ERBUD

ERBUD CAPITAL GROUP



PREPARED PURSUANT
TO INTERNATIONAL
FINANCIAL REPORTING
STANDARDS

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THREE QUARTERS OF 2015

Photo: Office Building Royal Winanów in Warsaw

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2015 (in '000 PLN)

	30.09.2015	30.06.2015	31.12.2015	30.09.2014
ASSETS	**1 078 880**	**1 050 039**	**1 051 445**	**951 293**
Fixed assets	**175 861**	**176 584**	**162 161**	**128 887**
Tangible fixed assets	45 938	45 595	42 430	36 265
Investment property	7 467	7 539	9 377	10 611
Goodwill	22 968	22 968	22 066	20 102
Intangibles	2 335	2 436	2 263	1 686
Non-current financial assets	54 396	55 219	41 298	18 007
Deferred tax assets	42 629	42 722	44 651	42 152
Prepayments	128	105	76	64
Current assets	**903 019**	**873 455**	**889 284**	**822 406**
Inventory	117 415	128 531	112 336	110 705
Trade and other receivables	368 429	435 720	317 643	354 031
Income tax receivables	3 866	5 711	5 883	4 017
Financial assets	3 765	6 247	235	7 890
Cash and cash equivalents	173 063	126 842	209 263	93 948
Construction contracts	193 977	119 143	182 088	192 406
Short-term prepayments	5 893	6 820	6 503	6 964
Construction contracts retentions	36 611	44 441	55 333	52 445
LIABILITIES	**1 078 880**	**1 050 039**	**1 051 445**	**951 293**
Equity attributable to shareholders of the parent company	**295 724**	**285 229**	**274 339**	**263 305**
Share capital	1 276	1 276	1 276	1 271
Exchange rate differences on translation of foreign entities	714	664	671	620
Valuation of hedging instruments	114	739	-1 067	0
Supplementary capital	229 129	229 129	223 094	222 734
Undistributed profits	64 491	53 421	50 365	38 680
Minority interests	**14 416**	**13 943**	**13 192**	**12 273**
Total shareholders' equity	**310 140**	**299 172**	**287 531**	**275 578**
Long-term liabilities	**160 752**	**144 084**	**144 797**	**146 946**
Bank loans and borrowings	42 850	33 802	22 801	27 503
Other financial liabilities	6 546	6 279	6 624	5 564
Provision for retirement and similar benefits	1 729	1 729	1 455	2 008
Other provisions	3 339	3 303	3 538	4 040
Liabilities from bonds issue	65 000	65 000	65 000	65 295
Provision for deferred income tax	41 288	33 971	45 379	42 536
Short-term liabilities	**607 988**	**606 783**	**619 117**	**528 769**
Loans and borrowings	49 487	41 851	30 065	58 948
Trade and other liabilities	289 058	346 141	401 548	256 743
Current tax liabilities	3 554	10 529	2 751	1 694
Liabilities from bonds issue	0	0	0	0
Provision for retirement and similar benefits	7 274	7 273	7 124	5 288
Other provisions	24 622	16 516	15 448	14 287
Construction contracts retentions	97 040	91 552	92 832	88 059
Construction contracts	114 437	77 701	42 538	82 948
Other accruals	22 516	15 220	26 811	20 802

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 9-month period ended 30 September 2015 (in 000' PLN)

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
CONTINUING OPERATIONS				
Revenues from sales of products and services and of goods and materials	**1 334 735**	**495 654**	**1 137 363**	**428 274**
Cost of sold products and services and of goods and materials	**1 229 644**	**452 153**	**1 068 493**	**405 838**
Profit (loss) from sales	**105 091**	**43 501**	**68 870**	**22 436**
Cost of sales	4 835	1 260	3 457	1 231
General and administrative costs	49 073	16 352	40 456	12 964
Other operating income	**3 591**	**0**	**5 846**	**2 898**
Other operating expenses	**18 233**	**10 011**	**4 582**	**1 531**
Share of net profit (loss) of subsidiaries valued by equity method	**6 210**	**1 226**	**0**	**0**
Profit (loss) on operating activities	**42 751**	**17 104**	**26 221**	**9 608**
Other gains (losses) on investments	**0**	**0**	**0**	**0**
Financial income	**2 522**	**444**	**2 157**	**968**
Financial expenses	**7 021**	**1 988**	**7 590**	**3 064**
Net loss of subsidiaries valued by equity method	**0**	**0**	**64**	**0**
Profit (loss) on continuing operations before tax	**38 252**	**15 560**	**20 724**	**7 512**
Income tax	10 634	4 259	5 109	232
Net profit (loss) for the financial period attributable to:	**27 618**	**11 301**	**15 615**	**7 280**
- Shareholders of the parent company	**26 154**	**10 847**	**15 041**	**6 998**
- Minority shareholders	**1 464**	**454**	**574**	**282**
Earnings/loss per share from continuing operations (in PLN)	**2.0494**	**0.85**	**1.18**	**0.55**
Earnings/loss per share from continuing and discontinued operations (in PLN)	**2.0442**	**0.85**	**1.18**	**0.55**

	Note	9-month period ended 30.09.2015	9-month period ended 30.09.2014
Consolidated net profit		27 618	15 615
Exchange rate differences from translation of foreign branches and entities		281	-15
Valuation of hedging instruments		1 181	0
Other comprehensive net incomes		1 462	-15
Total comprehensive income attributable to:		**29 080**	**15 600**
- Shareholders of the Parent Company		27 595	15 013
- Minority shareholders		1 485	587

CONSOLIDATED STATEMENT OF CASH FLOWS

as at 30 September 2015 (in '000 PLN)

