ERBUD S.A. CAPITAL GROUP
1 Franciszka Klimczaka St.
02-797 Warszawa

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015, INCLUDING OPINION OF THE INDEPENDENT STATUTORY AUDITOR AND REPORT SUPPLEMENTING THE AUDIT

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OPINION OF THE INDEPENDENT STATUTORY AUDITOR

To the Shareholders of Erbud SA and its Supervisory Board

We have audited the attached consolidated financial statement of the Erbud SA Capital Group ("the Group") where the dominant entity is Erbud SA (the "Parent" or the "Company") with its registered office is at ul. Franciszka Klimczaka 1, Warsaw. The said consolidated statement includes:

- a consolidated financial statement drawn up as at 31 December 2015, showing a balancing sum of PLN 1,098,889 thousand;
- a consolidated statement of all revenues for the period 1 January 2015 to 31 December 2015 which shows total revenues of PLN 34,232 thousand;
- a consolidated statement of changes in shareholders' equity for the period 1 January 2015 to 31 December 2015 which shows an increase in shareholders' funds of PLN 28,256 thousand;
- a consolidated cash flow statement for the period 1 January 2015 to 31 December 2015 which shows a net increase in cash of PLN 44,875 thousand;
- together with Explanatory Notes to the which provide information concerning the accounting policies adopted and other explanatory information.

The Management Board of the Capital Group is responsible for the preparation of the financial statement of the Capital Group and its statement of activities in accordance with the prevailing regulations.

The Management Board of the Parent and the members of its Supervisory Board are responsible for ensuring that the consolidated financial statement and the statement of the activities of the Capital Group meet the requirements stipulated in the Accountancy Act of 29 September 1994 (Journal of Laws of 2013, item 330, as amended) – hereinafter, the "Accountancy Act".

Our task was to audit the consolidated financial statements and to express a clear opinion concerning its reliability, transparency and whether they have been drawn up in accordance with the Group's accounting policies and whether they represent the actual financial condition of the Capital Group in all aspects.

We conducted the audit of the financial statement pursuant to the provisions of:

- Chapter 7 of the Accountancy Act;
- The standards for performing the function of an auditor, as issued by the National Council of Auditors in Poland.

We planned and conducted the audit of the consolidated financial statement in such a way as to gain reasonably certain grounds for expressing an opinion regarding the statement. In particular, the audit involved checking the correctness of the accounting policies adopted by the Dominant Entity and its subsidiaries and the material accounting policies, as well as checking – largely at random – the accounting evidence and entries which provided the figures and information contained in the financial statement, together with an overall assessment of the consolidated financial statement.

We believe that the audit provides sufficient evidence for expressing an opinion.

We are of the opinion that the attached financial statements – in all material aspects:

- clearly and fairly reflect all the material information needed to evaluate the financial condition of the ERBUD Sp. z o. o Capital Group as at 31 December 2015, as well as its profits for the financial year from 1 January 2015 to 31 December 2015;
- and have been prepared in accordance with the International Accounting Standards and the International Financial Statement Standers and with any interpretation relating to them announced in the form of EU directives (IAS), and to the extent not regulated by the IAS – pursuant to the requirements of the Accountancy Act and issue on the basis of executive orders;
- comply with laws applying to the Capital Group which affect the content of the consolidated financial statement.

We would also like to draw attention to the issue raised by the Management Board of the Parent in Note 45 of the Explanatory Notes in the consolidated financial statements provided.

Pursuant to the detailed information provided in that Note, Erbud SA (the "Parent" or the "Company") is involved in litigation related to the contract of 14 September 2010 ("Contract“) which was carried out for Mazowiecki Port Lotniczy Warszawa - Modlin Sp. z o.o. (the “Client”) under which Erbud SA acted as the general contractor for the runway at the Warsaw-Modlin airport.

On 12 May 2014, the Company received a summons under which the Client demanded the payment of PLN 34.3m in damages for the allegedly inadequate performance by the Company of the construction of part of the Warsaw-Modlin airport. On 11 October 2014, Erbud SA moved for the dismissal of the action and, furthermore, submitted a counter-action in the sum of PLN 19.9m for the costs of the repair of the runway at Warsaw-Modlin and submitted an addition claim for PLN 2.4m for retained deposits.

