

ERBUD GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 1Q 2017

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2017 (in '000 PLN)

	31.03. 2017	31.21.2016	31.12.2016
Fixed assets	**128 565**	**103 496**	**199 193**
Intangibles	2 007	1 958	2 163
Goodwill	22 968	22 968	22 968
Tangible fixed assets	45 605	46 073	45 209
Investment property	0	0	63 486
Non-current financial assets	6 534	2 876	13 890
Deferred tax assets	40 422	17 029	37 430
Performance bonds / retention under construction contracts	11 005	12 565	13 968
Prepayments	24	27	79
Current assets	**712 730**	**843 801**	**817 830**
Inventory	4 012	2 757	117 024
Trade and other receivables	369 449	390 083	355 846
Income tax receivables	4 160	4 771	5 494
Other financial assets	32 194	22 788	5 484
Fixed assets held for sale	0	0	0
Performance bonds / retention under construction contracts	29 585	32 264	30 893
Cash and cash equivalents	141 380	257 273	160 404
Short-term prepayments and accruals	6 470	6 265	5 981
Construction contracts	125 480	127 600	136 704
TOTAL ASSETS	**841 295**	**947 297**	**1 017 023**
Equity attributable to shareholders of the Parent Company	**254 989**	**251 660**	**304 471**
Share capital	1 281	1 281	1 281
Exchange rate differences on translation of foreign entities	740	1 343	763
Valuation of hedging instruments	2 963	-640	1 492
Capital reserves	213 197	213 197	227 493
Undistributed profits	36 808	36 479	73 442
Minority interests	8 767	9 145	20 080
Total shareholders' equity	**263 756**	**260 805**	**324 551**
Long-term liabilities	**94 554**	**81 203**	**135 035**
Bank loans and borrowings	7 060	8 002	13 999
Provision for deferred income tax	16 173	2 625	31 282
Provision for retirement and similar benefits	1 932	1 932	1 727
Other provisions	2 571	2 650	3 783
Other financial liabilities	5 853	5 656	7 219
Liabilities from bonds issue	52 000	52 000	65 000
Performance bonds / retention under construction contracts	8 215	7 588	12 025
Other liabilities	750	750	0
Short-term liabilities	**482 985**	**605 289**	**557 437**
Bank loans and borrowings	53 461	43 916	83 227
Other financial liabilities	5 788	6 663	4 918
Trade and other liabilities	187 015	313 418	219 803
Current tax liabilities	8 027	4 610	2 256
Liabilities from bonds issue	0	0	0
Provision for retirement and similar benefits	9 668	8 972	8 412
Provisions	24 362	28 420	20 595
Performance bonds / retention under construction contracts	83 372	89 130	78 031
Construction contracts	111 292	110 144	111 603
Other accruals	0	16	28 592
TOTAL LIABILITIES	**841 295**	**947 297**	**1 017 023**

CONSOLIDATED STATEMENT OF INCOME

for the 3-month period ended 31 March 2017 (in 000' PLN)

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
CONTINUING OPERATIONS		
Revenues from sales of products and services and of goods and materials	**344 085**	**367 976**
Cost of sold products and services and of goods and materials	**319 201**	**339 333**
Profit (loss) from sales before tax	**24 884**	**28 643**
Cost of sales	1 299	1 913
General and administrative costs	22 135	19 726
Other operating income	**3 322**	**7 405**
Other operating expenses	**828**	**2 012**
Share of net profit (loss) of subsidiaries valued by equity method	**0**	**0**
Profit (loss) on operating activities	**3 944**	**12 397**
Other gains (losses) on investments	**0**	**0**
Financial income	**489**	**954**
Financial expenses	**4 092**	**2 371**
Profit (loss) on continuing operations before tax	**341**	**10 980**
Income tax	244	2 745
Net profit (loss) on continuing operations	**97**	**8 235**
Profit for the financial period attributable to:		
Shareholders of the Parent Company	333	7 234
Minority shareholders	-236	1 001
Basic earnings (loss) per share (in PLN)	**0.03**	0.56
Diluted earnings (loss) per share (in PLN)	**0.03**	0.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
Consolidated net profit	**97**	**8 235**
Exchange rate differences from translation of foreign branches and entities	-749	43
Valuation of hedging instruments	3 603	486
Other comprehensive net incomes	**2 854**	**529**
Total comprehensive income attributable to:	2 951	8 764
Shareholders of the Parent Company	3 329	7 722
Minority interest	-378	1 042

