



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

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

SELECTED FINANCIAL DATA	in thousands of PLN		in thousands of EUR	
	1st quarter of 2017 period from 01/01/2017 to 31/03/2017	1st quarter of 2016 period from 01/01/2016 to 31/03/2016	1st quarter of 2017 period from 01/01/2017 to 31/03/2017	1st quarter of 2016 period from 01/01/2016 to 31/03/2016
Revenue from sales	277 763	350 574	64 760	80 483
Gross profit (loss) on sales	33 690	33 069	7 855	7 592
Profit (loss) on operating activities	10 554	16 887	2 461	3 877
Gross profit (loss)	19 256	15 835	4 490	3 635
Net profit (loss) on continuing operations	13 793	11 779	3 216	2 704
Net profit (loss) on discontinued operations	0	0	0	0
Net profit / (loss)	13 793	11 779	3 216	2 704
allocated to the shareholders of the Parent Company	13 347	12 136	3 112	2 786
allocated to non-controlling shareholders	446	-357	104	-82
Net cash from operating activities	-102 497	-60 200	-23 897	-13 820
Net cash from investing activities	992	1 204	231	276
Net cash from financing activities	-6 811	19 553	-1 588	4 489
Closing balance of cash	107 464	313 287	25 467	73 397
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
Total assets	1 031 277	1 146 632	244 390	259 184
Long term liabilities	210 188	229 858	49 810	51 957
Short term liabilities	569 361	678 811	134 926	153 438
Total liabilities	779 549	908 669	184 736	205 395
Equity capital allocated to shareholders of the Parent Company	230 089	216 754	54 526	48 995
Total equity capital	251 728	237 963	59 654	53 789
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
Net profit (loss) allocated to shareholders of the Parent Company	13 347	12 136	3 112	2 786
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 shareholders of the Parent Company (PLN / EUR)	0,67	0,61	0,16	0,14
Diluted net profit (loss) per ordinary share allocated to shareholders of the Parent Company (PLN / EUR)	0,67	0,61	0,16	0,14

**Consolidated profit and loss account
for the period of 3 months from 01/01/2017 to 31/03/2017**

data in thousands of PLN

Item	CONTINUING OPERATIONS	1st quarter of 2017 period from 01/01/2017 to 31/03/2017	1st quarter of 2016 period from 01/01/2016 to 31/03/2016
	Continuing operations		
I	Revenue from sales	277 763	350 574
	Revenue from construction contracts	275 807	347 536
	Revenue from sale of services	1 466	2 627
	Revenue from sales of goods and materials	490	411
II	Own sales costs	244 073	317 505
III	Gross profit (loss) on sales	33 690	33 069
IV	General administrative expenses	14 966	12 959
V	Other operating revenue	1 828	1 873
VI	Other operating costs	9 998	5 096
VII	Profit (loss) on operating activities	10 554	16 887
VIII	Financial revenue	11 086	1 530
IX	Financial costs	2 384	2 582
X	Gross profit (loss)	19 256	15 835
XI	Income tax	5 463	4 056
	a) current	173	394
	b) deferred	5 290	3 662
XII	Net profit (loss) on continuing operations	13 793	11 779
XIII	Discontinued operations		
XIV	Net profit (loss) on discontinued operations	0	0
XV	Net profit (loss) for the period	13 793	11 779
XVI	Net profit (loss) allocated to shareholders of the Parent Company	13 347	12 136
XVII	Net profit (loss) allocated to non-controlling shareholders	446	-357
	Net profit (loss) on continuing operations	13 793	11 779
	Weighted average number of ordinary shares	20 000 000	20 000 000
	Net profit (loss) per ordinary share (in PLN)	0,69	0,59
	Net diluted profit (loss) per ordinary share (in PLN)	0,69	0,59
	Net profit (loss) for the period	13 793	11 779
	Weighted average number of ordinary shares	20 000 000	20 000 000
	Net profit (loss) per ordinary share (in PLN)	0,69	0,59
	Net diluted profit (loss) per ordinary share (in PLN)	0,69	0,59
	Net profit (loss) allocated to shareholders of the Parent Company	13 347	12 136
	Weighted average number of ordinary shares	20 000 000	20 000 000
	Net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,67	0,61
	Diluted net profit (loss) per ordinary share allocated to the shareholders of the Parent Company (PLN)	0,67	0,61

**Consolidated statement of comprehensive income
 for the period of 3 months from 01/01/2017 to 31/03/2017**

data in thousands of PLN

	ITEM	1st quarter of 2017 period from 01/01/2017 to 31/03/2017	1st quarter of 2016 period from 01/01/2016 to 31/03/2016
	Net profit (loss) on continuing operations	13 793	11 779
	Net profit (loss) on discontinued operations	0	0
	Net profit (loss) for the period	13 793	11 779
	Currency translation profit/loss of a foreign entity	-12	145
	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 comprehensive income	-16	-26
	Other total comprehensive income after tax	-28	119
	including items that may be reclassified as profit or loss at a later date	-28	119
	Total comprehensive income from continuing operations	13 765	11 898
	Total comprehensive income from discontinued operations	0	0
	Total comprehensive income	13 765	11 898
	allocated to the shareholders of the Parent Company	13 335	12 281
	allocated to non-controlling shareholders	430	-383

