, down to PLN 41 528 000, from PLN 43 909 000 in Q3 2014. The segment's EBIT was PLN 1 328 000, a 4.7% y-o-y increase as compared to PLN

1 269 000 in the same period of 2014. The margin was 3.2% as compared to 2.9% in the same period of 2014.

Year to date, the segment reported PLN 122 598 000 in revenue, as compared to PLN 144 355 000 in Q1-Q3 2014, a 15% drop y-o-y. Operating profit added up to PLN 4 536 000, compared to PLN 3 530 000, a 28.5% increase y-o-y. EBIT margin in Q1-Q3 2015 was 3.7%, compared to 2.5% in 2014. As at the end of the quarter, the Group's foreign contract portfolio grew almost 2.5-fold and amounted to approx. PLN 213 million, compared to PLN 79 million in the same period of 2014. Of the current portfolio, approx. PLN 84 million remains to be executed this year.

2.2. Other segments of Erbud Group's activities

2.2.1. Property development

In Q3 2015, Budlex sold, based on notarial deeds, 28 flats and commercial premises, compared to 43 in the same period of 2014. The Group sold 150 flats and commercial premises, compared to 125 in the same period of 2014.

In Q3 2015, Budlex Group reported PLN 7 697 000 in revenue, compared to PLN 11 722 000 in the same period of 2014, a 34% drop y-o-y. Operating profit totalled PLN 447 000, as compared to PLN 70 000 in Q3 2014.

Year to date, Budlex Group's revenues reached PLN 40 959 thousand as at the end of September 2015, compared to PLN 33 867 thousand in the same period in 2014, a 21% increase y-o-y. Operating profit, as at the end of September 2015, amounted to PLN 8 620 000, as compared to PLN 1 628 000, a 429.5% increase y-o-y. EBIT margin was 21%, as compared to 4.8% in the same period of 2014.

The company's Q1-Q3 2015 results account for the revaluation of the Deptak project (now Półwiejska_2), which increased the segment's revenue by PLN 1 226 000 in Q3 2015 and, in the period between Q1 and Q3 2015, by PLN 6 210 000.

In Q1-Q3 2015 Budlex was working on new residential projects, including three in Toruń and three in Bydgoszcz, with the total usable floor space of 19 800, or approx. 380 flats. In addition, the company was involved in two residential projects in the value segment in Warsaw, which will be offered in pre-sale in the second half of 2016. So far, the Group has signed preliminary contracts for 199 apartments and commercial premises for 2015-2016.

This year, the Company has completed the development of the Deptak (now Półwiejska_2), a retail project in Poznań. The shopping centre obtained an occupancy permit last May. It has a rental area of approx. 9.3 thousand sq. m, including 6.5 thousand sq. m of retail area and 2.7 thousand sq. m of office space. All retail outlets have already been rented out and negotiations are underway to rent out the last remaining offices. The management is negotiating a sale of the project.

2.2.2. Road engineering

Includes the results of the subsidiary company PBDI

In Q3 2015, the road engineering segment expanded the Group's portfolio by 15 contracts worth PLN 18 332 000, as compared to 15 contracts worth PLN 82 600 000 signed in Q3 2014. Year to date, the Group has signed 29 contracts worth PLN 217 000 000, as compared to 27 contracts worth PLN 112 000 000 in Q1-Q3 2014.

In Q3 2015, the revenue of the road engineering segment amounted to PLN 109 014 000, as compared to PLN 42 480 000 in 2014, a 156.6% increase y-o-y. In Q1-Q3 2015, the segment posted PLN 263 074 000 in consolidated revenue, as compared to PLN 88 232 000 in 2014, a 198% increase y-o-y.

Operating profit in Q3 2015 amounted to PLN 5 752 000, as compared to PLN 1 044 000 in Q3 2014, a 451% increase y-o-y. EBIT margin in Q3 was 5.3%, compared to 2.5% in 2014. Year to date, the segment's EBIT was PLN 11 305 000, as compared to PLN 1 748 000 in the same period of 2014, a 546.7% increase y-o-y. Year to date, as at the end of September 2015, EBIT margin was 4.3%, compared to 2% in the same period of 2014.

As at the end of September 2015, the segment had a contract portfolio worth approx. PLN 154 000 000, as compared to PLN 159 000 000 in the same period of 2014, of which approx. PLN 44 million remains to be executed this year.

