

ERBUD S.A.

Condensed Separate Financial Statements for three quarters of 2016

Financial Statements for the period of 9-month ended 30 September 2016 (in PLN '000)

Balance Sheet

ASSETS

		30.09.2016 *Unaudited figures*	30.06.2016 *Unaudited figures*	31.12.2015 *Restated figures*	30.09.2015 *Unaudited figures*
A.	**Fixed assets**	**161 150**	**156 288**	**181 065**	**197 126**
I.	**Intangible fixed assets**	**30**	**23**	**72**	**113**
1.	Costs of completed development works	0	0	0	0
2.	Goodwill	0	0	0	0
3.	Other intangibles	30	23	72	113
4.	Advances for intangibles	0	0	0	0
II.	**Tangible fixed assets**	**6 843**	**6 425**	**7 215**	**8 036**
1.	Fixed assets	6 396	6 382	5 921	6 773
a)	Land (incl. perpetual usufruct)	0	0	0	0
b)	Buildings, premises and civil and water engineering structures	1 293	1 302	0	3 160
c)	Plant and equipment	190	114	125	124
d)	Means of transport	4 416	4 430	4 554	3 299
e)	Other tangible fixed assets	497	536	1 242	190
2.	Fixed assets under construction	447	43	1 293	1 263
3.	Prepaid tangible fixed assets under construction	0	0	0	0
III.	**Long-term receivables**	**0**	**0**	**0**	**0**
1.	From related parties	0	0	0	0
2.	From other entities	0	0	0	0
IV.	**Long-term investments**	**133 410**	**132 230**	**152 709**	**168 185**
1.	Real property	0	0	232	232
2.	Intangibles	0	0	0	0
3.	Non-current financial assets	133 410	132 230	152 478	167 953
a)	In related parties, incl.:	132 398	131 515	150 433	167 190
–	shares or stocks	119 804	119 804	136 731	136 731
–	other securities	0	0	0	0
–	loans granted	12 594	11 711	13 702	30 459
–	other non-current financial assets	0	0	0	0
b)	In other entities, incl.:	1 012	715	2 044	763
–	shares / stocks	0	0	5	5
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other non-current financial assets	1 012	715	2 039	758
4.	Other long-term investments	0	0	0	0
V.	**Long-term prepayments**	**20 867**	**17 611**	**21 068**	**20 792**
1.	Deferred tax assets	20 867	17 611	21 068	20 792
2.	Other prepayments	0	0	0	0

		30.09.2016 *Unaudited figures*	30.06.2016 *Unaudited figures*	31.12.2015 *Restated figures*	30.09.2015 *Unaudited figures*
B.	**Current assets**	**464 043**	**479 348**	**511 873**	**489 886**
I.	**Inventory**	**1 514**	**1 830**	**147**	**133**
1.	Materials	0	0	0	0
2.	Semi-products and unfinished products	1 514	1 830	136	0
3.	Finished products	0	0	0	0
4.	Goods	0	0	11	133
5.	Prepaid deliveries	0	0	0	0
II.	**Short-term accounts receivable**	**339 355**	**348 598**	**303 221**	**301 319**
1.	From related parties	5 494	6 586	11 811	8 038
a)	Deliveries and services, with maturity	3 394	4 486	7 173	5 938
–	up to 12 months	3 394	4 486	7 173	5 938
–	over 12 months	0	0	0	0
b)	Other	2 100	2 100	4 638	2 100
2.	Receivables from other entities	333 861	342 012	291 410	293 281
a)	Deliveries and services, with maturity	312 348	313 931	270 652	272 899
–	up to 12 months	302 368	302 308	261 540	257 009
–	over 12 months	9 980	11 624	9 112	15 890
b)	Tax, subsidies, duty, social security, health care and other benefits	4 705	12 521	12 371	11 554
c)	Other	16 808	15 560	8 387	8 828
d)	Receivables claimed at court	0	0	0	0
III.	**Short-term financial assets**	**51 916**	**56 849**	**102 409**	**76 131**
1.	Current financial assets	51 916	56 849	102 409	76 131
a)	In related parties, incl.:	1 310	1 344	1 184	0
–	Shares or stocks	0	0	0	0
–	Other securities	0	0	0	0
–	Loans granted	1 310	1 344	1 184	0
–	Other current investments	0	0	0	0
b)	In other entities, incl.:	0	0	0	142
–	Shares or stocks	0	0	0	0
–	Other securities	0	0	0	0
–	Loans granted	0	0	0	0
–	Other current financial assets	0	0	0	142
c)	Cash and cash equivalents	50 606	55 505	101 225	75 989
–	Cash at bank and in hand	32 145	43 744	92 021	66 772
–	Other cash	18 461	11 760	9 204	9 217
–	Other financial assets	0	0	0	0
2.	Other current financial investments	0	0	0	0
IV.	**Short-term prepayments**	**71 258**	**72 071**	**102 961**	**112 303**
V.	**Non-current assets held for sale**	**0**	**0**	**3 135**	**0**
	TOTAL ASSETS	**625 193**	**635 636**	**692 938**	**687 012**

