



**Condensed interim consolidated financial statements  
of the Mostostal Warszawa Capital Group**

**for the period from 01/01/2015 to 30/09/2015**

SELECTED FINANCIAL DATA	in thousand PLN		thousand EUR	
	3 quarters of 2015 period from 01/01/2015 to 30/09/2015	3 quarters of 2014 period from 01/01/2014 to 30/09/2014	3 quarters of 2015 period from 01/01/2015 to 30/09/2015	3 quarters of 2014 period from 01/01/2014 to 30/09/2014
Revenue from sales	936 127	1 094 255	225 112	261 765
Gross profit (loss) on sales	75 587	80 472	18 177	19 250
Profit (loss) on operating activities	30 977	26 563	7 449	6 354
Gross profit (loss)	24 811	17 314	5 966	4 142
Net profit (loss) on continuing operations	19 200	13 433	4 617	3 213
Net profit (loss) on discontinued operations	0	-5	0	-1
Net profit / (loss)	19 200	13 428	4 617	3 212
allocated to the shareholders of the Parent Company	18 807	10 656	4 523	2 549
allocated to non-controlling shareholders	393	2 772	95	663
Net cash from operating activities	52 165	133 559	12 544	31 950
Net cash from investing activities	2 737	-753	658	-180
Net cash from financial activities	-39 549	-12 010	-9 510	-2 873
Closing balance of cash	217 647	228 047	51 349	54 615
	<b>30/09/2015</b>	<b>31/12/2014</b>	<b>30/09/2015</b>	<b>31/12/2014</b>
Total assets	1 323 579	1 367 462	312 268	320 827
Long term liabilities	205 895	237 774	48 576	55 785
Short term liabilities	907 437	936 316	214 089	219 674
Total liabilities	1 113 332	1 174 090	262 665	275 459
Equity capital allocated to shareholders of the Parent Company	186 900	168 285	44 095	39 482
Total equity capital	210 247	193 372	49 603	45 368
Stated capital	44 801	44 801	10 570	10 511
Number of shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit (loss) allocated to shareholders of the Parent Company	18 807	10 656	4 523	2 549
Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
Net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN/EUR)	0,94	0,53	0,23	0,13
Diluted net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN/EUR)	0,94	0,53	0,23	0,13

**Consolidated profit and loss account  
for the period of 9 months from 01/01/2015 to 30/09/2015**

data in thousands of PLN

Item	CONTINUING OPERATIONS	3rd quarter 2015 01/07/2015 – 30/09/2015	3 quarters of 2015 01/01/2015 – 30/09/2015	3rd quarter 2014 01/07/2014 – 30/09/2014	3 quarters of 2014 01/01/2014 – 30/09/2014
	<b>Continuing operations</b>				
<b>I</b>	<b>Revenue from sales</b>	<b>359 907</b>	<b>936 127</b>	<b>392 502</b>	<b>1 094 255</b>
	Revenue from construction contracts	355 585	925 483	361 185	977 063
	Revenue from sales of services	3 245	7 658	30 886	96 104
	Revenue from sales of goods and materials	1 077	2 986	431	21 088
<b>II</b>	<b>Own sales costs</b>	<b>328 685</b>	<b>860 540</b>	<b>365 890</b>	<b>1 013 783</b>
<b>III</b>	<b>Gross profit (loss) on sales</b>	<b>31 222</b>	<b>75 587</b>	<b>26 612</b>	<b>80 472</b>
IV	General administrative expenses	11 489	34 373	14 302	51 334
V	Other operating revenue	878	4 444	6 630	10 440
VI	Other operating costs	3 839	14 681	9 229	12 959
VII	Result on the sale of a subsidiary	0	0	0	-56
<b>VIII</b>	<b>Profit (loss) on operating activities</b>	<b>16 772</b>	<b>30 977</b>	<b>9 711</b>	<b>26 563</b>
IX	Financial revenue	-1 725	4 454	905	7 607
X	Financial costs	3 583	10 620	5 917	16 856
<b>XI</b>	<b>Gross profit (loss)</b>	<b>11 464</b>	<b>24 811</b>	<b>4 699</b>	<b>17 314</b>
XII	Income tax	2 654	5 611	628	3 881
	a) current	328	739	996	3 302
	b) deferred	2 326	4 872	-368	579
<b>XIII</b>	<b>Net profit (loss) on continuing operations</b>	<b>8 810</b>	<b>19 200</b>	<b>4 071</b>	<b>13 433</b>
<b>XIV</b>	<b>Discontinued operations</b>				
XV	Net profit (loss) on discontinued operations	0	0	0	-5
<b>XVI</b>	<b>Net profit (loss) for the period</b>	<b>8 810</b>	<b>19 200</b>	<b>4 071</b>	<b>13 428</b>
<b>XVII</b>	<b>Net profit (loss) allocated to shareholders of the Parent Company</b>	<b>8 801</b>	<b>18 807</b>	<b>3 411</b>	<b>10 656</b>
<b>XVIII</b>	<b>Net profit (loss) allocated to non-controlling shareholders</b>	<b>9</b>	<b>393</b>	<b>660</b>	<b>2 772</b>
	<b>Net profit (loss) for the period</b>	<b>8 810</b>	<b>19 200</b>	<b>4 071</b>	<b>13 428</b>
	Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
	Net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,44	0,96	0,20	0,67
	Diluted net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,44	0,96	0,20	0,67
	<b>Net profit (loss) allocated to shareholders of the Parent Company</b>	<b>8 801</b>	<b>18 807</b>	<b>3 411</b>	<b>10 656</b>
	Weighted average number of ordinary shares	20 000 000	20 000 000	20 000 000	20 000 000
	Net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,44	0,94	0,17	0,53
	Diluted net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,44	0,94	0,17	0,53

**Consolidated statement of comprehensive income  
for the period of 9 months from 01/01/2015 to 30/09/2015**

data in thousands of PLN

	ITEM	3rd quarter 2015 01/07/2015 – 30/09/2015	3 quarters of 2015 01/01/2015 – 30/09/2015	3rd quarter 2014 01/07/2014 – 30/09/2014	3 quarters of 2014 01/01/2014 – 30/09/2014
	<b>Net profit (loss) on continuing operations</b>	<b>8 810</b>	<b>19 200</b>	<b>4 071</b>	<b>13 433</b>
	Net profit (loss) on discontinued operations	0	0	0	-5
	<b>Net profit / loss for the period</b>	<b>8 810</b>	<b>19 200</b>	<b>4 071</b>	<b>13 428</b>
	Currency translation profit/loss of a foreign entity	74	-153	44	188
	Effective part of profit and loss associated with hedging of cash flows	0	0	0	0
	Income tax associated with components of other comprehensive income	0	0	0	0
	Other comprehensive income	-3	118	-19	17
	<b>Other comprehensive income after tax</b>	<b>71</b>	<b>-35</b>	<b>25</b>	<b>205</b>
	including items that may be reclassified as profit or loss at a later date	71	-35	25	205
	Total comprehensive income from continuing operations	8 881	19 165	4 096	13 633
	Total comprehensive income from discontinued operations	0	0	0	-5
	<b>Total income</b>	<b>8 881</b>	<b>19 165</b>	<b>4 096</b>	<b>13 628</b>
	allocated to the shareholders of the Parent Company	8 871	18 615	3 436	10 704
	allocated to non-controlling shareholders	10	550	660	2 924

