



**Condensed interim financial statements of Mostostal
Warszawa S.A.**

for the period from 01/01/2017 to 31/03/2017

PROFIT AND LOSS ACCOUNT
for the period of 3 months from 01/01/2017 to 31/03/2017

NO.	PROFIT AND LOSS ACCOUNT	1st quarter period from 01/01/2017 to 31/03/2017	1st quarter period from 01/01/2016 to 31/03/2016
	Continuing operations		
I	Revenue from sales	235,877	300,077
	Revenue from sale of products	234,397	297,206
	Revenue from sale of services	1,446	2,841
	Revenue from sales of goods and materials	34	30
II	Own sales costs	207,804	272,639
III	Gross profit (loss) on sales	28,073	27,438
IV	General administrative expenses	11,738	9,543
V	Other operating revenue	1,488	1,611
VI	Other operating costs	9,893	4,908
VII	Profit (loss) on operating activities	7,930	14,598
VIII	Financial revenue	10,970	872
IX	Financial costs	1,927	2,335
X	Gross profit (loss)	16,973	13,135
XI	Income tax	4,993	2,496
	a) current	0	0
	b) deferred	4,993	2,496
XII	Net profit (loss) on continuing operations	11,980	10,639
XIII	Discontinued operations	0	0
XIV	Net profit (loss) on discontinued activities		
XV	Net profit / (loss)	11,980	10,639
	Net profit / (loss)	11,980	10,639
	Weighted average number of ordinary shares	20,000,000	20,000,000
	Net profit (loss) per ordinary share (PLN)	0.60	0.53
	Diluted net profit (loss) per ordinary share	0.60	0.53

STATEMENT OF TOTAL REVENUE
for the period of 3 months from 01/01/2017 to 31/03/2017

STATEMENT OF TOTAL REVENUE	1st quarter period from 01/01/2017 to 31/03/2017	1st quarter period from 01/01/2016 to 31/03/2016
Net profit / loss for the period	11,980	10,639
Effective part of profit and loss associated with hedging of cash flows	0	0
Income tax associated with components of other comprehensive income	0	0
Other total comprehensive income after tax	0	0
<i>including items that may be reclassified as profit or loss at a later date</i>	<i>0</i>	<i>0</i>
Total comprehensive income	11,980	10,639

BALANCE SHEET
as of 31/03/2017

NO.	ASSETS	as at 31/03/2017	as at 31/12/2016	as at 31/03/2016
I	Fixed assets (long-term)	119,389	128,364	238,830
I.1	Intangible assets	2,767	2,919	3,282
I.2	Perpetual usufruct right	19,430	19,430	19,430
I.3	Tangible fixed assets	14,248	15,609	23,548
I.4	Long-term receivables from deliveries and services and other receivables.	4,473	4,525	7,277
I.5	Long-term advances for construction works	0	0	76,374
I.6	Investment property	8,389	8,458	8,665
I.7	Long-term financial assets	34,796	34,796	34,796
I.8	Other long-term investments	0	2,500	3,855
I.9	Assets from deferred taxes	34,766	39,759	61,194
I.10	Long-term accruals	520	368	409
II	Current assets (short-term)	799,273	831,572	884,683
II.1	Inventory	4,755	4,550	4,190
II.2	Receivables from deliveries and services and other receivables.	331,569	342,499	284,373
II.3	Prepayments for construction works	43,805	30,786	60,292
II.4	Short-term financial assets	0	0	0
II.5	Cash and equivalents	85,172	153,616	204,243
II.6	Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	331,695	297,803	327,443
II.7	Other accruals	2,277	2,318	4,142
	TOTAL ASSETS	918,662	959,936	1,123,513

NO.	EQUITY CAPITAL AND LIABILITIES	as at 31/03/2017	as at 31/12/2016	as at 31/03/2016
I	Equity capital	195,761	183,781	182,465
I.1	Stated capital	44,801	44,801	44,801
I.2	Called-up subscribed capital (negative value)	0	0	0
I.3	Own shares (interests) (negative value)	0	0	0
I.4	Supplementary/reserve capital	108,406	108,406	108,406
I.5	Reserve capital from reclassification of loans	201,815	201,815	201,815
I.6	Retained profit / uncovered loss	-159,261	-171,241	-172,557
	unshared profit / (uncovered loss)	-171,241	-183,196	-183,196
	profit / loss for the period	11,980	11,955	10,639
II	Long term liabilities	194,021	211,032	228,661
II.1	Interest bearing bank credits and loans	137,147	146,903	138,821
II.2	Long term liabilities from leasing agreements	1,291	1,399	473
II.3	Long term liabilities from deliveries and services.	37,160	37,892	41,285
II.4	Long-term advances for construction works	15,469	21,884	45,586
II.5	Long-term reserves	2,954	2,954	2,496
III	Short term liabilities	528,880	565,123	712,387
III.1	Current portion of interest-bearing bank credits and loans	54,487	56,837	82,927
III.2	Short term liabilities from leasing agreements	437	437	1,406
III.3	Trade liabilities	224,788	221,981	223,722
III.4	Other liabilities	16,096	1,576	17,089
III.5	Prepayments for construction works	37,856	42,428	59,125
III.6	Short-term provisions	32,616	37,578	44,527
III.7	Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	1,452	1,991	81,809
III.8	Other accruals	161,148	202,295	201,782
IV	Total liabilities	722,901	776,155	941,048
	EQUITY CAPITAL AND LIABILITIES (TOTAL)	918,662	959,936	1,123,513

CASH FLOW ACCOUNT
for the period of 3 months from 01/01/2017 to 31/03/2017

NO.	CASH FLOW ACCOUNT	1st quarter period from 01/01/2017 to 31/03/2017	1st quarter period from 01/01/2016 to 31/03/2016
I	Cash flows from operating activities		
I.1	Gross profit (loss)	16,973	13,135
I.2	Adjustments by items:	-83,906	-71,376
I.2.1	Depreciation	1,155	1,292
I.2.2	Exchange differences	-9,259	-90
I.2.3	Interest received and paid	1,419	110
I.2.4	Profit (loss) on investing activities	64	-223
I.2.5	Increase / decrease in receivables	-2,037	-8,276
I.2.6	Increase / decrease in inventory	-205	-5
I.2.7	Increase / decrease in liabilities excluding credits and loans	5,608	-73,475
I.2.8	Change in prepayments and accruals	-75,689	17,055
I.2.9	Change in reserves	-4,962	-7,814
I.2.10	Other	0	50
	Net cash from operating activities	-66,933	-58,241
II	Cash flows from investment activities		
II.1	Disposal of tangible fixed assets and intangible assets	676	1,123
II.2	Acquisition of tangible and intangible assets	-313	-90
II.3	Disposal of financial assets	0	225
II.4	Acquisition of financial assets	0	0
II.5	Interest and dividends received and paid	0	0
II.6	Withdrawal of a term deposit	2,500	0
II.7	Other	0	0
	Net cash from investing activities	2,863	1,258
III	Cash flows from financing activities		
III.1	Repayment of finance lease liabilities	-108	-462
III.2	Repayment of loans/credit	0	14,870
III.3	Interest paid	-4,266	-110
	Net cash from financing activities	-4,374	14,298
IV	Change in net cash and its equivalents	-68,444	-42,685
	Net currency translation differences	0	-90
V	Opening balance of cash	153,616	246,838
VI	Cash closing balance, including	85,172	204,243

STATEMENT OF CHANGES IN EQUITY CAPITAL
for the period of 3 months from 01/01/2017 to 31/03/2017

