



FINANCIAL RESULTS

1H 2016

Warsaw, 29 August 2016

26 years of activity

9 years on the Warsaw
Stock Exchange

Over 2 000 employees

1 500+ projects carried out
in Poland and abroad

The largest project
amounting to PLN 357 m





The results of
1H 2016:

Solid results in terms of
operating profit

Record results from
operations abroad

Focus on the base
business – Budlex sale
transaction

ERBUD
a dividend-yielding
company

An aerial photograph of an industrial or commercial facility. In the upper left, a river flows through a wooded area. The facility consists of several large, modern buildings with flat roofs, some featuring HVAC units. A large parking lot filled with cars and trucks is visible in the center and right. A prominent building with a green roof is in the lower right. The entire image is overlaid with four horizontal blue semi-transparent bars containing white text.

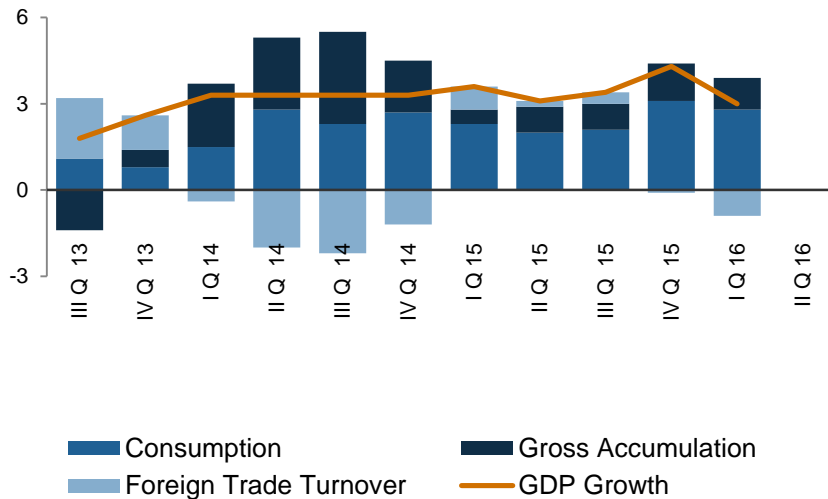
Business and the Market

Financial Results

Development Prospects

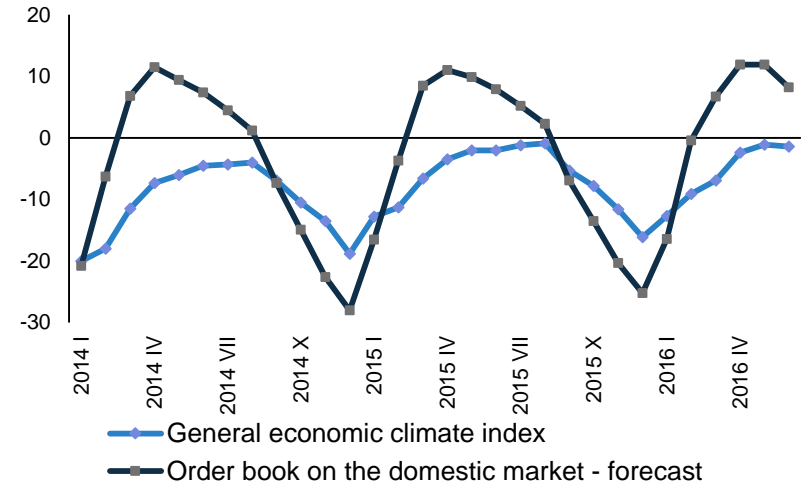
Appendices

Economic situation



- ▶ GDP rate growth by 3% in I Q 2016, and 4.3% in IV Q 2015
- ▶ Depreciation of PLN – inter alia BREXIT