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
Cash flows from operating activities				
Net profit (loss)	**27 618**	**11 301**	**15 615**	**7 280**
Total adjustments	**-68 455**	**23 585**	**-78 029**	**-36 309**
Depreciation and amortization	7 358	2 384	5 916	1 827
(Gain) / losses from exchange rate differences	-34	97	102	-219
Interest and profit sharing (dividend)	2 727	859	5 161	3 308
(Gain) / loss on investment activities	-7 176	-1 078	-1 980	-1 436
Change in provisions	5 177	15 792	4 192	6 326
Change in inventories	-377	11 384	-1 077	3 558
Change in receivables	-29 900	75 452	-128 252	-52 550
Change in short-term liabilities, excluding loans and borrowings	-106 499	-51 336	71 270	44 549
Change in prepayments and accruals	59 826	-29 724	-34 189	-41 862
Other adjustments	443	-245	828	190
Net cash used in operating activities	**-40 837**	**34 886**	**-62 414**	**-29 029**
Cash flows from investment activities				
Inflows	**4 892**	**782**	**3 189**	**1 042**
Disposal of intangible and tangible fixed assets	571	87	1 298	948
Disposal of investment property	973	0	13	0
Disposal of financial assets	228	0	323	94
Dividends and interest received	686	559	68	0
Repayment of long -term loans	48	0	1 487	0
Other inflows	2 386	136	0	0
Outflows	**27 993**	**2 481**	**12 337**	**7 376**
Acquisition of intangible and tangible fixed assets	6 103	2 284	2 906	569
Investments in real property and in tangible fixed assets	2 395	0	1 752	73
Acquisition of financial assets	8 703	29	1 009	64
Long-term loans granted	10 630	41	6 670	6 670
Other investment outflows	162	127	0	0
Net cash flows from investment activities	**-23 101**	**-1 699**	**-9 148**	**-6 334**

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
Cash flows from financial activities				
Inflows	**74 629**	**31 505**	**90 085**	**43 969**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0	0	0
Loans and borrowings	74 629	31 505	67 690	43 969
Issue of debt instruments	0	0	22 395	0
Other financial inflows	0	0	0	0
Outflows	**46 891**	**18 471**	**49 165**	**27 941**
Redemption of own shares	0	0	4	0
Dividends and other payments to the shareholders	6 570	6 570	9 378	8 910
Repayment of loans and borrowings	30 735	8 726	20 213	5 654
Redemption of debt securities	0	0	10 000	10 000
Due to other financial liabilities	0	0	0	0
Payment of liabilities arising from financial leases	3 965	996	2 807	595
Interest paid	5 621	2 179	6 763	2 782
Other financial outflows	0	0	0	0
Net cash flows from financial activities	**27 738**	**13 034**	**40 920**	**16 028**
Total net cash flows	**-36 200**	**46 221**	**-30 642**	**-19 335**
Balance sheet change in cash, including:	**-36 200**	**46 221**	**-30 642**	**-19 335**
- change in cash due to foreign exchange differences				
Cash opening balance	**209 263**	**126 842**	**124 590**	**113 283**
Closing balance of cash, including:	**173 063**	**173 063**	**93 948**	**93 948**
- restricted cash	10 063		22 854	

Reconciliation of movements in balance sheet items to changes reported in the statement of cash flows for the 3Q 2015 is presented below:

	30.09.2015
Change in provisions in balance sheet	**5 306**
Merger of subsidiaries	508
Balance as at the date of acquisition of the company	-637
Change in provisions in cash flow statement	**5 177**

	30.09.2015
Change in inventories in balance sheet	**-5 079**
Capitalized financial expenses	692
Reclassification of inventories to long-term investments	3 979
Merger of subsidiaries	-7
Balance as at the date of acquisition of the company	38
Change in inventories in cash flow statement	**-377**

	30.09.2015
Change in receivables in balance sheet	**-30 047**
Merger of subsidiaries	-1 528
Balance as at the date of acquisition of the company	1 675
Change in receivables in cash flow statement	**-29 900**

	30.09.2015
Change in liabilities in balance sheet	**-107 479**
Merger of subsidiaries	-591
Balance as at the date of acquisition of the company	-1 476
Reclassification of inventories to short-term leasing	3 047
Change in liabilities in cash flow statement	**-106 499**

	30.09.2015
Change in prepayments and accruals in balance sheet	**58 296**
Merger of subsidiaries	-62
Balance as at the date of acquisition of the company	1 592
Change in prepayments and accruals in cash flow statement	**59 826**

CONSOLIDATED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 30 September 2015 (in 000' PLN)

	Capital attributable to shareholders of the Parent									
						Undistributed profit (loss)				
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Valuation of hedging instruments	Retained profit / accumulated loss brought forward	Net profit / net loss	Total	Minority interests	Share capital
As at 1 January 2015	**1 276**	**0**	**223 094**	**671**	**-1 067**	**50 365**	**0**	**274 339**	**13 192**	**287 531**
Profit / loss for the period	0	0	0	0	0	0	26 154	**26 154**	1 464	**27 618**
Other total income	0	0	0	43	1 181	217	0	**1 441**	21	**1 462**
Total income for the period	**0**	**0**	**0**	**43**	**1 181**	**217**	**26 154**	**27 595**	**1 485**	**29 080**
Buyout of minority interests of Erbud Industry Centrum	0	0	25	0	0	0	0	**25**	-47	**-22**
Dividend for shareholders of subsidiaries	0	0	146	0	0	0	0	**146**	-214	**-68**
Shares-based payment (Management Stock Option Scheme)	0	0	0	0	0	0	0	**0**	0	**0**
Transfer of net profit from the previous year to retained earnings	0	0	5 864	0	0	-5 864	0	**0**	0	**0**
First time consolidated subsidiary (Erbud Rzeszów)	0	0	0	0	0	0	0	**0**	0	**0**
	0	0	0	0	0	0	0	**0**	0	**0**
Dividend to shareholders	**0**	**0**	**0**	**0**	**0**	**-6 381**	**0**	**-6 381**	**0**	**-6 381**
As at 30 September 2015	**1 276**	**0**	**229 129**	**714**	**114**	**38 337**	**26 154**	**295 724**	**14 416**	**310 140**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

attributable to shareholders of the Parent for the year ended 31 December 2014 (in 000' PLN)