	Stated capital	Supplementary/reserve capital	Retained profit / uncovered loss	Total equity capital
1st quarter of 2017 period from 01/01/2017 to 31/03/2017				
As at 01 January 2017	44,801	310,221	-171,241	183,781
Profit / loss for the period			11,980	11,980
Other comprehensive income			0	0
Total comprehensive income		0	11,980	11,980
Distribution of previous years' profit				0
Dividends paid				0
As at 31 March 2017	44,801	310,221	-159,261	195,761

2016 period from 01/01/2016 to 31/12/2016				
As at 01 January 2016	44,801	310,221	-183,196	171,826
Profit / loss for the period			11,955	11,955
Other comprehensive income				0
Total comprehensive income	0	0	11,955	11,955
Distribution of previous years' loss				0
Reclassification of loans for the capital				0
As at 31 December 2016	44,801	310,221	-171,241	183,781

1st quarter of 2016 period from 01/01/2016 to 31/03/2016				
As at 01 January 2016	44,801	310,221	-183,196	171,826
Profit / (loss) for the period			10,639	10,639
Other comprehensive income				0
Total comprehensive income		0	10,639	10,639
Distribution of previous years' profit				0
Dividends paid				0
As at 31 March 2016	44,801	310,221	-172,557	182,465

Additional information and explanatory notes for the condensed interim financial statements for the period from 01/01/2017 to 31/03/2017

1. General information

The condensed interim financial statements cover the profit and loss account for the 1st quarter of 2017 and include comparative data for the 1st quarter of 2016, and in the case of balance sheet data as at 31 March 2017, they include comparative data as at 31 December 2015 and 31 March 2016.

Mostostal Warszawa S.A. i.e. the Parent Company, is a joint stock company incorporated under the laws of Poland, registered with the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under the number 000008820. The Company's registered office is in Warsaw, at ul. Konstruktorska 12a. The core business of the Company includes specialised construction works covered by the Polish Business Classification (PKD) in section 4120Z. The Company's shares are listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.); construction sector.

The Company is established for an indefinite time.

The parent company of Mostostal Warszawa S.A. is Acciona Construcción S.A.

Mostostal Warszawa S.A. has prepared the condensed interim financial statements, which was approved on 15/05/2017.

The aim of the Management Board of Mostostal Warszawa is to maintain a strong position among the largest construction companies in the country. In order to achieve this objective, the Company takes measures oriented at:

- leading the Group with a focus on development of the network of representative branches throughout the country,
- development of activities in the field of sustainable construction to increase profitability and create added value for shareholders,
- effective management of construction risks,
- development of partnership relations with contractors,
- expansion on the market of general, industrial, energy, infrastructural and environmental construction,
- maintaining accident rate at zero.

The key values of the Company include:

- long-term perspective - in everything we do, we employ perspective thinking: we are here and now, but we can and want to use our efforts to BUILD good quality of life for future generations,
- integrity - on a par with economic values we value ethics, lawfulness, respect for employees, investors, contractors, society and the environment,
- quality - high standards of work and implementation of modern technologies allow us to guarantee the quality expected by our customers,
- innovation - we are constantly looking for new solutions, using the latest technologies and improving processes in our daily work as well as through our Research and Development Department,
- professionalism - we nurture and develop Polish engineering by sharing our know-how and experience with the market and promoting close cooperation with research and development centres.
- environmental protection - WE ARE BUILDING environmental awareness and take responsibility for the environment, in which we live and work, minimizing the negative impact thereon,
- safety at work - observance of the highest standards of health and safety is one of the pillars of our strategy; when it comes to protection of human health and life, we do not compromise,
- people - we respect diversity. WE ARE BUILDING our teams on the basis of different generations, various experiences, different nationalities and gender; the mutually complementary qualities create a perfect whole.
- teamwork - joint action yields better results than the sum of actions of individuals, which is why we focus on efficient teamwork to achieve above-average results.

As of 15/05/2017, members of the Management Board included:

Andrzej Gołowski	– President of the Management Board
Jorge Calabuig Ferre	– Member of the Management Board
Alvaro Javier de Rojas Rodriguez	– Member of the Management Board
Jacek Szymanek	– Member of the Management Board

As of 05 May 2017, the Supervisory Board of the Company appointed Jorge Calabuig Ferre as a member of the Company's Management Board.

On 05 May 2017, José Ángel Andrés López resigned from his position as the Vice-President of the Management Board of the Company.

As of 15/05/2017, members of the Supervisory Board included:

Francisco Adalberto Claudio Vazquez	– Chair of the Supervisory Board
Jose Manuel Terceiro Mateos	– Vice-Chair of the Supervisory Board
Raimundo Fernández – Cuesta Laborde	– Member of the Supervisory Board
Neil Balfour	– Member of the Supervisory Board
Arturo Cortez de la Cruz	– Member of the Supervisory Board
Ernest Podgórski	– Member of the Supervisory Board

2. Approval of the Financial Statements

The condensed interim financial statement for the 1st quarter of 2017 was approved for publication by the Company's Management Board on 15/05/2017.

3. Basis for preparation of the condensed financial statement for the 1st quarter of 2017 and accountancy principles

3.1 The basis for preparation of the financial statement

The condensed interim financial statements have been prepared with the assumption that the Company is to continue its business operations in the foreseeable future.

The condensed interim financial statements have been prepared in accordance with the historical cost principle, except for investment property and financial instruments that have been measured at fair market value.

The Company's Management Board believes that the liquidity and going concern risks are properly managed, and consequently there is no risk of an intended or forced discontinuation or material limitation of its current activities by the Company for the period of at least 12 months after the balance sheet date. Therefore, according to the Management Board, the going concern assumption for the Company is appropriate.

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting, as approved by the EU. These condensed interim financial statements should be read together with the audited financial statements of the Company for the year ended on 31 December 2016 and the related additional information. The condensed interim financial statements of Mostostal Warszawa S.A. were not subject to review or audit by a statutory auditor.

3.2 Compliance statement

These condensed interim financial statements for the period of 3 months ended on 31 March 2017 have been prepared in accordance with the International Accounting Standard 34.

3.3 Accounting principles

The detailed accountancy principles adopted by the Company were described in the financial statement for the year ending 31 December 2016.

The accounting principles applied in preparing this condensed consolidated financial statement are consistent with those used in preparing the annual financial statement of the Group for the year ending 31 December 2016.

The Company intends to adopt the amendments to IFRS published but not effective as at the date of publication of these interim condensed financial statements, in accordance with the date of their entry into force. The estimated impact of the amendments and new IFRS on future financial statements of the Company has been presented in the financial statements for the year 2016 in Note 4.30.

3.4 The principles applied to convert the selected financial data to EURO

The following principles have been adopted for converting the selected financial data concerning the 1st quarter of 2017 to EUR:

- individual items of the profit and loss account and cash flow statement for the 1st quarter of 2017 were converted at the PLN/EUR rate of 4.2891, which is the arithmetical mean of the rates announced by the National Bank of Poland for the last days of January, February and March 2017.
- individual items of assets and liabilities on the balance sheet were converted at the PLN/EUR rate of 4.2198 as published by the NBP on 31/03/2017.

3.6 Currency of the financial statement

The condensed interim financial statement for the 1st quarter of 2017 has been presented in Polish zlotys, and all values stated - unless indicated otherwise – are rounded off to full thousands of zlotys.

4. Long-term construction contracts

Selected data – Profit and Loss Account

Details	1st quarter – a period from 01/01/2017 to 31/03/2017	1st quarter – a period from 01/01/2016 to 31/03/2016
Revenue from the sales of construction works (long-term contracts)	233,937	297,177
Cost of performing construction works	199,244	259,966
Result	34,693	37,211

Revenue from sale of works are adjusted for the damages and penalties paid, while the costs of constructions works are reduced by the damages and penalties received.

The costs of construction works include the costs of provisions created for the anticipated losses on contracts disclosed in section 10 of these condensed interim financial statements.