**Consolidated balance sheet
as at 31/03/2017**

data in thousands of PLN

Item	ASSETS	31/03/2017	31/12/2016	31/03/2016
I	Fixed assets (long-term)	140 042	152 452	194 483
I.1	Intangible assets	2 991	3 179	3 581
I.2	Perpetual usufruct right	23 353	23 353	23 353
I.3	Tangible fixed assets	54 211	55 583	63 871
I.4	Long-term deposits due from customers under construction contracts	6 669	4 647	11 995
I.5	Other long-term receivables	0	2 191	0
I.6	Long-term advances for construction works	0	3 046	6 892
I.7	Investment property	8 389	8 458	8 665
I.8	Long-term financial assets	4 762	4 762	4 762
I.9	Other long-term investments	0	2 500	3 856
I.10	Assets from deferred taxes	38 125	43 340	65 219
I.11	Long-term accruals	1 542	1 393	2 289
II.	Current assets (short-term)	891 235	994 180	1 067 164
II.1	Inventory	13 054	9 547	12 627
II.2	Receivables from deliveries and services	373 194	393 746	328 941
II.3	Other receivables	3 812	13 283	4 475
II.4	Prepayments for the works	20 537	28 160	47 972
II.5	Cash and equivalents	107 464	215 780	313 287
II.6	Accruals from measurement of contracts (gross amounts due from the ordering parties under construction contracts)	365 336	327 924	351 675
II.7	Other accruals	7 838	5 740	8 187
	Total assets	1 031 277	1 146 632	1 261 647
Item	LIABILITIES	31/03/2017	31/12/2016	31/03/2016
I	Equity capital allocated to shareholders of the Parent Company	230 089	216 754	212 341
I.1	Stated capital	44 801	44 801	44 801
I.2	Supplementary/reserve capital	140 713	140 713	136 570
I.3	Reserve capital from reclassification of loans	201 815	201 815	201 815
I.4	Exchange differences on foreign operations	-773	-761	-799
I.5	Retained profit / uncovered loss	-156 467	-169 814	-170 046
	unshared profit / (uncovered loss)	-169 814	-186 326	-182 182
	Profit / loss for the period	13 347	16 512	12 136
II.	Minority shareholders capital	21 639	21 209	23 239
III.	Total equity capital	251 728	237 963	235 580
IV.	Long term liabilities	210 188	229 858	240 513
IV.1	Interest-bearing bank loans and borrowings	137 147	146 903	138 821
IV.2	Long term liabilities from leasing agreements	3 023	3 056	2 068
IV.3	Long-term deposits due to suppliers under construction contracts	51 646	52 998	50 107
IV.4	Long term liabilities from advance payments	13 362	21 884	45 586
IV.5	Deferred income tax provision	34	32	28
IV.6	Long-term reserves	4 976	4 985	3 903
V.	Short-term liabilities	569 361	678 811	785 554
V.1	Current portion of interest-bearing bank loans and borrowings	64 753	68 821	93 374
V.2	Short term liabilities from leasing agreements	1 615	1 511	2 201
V.3	Trade liabilities	248 058	302 988	243 959
V.4	Income tax	100	43	0
V.5	Other liabilities	27 757	12 769	35 575
V.6	Prepayments for the works	43 148	47 522	59 125
V.7	Short-term provisions	36 036	41 370	47 589
V.8	Accruals and deferred income from measurement of contracts (gross amounts due to the ordering parties under construction contracts)	2 558	2 184	87 272
V.9	Other accruals	145 336	201 603	216 459
VI	Total liabilities	779 549	908 669	1 026 067
	Equity capital and liabilities (t o t a l)	1 031 277	1 146 632	1 261 647