CONSOLIDATED STATEMENT OF CASH FLOWS
for the 3-month period ended 31 March 2017 (in 000' PLN))

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
Cash flows from operating activities		
Net profit (loss)	**341**	**10 980**
Total adjustments	**-96 326**	**-83 305**
Depreciation and amortization	1 988	2 785
Share of net profit of subsidiaries valued by equity method	0	0
Gains / losses from exchange rate differences	1 084	-8
Interest and profit sharing (dividend)	740	1 398
Profit / loss on investment activities	-193	-3 709
Change in provisions	-3 440	-8 165
Change in inventories	-1 255	13 138
Change in receivables	24 872	-37 806
Change in short-term liabilities, excluding loans and borrowings	-116 544	-56 718
Change in prepayments and accruals	3 200	15 682
Income tax paid	-6 906	-8 190
Other adjustments	128	-1 712
Net cash used by operating activities	**-95 985**	**-72 325**
Cash flows from investing activities		
Inflows	**324**	**7 157**
Disposal of intangible and tangible fixed assets	266	6 750
Disposal of investment property	0	346
Disposal of financial assets	0	0
Dividends and interest received	58	61
Repayment of loans	0	0
Other	0	0
Outflows	**9 980**	**14 295**
Acquisition of intangible and tangible fixed assets	574	1 392
Investments in real property	0	12 276
Acquisition of financial assets	0	0
Loans granted	9 406	43
Acquisition of a subsidiary after deduction of funds acquired	0	0
Other	0	584
Net cash flows from investing activities	**-9 656**	**-7 138**

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
Cash flows from financial activities		
Inflows	**12 211**	**21 858**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Loans and borrowings	12 211	21 858
Issue of debt instruments	0	0
Other	0	0
Outflows	**22 463**	**36 129**
Redemption of own shares	0	0
Dividends and other payments to the shareholders of the Parent	14 990	0
Dividends and other payments to the minority shareholders	0	0
Repayment of loans and borrowings	3 667	32 060
Redemption of debt securities	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	2 378	1 041
Interest paid	1 428	2 452
Other	0	576
Net cash flows from financial activities	**-10 252**	**-14 271**
Total net cash flows	**-115 893**	**-93 734**
Balance sheet change in cash, including:	**-115 893**	**-93 734**
- change in cash due to foreign exchange differences		
Cash opening balance	**257 273**	**254 138**
Closing balance of cash, including:	**141 380**	**160 404**
- restricted cash	19 126	37 850

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

attributable to shareholders of the Parent as of 31 March 2017 (in 000' PLN)

	Capital attributable to shareholders of the Parent Company									
	Share capital	Treasury shares	Reserve capital	Exchange differences on translation of foreign entities	Valuation of hedging instruments	Retained earnings (loss)		Total	Minority interests	Share capital
						from previous years	Net earnings (loss)			
As at 01.01.2017 (Figures after restatement *)	**1 281**	**0**	**213 197**	**1 343**	**-640**	**36 479**	**0**	**251 660**	**9 145**	**260 805**
Profit / loss for the period	0	0	0	0	0	0	333	**333**	-236	**97**
Other total income	0	0	0	-603	3 603	-4	0	**2 996**	-142	**2 854**
Total income for the period	**0**	**0**	**0**	**-603**	**3 603**	**-4**	**333**	**3 329**	**-378**	**2 951**
Redemption of shares in Budlex	0	0	0	0	0	0	0	**0**	0	**0**
Acquisition of issued shares by minority shareholders of PBDI (subsidiary)	0	0	0	0	0	0	0	**0**	0	**0**
	0	0	0	0	0	0	0	**0**	0	0
Dividend for shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
As at 31.12.2017	**1 281**	**0**	**213 197**	**740**	**2 963**	**36 475**	**333**	**254 989**	**8 767**	**263 756**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

attributable to shareholders of the Parent as of 31 December 2016 (in 000' PLN)