Revenue from uncompleted construction contracts as of the balance sheet date

Details	as at 31/03/2017	as at 31/12/2016	as at 31/03/2016
The estimated incremental revenue from uncompleted construction contracts is recognized in accordance with IAS 11.	2,358,737	2,141,787	1,776,074
Incrementally invoiced sales of uncompleted construction contracts	2,252,851	2,070,332	1,765,795
Deferred charges and accruals from uncompleted construction contracts	105,886	71,455	10,279
Advances received on uncompleted construction contracts	53,325	64,312	104,711
Net balance sheet position for uncompleted construction contracts	52,561	7,143	-94,432
Reconciliation with the item 'Deferred charges and accruals from revaluation of contracts' in the balance sheet:			
Deferred charges and accruals from uncompleted construction contracts	105,886	71,455	10,279
Claims on completed contracts	224,357	224,357	235,355
Deferred charges and accruals from valuation of construction contracts	330,243	295,812	245,634

While implementing infrastructural contracts, circumstances have arisen for which the Company has not been responsible. These circumstances resulted in losses (damages, increased amounts of unplanned expenditures etc.) that have not been caused by the Company. These circumstances include in particular the following:

- broadened scope of works in relation to the design (tender) conditions communicated to the Company by the Ordering Parties,
- unexpected and significant increase in the prices of construction materials (including fuels and crude oil derivatives), transport, equipment rental and construction services,
- inability to access construction sites, caused inter alia by weather conditions.

These circumstances have resulted in claims against the ordering parties that are consistent with the provisions of the contracts and general provisions of law.

Based on the analyses, in 2011 and 2012, the Company's claims against the Employers (in the total amount of PLN 235,355,000) have been included in the budgets of some infrastructural contracts by the Company (the effect on the 2012 net result amounted to PLN 105,260,000 while the effect on the 2011 result amounted to PLN 85,239,000). It is the opinion of the Company that these claims are fully legitimate. The Management Board of the Company has taken all possible actions in order to enforce these claims.

The value of claims disclosed in the balance sheet as at 31/03/2017 was PLN 224,357 thousand and compared to 31/12/2016, has not changed.

Selected balance sheet data

ASSETS	as at 31/03/2017	as at 31/12/2016	as at 31/03/2016
Amounts due from the recipients under construction agreements (long term contracts)	336,042	347,024	291,650
- including retained deposits	9,447	11,444	11,109
Prepayments for construction works	43,805	30,786	136,666
Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	331,695	297,803	327,443

LIABILITIES	as at 31/03/2017	as at 31/12/2016	as at 31/03/2016
Amounts due to the suppliers under construction agreements (long term contracts)	261,948	259,873	265,007
- including retained deposits	88,783	93,868	100,562
Prepayments for construction works	53,325	64,312	104,711
Reserves for anticipated losses	6,898	12,024	16,664
Accruals and deferred income from contract valuation (gross amounts due to ordering parties under construction agreements)	1,452	1,991	81,809

5. Major changes to estimated amounts

Recognition of sales on construction contracts constitutes an essential estimate. The Company recognizes revenue from construction contracts in accordance with the progress method. The progress is measured by reference to the share of costs incurred between the day the contract has been entered into and the day of determining revenue in relation to the total costs of providing the service. Total revenue from long-term construction contracts denominated in a foreign currency is determined based on the invoices issued by the balance sheet date and the exchange rates applicable as at the balance sheet date. Budgets of individual contracts are subject to a formal update (revision) process with the use of current information, at least once a quarter. In the case of any events that happen between the official budget revisions and that significantly influence contract results, the value of total revenue or costs of a contract can be updated earlier.

The changes in provisions for the expected losses on contracts, warranty repairs and litigation are presented in the tables in Section 10 to these condensed interim financial statements. The change to provisions for the loss on the contracts in progress exercises an impact on the value of the Company's own costs of sales.

Information about the created and reversed impairment losses is presented in sections 8 and 9 of these condensed interim financial statements.

The deferred tax assets decreased over the reporting period by PLN 4,993 thousand and as at 31/03/2017 amounted to PLN 34,766,000. The Company recognises financial assets from deferred taxes assuming that a tax profit is to be generated in the future that shall allow to use it. Deterioration of tax results in the future could cause the whole or a part of the deferred tax assets not to be realized.

The tax losses in 2012-2013 resulted primarily from losses on infrastructural contracts. The Management Board has carried out a deferred tax asset recoverability test as at the balance sheet date based on the projections for the forthcoming 2 years, that have been prepared taking into account the planned involvement in the power engineering and infrastructural sectors. The test demonstrate the realization of a deferred tax asset in the amount not less than PLN 34,766 thousand.

6. The amounts and types of items affecting the assets, liabilities, equity, net financial result or cash flows, which are exceptional due to their type, value or frequency;

1. In the first quarter of 2017, the Company recorded a positive result on the balance sheet valuation of loans in the amount of PLN 9,260 thousand.
2. The Company recognized impairment losses on receivables in the amount of PLN 8,730 thousand, including PLN 7,378 thousand with respect to the construction of the power unit in Elbląg.

7. The seasonal or cyclical nature of the Company's activities in the 1st quarter of 2017

The activities of the Company depend on weather conditions. The Group is significantly less active during winter than during other seasons. The atmospheric conditions in the 1st quarter of 2017 had no significant effect on the Company's operations and the results it achieved.

8. Information on impairment of inventories to net realizable value and reversal of the respective write-offs

In the first quarter there were no impairments of inventory and reversals in this respect.

9. Information on impairment of financial assets, property, plant and equipment, intangible assets, or other assets, and the reversed impairment losses

In the first quarter of 2017, the allowance for uncollectible accounts in the amount of PLN 658 thousand was reversed and the write-offs in the amount of PLN 8,730 thousand were recognized in this respect.

In the first quarter of 2017, impairment losses of tangible fixed assets in the amount of PLN 6,895 thousand with respect Production Plant of Mineral and Asphalt Mix Components, sold on 31 January 2017, were reversed.

10. Information on creation, increase, use and reversal of provisions

Item	Provisions for retirement benefits	Provision for anticipated losses on contracts	Reserve for warranty repairs	Provision for litigation	Total
As of 01/01/2017	1,662	12,024	11,325	15,521	40,532
Created during the financial year		123	1,451	48	1,622
Used	-64	-3,979	-360	-786	-5,189
Dissolved		-1,270	-119	-6	-1,395
As of 31/03/2017	1,598	6,898	12,297	14,777	35,570
Long-term 31/03/2017	1,197	1,757	0	0	2,954
Short-term 31/03/2017	401	5,141	12,297	14,777	32,616

11. Information on significant transactions of purchase and sale of property, plant and equipment

In the 1st quarter of 2017, the Company sold its Production Plant of Mineral and Asphalt Mix Components, situated on a land property located in the Municipality of Miękinia, for the amount of PLN 200,000. As at 31 December 2016, the Company recognized an impairment loss of its value in the amount of PLN 6,895,000.

12. Information on significant liabilities in respect of the purchase of property, plant and equipment

Due to the lack of significant purchases of property, plant and equipment in the first quarter of 2017, no significant liabilities in this respect arose.

13. Information on significant litigation settlements

On 20 December 2016, the Regional Court in Warsaw, 25th Civil Division ordered that the Treasury – General Directorate for National Roads and Highways – shall pay to the Issuer the amount of PLN 13,691,000 as the remuneration for performed construction works together with default interest accrued. On 17 February 2017, the Company received from GDDKiA the aforementioned amount plus interest of PLN 6,631 thousand. Due to recognition of interest income in 2016, the enforcement of this judgment did not affect the financial results for the first quarter of 2017.

14. Corrections of errors from previous periods

In the reporting period, there were no corrections of errors from previous periods.