**Consolidated cash flow account
for the period of 3 months from 01/01/2017 to 31/03/2017**

data in thousands of PLN

Item	ITEM	1st quarter of 2017 period from 01/01/2017 to 31/03/2017	1st quarter of 2016 period from 01/01/2016 to 31/03/2016
I	Cash flows from operating activities		
	Gross profit (loss) on continuing operations	19 256	15 835
I.1	Gross profit (loss) (allocated to shareholders of the Parent Company and non-controlling shareholders)	19 256	15 835
I.2	Adjustments by items:	-121 753	-76 035
I.2.1	Depreciation	2 717	2 846
I.2.2	Exchange differences	-9 260	0
I.2.3	Interest and profit sharing	1 933	217
I.2.4	Profit (loss) on investing activities	-43	-228
I.2.5	Increase / decrease in receivables	39 030	5 081
I.2.6	Increase / decrease in inventory	-3 507	-2 135
I.2.7	Increase / decrease in liabilities, excluding loans and borrowings	-60 786	-77 685
I.2.8	Change in prepayments and accruals	-88 539	5 903
I.2.9	Change in reserves	-4 830	-7 632
I.2.10	Income tax (paid/received)	1 636	-1 727
I.2.11	Other	-104	-675
I	Net cash from operating activities	-102 497	-60 200
II	Cash flows from investment activities		
II.1	Disposal of tangible fixed assets and intangible assets	799	1 345
II.2	Purchase of tangible fixed assets and intangible assets	-2 308	-377
II.3	Disposal of financial assets	0	225
II.4	Acquisition of financial assets	0	0
II.5	Sale of subsidiaries	0	0
II.6	Interest received	1	11
II.7	Repayment of loans granted	0	0
II.8	Loans granted	0	0
II.9	Other	2 500	0
II	Net cash from investing activities	992	1 204
III	Cash flows from financing activities		
III.1	Inflows from share issues	0	0
III.2	Repayment of finance lease liabilities	-714	-876
III.3	Inflows from credits/loans taken	4 561	22 266
III.4	Repayment of loans/credits	-6 278	-1 608
III.5	Dividends paid to shareholders of the Parent Company	0	0
III.6	Dividends paid to non-controlling shareholders	0	0
III.7	Interest paid	-4 380	-229
III.8	Other	0	0
III	Net cash from financing activities	-6 811	19 553
IV	Change in net cash and its equivalents	-108 316	-39 443
V	Cash and equivalents at the beginning of the period	215 780	352 730
VI	Cash and equivalents at the end of the period, including:	107 464	313 287
	Restricted cash	129	100

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL

figures in thousands of PLN

1st quarter of 2017 period from 01/01/2017 to 31/03/2017	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/reserve capital	Reserve capital from reclassification of loans	Exchange differences on foreign transactions	Retained earnings uncovered losses	Equity capital allocated to shareholders of the Parent Company		
As at 01 January 2017	44 801	0	0	140 713	201 815	-761	-169 814	216 754	21 209	237 963
Profit / loss for the period	0	0	0	0	0	0	13 347	13 347	446	13 793
Other comprehensive income	0	0	0	0	0	-12	0	-12	-16	-28
Total comprehensive income	0	0	0	0	0	-12	13 347	13 335	430	13 765
Distribution of previous years' profit								0		0
Dividends paid								0		0
As at 31 March 2017	44 801	0	0	140 713	201 815	-773	-156 467	230 089	21 639	251 728

2016 period from 01/01/2016 to 31/12/2016	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/reserve capital	Reserve capital from reclassification of loans	Exchange differences on foreign transactions	Retained earnings uncovered losses	Equity capital allocated to shareholders of the Parent Company		
As at 01 January 2016	44 801	0	0	136 570	201 815	-944	-182 182	200 060	23 622	223 682
Profit / loss for the period	0	0	0	0	0	0	16 512	16 512	-1 986	14 526
Other comprehensive income	0	0	0	26	0	183	-27	182	-27	155
Total comprehensive income	0	0	0	26	0	183	16 485	16 694	-2 013	14 681
Distribution of previous years' profit	0	0	0	4 117	0	0	-4 117	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	-400	-400
As at 31 December 2016	44 801	0	0	140 713	201 815	-761	-169 814	216 754	21 209	237 963

1st quarter of 2016 period from 01/01/2016 to 31/03/2016	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/reserve capital	Reserve capital from reclassification of loans	Exchange differences on foreign transactions	Retained earnings uncovered losses	Equity capital allocated to shareholders of the Parent Company		
As at 01 January 2016	44 801	0	0	136 570	201 815	-944	-182 182	200 060	23 622	223 682
Profit / loss for the period	0	0	0	0	0	0	12 136	12 136	-357	11 779
Other comprehensive income	0	0	0	0	0	145	0	145	-26	119
Total comprehensive income	0	0	0	0	0	145	12 136	12 281	-383	11 898
Distribution of previous years' profit	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0
As at 31 March 2016	44 801	0	0	136 570	201 815	-799	-170 046	212 341	23 239	235 580

ADDITIONAL INFORMATION AND EXPLANATORY NOTES

to the condensed interim consolidated financial statements for the period from 01/01/2017 to
31/03/2017

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 for the profit and loss account cover the 1st quarter of 2017 and include comparative data for the 1st quarter of 2016, and in the case of the consolidated balance sheet data as at 31 March 2017, they include comparative data as at 31 December 2016 and as at 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 0000008820. The registered office of Mostostal Warszawa S.A. is situated 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.) in the 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 Construcción S.A.

2. Composition of the Group

In the 1st quarter of 2017, the companies of Mostostal Warszawa 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 (31/03/2017)	Mostostal Warszawa S.A.'s share of the company's share capital (31/03/2017)
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 the 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

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	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 the 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 in the Supervisory Board of Mostostal Płock S.A. (a body authorised to appoint and dismiss members of the management body), and that it exerts impact on the activities of this Company, means that Mostostal Warszawa S.A. is a parent entity in relation to Mostostal Płock S.A., which results in its full consolidation.