**Consolidated balance sheet  
as at 30/09/2015**

data in thousands of PLN

Item	ASSETS	30/09/2015	30/06/2015 (unaudited)	31/12/2014	30/09/2014
<b>I.</b>	<b>Fixed assets (long-term)</b>	<b>206 782</b>	<b>212 919</b>	<b>232 100</b>	<b>319 617</b>
I.1	Intangible assets	3 985	4 210	4 677	5 052
I.2	Perpetual usufruct right	23 761	23 761	23 761	27 798
I.3	Tangible fixed assets	67 776	70 197	85 417	148 299
I.4	Long-term receivables – long-term deposits due from recipients under construction contracts	11 226	10 724	16 261	14 301
I.5	Long-term advances for construction works	10 359	12 053	15 542	25 053
I.6	Investment property	8 872	8 872	0	972
I.7	Long-term financial assets	4 812	4 812	4 805	4 816
I.8	Other long-term investments	3 855	3 855	3 855	4 069
I.9	Assets from deferred taxes	69 844	72 172	75 056	86 031
I.10	Long-term deferred charges and accruals	2 292	2 263	2 726	3 226
<b>II.</b>	<b>Current assets (short-term)</b>	<b>1 116 797</b>	<b>1 176 355</b>	<b>1 135 362</b>	<b>1 234 941</b>
II.1	Inventory	9 876	10 219	9 999	28 108
II.2	Receivables from deliveries and services and other receivables.	382 874	399 167	454 252	440 497
II.3	Receivables from income tax	0	25	813	451
II.4	Cash and equivalents	217 647	257 255	202 294	228 047
II.5	Accruals and deferred income from evaluation of contracts (gross amounts due from the ordering parties under construction contracts)	435 484	432 319	429 192	461 946
II.6	Advances for construction works	64 423	69 457	32 323	63 204
II.7	Other accruals	6 493	7 913	6 489	12 688
	<b>Total assets</b>	<b>1 323 579</b>	<b>1 389 274</b>	<b>1 367 462</b>	<b>1 554 558</b>
<b>Item</b>	<b>LIABILITIES</b>	<b>30/09/2015</b>	<b>30/06/2015 (unaudited)</b>	<b>31/12/2014</b>	<b>30/09/2014</b>
<b>I</b>	<b>Equity capital allocated to shareholders of the Parent Company</b>	<b>186 900</b>	<b>178 029</b>	<b>168 285</b>	<b>189 950</b>
I.1	Stated capital	44 801	44 801	44 801	44 801
I.2	Supplementary/reserve capital	136 567	136 567	219 320	218 367
I.3	Reserve capital from reclassification of loans	201 815	201 815	201 815	201 815
I.4	Currency translation profit/loss of foreign entities	-1 080	-1 150	-584	-934
I.5	Retained profit / uncovered loss	-195 203	-204 004	-297 067	-274 099
	unshared profit / (uncovered loss)	-214 010	-214 010	-285 518	-284 755
	<b>Profit / loss for the period</b>	<b>18 807</b>	<b>10 006</b>	<b>-11 549</b>	<b>10 656</b>
<b>II.</b>	<b>Minority shareholders capital</b>	<b>23 347</b>	<b>23 337</b>	<b>25 087</b>	<b>26 521</b>
<b>III.</b>	<b>Total equity capital</b>	<b>210 247</b>	<b>201 366</b>	<b>193 372</b>	<b>216 471</b>
<b>IV.</b>	<b>Long term liabilities</b>	<b>205 895</b>	<b>225 906</b>	<b>237 774</b>	<b>252 187</b>
IV.1	Interest bearing bank credits and loans	79 131	78 523	55 542	3 225
IV.2	Long term liabilities from leasing agreements	1 558	1 877	2 194	7 982
IV.3	Long-term deposits due to suppliers under construction contracts	43 796	43 353	46 661	51 475
IV.4	Long term liabilities from advance payments	67 842	88 572	119 705	171 224
IV.5	Deferred income tax provision	29	30	32	1 120
IV.6	Long-term reserves	13 539	13 551	13 640	17 161
<b>V.</b>	<b>Short term liabilities</b>	<b>907 437</b>	<b>962 002</b>	<b>936 316</b>	<b>1 085 900</b>
V.1	Current portion of interest-bearing bank credits and loans	137 954	140 394	189 764	327 637
V.2	Short term liabilities from leasing agreements	2 629	2 884	4 937	11 536
V.3	Liabilities from deliveries and services	272 526	306 804	354 307	314 646
V.4	Income tax	261	65	2 873	5 667
V.5	Other liabilities	18 031	27 736	29 843	57 226
V.6	Short-term reserves	42 342	43 186	40 065	43 575
V.7	Accruals and deferred income from measurement of contracts (gross amounts due to the ordering parties under construction contracts)	87 803	85 771	17 778	19 406
V.8	Prepayments for the works	99 890	88 283	92 847	86 387
V.9	Other accruals	246 001	266 879	203 902	219 820
<b>VI.</b>	<b>Total liabilities</b>	<b>1 113 332</b>	<b>1 187 908</b>	<b>1 174 090</b>	<b>1 338 087</b>
	<b>Equity capital and liabilities (total)</b>	<b>1 323 579</b>	<b>1 389 274</b>	<b>1 367 462</b>	<b>1 554 558</b>

**Consolidated cash flow account  
for the period of 9 months from 01/01/2015 to 30/09/2015**

data in thousands of PLN

Item	ITEM	3rd quarter 2015 01/07/2015 – 30/09/2015	3 quarters of 2015 01/01/2015 – 30/09/2015	3rd quarter 2014 01/07/2014 – 30/09/2014	3 quarters of 2014 01/01/2014 – 30/09/2014
<b>I</b>	<b>Cash flows from operating activities</b>				
	Gross profit (loss) on continuing operations	11 464	24 811	4 699	17 314
	Gross profit (loss) on discontinued operations	0	0	0	-5
I.1	<b>Gross profit (loss) – (allocated to shareholders of the Parent Company and non-controlling shareholders)</b>	<b>11 464</b>	<b>24 811</b>	<b>4 699</b>	<b>17 309</b>
I.2	<b>Adjustments by items:</b>	<b>-44 040</b>	<b>27 354</b>	<b>46 667</b>	<b>116 250</b>
I.2.1	Depreciation	2 960	9 831	6 464	19 958
I.2.2	Currency translation differences	0	0	-1	-186
I.2.3	Interest received and paid	2 376	8 604	2 394	7 437
I.2.4	Profit (loss) on investing activities	1 052	-523	-1 549	-3 443
I.2.5	Increase / decrease in receivables	18 607	47 707	-61 688	-48 216
I.2.6	Increase / decrease in inventory	343	123	-4 292	5 874
I.2.7	Increase / decrease in liabilities excluding credits and loans	-50 797	-149 117	53 517	85 516
I.2.8	Change in prepayments and accruals	-18 449	109 934	56 169	74 157
I.2.9	Change in reserves	181	3 858	-2 764	-19 268
I.2.10	Income tax (paid/received)	-154	-2 539	-1 203	-991
I.2.11	Exclusion of a company from consolidation	0	0	0	-3 848
I.2.12	Other	-159	-524	-380	-740
<b>I</b>	<b>Net cash from operating activities</b>	<b>-32 576</b>	<b>52 165</b>	<b>51 366</b>	<b>133 559</b>
<b>II</b>	<b>Cash flows from investment activities</b>				
II.1	Disposal of tangible fixed assets and intangible assets	1 624	10 309	3 633	7 190
II.2	Purchase of tangible assets and intangible assets	-359	-6 511	-5 868	-8 239
II.3	Disposal of financial assets	0	0	0	0
II.4	Acquisition of financial assets	0	-7	0	0
II.5	Cash of companies sold	0	0	0	2 038
II.6	Interest received	5	10	13	14
II.7	Repayment of loans granted	0	0	0	0
II.8	Loans granted	0	0	10	0
II.9	Other	-1 064	-1 064	0	0
II.10	Cash flows from discontinued investment activities	0	0	0	-1 756
<b>II</b>	<b>Net cash flows from investing activities</b>	<b>206</b>	<b>2 737</b>	<b>-2 212</b>	<b>-753</b>
<b>III</b>	<b>Cash flows from financial activities</b>				
III.1	Inflows from share issues	0	0	0	0
III.2	Payment of liabilities arising from financial leases	-1 049	-4 448	-4 109	-12 114
III.3	Inflows from credits/loan taken	1 103	1 103	7 957	19 985
III.4	Repayment of loans/credits	-4 899	-25 311	-5 103	-12 441
III.5	Dividends paid to shareholders of the Parent Company	0	0	0	0
III.6	Dividends paid to non-controlling shareholders	-13	-2 280	-60	-113
III.7	Interest paid	-2 380	-8 613	-2 407	-7 325
III.8	Other	0	0	1	-2
<b>III</b>	<b>Net cash from financing activities</b>	<b>-7 238</b>	<b>-39 549</b>	<b>-3 721</b>	<b>-12 010</b>
<b>IV</b>	<b>Change in net cash and its equivalents</b>	<b>-39 608</b>	<b>15 353</b>	<b>45 433</b>	<b>120 796</b>
<b>V</b>	<b>Cash and equivalents at the beginning of the period</b>	<b>257 255</b>	<b>202 294</b>	<b>182 614</b>	<b>107 251</b>
<b>VI</b>	<b>Cash and equivalents at the end of the period, including:</b>	<b>217 647</b>	<b>217 647</b>	<b>228 047</b>	<b>228 047</b>
	Restricted cash	80	340	0	1 421
	Opening balance of cash from discontinued operations	0	0	0	1 761
	Closing balance of cash from discontinued operations	0	0	0	0