15. Issuances, repurchases, and repayments of debt and equity securities

There were no share issues in the 1st quarter of 2017. There were no repayments of debt and equity securities in the 1st quarter of 2011.

16. Dividends paid (declared) by the Issuer

The Company did not pay out any dividends in the 1st quarter of 2017.

On 24 April 2017, the Annual General Meeting of Mostostal Warszawa S.A. resolved to allocate the entire profit for 2016 in the amount of PLN 11,955 thousand to cover losses from previous years.

17. Changes to the basic management rules of the Company

In the reporting period there were no significant changes to the management rules of the Company.

18. Events which took place after balance sheet day for which the financial statement was drawn up, which may have significant impact on the future financial results.

On 11 April 2017, the Company and HENNIGER INVESTMENT S.A. signed the contract for the general construction works under the project entitled "Construction of a multi-family residential building with underground garage and accompanying infrastructure at Katowicka Street in Krakow", Phase 2.2 of the Housing Estate "Live in the City" (Mieszkać w Mieście). The deadline for completion of the contract is 05 November 2018. The net value of the contract is PLN 34,86 million.

On 28 April 2017, the Company (Consortium Leader) together with Mostostal Płock S.A. (Consortium Partner) signed a contract for "Construction and Modernization of MPS Storage No. 1 in Powidz". The contract was signed with the Minister of National Defence represented by the Investment Division of the North Atlantic Treaty Organization. The gross value of the contract is PLN 33.2 million.

19. Changes in contingent liabilities or contingent assets, which occurred after the last financial year

Collateral of commercial contracts

OFF-BALANCE ITEMS	as at 31/03/2017	as at 31/12/2016
1. Contingent receivables	70,685	73,074
Guarantees received	68,576	70,578
Bills of exchange received	2,109	2,496
2. Contingent liabilities	198,402	202,434
Bills of exchange issued to secure trade agreements	84,852	85,576
Guarantees to secure trade agreements	113,550	116,858

The granted collaterals of commercial agreements as at 31/03/2017 amounted to PLN 198,402 thousand, which means a decrease by PLN 4,032 thousand compared to the end of the previous year.

Contingent receivables as of 31/03/2017 amounted to PLN 70,685 thousand, which means a decrease by PLN 2,389,000 compared to the end of the previous year.

Other contingent liabilities

Item	31/03/2017	31/12/2016
Oncology – penalty for withdrawing from the agreement	18,154	18,154
Zielona Italia	15,784	15,784
Power unit construction in Elbląg	15,171	22,549
Extension of the Mechanical Coal Processing Plant for Lubelski Węgiel "Bogdanka" S.A.	16,790	16,790
Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre in Białystok	66,718	66,718
"Construction of the Sports Hall Czyżyny in Krakow".	20,822	20,822
Total	153,439	160,817

The value of other contingent liabilities as at 31/03/2017 amounted to PLN 153,439 thousand and decreased by PLN 7,378 thousand, compared to the end of the previous year.

The following is the Company's opinion on the above-mentioned penalties:

- On 11 September 2012, the Company received a notice from the St. John of Dukla Lubelskie Region Oncology Centre on the withdrawal from the agreement for designing and conducting construction works for the expansion and modernisation of the Lubelskie Region Oncology Centre. The statement also included a request for the payment of a contractual penalty. The agreement mentioned above was entered into on 3 January 2011 by and between the Lubelskie Region Oncology Centre (the "Ordering Party") and the Consortium consisting of: Mostostal Warszawa S.A. – Leader, Acciona Construcción S.A. – Partner, Richter Med. Sp. z o.o. – Partner ("Contractor"). The Employer withdrew from the Agreement due the fact that works were not conducted in accordance with the schedule of works and expenditures and conditions of the Agreement, which resulted in delays threatening the Agreement completion date. The Employer requested the Contractor to pay the liquidated damages pursuant to the Agreement. The Company rejects the Employer's arguments in full. The Company

considers the Employer's decision in this case to be unreasonable and legally ineffective. The Contractor will make use of any legal means available to protect its interest, goodwill and image. Therefore, Mostostal Warszawa SA has not created provisions for liquidated damages and brought the dispute as to the validity of the liquidated damages charged to the Court.

- On 6 March 2013 the Issuer withdrew from the contract of 11 November 2010 for construction of a complex of multi-family residential buildings with commercial spaces and underground garages that was entered into with Zielona Italia Sp. z o.o. A failure by the Investor to accept the executed works, or even to commence the acceptance procedure (despite repeated requests made by the Issuer), was the reason behind withdrawal. The fact that the Investor unreasonably declined to accept the works resulted in a delay in the performance of a mutual obligation having the value of PLN 29,551,000. It is also an obvious sign that the Investor is not willing to cooperate and that the Employer is improperly performing the Agreement. Pursuant to § 28(2)(c) of the Agreement, the Company shall be entitled to withdraw from the Agreement due to the fault of Zielona Italia Sp. z o.o. As a result of the withdrawal from the contract due to the Investor's fault, Mostostal charged liquidated damages in the amount of PLN 15,784,000 (not included in revenue). In response to this, Zielona Italia Sp. z o.o. charged the Company with contractual penalties in the amount of PLN 15,784,000. As the Management Board of the Company considers the liquidated damages to be charged unreasonably, this amount has not been included in the contract measurement. The dispute on the lack of grounds to charge liquidated damages from the Issuer is under examination by the Court.
- On 21 December 2016, the Company received a notice to pay dated 13/12/2016 demanding the payment of the penalty charged by Energa Kogeneracja Sp. z o.o. from Elbląg on account of the failure to achieve the guaranteed technical parameters of the ecological biomass-fired power block with the capacity of 20MWe ("Block") at the combined heat-and-power plant in Elbląg. The notice was issued by Energa Kogeneracja Sp. z o.o. ("Energa") and amounts to PLN 22,549,000. The Company believes that the Energa's claim for the amount of PLN 22,549,000 in connection with the failure to achieve the guaranteed technical parameters of the Block is illegitimate and there was no basis to charge the contractual penalties in this respect. In particular, the Company indicates that in its opinion, Energa operated the Block in violation of the terms and conditions of the Contract as well as operation/maintenance instructions i.e. using the fuel with the parameters contrary to the provisions of the Contract, and further they have failed to conduct the measurement of the guaranteed parameters in accordance with provisions of the Contract. Therefore, the Company believes that the results of such measurements do not substantiate the claim that the guaranteed technical parameters of the Block have not been achieved. The Company questions the claim of Energa Kogeneracja Sp. z o.o. in full and finds it groundless. In the first quarter, the amount of PLN 7,378 thousand was paid under the bank guarantee against the aforesaid penalty Mostostal Warszawa S.A. upholds its position that there were no grounds for claiming payment under the guarantee and is going to seek reimbursement of the claim. Given the complexity of the case, the Company, guided by the principle of prudence, has recognized a write-off in respect of the claim paid under the guarantee.
- Extension of the Mechanical Coal Processing Plant for Lubelski Węgiel "Bogdanka" S.A. - The Employer charged the Issuer with liquidated damages for delay in performance of the contract in the amount of PLN 22,840,000. The issuer entirely denies the existence of grounds to charge the liquidated damages, since in his opinion there was no delay in construction works. The delay was caused by the exclusive fault of the Employer due to his evasion from signing the final acceptance certificate. The Issuer is currently asserting some of its claims and is going to continue seeking the remainder of the claims brought against the Employer in the court and just for the sake of prudence, created a partial provision in this respect for the amount of PLN 6,050,000.
- The University of Białystok charged Mostostal Warszawa with the liquidated damages. According to the Issuer, the liquidated damages are unfounded and were imposed by the Employer as a result of the claims submitted by Mostostal Warszawa S.A. against them, which to a great extent refer to payments due for auxiliary and replacement works.
- On 10 February 2017, the Company received a claim for payment made by Agencja Rozwoju Miasta S.A. ("Plaintiff"). The Plaintiff demands that the Company shall pay contractual penalties for late completion of the "Construction of the Sports Hall Czyżyny in Krakow" – currently TAURON Arena Krakow. The value of the dispute amounts to PLN 20,822,000 plus statutory interest accrued from 18 August 2015 until the date of payment. Having analysed the lawsuit, the Company disputes the legitimacy and the amount of the claim submitted by the Plaintiff and is of the opinion that there were no grounds to charge the penalties. The Company has taken steps to challenge the claims indicated in the lawsuit and prepared a lawsuit against the Plaintiff comprising claims for additional works and the other outstanding payments related to the "Construction of the Sports Hall Czyżyny in Krakow".

