

ERBUD CAPITAL GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 1Q 2016

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2016 (in '000 PLN)

	31.03.2016	31.12.2015	31.03.2015
Fixed assets	**185 225**	**174 585**	**156 821**
Intangibles	2 163	2 263	2 212
Goodwill	22 968	22 968	22 066
Tangible fixed assets	45 209	45 963	44 295
Investment property	63 486	51 503	11 255
Financial assets	13 890	12 808	43 663
Deferred tax assets	37 430	39 000	33 244
Prepayments	79	80	86
Current assets	**831 798**	**924 304**	**781 640**
Inventory	117 024	127 987	108 468
Trade and other receivables	355 846	327 612	310 288
Income tax receivables	5 494	3 913	6 279
Financial assets	5 484	5 439	3 441
Fixed assets held for sale	0	3 135	0
Construction contracts retentions	44 861	39 390	47 224
Cash and cash equivalents	160 404	254 138	158 905
Short-term prepayments and accruals	5 981	5 209	7 386
Construction contracts	136 704	157 481	139 649
Total assets	**1 017 023**	**1 098 889**	**938 461**
Equity attributable to shareholders of the Parent Company	**304 471**	**298 875**	**283 532**
Share capital	1 281	1 281	1 276
Exchange rate differences on translation of foreign entities	763	761	540
Valuation of hedging instruments	1 492	1 006	3 441
Supplementary capital	227 493	229 619	223 120
Capital reserves	0	0	0
Undistributed profits	73 442	66 208	55 155
Minority interests	20 080	16 912	13 419
Total shareholders' equity	**324 551**	**315 787**	**296 951**
Long-term liabilities	**123 010**	**138 245**	**128 267**
Bank loans and borrowings	13 999	25 947	20 398
Provision for deferred income tax	31 282	34 632	31 250
Provision for retirement and similar benefits	1 727	1 727	1 451
Other provisions	3 783	3 780	3 492
Other financial liabilities	7 219	7 159	6 676
Liabilities from bonds issue	65 000	65 000	65 000
Other liabilities	0	0	0
Short-term liabilities	**569 462**	**644 857**	**513 243**
Bank loans and borrowings	83 227	81 419	31 107
Other financial liabilities	4 918	6 266	4 504
Trade and other liabilities	219 803	264 085	275 422
Current tax liabilities	2 256	4 740	702
Liabilities from bonds issue	0	0	0
Provision for retirement and similar benefits	8 412	8 531	7 075
Provisions	20 595	21 840	17 149
Construction contracts retentions	90 056	98 100	87 952
Construction contracts	111 603	120 152	77 899
Other accruals	28 592	39 724	11 433
Total liabilities	**1 017 023**	**1 098 889**	**938 461**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 3-month period ended 31 March 20165 (in 000' PLN)

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
CONTINUING OPERATIONS		
Revenues from sales of products and services and of goods and materials	**367 976**	**336 236**
Cost of sold products and services and of goods and materials	**339 333**	**313 878**
Profit (loss) from sales before tax	**28 643**	**22 358**
Cost of sales	1 913	1 343
General and administrative costs	19 726	14 167
Other operating income	**7 405**	**774**
Other operating expenses	**2 012**	**583**
Share of net profit (loss) of subsidiaries valued by equity method	**0**	**1 500**
Profit (loss) on operating activities	**12 397**	**8 539**
Other gains (losses) on investments	**0**	**0**
Financial income	**954**	**1 120**
Financial expenses	**2 371**	**3 590**
Profit (loss) on continuing operations before tax	**10 980**	**6 069**
Income tax	2 745	531
Net profit (loss) for the financial period attributable to:	**8 235**	**5 538**
- Shareholders of the Parent Company	**7 234**	**5 198**
- Minority shareholders	**1 001**	**340**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)	**12 811 859/ 12 811 859**	**12 736 925/ 12 768 667**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN) on continuing operations	**0.5646 / 0.5646**	**0.4081 / 0.4071**

Consolidated net profit	**8 235**	**5 538**
Exchange rate differences from translation of foreign branches and entities	43	-652
Valuation of hedging instruments	486	4 508
Other comprehensive net incomes	**529**	**3 856**
Total comprehensive income attributable to:	8 764	9 394
- Shareholders of the Parent Company	7 722	9 167
- Minority interest	1 042	227

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3-month period ended 31 March 2016 (in 000' PLN)

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
Cash flows from operating activities		
Net profit (loss)	**8 235**	**5 538**
Total adjustments	**-80 560**	**-46 122**
Depreciation and amortization	2 785	1 855
Share of net profit of subsidiaries valued by equity method	0	0
Gains / losses from exchange rate differences	-8	-116
Interest and profit sharing (dividend)	1 398	766
Profit / loss on investment activities	-3 709	-1 678
Change in provisions	-4 815	-12 527
Change in inventories	13 138	4 014
Change in receivables	-35 287	15 053
Change in short-term liabilities, excluding loans and borrowings	-54 234	-126 256
Change in prepayments and accruals	1 884	72 939
Other adjustments	-1 712	-172
Net cash used in operating activities	**-72 325**	**-40 584**
Cash flows from investing activities		
Inflows	**7 157**	**400**
Disposal of intangible and tangible fixed assets	6 750	215
Disposal of investment property	346	4
Disposal of financial assets	0	
Dividends and interest received	61	51
Repayment of loans	0	48
Other	0	82
Outflows	**14 295**	**5 660**
Acquisition of intangible and tangible fixed assets	1 392	2 843
Investments in real property	12 276	1 919
Acquisition of financial assets	0	0
Loans granted	43	898
Acquisition of a subsidiary after deduction of funds acquired	0	0
Other	584	0
Net cash flows from investing activities	**-7 138**	**-5 260**