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 Parent 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 Mostostal Warszawa S.A. 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.

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

As at 15/05/2017, the Management Board of Mostostal Warszawa S.A. was composed of:

Andrzej Goławski – President of the Management Board

Alvaro Javier De Rojas Rodríguez– Member of the Management Board

Jacek Szymanek – Member of the Management Board

Jorge Calabuig Ferre – Member of the Management Board

As of 05 May 2017, the Supervisory Board of Mostostal Warszawa S.A. appointed Jorge Calabuig Ferre as a member of the Parent 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 Parent Company.

As at 15/05/2017, the Supervisory Board of Mostostal Warszawa S.A. was composed of:

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 Roxburgh Balfour – Member of the Supervisory Board

Arturo Cortes de la Cruz – Member of the Supervisory Board

Ernest Podgórski – Member of the Supervisory Board

3. Approval of the Financial Statements

The condensed interim consolidated financial statements for the 1st quarter of 2017 was approved for publication by the Management Board of the Parent Company on 15/05/2017.

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, and consequently there is no risk of either intended or forced discontinuation or material limitation of its current activities by the Parent Company and the companies of the Group 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 Mostostal Warszawa 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 the information and disclosures required for annual financial statements and they should be read together with Mostostal Warszawa Group's audited consolidated financial statements for the financial year ended 31/12/2016 and the related additional information.

The condensed interim consolidated financial statements of Mostostal Warszawa Group for the 1st quarter ended 31 March 2017 have been neither reviewed nor audited by the 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 2016.

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 31/12/2016.

The Group intends to adopt the amendments to IFRS published but not effective as at the date of publication of these interim condensed consolidated 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 Companies of the Group has been presented in the financial statements for the year 2016 in Note 6.

4.3 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 account 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 applicable as at 31/03/2017.

4.4 Currency of the financial statement

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

4.5 Long-term construction contracts

Selected consolidated data – Profit and Loss Account:

Details	1st quarter of 2017	1st quarter of 2016
Revenue from construction contracts	275.807	347.536
Cost of performing construction works	241.994	314.132
Result on ongoing construction contracts	33.813	33.404

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 consolidated financial statements.

Revenue from uncompleted construction contracts

ASSETS	31/03/2017	31/12/2016	31/03/2016
Estimated incremental revenue from uncompleted construction contracts in accordance with IAS 11.	3,962,231	3,770,743	2,775,447
Incrementally invoiced sales of uncompleted construction contracts	3,823,810	3,669,360	2,746,399
Deferred charges and accruals from uncompleted construction contracts	138,421	101,383	29,048
Advances received on uncompleted construction contracts	56,510	69,406	104,711
Net balance sheet position for uncompleted construction contracts	81,911	31,977	-75,663
Reconciliation with the item 'Deferred charges and accruals from revaluation of contracts' in the balance sheet:			
Deferred charges and accruals from uncompleted construction contracts	138,421	101,383	29,048
Claims on completed contracts	224,357	224,357	235,355
Deferred charges and accruals from valuation of construction contracts	362,778	325,740	264,403

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 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 consolidated data – balance sheet:

ASSETS	31/03/2017	31/12/2016	31/03/2016
Amounts due from customers under construction contracts (long-term contracts), including:	373,194	393,746	328,941
- long-term deposits due from customers under construction contracts	15,028	15,533	12,457
Long-term deposits due from customers under construction contracts	6,669	4,647	11,995
Advances for the construction works (long- and short-term)	20,537	31,206	54,864
Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	365,336	327,924	351,675

LIABILITIES	31/03/2017	31/12/2016	31/03/2016
Amounts due to suppliers under construction contracts (long-term contracts), including:	248,058	302,988	243,959
- long-term deposits due to suppliers under construction contracts	54,140	76,022	57,772
Long-term deposits due to suppliers under construction contracts	51,646	52,998	50,107
Advances for the construction works (long- and short-term)	56,510	69,406	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)	2,558	2,184	87,272

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 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.

In the first quarter of 2017, the Companies of the Group reversed allowances for uncollectible accounts in the amount of PLN 1,547 thousand and created allowances in the amount of PLN 8,730 thousand in this respect, and further reversed the inventory impairment losses in the amount of PLN 71,000, while recognising no impairment losses in this respect.

In the reporting period, the Companies of the Group created the following provisions: (a) in the amount of PLN 123 thousand for losses resulting from the contracts in progress and used these provisions up to the amount of PLN 3,979 thousand. Change in provisions for losses on contracts in progress affects the amount of own cost of sales; (b) in the amount of PLN 1,451 thousand for lawsuits and used these provisions up to the amount of PLN 360 thousand; (c) in the amount of PLN 48 thousand for warranty repairs and used this provision up to the amount of PLN 1,100 thousand.