Furthermore, on 18 March 2015, the Parent submitted a claim against the suppliers of aggregate needed for the performance of the Contract - i.e. Cemex Polska Sp. z o.o. and Lafarge Kruszywa i Beton Sp. z o.o. – for a sum of PLN 18.7m as compensation for the damages incurred by Erbud SA for the inadequate performance of the Contract.

The Management Board of the Parent of the does not accept liability for the defective condition of the surface of the runway and the claims associated with it, since an independent expert’s opinion shows that the Company was not liable for the defects. Consequently, it is the opinion of Erbud SA and its legal advisors that the Company is not liable for the costs of the replacement of the surface of the runway in the sum of PLN 20.1m which was incorporated in the balance sheet of 31 December 2015, the deposits retained or any claims against Erbud SA relating to this case.

Given the complicated nature of the litigation associated with the attribution of liability for the defective airport runway and, presumably, a long court process, it cannot be ruled out that the financial impact of this event may differ from the assumptions made by the Erbud SA Management Board in the financial statement provided.

The report on activities of the Group during the financial year ended 31 December 2015 is complete, according to article 49 clause 2 of the Accountancy Act and the executive order issued by the Minister of Finance on 19 February 2009 concerning the information provided by issuers of securities and the conditions for acknowledging that information required by the laws of a country which is not a member state (Journal of Laws of 2009, No. 33, item 259, as amended) is equally valid and that the information contained in that report and derived from the audited consolidated financial statement complies with that executive order.

For and on behalf of:

TPA Horwath Horodko Audit Sp. z o.o.
ul. Murawa 12-18, 61-655 Poznan
Registration No. 3082

Krzysztof Dziekoński
Lead Auditor conducting the audit
Reg. No. 10089

Warsaw, 17 March 2016

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS OF THE ERBUD S.A. CAPITAL GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

I. GENERAL INFORMATION

1. Identification of the audited Capital Group

Erbud S.A. is the Parent Company (the “Parent" or the “Company") of the Capital Group (the "Group" or the "Capital Group").

Erbud S.A. operates as a joint stock company that has been established on 15 November 2006 as a result of legal form conversion of Erbud Spółka z ograniczoną odpowiedzialnością [Erbud Limited Liability Company]. The headquarters of the Company is in Warsaw at 1 Franciszka Klimczaka St.

On 29 November 2006, the Parent Company has been registered by the District Court for the Capital City of Warsaw in Warsaw, XIII Economic Department of the National Court Register under the registration number KRS 0000268667.

The Parent Company has a tax identification number (NIP) 879-017-22-53 and an identification number granted by the Central Statistical Office (REGON) 005728373.

The Parent operates on the basis of the Commercial Companies Code and the Articles of Association established by a deed of incorporation of 15 November 2006, Index A No. 13165/2006, drawn up by the Notary Dorota Kałowska with later amendments. The consolidated text of the Articles of Association was adopted by the Management Board on 19 August 2015.

The range of the Company’s business as listed in the Articles of Association includes, but is not limited to, the following activities:

- demolition of buildings; earthworks;
- civil construction works connected with erection of buildings;
- construction of bridges;
- building and structure electrical systems;
- electrical signalling systems;
- construction, urban and technological design;
- other finishing and fit out works.

The scope of business activities of subsidiaries, associates and jointly controlled entities is associated with the Parent's operations.

During the audited reporting period there were movements in the Company's share capital. The capital increase was related to the Management Share Option Scheme. Granted were 49,934 shares of Series “J” with total par value of PLN 4,993.40. The overall increase in equity following the issuance amounted to PLN 549,274.

As at 31 December 2015, the Company's registered share capital amounted to PLN 1,281,185.90 and was divided into 12,811,859 shares with a nominal value of PLN 0.10 each one.

