MANAGEMENT BOARD REPORT ON BUSINESS ACTIVITIES OF THE ERBUD CAPITAL GROUP FOR 1-3Q OF 2015

1. Description of the organization of the ERBUD Group and changes in the structure

1.1 The Parent

Erbud S.A. is a Parent Company of the Erbud Group [the "Parent"].

The core business of the Group is broadly understood construction activity performed as prime contractor and subcontractor in the country and abroad. ERBUD S.A. is the dominant entity in the Group.

1.2 Consolidated related parties

As at 30 September 2015 the structure of the Erbud Group was as follows.

The Group consists of the Parent Company Erbud SA, based in Warsaw and the following subsidiaries:

Subsidiary name	Seat	Core business	Percentage of shares held by the Parent and votes at AGM as of			
			30.09.2015	30.06.2015	31.12.2014	30.09.2014
Erbud International Sp. z o.o.	Toruń	Construction	100%	100%	100%	100%
GWI Bauunternehmung GmbH	Germany	Construction	85%	85%	85%	85%
Erbud Rzeszów Sp. z o.o.	Rzeszów	Construction	79%	79%	79%	79%
Przedsiębiorstwo Budownictwa Drogowo -Inżynieryjnego S.A.	Toruń	Eengineering structures	94.27%	94.27%	94.27%	94.27%
Erbud Industry Sp. z o.o.	Toruń	Services for power industry	100%	100%	100%	100%
Delta Sp. z o.o.	Toruń	Construction	Acquired by Erbud Industry Sp. z o. o. on 2.02.2015	Acquired by Erbud Industry Sp. z o. o. on 2.02.2015	100%	100%
Erbud Industry Pomorze Sp. z o.o. (formerly NGK Ojrzyński Sp. z o.o.) – direct subsidiary of Erbud Industry Sp. z o.o.	Gdańsk	Services for power industry	100%	100%	100%	0%
EnergoServ Pomorze Sp. z o.o. - direct subsidiary of Erbud Industry Sp. z o.o. – (acquired by Erbud Industry Pomorze Sp. z o.o. on 1.07.2015)	Toruń	Services for power industry	0%	100%	100%	0%
Erbud Industry Południe Sp. z o.o. - direct subsidiary of Erbud Industry Sp. z o.o.	Będzin	Services for power industry	99.29%	99.29%	0%	0%
Erbud Industry Centrum Sp. z o.o.	Łódź	Services for power industry	98.92%	98.92%	98.66%	98.66%
Budlex Group	Warszawa	Real estate development	89.96%	89.96%	89.96%	89.96%
Deptak Projekt P2 Sp. z o.o. – subsidiary of Budlex S.A.	Poznań	Real Estate Development	50%	50%	50%	50%

Erbud Construction Sp. z o. o.	Toruń	Construction	100%	100%	100%	100%
Toruńska Sportowa S.A. w likwidacji	Toruń	Sports, leisure and entertainment	39%	39%	39%	39%

On 21 August 2015, the Extraordinary General Meeting of Shareholders of Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. with headquarters in Torun resolved to increase the share capital by PLN 41,400 to PLN 913,500.00 through the issuance of 828 shares of series C with a nominal value of PLN 50.00 per share. The issue of all shares of series C was addressed to the shareholder Mr. Jacek Leczkowski.
As a result of the capital increase as described above, Erbud SA will be the owner of 90% of shares in the nominal capital of PBDI SA and have the same number of votes at the AGM, and Mr. Leczkowski will hold 10% of the share capital and 10% of the votes at the AGM.
Mr. Jacek Leczkowski is President of the Management Board of PBDI SA.

Until the publication of the financial statements the capital increase has not been registered by the Court.

a) *Subsidiaries included in the consolidated financial statements of the Group by full method:*

- Erbud International Sp. z o.o.
- GWI Bauunternehmung GmbH
- Erbud Rzeszów Sp. z o.o.
- Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A..
- Erbud Industry Sp. z o.o.
- Erbud Industry Pomorze Sp. z o.o.
- EnergoServ Pomorze Sp. z o.o.
- Erbud Industry Centrum Sp. z o.o.
- Erbud Industry Południe Sp. z o.o.
- Budlex Group with Budlex S.A. as Parent Company

b) *Subsidiaries included in the consolidated financial statements of the Group by equity method:*

- Deptak Projekt P2 Sp. z o.o.

c) *Subsidiaries included in the consolidated financial statements of the Group by equity method:*

- Erbud Construction Sp. z o.o.
- Toruńska Sportowa S.A. w likwidacji

2. Standpoint of the Erbud's S.A. Management Board as regards meeting forecasts published in the prospectus in light of the results presented herewith

The Management Board of Erbud S.A. did not publish any projections or estimates for 2015.

3. Shareholders of the Parent

As at 27 August 2015 - releasing date of the interim financial statements, there were the following shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the general meeting of the Issuer:

No.	*Shareholder*	*Class of shares*	*Number of shares held*	*% of shareholders' equity*	*Number of votes*	% of voting rights at the AGM
1	Wolff & Müller Baubeteiligungen GmbH & Co. KG, incl. Wolff & Müller Holding GmbH & Co. KG	ordinary	4 152 865	32.54%	4 152 865	32.54%
2	DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	ordinary	2 136 260	16.74%	2 136 260	16.74%
3	ING OFE	ordinary	1 266 900	9.93%	1 266 900	9.93%
4	Aviva OFE Aviva BZ WBK	ordinary	1 183 146	9.27%	1 183 146	9.27%
5	Dariusz Grzeszczak	ordinary	773 900	6.06%	773 900	6.06%
6	Adler Properties Sp. z o. o. controlled by Józef Zubelewicz	ordinary	712 087	5.58%	712 087	5.58%
7	Quercus TFI	ordinary	661 185	5.18%	661 185	5.18%
8	Józef Zubelewicz	ordinary	259 500	2.03%	259 500	2.03%
9	Free Float	ordinary	1 616 082	12.66%	1 616 082	12.66%
	Total		**12 761 925**	**100.00%**	**12 761 925**	**100.00%**