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
Cash flows from financial activities		
Inflows	**21 858**	**18 149**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Loans and borrowings	21 858	18 149
Issue of debt instruments	0	0
Other	0	0
Outflows	**36 129**	**22 663**
Redemption of own shares	0	0
Dividends and other payments to the shareholders of the Parent	0	0
Dividends and other payments to the minority shareholders	0	0
Repayment of loans and borrowings	32 060	19 470
Redemption of debt securities	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	1 041	1 055
Interest paid	2 452	2 049
Other	576	89
Net cash flows from financial activities	**-14 271**	**-4 514**
Total net cash flows	**-93 734**	**-50 358**
Balance sheet change in cash, including:	**-93 734**	**-50 358**
- change in cash due to foreign exchange differences		
Cash opening balance	**254 138**	**209 263**
Closing balance of cash, including:	**160 404**	**158 905**
- restricted cash	37 850	20 261

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

attributable to shareholders of the Parent as of 31 March 2016 (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 2016	**1 281**	**0**	**229 619**	**761**	**1 006**	**66 208**	**0**	**298 875**	**16 912**	**315 787**
Profit / loss for the period	0	0	0	0	0	0	7 234	**7 234**	1 001	**8 235**
Other total income	0	0	0	2	486	0	0	**488**	41	**529**
Total income for the period	**0**	**0**	**0**	**2**	**486**	**0**	**7 234**	**7 722**	**1 042**	**8 764**
Buyout of minority interests of Erbud Industry Centrum	0	0	0	0	0	0	0	**0**	0	**0**
Increase of share capital under the authorized capital	0	0	0	0	0	0	0	**0**	0	**0**
Shares-based payment (Management Stock Option Scheme)	0	0	0	0	0	0	0	**0**	0	**0**
Net profit from the previous year brought forward to retained earnings	0	0	0	0	0	0	0	**0**	0	**0**
Increase in capital and sale of shares in the subsidiary PBDI	0	0	- 2 126	0	0	0	0	**-2 126**	2 126	**0**
Dividend to shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
As at 31 March 2016	**1 281**	**0**	**227 493**	**763**	**1 492**	**66 208**	**7 234**	**304 471**	**20 080**	**324 551**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

attributable to shareholders of the Parent for the year ended 31 December 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	27 846	**27 846**	3 843	**31 689**
Other total income	0	0	0	90	2 073	346	0	**2 509**	34	**2 543**
Total income for the period	**0**	**0**	**0**	**90**	**2 073**	**346**	**27 846**	**30 355**	**3 877**	**34 232**
Buyout of minority interests of Erbud Industry Centrum	0	0	25	0	0	0	0	**25**	-47	**-22**
Increase of share capital under the authorized capital	5	0	545	0	0	0	0	**550**	0	**550**
Shares-based payment (Management Stock Option Scheme)	0	0	91	0	0	0	0	**91**	0	**91**
Net profit from the previous year brought forward to retained earnings	0	0	5 864	0	0	-5 864	0	**0**	0	**0**
First time consolidated subsidiary (PDI Germany)	0	0	0	0	0	-104	0	**-104**	104	**0**
Dividend to shareholders	**0**	**0**	**0**	**0**	**0**	**-6 381**	**0**	**-6 381**	**-214**	**-6 595**
As at 31 March 2015	**1 281**	**0**	**229 619**	**761**	**1 006**	**38 362**	**27 846**	**298 875**	**16 912**	**315 787**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

attributable to shareholders of the Parent as of 31 March 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	5 198	**5 198**	340	**5 538**
Other total income	0	0	0	-131	4 508	-408	0	**3 969**	-113	**3 856**
Total income for the period	**0**	**0**	**0**	**-131**	**4 508**	**-408**	**5 198**	**9 167**	**227**	**9 394**
Buyout of minority interests of Erbud Industry Centrum	0	0	26	0	0	0	0	**26**	0	**26**
Increase of share capital under the authorized capital	0	0	0	0	0	0	0	**0**	0	**0**
Shares-based payment (Management Stock Option Scheme)	0	0	0	0	0	0	0	**0**	0	**0**
Net profit from the previous year brought forward to retained earnings	0	0	0	0	0	0	0	**0**	0	**0**
Dividend to shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
As at 31 March 2015	**1 276**	**0**	**223 120**	**540**	**3 441**	**49 957**	**5 198**	**283 532**	**13 419**	**296 951**

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
31.03.2016	4.3559	4.2684
31.12.2015	4.1848	4.2615
31.03.2015	4.1489	4.0890

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

Balance-sheet item	*31.03.2016*		*31.03.2015*	
	PLN	**EUR**	**PLN**	**EUR**
Total assets	1 017 023	238 268	938 461	229 509
Fixed assets	185 225	43 394	156 821	38 352
Current assets	831 798	194 874	781 640	191 157

Balance-sheet item	**31.03.2016**		**31.03.2015**	
	PLN	**EUR**	**PLN**	**EUR**
Total liabilities	1 017 023	238 268	938 461	229 509
Shareholders' equity	324 551	76 036	296 951	72 622
Liabilities and provisions for liabilities	692 472	162 232	641 510	156 887

Items of the balance sheet as at 31 March 2016 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.2684 zł PLN/EUR.

Items of the balance sheet as at 31 March 2015 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.0890 zł 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 31.03.2016**		**3-month period ended 31.03.2015**	
	PLN	**EUR**	**PLN**	**EUR**
Net revenues from sales of products	367 976	84 478	336 236	81 042
Manufacturing cost of products sold	339 333	77 902	313 878	75 653
Gross profit on sales	28 643	6 576	22 358	5 389
Profit from operating activities	12 397	2 846	8 539	2 058
Gross profit (loss)	10 980	2 521	6 069	1 463
Net profit (loss)	8 235	1 891	5 538	1 335

Items of the cash flows for the period 01.01.2016 - 31.03.2016 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 date, i.e. 4.3559 PLN/EUR.

Items of the cash flows for the period 01.01.2015 - 31.03.2015 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 date, i.e. 4.1489 PLN/EUR.