	Capital attributable to shareholders of the Parent Company									
						Retained earnings (loss)				
	Share capital	Treasury shares	Reserve capital	Exchange differences on translation of foreign entities	Valuation of hedging instruments	from previous years	Net earnings (loss)	Total	Minority interests	Share capital
As at 01.01.2016 (Figures after restatement *)	**1 281**	**0**	**229 619**	**761**	**1 006**	**46 086**	**0**	**278 753**	**16 912**	**295 665**
Profit / loss for the period	0	0	0	0	0	0	1 791	**1 791**	-715	**1 076**
Other total income	0	0	0	582	-1 646	0	0	**- 1 064**	-8	**-1 072**
Total income for the period	**0**	**0**	**0**	**582**	**- 1 646**	**0**	**1 791**	**727**	**-723**	**4**
Redemption of shares in Budlex	0	0	4 670	0	0	0	0	**4 670**	-9 170	**- 4 500**
Acquisition of issued shares by minority shareholders of PBDI (subsidiary)	0	0	-2 126	0	0	0	0	**-2 126**	2 126	**0**
	0	0	0	0	0	0	0	**0**	0	**0**
Dividend for shareholders	**0**	**0**	**-18 966**	**0**	**0**	**-11 398**	**0**	**-30 364**	**0**	**-30 364**
As at 31.12.2016	**1 281**		**213 197**	**1 343**	**-640**	**34 688**	**1 791**	**251 660**	**9 145**	**260 805**

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									
						Retained earnings (loss				
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Valuation of hedging instruments	from previous years	Net earnings (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**

Average PLN/UUR exchange rates during the period covered by the Financial Statements

Period	Average exchange rate for the reporting period	Exchange rate as at the last day of the period
31.03.2017	4.2891	4.2198
31.12.2016	4.3757	4.4240
31.03.2016	4.3559	4.2684

Basic balance sheet items translated into EURO (as at the last day of the period; in thousands)

Item	31.03.2017		31.03.2016	
	PLN	EUR	PLN	EUR
Total assets	841 295	199 368	1 017 023	238 268
Fixed assets	128 565	30 467	199 193	46 667
Current assets	712 730	168 901	817 830	191 601

Item	31.03.2017		31.03.2016	
	PLN	EUR	PLN	EUR
Total liabilities	841 295	199 368	1 017 023	238 268
Shareholders' equity	263 756	62 504	324 551	76 036
Liabilities and provisions for liabilities	577 539	136 864	692 472	162 232

Items of the balance sheet as at 31 March 2017 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.2198 PLN/EUR.

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.

Basic items of the profit and loss account converted into EURO (for the reporting period; in thousands)

Item	3-month ended 31.03.2017		3-month ended 31.03.2016	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	344 085	80 223	367 976	84 478
Manufacturing cost of products sold	319 201	74 421	339 333	77 902
Gross profit on sales	24 884	5 802	28 643	6 576
Profit from operating activities	3 944	920	12 397	2 846
Gross profit (loss)	341	80	10 980	2 521
Net profit (loss)	97	23	8 235	1 891

Items of the profit or loss for the period 01.01.2017 - 31.03.2017 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. 4.2891 PLN/EUR.

Items of the profit or loss 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.

Basic items of the cash flow statement translated into EURO for the reporting period; in thousands)

Item	3-month ended 31.03.2017		3-month ended 31.03.2016	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-95 985	-22 379	-72 325	-16 604
B. Cash flows from investing activities	-9 656	-2 251	-7 138	-1 639
C. Cash flows from financing	-10 252	-2 390	-14 271	-3 276

activities				
D. Total net cash flows (A+/-B+/-C)	-115 893	-27 020	-93 734	-21 519
F. Cash and cash equivalents at the beginning of the period	257 273	58 154	254 138	59 636
G. Cash and cash equivalents at the end of the period	141 380	33 504	160 404	37 579

Cash flow items for the period of 01 January 2017 - 31 March 2017 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. 4.2891 PLN/EUR;

F item figures - at the exchange rate set by the NBP as at the 31 December 2015, i.e. 4.4240 PLN/EUR;

G item figures- at the exchange rate set by the NBP on the 31 March 2016, i.e. 4.2198 PLN/EUR.

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.

Reconciliation of changes in balance sheet items to changes accounted for in the cash flows statement as at 31 March 2017 is as below:

	31.03.2017
Change in liabilities in the balance sheet	**-131 534**
Balance as of the units acquisition date	0
Dividend	14 990
Change in liabilities in the cash flows account	**- 116 544**

	31.03.2017
Change in accruals in the balance sheet	**3 050**
Deferred tax due to financial instruments hedging	150
Deferred financing costs	0
Change in accruals in the cash flows account	**3 200**

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

As of 31 March 2017, 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. 2017	31.21.2016	31.12.2016
- Building contracts valuation	34 162	29 140	22 974
- Provisions	4 972	5 464	5 998
- Loss on taxes	2 850	929	1 753
- Margin on intra-Group sales	0	0	665
- Other fees charged statistically	436	428	599