LIABILITIES

		30.09.2016 *Unaudited figures*	30.06.2016 *Unaudited figures*	31.12.2015 *Restated figures*	30.09.2015 *Unaudited figures*
A.	**Equity**	**219 497**	**216 196**	**234 774**	**232 224**
I.	**Share capital**	1 281	1 281	1 281	1 276
II.	**Called-up share capital not paid (negative value)**	0	0	0	0
III.	**Treasury shares (negative value)**	0	0	0	0
IV.	**Capital reserves**	237 235	237 235	241 212	240 768
V.	**Revaluation capital**	241	-1 315	1 006	115
VI.	**Other capital reserves**	0	0	0	0
VII.	**Retained profit / accumulated loss brought forward**	-20 122	-20 122	-20 122	-20 122
VIII.	**Net profit (loss)**	862	-883	11 397	10 187
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0	0
B.	**Liabilities and provisions for liabilities**	**405 696**	**419 440**	**458 164**	**454 788**
I.	**Provisions for liabilities**	**28 723**	**28 844**	**38 575**	**40 786**
1.	Deferred income tax provision	13 223	13 494	19 217	20 806
2.	Provision for retirement and related benefits	4 609	4 609	4 986	4 520
–	Non-current	840	840	843	796
–	Current	3 769	3 769	4 143	3 724
3.	Other provisions	10 891	10 741	14 372	15 460
–	Non-current	0	0	0	0
–	Current	10 891	10 741	14 372	15 460
II.	**Long-term liabilities**	**54 101**	**54 101**	**54 278**	**53 390**
1.	To related parties	0	0	0	0
2.	To other entities	54 101	54 101	54 278	53 390
a)	Loans and borrowings	0	0	0	0
b)	Issuance of debt securities	52 000	52 000	52 000	52 000
c)	Other financial liabilities	2 101	2 101	2 278	1 390
d)	Other	0	0	0	0
III.	**Equity**	**261 203**	**299 348**	**295 452**	**295 776**
1.	**Share capital**	13 236	27 387	37 732	12 447
a)	**Called-up share capital not paid (negative value)**	13 236	27 387	37 232	12 447
–	**Treasury shares (negative value)**	13 040	27 192	37 019	12 234
–	**Capital reserves**	196	196	213	213
b)	**Revaluation capital**	0	0	500	0
2.	**Other capital reserves**	247 967	271 960	257 720	283 329
a)	**Retained profit / accumulated loss brought forward**	0	0	0	0
b)	**Net profit (loss)**	0	0	0	0
c)	**Write-offs from net profit for the financial year (negative value)**	1 638	3 996	2 293	957
d)	**Liabilities and provisions for liabilities**	207 938	244 370	233 520	258 243
–	**Provisions for liabilities**	204 278	241 212	230 263	250 025
–	Deferred income tax provision	3 660	3 158	3 257	8 218
e)	Provision for retirement and related benefits	16 578	16 223	11 964	13 881
f)	Non-current	0	0	0	0
g)	Current	9 024	4 883	7 787	6 691
h)	Other provisions	2 133	2 181	1 809	2 656
i)	Non-current	10 656	307	347	901
3.	Current	0	0	0	0
IV.	**Long-term liabilities**	**61 669**	**37 148**	**69 859**	**64 836**
1.	To related parties	61 669	37 148	69 859	64 836
	To other entities	**625 193**	**635 636**	**692 938**	**687 012**