According to information available to ERBUD S.A. as at the releasing date, i.e. 16 November 2015, the list of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the AGM was as follows:

No.	*Shareholder*	*Class of shares*	*Number of shares held*	*% of shareholders equity*	*Number of votes*	% of voting rights at the AGM
1	Wolff & Müller Baubeteiligungen GmbH & Co. KG, incl. Wolff & Müller Holding GmbH & Co. KG	ordinary	4 152 865	32.41%	4 152 865	32.41%
2	DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	ordinary	2 136 260	16.67%	2 136 260	16.67%
3	ING OFE	ordinary	1 266 900	9.89%	1 266 900	9.89%
4	Aviva OFE Aviva BZ WBK	ordinary	1 183 146	9.23%	1 183 146	9.23%
5	Dariusz Grzeszczak	ordinary	773 900	6.04%	773 900	6.04%
6	Adler Properties Sp. z o. o. controlled by Józef Zubelewicz	ordinary	712 087	5.56%	712 087	5.56%
7	Free Float	ordinary	2 586 701	20.19%	2 586 701	20.19%
	Total		**12 811 859**	**100.00%**	**12 811 859**	**100.00%**

In the period between the publication of the interim financial statements and the publication of the financial statements for the third quarter of 2015 there were changes in ownership of large blocks of shares:

On **2 October 2015**, the Management Board of the Issuer received a notification pursuant to Art. 69 section 1 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies submitted by Quercus Towarzystwo Funduszy Inwestycyjnych S.A. acting on behalf of the managed investment funds – QUERCUS Parasolowy SFIO, QUERCUS Absolute Return FIZ and QUERCUS Absolutnego Zwrotu FIZ on reducing the total number of votes at the AGM of Erbud SA by the above said Funds altogether and falling below the threshold of 5% of the total number of votes at the AGM of Erbud SA.

Falling below the threshold of 5% of the total number of votes was a result of the transaction made on a regulated market on 30 September 2015.
Before the transaction the Funds held 639,147 shares of the Issuer, representing 5.01% of the share capital and giving 639,147votes at the AGM of Erbud SA, i.e. 5.01% of the total voting rights.
After the transaction, as at 30 September 2015, the Funds held total of 562,147shares of Erbud SA which represented 4.40% of the share capital and gave 562,147 votes at the AGM of Erbud SA, i.e. 4.40% of the total number of votes.

On **9 October 2015**, the Management Board of ERBUD S.A. received information, that the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register, registered the increase of the Issuer's share capital to PLN 1,281,185.90.
The increase was due to the issue of 49,934 shares of Series J, which were sold to the employees of the Issuer under the Management Stock Option Scheme adopted by the AGM. Therefore, the equity structure is as follows:

Series	Number of shares	Nominal price per share in PLN	Value in PLN
A	2,000,000	0.10	200,000.00
B	8,000,000	0.10	800,000.00
C	71,025	0.10	7,102.50
D	2,500,000	0.10	250,000.00
E	31,686	0.10	3,168.60
F	41,458	0.10	4,145.80
G	33,787	0.10	3,378.70
H	36,590	0.10	3,659.00
I	47,379	0.10	4,737.90
J	49,934	0.10	4,993.40
Total	**12,811,859**	**0.10**	**1,281,185.90**

The total number of votes attached to all issued shares is 12,811,859 votes at the AGM of Shareholders of Erbud S.A.

On 10 November 2015, the Issuer's Management Board has been noticed of conditionally registration with the NDS of 49,934 shares of Series J. The final registration is subject to introducing the shares to trading on a regulated market.

4. Shares of Erbud SA or rights to them (options) held by the ERBUD SA managing and supervising persons as at the report publication date, incl. changes in ownership over the period beginning on the releasing date of the previous quarterly report, i. e. 27 August 2015

As at 27 August 2015, the Management Board members held the following number of shares:

No.	Person related	Kind of relationship	Class of shares	Number of shares	% of shareholders' equity	Number of votes	% of voting rights at the GM
1	DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Company controlled by the Management Board members of Erbud SA	ordinary	2 136 260	16.74%	2 136 260	16.74%
2	Dariusz Grzeszczak	Management Board member of Erbud SA	ordinary	773 900	6.06%	773 900	6.06%
3	Adler Properties Sp. z o. o. controlled by Józef Zubelewicz	Company controlled by the Management Board members of Erbud SA	ordinary	712 087	5.58%	712 087	5.58%
4	Józef Adam Zubelewicz	Management Board member of Erbud SA	ordinary	259 500	2.03%	259 500	2.03%

As at 27 August 2015, the Supervisory Board members held the following number of shares:

No.	Person related	Kind of relationship	Class of shares	Number of shares	% of shareholders' equity	Number of votes	% of voting rights at the GM
1	Albert Dürr	Supervisory Board member of ERBUD SA	ordinary	14 500	0.11%	14 500	0.11%

As at 16 November 2015, members of the Management Board and the Supervisory Board held the following number of shares:

No.	Person related	Kind of relationship	Class of shares	Number of shares	% of shareholders' equity	Number of votes	% of voting rights at the GM
1	Dariusz Grzeszczak	Management Board member of Erbud SA	ordinary	773 900	6.04%	773 900	6.04%
2	DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Management Board member of Erbud SA	ordinary	2 136 260	16.67%	2 136 260	16.67%
3	Józef Adam Zubelewicz	Management Board member of Erbud SA	ordinary	259 500	2.03%	259 500	2.03%
4	Adler Properties Sp. z o. o. controlled by Józef Zubelewicz	Management Board member of Erbud SA	ordinary	712 087	5.56%	712 087	5.56%
5	Paweł Smoleń	Management Board member of Erbud SA	ordinary	0	0	0	0

No.	Person related	Kind of relationship	Class of shares	Number of shares	% of shareholders' equity	Number of votes	% of voting rights at the GM
1	Albert Dürr	Supervisory Board member of ERBUD SA	ordinary	14 500	0.11%	14 500	0.11%

Members of the Management Board and the Supervisory Board do not have any Erbud's shares options.