Construction Industry Condition

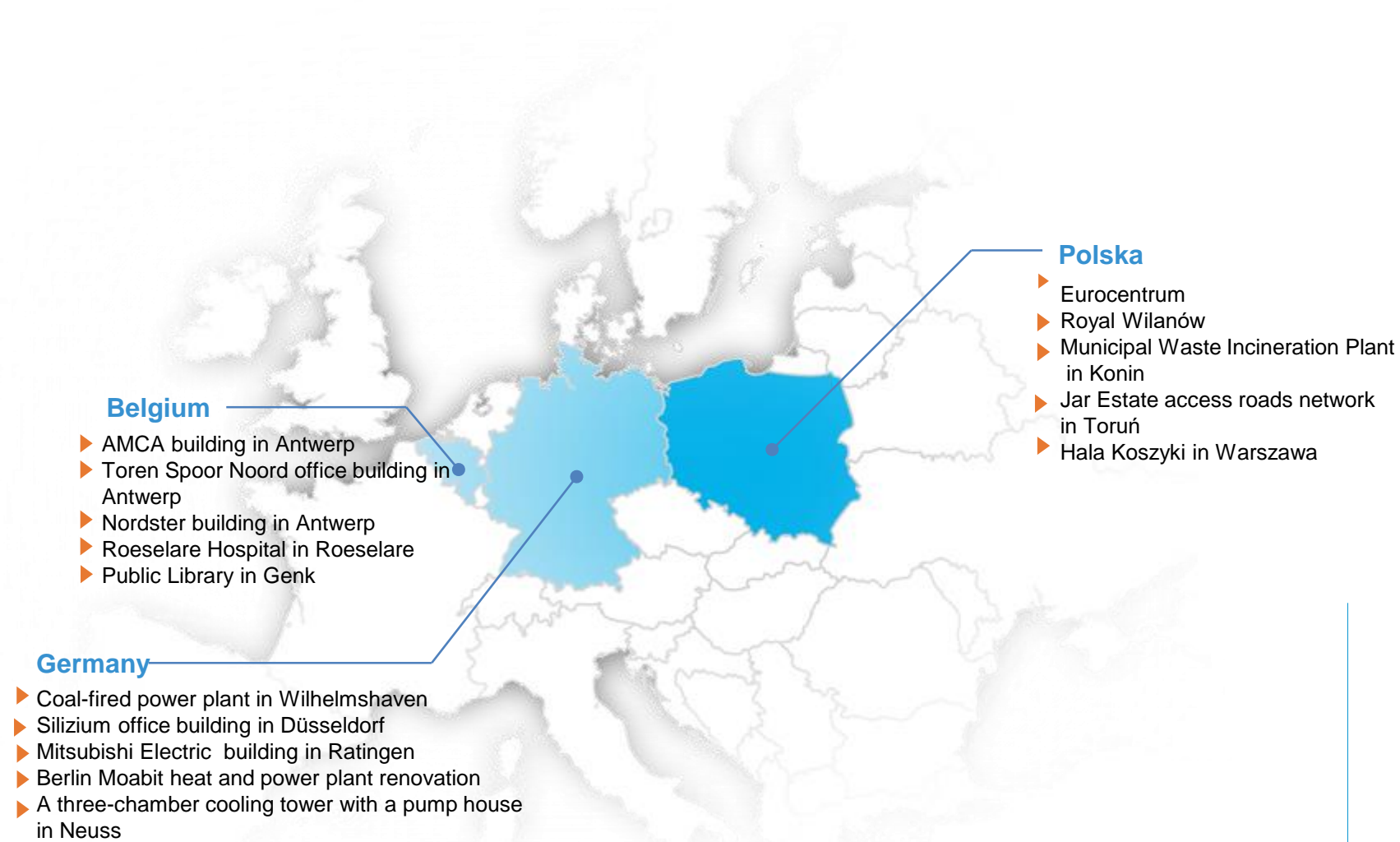


- ▶ Inhibition of the downward trend in 2Q of 2016
- ▶ Deterioration of the situation in terms of the order book on the domestic market

Legislative changes

- ▶ Entry into force of the Restructuring Law Act
- ▶ Amendment to the Renewable Energy Sources Act
- ▶ Adoption of the Wind Farm Investment Act
- ▶ Amendment to the Public Procurement Law
- ▶ Adoption of the Transactions in Agricultural Land Act

The Power of International Experience



An aerial photograph of an industrial complex, possibly a refinery or chemical plant, featuring several large buildings with flat roofs, a parking lot filled with cars and trucks, and a river flowing through the landscape. The image is overlaid with four horizontal blue bars containing white text.

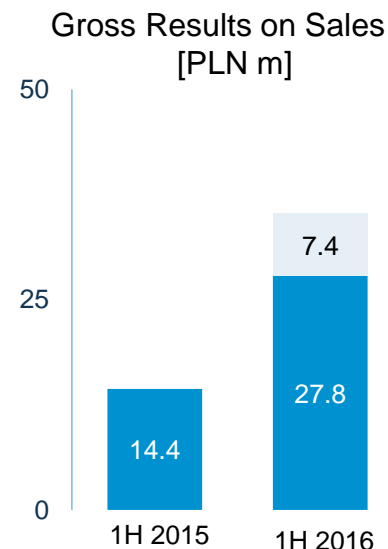
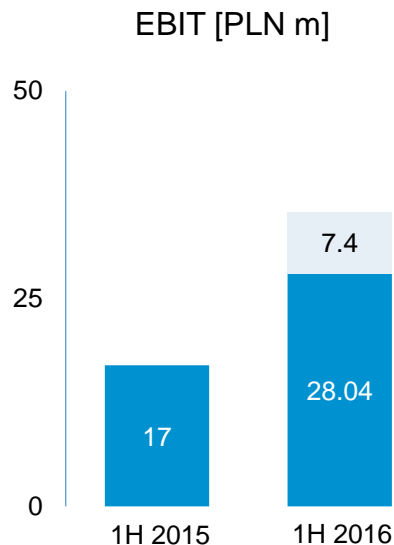
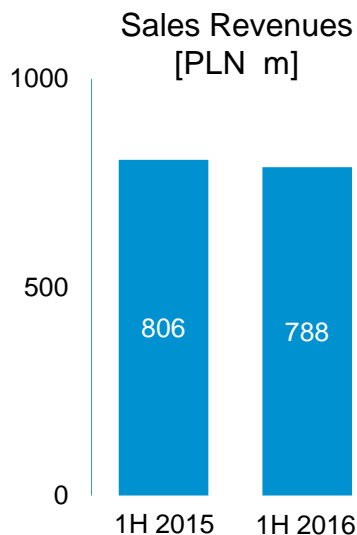
Business and the Market

Financial Results

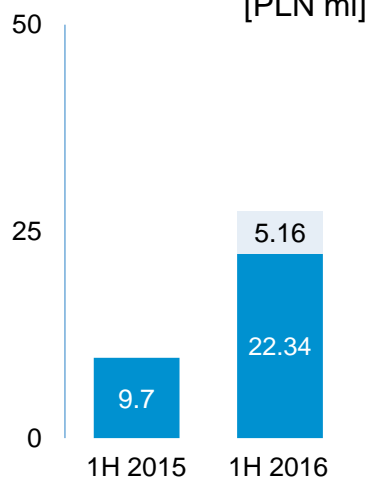
Development Prospects

Appendices

Financial Results 1/2



Continuing Operations Net Results [PLN m]