According to information received from the Parent Company, the ownership of share capital as of the balance sheet date was as follows:

Shareholder	Number of shares	Number of votes	Shares par value	Percentage of equity held
Wolff & Muller Baubeteiligungen Gmbh & Co.KG, incl. Wolff & Muller Holding Gmbh & Co.KG	4,152,865	4,152,865	415,286.50	32.41%
DGI Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych controlled by Dariusz Grzeszczak	2,136,260	2,136,260	213,626.00	16.67%
Nationale Nederlanden PTE	1,266,900	1,266,900	126,690.00	9.89%
AVIVA Otwarty Fundusz Emerytalny BZ WBK	1,183,146	1,183,146	118,314.60	9.23%
Dariusz Grzeszczak	773,900	773,900	77,390.00	6.04%
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	712,087	712,087	71,208.70	5.56%
Józef Adam Zubelewicz	259,500	259,500	25,950.00	2.03%
Free Float	2,327,201	2,327,201	232,720.10	18.17%
Total	**12,811,859**	**12,811,859**	**1.281.185,90**	**100.00%**

Significant changes in the ownership of the Parent's share capital during the audited period are described in Note 17.1 of Explanatory Notes to the Consolidated Financial Statements.

A 12-month period ending 31 December 2015 is the Capital Group's FY.

As at 31 December 2015, the Erbud S.A. Capital Group consisted of the following subsidiaries:

Subsidiary name	Percentage of equity held	Consolidation method
Erbud International Sp. z o.o.	100%	full consolidation
GWI GmbH Group	85%	full consolidation
Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A.	94.27%	full consolidation
Budlex S.A. Capital Group	89.96%	full consolidation
Erbud Industry Sp. z o.o.	100%	full consolidation
Erbud Rzeszów Sp. z o.o.	79%	full consolidation
Erbud Industry Centrum Sp. z o.o.	98.92%	full consolidation
Energoserv Pomorze Sp. z o.o	100%	full consolidation
Erbud Industry Pomorze Sp. z o.o.	100%	full consolidation
Erbud Industry Południe Sp. z o.o.	99.29%	full consolidation
Erbud Construction Sp. z o.o.	100%	not consolidated
Toruńska Sportowa S.A. w likwidacji	39%	not consolidated

Erbud Construction Sp. z o.o. and Toruńska Sportowa S.A. w likwidacji have been excluded from consolidation due to the insignificant on the consolidated financial statements.

In the audited year, the Parent Company has included in the consolidation, through the GWI GmbH Group, the following subsidiaries controlled by GWI GmbH: PDI Düsseldorf Malmedyerstrasse Ost GmbH and PDI Düsseldorf Malmedyerstrasse West GmbH, both based in Germany.
In December 2015, all shares in the jointly controlled company Projekt Deptak P2 Sp. z o.o. have been sold, whereby it has been excluded from the consolidation under the equity method.

The Management Board is a body authorized to represent the Parent Company. As at 31 December 2015 and at the date of realising the opinion on the audit, the Management Board consisted of:

- Dariusz Grzeszczak - Management Board Member
- Józef Adam Zubelewicz - Management Board Member
- Paweł Stefan Smoleń - Management Board Member.

In the audited period, Mr Dariusz Grzeszczak and Mr Józef Adam Zubelewicz were appointed, by the Supervisory Board's Resolutions 18/2015 and 19/2015 of 29 May 2015, for another 3-year term. In addition, according to the Resolution of the Supervisory Board No. 23/2015 of 16 June 2015 Mr Paweł Stefan Smoleń was appointed as a new Member of the Management Board.

The Supervisory Board is a body authorized to exercise supervision. As at 31 December 2015 and at the date of realising the opinion on the audit, the Supervisory Board consisted of:

- Udo Berner - President of the Supervisory Board
- Józef Olszyński - Vice-President of the Supervisory Board
- Albert Dürr - Member of the Supervisory Board
- Gabriel Główka - Member of the Supervisory Board
- Zofia Dzik - Member of the Supervisory Board
- Michał Otto - Member of the Supervisory Board
- Janusz Lewandowski - Member of the Supervisory Board.

There were no changes in the composition of the Supervisory Board during the audited period.

2. Information on the Consolidated Financial Statements for the previous financial year

In 2014, the Capital Group showed in the Consolidated Financial Statements a net profit amounting to PLN 27,892 thousand and a comprehensive income of PLN 27,188 thousand. The Consolidated Financial Statements of the Capital Group for the year ended 31 December 2014 have been audited by TPA Horwath Horodko Audit Sp. z o.o., with its registered office in Poznań at 16-18 Murawa St., entered on the list of entities licensed to audit the financial statements under No. 3082. On 24 April 2015, the auditor issued an unqualified opinion on those Consolidated Financial Statements, including an explanation related to the following:

"At the same time, we would like to draw attention to an issue presented by the Parent's Management Board in note 45 of Explanatory Notes to these Consolidated Financial Statements.