The deferred tax assets decreased in the 1st quarter of 2017 by PLN 5,215,000 and as at 31/03/2017 amounted to PLN 38,125,000. 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 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 38,125 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 Parent Company recorded a positive result on the balance sheet valuation of loans in the amount of PLN 9,260 thousand.
2. The Parent Company recognized 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.

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

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 1st quarter of 2017 had no significant effect on the Group'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 1st quarter of 2017, the impairment loss on inventory in the amount of PLN 71 thousand was reversed and no impairment losses were recognized 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 1,547 thousand was reversed and the allowance in the amount of PLN 8,730 thousand was recognized in this respect.

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

10. Information on creation, use and reversal of provisions

Details	Reserve for anniversary awards and retirement bonuses	Provisions for anticipated losses on contracts	Provisions for warranty repairs	Provisions for litigation	Other reserves	Total
As of 01/01/2017	5,496	12,024	12,973	15,523	339	46,355
Created during the period	0	123	48	1,451	0	1,622
Used	-82	-3,979	-1,100	-360	-46	-5,567
Dissolved	0	-1,270	-6	122	0	-1,398
As of 31/03/2017	5,414	6,898	11,915	16,492	293	41,012
<hr/>						
Long-term as at 31/03/2017	2,518	1,757	701	0	0	4,976
Short-term as at 31/03/2017	2,896	5,141	11,214	16,492	293	36,036

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 Mostostal Warszawa S.A. the amount of PLN 13,691,000 as the remuneration for performed construction works together with default interest accrued. On 17 February 2017, the Parent 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 first quarter of 2017, there were no corrections of errors from previous periods.

15. 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 first quarter of 2017. There were no repayments of debt and equity securities in the 1st quarter of 2017.

16. Dividends paid (declared) by the Issuer

In the first quarter of 2017, Mostostal Warszawa S.A. did not pay any dividends.

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

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

In the 1st quarter of 2017, there were no significant changes to the management principles either in the Parent Company or in the subsidiaries subject to consolidation.

18. 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 11 April 2017, the Parent 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” (Mieszkaj w Mieście). The deadline for completion of the contract is 05 November 2018. The net value of the contract is PLN 34,860 thousand.

On 28 April 2017, Mostostal Warszawa S.A. (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 33,200 thousand.

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

Granted collaterals of trade agreements - contingent liabilities

Details	31/03/2017	31/12/2016
Bills of exchange issued to secure trade agreements	108,569	107,754
Guarantees to secure trade agreements	171,231	176,438
Mortgages	48,600	46,000
Other sureties	23,040	23,040
Total collateral provided – contingent liabilities	351,440	353,232

Received collaterals of trade agreements - contingent receivables

Item	31/03/2017	31/12/2016
Guarantees received	160,234	165,915
Bills of exchange received	5,602	4,400
Total collateral received – contingent receivables	165,836	170,315

The contingent liabilities as at 31/03/2017 amounted to PLN 351,440 thousand, which means a decrease of PLN 1,792 thousand compared to 31/12/2016.

The contingent receivables as at 31/03/2017 amounted to PLN 165,836 thousand, which means a decrease of PLN 4,479 thousand compared to 31/12/2016.

Other contingent liabilities

Item	31/03/2017	31/12/2016
Lubelskie Region Oncology Centre – liquidated damages for withdrawing from the contract	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 31/03/2016 amounted to PLN 153,439 thousand and compared to the end of the previous year, decreased by PLN 7,378 thousand.

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

- On 11 September 2012, the Parent 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. – Acciona Infraestructuras S.A (Leader) – Partner, 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.

- Power unit construction in Elbląg – on 21 December 2016, the Parent 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 Contact 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 Parent 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. Mostostal Warszawa S.A. 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 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, which to a great extent refer to payments due for auxiliary and replacement works.

“Construction of the Sports Hall Czyżyny in Krakow” – on 10 February 2017, the Parent 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. Mostostal Warszawa S.A. 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 first quarter of 2017, Mostostal Warszawa Group companies used loans and borrowings with the total value as at 31/03/2017 in the amount of PLN 201,900 thousand (the balance of loans and borrowings as at 31/12/2016 amounted to PLN 215,724 thousand).