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL**

data in thousands of PLN

<b>THIRD QUARTER OF 2015 period from 01/07/2015 to 30/09/2015</b>	Capital allocated to shareholders of the Parent Company								Capital allocated to non-controlling shareholders	<b>Equity capital Total</b>
	Subscribed capital	Called up stated capital (negative value)	Own shares	Supplementary/re serve capital	Reserve capital from reclassification of loans	Translation gain (loss) on foreign transactions	Retained earnings / uncovered losses	<b>Equity capital allocated to shareholders of the Parent Company</b>		
Situation as at 01 July 2015	44 801	0	0	136 567	201 815	-1 150	-204 004	<b>178 029</b>	23 337	<b>201 366</b>
Profit / loss for the period	0	0	0	0	0	0	8 801	<b>8 801</b>	9	<b>8 810</b>
Other comprehensive income	0	0	0	0	0	70	0	<b>70</b>	1	<b>71</b>
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>8 801</b>	<b>8 871</b>	<b>10</b>	<b>8 881</b>
Distribution of previous years' profit	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Sale of subsidiaries	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Dividends paid	0	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
<b>Situation as at 30 September 2015</b>	<b>44 801</b>	<b>0</b>	<b>0</b>	<b>136 567</b>	<b>201 815</b>	<b>-1 080</b>	<b>-195 203</b>	<b>186 900</b>	<b>23 347</b>	<b>210 247</b>

data in thousands of PLN

<b>3 QUARTERS OF 2015 period from 01/01/2015 to 30/09/2015</b>	Capital allocated to shareholders of the Parent Company								Capital allocated to non-controlling shareholders	<b>Equity capital Total</b>
	Subscribed capital	Called up stated capital (negative value)	Own shares	Supplementary/re serve capital	Reserve capital from reclassification of loans	Translation gain (loss) on foreign transactions	Retained earnings / uncovered losses	<b>Equity capital allocated to shareholders of the Parent Company</b>		
Situation as at 01 January 2015	44 801	0	0	219 320	201 815	-584	-297 067	<b>168 285</b>	25 087	<b>193 372</b>
Profit / loss for the period	0	0	0	0	0	0	18 807	<b>18 807</b>	393	<b>19 200</b>
Other comprehensive income	0	0	0	-4	0	-157	-31	<b>-192</b>	157	<b>-35</b>
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>0</b>	<b>-157</b>	<b>18 776</b>	<b>18 615</b>	<b>550</b>	<b>19 165</b>
Distribution of previous years' profit	0	0	0	6 706	0	0	-6 706	<b>0</b>	0	<b>0</b>
Sale of subsidiaries	0	0	0	-89 455	0	-339	89 794	<b>0</b>	0	<b>0</b>
Dividends paid	0	0	0	0	0	0	0	<b>0</b>	-2 290	<b>-2 290</b>
<b>Situation as at 30 September 2015</b>	<b>44 801</b>	<b>0</b>	<b>0</b>	<b>136 567</b>	<b>201 815</b>	<b>-1 080</b>	<b>-195 203</b>	<b>186 900</b>	<b>23 347</b>	<b>210 247</b>

data in thousands of PLN

<b>2014</b> <b>period from 01/01/2014 to 31/12/2014</b>	Capital allocated to shareholders of the Parent Company								Capital allocated to non-controlling shareholders	Equity capital Total
	Subscribed capital	Called up stated capital (negative value)	Own shares	Supplementary/re serve capital	Reserve capital from reclassification of loans	Translation gain (loss) on foreign transactions	Retained earnings / uncovered losses	Equity capital allocated to shareholders of the Parent Company		
Situation as at 01 January 2014	44 801	0	0	224 857	201 815	-1 122	-291 110	179 241	32 819	212 060
Profit / loss for the period	0	0	0	0	0	0	-11 549	-11 549	2 811	-8 738
Other comprehensive income	0	0	0	-2	0	538	57	593	0	593
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>0</b>	<b>538</b>	<b>-11 492</b>	<b>-10 956</b>	<b>2 811</b>	<b>-8 145</b>
Distribution of previous years' profit	0	0	0	-5 535	0	0	5 535	0	0	0
Sale of subsidiaries	0	0	0	0	0	0	0	0	-10 543	-10 543
Dividends paid	0	0	0	0	0	0	0	0	0	0
<b>Situation as at 31 December 2014</b>	<b>44 801</b>	<b>0</b>	<b>0</b>	<b>219 320</b>	<b>201 815</b>	<b>-584</b>	<b>-297 067</b>	<b>168 285</b>	<b>25 087</b>	<b>193 372</b>

data in thousands of PLN

<b>3 QUARTERS OF 2014</b> <b>period from 01/01/2014 to 30/09/2014</b>	Capital allocated to shareholders of the Parent Company								Capital allocated to non-controlling shareholders	Equity capital Total
	Subscribed capital	Called up stated capital (negative value)	Own shares	Supplementary/re serve capital	Reserve capital from reclassification of loans	Translation gain (loss) on foreign transactions	Retained earnings / uncovered losses	Equity capital allocated to shareholders of the Parent Company		
Situation as at 01 January 2014	44 801	0	0	224 857	201 815	-1 122	-291 110	179 241	32 819	212 060
Profit / loss for the period	0	0	0	0	0	0	10 656	10 656	2 772	13 428
Other comprehensive income	0	0	0	-1	0	188	-134	53	152	205
<b>Total income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>0</b>	<b>188</b>	<b>10 522</b>	<b>10 709</b>	<b>2 924</b>	<b>13 633</b>
Distribution of previous years' profit	0	0	0	-6 489	0	0	6 489	0	0	0
Sale of subsidiaries	0	0	0	0	0	0	0	0	-9 222	-9 222
Dividends paid	0	0	0	0	0	0	0	0	0	0
<b>Situation as at 30 September 2014</b>	<b>44 801</b>	<b>0</b>	<b>0</b>	<b>218 367</b>	<b>201 815</b>	<b>-934</b>	<b>-274 099</b>	<b>189 950</b>	<b>26 521</b>	<b>216 471</b>



## ADDITIONAL EXPLANATORY INFORMATION

### 1. General information

The Mostostal Warszawa Capital Group consists of the Parent Company Mostostal Warszawa S.A. and its subsidiaries. The condensed interim consolidated financial statements of Mostostal Warszawa Group cover 9 months of 2015 and include comparative data for 9 months of 2014, and in the case of balance sheet data as at 30 September 2015, they include comparative data as at 30 June 2015, 31 December 2014 and 30 September 2014. Mostostal Warszawa, i.e. the Parent Company, is a joint stock company with legal personality according to Polish law, registered by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under the following KRS number: 0000008820, The Company's registered office is located in Warsaw, at ul. Konstruktorska 11a. The core business is specialised construction work covered by the Polish Business Classification (PKD) in section 4120Z. The Company's shares are listed on the Warsaw Stock Exchange in construction sector.

The duration of the operation of the Parent Company and companies within the Capital Group is undefined.

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

### 2. Composition of the Group

In the 3rd quarter of 2015, the companies of Mostostal Warszawa Capital Group subject to consolidation included:

item	Company name	Headquarters	Core Business	Relevant Court	Mostostal Warszawa S.A.'s share of votes at the company's GM (30/09/2015)	Mostostal Warszawa S.A.'s share of the company's share capital (30/09/2015)
1	2	3	4	5	6	7
1	Mostostal Warszawa S.A.- Parent Company	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under number 0000008820	-	-
2	Mostostal Kielce S.A.	Kielce	Construction	District Court in Kielce, 10th Commercial Division of the National Court Register, as no. 0000037333	100.00%	100.00%
3	AMK Kraków S.A.	Cracow	engineering services, design, project management in the field of construction, completing premises ready for use	District Court in Central Kraków, 11th Commercial Division of the National Court Register, as no. 0000053358	60.00%	60.00%
4	Mieleckie Przedsiębiorstwo Budowlane S.A.	Mielec	Construction and general building services	District Court in Rzeszów 12th Commercial Division of the NCR, as no. 0000052878	97.14%	97.14%
5	Mostostal Płock	Płock	Construction	District Court for the Capital	52.78%	48.66%

## Mostostal Warszawa Capital Group

Condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015

	S.A.			City of Warsaw, 14th Commercial Division of the National Court Register under the number 0000053336		
6	Mostostal Power Development Sp. z o.o.	Warsaw	Construction	District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register, under number 0000480032	100.00%	100.00%

Subsidiaries include all the economic entities over which the Group exercises control. The Group exercises control over a company, when the Group is exposed or entitled to variable returns resulting from its involvement in the said company and is capable of influencing these returns through the exercise of control over the Company. Subsidiaries are fully consolidated from the date of transfer of control to the Group. The consolidation ceases from the date of cessation of control.

Mostostal Warszawa S.A. owns 907,095 ordinary bearer shares and 66,057 registered shares with voting privileges (1 share = 5 votes), ensuring in total a 48.66% share in the capital and 52.78% in the total number of votes of Mostostal Płock S.A. Pursuant to Article 4 of the Public Offering Act, the fact that Mostostal Warszawa S.A. holds all the voting rights at the meetings of the Supervisory Board of Mostostal Płock S.A. (this body is authorised to appoint and recall the members of the management body), and further exercises impact on the activity of this Company, means that Mostostal Warszawa S.A. is a dominant entity in relation to Mostostal Płock S.A., which results in consolidation by the complete method.

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

- focusing its activities on the effective organisational structure that guarantees stable financial results and increased margins, which in turn enables further development,
- managing projects while maintaining the highest quality, taking care of safety on construction sites and supporting related initiatives,
- strengthening the role of Mostostal Warszawa SA as the Group's main management centre and enhancing cooperation among the Group companies in the area of development of regional centres,
- maintaining a nationwide network of representative offices, capable of providing services in all the segments of civil works, as a general contractor,
- development by the R&B Department of new technologies to improve implementation processes as well as to develop and enhance the engineering ideas, and
- maintaining the heritage of Polish engineering knowledge and development of technical knowledge through close cooperation with the research centres and by improving the level of education of future engineers by sharing knowledge and experience.