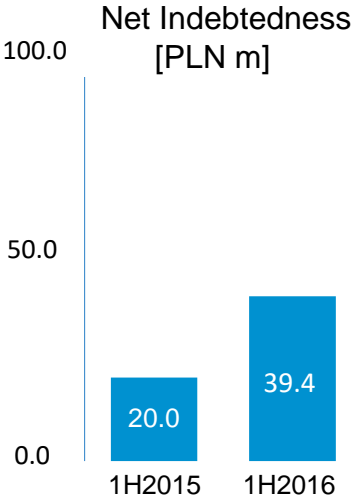
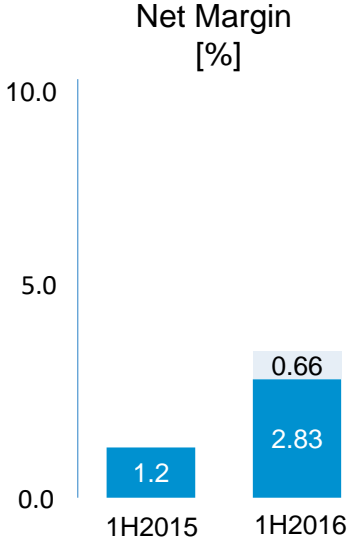
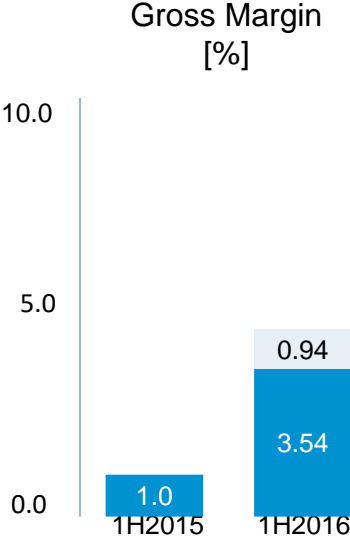
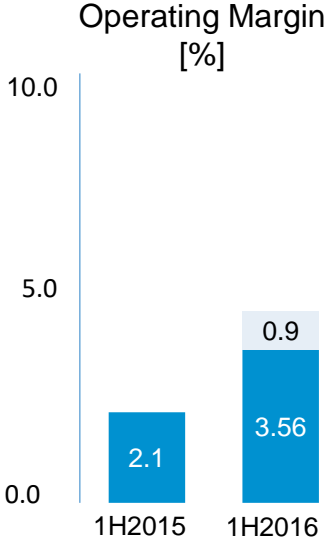


Comments

- ▶ Stable revenues as an effect of of the ERBUD Group's strong position in enclosed buildings construction industry – decline in sales 2% vs. market 11%
- ▶ Growth of EBIT by 108% as a result of effective operations on the markets of Western Europe
- ▶ Net Profit Growth from continuing operations by 184%. Net result including sale of shares of Budlex S.A.: PLN - 8.2 m, nonetheless with a view to gaining a positive cash flow amounting to PLN 47.5 m by the end of 2016 .

■ Profit attributable to a co-operator of ERBUD's subsidiary the GWI GmbH

Financial Results 2/2

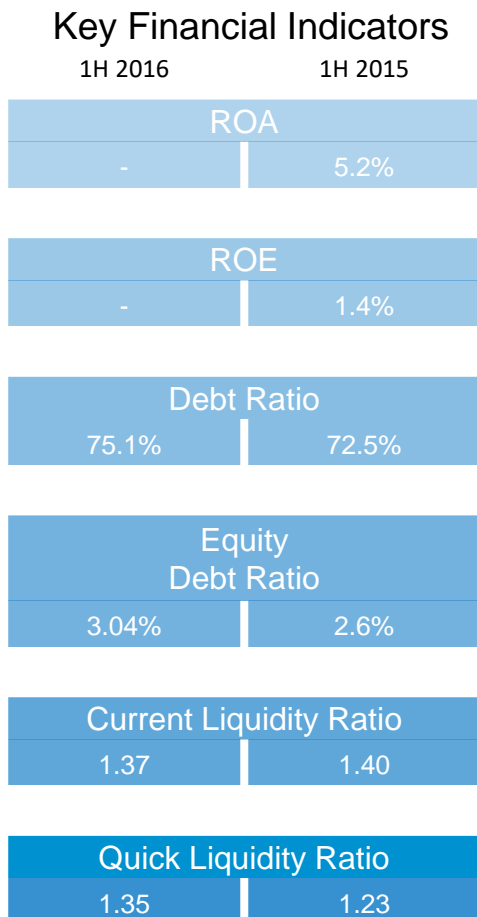
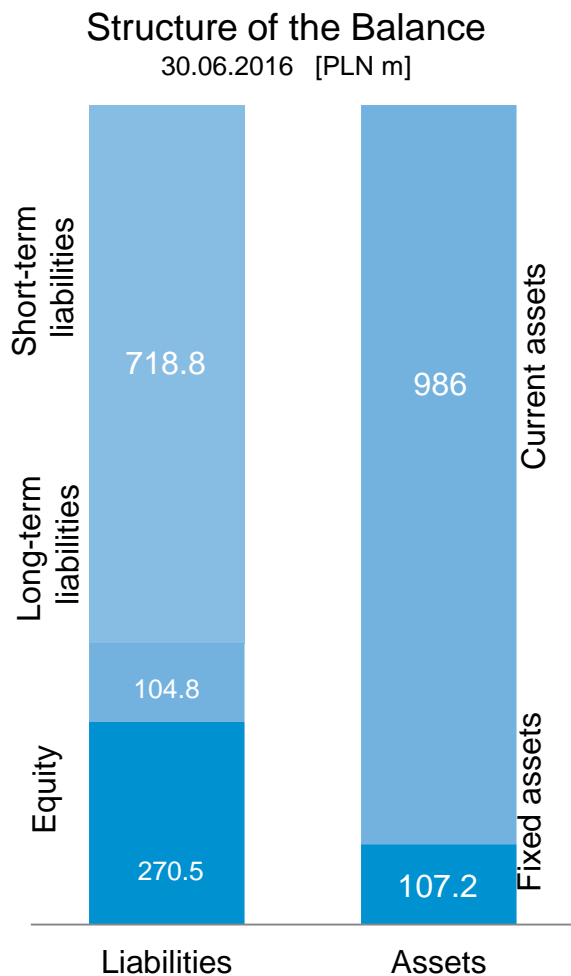