Interest-bearing long-term loans as at 31/03/2017:

Name of the Bank / Lender	Amount of the loan granted	Amount used in thousands of PLN	Terms of interest	Repayment date
Acciona Construcción S.A.	13,996 thousand	137,147	WIBOR 1R + mark-up	30/11/2018

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	EUR			
Acciona Construcción S.A.	12,007 thousand EUR		WIBOR 1R + mark-up	31/01/2019
Acciona Construcción S.A.	7,203 thousand EUR		WIBOR 1R + mark-up	31/01/2019
	TOTAL	137,147		

Current portion of interest-bearing bank loans and borrowings as at 31/03/2017:

Name of the Bank / Lender	Amount of credit / loan	Amount used in thousands of PLN	Terms of interest	Repayment date
Societe Generale S.A. Branch in Poland	PLN 10,000 thousand	0	WIBOR 1m + mark-up	31/01/2018
Bank Zachodni WBK S.A.	PLN 5,000 thousand	0	WIBOR 1m + mark-up	31/01/2018
Acciona Construcción S.A.	12,759 thousand EUR	54.487	WIBOR 1R + mark-up	05/12/2017
Bank Pekao S.A.	PLN 12,000 thousand	2,891	WIBOR 1m + mark-up	30/06/2017
mBank	PLN 2,000 thousand	1,670	WIBOR 1m + mark-up	16/01/2018
Bank Pekao S.A.	PLN 5,000 thousand	4,349	WIBOR 1m + mark-up	30/06/2017
Bank Pekao S.A.	PLN 5,000 thousand	1,356	WIBOR 1m + mark-up	30/06/2017
	TOTAL	64,753		

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

21. Information on transactions with affiliated entities

Presentation of total consolidated sales revenue and turnover within the Group for the 1st quarter of 2017

Companies of the Group	Total net sales revenue	Sales within the Group	Consolidated net sales revenue
Parent Company	235,877	441	235,436
Other Companies	154,866	112,539	42,327
TOTAL	390,743	112,980	277,763

The total net sales revenue of the companies included in the consolidation, using the complete method, for the 1st quarter of 2017, amounted to 390,743 thousand. Turnover within the Capital Group amounted to PLN 112,980 thousand i.e. 29 % of the total net sales revenue without consolidation exclusions.

All the related party transactions in the 1st quarter of 2017 were typical and routine transactions, and were entered into on the market conditions.

22. 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 figures from the consolidated profit and loss account for the Capital Group's individual operating segments for the 3-month period ended 31 March 2017 as well as the comparative data for the 3-month period ended 31 March 2016.

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. Płock S.A., Mostostal Power Development Sp. z o.o.).
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:

3 month period ending 31 March 2017	Engineering and industrial segment	General construction segment	Unallocated revenue and costs	Total
Revenue from sales				
Sales to external customers	193,420	83,908	435	277,763
Sales between segments	0	0	0	0
Total revenue from segment	193,420	83,908	435	277,763
Result				
Profit (loss) of segment (taking into account other operating costs and other revenue)	28,070	-1,809	-741	25,520
Unallocated costs (administrative expenses)			14,966	14,966
Profit (loss) on operating activities	28,070	-1,809	-15,707	10,554
Financial revenue	1,255	55	9,776	11,086
Financing costs	236	61	2,087	2,384
Gross profit (loss)	29,089	-1,815	-8,018	19,256
Income tax			5,463	5,463
Net profit (loss) on continuing operations	28,089	-1,815	-13,481	13,793
Discontinued operations	0	0	0	0
Net profit / loss for the period	29,089	-1,815	-13,481	13,793

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Net profit (loss) allocated to shareholders of the Parent Company	29,089	-1,815	-13,927	13,347
Net profit (loss) allocated to non-controlling shareholders			446	446
3 month period ending 31 March 2016	Engineering and industrial segment	General construction segment	Unallocated revenue and costs	Total
Revenue from sales				
Sales to external customers	287,876	62,485	213	350,574
Sales between segments	0	0	0	0
Total revenue from segment	287,876	62,485	213	350,574
Result				
Profit (loss) of segment (taking into account other operating costs and other revenue)	32,822	-2,184	-792	29,846
Unallocated costs (administrative costs and sales costs)	0	0	12,959	12,959
Profit (loss) on operating activities	32,822	-2,184	-13,751	16,887
Financial revenue	205	18	1,307	1,530
Financing costs	214	75	2,293	2,582
Gross profit (loss)	32,813	-2,241	-14,737	15,835
Income tax			4,056	4,056
Net profit (loss) on continuing operations	32,813	-2,241	-18,793	11,779
Discontinued operations	0	0	0	0
Net profit / loss for the period	32,813	-2,241	-18,793	11,779
Net profit (loss) allocated to shareholders of the Parent Company	32,813	-2,241	-18,436	12,136
Net profit (loss) allocated to non-controlling shareholders			-357	-357

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 the domestic market.