5. Proceedings pending before court, authority responsible for arbitration or public administration. including information on:

a) Proceedings concerning payables or receivables of the Issuer or its subsidiary with a value representing 10% of the Issuer's equity

Plaintiff: Mazowiecki Port Lotniczy Warszawa-Modlin sp. z o.o.

Defendant: ERBUD S.A., Warsaw

Date of submitting a lawsuit by ERBUD S.A.: 23 May 2014

The amount in dispute: PLN 34,381,374.64

Case state: On 12 May 2014, a lawsuit was served to the Company, in which the Employer requested the payment of PLN 34,381,374.64 as compensation plus statutory interest and litigation costs. Damage claimed by MPL includes losses incurred by the plaintiff and gains lost as a result of allegedly improper performance

by ERBUD of the agreement No. PLM/K/96/2010 dated 14 September 2010 for construction of the Warsaw-Modlin Aitport and the shutdown of air traffic on the part of the runway.

On 11 October 2014, ERBUD replied to the lawsuit, requesting the dismissal of MPL's action in its entirety and to grant a reimbursement of proceedings costs. Furthermore, regardless of repudiating the plaintiff's claim. ERBUD filed a counterclaim against the MPL making the adjudication of the amount of PLN 19,892,366.30 plus statutory interest. The counterclaim includes repair costs of runway pavement on the Warsaw-Modlin Airport incurred by ERBUD.

On 2 March 2015, Erbud received a pleading in which MPL upheld its request and appealed to dismiss the counterclaim of ERBUD. In response, on 15 May 2015 the lawyers of Weil filed a letter (prepared together with experts from various fields), in which they maintained the standpoint of ERBUD, presented another arguments and responded the evidentiary and procedural issues.

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

The first hearing was held on October 28, 2015 and the first witness was exanimated (together several dozen).

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

We also stick to the assessment presented in the earlier memoranda, according to which the risk of awarding claims for the MPL is less than the chance of dismissal of the action. But even if the Court found the MPL's claim to be justified. The amount of compensation awarded would be significantly lower than the amount requested in the lawsuit by the MPL, because Erbud is able to challenge almost every element of damage reported by MPL.

Plaintiff: ERBUD S.A. seated in Warsaw (Warszawa Branch)

Defendant: DSH – Dopravni Stavby. a.s., Brno. Czech Republic

Date of filing a lawsuit: 14 February 2013

The amount in dispute: PLN 26,923,64.16

Case state: As a result of the filed lawsuit for the payment, the District Court in Warsaw, XX Commercial Department, gave the file number to this suit. By decision of 30 April 2013, the court called ERBUD to make a prepayment to cover the costs of translation of documents. At the moment, in view of costs suffered by ERBUD due to substitute execution of repair works, it is being prepared a pleading extending the claim by PLN 19,451,174. By letter dated 27 April 2014 and delivered on 1 July 2014, the defendant made a counterclaim for PLN 5,651,633. The Court set the hearing day on 6 November 2015. Hearings of witnesses are in progress.

Plaintiff: ERBUD S.A., Warsaw

Defendant: Bank Millennium S.A., Warsaw

Date of filing a lawsuit: 22 December 2010

The amount in dispute: PLN 71,65,496

Case state: In 2008, the Bank Millennium S.A. advised the Issuer (Erbud S.A.) concluding a transaction on currency options to protect euro-denominated contracts executed by the Issuer against an exchange rate risk. The Bank's offer resulted from the Issuer's need to adequate secure its situation. According to the Company the product was not optimally suited to the needs ERBUD SA. In the fourth quarter of 2008, as a result of the drastic depreciation of the Polish zloty against euro, the Bank Millennium S.A. reported to the Issuer a negative valuation of its exposure.

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

A positive result of a long lawsuit is the fact that in this period were issued several verdicts in favour of contractors who have suffered losses from currency options. The sentence by the Court of Appeal in Warsaw of 1 April 2015 is the last spectacular one.

On 1 April 2015, following an appeal submitted by Kancelaria Zimmerman i Wspólnicy sp.k. on behalf of one of our customers (a company affected by settlement of currency options) the Court of Appeal in Warsaw decided that the conclusion of the currency options contract, creating an unlimited risk for the weaker (non-banking) party is incompatible with the principles of social coexistence and beyond the freedom of contract principles. First of all, the invalidity of such transactions is caused by the lack of reliable and fully informing the bank's customer about possible negative effects of currency option contracts. Such a behaviour of the bank should be regarded as acting in bad faith, due to the use of its stronger position. According to the Court of Appeal, the bank as a financial institution is obligated to provide a fair inform the other party about all the risks of monetary contracts, and the opposite behaviour must be considered as incompatible with the principles of conscientiousness and fairness in business transactions.

This situation allows having a positive view regarding the situation of the Issuer in the context of this dispute with Bank Millennium.