### Composition of the Management Board and the Supervisory Board of the Parent Company

As at 30/09/2015, the Management Board of Mostostal Warszawa S.A. was composed of:

Miguel Angel Heras Llorente – Vice President of the Management Board

Jose Angel Andres Lopez – Vice-President of the Management Board

Carlos Resino Ruiz – Member of the Management Board

Jacek Szymanek – Member of the Management Board

As at 30/09/2015, the Supervisory Board of Mostostal Warszawa S.A. was composed of:

Francisco Adalberto Claudio Vazquez – Chair of the Supervisory Board

Raimundo Fernandez Cuesta Laborde – Member of the Supervisory Board

Jose Manuel Terceiro Mateos – Member of the Supervisory Board

Neil Roxburgh Balfour – Member of the Supervisory Board

Piotr Gawryś – Member of the Supervisory Board

### 3. Approval of the Financial Statements

The condensed interim consolidated financial statements for the three quarters of 2015 was approved for publication by the Management Board of the Parent Company on 02/11/2015.

### 4. Significant Accounting Principles

#### 4.1 Basis for preparation of the condensed interim consolidated financial statements

This condensed consolidated interim financial statements were prepared at the assumption that the business all the companies of the Capital Group is to continue operating in the foreseeable future.

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

These condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 – Interim Financial Reporting, as approved by the EU.

The interim condensed consolidated financial statements do not cover all information and disclosures required for annual financial statements and it should be read together with the Mostostal Warszawa Group's audited consolidated financial statements for the turnover year ended on 31/12/2014.

The condensed interim consolidated financial statements of Mostostal Warszawa Group for the 3rd ended 30 September 2015 were not subject to review or audit by a statutory auditor.

#### 4.2 Accounting principles

Detailed accounting principles adopted by the Group were described in the Consolidated Financial Statements of Mostostal Warszawa Group for the year ended on 31 December 2014.

The accounting principles (policies) applied while preparing the condensed interim consolidated financial statements are consistent with those used when preparing the consolidated annual financial statements of the Mostostal Warszawa Group for the year ended on 31/12/2014.

The Group 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 Group has been presented in the financial statements for the year 2014 in Note 6.

As regard the amendments to IFRS, which are effective from 01/01/2015:

1. IFRIC 21 "Levies"

The interpretation of IFRIC 21 was published on 20 May 2013 and is effective for financial years beginning on or after 17 June 2014.

The interpretation clarifies the accounting of liabilities to pay levies imposed by governments, other than income taxes. The obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The mere fact that the entity is economically compelled to continue to operate in that future period or prepares financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy. The same principles apply to recognition of liabilities in the annual and interim reports. The application of the interpretation to the liabilities arising from emission rights is optional.

The Group has applied IFRIC 21 since 01 January 2015. The interpretation had no material impact on the consolidated financial statements.

2. Amendments to IFRS 2011-2013

In December 2013, the International Accounting Standards Board published "Amendments to IFRS 2011-2013" amending 4 standards. They amend rules with respect to presentation, recognition and measurement as well as include terminology and editing amendments. The amendments are effective in the European Union for annual periods beginning on 01 January 2015.

The Group has applied the above-mentioned amendments to IFRS since 01 January 2015. They had no material impact on the consolidated financial statements.

4.3 Changes in the presentation

The restructuring of the Parent Company's organization has entailed changes in the presentation of items of the profit and loss account consisting in presenting the construction overhead costs as general and administrative

expenses. As a result of this change, the amount of PLN 10,363,000 for the period of nine months ended 30/09/2015 and the amount of PLN 13,308,000 for the period of nine months ended 30/09/2014 were transferred from own costs of sale to the general administrative expenses.

This change had no impact on the net result or equity.

#### 4.4 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 three quarters of 2015 to EUR:

- individual items of the profit and loss account and cash flow account for the 3 quarters of 2015 were converted at the PLN/EUR rate of 4.1585, which is the arithmetical mean of the rates announced by the National Bank of Poland for the last days of January, February, March, April, May, June, July, August and September of 2015.
- individual items of assets and liabilities on the balance sheet were converted at the PLN/EUR rate of 4.2386 applicable as at 30/09/2015.

#### 4.5 Currency of the financial statement

The condensed interim financial statements for the 3 quarters of 2015 have been presented in Polish zlotys, and all the values stated – unless indicated otherwise – are rounded off to full thousands of zlotys.

#### 4.6 Long-term construction contracts

Selected consolidated data – Profit and Loss Account:

Details	3rd quarter 2015	3 quarters of 2015	3rd quarter 2015	3 quarters of 2014
Revenue from construction contracts	355.585	925.483	361.185	977.063
Cost of performing construction works	323.949	848.431	347.581	943.236
Result on ongoing construction contracts	31.636	77.052	13.604	33.827

The costs of construction works include the costs of provisions created for the anticipated losses on contracts disclosed in section 11 of these condensed interim consolidated financial statements.

#### Uncompleted construction contracts

ASSETS	30/09/2015	30/06/2015	31/12/2014	30/09/2014
The estimated incremental revenue from uncompleted construction contracts is recognized in accordance with IAS 11.	2.883.647	2.597.450	2.460.013	3.549.016
Incrementally invoiced sales of uncompleted construction contracts	2.771.321	2.486.257	2.266.176	3.341.831
Deferred charges and accruals from uncompleted construction contracts	<b>112.326</b>	<b>111.193</b>	<b>193.837</b>	<b>207.185</b>
Advances received on uncompleted construction contracts	167.732	176.855	212.552	257.611
<b>Net balance sheet position for uncompleted construction contracts</b>	<b>-55.406</b>	<b>-65.662</b>	<b>-18.715</b>	<b>-50.426</b>

<b>Reconciliation with the item 'Deferred charges and accruals from revaluation of contracts' in the balance sheet:</b>				
Deferred charges and accruals from uncompleted construction contracts	112.326	111.193	193.837	207.185
Claims on completed contracts	235.355	235.355	235.355	235.355
Deferred charges and accruals from valuation of construction contracts	<b>347.681</b>	<b>346.548</b>	<b>429.192</b>	<b>442.540</b>

While implementing infrastructural contracts, circumstances have arisen for which the Parent 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 Employers,
- 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 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 Parent 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 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 Parent Company has taken any possible actions in order to recover these amounts.

Selected consolidated data – balance sheet:

<b>ASSETS</b>	<b>30/09/2015</b>	<b>30/06/2015</b>	<b>31/12/2014</b>	<b>30/09/2014</b>
Amounts due from the customers under construction contracts (long-term contracts), including:	373.014	393.930	448.853	364.441
- long-term deposits due from customers under construction contracts	30.661	23.202	17.458	12.017
Long-term deposits due from customers under construction contracts	11.226	10.724	16.261	14.301
Prepayments for the works (long- and short-term)	74.782	81.510	47.865	88.257
Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	435.484	432.319	429.192	461.946

<b>LIABILITIES</b>	<b>30/09/2015</b>	<b>30/06/2015</b>	<b>31/12/2014</b>	<b>30/09/2014</b>
Amounts due to suppliers under construction contracts (long-term contracts), including:	272.526	306.804	354.307	314.646

- long-term deposits due to suppliers under construction contracts	110.064	70.537	81.391	80.517
Long-term deposits due to suppliers under construction contracts	43.796	43.353	46.661	51.475
Advances for the construction works (long- and short-term)	167.732	176.855	212.552	257.611
Reserves for anticipated losses	22.801	22.881	19.486	4.299
Accruals and deferred income from measurement of contracts (gross amounts due to the ordering parties under construction contracts)	87.803	85.771	17.778	19.406

## 5. Major changes to estimated amounts

Recognition of sales on construction contracts constitutes an essential estimate. The companies of the Group 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 foreign currency is determined on the basis of invoices issued until the balance-sheet date and on the basis of exchange rate 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.

In the reporting period, the Company created the following provisions: (a) in the amount of PLN 4,359,000 for losses resulting from the contracts in progress and used this provision up to the amount of PLN 1,044,000. Change in provisions for losses on contracts in progress affects the amount of own cost of sales; (b) in the amount of PLN 4,775,000 for lawsuits and used this provision up to the amount of PLN 1,311,000; (c) in the amount of PLN 2,470,000 for warranty repairs and used this provision up to the amount of PLN 6,343,000.

The deferred tax assets decreased over the reporting period by PLN 2,328,000 and as at 30/09/2015 amounted to PLN 69,844,000. The Group recognizes deferred tax assets based on the assumption that future taxable income will allow for its use. 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 2010-2013 resulted primarily from losses on infrastructural contracts. The Management Board of the Parent Company has carried out a deferred tax asset recoverability test as at the balance sheet date based on the projections for the forthcoming 4 years, that have been prepared taking into account the planned involvement in the power engineering sector. The test demonstrate the realization of a deferred tax asset in the amount not less than PLN 66,844,000.

## 6. Description of major achievements and setbacks and major events in the 3rd quarter of 2015 and an assessment of the management of financial resources.