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

Cash flow item	3-month period ended 31.03.2016		3-month period ended 31.03.2015	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-72 325	-16 604	-40 584	-9 782
B. Cash flows from investing activities	-7 138	-1 639	-5 260	-1 268
C. Cash flows from financing activities	-14 271	-3 276	-4 514	-1 088
D. Total net cash flows (A+/-B+/-C)	-93 734	-21 519	-50 358	-12 138
F. Cash and cash equivalents at the beginning of the period	254 138	59 636	209 263	49 096
G. Cash and cash equivalents at the end of the period	160 404	37 579	158 905	38 862

Cash flow items for the period of 01 January 2016 - 31 March 2016 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. 4.3559 PLN/EUR;

F item figures - at the exchange rate set by the NBP as at the 31 December 2015, i.e. 4.2615 PLN/EUR;

G item figures- at the exchange rate set by the NBP on the 31 March 2016, i.e. 4.3559 PLN/EUR.

Cash flow items for the period of 01 January 2015 - 31 March 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. 4.1489 PLN/EUR;

F item figures - at the exchange rate set by the NBP as at the 31 December 2014, i.e. 4.2623 PLN/EUR;

G item figures- at the exchange rate set by the NBP on the 31 March 2015, i.e. 4.0890 PLN/EUR.

Reconciliation of changes in balance sheet items to changes accounted in the cash flows statement as at 31 March 2016 is as below:

	31.03.2016
Change in provisions in the balance sheet	**-4 711**
Deferred tax due to financial instruments hedging	-104
Deferred financing costs	0
Change in receivables in the cash flows account	**-4 815**

	31.03.2016
Change in inventories in the balance sheet	**10 963**
Reclassification of investment property	1 919
Deferred financing costs	256
Change in inventories in the cash flows account	**13 138**

	31.03.2016
Change in liabilities in the balance sheet	**-54 810**
Balance as of the units acquisition	0
Liabilities due to the acquisition of shares in Wambud Sp.z o.o Sp. Komandytowa	576
Change in liabilities in the cash flows account	**-54 234**

	31.03.2016
Change in accruals in the balance sheet	**1 894**
Deferred tax due to financial instruments hedging	-10
Deferred financing costs	0
Change in accruals in the cash flows account	**1 884**

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

In the reporting period, was sold a cooperative ownership right to the premises located in Warsaw on Puławska St. Profit from the sale amounted to PLN 3 241 thousand.
As of 31 March 2016, the Group has no material commitments due to the purchase of fixed assets.

Note 2. Deferred income tax assets

Assets / liabilities due to	31.03. 2016	31.12. 2015	31.03. 2015
- Building contracts valuation	22 974	23 630	18 122
- Provisions	5 998	6 364	4 977
- Loss on taxes	1 753	1 340	2 042
- Margin on intra-Group sales	665	938	2 205
- Other fees charged statistically	599	702	96
- Revaluation of receivables	1 501	1 484	1 858
- Valuation of bonds	0	0	0
- Other financial liabilities	1 417	1 582	1 492
- Revaluation of inventories	0	0	0
- Consolidation adjustments	0	0	0
- Deferred costs	1 282	1 724	1 028
- Other	1 241	1 236	1 424
Total deferred tax assets	**37 430**	**39 000**	**33 244**

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

	31.03. 2016	31.12. 2015	31.03. 2015
Short-term receivables before tax	**419 695**	**384 415**	**370 982**
Due to deliveries and services	384 130	350 710	331 311
- from related parties	32	32	47
- from other entities	384 098	350 678	331 264
From the public sector	20 425	23 354	28 867
Other	15 140	10 351	10 804
Impairment of receivables	**13 494**	**13 500**	**7 191**
Net short-term receivables	**406 201**	**370 915**	**363 791**

Note 3.2 Allowances for current trade receivables and other debts

	31.03. 2016	31.12. 2015	31.03. 2015
Impairment losses as at the beginning of the period	13 500	**7 215**	7 215
Created to other operating costs	0	10 140	0
Reversed into other operating costs	0	640	18
Used	1	1 802	0
Foreign exchange differences	0	-2	-6

Other	-5	-1 508	0
Impairment losses taken from Erbud Rzeszów	0	97	0
Allowances for current receivables as at the end of the period	**13 494**	**13 500**	**7 191**

The Group creates impairment losses on receivables in case there is an objective evidence proof that the Group will not receive all amounts due under the original terms of receivables.
There is no credit risk concentration for 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 impairment losses on other long-term financial assets.

Note 4. Construction contracts

	31.03. 2016	**31.12. 2015**	**31.03. 2015**
Building contracts income	325 288	1 648 413	302 909
Building contracts costs, incl.	291 919	1 524 628	279 258
- recorded loss	0	0	0
Profit before tax	**33 369**	**123 785**	**23 651**

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

	31.03. 2016	**31.12. 2015**	**31.03. 2015**
Assets:			
Amounts due from customers	**136 704**	**157 481**	**139 649**
Valuation of contracts	136 704	157 481	139 649
Liabilities:			
Amounts due to customers, incl.:	**111 603**	**120 152**	**77 899**
Valuation of contracts	111 603	120 152	77 899
Provision for losses on contracts			

Note 5. Share capital of ERBUD SA (ownership structure)
Note 5.1 Shareholding structure as at 31 March 2016

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	32.41%	None
DGI Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	None	None	2 136 260	16.67%	None
Nationale0Nederlanden PTE (formerly ING PTE S.A.)	Ordinary	None	None	1 266 900	9.89%	None
AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.23%	None
Dariusz Grzeszczak	Ordinary	None	None	773 900	6.04%	None
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	None	None	712 087	5.56%	None
Free Float	Ordinary	None	None	2 586 701	20.20%	None
Total				**12 811 859**	**100%**	
Par value of shares of all series in PLN	0.10		Share capital value in PLN	1 281 185.90		

The table present the shareholders holding over 5% of the share capital and have been prepared on the basis of the stocks book.

