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PRESS RELEASE

FINANCIAL RESULTS OF THE ERBUD GROUP FOR 1-2Q 2015

**More than PLN 800 million of revenue in the first half of 2015
and contracts for another PLN 800 million to be completed this year.**

**Twofold profit improvement.
Payment of dividends to shareholders.**

The Erbud Group ended the first half of current year with an increase in revenues of 18.3%, which resulted in a twofold net profit rise. Further growth in backlog and improvement of results expected this year.

Consolidated financial results of the ERBUD Group in accordance with IFRS – in PLN million	2Q 2015	2Q 2014	y/y change	1-2Q 2015	1-2Q 2014	y/y change
Sale	502.8	425.5	+18.2%	839.1	709.1	+18.3%
EBIT	17.1	10.5	+63.4%	25.6	16.6	+54.4%
EBIT margin	3.4%	2.46%	-	3.06%	2.34%	-
Net profit	10,8	6.9	+56%	16.3	8.3	+96%
Cash at the end of the period	-	-	-	126.8	113.3	+12%

As planned, we closed the first half of 2015 with a double-digit growth in revenues, mainly due to the growing sales of road-engineering, energy segment and real estate development. A substantial order backlog allowed reaching almost twofold increase in net profit to PLN 16.3 million. In subsequent quarters, we plan to take advantage of the upturn in the industry and accelerate the completion of projects. There are still orders in the backlog of approx. PLN 800 million - announces Dariusz Grzeszczak, CEO of Erbud SA.

REVENUE GROWTH AS PLANNED

In the 2Q 2015, the Erbud Group recorded a revenue growth of **18.2% y/y to PLN 502.8m**. Cumulatively, the Group achieved revenue of **PLN 839.1m, i.e. an increase of 18.3% y/y**. The business segments, which in the first half of this year showed a rise in sales, were road-engineering - by 237% y/y, power segment - by 145.6% y/y and real estate development - by 50% y/y.

TWOFOLD PROFIT IMPROVEMENT

In 2Q 2015, EBIT was at **PLN 17.1m, i.e. 63.4% up y/y**. EBIT margin amounted to 3.4% compared to 2.46% in the same period of 2014. In the year to the end July 2014, the Group achieved an **EBIT of PLN 25.6m, i.e. a 54.4% increase y/y**. The EBIT margin at the end of June reached **3.06%**. The Group's consolidated operating profit in





the reporting period was positively impacted by all business segments, including large-volume building which recorded EBIT of PLN 11.4m and road-engineering with profit of PLN 5.6m. In the 1H 2015, the real estate development segment recorded a profit of PLN 8.2m, including PLN 4.98m from the fair value measurement of Deptak Shopping Centre Project (now Półwiejska_2).

The Group's net profit in 2Q 2015 was PLN 10.8m. Cumulatively, the Group generated a profit of PLN 16.3m, what represents an almost twofold increase y/y.

OVER PLN 1.3 BILLION IN THE BACKLOG OF ORDERS

At the end of June 2014, the Group had **PLN 126.8m in cash**, what means a **growth of 12% y/y**. **In July this year, ERBUD paid a dividend in the total amount of PLN 6.38m, i.e. PLN 0.5 per share.**

The Group has available lines of Banking and Insurance totalling PLN 1.03bn. At the end of the second quarter of 2015, the Group had an order portfolio worth about PLN 1.335bn, of which ca. PLN 800m is due for completion this year. In July, the Group signed seven new contracts totally worth PLN 119m.

More than PLN 800 million of revenue achieved in the first half of 2015 and potential of contracts for another PLN 800 million, scheduled to be executed this year, augurs well for the Group's results throughout 2015. We hope to complete this jubilee year for Erbud celebrating the 25th anniversary of activities with a historic result - says CEO Grzeszczak.

PROSPECTS FOR FURTHER DEVELOPMENT

In the current year, the Management Board envisages the further expansion of the Group, especially in the areas of road engineering and energy business. The road engineering enters the second half of the year with an order book of PLN 300.9m compared with one of PLN 94 m at the same time last year. Last year, the Group acquired two companies operating in the energy sector – NGK Ojrzyński and EnergoServ Pomorze, both engaged in providing modernisation and renovation services to this sector. During this year, the Group will continue its expansion in the power sector through further acquisitions. In January 2015 Erbud Industry Centrum (formerly Engorem) acquired selected electricity-related assets from Polimex Mostostal. As a result of these transactions, the energy segment has been strengthened by potential of new long-term projects associated with such customers as EDF Wybrzeże SA or Alstom Power Sp. z o. o. In 2Q 2015, the Group acquired Ciepło-Serwis Sp. z o. o which has become the focus for building a presence in the energy generation sector in southern Poland (Erbud Industry Południe). The energy business ended 2Q 2015 with an order book valued at PLN 145.6 m. Over the next quarters of this year, this segment will be increasing its involvement in nationwide projects in the servicing and rendering of modernisation services to the energy generation industry and in construction works for that industry. This year, the development segment will focus on the sale of the commercial development in Poznań. In addition, the Company is working on two residential projects in Warsaw, which should lead to increased profits in subsequent years.

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