Calculation of book value per share

	30.09.2016	30.06.2016	31.12.2015	30.09.2015
Book value (in PLN '000)	219 497	216 196	234 774	232 224
Number of shares	12 811 859	12 811 859	12 811 859	12 761 925
Book value per share	17.13	16.87	18.32	18.20

PROFIT AND LOSS STATEMENT

	Quarter to 30.09.2016 ***Unaudited figures***	**Year to 30.09.2016** ***Unaudited figures***	**Quarter to 30.09.2016** ***Unaudited figures***	**Year to 30.09.2016** ***Unaudited figures***
Income from sales of products, goods and materials, incl.:	**290 509**	**838 639**	**295 905**	**855 004**
- from related parties	1 111	2 914	1 506	2 475
Net revenues on sales of products	290 509	838 639	295 905	855 004
Net revenues on sales of goods and materials	0	0	0	0
Cost of sold products, goods and materials, incl.:	**273 128**	**788 277**	**272 958**	**799 482**
- to related parties	25 718	84 710	24 388	91 268
Cost of manufacturing products sold	273 128	788 277	272 958	799 482
Cost of manufacturing goods and materials sold	0	0	0	0
Profit (loss) on sales before taxes	**17 381**	**50 362**	**22 947**	**55 522**
Selling costs	0	0	0	0
General and administrative expenses	11 952	34 887	10 587	30 732
Profit (loss) on sales	**5 429**	**15 475**	**12 360**	**24 790**
Other operating income	**-437**	**7 646**	**-732**	**1 969**
Gain on disposal of non-financial fixed assets	18	3 735	44	1 051
Subsidies and donations	0	0	0	0
Other operating income	-455	3 911	-776	918
Other operating expenses	**-78**	**2 575**	**5 853**	**12 000**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	-78	2 575	5 853	12 000
Profit (loss) on operating activity	**5 071**	**20 546**	**5 775**	**14 759**
Financial income	**-1 384**	**3 653**	**1 184**	**3 373**
Dividends and shares in profit	0	0	135	711
- from related parties	0	0	135	711
Interests	107	1 290	454	1 745
- from related parties	92	359	422	1 111
Gain on sale of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	-1 491	2 363	595	917
Financial expenses	**1 447**	**22 387**	**1 459**	**4 245**
Interests	738	4 168	605	2 460
- to related parties	0	0	0	0
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	16 927	0	0
Other	709	1 292	854	1 785
Profit (loss) on economic activity	**2 240**	**1 812**	**5 500**	**13 887**
Result on extraordinary events	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**2 240**	**1 812**	**5 500**	**13 887**
Income tax	495	950	1 448	3 700
Other mandatory profit decrease (loss increase)	0	0	0	0
Net profit (loss)	**1 745**	**862**	**4 052**	**10 187**
Net earnings (loss) per share		**12 811 859**		
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)				**12 761 925 / 12 794 073**
Earnings (loss) per ordinary share / Diluted earnings (loss) per share (in PLN)	**0.14**	**0.70**	**0.32**	**0.80 / 0.80**