Selected financial data from the consolidated profit and loss account for the 3rd quarter of 2015

Details	3rd quarter 2015	3rd quarter 2014
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**Mostostal Warszawa Capital Group**

Condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015

Revenue from sales	359.907	392.502
<b>Gross profit (loss) on sales</b>	<b>31.222</b>	<b>26.612</b>
General administrative expenses	11.489	14.302
Account for other operating activities	-2.961	-2.599
<b>Operating result</b>	<b>16.772</b>	<b>9.711</b>
Account for financial activities	-5.308	-5.012
<b>Gross result</b>	<b>11.464</b>	<b>4.699</b>
Income tax	2.654	628
<b>Result on continued activities</b>	<b>8.810</b>	<b>4.071</b>
Net profit (loss) on discontinued operations	0	0
<b>Net profit (loss) for the period allocated to:</b>	<b>8.810</b>	<b>4.071</b>
Shareholders of the Parent Company	8.801	3.411
Non-controlling shareholders	9	660

In the third quarter of 2015, the consolidated sales revenues amounted to PLN 359,907 thousand, with a positive gross profit, which amounted to: PLN 31,222,000. (In the third quarter of 2014, the gross profit on sales amounted to: PLN 26,612,000). In the 3rd quarter of 2015, the Group generated the net profit of PLN 8,810,000 (in the 3rd quarter of 2014, the net loss amounted to PLN 4,071,000).

The value of the Group's backlog as at 30/09/2015 amounted to PLN 2,561,106,000. The number of tenders submitted in the construction contract award procedures is still at a lower level compared to previous years, which is the result of introduction of the internal risk management procedures aimed at acquiring projects with a margin that will allow the Group achieve positive results.

The value of receivables from deliveries and services, and other receivables on 30/09/2015 stood at PLN 382,874,000 which was a drop of PLN 16,293,000 compared to 30/06/2015.

The value of prepaid expenses arising from valuation of long-term contracts as at 30/09/2015 amounted to PLN 435,484,000 and was higher as compared to the value as at 30/06/2015 by PLN 3,165,000.

The value of cash as at 30/09/2015 amounted to PLN 217,647,000 and compared to the figures as at 30/06/2015 decreased by PLN 39,608,000. In the third quarter of 2015, the Group was using overdraft facilities and loans, the value of which as at 30/09/2015 amounted to PLN 217,085,000 and compared to the figures as at 30/06/2015 decreased by PLN 1,832,000. On 30/09/2015, the Parent Company partially repaid the loan and interest to Acciona Infraestructuras S.A. in the total amount of EUR 1,601,000. On 16 July 2015, the Parent Company's Management Board received a written notice from Acciona Infraestructuras S.A. stating that in the absence of funds for repayment of loans, the repayment due dates would be extended, as it was the case in the past. In the opinion of the Management Board, the management of financial resources in the third quarter of 2015 was adequate to the Group's situation. The Parent Company's Management Board monitors the liquidity of the Group on the on-going basis, based on the expected cash flows. Given the existing involvement of the related party



granting loans and execution 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. and the Group. The Management Board believes that the Parent Company and the Group have the ability to settle their liabilities and the liquidity position of the Parent Company and the Group is improving.

Long-term liabilities in the third quarter of 2015 decreased by PLN 20,011,000, mainly due settlement of the advance payment received for the construction of the Power Plant in Opole. The short-term trade liabilities as at 30/09/2015 amounted to PLN 272,526,000 and compared to the figures as at 30/06/2015 were lower by PLN 34,278,000.

Other deferred charges and accruals as at 30/09/2015 amounted to PLN 246,001,000 and were lower by PLN 20,878,000, compared to the figures as at 30/06/2015. The main reason for the decrease in this item was the decrease in reserves for construction works performed by subcontractors and not yet invoiced by them.

During the reporting period i.e. from 01/07/2015 to 30/09/2015, the following events significant for the Mostostal Warszawa Group took place:

- On 01 July 2015, Mostostal Plock S.A. Received the following agreements /in the forms of annexes/ on extension of the bank guarantee lines and extension of credit lines, as signed with Bank Pekao SA on 29/06/2015: 1, Annex to the agreement of 14/07/2009 – pursuant to the agreement, the Bank shall provide, at the Issuer’s request, the bank guarantees whose maximum value is determined by the limit of PLN 12 million. The bank guarantee limit was extended until 30/06/2016. 2, Annex to the agreement of 15/12/2009 for the credit line in the form of the overdraft facility up to the maximum amount of PLN 5 million – by 30/06/2016. 3, Annex to the agreement of 06/10/2011, for the revolving working capital loan in the amount of PLN 5 million extended until 30/06/2016. The remaining terms and conditions remain unchanged. The fees payable to the Bank under the agreements have been determined on market conditions and the terms and conditions of the agreements do not differ from those commonly used for this type of agreements.

- On 15 July 2015, Mostostal Warszawa S.A. and Millennium Insurance signed a contract for a guarantee facility worth EUR 8 million (PLN 33,600,000) for the support of construction contracts. The new guarantee facility can be used for any construction contract, starting from tendering guarantees to performance bonds.

- On 12 August 2015, Mostostal Warszawa S.A. and Haven Sp. z o.o. signed a contract for “Reconstruction with partial extension and reorganization of the existing building of the former municipal power plant at ul. Św. Wawrzyńca 19 into an apartment building”. The gross value of the contract is PLN 30,861,000. The time limit for completion of the project is 22 months from the date of the contract.

- On 25 August 2015, Mostostal Warszawa S.A. and Echo Investment S.A. signed a contract for the construction of “Residential building complex with underground parking at ul. Konstruktorska in Warsaw – Third Phase of the ‘Nowy Mokotów’ Project”. The gross value of the contract is PLN 69,066,000. The time limit for completion of the project is 22 months from the date of the contract.

- On 25 August 2015, Mostostal Warszawa S.A. and the Municipal Water and Sewage Company of the Capital City Warsaw signed a contract for the “Construction of the new headquarters of the Municipal Water and Sewage Company of the Capital City Warsaw at the premises of the River Water Pump Station at ul. Czerniakowska 124 in Warsaw and the accompanying infrastructure”. The gross value of the contract is PLN 38,491,000. The deadline for completion is 15/02/2017.

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

In the 3rd quarter of 2015, there were no extraordinary events that would have significant impact on the financial results achieved.

**8. The seasonal or cyclical nature of the Capital Group's activities in the 3rd quarter of 2015**

The activities of the Mostostal Warszawa Capital Group depend on weather conditions. The Group is significantly less active during winter than during other seasons. The atmospheric conditions in the 3rd quarter of 2015 had no significant effect on the Group's operations and the results it achieved.

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

In the 3rd quarter of 2015, the impairment loss on inventory in the amount of PLN 223,000 was reversed and the write-offs in the amount of PLN 52,000 were recognized in this respect.

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

In the 3rd quarter of 2015, the allowance for uncollectible accounts in the amount of PLN 366,000 was reversed and the write-offs in the amount of PLN 3,933,000 were recognized in this respect.

**11. Information on creation, use and reversal of provisions**

Details	Reserve for anniversary awards and retirement bonuses	Provision for anticipated losses on contracts	Reserve for warranty repairs	Provision for litigation	Other reserves	Total
As of 01/01/2015	5.911	19.486	16.419	11.328	561	<b>53.705</b>
Created during the period	383	4.359	2.470	4.775	10	<b>11.997</b>
Used and reversed	-987	-1.044	-6.343	-1.311	-136	<b>-9.821</b>
<b>As of 30/09/2015</b>	<b>5.307</b>	<b>22.801</b>	<b>12.546</b>	<b>14.792</b>	<b>435</b>	<b>55.881</b>

Long-term as at 30/09/2015	2.916	10.623	0	0	0	<b>13.539</b>
Short-term as at 30/09/2015	2.391	12.178	12.546	14.792	435	<b>42.342</b>

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

In the third quarter of 2015, the Group Companies did not enter into any significant transactions related to property, plant and equipment.

## 13. 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 third quarter of 2015, no significant liabilities in this respect arose.

## 14. Information on significant litigation settlements

In the third quarter of 2015, there were no significant litigation settlements.

## 15. Corrections of errors from previous periods

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

## 16. Issuances, repurchases, and repayments of debt and equity securities

Mostostal Warszawa S.A. and the companies of the Capital Group did not issue any shares in the third quarter of 2015. There were no repayments of debt and equity securities in the 1st quarter of 2011.

## 17. Dividends paid (declared) by the Issuer

Mostostal Warszawa S.A. did not pay out any dividends in the 3rd quarter of 2015.

## 18. Changes in the basic management principles in the Parent Company and Companies in the Capital Group subject to consolidation

During the reporting period there were no significant changes to the management principles either in the Parent Company or in the subsidiaries subject to consolidation.

## 19. Events which took place after balance sheet day for which the financial statements have been drawn up, which may significantly impact future financial results.

- On 01 October 2015, Mostostal Warszawa S.A. and the State Treasury – the Court of Appeals in Gdańsk – signed a framework agreement for "Construction works in buildings of judicial appeal bodies of Gdansk area". The duration of the contract is 36 months from the date of signing with the possibility to extend the contract for further 12 months. The Investor's budget amounts to gross PLN 86,100,000. Apart from Mostostal Warszawa

S.A. – under the aforesaid contract – two other companies will be able to obtain minor works from the judiciary bodies in this period.

