



Warsaw, 2016-03-21

PRESS RELEASE

FINANCIAL RESULTS OF THE ERBUD GROUP FOR 1-4Q 2015

RECORD FINANCIAL RESULTS, PORTFOLIO OF ORDERS OF PLN 1.3 BILLION, RECOMMENDATION FOR DIVIDEND PAYMENT

Consolidated financial results of the ERBUD Group in accordance with IFRS

PLN million	4Q 2014	4Q 2014	y/y change	2015	2014	y/y change
Sale	428.5	554.7	-22.7%	1763.3	1692.1	+4.2%
EBIT	8.8	16.9	-48.1%	51.5	43.1	+19.5%
EBIT margin	2.05%	3.05%	-	2.9%	2.6%	-
Net profit	4.1	12.3	-67%	31.7	27.9	+13.6%
Cash at the end of the period	-	-	-	254.1	209.3	+21.4

Results for 2015 are in line with our expectations. The Group ended 2015 with record revenues of PLN 1.7 billion, which resulted in a double-digit growth in operating profit and margin improvement – said Dariusz Grzeszczak, President of Erbud SA. This is a good prognostic for the company's financial results in the next year. We are planning further development of our basic businesses, i.e. large volume construction, road-engineering and services for the power industry.

ANOTHER YEAR OF RECORD REVENUE, STRENGTHENING THE POSITION IN THE BUSINESS

The ERBUD Group's revenues in 4Q 2015 decreased by 22.7% yoy and amounted to PLN 428.5m. This was mainly due to a fall in revenues generated by the large volume construction. Cumulatively, in 2015 the Group had revenues of PLN 1,763.3m, i.e. a growth of 4.2% vs 2014. This was a result, i.a. of a dynamic growth in the energy segment (185% yoy) and road-engineering (106% yoy). During this period, the construction market rose by 2.8%.

PROFITS AND PROFITABILITY GO UP

In 4Q 2015, EBIT was at PLN 8.8m to PLN 16.9m in the fourth last quarter, which is a decrease of 48% yoy. This was due to losses in road-engineering and energy segment, while the profits in the property development segment in 4Q 2014 were high because of one-time valuation of the real estate project in Poznan. EBIT margin was 2% compared to 3% in 4Q 2014. In the year to the end December 2015, the Group achieved an EBIT of PLN 51.5m to PLN 43.1m, i.e. a 19.5% increase y/y. EBIT margin in 2015 came at 2.9% in





relation to 2.6% in the same period of 2014. In 2015, the large volume construction added PLN 32.7m to the consolidated profits of the Group, what represents a growth of 29.3% yoy, road-engineering added PLN 9.8m, i.e. 71% growth yoy, while the property development segment generated an EBIT of PLN 10m, i.e. 19.1% increase yoy. For the year 2015, the Group recorded a net profit of PLN 31.7m, what represents a growth of 13.6% yoy. The net margin was 1.8% compared to 1.7% in 2014.

PLN 1.3 BILLION IN THE PORTFOLIO OF ORDERS AND OVER PLN 254 MILLION IN CASH

At the end of December 2015, the Group had PLN 254.1m in cash, i.e. an increase of 21.5% yoy, and available lines of Banking and Insurance for a total amount of PLN 1 259bn, including investment loans amounting to PLN 121.7m.

The Group ended the year with a portfolio of orders worth approx. PLN 1.3bn, of which ca. 1.2bn is scheduled to be completed in 2016. In January-March this year, the Group added to the orders backlog 22 contracts in the amount of PLN 160m. The core segments of the orders portfolio are: offices (24.9%), housing (22.9%), retail segment (14.3%), energy (10.9%), hospitals (5.7%), public facilities (6%), engineering projects (5.9%) and roadworks (1.2%). Public projects represent 5% of the portfolio, compared to 11% in the same period of 2014. Currently, negotiated are projects totally valued at around PLN 300m.

PROSPECTS FOR 2016 DEVELOPMENT

In 2016, the Management Board sees development opportunities, mainly in large volume construction and energy segment in Poland and abroad, where the order backlog reached PLN 1bn at the end of 2015. The company sees a growth potential in public projects, residential building, offices and shopping centres.

The housing development segment will focus, particularly but not solely, on the preparation of approx. 11 residential projects, including two in Warsaw. The Group plans sales of approx. 220 apartments.

After a record increase of 106% yoy in 2015, the road-engineering will develop a portfolio of roadworks. Currently, about 7 projects with a total value of PLN 350m are bidding.

The energy segment entered into 2016 with a portfolio of orders worth PLN 91.9m. The Management Board plans further development and increase in contracting. The Group expects that further sales will growth and profits will be significantly improved.

In connection with the stable financial situation of the Company and the sale and final settlement of the commercial real estate project in Poznan, the Management Board recommends to the 2016 General Meeting of Shareholders the payment of a dividend amounting PLN 1.20 per share, i.e. PLN 15,4.

For further information please contact:

Ms Agnieszka Głowacka

Erbud S.A.

Direct: (+4822) 548-70-10

E-mail: agnieszka.glowacka@erbud.pl