23. Financial instruments – Fair values

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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	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
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				
4) Loans granted and receivables				
- Trade receivables	373,194	393,746	373,194	393,746
- Long-term receivables - Long-term deposits for construction contracts held by the customers (measures at amortized cost)	6,669	4,647	6,669	4,647
- Cash and cash equivalents	107,464	215,780	107,464	215,780
- Accruals and deferred income from measurement of contracts	365,336	327,924	365,336	327,924
- Long-term deposits as security for bank guarantees	0	2,500	0	2,500

FINANCIAL LIABILITIES	Carrying value		Fair value	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016
1) Financial liabilities - financial instruments measured at fair value through profit or loss				
2) Other financial liabilities - financial instruments - hedge of future cash flows				
3) Liabilities (measured at amortized cost)				
Liabilities from deliveries and services and other short-term liabilities	275,815	315,757	275,815	315,757
- Long-term deposits under withheld from suppliers under construction contracts (measures at amortized cost)	51,646	52,998	51,646	52,998
- Accruals and deferred income from measurement of contracts	2,558	2,184	2,558	2,184
4) Other financial liabilities (measured at amortized cost)				
- Interest-bearing bank loans and borrowings	137,147	146,903	137,147	146,903
- Current portion of interest-bearing bank loans and borrowings	64,753	68,821	64,753	68,821

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- Short-term and long-term liabilities from leasing agreements	4,638	4,567	4,638	4,567
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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 31/03/2017, Mostostal Warszawa Capital Group does not have any financial instruments used for hedge accounting.

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

1. Selected financial data

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

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.

Selected financial data from the consolidated profit and loss account for the 1st quarter of 2017

Item	1st quarter of 2017	1st quarter of 2016
Revenue from sales	277.763	350.574
Gross profit (loss) on sales	33.690	33.069
General administrative expenses	14.966	12.959
Account for other operating activities	-8.170	-3.223
Operating result	10.554	16.887
Account for financial activities	8.702	-1.052
Gross result	19.256	15.835
Income tax	5.463	4.056
Result on continued activities	13.793	11.779
Net profit (loss) on discontinued operations	0	0
Net profit (loss) for the period allocated to:	13.793	11.779
Shareholders of the Parent Company	13.347	12.136
Non-controlling shareholders	446	-357

In the 1st quarter of 2017, the consolidated sales revenue amounted to PLN 277,763 thousand with a positive gross profit from sales, which amounted to PLN 33,690 thousand (in the 1st quarter of 2016, gross profit from sales amounted to PLN 33,069 thousand). In the 1st quarter of 2017, the Group generated a net profit of PLN 13,793 thousand (in the 1st quarter of 2016, the net profit amounted to PLN 11,779 thousand).

The value of the backlog of Mostostal Warszawa Group as at 31/03/2017 amounted to PLN 1,202,169 thousand. The Companies of the Group participate 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 as at 31/03/2017 amounted to PLN 373,194 thousand and compared to figures as at 31/12/2016 decreased by PLN 20,552 thousand.

The value of accruals arising from valuation of long-term contracts as at 31/03/2017 amounted to PLN 365,336 thousand and was higher by PLN 37,412 thousand compared to the value as at 31/12/2016.

Cash balance as at 31/03/2017 amounted to PLN 107,464 thousand and compared to the situation as at 31/12/2016 decreased by PLN 108,316 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 56,267 thousand, related mainly to the costs of subcontractors. In the 1st quarter of 2017, the Group was using overdraft facilities as well as short-term and long-term loans, the value of which as at 31/03/2017 amounted to PLN 201,900 thousand and compared to the figures as at 31/12/2016 decreased by PLN 13,824 thousand. In the opinion of the Management Board, the management of financial resources in the first quarter of 2017 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 a related party which provides 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. and the Group. The Management Board believes that the Parent Company and the Group have the ability to settle their liabilities.

Long-term liabilities in the first quarter of 2017 decreased by PLN 19,670 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 248,058 thousand and compared to the figures as at 31/12/2016 decreased by PLN 54,930 thousand.

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

- Effective as of 01 January 2017, the name of the majority shareholder of Mostostal Warszawa S.A. 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 share capital of Mostostal Warszawa S.A., representing 10,018,733 votes at the General Meeting, which accounts for 50.09% of the share capital of Mostostal Warszawa S.A.

- On 17 January 2017, Mostostal Warszawa S.A. 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 98,080 thousand.

- On 31 January 2017, Mostostal Warszawa S.A. 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, Mostostal Warszawa S.A. 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, Mostostal Warszawa S.A. 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, Mostostal Warszawa S.A., 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, Mostostal Warszawa S.A. – 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 thousand, 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, Mostostal Warszawa S.A. 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, Mostostal Warszawa S.A. 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. 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:

- strengthening of the Polish currency against euro compared to the situation as at 31/12/2016, as a result of which the Parent Company recognized foreign exchange gains from the balance sheet valuation of loans in the amount of PLN 9,260 thousand,
- recognition by the Parent Company of the 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.

4. Market position of the Capital Group

In the 1st quarter of 2017, the companies of Mostostal Warszawa Group included in the consolidation were:

- 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.

5. Result forecasts.

Mostostal Warszawa Capital Group did not publish financial forecasts for 2017.

6. 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 15/05/2017:

Entity	Number of shares	Number of votes	% of capital	% of votes
Acciona Construcción S.A.	10,018,733	10,018,733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU Złota Jesień (pension fund)	3,450,000	3,450,000	17.25%	17.25%
AVIVA Powszechnie 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 first quarter of 2017, there were no changes in the Parent Company's shares held by members of the management and supervisory bodies.