Until the publication of the financial statements prepared as at 30 September 2015 there were no new events in this case.

b) Two or more proceedings related to payables and receivables with a total value respectively representing 10% of the Issuer's equity, incl. the specifying of aggregate value of proceedings separately for payables and receivables and the issuer's standpoint.

Total value of other proceedings in which Erbud SA is the plaintiff: PLN 23,126,517

a)

Plaintiff: ERBUD S.A. seated in Warsaw (Wrocław Branch)

Defendant: Kępska S.A., Warsaw

Date of submitting a lawsuit by ERBUD S.A.: 22 April 2014

The amount in dispute: PLN 8,187,631.31

Case state: ERBUD SA claims the payment for executed works from Kępska SA.
By lawsuit of 22 April 2014, the plaintiff applied for awarding the amount of PLN 8,187,631.31 from Kępska SA.

In the suit Erbud SA also requested to secure further sum of PLN 1,414,500 by freezing debts on bank accounts, to which the defendant is entitled, and creating a forced mortgage on the real property located in Opole at 8 Kępska St. By decision of 12 August 2014, the District Court secured the claim amounting PLN 1,414,500 as requested by the plaintiff. The decision dated 4 September 2014, including an enforcement order was delivered to the plaintiff on 19 September 2014. The plaintiff submitted to the District Court in Opole, VI Department of Land Registry, an application for registration of the forced mortgage of PLN 1,414,500 on the basis of the aforementioned Court order. By decision of 15 December 2014, the District Court in Opole dismissed the plaintiff's request for registering the forced mortgage. In support of its ruling, the

Court pointed out that the examination of the land register KW No. OP10/00085900/3 disclosed that the real estate entered into this register is in perpetual use of EMIR 75 sp. z o.o. seated in Warsaw, and not of Kępska SA. On 27 January 2015, the plaintiff applied for making enforceable against EMIR 75 sp. z o.o. the freezing order on claims for the establishment of forced mortgage. By decision of 30 January 2015, the District Court in Opole issued declaration of enforceability against EMIR 75 sp. z o.o. On 5 February 2015, ERBUD SA filed an application for registration of the mortgage into the land register. On 29 May 2015, the mortgage was entered in the land register. On 29 June 2015 (date of receipt by the Court was 1 July 2015), Kępska SA appealed to the Court of Appeal in Wrocław the sentence of the District Court in Opole for granting an enforcement declaration against EMIR 75 Sp. z o.o. By decision of 10 July 2015, the Appeal Court in Wroclaw changed the decision appealed and dismissed the application (it is a basis to delete the mortgage amounting PLN 1,414,500). There is no further right of appeal against the sentence.

In response to the claim of 10 September 2014, Kępska SA applied for dismissal in its entirety and raised an objection to the off-set of mutual claims of the plaintiff and defendant due to improper performance of obligations by ERBUD SA under the contract for general contracting. The court rejected the requests of Kępska SA to suspend the proceedings; examinations of witnesses are in progress.

b)

Plaintiff: ERBUD S.A. seated in Warszawa (Warsaw Branch)

Defendant: Akademia Muzyczna in Łódź

Date of filing a lawsuit: 20 December 2013

The amount in dispute: PLN 2,050,515

Case state: On 20 December 2013. ERBUD SA filed a claim for payment of PLN 1,895,430 as remuneration for construction works carried out by the plaintiff to the defendant under contract No. 694/U/AML/2012 of 20 December 2012, in accordance with the VAT invoice No. 519/13/W of 30 July 2013, issued by the plaintiff to the defendant. and payment of PLN 74,934.40 due to statutory interest on the amount of remuneration accrued from day on which the amount became due and payable (i.e. from 29 August 2013) till the date of filing a lawsuit (i.e. 20 December 2013), and PLN 80,150.37 as compensation for improper performance of Agreement No. 209/U/AMŁ/11 of 15 September 2011 by the Academy. ERBUD thereupon suffered injury in the form of increased site maintenance costs for a period longer than predicted in the above-mentioned agreement, i.e. from 01.06.2013 to 07.15.2013.
The defendant Academy of Music responded to the suit dated 23 January 2014 requesting the dismissal of the action in its entirety and raised the procedural objection to deduction of penalties.
The plaintiff filed pleadings dated 31.03.2014 and 22.05.2014, and the defendant pleadings of 04.04.2014 and 30.06.2014. Two hearings were held so far: on 29.08.2014 (one ERBUD's witness has been examined) and on 07.11.2014, where there case has been postponed due to the planned bringing by the defendant a counterclaim for payment of the remainder of contractual penalties. A hearing was held on 06.04.2015 and adjourned.

c)

Plaintiff: Erbud S.A.

Defendant: Międzyzdrojski Rynek Sp. z o.o.

The amount in dispute: PLN 3,699,578

Case state: The District Court of first instance in Szczecin; an expert appointed by the court prepared an opinion.
Erbud SA claimed the payment of debts arising from invoices (accepted by the defendant). The building constructed by Erbud SA was finally inspected and accepted in written form. The Parties tried to reach an agreement, the defendant expressed willingness to pay, but extending payments for ERBUD over time, made it necessary to apply to a court.
Currently, the defendant seeks a reduction in remuneration due to numerous significant defects in workmanship.

The total value of other proceedings in which Erbud SA is the defendant: PLN 11,085,532

Plaintiff: Akademia Muzyczna in Łódź

Defendant: ERBUD S.A. seated in Warsaw (Warsaw Branch)

Date of filing a lawsuit: 16 December 2014 (delivered to ERBUD SA on 27.03.2015)

The amount in dispute: PLN 4,135,790.96

State of affairs: Akademia Muzyczna applied for payment of contractual penalties due to Erbud's delay in meeting the deadline for completion of works. In response to a lawsuit the defendant appealed to dismiss the above claim in its entirety due to the lack of clause on accountability for exceeding the deadline. The plaintiff applied for hearing this case together with the case filed by ERBUD SA against Akademia Muzyczna, which is pending before the District Court in Łódź under ref. Act I C 2090/13.
On 25.06.2015, the proceedings were suspended for three months.