- Revaluation of receivables	1 475	1 354	1 501
- Valuation of bonds	0	0	0
- Other financial liabilities	1 412	1 356	1 417
- Deferred costs	2 612	571	1 282
- Other	571	651	1 241
Total	**48 490**	**39 893**	**37 430**
Total deferred tax assets	**40 422**	**17 029**	**37 430**

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. 2017	31.21.2016	31.12.2016
Short-term receivables before tax	**412 529**	**436 533**	**405 727**
Due to deliveries and services	391 470	410 520	370 162
- from related parties	3	91	32
- from other entities	391467	410 429	370 130
From the public sector	6 563	14 746	20 425
Other	14 496	11 267	15 140
Impairment of receivables	**9 335**	**9 415**	**13 494**
Net short-term receivables	**403 194**	**427 118**	**392 233**

Note 3.2 Allowances for current trade receivables and other debts

	31.03. 2017	31.21.2016	31.12.2016
Impairment losses as at the beginning of the period	9 415	**13 500**	13 500
Created to other operating costs	91	1 795	0
Reversed into other operating costs	171	1 070	0
Used	0	197	1
Foreign exchange differences	0	0	0
Other	0	-4 613	-5
Allowances for current receivables as at the end of the period	**9 335**	**9 415**	**13 494**

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 non-current financial assets

During the reporting period, there were no impairment losses on other long-term financial assets,

Note 4. Construction contracts

	31.03. 2017	31.21.2016	31.12.2016
Building contracts income	321 748	1 611 938	325 288
Building contracts costs, incl.	293 277	1 450 870	291 919

- recorded loss	0	373	0
Profit before tax	**28 471**	**160 695**	**33 369**

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

	31.03. 2017	**31.21.2016**	**31.12.2016**
Assets:			
Amounts due from customers	**125 480**	**127 600**	**136 704**
Valuation of contracts	125 480	127 600	136 704
Liabilities:			
Amounts due to customers, incl.:	**111 292**	**110 144**	**111 603**
Valuation of contracts	111 292	110 144	111 603

Note 5. Share capital of ERBUD SA (ownership structure)
Note 5.1 Shareholding structure as at 31 March 2017

The share capital of the Parent as of 31 March 2017 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 March 2017 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 Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	None	None	2 136 260	16.67%	None
ING OFE	Ordinary	None	None	1 200 000	9.37%	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
PKO OFE	Ordinary	None	None	715 279	5.58%	None
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	None	None	412 087	3.22%	None
Józef Zubelewicz	Ordinary	None	None	259 500	2.03%	None
Free Float	Ordinary	None	None	1 978 822	15.45%	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 share capital of the Parent as of 31 December 2016 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 2016 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	16.67%	None
Nationale Nederlanden Powszechne Towarzystwo Emerytalne S.A. (formerly ING PTE S.A.)	Ordinary	None	None	1 200 000	9.37%	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	512 087	4.00%	None
Józef Zubelewicz	Ordinary	None	None	259 500	2,03%	None
Free Float	Ordinary	None	None	2 594 101	20.25%	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.

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 provisions
Note 6.1 Deferred income tax provisions

Provision for	31.03. 2017	31.21.2016	31.12.2016
- measurement of building contracts	20 031	22 399	21 408
- valuation of futures and forwards (financial instruments)	0	0	353
- assets revaluation	2 055	2 084	7 236
- financial costs activated	0	78	254
- balance sheet valuation	154	18	65
- balance sheet valuation of interest	59	59	0
- accrued income	0	0	0
- retention discount	92	0	533
- other	1 850	851	1 433
Total	**24 241**	**25 489**	**31 282**
Total provision for deferred income tax	**16 173**	**2 625**	**31 282**

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. 2017	31.21.2016	31.12.2016
a) to subsidiaries	0	0	0

b) to other entities	73 878	73 996	98 243
- loans and borrowings	7 060	8 002	13 999
- other financial liabilities, incl.	5 853	5 656	7 219
- from financial lease	5 853	5 656	7 188
- securing of foreign exchange risk in Budlex	0	0	31
- other	0	0	0
- liabilities due to bond issue	52 000	52 000	65 000
- other	750	750	0
- Performance bonds / retention under construction contracts	8 215	7 588	12 025
Total long-term liabilities	**73 878**	**73 996**	**98 243**

Note 8.