The share capital of the Parent as of 31 December 2015 consisted of 12,811,859 shares with a total value of PLN 1,281,185.90. The structure of the share capital of the Parent as at 31 December 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	32.41%	None
DGI Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	None	None	2 136 260	16.7%	None
Nationale Nederlanden PTE (formerly ING PTE S.A.)	Ordinary	None	None	1 266 900	9.89%	None
AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.23%	None
Dariusz Grzeszczak	Ordinary	None	None	773 900	6.04%	None
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	None	None	712 087	5.56%	None
Józef Zubelewicz	Ordinary	None	None	259 500	2.03%	None
Free Float	Ordinary	None	None	2 327 201	18.17%	None
TOTAL				**12 811 859**	**100%**	
Par value of shares of all series in PLN	0.10		Share capital value in PLN	1 281 185.90		

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

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

Provision for	31.03. 2016	31.12. 2015	31.03. 2015
- measurement of building contracts	21 408	24 615	22 261
- valuation of futures and forwards (financial instruments)	353	0	0
- assets revaluation	7 236	7 253	5 662
- financial costs activated	254	312	262
- balance sheet valuation	65	594	130
- balance sheet valuation of interest	0	0	954
- accrued income	0	0	0
- retention discount	533	0	0
- other	1 433	1 858	1 981
Total provision for deferred income tax	**31 282**	**34 632**	**31 250**

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

	31.03. 2016	31.12. 2015	31.03. 2015
a) to subsidiaries	0	0	0
b) to other entities	86 218	98 106	92 074
- loans and borrowings	13 999	25 947	20 398

- other financial liabilities, incl.	7 219	7 159	6 676
- from financial lease	7 188	7 128	6 676
- securing of foreign exchange risk in Budlex	31	31	0
- other	0	0	0
- liabilities due to bond issue	65 000	65 000	65 000
- other	0	0	0
Total long term liabilities	**86 218**	**98 106**	**92 074**

Note 8.

Trade liabilities and other debts, income tax liabilities and building securities

Current liabilities	**31.03. 2016**	**31.12. 2015**	**31.03. 2015**
a) Due to deliveries and services	270 886	327 918	327 400
- from related parties	257	881	0
- from other entities	270 629	327 037	327 400
b) To public sector	16 134	19 546	14 829
- corporate income tax	2 256	4 740	702
- VAT	3 435	5 037	4 964
- income tax on natural persons	1 946	1 965	1 468
- other	8 497	7 804	7 695
c) Financial liabilities , incl.:	4 918	6 266	4 536
- interest	0	0	0
- interest on bonds	0	734	32
- liabilities form bonds	0	0	0
- lease	4 918	5 458	4 504
- forward financial instruments	0	74	0
d) Other	25 095	19 461	21 815
- payroll	7 112	6 330	6 418
- prepayments received	16 696	11 964	13 330
- liabilities due to shares		0	0
- other	1 287	1 167	2 067
Total	**317 033**	**373 191**	**368 580**

Note 9. Finance lease liabilities

Fair value	**31.03. 2016**	**31.12. 2015**	**31.03. 2015**
Less than 1 year	4 918	5 458	4 504
1 to 5 years	7 188	7 128	6 676
Total	**12 106**	**12 586**	**11 180**

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. Liabilities arising from issuance of debt and equity securities

On 26 March 2014, the Parent Company issued a total of 5,200 bearer bonds, dematerialized, unsecured, with an aggregate nominal value of PLN 52 million. The par value of one Bond was PLN 10,000. The issue price amounted to PLN 9,587. The redemption date is 26 March 2018. The interest rate on bonds is variable and based on WIBOR 6M plus a margin equal to 3.0 percentage points. Interest will be paid every 6 months. The Company will apply for placing bonds on the trading platform for debt financial instruments carried by the Stock Exchange in Warsaw SA in the form of alternative trading system. The Company earmarked funds for the purchase of 40,000 Series A bonds issued by the Issuer and to finance the increased working capital demand associated with record orders portfolio of the Capital Group. The remaining 10,000 Bonds of Series A will be redeemed on the original fixed term, i.e. 14 July 2014.

On 18 June 2014, the subsidiary Budlex SA issued a total of 13,000 bonds with an aggregate nominal value of PLN 13,000,000. The par value of one bond amounted to PLN 1,000. The redemption date was set for 18 June 2017. The interest rate on the Bonds is a variable one and based on WIBOR 6M plus a margin of 5.35%. Interest is payable every 6 months.

By the Resolution No. 18/2016, the Annual General Meeting of Shareholders of Erbud S.A. agreed to conduct the 2016-2018 Management Stock Options Scheme by the Company, under which the opportunity to subscribe for the Company's shares issued within the authorized capital will be granted to entitled persons. Shares will be offered to the persons entitled to subscribe in the years 2016 - 2018 in a number of not more than 50,000 shares per year. The Management Option Scheme refers to financial years 2015-2017. An employee may be covered by an option program, if he/she has been working for at least 36 months. As far as concerned persons working in subsidiaries, the company must be a member of the group for at least three 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 twenty-five million Zlotys. In addition, the person who would be entitled may not be upon notice of termination.

Note 11. Acquisition / Disposal of subsidiaries / Disposal of long term-investments

Such events did not occur.

Note 12.

Net revenues from sales of products (in kind structure - type of activities)

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
- sale of products	25 437	22 921
- sale of services	341 828	312 454
-sale of goods and materials	711	861
Total net income from sales	**367 976**	**336 236**

Note 13. Costs by type

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
a) Depreciation and amortisation	2 785	1 855
b) Consumption of materials and power	58 237	44 171
c) External services	227 213	213 099
d) Taxes and charges	2 647	2 883
e) Payroll	42 422	36 843
f) Social security, health care and other benefits	9 745	8 161
g) Other costs	5 427	4 042
h) Value of goods and materials sold	581	836
Total expenses by type	**349 057**	**311 890**
Change in inventories, products and deferred expenditures due to construction contracts	11 915	17 498
Cost of production for in-house use (negative value)	0	0
Cost of sales (negative value)	-1 913	-1 343
General and administrative costs (negative value)	-19 726	-14 167
Production cost of products sold	**339 333**	**313 878**

Note 14. Corporate income tax

	3-month period ended 31.03.2016	3-month period ended 31.12.2015	3-month period ended 31.03.2015
Current income tax	4 639	18 087	4 019
Deferred income tax	-1 894	-4 947	-3 488
Income tax recognized in capitals	0	486	0
Valuation of hedging instruments	0	486	0
Tax liability recognized in the profit or loss	**2 745**	**13 140**	**531**