	Capital attributable to shareholders of the Parent									
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Valuation of hedging instruments	Undistributed profit (loss)		Total	Minority interests	Share capital
						Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2014	**1 271**	**0**	**222 793**	**591**	**0**	**30 563**	**0**	**255 218**	**11 748**	**266 966**
Profit / loss for the period	0	0	0	0	0	0	26 431	**26 431**	1 461	**27 892**
Other total income	0	0	0	80	-1 067	238	0	**-749**	45	**-704**
Total income for the period	**0**	**0**	**0**	**80**	**-1 067**	**238**	**26 431**	**25 682**	**1 506**	**27 188**
Purchase of shares in Engorem Spółka z o.o	0	0	-9	0	0	0	0	**-9**	0	**-9**
Increase of share capital within the authorized capital	5	0	517	0	0	0	0	**522**	0	**522**
Shares-based payment (Management Stock Option Scheme)	0	0	277	0	0	0	0	**277**	0	**277**
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	**0**	0	**0**
First time consolidated subsidiary (Erbud Rzeszów)	0	0	0	0	0	1 549	0	**1 549**	439	**1 988**
Dividend to shareholders	**0**	**0**	**-484**	**0**	**0**	**-8 416**	**0**	**-8 900**	**-501**	**-9 401**
As at 31 December 2014	**1 276**	**0**	**223 094**	**671**	**-1 067**	**23 934**	**26 431**	**274 339**	**13 192**	**287 531**

CONSOLIDATED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 30 September 2014 (in 000' PLN)

	Capital attributable to shareholders of the Parent								
	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2014	**1 271**	**0**	**222 793**	**591**	**30 563**	**0**	**255 218**	**11 748**	**266 966**
Profit / loss for the period	0	0	0	0	0	15 041	**15 041**	574	**15 615**
Other total income	0	0	0	29	-57	0	**-28**	13	**-15**
Total income for the period	**0**	**0**	**0**	**29**	**-57**	**15 041**	**15 013**	**587**	**15 600**
Shares-based payment (Management Stock Option Scheme)	0	0	322	0	0	0	**322**	0	**322**
Dividend for shareholders	0	0	-484	0	-8 416	0	**-8 900**	-501	**-9 401**
First time consolidation of the subsidiary Erbud Rzeszów	0	0	0	0	1 549	0	**1 549**	439	**1 988**
Purchase of shares in Engorem Spółka z o.o	0	0	-9	0	0	0	**-9**	0	**-9**
Increase of share capital in the subsidiary Erbud Industry	0	0	112	0	0	0	**112**	0	**112**
As at 30 September 2014	**1 271**	**0**	**222 734**	**620**	**23 639**	**15 041**	**263 304**	**12 273**	**275 578**

The average PLN exchange rates against the EURO during the period covered by the financial statements

Period	Average exchange rate for the reported period	Exchange rate as of the last day of the period
30.09.2015	4.1585	4.2386
31.12.2014	4.1893	4.2623
30.09.2014	4.1803	4.1755

Key items of the balance sheet converted to the EURO (as at the last day of the period, in 000' PLN)

Balance-sheet item	30.09.2015		30.09.2014	
	PLN	EUR	PLN	EUR
Total assets	1 078 880	254 537	951 293	227 827
Fixed assets	175 861	41 490	128 887	30 867
Current assets	903 019	213 047	822 406	196 960

Balance-sheet item	30.09.2015		30.09.2014	
	PLN	EUR	PLN	EUR
Total liabilities	1 078 880	254 537	951 293	227 827
Shareholders' equity	310 140	73 170	275 578	65 999
Liabilities and provisions for liabilities	768 740	181 367	675 715	161 828

Items of the balance sheet as at 30 September 2015 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.2386 PLN/EUR.

Items of the balance sheet as at 30 September 2014 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.1755 PLN/EUR.

Key items of the profit and loss statement converted to the EURO (for the reporting period, in 000' PLN)

Profit or loss account item	3-month period ended 30.09.2015		3-month period ended 30.09.2014	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	1 334 735	320 965	1 137 363	272 077
Manufacturing cost of products sold	1 229 644	295 694	1 068 493	255 602
Gross profit on sales	105 091	25 271	68 870	16 475
Profit from operating activities	42 751	10 280	26 221	6 273
Gross profit (loss)	38 252	9 199	20 724	4 958
Net profit (loss)	27 618	6 641	15 615	3 735

Items of the cash flow for the period 1.01.2015 - 30.09.2015 were translated at the mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that day, i.e 4.1585 PLN/EUR.

Items of the cash flow for the period 1.01.2014 - 30.09.2014 were translated at the mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that day, i.e 4.1803 PLN/EUR.

Key items of cash flow converted to the EURO (for the reporting period, in 000' PLN)

Cash flow item	3-month period ended 30.09.2015		3-month period ended 30.09.2014	
	PLN	EUR	PLN	EUR
A. Cash flow from operating activities	-40 837	-9 820	-62 414	-14 931
B. Cash flow from investing activities	-23 101	-5 555	-9 148	-2 188
C. Cash flow from financing activities	27 738	6 670	40 920	9 789
D. Total net cash flow (A+/-B+/-C)	-36 200	-8 705	-30 642	-7 330
F. Cash and cash equivalents at the beginning of the period	209 263	49 096	124 590	30 042
G. Cash and cash equivalents at the end of the period	173 063	40 830	93 948	22 500

Cash flow items for the period of 01 January 2015 – 30 September 2015 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1585 PLN/EUR;

F item figures - at the exchange rate set by the NBP as at the 01 January 2014, i.e. 4.1585 PLN/EUR;

G item figures- at the exchange rate set by the NBP on the 30 September 2014, i.e. 4.2386 PLN/EUR.