- On 09 October 2015, the subsidiary, Mostostal Płock S.A. and Inowrocławskie Kopalnie Soli "Solino" S.A. with its registered office in Inowrocław at ul. St. Ducha 26a, concluded a contract with the net value of PLN 20,000,000. The contract covers the construction of infrastructure for 6+1 production wells in the Salt Mine "Mogilno". Contractual damages for withdrawal from the contract have been set at 10% of the contract value.

- On 15 October 2015, Mostostal Warszawa S.A. signed a contract for works related to the facilities of the water treatment plant (WTP) in Opole. The contract awarded by PGE GiEK, Opole Power Plant Branch, is to be performed by Instal Warszawa S.A. Mostostal Warszawa is to perform the subcontracted works worth PLN 29.3 million. The works are to be performed in three buildings: the coagulation and filtration building with slit filtering system, fast filters building with the station and the building-up water pumping station. The project completion date is scheduled for June 2016.

- On 23 October 2015, Mostostal Warszawa SA received from the Investor – Przedsiębiorstwo Gospodarki Odpadami Sp. z o.o. w Kielcach – a notice of termination of the contract concluded on 19 July 2012, No. JRP/K-1-0/07/2012 (the "Contract") with the Contractor – a consortium composed of: Mostostal Warszawa S.A. – the Leader and Acciona Infraestructuras S.A. – Partner, for the project entitled "Design and construction of the Waste Management Plant for the City of Kielce and the District of Kielce in Promnik near Kielce". The grounds for the termination of the contract pleaded by the Investor was Article 491 in connection with Article 656 of the Civil Code, in connection with § 57 and § 73 paragraph 5 of the Contract. Mostostal Warszawa S.A. entirely disputes the termination of the contract due to lack of any legal and factual grounds. According to the Investor, the Contractor's major fault underlying the termination is the failure to perform the works. However, construction works cannot be performed due to lack of the final building permit for the project in question. On 16 March 2015, the Chief Inspector of Building Supervision invalidated the building permit, which constitutes an objective obstacle for performing the aforesaid works. On 27 October, Mostostal Warszawa SA, acting on behalf of the consortium, withdrew from the uncompleted part of the contract concluded on 19 July 2012, No. JRP/K-1-0/07/2012 (the "Contract") with Przedsiębiorstwo Gospodarki Odpadami Sp. z o.o. w Kielcach (the "Employer") for the project entitled "Design and construction of the Waste Management Plant for the City of Kielce and the District of Kielce in Promnik near Kielce" for the reasons attributable solely to the Employer. The contractor based its withdrawal from the Contract, among others, on: Art. 491 § 1 of the Civil Code, Art. 649 (4) § 1 of the Civil Code, Art. 647 § 1 of the Civil Code in conjunction with Art. 640 of the Civil Code, in conjunction with Art. 656 of the Civil Code, Art. 354 § 2 of the Civil Code, Art. 493 of the Civil Code and Art. 492 (1) of the Civil Code. The actual grounds for withdrawal were:

- 1, The Employer's failure to provide the final building permit despite the Contractor's request to provide the aforesaid permit,
- 2, The Employer's failure to provide the payment guarantee sought by the Contractor pursuant to Art. 649 (4) § 1 of the Civil Code in connection with the uncertainty as to the ability to continue the works,
- 3, Failure to reimburse the costs incurred by the Contractor due to suspending the works by the Employer.

The contract value amounted to gross PLN 275,360,000 and advancement of works as at 30 September 2015 was approximately 80%.

## 20. Changes in contingent liabilities and receivables, which occurred after the last financial year

### Granted collaterals of trade agreements - contingent liabilities

Details	30/09/2015	31/12/2014
Bills of exchange issued to secure trade agreements	135.606	105.774
Guarantees to secure trade agreements	186.141	228.336
Mortgages	37.400	31.955
Other sureties	24.000	5.000
<b>Collaterals granted (total)</b>	<b>383.147</b>	<b>371.065</b>

### Received collaterals of trade agreements - contingent receivables

Details	30/09/2015	31/12/2014
Guarantees received	183.523	138.241
Bills of exchange received	581	2.101
<b>Collaterals obtained (total)</b>	<b>184.104</b>	<b>140.342</b>

The contingent liabilities as at 30/09/2015 amounted to PLN 383,147,000, representing an increase of PLN 12,082,000 compared to 31/12/2015. The primary reason for the increase was the issuance of collateral for trade agreement by the Group companies. The contingent receivables as at 30/09/2015 amounted to PLN 184,104,000, representing an increase of PLN 43,762,000 compared 31/12/2015, due to receipt of performance bonds from subcontractors.

### Other contingent liabilities

Details	30/09/2015	31/12/2014
A2 Contract	13.691	13.691
Lubelskie Region Oncology Centre	18.154	18.154
Zielona Italia	15.784	15.784
Power unit construction in Elbląg	10.090	10.090
Extension of the Mechanical Coal Processing Plant for Lubelski Węgiel "Bogdanka" S.A.	16.790	0
Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre in Białystok	66.718	0
<b>Total</b>	<b>141.227</b>	<b>57.719</b>

The value of other contingent liabilities as at 30/09/2015 amounted to PLN 141,227,000 and compared to the end of the previous year, increased by PLN 83,508,000.

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

- With respect to A2 contract: the Ordering Party charged the Consortium consisting of Mostostal Warszawa S.A. and Polimiex Mostostal S.A. with a contractual penalty of PLN 27,000,000 (the Parent Company's share in the penalty amounts to PLN 13,691,000). As the Consortium considers the penalty to be charged unreasonably, this amount has not been included in the contract valuation. The Consortium filed a lawsuit for the reimbursement of the remuneration withheld as liquidated damages and interest.

– On 11 September 2012, the Parent Company received a statement by 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. – Acciona Infraestructuras S.A (Leader) – Richter Med. Sp. z o.o. – (Partner) (“Contractor”). The Ordering Party 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 Ordering Party requested the Contractor to pay contractual penalty pursuant to the Agreement. The Parent Company rejects the Ordering Party's arguments in full. The Company considers the Ordering Party'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.

- Zielona Italia – on 6 March 2013 the Parent Company 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. The basis for withdrawal from the Agreement by Mostostal Warszawa SA was the Employer's failure to attend the acceptance inspections, despite repeated requests by the Company. 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 Investor 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 liquidated damages in the amount of PLN 15,784,000. As the Management Board of the Parent 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 Company is under examination by the Court.

- Construction of a power unit in Elblag – there has been some delay in the performance of the contract. The highest amount of the liquidated damages for delays stipulated in the contract amounts to PLN 19,954,000. In 2014, the Company obtained permission to use the power unit and all the technical and production specifications

set in the contractual terms and conditions have been met. Mostostal Warszawa SA contests its responsibility for the occurred delay, referring to the factors beyond control of the Contractor. As a result of the negotiations conducted with the Employer and while maintaining the opinion on irrelevance of the liquidated damages charged. The Contractor decided to refer the dispute to the Court, and just for the sake of prudence, created a partial provision in this respect.

- 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 will assert its claims brought against the Employer in the court and just for the sake of prudence, created a partial provision in this respect.

- The University of Białystok charged Mostostal Warszawa with the liquidated damages. According Mostostal Warszawa S.A. 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.

## 21. Court and administrative proceedings

During the reporting period the Companies of the Capital Group participated in proceedings concerning claims with a total value of 56 PLN 905,125,000 and in proceedings concerning liabilities with a total value of PLN 216,469,000.

Proceedings with highest dispute value:

Date of commencement of dispute	Defendant	Value of the dispute	Subject of the litigation	Issuer's position
01/02/2010	State Treasury - Generalna Dyrekcja Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways)	16,583 thousands PLN	Mostostal Warszawa'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, Mostostal Warszawa S.A. 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 - Generalna Dyrekcja Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways)	36,961 thousands PLN	Claims lodged by Mostostal Warszawa are associated with the implementation of the agreement of 28 September 2009: "Design and Construction of A-2 Motorway Stryków-	According to Mostostal Warszawa S.A. 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.