STATEMENT OF CASH FLOW

	Quarter to 30.09.2016 *Unaudited figures*	Year to 30.09.2016 *Unaudited figures*	Quarter to 30.09.2016 *Unaudited figures*	Year to 30.09.2016 *Unaudited figures*
Net profit (loss)	**1 745**	**862**	**4 052**	**10 187**
Total adjustments	**-3 905**	**-38 404**	**-8 999**	**-43 861**
Depreciation and amortization	182	1 998	225	1 363
Gains / losses from foreign exchange differences	95	-56	163	90
Interest and share in profit (dividends)	604	3 183	-75	-1
Profit / loss on investment activities	-18	-3 735	-44	-1 051
Change in provisions	-297	-9 778	11 244	-2 560
Change in inventory	316	-1 367	-133	714
Change in accounts receivable	9 243	-36 134	72 104	4 465
Change in short-term liabilities, net of loans and borrowings	-35 787	-33 018	-45 540	-121 390
Change in prepayments and accruals	21 679	23 610	-46 753	74 509
Other adjustments	78	16 893	-190	0
Net cash flow from operating activities	**-2 160**	**-37 542**	**-4 947**	**-33 674**
Cash flow from investing activities				
Inflows	**51**	**14 558**	**9 863**	**14 146**
Disposal of intangible and tangible fixed assets	24	6 787	44	217
Disposal of investment property and intangible fixed assets	0	655	0	973
From financial assets, incl.:	27	7 116	9 819	12 956
a) In related parties	9	7 050	9 272	12 331
- disposal of financial assets	0	0	0	0
- dividends and share in profits	0	0	711	711
- repayment of long-term borrowings	0	7 000	4 819	6 689
- interest	9	50	3 742	4 931
- other income from financial assets	0	0	0	0
b) In other entities	18	66	547	625
- disposal of financial assets	0	0	0	0
- dividends and share in profits	0	0	0	0
- repayment of long-term borrowings	0	0	0	0
- interest	18	66	547	625
- other income from financial assets	0	0	0	0
Other investment inflow	0	0	0	0
Outflows	**1 333**	**7 109**	**1 937**	**17 114**
Acquisition of tangible and intangible fixed assets	560	849	1 302	1 747
Investment property and intangible fixed assets	0	0	0	0
Financial assets, incl.	773	6 260	635	15 367
a) In related parties	773	6 260	635	15 367
- acquisition of financial assets	0	0	0	0
- loans granted	773	6 260	635	15 367
b) In other entities	0	0	0	0
- acquisition of financial assets	0	0	0	0
- long-term borrowings granted	0	0	0	0
Other investing outflow	0	0	0	0
Net cash flow from investing activities	**-1 282**	**7 449**	**7 926**	**-2 968**

	Quarter to 30.09.2016 ***Unaudited figures***	**Year to 30.09.2016** ***Unaudited figures***	**Quarter to 30.09.2016** ***Unaudited figures***	**Year to 30.09.2016** ***Unaudited figures***
Cash flow from financing activities				
Inflows	**0**	**0**	**0**	**0**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	0	0	0	0
Loans and borrowings	0	0	0	0
Issuance of debt securities	0	0	0	0
Other financing inflow	0	0	0	0
Outflows	**1 457**	**20 526**	**7 725**	**10 110**
Repurchase of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	15 374	6 381	6 381
Profit distribution other than distributions to shareholders	0	0	0	0
Repayment of loans and borrowings	0	0	0	0
Redemption of debt securities	0	0	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	0	779	0	549
Interest	1 457	4 373	1 344	3 180
Other financing cash outflow	0	0	0	0
Net cash flow from financing activities	**-1 457**	**-20 526**	**-7 725**	**-10 110**
Total net cash flow	**-4 899**	**-50 619**	**-4 746**	**-46 752**
Balance-sheet change in cash, incl.:	**-4 899**	**-50 619**	**-4 746**	**-46 752**
- change in cash due to foreign exchange differences	0	0	0	0
Cash at the beginning of the period	**55 505**	**101 225**	**80 735**	**122 741**
Cash at the end of the period, incl.:	**50 606**	**50 606**	**75 989**	**75 989**
- restricted cash	6 701	18 461	0	9 217

RECONCILIATION OF MOVEMENTS IN EQUITY

	9-month period ended 30.09.2016	12-month period ended 31.12.2015	9-month period ended 30.09.2015
I. Equity at the beginning of the period	**254 896**	**247 259**	**247 259**
- Changes in accounting principles (policies) adopted	0		0
- Basic errors adjustment	-20 122	-20 122	-20 122
I.a. Equity at the beginning of the period , after reconciliation to comparable data	**234 774**	**227 137**	**227 137**
1. Share capital at the beginning of the period	**1 281**	**1 276**	**1 276**
1.1. Change in share capital	**0**	**5**	**0**
a) Increase	0	5	0
- Issue of Series “J” Shares	0	5	0
- Issue of Series “H” Shares	0	0	0
b) Decrease	0	0	0
- redemption of shares/stocks	0	0	0
1.2. Share capital at the end of the period	**1 281**	**1 281**	**1 276**
2. Called-up share capital not paid at the beginning of the period	**0**	**0**	**0**
2.1. Change in called-up share capital not paid	0	0	0
a) Increase	0	0	0
b) Decrease	0	0	0
2.2. Called-up share capital not paid at the end of the period	**0**	**0**	**0**
3. Treasury shares/stocks at the beginning of the period	**0**	**0**	**0**
a) Increase – repurchase of own shares	0	0	0
b) Decrease – disposal of own shares	0	0	0
3.1. Treasury shares/stocks at the end of the period	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**241 212**	**234 804**	**234 804**
4.1. Change in capital reserves	-3 977	6 408	5 964
a) Increase	11 397	6 408	5 964
- Capital reserves transfer	0	0	0
- Profit distribution	11 397	5 864	5 864
- Repurchase of own shares	0	0	0
- Profit on sales of own shares	0	0	0
- Issue of Series “JI” Shares above their par value	0	544	0
- Manager options	0	0	100
b) Decrease	15 374	0	0
– Dividend payment	15 374	0	0
4.2. Capital reserves at the end of the period	**237 235**	**241 212**	**240 768**
5. Revaluation of capital reserves at the beginning of the period	**1 006**	**-1 066**	**-1 066**
5.1. Change in revaluation of capital reserves	-765	2 072	1 181
a) Increase	0	2 072	1 181
- Valuation of financial assets	0	2 072	1 181
b) Decrease	765	0	0
– Valuation of financial instruments held for sale	765	0	0
5.2. Capital reserves at the end of the period	**241**	**1 006**	**115**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**
6.1. Change in other capital reserves	0	0	0
a) Increase	0	0	0
- resources reserved for the Staff Incentive Program	0	0	0
b) Decrease due to transfer to the capital reserves	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**