Comments

- ▶ Increase of operating margin by 64% (including profit attributable to the company)
- ▶ Safe level of indebtedness, access to a wide range of financial products

■ Profit attributable to the co-operator of ERBUD's subsidiary the GWI GmbH

Structure of the Balance



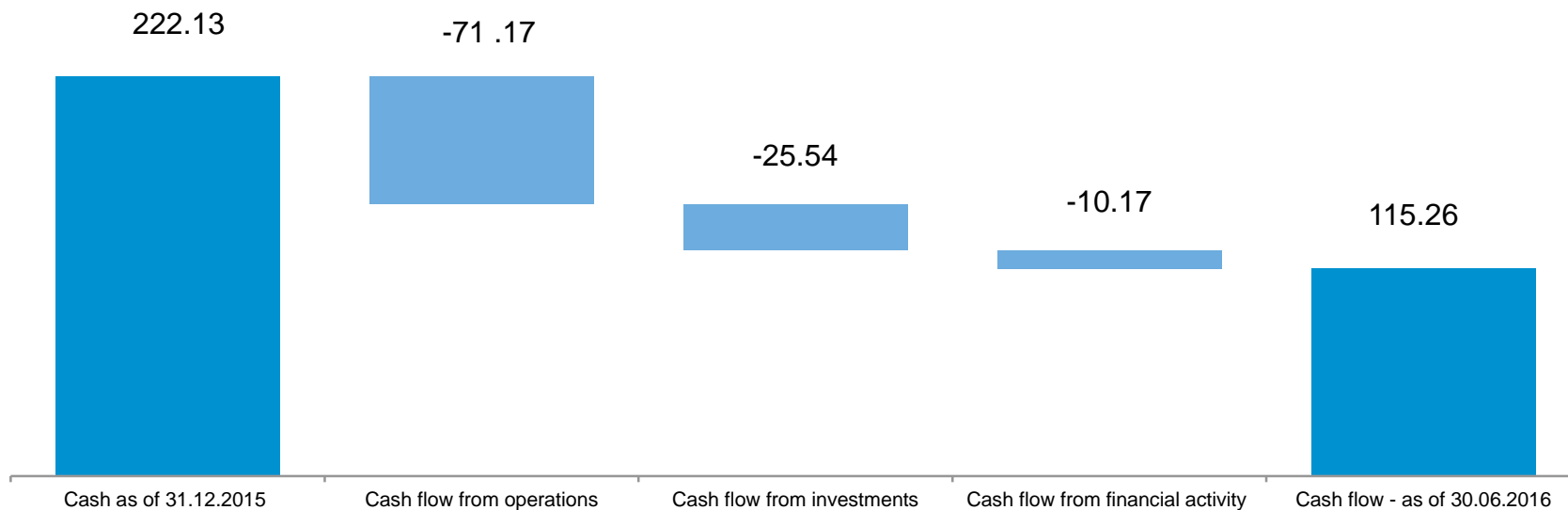
Comments

- ▶ Safe level of cash and cash equivalents: PLN 115.3 m
- ▶ Equities Adjustment by PLN 20.1 m regarding repair of a runway of Warszawa – Modlin Airport

Cash Flow



[PLN '000]



PLN 116.67 m

Cash as of
30.06.2015



PLN 222.14 m

Cash as of
31.12.2015



PLN 115.26 m

Cash as of
30.06.2016

An aerial photograph of an industrial or commercial facility. In the upper left, a river flows through a wooded area. The facility consists of several large, interconnected buildings with flat roofs, some featuring HVAC units. A large parking lot filled with cars and trucks is visible in the center and right. A prominent building with a green roof is in the lower right. The entire image is overlaid with semi-transparent blue horizontal bars containing white text.

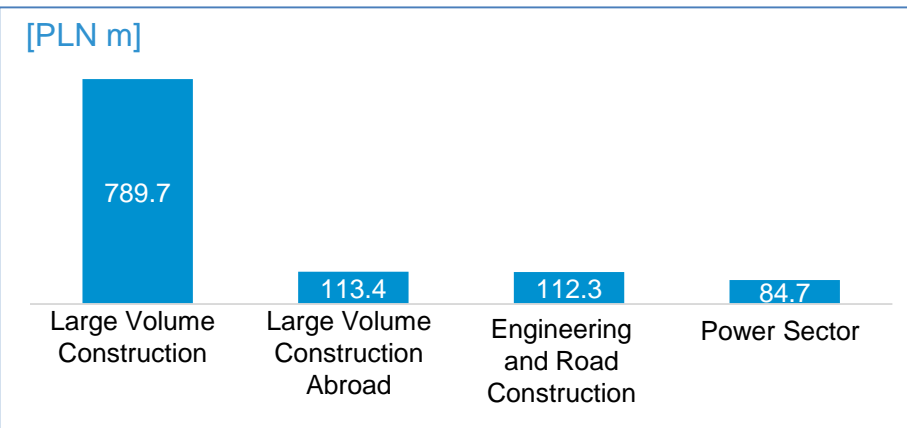
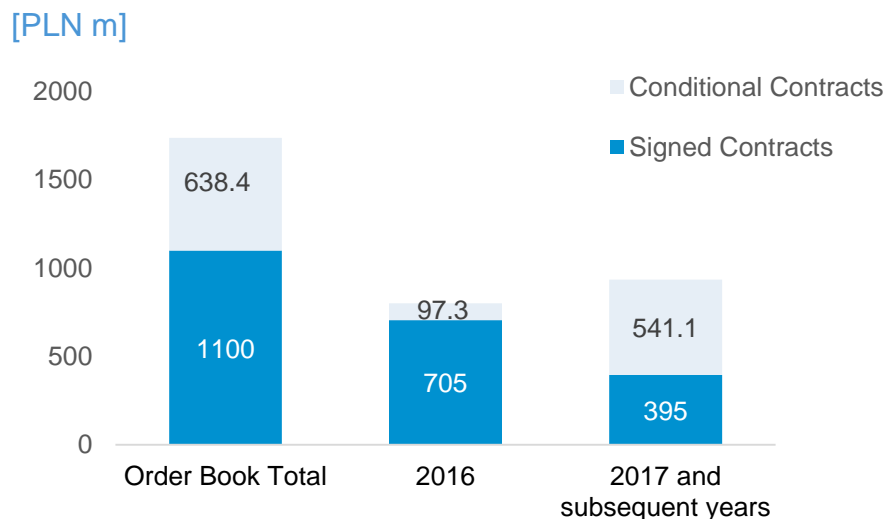
Business and the Market