Both in cases where the Issuer is a plaintiff (regarding receivables) and in cases where the Issuer is a defendant (regarding payables) the standpoint of the Issuer and the Issuer's legal advisors shows that cases will be resolved in favour of the Issuer.

6. Information about one or more transactions concluded by the Issuer or its subsidiary with related parties, if either individually or together they are significant and were concluded on non-market terms.

In the period of three quarters of 2015, there took place transactions with related parties. Both the Issuer and its subsidiaries did not enter into any significant transactions with related parties and on non-market conditions. All contracts were of a routine nature and resulted from the statutory activities of the companies of the Group.

7. Information about loan or borrowing sureties provided by the Issuer or its subsidiary during three quarters of 2014 during three quarters of 2015

Sureties provided by the Issuer are summarized below:

As at 16.11.2015

No.	Granting date	Guarantor	Debtor	Value in PLN '000	Subject	For	Expiry date	Type and conditions
1	2009-09-28	Erbud S.A.	GWI GmbH – 85% owned subsidiary	12 583	Overdraft EUR 1,000,000 + guarantee line EUR 2,000,000	KBC	2015-12-31	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value per year.
2	2011-05-25	Erbud S.A.	GWI GmbH – 85% owned subsidiary	8 389	Overdraft	Commerz-Bank	2016-07-01	Guarantee provided by BRE at request of Erbud S.A; Erbud orders the company to pay fees charged by the Guarantor.
3	2012-05-30	Erbud S.A.	GWI GmbH – 85% owned subsidiary; Erbud International – Sp. z o.o. – 100% owned subsidiary	31 456	Insurance guarantee line	Euler Hermes	2015-12-31	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
4	2012-04-27	Erbud S.A.	GWI GmbH – 85% owned subsidiary	14 680	Insurance guarantee line	Zurich	indefinitely	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
5	2014-09-17	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	6 000	Loan line	BGŻ BNP Pariba Bank	2027-09-17	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
6	2014-09-17	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	5 300	Investment loan	BGŻ BNP Pariba Bank	2022-09-17	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.

7	2015-05-11	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	4 000	Investment loan	BGŻ BNP Pariba Bank	2023-04-30	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
8	2015-03-27	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	15 000	Project loan	BGŻ BNP Pariba Bank	2019-11-30	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
9	2015-03-27	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	15 000	Project loan	BGŻ BNP Pariba Bank	2019-07-31	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
10	2014-10-13	Erbud S.A	Erbud Industry Centrum Sp. z o.o. – subsidiary owned by Erbud Industry Sp. z o.o. in 98.66%	9 300	Investment loan	Credit Agricole	2020-08-28	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
11	2015-03-03	Erbud S.A	Erbud Industry Sp. z o.o. – 100% owned subsidiary	5 000	Loan line	mBank S.A.	2018-12-31	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.
			Total	**126 708**				

Sureties provided to ERBUD S.A.

As at 30.06.2015

No.	Granting date	Guarantor	Debtor	Value in PLN '000	Subject	For	Expiry date	Type and conditions
1	**2014-10-31**	PBDI S.A. – subsidiary 94.27% owned by Erbud SA and Erbud International Sp. z o.o. – subsidiary 100% owned by Erbud SA	ERBUD S.A.	50 000	Multi-purpose line of loan and guarantee	PKO BP S.A.	**2017-06-30**	Civil law surety. The guarantor charges a fee for the surety of 1% of the surety value.

Sureties granted within the Budlex Group

No.	Debtor	Value in PLN '000	Expiry date	Conditions	Relationship	Guarantor
1	Budlex Magnolia sp. z o.o. s.k.	13 498	2016-09-30	0.2% of the monthly balance of the loan used	capital relationship – 100%	Budlex S.A.
2	Budlex Irys sp.z o.o. s.k.	15 534	2017-30-04	0.2% of the monthly balance of the loan used	capital relationship – 100%	Budlex S.A.
3	Budlex Sadowa sp. z o.o. s.k.	11 896	2017-12-31	0.2% of the monthly balance of the loan used	capital relationship – 100%	Budlex S.A.
		40 928				

Off-balance sheet liabilities of the Issuer in the form of financial guarantees (Bank and Insurance guarantees):

Description	**30.09.2015**	**30.06.2015**	**31.12.2014**	**30.09.2014**
Liabilities payment guarantee	168 399	27 726	10 009	27 512
Performance bond	146 622	166 416	142 390	189 501
Defects remedying guarantee	32 009	151 798	133 562	146 574
Total contingent liabilities	**347 030**	**345 940**	**285 961**	**355 138**

8. Key events occurred over three quarters of 2015 and the significant events after 30.09.2015

During the reporting period there were no extraordinary events that would have an impact on the financial position of the Issuer.