	9-month period ended 30.09.2016	12-month period ended 31.12.2015	9-month period ended 30.09.2015
7. Accumulated loss/retained profit brought forward at the beginning of the period	**11 397**	**12 245**	**12 245**
7.1. Retained profit brought forward at the beginning of the period	11 397	12 245	12 245
- changes in accounting principles (policies)	0	0	0
- adjustment of basic errors	0	0	0
- recognition of the last year result as result of previous years	0	0	0
7.2. Retained profit brought forward at the beginning of the period, after adjustments	11 397	12 245	12 245
a) Increase	0	0	0
b) Decrease	11 397	12 245	12 245
- allocation of retained profit to capital reserve	0	5 864	5 864
- allocation of retained profit to dividend	11 397	6 381	6 381
- allocation of retained profit to cover losses from previous years	0	0	0
7.3. Retained profit brought forward at the end of the period	**0**	**0**	**0**
7.4. Accumulated loss brought forward at the beginning of the period	**0**	**0**	**0**
- changes in accounting principles (policies)	0	0	0
- adjustment of basic errors	0	0	0
7.5. Accumulated loss brought forward at the beginning of the period, after adjustments	0	0	0
a) Increase	0	0	0
– presentation adjustments	0	0	0
b) Decrease	0	0	0
- allocation of retained profit to cover losses	0	0	0
7.6. Loss from previous years brought forward at the end of the period	**0**	**0**	**0**
7.7. Retained profit or accumulated loss brought forward at the end of the period	**0**	**0**	**0**
8. Net result	**862**	**11 397**	**10 186**
a) Net profit	862	11 397	10 186
b) Net loss	0	0	0
c) Write-offs from profit			0
II. Equity at the end of the period	**219 497**	**234 774**	**232 224**
III. Equity, after proposed distribution of profit (coverage of loss)	**219 497**	**234 774**	**232 224**

1. Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statements of ERBUD SA for three quarters of 2016 and comparable data has been drawn up in accordance with accounting principles prevailing in Poland, described in the introduction to the Company's Financial Report for the year 2015.

KEY ITEMS CONVERTED TO THE EURO

	30.09.2016		30.09.2015	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	161 150	37 372	197 126	46 507
Current assets	464 043	107 617	489 886	115 577
Shareholders' equity	219 497	50 904	232 224	54 787
Liabilities and provisions for liabilities	405 696	94 085	454 788	107 297

- Assets and liabilities items - at the average exchange rate as at 30 September 2016, i.e. 4.3120 PLN/EUR.

- Assets and liabilities items - at the average exchange rate as at 30 September 2015, i.e. 4.2386 PLN/EUR.

	9-month period ended 30.09.2016		9-month period ended 30.09.2015	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	838 639	191 961	855 004	205 604
Cost of sold products and services and of goods and materials	788 277	180 433	799 482	192 252
Profit on sales before taxes	50 362	11 528	55 522	13 352
Profit on operating activities	20 546	4 703	14 759	3 549
Profit (loss) before taxes	1 812	415	13 887	3 339
Net profit (loss)	862	197	10 187	2 450

– Items of the profit or loss statement and cash flow for three quarters of 2016 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 30 September 2015, i.e. 4.3688 PLN/EUR.