Trade liabilities and other debts; income tax liabilities; performance bonds / retention under construction contracts

Current liabilities	**31.03. 2017**	**31.21.2016**	**31.12.2016**
a) Due to deliveries and services	233 825	334 959	258 861
- from related parties	164	766	257
- from other entities	233 661	334 193	258 604
b) To public sector	29 223	24 271	16 134
- corporate income tax	8 027	4 610	2 256
- VAT	10 835	9 873	3 435
- income tax on natural persons	2 086	2 121	1 946
- other	8 275	7 667	8 497
c) Other	15 366	47 928	25 095
- payroll	7 228	6 699	7 112
- prepayments received	6 262	16 457	16 696
- liabilities due to dividend	0	14 990	0
- other	1 876	9 782	1 287
Total	**278 414**	**407 158**	**300 090**

Note 9. Finance lease liabilities

Fair value	**31.03. 2017**	**31.21.2016**	**31.12.2016**
Fair value	4 803	5 026	4 918
Less than 1 year	5 853	5 656	7 188
1 to 5 years	**10 656**	**10 682**	**12 106**

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.

The total liability due to bonds issue as at 31 March 2017 is a long-term one.

As at the date of preparation of the consolidated financial statements of the Erbud Group and as at the date of publication of this report, there is no incentive program in Erbud S.A. and the Erbud Group based on shares, share options, warrants or other derivative instruments.

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 31.03.2017	3-month period ended 31.03.2016
- sale of products	0	25 437
- sale of services	343 465	341 828
-sale of goods and materials	620	711
Total net income from sales	**344 085**	**367 976**

Note 13. Costs by type

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
a) Depreciation and amortisation	1 988	2 785
b) Consumption of materials and power	48 418	58 237
c) External services	231 205	227 213
d) Taxes and charges	2 033	2 647
e) Payroll	42 487	42 422
f) Social security, health care and other benefits	10 497	9 745
g) Other costs	4 632	5 427
h) Value of goods and materials sold	604	581
Total expenses by type	**341 864**	**349 057**
Change in inventories, products and deferred expenditures due to construction contracts	771	11 915
Cost of production for in-house use (negative value)	0	0
Cost of sales (negative value)	-1 299	-1 913
General and administrative costs (negative value)	-22 135	-19 726
Production cost of products sold	**319 201**	**339 333**

Note 14. Income tax

	3-month period ended 31.03.2017	12-month period ended 31.12.2016	3-month period ended 31.03.2016
Current income tax	10 894	17 986	4 639
Deferred income tax	-10 650	-10 036	-1 894
Income tax recognized in capitals	0	0	0
Valuation of hedging instruments	0	0	0
Tax liability recognized in the profit or loss	**244**	**7 950**	**2 745**

Note 15. Net earnings per share

	3-month period ended 31.03.2017	3-month period ended 31.03.2016
Net earnings (loss)	333	7 234
Weighted average number of shares (in units)	12 811 859	12 811 859
Earnings (loss) per share (in PLN)	0.0259	0.5646
Weighted average diluted number of shares (in units)	12 811 859	12 811 859
Diluted earnings (loss) per share (in PLN)	0.0259	0.5646

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 over the period from 1 January 2017 to 31 March 2017.

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 changes in ownership taking place in 1Q.2017.

As at 31 March 2017, the managing and supervising persons (members of the Management and Supervisory Board) 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	412 087	3.22%	412 087	3.22%
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	28.000	0.22%	28.000	0.22%

As at 31 December 2016, the managing and supervising persons (members of the Management and Supervisory Board) 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	512 087	4.00%	512 087	4.00%
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	28.000	0.22%	28.000	0.22%

As of the date of publishing these Financial Statements, the Management Board members and procurists do not have any options on Erbud S.A. stocks.

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 31 March 2017 and as at 31 December 2016 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 2017 and as at 31 December 2016 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 2017 and after the balance date

Contracts concluded:

On 2 January 2017, Erbud concluded a contract for construction works with a subsidiary of Vantage Development SA - VD spółka z ograniczoną odpowiedzialnością Mieszkania XIV sp.k. with its registered office in Wrocław (the “Customer").
The Contract includes carrying out of the Login City Housing Development Project – construction of a residential building located in Wroclaw on Grabiszyńska Street as a part of the City Login Development, including the necessary on-site infrastructure, services and landscaping.
The net Contract value is PLN 33.8 million. The Contract has been concluded for the period of the performance by Erbud SA of all obligations arising therefrom, within 74 weeks from the date of the Notice to Proceed with the Works, which may be issued by the Customer no later than on 31 March 2017.