Note 15. Net earnings per share

	3-month period ended 31.03.2016	3-month period ended 31.03.2015
Net earnings (loss)	7 234	5 198
Weighted average number of shares (in units)	12 811 859	12 736 925
Earnings (loss) per share (in PLN)	0.5646	0.4081
Weighted average diluted number of shares (in units)	12 811 859	12 768 667
Diluted earnings (loss) per share (in PLN)	0.5646	0.4071

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. Number of Erbud SA shares or rights to them (options) held by persons managing and supervising the Company as at the report submitting date, including the indication of changes in ownership in the first quarter of 2016

As at 31 March 2016 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	Per cent of voting rights at the GM
DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	2 136 260	16.67%	2 136 260	16.67%
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	712 087	5.56%	712 087	5.56%
Dariusz Grzeszczak	Ordinary	773 900	6.04%	773 900	6.04%
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	Ordinary	2 100	0.02%	2 100	0.02%
Erbud SA procuration holder Piotr Augustyniak	Ordinary	2 644	0.02%	2 644	0.02%
Erbud SA procuration holder Agnieszka Głowacka	Ordinary	8 300	0.06%	8 300	0.06%
Erbud SA procuration holder Bogdan Duerr	Ordinary	7 708	0.06%	7 708	0.06%
Erbud SA procuration holder Tomasz Krzywicki	Ordinary	700	0.01%	700	0.01%
Erbud SA procuration holder Włodzimierz Czystowski	Ordinary	6 621	0.05%	6 621	0.05%
Erbud SA procuration holder Mirosław Młynarski	Ordinary	17 786	0.14%	17 786	0.14%
Procuration holder Radosław Kałamaga	Ordinary	12 567	0.10%	12 567	0.10%
Procuration holder					

Maciej Wyrzykowski	Ordinary	1 200	0.01%	1 200	0.01%
Erbud SA procuration holder.					
Kryspin Jarosz	Ordinary	6 780	0.05%	6 780	0.05%
Erbud SA procuration holder					
Piotr Dobosz - procuration holder	Ordinary	7 714	0.06%	7 714	0.06%
Mariola Zielińska	Ordinary	6 668	0.05%	6 668	0.05%
Chief Accountant of Erbud SA					

As at 31 December 2015 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Per cent of equity	Number of votes	Per cent of voting rights at the GM
DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	Ordinary	2 136 260	16.67%	2 136 260	16.67%
controlled by Dariusz Grzeszczak					
Adler Properties Sp z o.o.	Ordinary	712 087	5.56%	712 087	5.56%
controlled by Józef Zubelewicz					
Dariusz Grzeszczak	Ordinary	773 900	6.04%	773 900	6.04%
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	Ordinary	2 100	0.02%	2 100	0.02%
Erbud SA procuration holder					
Piotr Augustyniak	Ordinary	2 644	0.02%	2 644	0.02%
Erbud SA procuration holder					
Agnieszka Głowacka	Ordinary	8 300	0.06%	8 300	0.06%
Erbud SA procuration holder					
Bogdan Duerr	Ordinary	7 708	0.06%	7 708	0.06%
Erbud SA procuration holder					
Włodzimierz Czystowski	Ordinary	6 621	0.05%	6 621	0.05%
Erbud SA procuration holder					
Mirosław Młynarski	Ordinary	17 786	0.14%	17 786	0.14%
Procuration holder					
Radosław Kałamaga	Ordinary	12 567	0.10%	12 567	0.10%
Procuration holder					
Maciej Wyrzykowski	Ordinary	1 900	0.01%	1 900	0.01%
Erbud SA procuration holder.					
Kryspin Jarosz	Ordinary	6 780	0.05%	6 780	0.05%
Erbud SA procuration holder					
Piotr Dobosz - procuration holder	Ordinary	7 714	0.06%	7 714	0.06%
Mariola Zielińska	Ordinary	6 668	0.05%	6 668	0.05%
Chief Accountant of Erbud SA					

As of the date of publishing these Financial Statements, the Management Board members and procurists do not have any Erbud's stock options

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 31 March 2016 and as at 31 December 2015 did not have outstanding loans, credits 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 31 March 2016 and as at 31 December 2015 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 three months of 2016 and after the balance date

Contracts concluded:

On **5 January 2016**, the Issuer signed a construction contract on the following specified terms and conditions:

1. Capital Park Gdańsk Sp. z o. o., 1 Klimczaka St., 02-797 Warszawa.
2. Net contract value in PLN: 38,200,000 of which Phase I - 1,299,800 and Phase II - 36,900,200.
3. Contract subject: Rebuilding the former Neptun cinema and extending it upwards to form a townhouse with one-level basement car park on Długa and Piwna St. in Gdansk.

4. Site location: Gdańsk, Długa and Piwna St.
5. Duration of the works: Commencement on 07.01.2016 (issue of Notice to Proceed with Phase I); completion no later than 22 months after starting the Phase II.

On **28 January 2016**, the Issuer signed a construction contract on the following specified terms and conditions:
1. Investor: Zdrojowa Invest Sp. z o.o. Projekt 7 S.K.A, seated 00-545 Warszawa, ul. Marszałkowska 72/17,
2. Contract value: PLN 25,980,000 net.
3. Contract subject: Construction works - Builder's finish of the hotel portion of Baltic Park Molo, including Aqua Park and a 5-Star Radisson Blu Resort, located in Świnoujscie.
4. Site location: Baltic Park Molo, Świnoujście.
5. Completion period: 29.01.2016–28.02.2017.