9. Other information, which in the Issuer's opinion is important for assessing its personnel situation, the asset and financial position, financial results and their changes and information that is relevant to assess the feasibility of the Issuer's obligations

9.1.1 Loan agreements and agreements for multi-purpose guarantee lines

Available debts of the Erbud Group under the contracts signed were as follows:

Bank name	Type of liability	Amount in PLN '000	CU	Interest rate	Expiry date	Instalments payment	Borrower
BGŻ BNP Paribas Bank Polska S.A.	Overdraft credit	3 000	PLN	WIBOR 1M + margin	2015-11-26	In one amount	Erbud S.A.
mBank S.A.	Overdraft credit	10 000	PLN	WIBOR 1M + margin	2015-12-31	In one amount	ERBUD S.A.
PKO BP S.A.	Overdraft credit	20 000	PLN	Call rate of PKO BP + margin	2017-06-30	In one amount	ERBUD S.A.
ING Bank Śląski S.A.	Overdraft credit	32 000	PLN	WIBOR 1M + margin	2015-12-31	In one amount	ERBUD S.A./PBDI S.A./Budlex S.A.; Erbud Industry Centrum Sp. z o.o.
Alior Bank S.A.	Overdraft credit	5 000	PLN	WIBOR 1M + margin	2016-05-10	In one amount	PBDI S.A.
Alior Bank S.A.	Overdraft credit	10 000	PLN	WIBOR 1M + margin	2016-09-30	In one amount	ERBUD S.A.
BGŻ BNP Paribas Bank Polska S.A.	Multi-purpose line	2 000	PLN	WIBOR 3M + margin	2015-11-26	In one amount	PBDI S.A.
Commerzbank	Overdraft credit	2 000	EUR	fixed rate	2016-05-30	In one amount	GWI
KBC	Overdraft credit	2 000	EUR	EONIA +margin	indefinitely	In one amount	GWI
	Total PLN '000	**82 000**					
	Total EURO '000	**4 000**					

9.1.2 Loan agreements signed by the companies of the Budlex Group

No.	Borrower	Bank name	Kind of credit	Amount in PLN '000	Interest rate	Expiry date
1	Budlex S.A.	ING Bank Śląski	Overdraft	12 000	WIBOR 1M+margin	2015-12-31
2	Budlex Magnolia sp. z o.o. s.k.	Bank PKO BP SA	Investment loan	13 498	WIBOR 3M+margin	2016-09-30
3	Budlex Winnica L6-7 sp. z o.o. s.k.	mBANK HIPOTECZNY SA	Investment loan	9 109	WIBOR 3M+margin	2018-12-15
4	Budlex Irys sp. z o.o. s.k.	Bank PKO BP SA	Investment loan	15 534	WIBOR 3M+margin	2017-30-04
5	Budlex Glinki A3/3 sp. z o.o.	mBANK HIPOTECZNY SA	Investment loan	5 630	WIBOR 3M+margin	2017-11-11
6	Budlex Sadowa sp. z o.o. s.k.	Bank PKO BP SA	Investment loan	11 895	WIBOR 3M+margin	2017-12-31

9.1.3 Loan agreements signed by the companies of the Erbud Industry Group

No.	Bank	Kind of credit	Amount in PLN '000	Interest rate	Expiry date
1	BGŻ BNP Paribas Bank Polska S.A	Multi-purpose line	6 000	WIBOR 1M + margin	16-11-2015
2	BGŻ BNP Paribas Bank Polska S.A	Investment loan	5 300	WIBOR 1M + margin	17-09-2019
3	BGŻ BNP Paribas Bank Polska S.A	Investment loan	4 000	WIBOR 1M + margin	30-04-2020
4	BGŻ BNP Paribas Bank Polska S.A	Loan for project completion - ZAK RAFAKO	15 000	WIBOR 1M + margin	30-11-2016
5	BGŻ BNP Paribas Bank Polska S.A	Loan for project completion- MHPS	10 000	WIBOR 1M + margin	31-07-2016
6	mBank	Multi-purpose line	5 000	WIBOR O/N + margin	31-12-2015

45 300

Loans taken by EIC Sp. z o.o.

No.	Bank	Kind of credit	Amount in PLN '000	Interest rate	Expiry date
1	Credit Agricole S.A.	Overdraft	4 000	WIBOR O/N + margin	2016-07-29
2	Credit Agricole S.A.	Investment loan	9 383	WIBOR 3M + margin	2020-02-28
3	Credit Agricole S.A.	Overdraft	2 000	WIBOR O/N + margin	2016-07-28

15 383

Loans taken by EI Pomorze Sp. z o.o.

No.	Bank	Kind of credit	Amount in PLN '000	Interest rate	Expiry date
1	Credit Agricole S.A.	Overdraft	1 000	WIBOR O/N + margin	2016-07-28
2	BGŻ BNP Paribas Bank Polska S.A	Overdraft	2 000	WIBOR 1M + margin	2016-01-14

3 000

Loans taken by EI Południe Sp. z o.o.

No.	Bank	Kind of credit	Amount in PLN '000	Interest rate	Expiry date
1	Credit Agricole S.A.	Overdraft	1 500	WIBOR O/N + margin	2016-07-28

1 500

Moreover, the following bonds and guarantees may be granted by the banks and insurance companies to the Group:

Guarantor	Type of liability	Amount in '000	Currency	Borrower
BGŻ BNP Paribas Bank Polska S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances, counter-guarantee	41 000	PLN	Erbud S.A.
mBank S.A.	Bid bond, contract performance bond, repair works guarantee	80 000	PLN	Erbud S.A
PKO BP	Bid bond, contract performance bond, repair works guarantee	30 000	PLN	Erbud S.A