– Items of the profit or loss statement and cash flow for three quarters of 2015 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 30 September 2015, i.e. 4.1585 PLN/EUR.

	9-month period ended 30.09.2016		9-month period ended 30.09.2015	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-37 542	-8 593	-33 674	-8 098
Cash flow from investing activities	7 449	1 705	-2 968	-714
Cash flow from financing activities	-20 526	-4 698	-10 110	-2 431
Net cash flow	-50 619	-11 586	-46 752	-11 243
Cash at the beginning of the period	101 225	23 753	122 741	28 797
Cash at the end of the period	50 606	11 736	75 989	18 273

Items of the cash flow for the period 1.01.2016 - 30.09.2016 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 day, i.e. 4.3688 PLN/EUR.

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

To convert cash as of 1 January 2016, it was applied the exchange rate set by the NBP on that day, i.e. 4.2615 PLN/EUR.

To convert cash as of 1 January 2015, it was applied the exchange rate set by the NBP on that day, i.e. 4.2623 PLN/EUR.

To convert cash as of 30 September 2016, it was applied the exchange rate set by the NBP on that day, i.e. 4.3120 PLN/EUR.

To convert cash as of 30 September 2015, it was applied the exchange rate set by the NBP on that day, i.e. 4.2386 PLN/EUR.

EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 30 September 2016 the Company conducted operations under the following business segments:

- civil engineering - large volume construction
- road-engineering
- construction for power industry.

During the reporting period ended 30 September 2016 the Company conducted operations in the following geographical segments:

- domestic
- abroad. (Belgium, Luxembourg).

The segmentation was made on classification basis of individual construction contracts. The Company applies a uniform accounting policy for all segments.

Business segments

The following table presents data on the revenues and profits of the Company's operating segments for the period from 1 January to 30 September 2016:

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2016	Large-volume construction	Road engineering	Services for energy sector	Other	Total
Sale to external customers	775 844	82	62 713	0	838 639
Total income	**775 844**	**82**	**62 713**	**0**	**838 639**
Cost of products, goods and materials sold to external customers	723 089	460	64 728	**0**	788 277
Total cost of products, goods and materials sold	**723 089**	**460**	**64 728**	**0**	**788 277**
Total gross sales	**52 755**	**-378**	**-2 015**	**0**	**50 362**
Cost of sales	0	0	0	0	**0**
General and administrative costs	34 032	175	680	0	**34 887**
Profit (loss) on other operating activity	2 571	2 500	0	0	**5 071**
Segment profit (loss)	**21 293**	**1 947**	**-2 695**	**0**	**20 546**
Profit (loss) on financing activity	-1 807	0	0	-16 927	**-18 734**
Income tax	4 080	86	0	-3 216	**950**
Net profit	**15 407**	**1 861**	**-2 695**	**-13 711**	**862**

The following table presents data on the revenues and profits of the Company's operating segments for the period from 1 January to 30 September 2015:

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2015	Large-volume construction	Road engineering	Services for energy sector	Other	Total
Sale to external customers	778 847	3 973	72 184	0	855 004
Total income	**778 847**	**3 973**	**72 184**	**0**	**855 004**
Cost of products, goods and materials sold to external customers	724 804	4 123	70 554	**0**	799 482
Total cost of products, goods and materials sold	**724 804**	**4 123**	**70 554**	**0**	**799 482**
Total gross sales	**54 041**	**-150**	**1 630**	**0**	**55 522**
Cost of sales	0	0	0	0	**0**
General and administrative costs	29 049	190	814	678	**30 732**

Profit (loss) on other operating activity	-10 031	0	0	0	**-10 031**
Segment profit (loss)	**14 961**	**-340**	**816**	**-678**	**14 759**
Profit (loss) on financing activity	-872	0	0	0	**-872**
Income tax	3 497	0	203	0	**3 700**
Net profit	**10 592**	**-340**	**613**	**-678**	**10 187**

Geographical segments

The following table presents data on the revenues and profits of the Company's region segments for the period from 1 January to 30 September 2016