On **3 March 2016**, Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń ("PBDI") - a subsidiary 90 percent owned by the Issuer, acting in a consortium ("Contractor") consisting of Przedsiębiorstwo Robót Mostowych "MOSTY-Łódź" S.A., seated in Łódź at 52 Bratysławska St.52, as the Consortium Leader, and Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A., seated in Toruń, as the Consortium Partner, concluded with the Municipality of Legnica seated in Legnica, Słowiański Sq. ("Employer") a contract on preparation of design plans and specifications, route optimisation - if any, and financing, building and opening the South Collector Road, section from Jaworzyńska St. to Rzeczypospolitej Allee, within the framework of the project *Construction of the South Collector Road in Legnica, Phase II from Wojska Polskiego St. to Rzeczypospolitej Allee, incl. construction of a bridge over the Kaczawa River.*

The total net contract value is PLN 48,655,412.09 (say: forty-eight million, six hundred and fifty-five thousand, four hundred and twelve point zero nine Zlotys), of which to PBDI falls PLN 25,161,813.94 (say: twenty-five million, one hundred and sixty-one thousand, eight hundred and thirteen point nine four Zlotys).
The deadline for completion of Works and providing a final operating certificate shall be determined as of 30 October 2017.

On **3 March 2016,** Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń, (the "Contractor"), a subsidiary 90 percent owned by the Issuer concluded with Orlik Sp. o.o., seated in Warszawa at 4/9 Włodarzewska St. (the "Investor") a contract to build the Iława III Wind Farm with a capacity of 12-13.2 MW.
The total net contract value amounts to PLN 14,950,000 (say: fourteen million, nine hundred and fifty thousand Zlotys).
The task is due to be completed by 30 July 2016.

On **14 March 2016,** Erbud concluded a contract to build a housing complex, including a multifamily residential building with basement garage and site development, located in Warsaw at the corner of streets Dywizjonu 303 / Łokuciewskiego on a part of plots with a cadastral number 14/1, 14/2 and 15, cadastral district 6-11-02, cadastral unit 146502_Bemowo.
The total net contract value is PLN 13,316,000 (say: thirteen million, three hundred and sixteen thousand Zlotys).
The task is scheduled to be completed by 17 July 2017.

On **16 March 2016,** Erbud entered into a contract with VD spółka z ograniczoną odpowiedzialnością MIESZKANIA XII sp. k., seated in Wrocław, to build a residential complex in Wroclaw.
Project name: "Nowy Gaj" - Construction of residential buildings A and located in Wrocław on Żegistowska St.
The total net contract value amounts to PLN 52,792,668.27 (say: fifty-two million, seven hundred and ninety-two thousand, six hundred and sixty-eight point two seven Zlotys).
The contract has been concluded as two agreements - one for building B with a value of PLN 23,861,305.41 net and the other for building A with a value of PLN 28,931,362.86 net.
Completion period: 79 weeks form the receiving of Notice to Proceed. A Notice to Proceed with building B shall be issued by 31.03.2016. A Notice to Proceed with building A shall be issued by 31.12.2016**.**

On **21 March 2016** Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. headquartered in Torun ("PBDI"), a subsidiary 90% owned by the Issuer, acting in a consortium ("Contractor") of: Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń ("Consortium Leader"), WANT sp. o.o. seated in Tczew, 12 Korczaka St. ("Consortium Partner") concluded with the West Pomeranian Voivodship seated in Szczecin, 34 Korsarzy St. ("Employer") a contract for reconstruction of provincial road No. 203 on the section Dąbki-Darłowo.

The total net contract value amounts to PLN 25,522,682.69 (say: twenty-five million, five hundred and twenty-two thousand, six hundred and eighty-two, point six nine Zlotys). The value of range is competed by PBDI is PLN 20,623,526.49 (say: twenty million, six hundred and twenty-three thousand, five hundred and twenty-six, point four nine Zlotys) net.
The contract is due to be completed by 15.06.2017.

On **22 March 2016,** the Issuer signed a contract for construction works on the below specified conditions:
1. General Contractor Contract concluded on 22.03.2016.
2. The Investor: PORTO OFFICE B Sp. z o.o., 31-115 Kraków, 3/7 Garncarska St.; NIP (Tax Identification Number): 676-249-10-28.
3. Net contract value: PLN 25,577,000.
4. Contract subject: Execution as general contractor of construction works – Class B office building with underground parking, in-building services: water and sewerage system, mechanical ventilation and air conditioning, electrical wiring, lightning protection system, transformer station, heating system with heat distribution unit, located on plots 606 and 607, cadastral district Podgórze 10 in Kraków on Zielinskiego St., including on-site services and utilities: construction of entry road, reconstruction of pavement, bikepath, external drainage, traffic lights, water supply and sewage services, central heating service.
5. Site location: Kraków.

On **11 April 2016,** the Issuer concluded in consortium with P.W. EBUD-Przemysłówka Sp. o.o. Bydgoszcz, seated in Bydgoszcz at 11 Biskupińska St., a construction contract on the following terms and conditions:
1. Contract concluded on 11-04-2016.
2. Investor: Wojskowy Zarząd Infrastruktury ul. Kościuszki 92/98, 61-732 Poznań.
3. Contract value: PLN 93,480,000 net, of which the Issuer: PLN 51,414,000 net.
4. Contract subject: Construction of a large-area storage facility "SKŁAD PIŁA" for different kind of materials; task 55105.
5. Site location: Piła, Powstańców Wielkopolskich Avenue.
6. Completion period: 12.04.2016 – 30.04.2017.

On **25 April 2016,** was signed the following contract: *Sale of an investment property by the Issuer's subsidiary GWI GmbH, based in Düsseldorf*
1. Contract subject: sale of the West Park residential building with 141 apartments, kindergarten and 144 parking spaces.
2. Contract concluded on 2016/04/25.
3. Parties to the contract
   a) Buyer: Düsseldorfer Wohnungsgenossenschaft eG, Wagnerstr 29, 40212 Düsseldorf
   b) Seller: PDI Düsseldorf Malmedyerstraße Ost GmbH and PDI Düsseldorf Malmedyerstraße West GmbH, where the GWI Bauunternehmung GmbH, Schiessstrasse 55, 40549 Düsseldorf owns 51 percent of the equity share capital in each company.
4. Contract value: Temporary price is EUR 29,620,656.00 (what after conversion at the exchange rate available on the date on which the contract was concluded gives PLN 129,916.20), the final price depends on final measurement and will be determined on the date of final acceptance inspection; payable within 10 calendar days after the commissioning.
5. Completion period: the building will be completed not later than by 2017/01/31.