Financial Results

Development Prospects

Appendices

Order Book



- ▶ At the end of June 2016 the order book of the ERBUD Group was PLN 1 100 m, including PLN 704.7 m for 2016.
- ▶ Moreover, between 1 July and 29 August 2016 the ERBUD Group signed 27 contracts worth PLN 300.7 m.
- ▶ Moreover, the company has a conditional contract amounting to PLN 534.6 m for construction of GALERIA MŁOCINY shopping and entertainment centre, and a conditional contract for construction of an office building in Łódź amounting to PLN 103.8 m.
- ▶ Such an order book allows the ERBUD Group to selectively approach new requests for quotations.

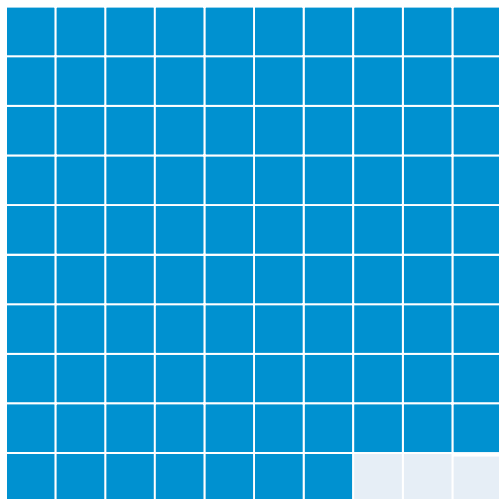
Sale of Shares of Budlex S.A.



The ERBUD Group's income structure*

Other segments of activity

97%



property development

3%

- ▶ Focus on the base business activity of the Group
- ▶ Vision of dynamic development and foreign expansion
- ▶ Large and gradually increasing capital intensity of property development activity
- ▶ Different customer specifics (The ERBUD Group operates on the B2B market)
- ▶ Lack of influence on dividend policy

PLN 47.5 m

Positive cash flow

* For 1-4Q 2015

Challenges for the Future



Position

Strengthening of the Group's position on the domestic and foreign market

Diversification

Further diversification of business activity in terms of geography and industry, particularly through development of the activity in the range of services for broadly understood industry

Effectiveness

Increasing effectiveness, among others, through selective approach to request for quotations, monitoring investors, tightening up procedures for assesment of contracts being offered and contracts being executed

Cash flow

Further improvement of cash flow, particularly on the operations level

Why ERBUD?



Constant improvement and development



Seeking new business expansion opportunities with the best perspectives in Poland and abroad, continuous improvement and development, analysing the latest trends, searching for innovative construction, managerial and organisational solutions, which will allow to fully exploit the potential of the Group and its team.

Maintaining the position and perfection in each aspect of activity



Strong position in large volume construction industry and further development in power sector and engineering and road construction sector.

Strengthening of activity in construction and services for industry



Consistent building of competence in the field of industrial construction and power sector.



Business and the Market

Financial Results

Development Prospects

Appendices

Profit and Loss Account



Selected consolidated items (PLN '000)	IH 2016	IH 2015
Revenues from sales of goods, services and materials	788 168	805 820
Cost of sales	732 078	750 171
Gross profit (loss) from sales	56 090	55 649
Selling costs	2 867	2 619
Costs of administration	39 113	32 497
Other operating revenues	25 521	3 493
Other operating expenses	4 174	6 984
Profit (loss) from operating activities	35 457	17 042
Financial Revenues	5 469	1 450
Financial expenses	5 667	4 093
Gross profit (loss) from continuing operations	35 259	14 399
Income tax	7 719	4 692
Net profit (loss) from continuing operations	27 540	9 707
Net profit (loss) from discontinued activities	(35 733)	6 610
Net profit (loss)	(8 193)	16 317