According to the detailed information provided in the note, Erbud SA (the "Company" or the "Parent") is a party to two court disputes relating to the contract of 14 September 2010 executed by Erbud as general contractor for the construction of the runway at the Warsaw-Modlin Airport for Mazowiecki Port Lotniczy - Modlin Sp. z o.o. (the "Ordering Party").

On 12 May 2014, a lawsuit was served to the Company, in which the Employer requested the payment of PLN 34.4m as compensation for losses and lost profits caused by the allegedly improper performance of the contact for the construction works at the Warsaw – Modlin Airport by the Company. On 11 October 2014, Erbud requested to dismiss the action and submitted a counterclaim for the amount of PLN 19.9 due to costs incurred for repair of pavement of airport runway at the Warsaw – Modlin Airport.

Moreover, on 18 March 2015, the Issuer filed a suit against Cemex Polska sp. z o.o and Lafarge Kruszywa i Beton sp. z o.o. in the amount of PLN 18,7m for compensation due to the damage suffered by Erbud SA as a result of improper performance of the contract.

The Management Board of Erbud SA does not recognize the responsibility of the Company for the defective condition of the runway surface and the related claims, as independent technical expertise indicate that the reasons of defects are not attributable to the Company. Therefore, the Management Board of Erbud S.A. and its legal advisors believe that all expenses incurred for the resurfacing of the runway in a total amount of PLN 20.1 million, recorded as of the balance sheet date as assets of the Company, finally will not be addressed to ERBUD SA.

Due to the ongoing legal proceedings related to the determination of responsibility for the bad condition of the airport runway as well as the complexity of the case and the anticipated long-term legal proceedings, it cannot be excluded that the final financial consequences of the event for the Company may differ from current estimates adopted by the Management Board of Erbud SA for the purpose of preparing the Financial Statements.

The Consolidated Financial Statements for the year ended 31 December 2014 were approved by the Annual General Meeting of Shareholders by Resolution No. 4/2015 of 29 May 2015.

The Consolidated Financial Statements for the year ended 31 December 2014 were submitted to the National Court Register on 3 June 2015.

3. Identification of the entity certified and the auditor conducting the audit on its behalf

The audit of the Consolidated Financial Statements has been conducted under the agreement of 30 June 2015, concluded by and between Erbud S.A. and TPA Horwath Audit Horodko Sp. z o.o. based in Poznań, 16-18 Murawa St., entered on the list of entities licensed to audit the financial statements under No. 3082. The Consolidated Financial Statements have been audited on behalf of the entity authorised under the supervision of the auditor Krzysztof Dziekoński (Reg. No. 10089) during the period from 15 February 2106 to 26 February 2016, of which on-site bookkeeping of the Parent over the period from 15 February 2106 to 26 February 2016.

The certified entity was chosen by the Company's Supervisory Board by Resolution No. 13/2015 dated 29 May 2015.

TPA Horwath Horodko Audit Sp. z o.o. and the leading statutory auditor Krzysztof Dziekoński confirm that they are entitled to audit the financial statements and meet the requirements set out in Article 56 item 3 and 4 of the Act on statutory auditors and their self-governing body, entities authorized to audit financial statements and public oversight (Journal of Laws of 2009, No. 77 item 649) to issue an impartial and independent opinion on the Consolidated Financial Statements of the Erbud S.A. Capital Group.

4. Disclosures availability and the statements by the Parent's Management

The scope of the audit has not been limited in any way. During the audit, the company provided to the entitled entity and the auditor all required documents, data, information and explanations what i.a. has been confirmed by written statement issued by the Management Board of the Parent Company on 17 March 2016.

5. Audit of the financial statements of consolidated companies

Separate financial statements of companies forming the ERBUD S.A. Capital Group, drawn up pursuant the Accounting Act as of 31 December 2014, were the basis for preparing the Consolidated Financial Statements covering the period from 1 January 2015 to 31 December 2015 in line with the International Accounting Standards and International Financial Reporting Standards. These statements have been restated to conform to the principles arising from IAS.