Cash flow items for the period of 01 January 2014 – 30 September 2014 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1803 PLN/EUR;

F item figures - at the exchange rate set by the NBP as at the 01 January 2014, i.e. 4.1472 PLN/EUR;

G item figures- at the exchange rate set by the NBP on the 30 September 2014, i.e. 4,1755 PLN/EUR.

Note 1. Significant acquisitions and sales of property, plant and equipment and significant liabilities arising from the purchase of property, plant and equipment

There were no significant purchases and sales of property, plant and equipment in the reporting period.

As of 30 September 2015, the Group has no material commitments for the purchase of fixed assets.

Note 2. Deferred income tax assets

Assets / liabilities due to	**30.09.2015**	**30.06.2015**	**31.12.2014**	**30.09.2014**
- Building contracts valuation	25 362	26 351	14 901	20 117
- Provisions	6 435	5 236	5 096	5 807
- Tax loss to deduct in next years	2 498	1 582	2 862	9 104
- Margin on intra-Group sales	995	1 015	487	487
- Accrued expenses	2 547	187	13 749	1 334
- Other fees charged statistically	197	1 734	673	205
- Revaluation of receivables	1 727	0	1 803	1 212
- Valuation of bonds interest	0	1 694	0	176
- Other financial liabilities	902	2 054	1 699	791
- Consolidation adjustments	0	0	0	0
- Other	1 966	2 869	3 381	2 919
Total deferred tax assets	**42 629**	**42 722**	**44 651**	**42 152**

Assets and liabilities due to deferred income tax assets are offset when there is a legally enforceable entitlement to offset tax receivables and current tax liabilities and when the deferred tax relates to the same tax jurisdiction and will be executed in similar periods.

Margin realized on the intra-Group sales results from the higher tax value of assets sold to the Group companies in relation to their carrying amount due to the exclusion of consolidated profits included in assets.

Note 3. Short-term receivables

Note 3.1 Short-term trade receivables and other debts

	30.09.2015	**30.06.2015**	**31.12.2014**	**30.09.2014**
Short-term receivables before tax				
Due to deliveries and services	391 994	472 227	348 890	388 614
- from associates	52	685	46	91
- from other entities	391 942	471 542	348 844	388 523
From the public sector	23 975	18 483	26 473	16 311
Other	9 731	10 204	10 711	12 811
Impairment of receivables	**16 794**	**15 042**	**7 215**	**7 243**
Net short-term receivables	**408 906**	**485 872**	**378 859**	**410 493**

The fair value of trade and other receivables corresponds approximately to their carrying value.

Note 3.2 Allowances for short-term trade receivables and other debts

	30.09.2015	**30.06.2015**	**31.12.2014**	**30.09.2014**
Write-downs at the beginning of the period	**7 215**	**7 215**	**7 582**	**7 582**
Created to other operating costs	11 556	9 767	2 271	2 324
Reversed into other operating costs	412	374	465	376
Used	12	12	2 745	2 740
Impairment losses taken from Erbud Rzeszow	0	0	450	450
Foreign exchange differences	-3	-4	6	3
Other	-1 648	-1 648	116	0

Impairment losses taken from Ciepło Service	98	98	0	0
Write-downs at the end of the period	**16 794**	**15 042**	**7 215**	**7 243**

There is no concentration of credit risk due to trade receivables, as the Group has a large number of clients, both domestic and foreign.

Note 3.3 Allowances for other financial assets (long-term)

During the reporting period, there were no write-downs due to other long-term financial assets.

Note 4. Construction contracts

	30.09.2015	**30.06.2015**	**31.12.2014**	**30.09.2014**
Building contracts income	1 246 992	781 880	1 623 903	1 096 367
Building contracts costs, incl.	1 142 211	720 510	1 511 586	1 020 598
- recorded loss	0	0	269	0
Profit before tax	**104 781**	**61 370**	**112 317**	**75 769**

The following table shows the value of recognized receivables and liabilities under long-term construction contracts in the Parent Company:

	30.09.2015	**30.06.2015**	**31.12.2014**	**30.09.2014**
Assets:				
Amounts due from customers	**193 977**	**119 143**	**182 088**	**192 406**
Valuation of contracts	193 977	119 143	182 088	192 406
Liabilities:				
Amounts due to customers, incl.:	**114 437**	**77 701**	**42 538**	**82 948**
Valuation of contracts	114 437	77 701	42 538	82 948

Note 5. Share capital of ERBUD SA (structure)

Note 5.1 Structure of the share capital ownership as at 30 September 2015

The share capital as of 30 September 2015 consisted of 12,761,925 shares with a total value of PLN 1,276,192.50.
The shareholding of the Parent Company as at 30 September 2015 was as follows:

Shareholder	**Class of shares**	**Preferences on shares**	**Restrictions on shares**	**Number of shares**	**Equity percentage**	**Disposal restrictions**
Wolff & Muller Holding 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	562 147	4.40%	None
Józef Zubelewicz	Ordinary	None	None	259 500	2.03%	None
Free Float	Ordinary	None	None	1 715 120	13.45%	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		

The above table presents shareholders holding over 5% in the share capital.

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 give any personal rights in relation to Erbud S.A., Company's to the shareholders referred to above, in particular, does not give the right to appoint members of the Management Board or members of the Supervisory Board of the Company.

Note 6. Change in deferred income tax provision
Note 6.1 Deferred income tax provision

Provision for	30.09.2015	30.06.2015	31.12.2014	30.09.2014
- valuation of building contracts with a long completion period	32 084	22 663	20 609	32 926
- assets revaluation	5 681	5 893	5 920	5 888
- accrued income	0	0	13 980	0
- financial instrument	0	235	0	0
- financial costs activated	296	283	355	371
- balance sheet valuation – retention money discount	106	106	202	954
- balance sheet valuation for settlement	380	1 002	921	0
- other	2 741	3 789	3 392	2 397
Total provision for deferred income tax	**41 288**	**33 971**	**45 379**	**42 536**

Deferred tax provisions are created on the rate basis of 19% for positive and negative temporary differences on domestic assets and liabilities, while the difference in the balance sheet items relating to the entitles operating abroad - on tax rates basis of the country of the primary economic environment in which the entity operates and pays obligations arising from income corporate tax.