The Issuer has a 85 percent interest in GWI GmbH.

On **27 April 2016,** Erbud signed a contract with Green Link spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw (the"Builder") for the builder's finish construction of a multifamily residential building with retail area, multi-bay underground garage and on-grade car park, including site development, underground and overground facilities, access road, sidewalks, vehicle entrance, lighting, mains and services (water supply and sewage).
The total net contract value: PLN 38,500,000 (say: thirty-eight million, five hundred thousand Zlotys).
Completion period: from 28-04-2016 to 31-12-2017.

On **4 May 2016,** the Issuer signed a construction contract on the following specified terms and conditions:
1. Contract concluded on 04-05-2016.
2. The Investor: BACOLI PROPERTIES Sp. z o.o., ul. Książęca 19 lok. 3, 00-498 Warszawa.
3. Contract net value: PLN 60,820,000.

4. Contract subject: construction of Hampton by Hilton brand hotel and office building on a plot located in Łódź at 155 Piotrkowska St.
5. Site location: Łódź, 155 Piotrkowska St.
6. Completion period: Commencement on 9 May 2016, completion on 31 January 2018.

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

Note 19. Other important events

On **08 January 2016**, Erbud SA (Issuer) received a signed Annex No. 7 to the Framework Agreement No.38/003/10/Z/GX of 02-02-2010 and Annex No. 10 to the Agreement on Cooperation No. 38/027/09/PX of 02.06.2009.
Under these Agreements the Issuer may use the multi-purpose line with a value of PLN 90,000,000 (say: ninety million Zlotys). An overdraft up to PLN 10,000,000 (say: ten million Zlotys) is available within the loan limit to the Issuer.
The line is secured by:
- assignment of receivables from ongoing construction contracts;
- blank promissory note issued by the Issuer;
- a security deposit with a minimum value of 10% of the guarantee in case that the guarantee period is longer than 24 months.

The maturity of the line falls on 31.12.2016.
The value of the Agreement exceeds 10% of the Issuer's equity.

Note 20. Changes in accounting 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

Over the current reporting period the Company did not make any changes in accounting policies and method of preparation of financial statements in relation to the previous financial year.

Note 21. Business combinations

There were no business combinations.

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 for comparison purpose in case of changes in the number of shares

On 28 April 2016, the Annual General Meeting of the ERBUD SA headquartered in Warsaw adopted by Resolution No. 5 the profit distribution for the financial year 2015 as proposed by the Management Board and approved by the Supervisory Board.
According to the above Resolution of the AGM, the dividend amounting PLN 15,374,230.80 will be paid to the shareholders.
To pay the dividend as declared above it will be required to allocate:
a) the whole profit generated in 2015 in the amount of PLN 11,397,120.34 (say: eleven million, three hundred and ninety-seven thousand, one hundred and twenty, point three four Zlotys); and
b) the amount of PLN 3,977,110.46 (say: three million, nine hundred and seventy-seven thousand, one hundred and ten, point four six Zlotys) from the supplementary capital of ERBUD SA.
There are 12,811,859 shares entitled to the dividend.
Earnings to be paid amounts to PLN 1.20 per each share entitling to participate in the dividend.
The Management Board informs that the list of shareholders entitled to the dividend for 2015 would be set for 17 May 2015. The dividend payment day is 02 June 2016.

Note 23. Changes in accounting estimates

There were no changes in the methodology used for accounting estimates in the comparable period and in the period ended 31 March 2016.

Note 24. Segment information

In the reporting period ended 31 March 2016, the Group operated in the following business areas:

- large-volume building;
- real estate development;
- road-engineering;
- construction for the energy sector.

In the reporting period ended 31 March 2016, the Group conducted operations in the following geographical areas:

- domestic market;
- abroad (Germany, Belgium. Holland and Luxembourg).

The segmentation has been made by classification of the individual entities on basis of their activities specified in the Articles of Association. The Group applies a uniform accounting policy for all segments.

Business segments

The following tables present figures on income and profit as well as selected assets and liabilities of business segments of the Group as at 31 March 2016:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2016	Large-volume construction	Real estate development	Road-engineering	Activities in energy sector	Total
Sale to external clients	262 817	26 126	32 355	46 678	**367 976**
Total income	**262 817**	**26 126**	**32 355**	**46 678**	**367 976**
Cost of products, goods and materials sold to external clients	241 241	25 161	28 043	44 888	**339 333**
Total cost of products, goods and materials sold	**241 241**	**25 161**	**28 043**	**44 888**	**339 333**
Sales costs	**21 576**	**965**	**4 312**	**1 790**	**28 643**
General and administrative costs	82	640	587	604	**1 913**
Result on other operating activity	13 092	187	2 190	4 257	**19 726**
Share of net profit (loss) in subsidiaries valued by equity method	5 402	80	-118	29	**5 393**
Segment result	0	0	0	0	**0**
Result on financing activity	**13 804**	**218**	**1 417**	**-3 042**	**12 397**
Income tax	-1 020	-32	-60	-305	**-1 417**
Net profit	3 052	-137	265	-435	**2 745**
Sales costs	**9 732**	**323**	**1 092**	**-2 912**	**8 235**

The following table provides figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 December 2015:

Proceeds and expenses by business segments

For the period from 1 January to 31 December 2015	Large-volume construction	Real estate development	Road-engineering	Activities in energy sector	Total
Sale to external clients	47 864	330 741	1 130 960	253 717	**1 763 282**
Total income	**47 864**	**330 741**	**1 130 960**	**253 717**	**1 763 282**
Cost of products, goods and materials sold to external clients	41 208	309 734	1 053 823	236 816	**1 641 581**
Total cost of products, goods and materials sold	**41 208**	**309 734**	**1 053 823**	**236 816**	**1 641 581**
Total gross sales	**6 656**	**21 007**	**77 137**	**16 901**	**121 701**
Sales costs	1 834	2 565	241	1 853	**6 493**
General and administrative costs	2 539	8 692	44 457	15 870	**71 558**
Result on other operating activity	297	42	299	-190	**448**
Profit from the sale of shares in a jointly controlled entity	7 430	0	0	0	7 430
Segment result	**10 010**	**9 792**	**32 738**	**-1 012**	**51 528**
Result on financing activity	39	412	-5 686	-1 464	**-6 699**
Income tax	2 478	3 128	7 017	517	**13 140**
Net profit	**7 571**	**7 076**	**20 035**	**-2 993**	**31 689**