20. Information on incurred and terminated credits and loans in the 1st quarter of 2017

The balance of loans payable as of 31/03/2017 amounted to PLN 191,634 thousand (the balance of loans payable as of 31/12/2016 amounted to PLN 203,740 thousand). The decrease in the balance of loans is mainly due to the accrual of foreign exchange gains from the balance sheet valuation and the repayment of the interest accrued in the amount of EUR 965 thousand.

In the reporting period, the Company used the overdraft with the value as at the balance sheet date amounting to PLN 0,000 (balance of loans as of 31/03/2017 amounted to PLN 0,000).

Bank	Type of loan	Amount of loan in thousands of PLN	Amount used as at 31/03/2017 in thousands of PLN	Maturity	Interest rate
Societe Generale S.A. Branch in Poland	Current account overdraft	10,000	0	31/01/2018	WIBOR 1M + Bank's mark-up
Bank Zachodni WBK S.A.	Current account overdraft	5,000	0	31/01/2018	WIBOR 1M + Bank's mark-up

In the first quarter of 2017, no loan agreement was terminated.

21. Information on transactions with affiliated entities

The transactions concluded with affiliated entities in the 1st quarter of 2017 were typical and routine transactions, and were concluded according to market principles.

22. Reporting by market segment

The Company is organised and managed by segment, as appropriate for the types of product offered. The tables below present data from the profit and loss account for the Company's individual reporting segments for the 9-month period ended on 31 March 2017.

The following segments exist within continuing business:

- The engineering/industrial segment, which includes activities connected with the construction of roads and bridges, industrial and power engineering facilities.
- The general construction segment, which includes activities connected with constructing residential buildings and public utilities.

Profit and loss account for individual reporting segments:

3 month period ending 31 March 2017	Continuing operations			
	Engineering and industrial segment	General construction segment	Unallocated revenue, costs	Total
Revenue from sales				
Sales to external customers	151,540	83,902	435	235,877
Sales between segments	0	0	0	0
Total revenue from segment	151,540	83,902	435	235,877
Result				
Profit (loss) of segment (taking into account operating costs and revenue)	22,216	-1,807	-741	19,668
Unallocated costs (administrative costs and sales costs)	-	-	11,738	11,738
Profit (loss) on operating activities	22,216	-1,807	-12,479	7,930
Financial revenue	1,255	55	9,660	10,970
Financing costs	235	61	1,631	1,927
Gross profit (loss)	23,236	-1,813	-4,450	16,973
Income tax			4,993	4,993
Net profit (loss) on continuing operations	23,236	-1,813	-9,443	11,980
Discontinued operations				0
Net profit / (loss)	23,236	-1,813	-9,443	11,980

3 month period ending 31 March 2016	Continuing operations			
	<i>Engineering and industrial segment</i>	<i>General construction segment</i>	<i>Unallocated revenue, costs</i>	<i>Total</i>
Revenue from sales				
Sales to external customers	237,385	62,479	213	300,077
Sales between segments	0	0	0	0
Total revenue from segment	237,385	62,479	213	300,077
Result				
Profit (loss) of segment (taking into account operating costs and revenue)	27,151	-2,218	-792	24,141
Unallocated costs (administrative costs and sales costs)	-	-	9,543	9,543
Profit (loss) on operating activities	27,151	-2,218	-10,335	14,598
Financial revenue	205	18	649	872
Financing costs	214	75	2,046	2,335
Gross profit (loss)	27,142	-2,275	-11,732	13,135
Income tax			2,496	2,496
Net profit (loss) on continuing operations	27,142	-2,275	-14,228	10,639
Discontinued operations				0
Net profit / (loss)	27,142	-2,275	-14,228	10,639

The main body of the Company (the Management Board) responsible for operational decisions does not conduct a review of segment assets and liabilities, due to transfers of assets between segments. Revenues and costs are allocated to the individual segments in accordance with the implemented projects. Assets are analysed on the level of the entire Company. Gross result on sales adjusted by other revenues and operational costs constitutes a key indicator of segment result.

The Company operates on the domestic market.

23. Financial Instruments - Fair values

The table shows the comparison between carrying values and fair values of all financial instruments used by the Company. The financial statements include the figures revalued to fair value (as shown below).

Item	Carrying value		Fair value	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
<i>Financial assets</i>				
1) Financial assets held to maturity (measured at amortized cost)	0	0	0	0
2) Financial instruments - hedge of future cash flows	0	0	0	0
3) Financial instruments - measured at fair value through profit or loss	0	0	0	0
4) Loans granted and receivables	752,909	800,943	752,909	800,943
- Long-term trade receivables and other receivables	4,473	4,525	4,473	4,525
- Short-term trade receivables and other receivables	331,569	342,499	331,569	342,499
- Cash and cash equivalents	85,172	153,616	85,172	153,616
- Short-term financial assets - loans	0	0	0	0
- Accruals and deferred income from measurement of contracts	331,695	297,803	331,695	297,803
- Long-term deposits as security for bank guarantees	0	2,500	0	2,500
5) Long-term financial assets held for sale	0	0	0	0

Item	Carrying value		Fair value	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
<i>Financial liabilities</i>				
1) Financial liabilities - financial instruments measured at fair value through profit or loss	0	0	0	0
2) Other financial liabilities - financial instruments - hedge of future cash flows (*1)	0	0	0	0
3) Liabilities (measured at amortized cost)	279,496	263,440	279,496	263,440
Liabilities from deliveries and services and other short-term liabilities	240,884	223,557	240,884	223,557
- Accruals and deferred income from measurement of contracts	1,452	1,991	1,452	1,991
Long-term trade liabilities and other long-term liabilities	37,160	37,892	37,160	37,892
4) Other financial liabilities (measured at amortized cost)	193,362	205,576	193,362	205,576
- Interest-bearing bank credits and loans	137,147	146,903	137,147	146,903
- Current portion of interest-bearing bank credits and loans	54,487	56,837	54,487	56,837
- Short-term and long-term liabilities from leasing agreements	1,728	1,836	1,728	1,836

Financial instruments are divided into 3 categories:

- **Level 1** includes financial instruments, whose fair value is estimated based on the quoted market prices at each balance sheet date. The Company does not hold financial instruments in this category.
- **Level 2** includes financial instruments, whose fair value is determined based on various valuation methods using the available data on current market conditions as at the balance sheet date. The Company includes currency futures contracts in this category of instruments. The fair value of currency futures contracts is determined based on valuations performed by the banks. The Company does not hold financial instruments in this category.
- **Level 3** the fair value of unlisted derivatives is estimated by the Company using various valuation methods based on the assumptions of the company and its own data. The Company does not hold financial instruments in this category.

As at 31/03/2017, the Company did not have any financial instruments used for hedge accounting.