Note 7.
Note 7.1 Other non-current liabilities

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Other financial liabilities, incl.				
- from financial lease	6 546	6 279	6 608	5 564
- liabilities due to bond issue	65 000	65 000	65 000	65 295
- other	0	0	16	0
Total long term liabilities	**71 546**	**71 279**	**71 624**	**70 859**

Note 8. Trade liabilities and other debts, income tax liabilities and building securities

Short-term liabilities	30.09.2015	30.06.2015	31.12.2014	30.09.2014
a) Deliveries and services	339 840	387 138	445 197	310 253
- from associates	0	840	0	0
- from other entities	339 840	386 298	445 197	310 253
b) To public sector	21 923	27 089	15 376	11 337
- corporate income tax	3 554	10 529	2 751	1 694
- VAT	8 385	5 723	4 508	2 741
- income tax on natural persons	1 692	1 765	1 540	1 727
- other	8 292	9 072	6 577	5 175
c) Financial liabilities , incl.:	4 737	5 801	6 859	4 432
- interest	0	12	28	0

- interest on bonds	0	734	734	785
- lease	4 737	5 027	4 771	3 647
- liabilities form bonds	0	0	0	0
- forward financial instruments	0	28	1 294	0
d) Other	23 152	28 194	29 699	20 474
- payroll	7 217	7 486	5 453	5 611
- prepayments received	13 881	12 767	22 749	13 198
- liabilities due to shares	0	6 381	0	0
- other	2 054	1 560	1 497	1 665
Total	**389 652**	**448 222**	**497 131**	**346 496**

Note 9. Finance lease liabilities

Fail value	**30.09.2015**	**31.12.2014**	**30.09.2014**
Up to one year	4 737	4 771	3 647
Over one and up to five years	6 546	6 608	5 564
Over five years			
Total	**11 283**	**11 379**	**9 211**

The Group uses financial leasing of vehicles. The average lease duration is 3-4 years. Obligations under finance leases are secured by assets used on basis of these lease agreements.
The lease agreements do not include clauses providing for penalties for early repayment of obligations.

Note 10. Information on issue, redemption and repayment of debt instruments and securities
Note 10.1 Liabilities due to debt instruments and securities issued

On 26 March 2014, the Parent 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 is payable every six months.
On 25 April 2014, bearer bonds series B issued by the Parent were introduced to the alternative trading system BondSpot operating within the Catalyst. The Company earmarked the received funds for the redemption of 40,000 bonds of series A issued by the Issuer and to finance an increased demand for working capital in connection with a record contract backlog of the Capital Group. The remaining 10,000 bonds of Series A have been redeemed as per the original fixed term, ie. on 14 July 2014.

On 18 June 2014, Budlex, a subsiadry of Erbud SA, issued a total of 13,000 bearer bonds with a total nominal value of PLN 13,000,000.00. The nominal value per bond amounted to PLN 1,000. The redemption date has been set for 18 June 2017. The interest rate on bonds is a variable and based on 6M WIBOR pus a margin of 5.35%. The interest rate is payable every six months.

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 increase of the share capital planned by the Management Board 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 the Company dated 20 April 2015, passed 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 11. Acquisition / Disposal of subsidiaries / Disposal 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.

On **1 June 2015**, there was an acquisition of shares in the company Ciepło-Service Sp. z o.o. – now Erbud Industry Południe Sp. z o.o. The shares were acquired by Erbud Industry Sp. z o.o. The transaction amount was fixed at PLN 5.9m. The purchase was financed with own funds of the ERBUD Capital Group. Following the transaction the Erbud Group became the owner of 99.3% of shares in Ciepło-Service Sp. z o.o.
According to the opinion of the Management Board of Erbud SA, the new entity provides a sound basis for further expansion of the Group's competence in the energy segment.

Note 12. Revenue from sales

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
Sale of products finished	38 377	7 081	32 463	11 229
Sale of services	1 291 645	486 941	1 102 787	416 407
Sale of goods and materials	4 713	1 632	2 113	638
Total	**1 334 735**	**495 654**	**1 137 363**	**428 274**

Note 13. Costs by type

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
a) Depreciation and amortisation	7 358	2 384	5 916	1 827
b) Consumption of materials and power	224 097	83 250	179 270	75 194
c) External services	907 556	359 288	805 155	301 858
d) Taxes and charges	7 919	2 265	6 032	2 020
e) Payroll	117 900	41 105	92 007	32 897
f) Social security, health care and other benefits	26 570	9 438	21 088	7 554
g) Other costs	19 440	6 270	14 113	4 530
Total expenses by type	**1 310 840**	**504 000**	**1 123 581**	**425 880**
Change in inventories, products and deferred expenditures due to construction contracts	-27 288	-34 235	-11 104	-5 776
Cost of production for in-house use (negative value)	0	0	-71	-71
Cost of sales (negative value)	-4 835	-1 260	-3 457	-1 231
General and administrative costs (negative value)	-49 073	-16 352	-40 456	-12 964
Production cost of products sold	**1 229 644**	**452 153**	**1 068 493**	**405 838**

Note 14. Current and deferred corporate income tax

	30.09.2015	30.06.2015	31.12.2014	30.09.2014
Profit and loss account	**10 634**	**6 375**	**8 162**	**5 109**
Deferred income tax due to the origination and reversal of temporary differences	-2 508	-9 409	1 818	1 696
Current income tax	13 142	15 784	6 344	3 413
Income tax recognized in equity	0	0	**250**	**0**
Valuation of hedging instruments	0	0	250	0