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2016	**Domestic**	**Abroad**	**Total**
Sale to external customers	810 734	27 905	838 639
Total income	**810 734**	**27 905**	**838 639**
Cost of products, goods and materials sold to external customers	761 829	26 448	788 277
Total cost of products, goods and materials sold	**761 829**	**26 448**	**788 277**
Total gross sales	**48 904**	**1 457**	**50 362**
Cost of sales	0	0	**0**
General and administrative costs	34 886	1	**34 887**
Profit (loss) on other operating activity	5 079	-8	**5 071**
Segment profit (loss)	**19 097**	**1 449**	**20 546**
Profit (loss) on financing activity	-19 144	409	**-18 734**
Income tax	-24	974	**950**
Net profit	**-22**	**884**	**862**

The following table presents data on the revenues and profits of the Company's region segments for the period from 1 January to 30 September 2015

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2015	**Domestic**	**Abroad**	**Total**
Sale to external customers	807 905	47 099	855 004
Total income	**807 905**	**47 099**	**855 004**
Cost of products, goods and materials sold to external customers	754 734	44 748	799 482
Total cost of products, goods and materials sold	**754 734**	**44 748**	**799 482**
Total gross sales	**53 171**	**2 351**	**55 522**
Cost of sales	0	0	**0**
General and administrative costs	29 332	1 399	**30 732**
Profit (loss) on other operating activity	-10 208	177	**-10 031**
Segment profit (loss)	**13 631**	**1 128**	**14 759**
Profit (loss) on financing activity	-1 028	156	**-872**
Income tax	3 358	342	**3 700**
Net profit	**9 245**	**942**	**10 187**

2. Description of factors and events, which had a significant impact on financial results achieved by ERBUD SA.

2.1. Changes in estimates

Construction contracts

In accordance with accounting principles accepted for valuation of the long-term building services, the Company applied a percentage method. Revenues, costs and profit were shown in proportion to the phase of works.

To qualify the progress of works, it was used a method of proportional contract costs incurred for work performed to date in relation to the estimated contract costs.

Prepayments for construction contracts

	30.09.2016	31.12.2015	30.09.2015
Revenue surplus over partial invoices, by work progress	53 667	60 366	52 268
Costs surplus over expenses arising from the accounting costs, by work progress	46 287	40 502	16 514
Surplus on partial invoices over incomes, by work progress	15 382	29 357	48 322
Surplus on costs resulting from the accounting costs over expenses, by work progress	13 568	38 576	55 557
Total amounts presented in deferred expenditures	67 235	98 943	107 825
Revenue surplus over partial invoices, by work progress	61 669	69 859	64 836

Provisions and assets due to deferred income tax

Assets due to deferred income tax	30.09.2016	30.06.2016	31.12.2015	30.09.2015
- Valuation of long-term contracts	11 717	7 058	13 273	12 319
- Costs of subsequent periods	1 082	2 327	1 771	2 436
- impairment loss on Budlex shares	3 216	3 216	0	0
- Provision for loss on contracts	0	69	69	0
- Other	4 852	4 941	5 955	6 037
Total assets due to deferred income tax	**20 867**	**17 611**	**21 068**	**20 792**

Provisions	30.09.2016	30.06.2016	31.12.2015	30.09.2015
- Valuation of long-term contracts	12 781	13 016	18 799	20 487
- Other	442	478	418	319
Total provisions due to deferred income tax	**13 223**	**13 494**	**19 217**	**20 806**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	30.09.2016	31.12.2015	30.09.2015
As at the beginning of the period	**8 199**	4 154	**4 154**
a) Increase (due to)	0	4 166	5 666
- Creation	0	4 166	5 666
b) Decrease (due to)	1 028	121	121
- Impairment loss release	1 028	121	121
- Use of write-downs	0	0	0
Write-downs on short-term receivables at end of the period	**7 171**	**8 199**	**9 699**

Significant amount of write-downs recognized and reversed due to the impairment

Write-downs on long-term financial assets	30.09.2016	31.12.2015
Opening balance sheet	**2 928**	**2 928**
Increases/Decreases	16 927	0
- shares of Budlex	16 927	0
Closing balance sheet	**19 855**	**2 928**

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

In relation to the financial year ended 31 December 2015 this type of significant changes did not occur.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Paweł Smoleń
/Board Member/

Warsaw, November 16, 2016