2.2.3. Building for power segment

In Q1-Q3 2015, the Group signed 39 contracts worth PLN 99 000 000, as compared to 33 contracts worth PLN 195 000 000 in Q1-Q3 2014.

In Q3 2015, the segment's revenue amounted to PLN 75 174 000, as compared to PLN 38 843 000 in 2014, a 93.5% increase y-o-y. The segment's EBIT was PLN 1 789 000, as compared to PLN 2 689 000 in 2014, a 33.5% decline y-o-y. EBIT margin was 2.38%, compared to 6.9% in 2014.

As at the end of September 2015, year-to-date revenue amounted to PLN 176 076 000, compared to PLN 79 929 000, a 120.3% increase y-o-y. Operating profit was PLN 2 350 000, as compared to PLN 3 488 000 in the same period of 2014, a 32.6% decline y-o-y. As at the end of Q3 2015, the segment reported operating margin of 1.33%, as compared to 4.4% in the same period of 2014.

As at the end of Q3 2015, the Group's contract portfolio in the segment totalled PLN 146 000 000, compared to PLN 176 000 000 in the same period of 2014, with PLN 72 million worth of projects to be completed in 2015.

2.3. Operating revenues and expenses

2.3.1. Balance of operating revenues and expenses

The balance of operating revenues and expenses in the Group was PLN -14 632 000 for Q1-Q3 2015.

2.3.2. Costs of payroll, benefits and employment in the Group

As at the end of September 2015, the cost of employee compensation and benefits in the Erbud Group amounted to PLN 144 424 000, a 27.7% increase y-o-y compared to PLN 113 095 000 in the same period of 2014. The Group's headcount was 2 007, compared to 1 771 in the same period of 2014, an approx. 13% increase y-o-y.

3. OUTLOOK

3.1. Macroeconomic conditions

The European Bank of Reconstruction and Development has downsized its 2015 GDP growth forecast for Poland to 3.0% from the previous rate of 3.3%. The European Commission, on the other hand, increased its 2015 GDP forecast for Poland to 3.2%, up from 2.8% predicted in November 2014. In 2016, GDP is expected to grow at the rate of 3.4% (as compared to 3.3% forecast in November). According to the report published by the National Bank of Poland last July, Poland's GDP will grow at the average rate of 3.6% between 2015 and 2017.

3.2. The construction market

The construction industry index, published by the Central Statistical Office, dropped by 5 points in September and by 8 points in October 2015. A decline in the construction and assembly output continues to dampen the industry sentiments.

According to the research company PMR, in 2015 the construction industry will see a higher growth rate compared to last year, around 6%. Analysts forecast that in 2016 the construction industry will grow at the rate of 8% and that the production output will reach approx. PLN 101 billion.
According to the report "*Polish Construction Companies 2015 – Key players, growth factors and industry development prospects*" published by Deloitte, in the first half of 2015, revenue of the WSE-listed construction companies amounted to PLN 10 billion, a 9.2% increase y-o-y. The industry can only be expected to gain momentum in 2017 when the new UE perspective will come into force. According to Deloitte, the future growth of construction companies in Poland depends on how effective the public sector will be in handling bids for infrastructural projects which, in the analysts' opinion, will total approx. PLN 310 billion by 2020. The estimated figure includes mainly road, rail, power and environmental infrastructure projects.

3.3. The directions and objectives of the Group's development.

Between Q1 and Q3 2015, the Group reported PLN 1 334 billion in consolidated sales. This year, another PLN 400 million is scheduled for execution. In the reported period the Group's EBIT amounted to PLN 42.8 million, a 63% increase y-o-y. Considering the current figures and the existing contract portfolio, the management believes that the Group's bottom line is likely to increase in 2015, as compared to 2014. Healthy profit and higher investment returns remain a top priority. As at the end of September 2015, the Group's operating margin was 3.2%.

The management anticipates that the road engineering and power construction segments, which have been growing from quarter to quarter, will remain the main engines of revenue growth in Q4 2015.

Similarly, the property development segment has reported a 21% revenue increase after Q3 2015. Judging by the residential projects that are currently in pre-sales, the turnover of the property development segment should continue on the growth trajectory in Q4, which, considering a one-off gain from the revaluation of the Deptak project (now Półwiejska_2), should bring a significant increase in financial results y-o-y.