Other information to the condensed financial statements for the period from 01/01/2017 to 31/03/2017

1. Selected financial data

	PLN		EUR	
	1st quarter of 2017, incrementally, for the period from 01/01/2017 to 31/03/2017	1st quarter of 2016, incrementally, for the period from 01/01/2016 to 31/03/2016	1st quarter of 2017, incrementally, for the period from 01/01/2017 to 31/03/2017	1st quarter of 2016, incrementally, for the period from 01/01/2016 to 31/03/2016
Revenue from sales	235,877	300,077	54,995	68,890
Gross profit (loss) on sales	28,073	27,438	6,545	6,299
Profit (loss) on operating activities	7,930	14,598	1,849	3,351
Gross profit (loss)	16,973	13,135	3,957	3,015
Net profit (loss) on continuing operations	11,980	10,639	2,793	2,442
Net profit / (loss)	11,980	10,639	2,793	2,442
Net cash from operating activities	-66,933	-58,241	-15,605	-13,371
Net cash from investing activities	2,863	1,258	668	289
Net cash from financing activities	-4,374	14,298	-1,020	3,282
Closing balance of cash	85,172	204,243	20,184	47,850
Net profit / (loss)	11,980	10,639	2,793	2,442
Weighted average number of ordinary shares	20,000,000	20,000,000	20,000,000	20,000,000
Net profit (loss) per ordinary share in PLN	0.60	0.53	0.14	0.12

	PLN		EUR	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Total assets	918,662	959,936	217,703	216,984
Long term liabilities	194,021	211,032	45,979	47,702
Short term liabilities	528,880	565,123	125,333	127,740
Total liabilities	722,901	776,155	171,312	175,442
Total equity capital	195,761	183,781	46,391	41,542
Stated capital	44,801	44,801	10,617	10,127
Number of shares	20,000,000	20,000,000	20,000,000	20,000,000

2. Description of major achievements and setbacks and major events in the 1st quarter of 2017 and an assessment of the management of financial resources.

Sales revenue in the 1st quarter of 2017 amounted PLN 235,877 thousand and decreased by 21% compared to the same period of the previous year. Gross profit on sales amounted to PLN 28,073 thousand (gross profit on sales in the same period of 2016 amounted to PLN 27,438 thousand). In the 1st quarter of 2017, the Company generated the net profit of PLN 11,980 thousand (in the 1st quarter of 2016, the net profit amounted to PLN 10,639 thousand).

The value of the Company's backlog as at 31/03/2017 amounted to PLN 1,046,804 thousand. The Company participates in a number of tender procedures, which should result in the acquisition of new contracts in the near future.

The value of short-term trade receivables and other receivables as at 31/03/2017 amounted to PLN 331,569 thousand and compared to figures as at 31/12/2016 declined by PLN 10,930 thousand.

The value of prepaid expenses arising from valuation of long-term contracts as at 31/03/2017 amounted to PLN 331,695 thousand and was lower by PLN 33,892 thousand compared to the value as at 31/12/2016.

Cash balance as at 31/03/2017 amounted to PLN 85,172 thousand and compared to the situation as at 31/12/2016 decreased by PLN 68,444 thousand, which was mainly due to the payment of liabilities to subcontractors, which translated into a decrease in other accruals in liabilities by the amount of PLN 41,147 thousand, related mainly to the costs of subcontractors. In the 1st quarter of 2017, the Company was using overdraft facilities and loans, the value of which as at 31/03/2017 amounted to PLN 191,634 thousand and compared to the figures as at 31/12/2016 decreased by PLN 12,106 thousand. In the opinion of the Management Board, the management of financial resources in the first quarter of 2017 was adequate to the Company's situation. The Management Board monitors the liquidity of the

Company on the on-going basis, based on the expected cash flows. Given the existing involvement of the related party granting loans and the progress of the contract for the construction of the power units in Opole, in the opinion of the Board, there is no significant risk to the liquidity of Mostostal Warszawa S.A. The Management Board believes that the Company has the ability to settle their liabilities.

Long-term liabilities in the first quarter of 2017 decreased by PLN 17,011 thousand, mainly due to the balance sheet valuation of the long-term loans from Acciona Construcción S.A. and the decrease of long-term advance payments for the works. The value of short-term trade liabilities as at the end of the 1st quarter of 2017 amounted to PLN 224,788 thousand and compared to the figures as at 31/12/2016 increased by PLN 2,807 thousand.

During the reporting period i.e. from 01/01/2017 to 31/03/2017, the following events significant for the Mostostal Warszawa S.A. took place:

Effective as of 01 January 2017, the name of the majority shareholder of the Issuer has been changed. The Company, formerly known under the name of Acciona Infraestructuras S.A., now operates as Acciona Construcción S.A. A change of the name has not resulted in a change of the Issuer's shareholdings. Acciona Construcción S.A. holds 10,018,733 shares in the Issuer's share capital, representing 10,018,733 votes at the General Meeting, which accounts for 50.09% of the Issuer's share capital.

On 17 January 2017, the Company and Mostostal Kielce S.A. (a 100% subsidiary of Mostostal Warszawa S.A.) signed with the Podkarpackie Province (Board of Regional Roads of Podkarpackie Province ("Contracting Party"), a contract for preparation of the "design and build" project documentation, obtaining of the environmental decision and the building permit for roadworks, with the immediate enforceability clause, and for the performance of the works within the framework of the project entitled "Construction of the by-pass road for the town of Strzyżów within the Provincial Road No. 988". The Parties to the Contract agreed that project shall be completed by 31 October 2019. The gross value of the contract is PLN 98.08 million.

On 31 January 2017, the Company and Bank Zachodni WBK executed an annex to the overdraft facility contract, whereby they extended the repayment deadline until 31 January 2018.

On 1 February 2017, the Company and Sanpaolo S.p.A. Spółka Akcyjna, Branch in Poland ("Bank") signed the Conditional Agreement for a Guarantee Facility. Pursuant to the Agreement, the Bank has granted a conditional bank guarantee facility up to the amount of PLN 100 million. The line is renewable, which means that each expiry of the Guarantee or each payment under the Guarantee results in the renewal of the Facility and allows the Company to reuse the Facility up to the amount of the awarded Limit. The Facility is granted for an indefinite period. The collateral for the repayment of the loan, including interest and any costs and fees associated with the loan is the borrower's declaration of voluntary submission to enforcement under article 777 of the Code of Civil Procedure, issued by the Bank. The amount of declaration of voluntary submission to enforcement will represent 150% of the Credit Facility Limit. The remaining provisions of the agreement do not differ from those generally applied in such agreements.

On 10 February 2017, the Company received a claim for payment made by Agencja Rozwoju Miasta S.A. ("Plaintiff"). The Plaintiff demands that the Company shall pay contractual penalties for late completion of the "Construction of the Sports Hall Czyżyny in Krakow" – currently TAURON Arena Krakow. The value of the dispute amounts to PLN 20,822,000 plus statutory interest accrued from 18 August 2015 until the date of payment. Having analysed the lawsuit, the Company disputes the legitimacy and the amount of the claim submitted by the Plaintiff and is of the opinion that there were no grounds to charge the penalties. The Company has taken steps to challenge the claims indicated in the lawsuit and prepared a lawsuit against the Plaintiff comprising claims for additional works and the other outstanding payments related to the "Construction of the Sports Hall Czyżyny in Krakow".

On 01 March 2017, the Company, as a partner in the consortium composed of: Rafako S.A. (Leader) and Mostostal Warszawa S.A. (Partner) executed with Tauron Wytwarzanie S.A. ("Employer") Annex No 5 to the Contract No. 2013/0928/Ri to build new generation capacity in coal technologies for TAURON Wytwarzanie S.A. – Construction of 910 MW power unit with supercritical parameters at Power Plant Jaworzno III – Power Plant II within the following scope: steam boiler, turbine set, main building, electrical section and instrumentation and automation systems for the power unit.