On 27 January 2017, the “Issuer concluded a significant contract on the following terms and conditions.
Contract: Building of a four-star hotel complex consisting of three buildings, including site development, on plots 5/12, 5/2, 5/3 and 179/8 in Świnoujście, Żeromskiego St., and obtaining occupancy permit for these buildings;
Investor: Platinum Resort Sp. z o.o. ul. Bolesława Chrobrego 2/5, 72-600 Świnoujście;
Completion period: 6.01.2017 - 31.07.2018;.
Volume: 61,425.00 m³; gross area: 15,119.00 m²;
Range of works: Civil engineering works to build a three hotel building complex, incl. required in-building and on site facilities along with development works;
Contract value: PLN 53,468,654.49.

On 31 March 2017, the Annex No. 1 to the building contract for construction of Seaside Park Hotel in Kołobrzeg worth PLN 25.9m has been signed on the following terms and conditions:
The total value of the contract after signing the annex is PLN 54m.
1. Date of signing:2017-03-31;
2. Investor: SEASIDE Park Sp. z o.o. ul. Piękna 18 00-549 Warszawa;
3. Contract value: PLN 25,939,158.70;
4. The Annex covers masonry works, elevation and roof for the Spa and Hotel complex "Seaside Park";
5. Site location: Kołobrzeg, Przesmyk St., cadastral numbers 29/1 and 29/2, cadastral district 6;
6. Completion period: 01.11.2017 - 30.05.2018;
7. Payment terms - 30 days from the delivery date of valid invoice to the Investor.

On 7 April 2017, a contract for construction works has been concluded under the following terms and conditions:
1. Investor: Durham 2 Spółka z ograniczona odpowiedzialnością; ul. Prosta 68, 00-838 Warszawa; NIP:5252676797;
2. Net contract value: PLN 37,936,126.93;
3. Contract subject: "Construction of two residential buildings named APARTAMENTY NOVUM II with underground car park; in-building systems: water supply, sanitary and storm drainage, central heating, mechanical ventilation and smoke venting, wiring (incl. low-current wiring and external lighting); playground; on-site roads with drainage, footways and structural landscaping; located in Kraków at Streets Rakowicka and Wita Stwosza;
4. Site location: Kraków.;
5. Completion period: 10.04.2017 – 30.03.2019;
6. Terms of payment: Invoicing on monthly basis; credit period: 30 days.

On 27 April 2017, a construction contract was signed on the following terms and conditions:
1. Contract subject: Building of a residential and medical complex;
2. Contract concluded on 24 April 2017;
3. Parties to the contract:
   a. Customer: IPG Gründstück und Verwaltunggsgesellschaft mbH;

   b. Contractor: GWI Bauunternehmung GmbH – earthworks, Berlin-type retaining wall, foundation piles, composite structure, steel frame structure, shell and core;
4. Contract value: EUR 10,996,652 net add applicable VAT, what after conversion at the exchange rate as of the date of concluding the contract gives PLN 46,511,439.29;
5. Completion period: from April this year till 24.09.2018.

On 28 April 2017, the Issuer signed another contract with the same Investor over the last 12 months for the completion of the Phase 4, under the following terms and conditions:
1. Contract concluded on 2017.04.28;
2. Investor: CGL II Spółka z ograniczoną odpowiedzialnością Spółka Komandytowa, 02-672 Warsaw, 32 Domaniewska St.;
3. Contract value: PLN 14.45m.
4. Contract subject: Residential and retail complex with an underground car park named "Bliski Tarchomin" in Warsaw at 1 Kowalczyka St., phase 4.
5. Site location: Warsaw, Kowalczyka St.
6. Completion date: 30 July 2018.
7. Payment terms - 30 days from receipt by the Investor of a valid invoice.

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 17 January 2017, Erbud SA (the Issuer) received the Amendment No. 17 to the Credit Facility Agreement No. WAR/4120/05/221/RB1 of 7 July 2005 signed with BGŻ BNP Paribas SA seated in Warsaw.
Under this Amendment, a multipurpose credit line totalling PLN 92 million is available to the Issuer and its subsidiary PBDI SA. Within the line, the Issuer is allowed to utilize up to PLN 3 million by way of drawing of loans and up to 30 million as letters of credit.
The sublimit for PBDI SA amounts to PLN 8 million, and applies only to bank guarantees.
The Credit Facility is secured by the assignment of receivables from construction contracts, blank promissory notes issued by all borrowers, and performance bond in case of a request to issue a guarantee for a period of more than 24 months, and letter of credit issued by another bank in the case of opening letters of credit.