Note 15. Net earnings per share

	Year to 30.09.2015	Quarter to 30.09.2015	Year to 30.09.2014	Quarter to 30.09.2014
Profit (loss) attributable to the Parent's shareholders	26 154	10 847	15 041	6 998
Weighted average number of shares (in units)	12 761 925	12 761 925	12 714 546	12 714 546
Earnings (loss) per share (in PLN)	2.0494	0.85	1.18	0.55
Weighted average diluted number of shares	12 794 073	12 794 073	12 745 377	12 745 377
Diluted earnings (loss) per share (in PLN)	2.0442	0.85	1.18	0.55

Basic earnings per share are calculated as a quotient of net income for the period attributable to ordinary shareholders of the Parent Company and the weighted average number of issued common shares outstanding for the period.

Diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary shareholders (after deducting interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (after adjusting the impact of dilutive options and dilutive redeemable preference shares convertible into ordinary shares).

Note 16. Income, expenditures and results on discontinued operations or operations to be discontinued in next period

There were no discontinued operations in the reporting period.

Note 17. Transactions with key executives

As of 30 September 2015, the managing staff (the Management Board members and procura holders) 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 Zubelewicza	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 Procuration holder	Ordinary	5 640	0.05%	5 640	0.05%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	3 618	0.03%	3 618	0.03%

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

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

Note 18. Information about key events occurred in the period of nine months of 2015 and after the balance date

Significiant 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 (00-633), 11 Polna St. (the "Employer") into a contract to build the Potęgowo - East 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

By 4 August 2015 the Issuer has not been notified by the Employer to proceed the works and therefore the contract has expired.

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, 11 Polna St. (the "Employer") an annex to the conditional contract to build the Potęgowo - East 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 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 28,850,000.00 (in words**:** twenty-eight million, eight hundred and fifty thousand Zlotys).
Erbud SA is due to perform the task within 15 months after 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.
3) 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.

On **16 July 2015,** the subsidiary GWI GmbH has concluded a contract for construction works on the following terms and conditions:
1) Investor: a. PDI Düsseldorf Malmedyerstrasse West GmbH; b. PDI Düsseldorf Malmedyerstrasse Ost GmbH.
2) Contract value: EUR 15,518,321.62 what after conversion at the exchange rate available on the date on which the contract was concluded gives PLN 63,797,372.01
3) Contract subject: construction of a residential building and a kindergarten located on the street Malmedyerstrasse (District Heerdt) in Düsseldorf. The project includes the construction of 141 apartments and a kindergarten with an area of 600 sqm.
4) Completion period: July 2015 - November 2016.

On **18 July 2015,** the subsidiary GWI GmbH has concluded a contract for construction works on the following terms and conditions:
1) Investor: Vabali SPA Düsseldorf GmbH & Co. KG, Anna-Schneider-Steig 15, 50678 Köln.
2) Contract value: EUR 11,536,504.88, what after conversion at the exchange rate as of the day preceding the date of the conclusion of the contract gives PLN 47,323,896.67
3) Contract subject: construction of the Wellness Complex: Vabali Spa Düsseldorf-Elbsee, Schalbruch
210, 40721 Düsseldorf
4) Completion period: September 2015 – September 2016.

On **15 July 2015**, the Issuer concluded a contract for construction works, electrical & mechanical building services (HVAC and fire protection system), and road works at the Toruń Gas Power Plant – EDF Toruń
1) Investor: Babcock Borsig Steinmüller GmbH Europaallee 1 46047 Oberhausen, Germany.
2) Contract value: PLN 41,212,226 PLN net.
3).Completion period: July 2015 – July 2016.

On **27 August 2015,** the subsidiary GWI GmbH has concluded a contract for construction works on the following terms and conditions:
1) Investor: Wüstenrot & Württembergische AG, Gutenbergstraße 30, 70176 Stuttgart.
2) Contractor: Arge W&W-Campus 1.BA, GWI Bauunternehmung GmbH.
3) Contract value: EUR 55,900,000, what after conversion at the exchange rate as of the date of concluding the contract gives PLN 236,909,790.The share of GWI GmbH is EUR 8,900,000 what after conversion at the exchange rate as of the date of concluding the contract gives PLN 37,719,090.
4) Contract subject: construction of office complex - W&W-Campus headquarters, 1 Phase.
5) Completion period: 2015 – 2017.11.17

On **2 September 2015**, the Issuer concluded a contract for construction works with a value of PLN 45.83m - heating plant in Bytom.
1) Contract value: PLN 45,830,000 net
2) Erbud's contract subject: Turnkey construction of a heating plant with WR-25 boiler and accompanying infrastructure including i.a.: preparing design documentation and obtaining replacement building permit design (if required); complex construction and installation services covering the supply of WR-25 boiler, along with plants, installation of coal handling system, slag, flue removal system, flue gas desulphurisation plant, dust collection system and complete services and utilities, start-up, pre-commissioning and commissioning.
3) Completion period: 14 months from 01.09.2015.

On 2 September 2015, the Issuer entered into a contract for construction works on the following specified terms and conditions:
1) Investor: Leroy-Merlin Inwestycje Sp. z o.o., seated in Warszawa, 72 Targowa St. 72, zip code 03-734
2) Contract value: PLN 31,382,000 net
3) Contract subject: Leroy Merlin DIY superstore located in Wrocław on Graniczna St. for Leroy Merlin Inwestycje Sp. z o.o.
4) Site location: Wrocław, Graniczna St.
5) Completion period: 04.09.2015 - 29.04.2016.