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			Konotopa, section between km 394+500 and 411+465.8”.	
9/09/2013	State Treasury - Generalna Dyrekcja Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways)	62,170 thousands PLN	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".	Mostostal Warszawa SA 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.	15,953 thousands PLN	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.	The case 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. Change of a lawsuit to a claim for reimbursement due to payment under the performance guarantee.
23.06.2010	The Treasury Ministry of National Defence	19,093 thousands PLN	Claims of Consortium of Mostostal Warszawa - 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, according to which the Plaintiff acted as an alternative investor.	During performance of the Contract, for reasons independent of Mostostal Warszawa SA, there were changes to the scope and shape of the project, which resulted in additional costs, the reimbursement of which is sought by the Company.
30/05/2012	State Treasury - Generalna Dyrekcja Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways)	PLN 207,530,000	Claims lodged by Mostostal Warszawa S.A. and Acciona Infraestructuras 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 23/08/2013, 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).
04/09/2012	State Treasury - Generalna Dyrekcja Dróg Krajowych i Autostrad	8,314 thousands PLN	Claim of Mostostal Warszawa S.A. (Plaintiff) related to the implementation of the	Mostostal Warszawa S.A. seeks payment of liquidated damages payable in the amount of PLN 6,910 thousand plus statutory interest in the amount of PLN 1,404 thousand (capitalized as at the date of filing the



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	(General Directorate for National Roads and Motorways)		Contract of 12 January 2010 for reconstruction of the national road No. 2 at Zakręt – Mińsk Mazowiecki section from km 495+880 to km 516+550.	lawsuit).
02/07/2013	State Treasury - Generalna Dyrekcja Dróg Krajowych i Autostrad (General Directorate for National Roads and Motorways)	25,537 thousands PLN	Subject matter of the dispute: claims lodged by Mostostal Warszawa S.A. Claims lodged by Mostostal Warszawa S.A. and Acciona Infraestructuras 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.
11.11.2010	Wrocław municipality	56,555 thousands PLN	The case for payment (with extension of the lawsuit on 22/08/2012) instituted by the Consortium of Mostostal Warszawa SA, ACCIONA INFRAESTRUCTURAS S.A., Wrocławskie przedsiębiorstwo Budownictwa Przemysłowego nr 2 „Wrobis” S.A., Marek Izmajłowicz 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). The expert's opinion has been challenged.
13.11.2012	Wrocław municipality	82,061 thousands PLN	The case instituted by the Consortium of Mostostal Warszawa SA, ACCIONA INFRAESTRUCTURAS S.A., Wrocławskie przedsiębiorstwo Budownictwa Przemysłowego nr 2 „Wrobis” S.A., Marek Izmajłowicz PH-U IWA – for assessment that the Municipality of Wrocław is not entitled to demand the payment under the bank guarantee – performance bond with respect to the project.	Extension of the lawsuit for the payment of the amounts resulting from the partial settlement of the project National Forum of Music in Wrocław (compensation, additional pay and other).
4/10/2012	The Treasury and NATO	5,236 thousands	Claims of Mostostal Warszawa SA for payment	Case for payment for additional works not covered under the previous lawsuit.

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	Defence Investment Division	PLN	for additional works	
09/05/2013	Zielona Italia Sp. z o.o.	52,344 thousands PLN	Payment of the remuneration for the works performed under the contract "Zielona Italia".	Mostostal Warszawa SA seeks payment of the amounts resulting from the settlement of the project and the completed additional works.
23/05/2014	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways)	103,644 thousands PLN	"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.
20/05/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways)	29,121 thousands PLN	"Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394 + 500 and 411 + 465.8".	The subject matter of the case is the claim for reimbursement of liquidated damages plus interest deducted by the Employer.
03/10/2014	Lubelskie Region Oncology Centre	32,461 thousands PLN	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	78,015 thousands PLN	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. 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.	9,963 thousands PLN	Construction of a complex of residential buildings with underground garages, basic services and technical infrastructure under the name "Green Italia" in Warsaw at the intersection of streets Obywatelska and Świerszcza.	The lawsuit is related to copyright to the project.
03/02/2015	Mostostal Warszawa S.A.	66,718 thousands PLN	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 Warszawa SA), the claimed liquidated damages are unfounded.
22/09/2014	Mostostal	9,522	"Construction of the Sports	The Plaintiff – Asseco Poland SA claimed

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	Warszawa S.A.	thousands PLN	Hall (Czyżyny) in Krakow".	for assessment of the amount of PLN 9,522 thousand plus statutory interest as a compensation for the construction works performed, as a consortium member. The Company challenges the merits of the lawsuit in the entirety.
26/05/2014	Mostostal Warszawa S.A.	22,876 thousands PLN	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	Mostostal Warszawa S.A.	10,810 thousands PLN	Construction of the National Forum of Music in Wrocław	The Plaintiff, Waagner Bir, 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	Mostostal Warszawa S.A.	15,784 thousands PLN	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.
10/09/2015	Mostostal Warszawa S.A.	27,072 thousands PLN	The counterclaim of Lubelskie Region Oncology Centre to the case initiated by Mostostal Warszawa S.A. Dated 03/10/2014 10.03.2014.	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.

Some of these claims were recognized by the Group in the budgets of contracts and accounted as revenue from previous years. Details are described in section 4.6 of the Additional information and explanatory information to the condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015.

## 22. Information on incurred and terminated credits and loans

In the reporting period, the companies of Mostostal Warszawa Capital Group used the credits and loans, the total value of which as at 30/09/2015 amounted to PLN 217,085,000.

Interest-bearing long-term bank loans as of 30/09/2015:

Name of the Bank / Lender	Amount of credit / loan	Amount used in <b>thousand PLN</b>	Terms of interest	Repayment date
Acciona Infraestructuras S.A	11,669,000 EUR	79.131	WIBOR 1R + mark-up	31/01/2017
Acciona Infraestructuras S.A	7,000,000 EUR		WIBOR 1R + mark-up	05/02/2017

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	<b>TOTAL</b>	<b>79.131</b>		
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Current portion of interest-bearing bank credits and loans as at 30/09/2015:

Name of the Bank / Lender	Amount of credit / loan	Amount used in thousand PLN	Terms of interest	Repayment date
Societe Generale S.A. Branch in Poland	PLN 7,900,000	7.900	WIBOR 1m + bank's mark-up	15/10/2015
Bank Zachodni WBK S.A.	PLN 3,000,000	0	WIBOR 1m + bank's mark-up	31/01/2016
Acciona Infraestructuras S.A.	15,694,000 EUR	128.951	WIBOR 1R + mark-up	24/11/2015
Acciona Infraestructuras S.A.	15,729,000 EUR		WIBOR 1R + mark-up	05/12/2015
Bank Pekao S.A.	PLN 5,000,000	1.103	WIBOR 1m + bank's mark-up	30/06/2016
Bank Pekao S.A.	PLN 5,000,000	0	WIBOR 1m + bank's mark-up	30/06/2016
Bank Pekao S.A.	PLN 5,000,000	0	WIBOR 1m + bank's mark-up	30/06/2016
Bank Pekao S.A.	PLN 2,800,000	0	WIBOR 1m + bank's mark-up	17/07/2016
	<b>TOTAL</b>	<b>137.954</b>		

In the third quarter of 2015, no loan agreement was terminated.

In the reporting period, the Parent Company partially repaid the loan and interest to Acciona Infraestructuras S.A. in the total amount of EUR 1,601,000. The balance of loans payable as of 30/09/2015 amounted to PLN 208,082,000 (the balance of loans payable as of 30/06/2015 amounted to PLN 211,047,000).

### 23. Information on transactions with affiliated entities

Presentation of total consolidated sales revenue and turnover within the Group for the 3rd quarter of 2015

Companies of the Group	Total net sales revenue	Sales within the Group	Consolidated net sales revenue
Parent Company	809.280	3.434	805.846
Other Companies	413.956	283.675	130.281
<b>TOTAL</b>	<b>1.223.236</b>	<b>287.109</b>	<b>936.127</b>

The total net sales revenue of Companies consolidated by the complete method for the three quarters of 2015 was PLN 1,223,236,000. Turnover within the Capital Group amounted to PLN 287,109,000 i.e. 23.5 % of the total net sales revenue without consolidation exclusions.

All the transactions concluded with affiliated entities in the 3rd quarter of 2015 were typical and routine transactions, and were concluded according to market principles.

## 24. Reporting by market segment

Mostostal Warszawa Capital Group is organised and managed by segment, as appropriate for the types of products offered. The Capital Group settles transactions between segments in the same way as if they concerned unconnected entities using current market prices.

The tables below present data from the consolidated profit and loss account for the Capital Group's individual reporting segments for the 9-month period ended on 30 September 2015.

The following segments exist within continuing business:

1, The engineering/industrial segment, which includes activities connected with the construction of roads and bridges, industrial and power engineering facilities (M. Warszawa S.A., M. Kielce S.A., AMK Kraków S.A., M. Plock S.A., Mostostal Power Development Sp. z o.o., GK M. Puławy and Remak in 2014).

2, The general construction segment, which includes activities connected with constructing residential and non-residential buildings and public utilities (M. Warszawa S.A., MPB Mielec S.A.).

Unallocated revenue and costs relate to other manufacturing and service activities and administrative costs.