On 17 January 2017, Erbud S.A. received the Amendment No. 17 to the Credit Facility Agreement of 6 June 2010 signed with ING Bank Śląski S.A. seated in Katowice.
Under this Amendment, a multipurpose credit line totalling PLN 142 million is available to the Issuer and its subsidiaries PBDI SA. and Erbud Industry Centrum Sp. z o.o. Within the line, the Issuer is allowed to utilize up to PLN 34 million by way of drawing of loans.
The sublimit for PBDI SA amounts to PLN 28 million, including drawing of loans up to PLN 5 million.
The sublimit for Erbud Industry Centrum Sp. z o.o.amounts to PLN 10 million, including drawing of loans up to PLN 4 million.

On 31 January 2017, the Issuer received Annex No. 12 to the Credit Agreement of 2 June 2009 and Annex No. 9 to the Framework Agreement with mBank S.A. in Warsaw dated 02 February 2010, both signed by the Bank.
Under these Annexes a multipurpose credit line totalling PLN 90 million is available to the Issuer that is allowed to utilize within the line up to PLN 10 million by way of drawing of loans.
The Credit Facility is secured by the assignment of receivables from construction contracts, power of attorney to a bank account maintained at mBank S.A., statement on submission to enforcement pursuant to Art. 777 section 1(5), and performance bond in case of a request to issue a guarantee for a period of more than 24 months.

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 has been paid to the shareholders.
The payment of the dividend requires allocating:
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 amounted to PLN 1.20 per each share entitling to participate in the dividend.
The Management Board informed that the list of shareholders entitled to the dividend for 2015 was set for 17 May 2016. The dividend payment day was 02 June 2016.
As at the date of preparation of the report, the dividend was paid.

According to Resolution No. 3 of the Extraordinary General Meeting of ERBUD S.A.of 22 December 2016, the extraordinary dividend was paid to the shareholders on 23 January 2017.
The amount of PLN 14,989,875.03 coming from the existing Company's supplementary capital, created from profits generated in previous years, was allocated for the distribution of the dividend to the shareholders.
Payment of the Extraordinary Dividend effected by the reduction (partial release) of the Company's supplementary capital in part resulting from the Company's profits achieved in previous years by the amount of PLN 14,989,875.03.
As at the date of preparation of the report, the dividend was paid.

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 2017.

Note 24. Segment information

In the reporting period ended 31 March 2017, the Group operated in the following business areas:

- building construction;
- road-engineering;
- activity in the industry segment.

In the reporting period ended 31 March 2017, the Group conducted operations in the following geographical areas:

- domestic market;
- abroad (Germany, Belgium).

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 tables below present figures on income and profit by business segments of the Group as of 31 December.

Incomes and outgoings by business segments

For the period from 1 January to 31 December 2017	Building construction	Road engineering	Activity in the industry segment	Other segments	Total
Total income	**292 994**	**21 726**	**52 440**	**25**	**367 185**
Intersegment sales	**0**	**(9 165)**	**(13 935)**	**0**	**(23 100)**
Sale to external clients	**292 994**	**12 561**	**38 505**	**25**	**344 085**
Cost of products, goods and materials sold to external clients	273 766	10 197	35 238	0	**319 201**
Total cost of products, goods and materials sold	**273 766**	**10 197**	**35 238**	**0**	**319 201**
Profit (loss) from sales before tax	**19 228**	**2 364**	**3 267**	**25**	**24 884**
Sales costs	53	532	714	0	**1 299**
General and administrative costs	13 787	2 858	4 201	1 289	**22 135**
Result on other operating activity	2 710	41	-257	0	**2 494**
Segment result	**8 098**	**-985**	**-1 905**	**-1 264**	**3 944**
Result on financing activity	-3 334	2	-276	5	**-3 603**

Income tax	865	-175	-468	22	**244**
Net profit (loss)	**3 899**	**-808**	**-1 713**	**-1 281**	**97**

Business segments

The tables below present figures on income and profit by business segments of the Group as of 31 December 2016.