The following table provides figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 March 2015:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2015	Large-volume construction	Real estate development	Road-engineering	Activities in energy sector	Total
Sale to external customers	246 358	23 240	29 777	36 861	**336 236**
Total income	**246 358**	**23 240**	**29 777**	**36 861**	**336 236**
Cost of products, goods and materials sold to external clients	231 717	20 670	27 340	34 151	**313 878**
Total cost of products, goods and materials sold	**231 717**	**20 670**	**27 340**	**34 151**	**313 878**
Total gross sales	**14 641**	**2 570**	**2 437**	**2 710**	**22 358**
Cost of sales	175	365	405	398	**1 343**
General and administrative costs	8 727	228	1 893	3 319	**14 167**
Profit (loss) on other operating activity	227	22	-77	19	**191**
Share of net profit (loss) in subsidiaries valued by equity method	0	1 500	0	0	**1 500**
Segment profit (loss)	**5 966**	**3 499**	**62**	**-988**	**8 539**
Profit (loss) on financing activity	-2 180	-36	45	-299	**-2 470**
Income tax	398	232	152	-251	**531**
Net profit	**3 388**	**3 231**	**-45**	**-1 036**	**5 538**

Geographical segments

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2016:

Proceeds and expenses by geographical segments

Year ended 31 March 2016	Domestic	Abroad	Total
Sale to external clients	313 122	54 854	**367 976**
Total income	**313 122**	**54 854**	**367 976**
Cost of products, goods and materials sold to external clients	289 652	49 681	**339 333**
Total cost of products, goods and materials sold	**289 652**	**49 681**	**339 333**
Total gross sales	**23 470**	**5 173**	**28 643**
Sales costs	1 913	0	**1 913**
General and administrative costs	16 496	3 230	**19 726**
Result on other operating activity	3 497	1 896	**5 393**
Share of net profit (loss) in subsidiaries valued by equity method	**0**	**0**	**0**
Segment result	**8 558**	**3 839**	**12 397**
Result on financing activity	-1 271	-146	**- 1417**
Income tax	1 098	1 647	**2 745**
Net profit	**6 189**	**2 046**	**8 235**

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 December 2015:

Proceeds and expenses by geographical segments

Year ended 31 December 2015	Domestic	Abroad	Total
Sale to external clients	1 605 064	158 218	**1 763 282**
Total income	**1 605 064**	**158 218**	**1 763 281**
Cost of products, goods and materials sold to external clients	1 494 198	147 383	**1 641 581**
Total cost of products, goods and materials sold	**1 494 198**	**147 383**	**1 641 581**
Total gross sales	**110 866**	**10 835**	**121 701**
Sales costs	6 493	0	**6 493**
General and administrative costs	64 000	7 558	**71 558**
Result on other operating activity	-6 245	6 693	**448**
Profit from the sale of shares in a jointly controlled entity	7 430	0	**7 430**
Segment result	**41 558**	**9 970**	**51 528**

Result on financing activity	-5 430	-1 269	**-6 699**
Income tax	10 599	2 541	**13 140**
Net profit	**25 529**	**6 160**	**31 689**

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2015:

Proceeds and expenses by geographical segments

Year ended 31 March 2015	**Domestic**	**Abroad**	**Total**
Sale to external clients	289 485	46 751	**336 236**
Total income	**289 485**	**46 751**	**336 236**
Cost of products, goods and materials sold to external clients	268 910	44 968	**313 878**
Total cost of products, goods and materials sold	**268 910**	**44 968**	**313 878**
Total gross sales	**20 575**	**1 783**	**22 358**
Sales costs	1 343	0	**1 343**
General and administrative costs	13 212	955	**14 167**
Result on other operating activity	71	120	**191**
Share of net profit (loss) in subsidiaries valued by equity method	**1 500**	**0**	**1 500**
Segment result	**7 591**	**948**	**8 539**
Result on financing activity	-1 693	-777	**-2 470**
Income tax	155	376	**531**
Net profit	**5 743**	**-205**	**5 538**

Note 25. Construction contracts retentions

Construction contracts retention money as of 31 March 2016 was as follows:

	31.03.2016	**31.03.2015**
Retentions held by customers		
Returnable beyond 12 months	13 968	11 377
Returnable within 12 months	30 893	35 847
Total	**44 861**	**47 224**
Retentions retained to suppliers		
Returnable beyond 12 months	12 025	11 779
Returnable within 12 months	78 031	76 173
Total	**90 056**	**87 952**

Note 26. Litigation and claims

The register of court cases in relation to the 31 December 2015, in which the Erbud Capital Group is a party to the proceedings as plaintiff and defendant, did not change significantly. 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

The item did not occur in the reporting period.

Note 29. Information on changes in the method of determining the value of financial instruments measured at their fair value

In the period ended 31 March 2016, the Group did not change the method of determining the value of financial instruments measured at fair value.

Note 30. Information on changes in the classification of financial assets as a result of target exchange or use of these assets

In the period ended 31 March 2016, the Group did not change the classification of financial assets as a result of changing the purpose or use of those assets.

Note 31. Events subsequent to the balance sheet date

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

Signature of person preparing the Financial Statement

Mariola Zielińska
/ Chief Accountant /

Signatures of the Management Board Members

Józef Zubelewicz
/ Management Board Member /

Dariusz Grzeszczak
/ Management Board Member /

Paweł Smoleń
/ Management Board Member /

Warsaw, May 12, 2016