Balance Sheet



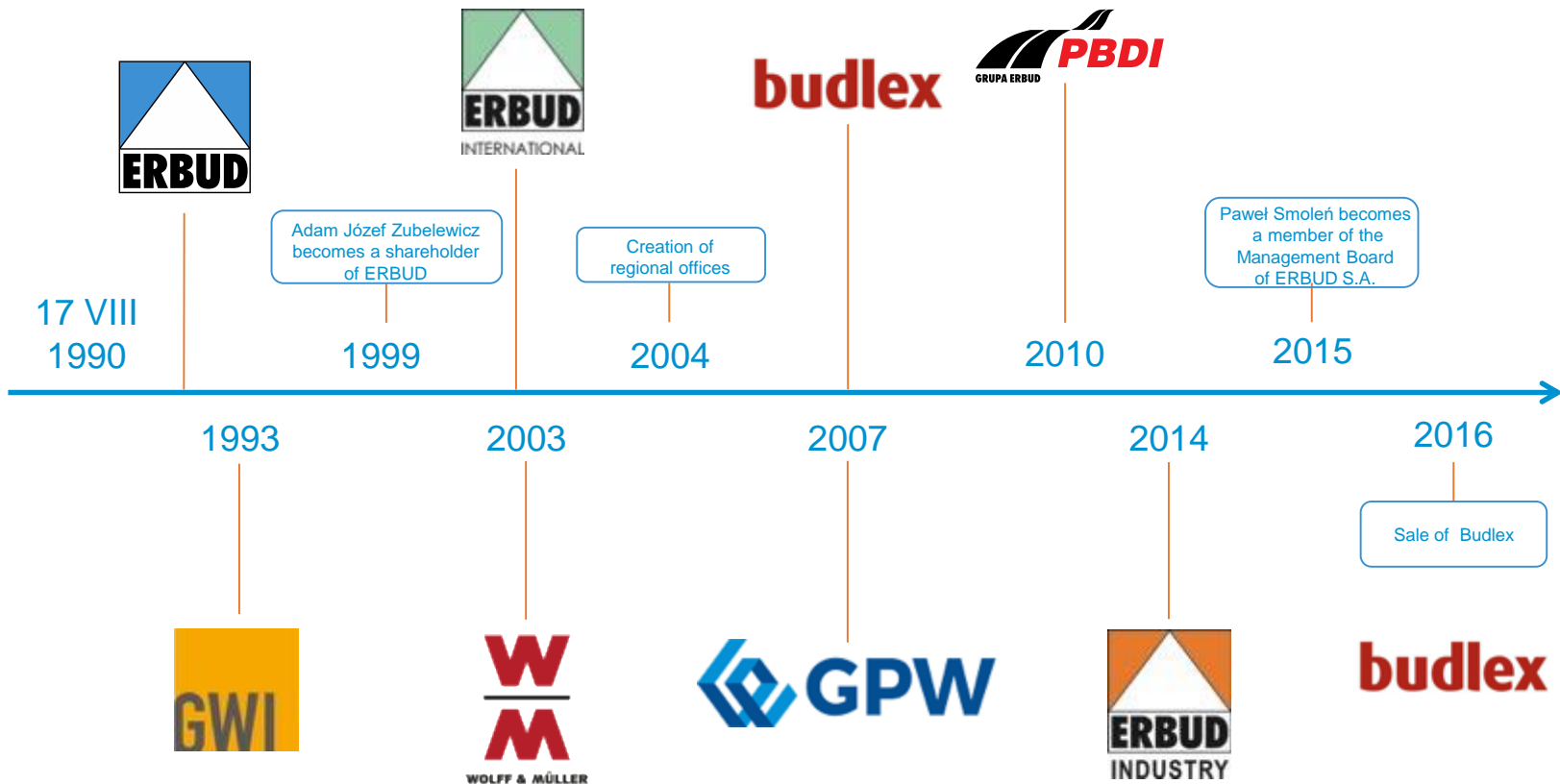
Selected consolidated items (PLN '000)	6 months ended 30 June 2016	6 months ended 31 December 2015
Tangible fixed assets	40 484	45 963
Investment property	0	51 503
Goodwill	22 968	22 968
Other intangible assets	2 054	2 263
Financial assets (long-term)	3 220	12 808
Deferred tax assets	38 443	39 000
Fixed assets total	107 224	174 585
Inventory	10 686	127 987
Trade and other receivables	535 541	327 612
Cash and cash equivalents	115 262	222 137
Current assets total	968 845	904 182
Assets total	1 094 069	1 078 767
Equity	270 452	295 665
Long-term liabilities	104 843	138 245
Short-term liabilities	718 774	644 857
Liabilities total	1 094 069	1 078 767

Cash Flow Statement



Selected consolidated items (PLN kł)	6 months ended 30 June 2016	6 months ended 30 June 2015
Profit (loss) before tax	34 462	22 692
Depreciation	6 042	4 974
Profit (loss) from currency exchange differences	383	(131)
Interest and profit sharing (dividends)	4 203	1 868
Profit (loss) from investment activities	(3 765)	(6 098)
Change in provisions	(5 110)	1 224
Change in inventory	7 193	(11 761)
Change in receivables	(149 730)	(92 809)
Change in short-term liabilities, excluding loans and borrowings	40 215	(62 941)
Change in accruals	3 581	87 621
Income tax paid	(8 654)	(8 579)
Net cash from operating activities	(71 167)	(63 007)
Net cash from investment activities	(25 537)	(21 402)
Net cash from financial activities	(10 171)	14 704
Net cash at the end of the period	115 262	116 667