Incomes and outgoings by business segments

For the period from 1 January to 31 December 2016	**Building construction**	**Road engineering**	**Construction for power industry**	**Other segments**	**Total**	**Discontinued operations**
Total income	**1 424 261**	**156 843**	**298 098**	**8 668**	**1 887 870**	**59 816**
Intersegment sales	**0**	**(15 072)**	**(83 022)**	**0**	**(98 094)**	**0**
Sale to external clients	**1 424 261**	**141 771**	**215 076**	**8 668**	**1 789 776**	**59 816**
Cost of products, goods and materials sold to external clients	1 331 739	126 509	193 688	8 348	**1 660 284**	**54 551**
Total cost of products, goods and materials sold	**1 331 739**	**126 509**	**193 688**	**8 348**	**1 660 284**	**54 551**
Profit (loss) from sales before tax	**92 522**	**15 262**	**21 388**	**320**	**129 492**	**5 265**
Sales costs	432	2 151	2 653	0	**5 236**	**1 719**
General and administrative costs	55 964	7 991	16 375	0	**80 330**	**1 550**
Result on other operating activity	579	1 338	-51	35	**1 901**	**2 044**
Gain on sale of shares in a jointly controlled entity	0	0	0	0	0	0
Segment result	**36 705**	**6 458**	**2 309**	**355**	**45 827**	**4 040**
Result on financing activity	-2 356	545	-1 193	397	**-2 607**	**-820**
Income tax	5 294	1 480	513	663	**7 950**	**1 040**
Net profit (loss)	**29 055**	**5 523**	**603**	**89**	**35 270**	**2 180**

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	**Building 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**

Geographical segments

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2017:

Proceeds and expenses by geographical segments

Year ended 31 March 2017	Domestic market	Abroad	Total
Sale to external clients	315 140	28 945	**344 085**
Total income	**315 140**	**28 945**	**344 085**
Cost of products, goods and materials sold to external clients	294 816	24 385	**319 201**
Total cost of products, goods and materials sold	**294 816**	**24 385**	**319 201**
Total gross sales	**20 324**	**4 560**	**24 884**
Sales costs	1 299	0	**1 299**
General and administrative costs	17 857	4 278	**22 135**
Result on other operating activity	2 191	303	**2 494**
Segment result	**3 359**	**585**	**3 944**
Result on financing activity	-2 035	-1 568	**-3 603**
Income tax	155	89	**244**
Net profit	**1 169**	**-1 072**	**97**

The tables below present figures on income and profit by geographical segments of the Group as of 31 December 2016. As part of discontinued operations, the real estate development activity is presented. The results of discontinued operations are shown for the period from 1 January 2016 to 13 October 2016 (segment disposal date).

Incomes and expenditures by geographical segments

Year ended 31 December 2016	Domestic market	Abroad	Total	Discontinued operations
Sale to external clients	1 414 019	375 757	**1 789 776**	**59 816**
Total income	**1 414 019**	**375 757**	**1 789 776**	**59 816**
Cost of products, goods and materials sold to external clients	1 306 243	354 041	**1 660 284**	**54 551**
Total cost of products, goods and materials sold	**1 306 243**	**354 041**	**1 660 284**	**51 551**
Total gross sales	**107 776**	**21 716**	**129 492**	**5 265**
Sales costs	5 236	0	**5 236**	**1 719**
General and administrative costs	69 012	11 318	**80 330**	**1 550**
Result on other operating activity	1 111	790	**1 901**	**2 044**
Profit on sales of shares in the jointly controlled entity	0	0	**0**	**0**
Segment result	**34 639**	**11 188**	**45 827**	**4 040**
Result on financing activity	-2 132	-475	**-2 607**	**-820**
Income tax	2 671	5 279	**7 950**	**1 040**
Net profit	**29 836**	**5 434**	**35 270**	**2 180**

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

Year ended 31 March 2016	Domestic market	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**

Note 25. Construction contracts retentions

Construction contracts retention money as of 31 March 2017 was as follows:

	31.03.2017	31.03.2016
Retentions held by customers		
Returnable beyond 12 months	11 005	13 968
Returnable within 12 months	29 585	30 893
Total	**40 590**	**44 861**
Retentions held to customers		
Returnable beyond 12 months	8 215	12 025
Returnable within 12 months	83 372	78 031
Total	**91 587**	**90 056**

Note 26. Pending litigations

The register of court cases in relation to the 31 December 2016, in which the Erbud 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 28. Information on changes in the economic situation and operating conditions that materially affect the fair value of the entity's financial assets and financial liabilities

As compared to the financial year ended 31 December 2016, there were no significant changes.

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 2017, 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 2017, 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 15, 2017