On **24 September 2015,** the Issuer signed a contract for construction works on the following specified terms and conditions:
1) Investor: Mirosław Wróbel Sp. z o.o. ul. Klecińska 155, 54-411 Wrocław
2) Contract value: PLN 32,387,280.07
3) Contract subject: Construction of a building complex, incl. Mercedes dealership with repair shop, office area and welfare rooms, car showroom and parking canopy, storage building along with necessary utilities, located in Wrocław on Graniczna St, plot No.1/13, AM-4, Muchobór Wielki cadastral zoning, Wroclaw commune, district of Wrocław, Lower Silesia province
4) Site location: Wrocław, Graniczna St.
5) Completion: 30.11.2016.

On **12 October 2015,** the Issuer signed a contract for construction works on the following specified terms and conditions:
1) Investor: Centrum Praskie Koneser Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa, seated in Warszawa, zip code 02-566, 2 Puławska St.
2) Contract value: EUR 9,915,642.10 - after conversion at the exchange rate available on the date on which the contract was concluded: PLN 41,814,262.74.
3) Contract subject: Construction of underground levels from -3 to 0 and structure of the "J" building in the complex of Centrum Praskie Koneser in Warsaw on Ząbkowska St., incl. accompanying infrastructure.
4) Site location: Warsaw, Ząbkowska St.
5) Completion scheduled: 12 July 2016.

On **20 October 2015,** the Issuer signed a contract for construction works on below specified conditions:
1) Investor: Central Park Ursynów Sp. z o.o. with o.o with its registered office in Warsaw - a subsidiary of Marvipol SA.
2) Contract value: PLN PLN 109,990,000.
3) Contract subject: Comprehensive execution by the Issuer of Phase 2A and 2B of the project Central Park Ursynów consisting in erection of a residential building complex with underground car park, including obtaining occupancy permit.
4) Site location: Warszawa, Kłobucka St.
5) Date of completion: 02/08/2017.

Note 19. Other important events

In Current Report 14/2015 the Issuer announced that on **19 January 2015** it entered with Potegowo Winergy sp. z o.o. with its registered office in Warsaw (00-633), 11 Polna St. (the "Employer") into a conditional contract to

build the Potęgowo - East Wind Farm . The contract was annexed on 1 April 2015, on which the Issuer informed in Current Report 25/2015 of 1 April 2015.
By 4 August 2015 the Issuer has not been notified by the Employer to proceed the works and therefore the contract has expired.
The Issuer was 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.

On **20 August 2015** Erbud SA (Issuer) signed with Alior Bank SA, seated in Warsaw, an Annex No. 5 to the Loan Agreement No. U0002139462604.
Under this Annex, a PLN 90 million multi-purpose line is available to the Issuer. Within the line, the Issuer may use an overdraft up to PLN 10 million and financial guarantees line up to PLN 80 million.
The loan interest rate is based on WIBOR 3M.
The line is secured by power of attorney to dispose of all accounts held by the Lender and the assignment of claims from contracts executed by the Issuer.
Other conditions of this agreement are at arm's length.

Note 20. Changes in accounting principles (policy) applied and method of preparation of 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 financial statements in relation to the previous year.

Note 21. Changes in the composition of the Capital Group

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.

On **1 June 2015**, there was an acquisition of shares in the company Ciepło-Service Sp. z o.o. – now Erbud Industry Południe Sp. z o.o. The shares were acquired by Erbud Industry Sp. z o.o. The transaction amount was fixed at PLN 5.9m. The purchase was financed with own funds of the ERBUD Capital Group. Following the transaction the Erbud Group became the owner of 99.3% of shares in Ciepło-Service Sp. z o.o.
According to the opinion of the Management Board of Erbud SA, the new entity provides a sound basis for further expansion of the Group's competence in the energy segment.

For the purposes of accounting the merger in the Consolidated Financial Statements, assets and liabilities of Ciepło-Service Sp. z o.o. were revalued to their fair value in accordance with IFRS 3. The following table compares the carrying and fair values of main assets and liabilities of Ciepło-Service Sp. z o.o. as of the date of the business combination.

Balance sheet items	**Carrying value**	**Fair value**
Tangible Fixed Assets	276	874
Intangible assets	0	347
Stocks and shares	302	470
Cash and cash equivalents	2 146	2 146
Inventories	38	38
Receivables	1 675	1 675
Prepayments	1 224	1 224
Deferred tax assets	368	368
Total assets	**6 029**	**7 142**
Liabilities and accruals	1 496	1 496
Provisions	426	637
Total liabilities	**1 922**	**2 133**
Fair value of net assets		5 009
of which net assets attributable to shareholders of		4 974

Erbud SA	
Purchase price (cash paid)	5 876
Goodwill	902

If the merger with Ciepło -Service has taken place on 1 January 2014, the net profit of the Erbud SA for the first half of 2015 would have been lower by PLN 295 thousand and would have amounted to PLN 16,022 thousand.

Note 22. Dividend policy - description of policy on the payment of dividends and any restrictions related. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted in case of changes of the number of shares, in order to make comparisons

By Resolution No. 5/2015 of 29.05.2015 passed by the AGM of Erbud SA it 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 23. Changes in accounting estimates

There were no changes in the method used for accounting estimates in the comparable period and in the period ended 30 September 2015.

Note 24. Business segments

During the reporting period ended 30 September 2014 the Group was operating in the following business segments:
- large-volume construction
- real estate development
- road-engineering
- construction for the power industry.

During the reporting period ended 30 September 2015 the Group was operating in the following region segments:
- in Poland
- abroad (Germany, Belgium, Luxembourg and Holland).

The classification of the entities according to their statutory activities was the basis for dividing into segments. The Group applies the same policy of accounting for all segments.