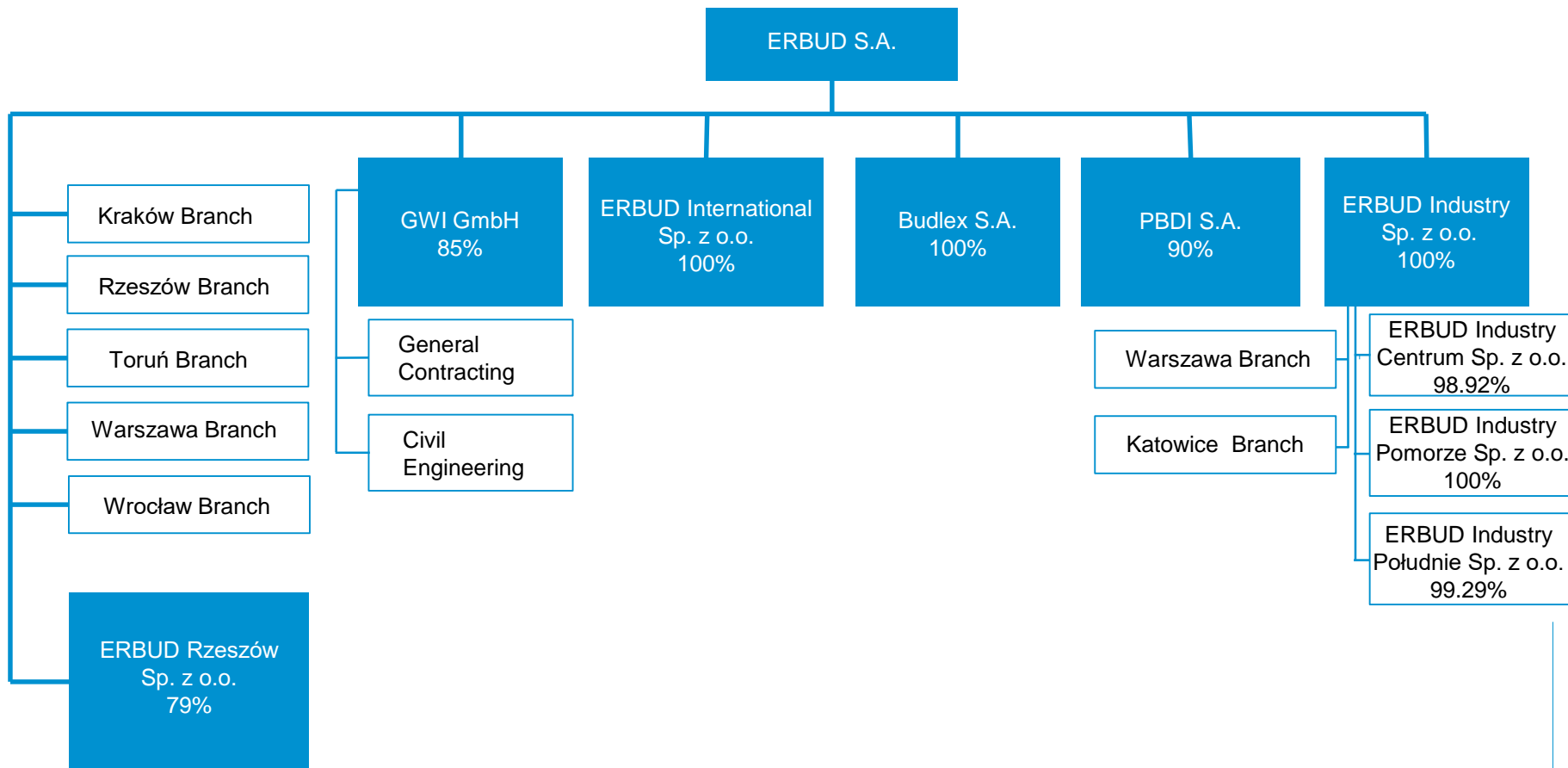
The ERBUD Group History



The Power of Diversity



The ERBUD Group Structure



ERBUD S.A. on the Warsaw Stock Exchange



ERBUD S.A. a Dividend-Yielding Company



Dividend
for 2013

PLN 8.9 m

i.e. PLN 0.70/share

Dividend
for 2014

PLN 6.38 m

i.e. PLN 0.50/share

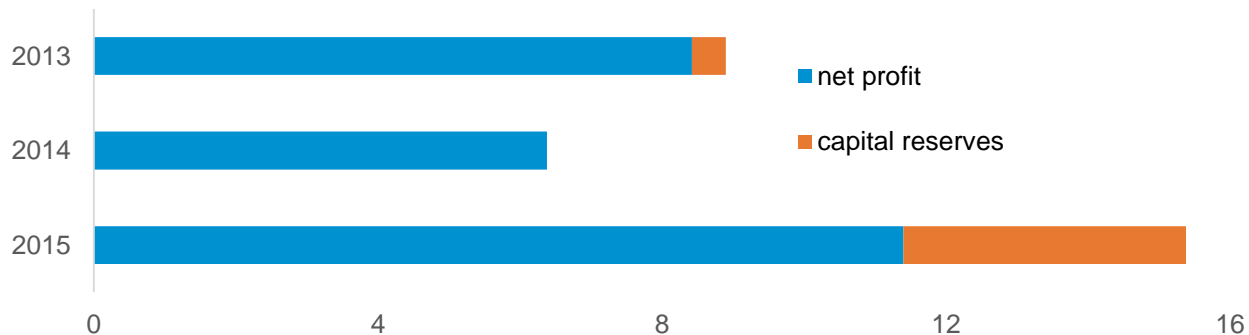
Dividend
for 2015

PLN 15.37 m

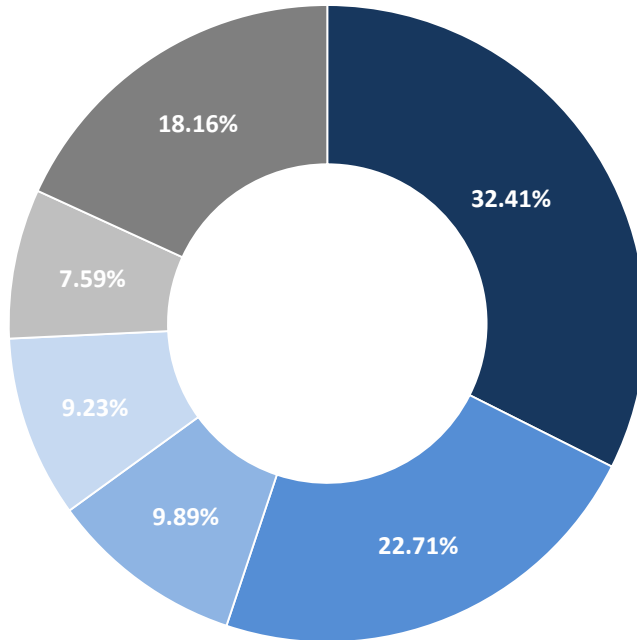
i.e. PLN 1.20/share

The dividend policy is an element of strategic management of development of ERBUD S.A. while maintaining the balance between the amount of a dividend being paid and possibilities of investing generated cash effectively.