Pursuant to the Consortium Agreement (see Current Report No. 42/2013 of 05 August 2013), Rafako S.A. is responsible for the execution of 99.99% of the work required under the Contract and is entitled to receive remuneration corresponding to the aforementioned share of works provided for under the Contract.

- On 10 March 2017, the Company – acting within the framework of the Consortium composed of Doosan Heavy Industries and Construction ("Leader"), Mostostal Warszawa S.A. ("Partner") and Acciona Industrial ("Partner") – submitted documentation for prequalification in tender proceedings for the construction of a complete 1000 MW power generating unit at the Power Plant Ostrołęka C, for the Employer i.e. Energa Elektrownie Ostrołęka S.A. The value of the contract is estimated at approx. PLN 6 billion. According to the assumptions made in the tender notice, the power generating unit must ensure the net efficiency of at least 45%, operating at supercritical steam parameters.

On 15 March 2017, the Regional Court in Warsaw issued a decision to discontinue the proceedings brought by the State Treasury (General Director of National Roads and Motorways) for payment of PLN 539,960 million, for damage to the Treasury caused by a single tort, by replacing autonomous economic decisions with arrangements made between competitors, who submitted bids in one public tender. On 04 May 2017, the Company received information that the court's decision of 15 March 2017 to discontinue the proceedings in connection with the withdrawal of the entire claim by the plaintiff in the abovementioned case is final, which means that the proceedings initiated by the aforementioned lawsuit was eventually terminated.

On 22 March 2017, the Company and Societe Generale Spółka Akcyjna, Branch in Poland ("Bank") signed Short-Term Loan Agreement and Agreement on the Limit on Bank Guarantees and Letters of Credit. Under the agreements, the Bank has granted the Company a short-term revolving loan of PLN 10 million repayable by 31 January 2018, and the limit of PLN 25 million on guarantees and letters of credit. The limit has been granted for the period from the date of signing the contract until 31 January 2018.

3. A description of factors and events, particularly of extraordinary nature, which affect the financial results achieved

In the first quarter of 2017, the following events exerted a significant impact on the financial results:

1. strengthening of the Polish currency against euro compared to the situation as of 31/12/2016, as a result of which the recognized foreign exchange gains from the balance sheet valuation of loans amounted to PLN 9,260 thousand.
2. recognition of the impairment losses on disputed receivables in the amount of PLN 8,730 thousand, including PLN 7,378 thousand with respect to the construction of the power unit in Elbląg.

4. Description of the capital group's organisation

The Mostostal Warszawa S.A. Capital Group consists of the following subsidiaries covered by the consolidated financial statements:

Name of the entity	Percentage of share capital owned as at 31/03/2017	Consolidation
Mostostal Kielce S.A.	100.00	yes
AMK Kraków S.A.	60.00	yes
MPB Mielec S.A.	97.14	yes
Mostostal Płock S.A.	48.66	yes
Mostostal Power Development Sp. z o.o.	100.00	yes

5. Results forecast

The Company did not publish performance forecasts for 2017.

6. Key shareholders of the Company

List of shareholders with at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A. as at 15/05/2017:

Shareholder	Number of shares	Number of voting rights	Share in share capital	Share of total voting rights in General Shareholders' Meeting
Acciona Construcción S.A.	10,018,733	10,018,733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU Żłota Jesień (pension fund)	3,450,000	3,450,000	17.25%	17.25%
AVIVA Powszechne Towarzystwo Emerytalne AVIVA BZ WBK S.A. (pension fund)	1,166,701	1,166,701	5.83%	5.83%

7. Shares in the Issuer held by members of the management and supervisory bodies and changes in the shareholdings.

In the period from 21/03/2017 i.e. from the publication of the financial statements for the year 2016 until 15/05/2017, there were no changes in the Issuer's shares held by members of the management and supervisory bodies.

8. Court and administrative proceedings

The Company participates in the litigation concerning amounts receivables with the total value of PLN 788,811 thousand and in the proceedings related to liabilities with the total value amounting to PLN 230,924 thousand.

Proceedings with highest dispute value:

Date of commencement of dispute	Defendant	Value of the dispute (in thousands of PLN)	Subject of the litigation	Issuer's position
Lawsuits brought by Mostostal Warszawa S.A.				
01/02/2010	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 160/10	16,583	Mostostal Warszawa S.A.'s claims in connection with performance of the contract of 6 July 2006 to upgrade National Road 7 to an expressway on the section between Białobrzegi – Jedlińsk.	Within this lawsuit, the Company claims payment of compensation for damage in the form of additional costs incurred due to extension of the contract performance as well as payment for additional and replacement works.
10/07/2012	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 857/12	36,961	Claims lodged by Mostostal Warszawa S.A. are associated with the implementation of the agreement of 28 September 2009: "Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394+500 and 411+465.8".	According to Mostostal, in the course of the contract, there was a remarkable change affecting the contractual relationship, in the form of unforeseen and sharp increase in prices of liquid fuels and bitumen. The Plaintiff demands an increase of the fixed remuneration.
09/09/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 1284/13	62,170	Claims of Mostostal Warszawa S.A. for reimbursement of unduly assessed liquidated damages and payment of increased indirect costs arising from an extended period of the contract "Construction of the bridge on the Oder River in Wrocław".	The Company seeks reimbursement of unduly assessed liquidated damages and payment for the completed additional and replacement works.
29/03/2013	Zielona Italia Sp. z o.o. XX GC 287/13	15,953	The case for establishing non-existence of Zielona Italia's right to demand payment under the bank guarantee – performance bond related to the construction of housing estate "Zielona Italia" in Warsaw, which has been transformed into the case for payment (reimbursement) of the amount equivalent to the amount paid by BZ WBK S.A. under the bank guarantee	The case originally for establishing non-existence of Zielona Italia's right to demand payment under the bank guarantee – performance bond. The Company withdrew from the contract for reasons attributable to the Employer, and thus the conditions pursuant to which the Employer may satisfy its claims from the performance bond are not fulfilled. The Issuer changed the lawsuit to a lawsuit for reimbursement of an undue payment made under the performance guarantee, leading to unjustified enrichment.
23/06/2010	The Treasury Ministry of Defence I C 641/10	19,093	Claims of Consortium of Mostostal Warszawa SA - Unitek Ltd for additional compensation and reimbursement of the costs incurred in connection with the Contract No. 3/NSIP/P/2000 concerning the implementation of the projects under the Investment Package CP 2A0022, according to which the Plaintiff acted as an alternative investor.	During performance of the Contract, for reasons independent of the Plaintiff, there were changes to the scope and shape of the project, which resulted in additional costs, the reimbursement of which is sought by the Plaintiff. On 10/10/2016, the Court ordered that the Consortium shall receive the amount of PLN 7,142,000 plus interest accrued from 03/08/2010. The remainder of the lawsuit was dismissed. The Issuer lodged an appeal against the aforesaid decision, which is pending consideration by the Court.