Business segments

The following table presents data on proceeds and gains as well as certain assets and liabilities of the Group's business segments for the period from 1 January to 30 September 2015

Proceeds and expenses by business segments

For the period 01.01 – 30.09. 2015	**Large volume construction**	**Development activity**	**Road-engineering**	**Energy sector**	**Total**
	854 626	**40 959**	**263 074**	**176 076**	**1 334 735**
Income	**789 815**	**34 536**	**244 716**	**160 577**	**1 229 644**
Total cost of products, goods and materials sold	**64 811**	**6 423**	**18 358**	**15 499**	**105 091**
Total gross sales					
Cost of sales	270	1 329	1 958	1 278	**4 835**
General and administrative costs	31 155	1 451	4 905	11 562	**49 073**
Profit (loss) on other operating activity	-12 911	-1 233	-190	-308	**-14 642**
Share of net profit (loss) of subsidiaries valued by equity method	0	6210	0	0	**6 210**
Segment profit (loss)	20 475	8 620	11 305	2 351	**42 751**
Profit (loss) on financing activity	-3 101	-475	76	-999	**-4 499**

Income tax	4 717	2 775	2 378	764	**10 634**
Net profit	**12 657**	**5 370**	**9 003**	**588**	**27 618**

The following table presents data on proceeds and gains as well as certain assets and liabilities of the Group's business segments for the period from 1 January to 30 September 2014

Proceeds and expenses by business segments

For the period 01.01 – 30.09. 2014	**Large volume construction**	**Development activity**	**Road-engineering**	**Energy sector**	**Total**
Income	**935 335**	**33 867**	**88 232**	**79 929**	**1 137 363**
Total cost of products, goods and materials sold	**890 153**	**30 081**	**79 949**	**68 310**	**1 068 493**
Total sales before tax	**45 182**	**3 786**	**8 283**	**11 619**	**68 870**
Cost of sales	14	1 274	1 281	888	**3 457**
General and administrative costs	27 001	1 225	5 112	7 118	**40 456**
Profit (loss) on other operating activity	1 189	341	-141	-125	**1 264**
Segment profit (loss)	**19 356**	**1 628**	**1 749**	**3 488**	**26 221**
Profit (loss) on financing activity	-5 180	85	-180	-222	**-5 497**
Income tax	3 421	266	661	761	**5 109**
Net profit	**10 755**	**1 447**	**908**	**2 505**	**15 615**

Geographical segments

The following table provides figures on proceeds and gains as well as certain assets and liabilities of the Group's business segments as at 30 September 2015

Proceeds and expenses by geographical segments

For the period 01.01 – 30.09. 2015	**Domestic**	**Abroad**	**Total**
Sale to external customers	1 212 137	122 598	**1 334 735**
Total income	**1 212 137**	**122 598**	**1 334 735**
Cost of products, goods and materials sold to external customers	1 119 744	109 900	**1 229 644**
Total cost of products, goods and materials sold	**1 119 744**	**109 900**	**1 229 644**
Total sales before tax	**92 393**	**12 698**	**105 091**
Cost of sales	4 835	0	**4 835**
General and administrative costs	43 715	5 358	**49 073**
Profit (loss) on other operating activity	-11 838	-2 804	**-14 642**
Share of net profit (loss) of subsidiaries valued by equity method	6 210	**0**	**6 210**
Segment profit (loss)	**38 215**	**4 536**	**42 751**
Profit (loss) on financing activity	-4 297	-202	**-4 499**
Income tax	9 285	1 349	**10 634**
Net profit	**24 633**	**2 985**	**27 618**

The following table provides figures on proceeds and gains as well as certain assets and liabilities of the Group's business segments as at 30 September 2014

Proceeds and expenses by geographical segments

For the period 01.01 – 30.09. 2014	**Domestic**	**Abroad**	**Total**
Sale to external customers	993 008	144 355	**1 137 363**
Total income	**993 008**	**144 355**	**1 137 363**
Cost of products, goods and materials sold to external customers	932 182	136 311	**1 068 493**
Total cost of products, goods and materials sold	**932 182**	**136 311**	**1 068 493**
Total sales before tax	**60 826**	**8 044**	**68 870**
Cost of sales	3 457	0	**3 457**
General and administrative costs	33 673	6 783	**40 456**
Profit (loss) on other operating activity	-1 005	2 269	**1 264**
Segment profit (loss)	**22 691**	**3 530**	**26 221**
Profit (loss) on financing activity	-5 335	-162	**-5 497**
Income tax	4 163	946	**5 109**
Net profit	**13 193**	**2 422**	**15 615**

Note 25. Construction contracts retention money

Retention from construction contracts as of 30 September 2015 was as follows:

	30.09.2015	31.12.2014	30.09.2014
Retention held by customers			
Retention to be released after 12 months	17 042	12 450	18 797
Retention to be released within 12 months	19 569	42 883	33 648
Total	**36 611**	**55 333**	**52 445**
Retention retained to suppliers			
Retention to be released after 12 months	14 045	10 014	4 655
Retention to be released within 12 months	82 995	82 818	83 404
Total	**97 040**	**92 832**	**88 059**

Note 26. Litigation and claims

The register of court cases in which the Erbud Capital Group is a party to the proceedings as plaintiff and defendant, did not change significantly in relation to the 31 December 2014. Therefore, during the reporting period, there were no substantial changes in the amount of provisions for liabilities created under litigation.

Note 27. Asset-backed securities

Mortgages on fixed assets of the company

The book value of fixed assets of the company covered by the mortgage – PLN 3.185 thousand.

Collaterals:
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 28. Events subsequent to the balance sheet date

After the balance sheet date by the date of the financial statements there were no events which have not been, and should be recognized in the accounts of the financial year.

Note 29. Information on changes in economic outlook and business conducting conditions, which have a significant impact on the fair value of Company's financial assets and financial liabilities

In relation to the financial year ended 30 September 2014, this type of significant changes did not occur.

Note 30. Information on changes in the method of determining the value of financial instruments measured at their fair value

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

Note 31. Information on changes in the classification of financial assets as a result of target exchange or use of these assets

In the period ended 30 September 2015, the Group did not change the classification of financial assets as a result of changing targets or use of such assets.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, 16 November 2015