Financial Statements of the Parent Company for the year ended 31 December 205 were audited by TPA Horwath Horodko Audit Sp. z o.o., the entity licensed to audit financial statements with reg. No.3082, and received an unqualified opinion along with the following explanation:

“At the same time, we would like to draw attention to an issue presented by the Parent’s Management Board in note 61 of Explanatory Notes to these Consolidated Financial Statements.

According to the detailed information provided in the note, Erbud SA (the “Parent”) is a party to two court disputes relating to the contract of 14 September 2010 executed by Erbud as general contractor for the construction of the runway at the Warsaw-Modlin Airport for Mazowiecki Port Lotniczy - Modlin Sp. z o.o. (the “Ordering Party”).

On 12 May 2014, a lawsuit was served to the Company, in which the Employer requested the payment of PLN 34.4m as compensation for losses and lost profits caused by the allegedly improper performance of the contact for the construction works at the Warsaw – Modlin Airport by the Company. On 11 October 2014, Erbud requested to dismiss the action and submitted a counterclaim for the amount of PLN 19.9 due to costs incurred for repair of pavement of airport runway at the Warsaw – Modlin Airport.

Moreover, on 18 March 2015, the Issuer filed a suit against Cemex Polska sp. z o.o and Lafarge Kruszywa i Beton sp. z o.o. in the amount of PLN 18,7m for compensation due to the damage suffered by Erbud SA as a result of improper performance of the contract.

The Management Board of Erbud SA does not recognize the responsibility of the Company for the defective condition of the runway surface and the related claims, as independent technical expertise indicate that the reasons of defects are not attributable to the Company. Therefore, the Management Board of Erbud S.A. and its legal advisors believe that all expenses incurred for the resurfacing of the runway in a total amount of PLN 20.1 million, recorded as of the balance sheet date as assets of the Company, finally will not be addressed to ERBUD SA.

Due to the ongoing legal proceedings related to the determination of responsibility for the bad condition of the airport runway as well as the complexity of the case and the anticipated long-term legal proceedings, it cannot be excluded that the final financial consequences of the event for the Company may differ from current estimates adopted by the Management Board of Erbud SA for the purpose of preparing the Financial Statements.

Report on the activities of the Group for the year ended 31 December 2015 is complete within the meaning of Art. 49 clause 2 of the Accounting Act and the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by laws of a non-member state (Journal of Laws of 2009, No. 33, pos. 259, as amended), and information contained therein, extracted directly from the audited consolidated financial statements are consistent with it."

The financial data of the consolidated companies have been audited or reviewed by TPA Horwath Horodko Audit Sp. o.o. for the purposes of consolidation.

Other companies from the Group are not subject to the audit and publication of financial statements.

6. Financial position and assets of the Capital Group

Below are presented the basic figures from the consolidated statement of comprehensive income and financial ratios showing the Group's profits, financial position and assets as compared to the

corresponding data for the previous year.

Basic figures from the consolidated statement of comprehensive income (in PLN thousands)	2015	2014
Revenues from sales of products and services and of goods and materials excluding the participation of consortium members	1,763,282	1,577,830
Cost of sold products and services and of goods and materials excluding the participation of consortium members and overheads costs	1,719,632	1,540,104
Other operating income	12,321	6,876
Other operating expenses	11,873	8,356
Share of net profit (loss) of subsidiaries valued by equity method	0	6,882
Profit from the sale of shares in the jointly controlled entity	7,430	0
Financial income	4,812	3,980
Financial expenses	11,511	11,054
Income tax	13,140	8,162
Net profit (loss)	31,689	27,892
Total income	34,232	27,188

Profitability	2015	2014
ROA	2.95%	3.02%
ROE	10.50%	10.06%
Gross margin on sales	6.90%	6.29%
Net margin	1.80%	1.64%

Financial liquidity and efficiency	2015	2014
Liquidity index I	1.44	1.44
Quick liquidity index II	1.24	1.25
Debtors days	66	62
Creditors days	72	73

Structure ratios	2015	2014
Equity-to-assets ratio	15.89%	15.42%
Current assets-to-assets ratio	84.11%	84.58%
Equity-to-liabilities ratio	28.74%	27.35%
Current assets-to-liabilities ratio	71.26%	72.65%

Analysis of the above figures and ratios indicates the following trends in 20154:

- Ratios of profitability improved due to the increase in net profit. The ROA was 2.95% compared to 3.02% in 2014. The ROE increased from 10.06% in the financial year ended 31 December 2014 to 10.50% in the financial year ended 31 December 2015. The gross sales margin index rose from 6.29% in the year ended 31 December 2014 to 6.90% in the audited period, the net profit margin increased to 1.80% compared to 1.64% in 2014.
- Liquidity ratios are good and stable. The liquidity index I amounted to 1.44, while the quick liquidity index II was 1.24.
- Efficiency Indicators are at a good level. The debtors days amounted to 66 compared to 62 in 2014, The creditors days amounted to 72 compared to 73 in 2014.
- Assets structure indexes show a slight growth of tangible fixed assets in total assets as compared to the previous year. In the audited FY, the Group slightly decreased the proportion of its financing through borrowings.

II. DETAILED INFORMATION

1. Rules applied for the consolidation of the financial statements

The Consolidated Financial Statements of the Capital Group for the year 2015 were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

The Consolidated Financial Statements as at 31 December 2015 have been prepared on the basis of financial reports of entities composing the Capital Group in such way as to present the financial position and assets of the Capital Group as if the Group were a single unit.

Separate financial statements of all entities of the Group have been prepared as at 31 December 2015 and include figures for the reporting period from 1 January 2015 to 31 December 2015.

The Parent Company and its subsidiaries have been consolidated by full method.

For determining the scope and methods of consolidation as well as the relationship were used the criteria set out in the International Financial Reporting Standards.

In course of consolidation all necessary eliminations were made in the field of mutual claims and liabilities, revenues and expenses relating to the operations between the consolidated entities as well as gains and losses included in the assets subjected to consolidation. Moreover, the shares held by the Parent in the capital of subsidiaries, valued at purchase price, with the part of net assets of subsidiaries valued by fair value, which corresponds to the share of the Parent Company in the equity of subsidiaries, were excluded from the consolidation.

Figures resulting from financial statements, which formed a basis for consolidation have been established and converted by application of accounting policies set out by the person managing the Parent Company, in order to significant standardize the accounting rules applied by the entities included in the Consolidated Financial Statements.

2. Consolidation records

Consolidation records have been drawn up on the basis of the Decree of Minister of Finance dated 25 September 2009 (Journal of Laws of 2009, No. 169 item 1327) on detailed principles of preparation of financial statements of the financial groups by the units other than banks and insurance companies.

Consolidation records include all documents necessary for the proper preparing the Consolidated Financial Statements and for sufficient evidence of the consolidation exclusions.

3. Principles and methods of valuation of assets and liabilities, and equity

Rules (policy) of accounting and presentation of the disclosures have been shown in the explanatory notes to the financial statements of the Group for the year ended 31 December 2015.

4. Characteristics of the Components of the Consolidated Financial Statements

The structure of assets, liabilities and equity of the Group was presented in the Consolidated Financial Statements for the year ended 31 December 2015.
Figures shown in the Consolidated Financial Statements are in accordance with the consolidation records.

The method of determining the consolidation value of the Company, the principles for the assessment of impairment and write-offs are presented in Note 10 of Explanatory Notes to the Consolidated Financial Statements.

Shareholders' equity, including non-controlling interests shown in the financial reports is consistent with the consolidation records and relevant regulations. Minority interests as at 31 December 2015 amounted to PLN 16,912 thousand. The valuation of non-controlling interests was made on the basis of the percentage of minority interests in the equity of subsidiaries as at the balance sheet date. The data on shareholders' equity are presented in Note 17 in explanatory notes to the Consolidated Financial Statements.

5. Completeness and correctness of preparing explanatory notes and the Report on the Group's operations

Disclosures presented in explanatory notes to the Consolidated Financial Statements, including the important accounting policies and other information, are presented completely and correctly in all material respects. These data are an integral part of the Consolidated Financial Statements.

The Parent Company compiled the explanatory notes and other information in tabular form for each item in the consolidated profit and loss statement and descriptions, in accordance with the principles of the IAS.

In the Consolidated Financial Statements, the Parent Company correctly presented the separate items of assets and liabilities as well as incomes and expenses. The consolidated statement of financial position, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated cash flow statement, together with explanatory notes, that are an integral part thereof, include all items, the disclosure of which in the Consolidated Financial Statements is required by IAS.