In Q3 2015, the residential, office and public utility construction segment significantly improved its results and increased its operating margin relative to Q2 2015 figures. The management hopes that the segment will continue on the growth path throughout 2015.

III. FINANCIAL RESULTS

1. ERBUD GROUP COMPANIES

The consolidated financial statements of the Erbud Group for Q1-Q3 2015 comprises the consolidation of: Erbud SA, Erbud International Sp. z o.o., GWI Bauunternehmung GmbH, PBDI S.A., Budlex Group, Erbud Industry Centrum Sp. z o.o. (formerly Engorem Sp. z o.o.), Erbud Industry Sp. z o.o., Erbud Rzeszów Sp. z o.o.; Erbud Industry Pomorze Sp. z o.o. and Erbud Industry Południe Sp. z o.o.

2. GROUP'S PROFIT AND LOSS ACCOUNT

	Quarter	Quarter		
	2015	2014	2015 to 2014	%
in PLN '000	**Q3 2015**	**Q3 2014**	**difference**	**difference**
Revenues from sale	495 654	428 274	67 380	16%
Cost of products sold	452 153	405 838	46 315	11%
Profit or loss from sales	**43 501**	**22 436**	**21 065**	**94%**
Selling costs	1 260	1 231	29	2%
General and administrative costs	16 352	12 964	3 388	26%
Balance of operating revenues and expenses	-10 001	1 367	-11 368	-832%
Result on operating activities - EBIT	**17 104**	**9 608**	**7496**	**78,02%**
Result on financial activities	-1 544	-2 096	552	26%
Gross profit/ loss	**15 560**	**7 512**	**8048**	**107,14%**
Net profit/ loss	**11 301**	**7 280**	**4 021**	**55%**
EBIT margin (EBIT/ Revenue)	3.45%	2.24%	-	-
amortisation and depreciation	2 384	1 827	557	30%
EBITDA margin (EBITDA/ Revenue)	3.93%	2.67%	-	-

3. BALANCE SHEET OF ERBUD GROUP

in PLN '000	**30.09.2015**	**30.09.2014**	**Share in 2015 balance sheet total**	**Share in 2014 balance sheet total**
Fixed assets	175 861	128 887	16%	14%
Current assets	903 019	822 406	84%	86%
TOTAL ASSETS	**1 078 880**	**951 293**	**100%**	**100%**
Equity	310 011	275 578	29%	29%
Long-term liabilities and provisions	160 752	146 946	15%	15%

Short-term liabilities and provisions	607 987	528 769	56%	56%
TOTAL LIABILITIES	**1 078 750**	**951 293**	**100%**	**100%**

In the reported period the Group's balance sheet total increased. The hike came as a result of increased revenue, which brought about an increase in current assets (receivables) and short-term payables (trade payables). The structure of assets and liabilities has remained unchanged. The Group did not report any extraordinary gains or losses that might have affected the structure of equity and its sources of finance.

4. ERBUD GROUP'S CASH FLOW

	30.09.2015	30.09.2014
in PLN '000		
Net cash flows from operating activities	-40 837.00	-89 416.00
Net cash flows from investment activities	-23 101.00	-1 463.00
Net cash flows from financial activities	27 738.00	-15 739.00
Total net cash flows	**-36 200.00**	**-106 618.00**
Closing balance of cash	**173 063**	**95 151**

The Group ended Q3 with a negative cash flow, mainly due to an increased turnover and a persisting disparity between the receivables collection cycle and the payables deferral cycle, to the advantage of the latter.
The increase in a negative cash flow from investment activities came as a result of loans extended to third parties in connection with property development projects carried out by Erbud companies.
The positive net cash flow from financial operations was fuelled by, among other things, an increase in credit levels taken out to finance the Group's expansion.

5. SELECTED FINANCIAL INDICATORS

Item	2015	2014	Formula
Return on assets (ROA)	2.56%	1.64%	net profit/ total assets
Return on equity (ROE)	8.91%	5.67%	net profit/ shareholders' equity
Debt to total assets ratio	71.25%	71.03%	liabilities and provisions for liabilities/ total assets

Debt to equity ratio	247.97%	245.20%	liabilities and provisions for liabilities/ shareholders' equity
Current ratio	1.49	1.56	working capital/ short-term liabilities
Gross return on sales	2.87%	1.82%	profit or loss on sales/ sales
Net return on sales	2.07%	1.37%	net profit or loss/ total revenues