Structure of Cash Intended for Dividends



ERBUD S.A. Shareholders Structure and Company Governing Bodies



- Wolff & Müller Baubeteiligungen GmbH & Co. KG including Wolff & Müller Holding GmbH & Co. KG
- Dariusz Grzeszczak and DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak
- ING OFE
- Aviva OFE Aviva BZ WBK
- Józef Adam Zubelewicz and Adler Properties Sp. z o.o. controlled by Józef Adam Zubelewicz
- Free Float

The Management Board

- Dariusz Grzeszczak Board Member
- Józef Adam Zubelewicz Board Member
- Paweł Smoleń Board Member

The Supervisory Board

- Undo Berner Chairman
- Albert Dürr
- Zofia Dzik
- Gabriel Główka
- Janusz Lewandowski
- Michał Otto
- Janusz Reiter

Selected Projects 1/5



Royal Wilanów Office and Commercial Building in Warszawa



contract value PLN 212.5 m

- construction period: 08.2013 – 09.2015
- investor: HAZEL INVESTMENTS Sp. z o.o.
- volume: 281 950 m³
- location: Warszawa
- contractor: ERBUD S.A.

Eurocentrum Office Complex in Warszawa



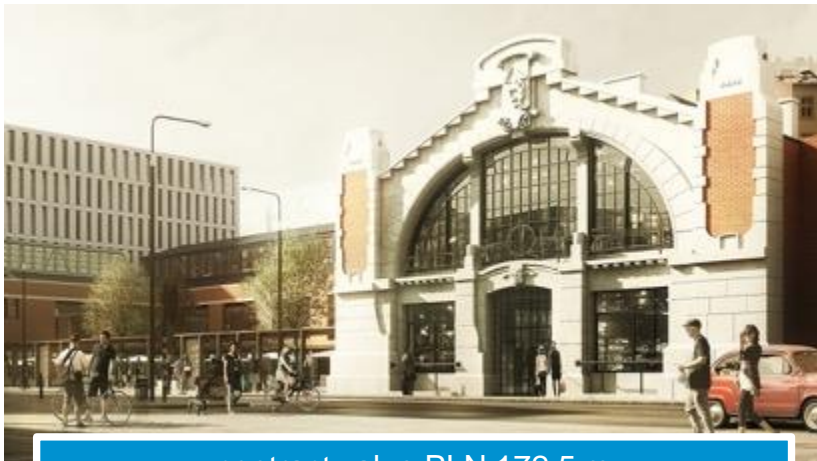
contract value PLN 357 m

- construction period: 06.2012 – 12.2015
- investor: CAPITAL PARK S.A.
- volume: 375 678 m³
- location: Warszawa
- contractor: ERBUD S.A.

Selected Projects 2/5



Hala Koszyki Commercial Facility in Warszawa



contract value PLN 172.5 m

- construction period: 08.2014 – 06.2016
- investor: GRAYSON INVESTMENT Sp. z o.o.
- volume: 260 236 m³
- location: Warszawa
- contractor: ERBUD S.A.

Municipal Waste Thermal Incineration Plant in Konin



contract value PLN 103.8 m

- construction period: 11.2012 – 12.2015
- investor: Miejski Zakład Gospodarki Odpadami Komunalnymi Sp. z o.o.
- volume: 140 744 m³
- location: Konin
- contractor: ERBUD S.A.

Construction of Access Roads to Jar Estate in Toruń



contract value PLN 11.5 m

- construction period: 09.2014 – 08.2015
- investor: MZD Toruń
- size: 2.7 km
- location: Toruń
- contractor: PBDI S.A.

Gas Tanks in Marseille



contract value EURO 2.2 m

- construction period: 11.2005 – 06.2007
- volume: 190 912 m³
- location: Marseille / France
- contractor: The ERBUD Group subsidiaries

Invasive Medicine Centre In Gdańsk



contract value PLN 201.4 m

- construction period: 05.2009 – 10.2011
- investor: Gdański Uniwersytet Medyczny
- volume: 263 978 m³
- location: Gdańsk
- contractor: ERBUD S.A.

Combined Heat and Power Plant in Miechowice



contract value PLN 40.1 m

- construction period: 09.20015 – 11.2016
- investor: Fortum Silesia S.A.
- location: Miechowice
- contractor: ERBUD Industry

City Sports and Events Arena Szczecin



contract value PLN 141.4 m

- construction period: 12.2010 – 07.2014
- investor: Gmina Miasta Szczecin
- volume: 186 748 m³
- location: Szczecin
- contractor: ERBUD S.A.

Auchan Shopping Centre in Kraków/Bronowice District



contract value 201.1 m

- construction period: 1.2012 – 11.2013
- investor: Auchan Polska Sp. z o.o.
- volume: 850 000 m³
- location: Kraków/Bronowice
- contractor: ERBUD S.A.



CONTACT FOR INVESTORS

Agnieszka Głowacka

Chief Financial Officer

mob.: 604 776 410

CONTACT FOR THE MEDIA

Anna Szarek

mob.: 789 134 385

e-mail: erbud@nobili.pl

www.erbud.pl/relacje_inwestorskie