### Consolidate profit and loss account for individual operating segments:

9 month period ending 30 September 2015	Engineering and industrial segment	General construction segment	Unallocated revenue and costs	Total
<b>Revenue from sales</b>				
Sales to external customers	717.347	216.845	1.935	936.127
Sales between segments	0	0	0	0
<b>Total revenue from segment</b>	<b>717.347</b>	<b>216.845</b>	<b>1.935</b>	<b>936.127</b>
<b>Result</b>				
Profit (loss) of segment (taking into account other operating costs and other revenue)	47.840	18.444	-934	65.350
Unallocated costs (administrative expenses)	0	0	34.373	34.373
<b>Profit (loss) on operating activities</b>	<b>47.840</b>	<b>18.444</b>	<b>-35.307</b>	<b>30.977</b>
Financial revenue	303	10	4.141	4.454
Financial costs	818	1.061	8.741	10.620
<b>Gross profit (loss)</b>	<b>47.325</b>	<b>17.393</b>	<b>-39.907</b>	<b>24.811</b>
Income tax	0	0	5.611	5.611
<b>Net profit (loss) on continued activities</b>	<b>47.325</b>	<b>17.393</b>	<b>-45.518</b>	<b>19.200</b>
Discontinued activities			0	0
<b>Net profit / loss for the period</b>	<b>47.325</b>	<b>17.393</b>	<b>-45.518</b>	<b>19.200</b>

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<b>Net profit (loss) allocated to shareholders of the Parent Company</b>				18.807
Net profit (loss) allocated to non-controlling shareholders				393

9 month period ending 30 September 2014	Engineering and industrial segment	General construction segment	Unallocated revenue and costs	Total
<b>Revenue from sales</b>				
Sales to external customers	834.630	258.494	1.131	1.094.255
Sales between segments	0	0	0	0
<b>Total revenue from segment</b>	<b>834.630</b>	<b>258.494</b>	<b>1.131</b>	<b>1.094.255</b>
<b>Result</b>				
Profit (loss) of segment (taking into account other operating costs and other revenue)	55.871	13.934	8.092	77.897
Unallocated costs ( general and administrative costs and sales costs)	0	0	51.334	51.334
<b>Profit (loss) on operating activities</b>	<b>55.871</b>	<b>13.934</b>	<b>-43.242</b>	<b>26.563</b>
Financial revenue	4.425	2	3.180	7.607
Financial costs	458	475	15.923	16.856
<b>Gross profit (loss)</b>	<b>59.838</b>	<b>13.461</b>	<b>-55.985</b>	<b>17.314</b>
Income tax	0	0	3.881	3.881
<b>Net profit (loss) on continued activities</b>	<b>59.838</b>	<b>13.461</b>	<b>-59.866</b>	<b>13.433</b>
Discontinued activities	0	0	-5	-5
<b>Net profit / loss for the period</b>	<b>59.838</b>	<b>13.461</b>	<b>-59.871</b>	<b>13.428</b>
<b>Net profit (loss) allocated to shareholders of the Parent Company</b>				10.656
Net profit (loss) allocated to non-controlling shareholders				2.772

The Management Board of the Parent Company responsible for operational decisions does not conduct a review of assets and liabilities by segment, but does monitor assets and liabilities at the level of individual companies of the Group due to frequent 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 Capital Group. Gross result on sales adjusted by other revenues and operational costs constitutes a key indicator of segment result.

The companies of Mostostal Warszawa Group operate on domestic and foreign markets.

The export revenue for the 3 quarters of 2015 amounted to PLN 3,450,000, which represents approx. 0.4% of the sales revenue.

## 25. Financial Instruments - Fair values

The following table shows a comparison of carrying and fair values of all financial instruments of Mostostal Warszawa Capital Group. The consolidated financial statements include the figures revalued to fair value (as shown below).

FINANCIAL ASSETS	Carrying value		Fair value	
	30/09/2015	30/06/2015	30/09/2015	30/06/2015
1) Financial assets held to maturity (measured at amortized cost)				
2) Financial instruments - hedge of future cash flows				
3) Financial instruments - measured at fair value through profit or loss				
<b>4) Loans granted and receivables</b>				
- Trade receivables	373.014	393.930	373.014	393.930
- Long-term receivables - Long-term deposits for construction contracts held by the customers (measures at amortized cost)	11.226	10.724	11.226	10.724
- Cash and cash equivalents	217.647	257.255	217.647	257.255
- Accruals and deferred income from measurement of contracts	435.484	432.319	435.484	432.319
- Long-term deposits as security for bank guarantees	3.855	3.855	3.855	3.855

FINANCIAL LIABILITIES	Carrying value		Fair value	
	30/09/2015	30/06/2015	30/09/2015	30/06/2015
1) Financial liabilities - financial instruments measured at fair value through profit or loss				
2) Other financial liabilities - financial instruments - hedge of future cash flows				
<b>3) Liabilities (measured at amortized cost)</b>				
- Trade liabilities and other long-term and short-term liabilities	290.557	334.540	290.557	334.540
- Long-term deposits under withheld from suppliers under construction contracts (measures at amortized cost)	43.796	43.353	43.796	43.353
- Accruals and deferred income from measurement of contracts	87.803	85.771	87.803	85.771

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<b>4) Other financial liabilities (measured at amortized cost)</b>				
- Interest-bearing bank credits and loans	79.131	78.523	79.131	78.523
- Current portion of interest-bearing bank credits and loans	137.954	140.294	137.954	140.294
- Short-term and long-term liabilities from leasing agreements	4.187	4.761	4.187	4.761

\* At the beginning of the fourth quarter of 2008, Mostostal Warszawa S.A. implemented hedge accounting of future cash flows for a part of cash flows related to realized long-term construction contracts denominated in foreign currencies. The use of hedge accounting is aimed at symmetrical and offsetting disclosure of changes in the value of a hedged item and the hedging instrument.

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 Group has no 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 Group 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 Capital Group does not hold financial instruments in this category.
- **Level 3** the fair value of unlisted derivatives is estimated by the Group using various valuation methods based on the assumptions of the company and its own data. The Capital Group does not hold financial instruments in this category.

As at 30/09/2015, Mostostal Warszawa Capital Group does not have any financial instruments used for hedge accounting.



## **Management Board's Report on the Group's Activities to the condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015**

### 1. Selected financial data.

Selected financial data was presented in the numerical part of the statement.

### 2. Market position of the Capital Group

In the 3rd quarter of 2015, the consolidated Mostostal Warszawa Capital Group comprised the following companies:

- Parent Company: Mostostal Warszawa S.A.
- Subsidiaries: Mostostal Kielce S.A., AMK Kraków S.A., Mostostal Płock S.A., MPB Mielec S.A., Mostostal Power Development Sp. z o.o.

### 3. Effects of changes in the entity's structure

During the reporting period there were no major changes in the organizational structure in both the Parent Company and its consolidated subsidiaries that would exert serious impact on the Group's operating activities.

### 4. Result forecasts.

Mostostal Warszawa Capital Group did not publish financial forecasts for 2015.

### 5. The main shareholders in the Parent Company Mostostal Warszawa S.A.

List of shareholders with at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A. as at 02/11/2015:

Entity	Number of shares	Number of votes	% of capital	% of votes
ACCIONA S.A.	10.018.733	10.018.733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU Złota Jesień (pension fund)	3.666.000	3.666.000	18.33%	18.33%
AVIVA Powszechne Towarzystwo Emerytalne AVIVA BZ WBK S.A. (pension fund)	1,018,00	1,018,00	5.09%	5.09%

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

In the reporting period, there were no changes in the Parent Company's shares held by members of the management and supervisory bodies.

### 7. Information on incurred and terminated credits and loans

The total amount of contracted loans and borrowings disclosed in the consolidated financial statements of Mostostal Warszawa Capital Group as at 30/09/2015, amounted to:

- short-term loans and borrowings – PLN -137,954,000
- long-term loans and borrowings – PLN 79,131,000

Detailed information about concluded and terminated credit and loan agreements has been presented in the Additional Information and Explanatory Notes to the condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015, in the Note 22.

## 8. Court and administrative proceedings

During the reporting period the Companies of the Capital Group participated in proceedings concerning claims with a total value of 56 PLN 905,125,000 and in proceedings concerning liabilities with a total value of PLN 216,469,000.

The information on ongoing legal and administrative proceedings has been presented in the Additional Information and Explanatory Notes to the condensed interim consolidated financial statements for the period from 01/01/2015 to 30/09/2015, in the Note 21.

## 9. Information on transactions with affiliated entities

Presentation of total consolidated sales revenue and turnover within the Group for the 3rd quarter of 2015

Companies of the Group	Total net sales revenue	Sales within the Group	Consolidated net sales revenue
Parent Company	809.280	3.434	805.846
Other Companies	413.956	283.675	130.281
<b>TOTAL</b>	<b>1.223.236</b>	<b>287.109</b>	<b>936.127</b>

The total net sales revenue of Companies consolidated by the complete method for the three quarters of 2015 was PLN 1,223,236,000. Turnover within the Capital Group amounted to PLN 287,109,000 i.e. 23.5 % of the total net sales revenue without consolidation exclusions.

All the transactions concluded with affiliated entities in the 3rd quarter of 2015 were typical and routine transactions, and were concluded according to market principles.

## 10. Information on the sureties for loans or guarantees granted

In the 3rd quarter of 2015, the companies of the Group did not issue any loan or credit sureties or guarantees with a value exceeding 10% of the Issuer's equity capital.

## 11. Other information vital for assessing the Capital Group's situation

In the opinion of the Management Board of the Parent Company, there is no other information relevant for the assessment of the Group's standing than those listed in other sections of the condensed interim consolidated financial statements of Mostostal Warszawa Group for the period from 01/01/2015 to 30/09/2015.

12. Factors which will affect the results achieved in the perspective of at least the next quarter.

Factors which may affect the Capital Group'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 by the Parent Company).

Warsaw, 02 November 2015