The Report on operations of the Group for the year ended 31 December 2015 is complete within the meaning of Article 49 section 2 of the Accounting Act and Regulations of the Minister of Finance of 19 February 2009 on current and periodic information submitted by issuers of securities and the conditions for recognition as equivalent information required under the law of a non-member state (Journal of Laws of 2009, No. 33, item 259, as amended), and information included therein, derived directly from the audited Consolidated Financial Statements, are compatible with those statements.

Justification of the opinion issued

We are of the opinion that the attached financial statements – in all material aspects:

- clearly and fairly reflect all the material information needed to evaluate the financial condition of the ERBUD Sp. z o. o Capital Group as at 31 December 2015, as well as its profits for the financial year from 1 January 2015 to 31 December 2015;
- and have been prepared in accordance with the International Accounting Standards and the International Financial Statement Standers and with any interpretation relating to them announced in the form of EU directives (IAS), and to the extent not regulated by the IAS – pursuant to the requirements of the Accountancy Act and issue on the basis of executive orders;
- comply with laws applying to the Capital Group which affect the content of the consolidated financial statement.

We would also like to draw attention to the issue raised by the Management Board of the Parent in Note 45 of the Explanatory Notes in the consolidated financial statements provided.

Pursuant to the detailed information provided in that Note, Erbud SA ("Parent", "Company") is involved in litigation related to the contract of 14 September 2010 ("Contract") which was carried out for Mazowiecki Port Lotniczy Warszawa - Modlin Sp. z o.o. (the "Client") under which Erbud SA acted as the general contractor for the runway at the Warsaw-Modlin airport.

On 12 May 2014, the Company received a summons under which the Client demanded the payment of PLN 34.3m in damages for the allegedly inadequate performance by the Company of the construction of part of the Warsaw-Modlin airport. On 11 October 2014, Erbud SA moved for the dismissal of the action and, furthermore, submitted a counter-action in the sum of PLN 19.9m for the costs of the repair of the runway at Warsaw-Modlin and submitted an addition claim for PLN 2.4m for retained deposits.

Furthermore, on 18 March 2015, the Parent submitted a claim against the suppliers of aggregate needed for the performance of the Contract - i.e. Cemex Polska Sp. z o.o. and Lafarge Kruszywa i Beton Sp. z o.o. – for a sum of PLN 18.7m as compensation for the damages incurred by Erbud SA for the inadequate performance of the Contract.

The Management Board of the Parent of the does not accept liability for the defective condition of the surface of the runway and the claims associated with it, since an independent expert's opinion shows that the Company was not liable for the defects. Consequently, it is the opinion of Erbud SA and its legal advisors that the Company is not liable for the costs of the replacement of the surface of the runway in the sum of PLN 20.1m which was incorporated in the balance sheet of 31 December 2015, the deposits retained or any claims against Erbud SA relating to this case.

Given the complicated nature of the litigation associated with the attribution of liability for the defective airport runway and, presumably, a long court process, it cannot be ruled out that the financial impact of this event may differ from the assumptions made by the Erbud SA Management Board in the financial statement provided.

The report on activities of the Group during the financial year ended 31 December 2015 is complete, according to article 49 clause 2 of the Accountancy Act and the executive order issued by the Minister of Finance on 19 February 2009 concerning the information provided by issuers of securities and the conditions for acknowledging that information required by the laws of a country which is not a member state (Journal of Laws of 2009, No. 33, item 259, as amended) is equally valid and that the information contained in that report and derived from the audited consolidated financial statement complies with that executive order.

6. Information and final statements

Statement by the Management Board

TPA Horwath Horodko Audit Sp. z o.o. and the statuary auditor received from the Company's Management Board a written statement in which the Board concluded that the Company has complied with provisions of law.

Auditor's statement

The audit of the Consolidated Financial Statements has been conducted in accordance with applicable legal regulations and auditing standards.

For and on behalf of:

TPA Horwath Horodko Audit Sp. z o.o.
ul. Murawa 12-18, 61-655 Poznan
Registration No. 3082

Krzysztof Dziekoński
Lead Auditor conducting the audit
Reg. No. 10089

Warsaw, 17 March 2016