Mostostal Warszawa S.A.
Condensed interim financial statements for the period from 01/01/2017 to 31/03/2017

30/05/2012	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 1227/12	207,530	Claims lodged by Mostostal Warszawa S.A. and Acciona Construcción S.A. in connection with implementation of the Contract of 26 February 2010 for construction of A-4 motorway Tarnów-Rzeszów, section between Rzeszów Centralny junction and Rzeszów Wschód junction (km. ca. 574+300 to ca. 581+250).	The claimants aims at forming the contractual relationship by increasing remuneration. On 23/08/2012, the lawsuit was further extended to include the claim of the lack of grounds to charge contractual penalties for exceeding the Contract Completion Time and the demand to reimburse the liquidated damages unduly deducted (from the remuneration for the Works). The court ordered that the Issuer and Acciona shall together receive the amount of PLN 11,298,000 in respect of the outstanding payments. By 20 December 2016, the Company lodged an appeal against the aforesaid judgement regarding the dismissal of the lawsuit.
02/07/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways) XXV C 867/13	27,157	Claims lodged by Mostostal Warszawa S.A. and Acciona Construcción S.A. in connection with implementation of the Contract of 01 September 2010 for the upgrade of S-7 road to a two-lane road at Kielce bypass section, Kielce (National Road No. 73, Wiśniówka junction) – Chęciny (Chęciny junction).	The claimants aims at forming the contractual relationship by increasing remuneration. According to the Plaintiffs, in the course of the contract, there was a remarkable change affecting the contractual relationship, in the form of unforeseen and sharp increase in prices of liquid fuels and bitumen. The Plaintiff demands an increase of the fixed remuneration.
23/05/2014	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways) XXV C 696/14	103,644	"Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394 + 500 and 411 + 465.8".	Compensation for the damage suffered by the plaintiffs as a result of improper description of the Employer's Requirements concerning ten Civil Engineering structures and the Bridge on the Rawka River, the Contractor was obliged to construct under the contract. The amount of claim attributable to Mostostal Warszawa is PLN 81,824,000.
09/05/2013	Zielona Italia Sp. z o.o. XX GC 569/13	52,344	Payment of the remuneration for the works performed under the contract "Zielona Italia".	The Company seeks payment of the amounts resulting from the settlement of the project and the completed additional works.
11/11/2010	Municipality of Wrocław SA 383/10	56,555	The case for payment (with extension of the lawsuit on 22/08/2012) instituted by the Consortium of Mostostal Warszawa SA, ACCIONA CONSTRUCCIÓN S.A., Wrocławskie Przedsiębiorstwo Budownictwa Przemysłowego nr 2 „Wrobis” S.A., Marek Izmańowicz PH-U IWA - National Forum of Music.	The Plaintiffs demand from the Municipality of Wrocław the payment of the amounts resulting from the partial settlement of the project National Forum of Music in Wrocław (compensation, additional pay and other).
13/11/2012	Wrocław municipalitySA 258/12	82,061	The case instituted by the Consortium of Mostostal Warszawa S.A., ACCIONA CONSTRUCCIÓN S.A., WPBP nr 2 "Wrobis" S.A. and Marek Izmańowicz PH-U IWA for payment of PLN 82,061,000.	Originally the case concerned establishing non-existence of Wrocław Municipality's right to demand payment under the bank guarantee – performance bond. The claims laid down in the lawsuit have been modified and include the demand for payment of PLN 82,061,000 as the final settlement of the NFM Project in connection with the withdrawal from the Contract. In its preliminary judgment, the Court of Arbitration found that the Project Consortium (Mostostal Warszawa S.A. – Leader, Acciona Construcción S.A., Marek Izmańowicz - IWA, WPBP Wrobis S.A.) on 5.10.2012 effectively withdrew from the Contract No. 7/2009/NFM of 22.12.2009 for the construction of the National Forum of Music in Wrocław.

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04/10/2012	Treasury and NATO Defence Investment Division IC 908/12	5,236	Claims for payment	Case for payment for additional works.
03/10/2014	Lubelskie Region Oncology Centre IX GC 138/15	32,461	Construction of Lubelskie Region Oncology Centre	The claim for payment for the works performed and reimbursement of unduly charged penalties.
29/04/2015	University of Białystok IC 159/15	78,015	Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre	Mostostal Warszawa S.A. seeks payment for the basic, auxiliary and replacement works; lack of payment of some remuneration under the contracts; liquidated damages for indirect costs incurred. The claims under the above-mentioned counter claim relate also to indirect costs incurred for the execution of works as well as interest on the overdue financial liabilities.
07/06/2013	Zielona Italia Sp. z o.o., case file ref.: XX GC 104/14	9,963	Construction of a complex of residential buildings with underground garages, basic services and technical infrastructure under the name "Green Italia" in Warsaw.	The lawsuit involves the demand to cease the breach of copyright to the design.

Lawsuits against Mostostal Warszawa S.A.				
03/02/2015	<u>Plaintiff:</u> University of Białystok IC 159/15	66,718	Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre	The Plaintiff (University of Białystok) seeks payment of the accrued liquidated damages. According to the defendant (Mostostal Warsaw SA), the claimed liquidated damages are unfounded.
26/05/2014	<u>Plaintiff:</u> Biomatec Sp. z o.o. IX GC 492/14	22,876	Construction of the 20 MWe biomass-fired power block for Energa Kogeneracja Sp. z o.o.	The Plaintiff, Biomatec, seeks payment of remuneration for the works. The Company challenges the merits of the lawsuit in the entirety.
09/10/2014	<u>Plaintiff:</u> Waagener Biro XVI GC 1247/14	10,810	Construction of the National Forum of Music in Wrocław	The Plaintiff, Waagener Biro, seeks payment of remuneration for the supplies and works performed by a subcontractor and the payment of liquidated damages and reimbursement of storage costs. The Company challenges the merits of the lawsuit in the entirety.
15/04/2013	<u>Plaintiff:</u> Zielona Italia XX GC 343/13	15,784	Liquidated damages under the contract with Zielona Italia	The Plaintiff, Zielona Italia, seeks liquidated damages from Mostostal Warszawa S.A. for withdrawal from the contract. Issuer entirely disputes the validity of the penalty charged under the Contract, from which Mostostal Warszawa withdrew first.
10/09/2015	<u>Plaintiff:</u> Lubelskie Region Oncology Centre IX GC 138/15	27,072	The counterclaim of Lubelskie Region Oncology Centre to the case initiated by Mostostal Warszawa S.A. dated 03/10/2014.	The Plaintiff (Lubelskie Region Oncology Centre) seeks payment of the liquidated damages, the claim for reduction of the amounts due and the claims for additional and securing works performed by the investor. According to the defendant (Mostostal Warsaw SA), the claimed liquidated damages are unfounded. Other claims are also disputed in their entirety.
22/07/2016	<u>Plaintiff:</u> Agencja Rozwoju Miasta S.A. of Cracow IX GC 1285/16	20,822	"Construction of the Sports Hall Czyżyny in Krakow".	Claim for payment of contractual penalties for exceeding the deadline for completion. Having analysed the lawsuit, the Company disputes the legitimacy and the amount of the claim submitted by the Plaintiff and is of the opinion that there were no grounds to charge the penalties.

Some of these claims were recognized by the Company in the budgets of contracts and accounted as revenue from previous years. Details are described in section 4 of the Additional information and explanatory notes to the condensed interim financial statements for the period from 01/01/2017 to 31/03/2017.

9. Information on transactions with affiliated entities

The transactions concluded with affiliated entities in the 1st quarter of 2017 were typical and routine transactions, and were concluded according to market principles.

10. Information about loan or credit sureties granted by Mostostal Warszawa S.A. or warranties issued (over 10% of the value of the Issuer's equity capital)

During the 1st quarter of 2017, the Company did not issue any loan or credit sureties or warranties with a value of over 10% of the Issuer's equity capital

11. Other information vital for assessing the Company's situation

In the opinion of the Management Board, there is no other information relevant for the assessment of the Company's standing than those listed in other sections of the condensed financial statements for the period from 01/01/2017 to 31/03/2017.

12. Factors which will affect the results achieved in view of the next quarter or longer.

Factors which may affect the Company's results achieved in the next quarter are:

- the pace of implementation of Opole Power Plant Construction Project.
- PLN/EUR exchange rate fluctuations (given the loans incurred in EUR).

Warsaw, 15/05/2017

Full name	Title	Signatures
Alvaro Javier de Rojas Rodriguez	Member of the Management Board	
Marcin Kondraszuk	Proxy	