BZ WBK S.A.	Bid bond, contract performance bond, repair works guarantee, payment guarantee	34 000	PLN	Erbud S.A
Alior Bank S.A.	Bid bond, contract performance bond, repair works guarantee, payment guarantee	90 000	PLN	Erbud S.A
Alior Bank S.A.	Bid bond, contract performance bond, repair works guarantee	8 000	PLN	PBDI S.A.
ING S.A.	Bid bond, contract performance bond, repair works guarantee, payment guarantee	68 000	PLN	Erbud S.A; PBDI S.A. Erbud Industry Centrum Sp. z o.o.
HSBC Bank Polska S.A.	Bid bond, contract performance bond, repair works guarantee	30 000	PLN	Erbud S.A; PBDI S.A.
Credit Agricol Bank S.A.	Bid bond, contract performance bond, repair works guarantee	30 000	PLN	Erbud S.A; Erbud Industry Centrum Sp. z o.o. Erbud Industry Pomorze Sp. z o.o.; Erbud Industry Południe; Erbud Industry Sp. z o.o.
BNP Paribas Bank Polska S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances, counter-guarantee	8.000	PLN	PBDI S.A.
BNP Paribas Bank Polska S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances, counter-guarantee	5 000	PLN	Erbud Industry Sp. z o.o.
Raiffeisen Bank Polska S.A.	Bid bond, contract performance bond, repair works guarantee	25 000	PLN	PBDI S.A.
KBC Bank	Bid bond, contract performance bond, repair works guarantee, payment guarantee	1 000	EUR	GWI GmbH
	Total **PLN '000**	**449 000**		
	Total **EUR '000**	**1 000**		

Guarantor	**Type of liability**	**Amount in '000**	**Currency**	**Borrower**
STU Ergo Hestia	Bid bond, contract performance bond, repair works guarantee, repayment of advances	195 000	PLN	Erbud S.A
PZU S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances	70 000	PLN	Erbud S.A
Allianz	Bid bond, contract performance bond, repair works guarantee, repayment of advances	30 000	PLN	Erbud S.A.
Warta S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances	20 000	PLN	Erbud S.A
KUKE	Bid bond, contract performance bond, repair works guarantee, repayment of advances	20 000	PLN	Erbud S.A.
Interrisk S.A.	Bid bond, contract performance bond, repair works guarantee, repayment of advances	10 000	PLN	Erbud S.A; Erbud Industry Sp. z o.o.
HERMES	Bid bond, contract performance bond, repair works guarantee, repayment of advances	10 000	PLN	Erbud S.A.
HERMES	Bid bond, contract performance bond, repair works guarantee	7 500	EUR	GWI GmbH; Erbud S.A. Erbud International
ZURICH	Bid bond, contract performance bond, repair works guarantee	3 500	EUR	GWI GmbH
BARKLEY	Bid bond, contract performance bond, repair works guarantee	1 500	EUR	GWI GmbH

AXA	Bid bond, contract performance bond, repair works guarantee	1 000	EUR	GWI GmbH
Bayerischer Versicherungsverband	Bid bond, contract performance bond, repair works guarantee	1 500	EUR	GWI GmbH
STU Ergo Hestia	Bid bond, contract performance bond, repair works guarantee	15 000	PLN	PBDI S.A.
Warta S.A.	Bid bond, contract performance bond, repair works guarantee	10 000	PLN	PBDI S.A.
PZU S.A.	Bid bond, contract performance bond, repair works guarantee	8 000	PLN	PBDI S.A.
Allianz S.A.	Bid bond, contract performance bond, repair works guarantee	10 000	PLN	PBDI S.A.
Interrisk S.A.	Bid bond, contract performance bond, repair works guarantee	5 000	PLN	PBDI S.A.
STU Ergo Hestia	Bid bond, contract performance bond, repair works guarantee	1 500	PLN	Erbud Industry Pomorze Sp. z o.o.
STU Ergo Hestia	Bid bond, contract performance bond, repair works guarantee	4 000	PLN	Erbud Industry Centrum Sp. z o.o.
STU Ergo Hestia	Bid bond, contract performance bond, repair works guarantee	10 000	PLN	Erbud Industry Sp. z o.o.
	Total **PLN '000**	418 500	PLN	
	Total **EUR '000**	15 000	EUR	

9.2. Significant financial agreements

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.

9.3. Relevant information about subsidiaries

9.3.1. General information

Until the publication of the financial statements for the third quarter of 2015, there were no events of a special nature relating to subsidiaries.

9.3.2 Information on transactions with related parties in the Issuer's Group

By 30 September 2015 and to the report release date, the Issuer and its subsidiaries have not concluded any transactions with its affiliates under conditions other at arm's length.

9.4. Other relevant factors, which in the Issuer's opinion can influence the future performance of the Group

9.4.1 Modlin Airport - Facts - Basic information about the contract and its completion

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

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

DSH commissioned the following entities a number of works:

- Instytut Inżynierii Lądowej Politechniki Wrocławskiej [Institute of Civil Engineering, Wrocław University of Technology]:

The commission included the development of the mix design (concrete mixture components) for the construction of runway thresholds. Developed formulas were in accordance with Polish Standards;
- CEMEX and LAFARGE – two worldwide known suppliers of aggregate:
The commission included the supply of aggregate for concrete used to complete the runway thresholds.
The suppliers provided declarations of conformity stating that their products for manufacturing the concrete have complied with the Polish standards indicated in the mix design.

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

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

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

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

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

The Customer has a contract with WizzAir, but it does not contain any provisions which oblige the Customer to receive the damage. WizzAir cannot demand damage money from the airport (there is no legal basis). 3-4 days before the airport has been closed, WizzAir informed the Employer that it changes the operating airport due to lack of the ILS-System in Modlin.
In January and February 2013, the Employer and the General Contractor held a number of meetings, as a result of which the General Contractor presented on 20 February 2013 a Framework Schedule for runway works. The schedule has been approved by the Employer.

By the date, the Customer addressed to the General Contractor a request for payment due to "indemnification" of for a the total amount of PLN 10,496,180.48. The Customer did not documented factual and legal claims. The General Contractor shall not acknowledge the Customer's claim.

Until the report release, the Issuer filed its response to the lawsuit, which challenged all claims of MPL and also filed a counterclaim for the amount of PLN 19,892,366.30 in accordance with the arguments indicated above.

Standpoint of the Management Board on financial claims
Based on a preliminary analysis of the construction investment process and results of the internal audit, as well as the evaluation of technical research and works performed (including their compatibility with the mix

design and Polish standards), it was confirmed that it can be concluded, that all materials used meet the standards specified and required by Polish law.

During conducting the project works, all design solutions, material formulas and land surveying were supervised by the relevant services of the General Contractor and the Employer, and the works were executed under the direct supervision of the General Contractor and the Client's Engineer.

By order of the General Contractor, material samples were collected and then it has been commissioned to make external investigations and technological reports that should show what caused the cavities in concrete surface. This makes it possible to determine the liability of the various parties involved in the project.

In late December and early January 2013, the cost of work executed amounted to about PLN 450 thousand. The General Contractor charged DSH with the above costs and offset claims. The cost of works carried out at the airport is estimated at about PLN12.5m. Following the outsourced expertise all of the costs will be charged to the indicated entity (-ies) as a result of outsourced expertise.

9.5. Bodies of the Issuer

a) Supervisory Board

In accordance with Art. 11 point 2 of the Articles of Association of ERBUD SA the term of office of the Supervisory Board is jointly and fixed for a period of three 3 years. Members of the Supervisory Board shall be appointed pursuant the resolution of the General Meeting of the Issuer.

On 29 May 2015, the General Meeting of Shareholders of Erbud SA appointed by resolutions Nos 15/2015 - 21/2015 the Supervisory Board of Erbud SA consisting of seven members:

Full name	Post/Function	Term beginning	Term ending
Udo Berner	Chairman of the Supervisory Board	29.05.2015	28.05.2018
Józef Olszyński	Vice-Chairman of the Supervisory Board	29.05.2015	28.05.2018
Albert Dürr	Member of the Supervisory Board	29.05.2015	28.05.2018
Gabriel Główka	Member of the Supervisory Board	29.05.2015	28.05.2018
Zofia Dzik	Member of the Supervisory Board	29.05.2015	28.05.2018
Michał Otto	Member of the Supervisory Board	29.05.2015	28.05.2018
Janusz Lewandowski	Member of the Supervisory Board	29.05.2015	28.05.2018

At the same time, the Supervisory Board of ERBUD SA appointed by Resolution No. 19/2015 dated 29 May 2015 the **Audit Committee** composed of:

Gabriel Główka – Chairman of the Committee
Albert Dürr – Member of the Committee
Józef Olszyński – Member of the Committee.

By Resolution No. 20/2015 of 29 May 2015, the Supervisory Board ERBUD SA also appointed the **Remuneration Committee** composed of:

Udo Berner – Chairman of the Committee
Albert Dürr – Member of the Committee
Michał Otto – Member of the Committee.

b) Management Board of Erbud S.A.

On 31 May 2012, the Supervisory Board appointed the Management Board of Erbud SA for a new three-year joint term of office in the following composition:

Full name	Post/Function	Term beginning	Term ending
Dariusz Grzeszczak	Management Board member	31.05.2012	31.05.2015
Józef Adam Zubelewicz	Management Board member	31.05.2012	31.05.2015

On 29 May 2015, the Supervisory Board of Erbud SA appointed by secret ballot the Management Board of Erbud SA for a joint three-year term in the following composition:

Full name	Post/Function	Term beginning	Term ending
Dariusz Grzeszczak	Management Board member	29.05.2015	28.05.2018
Józef Adam Zubelewicz	Management Board member	29.05.2015	28.05.2018

On 16 June 2015, the Supervisory Board of Erbud SA appointed in a secret ballot Mr. Paweł Smoleń as a new member of the Management Board of Erbud SA. He will serve as a Member of the Management Board since 1 September 2015. Mr Smoleń's term of office expires on 28 May 2018.
Since 1 September 2015, the Issuer's Management Board will be as follows:

Full name	Post/Function	Term beginning	Term ending
Dariusz Grzeszczak	Management Board member	2905.2015	28.05.2018
Józef Adam Zubelewicz	Management Board member	29.05.2015	28.05.2018
Paweł Smoleń	Management Board member	01.09.2015	28.05.2018

Paweł Smoleń has many years of experience in big energy companies. He served as Vice-President for Operations at PGE, Director of Strategy, Development and Energy Business at Vattenfall Europe Group in Germany, and Director of Productive Assets Management for the whole Vattenfall Group. By 2010 he was President of Vattenfall Heat Poland (formerly Warsaw Heat and Power Plants).

Paweł Smoleń belongs to numerous industry organizations. For four years, by 2012, he was President of the Association of Private Energy Employers at Polish Confederation.Lewiatan. He graduated from the Faculty of Materials Science and Engineering at Warsaw University of Technology and postgraduated from Marketing and Market Analysis at Warsaw School of Economics.
He is the General Director of Mining and member of associations of auditors in Poland (KIBR) and Great Britain (ACCA).

The new Member of the Management Board will be responsible for the development of the Group in the industry and energy segment and straightening the position of Erbud Industry. a subsidiary of the Issuer.
Mr Paweł Smoleń's workplace will be the headquarters of ERBUD SA in Warsaw.

The above activities are not competitive to the business of ERBUD S.A.

There is no family relationship between Paweł Smoleń and other members of the Supervisory Board or Management Board, or ERBUD S.A holders of a general commercial power of attorney (senior management staff members).

To the report release, the composition of the Management Board has not changed.

Signatures of the Management Board Members

Józef Zubelewicz
/Board member/

Dariusz Grzeszczak
/Board member/

Warsaw, November 16, 2015