8. Court and administrative proceedings

The Companies of the Capital Group participate in proceedings concerning claims with the total value of 790,182 thousand as at 31/03/2017 and in proceedings concerning liabilities with the total value of 232,215 thousand as at 31/03/2017.

Proceedings with highest dispute value:

Date of initiating the proceedings	Defendant	Value of the dispute	Subject of the litigation	Issuer's position
brought by the Companies of the Group				
01/02/2010	State Treasury - General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad)	PLN 16,583 thousand	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 - General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad)	PLN 36,961 thousand	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-Konotopa, section between km 394+500 and 411+465.8".	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.
09/09/2013	State Treasury - General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad)	PLN 62,170 thousand	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.	PLN 15,953 thousand	The case for establishing non-existence of Zielona Italia's right to demand payment under the bank	The case originally for establishing non-existence of Zielona Italia's right to demand payment under the bank guarantee – performance bond. Mostostal Warszawa S.A. withdrew from the agreement due to reasons attributable to the Ordering Party, thus the conditions pursuant to which the Ordering

			<p>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</p>	<p>Party may satisfy its claims from the performance bond are not fulfilled. Mostostal Warszawa S.A. changed the lawsuit to a lawsuit for reimbursement of an undue payment made under the performance guarantee, leading to unjustified enrichment.</p>
23/06/2010	The Treasury Ministry of Defence	PLN 19,093 thousand	<p>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.</p>	<p>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. Mostostal Warszawa S.A. lodged an appeal against the aforesaid decision, which is pending consideration by the Court.</p>
30/05/2012	State Treasury - General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad)	PLN 207,530 thousand	<p>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).</p>	<p>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).</p> <p>The court ordered that Mostostal Warszawa S.A. and Construcción S.A. 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.</p>
02/07/2013	State Treasury - General Directorate for National Roads and Motorways (Generalna Dyrekcja Dróg Krajowych i Autostrad)	PLN 27.157 thousand	<p>Subject matter of the dispute: claims lodged by Mostostal Warszawa S.A. Claims lodged by Mostostal Warszawa S.A. and Acciona Construcción S.A. in connection with implementation of</p>	<p>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.</p>

			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).	
23/05/2014	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways)	PLN 103,644 thousand	“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 S.A. is PLN 81,824,000.
09/05/2013	Zielona Italia Sp. z o.o.	PLN 52,344 thousand	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.
11/11/2010	Wrocław Municipality	PLN 56,555 thousand	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 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).
13/11/2012	Wrocław Municipality	PLN 82,061 thousand	The case instituted by the Consortium of Mostostal Warszawa S.A., Acciona Construcción S.A., Wrocławskie Przedsiębiorstwo Budownictwa Przemysłowego nr 2 „Wrobis” S.A. and Marek Izmajłowicz PH-U IWA for payment.	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 Izmajłowicz - 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

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				Forum of Music in Wrocław.
04/10/2012	Treasury and NATO Defence Investment Division	PLN 5,236 thousand	Claims of Mostostal Warszawa SA for payment for additional works	Case for payment for additional works.
03/10/2014	Lubelskie Region Oncology Centre	PLN 32,461 thousand	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	PLN 78,015 thousand	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.	PLN 9,963 thousand	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 involves the demand to cease the breach of copyright to the design.
brought against the Companies of the Group				
03/02/2015	Mostostal Warszawa S.A.	PLN 66,718 thousand	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 S.A.), the claimed liquidated damages are unfounded.
26/05/2014	Mostostal Warszawa S.A.	PLN 22,876 thousand	Construction of the 20 MWe biomass-fired power block for Energa Kogeneracja Sp. z o.o.	The Plaintiff, Biomatec Sp. z o.o., seeks payment of remuneration for the works. Mostostal Warszawa S.A. challenges the merits of the lawsuit in their entirety.
09/10/2014	Mostostal Warszawa S.A.	PLN 10,810 thousand	Construction of the National Forum of Music in Wrocław	The Plaintiff, Waagner 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	Mostostal Warszawa S.A.	PLN 15,784 thousand	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. The Company entirely disputes the validity of the penalty charged under the Contract, from which Mostostal Warszawa withdrew first.
10/09/2015	Mostostal Warszawa S.A.	PLN 27,072 thousand	The counterclaim of Lubelskie Region Oncology Centre to the case initiated by	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

			Mostostal Warszawa S.A. dated 03/10/2014.	investor. According to the defendant (Mostostal Warszawa S.A.), the claimed liquidated damages are unfounded. The Company disputes also other claims in their entirety.
22/07/2016	Mostostal Warszawa S.A.	PLN 20.822 thousand	"Construction of the Sports Hall Czyżyny in Krakow".	Claim for payment of contractual penalties for exceeding the deadline for completion. Having analysed the lawsuit, Mostostal Warszawa S.A. disputes the legitimacy and the amount of the claim sought by the Plaintiff (Agencja Rozwoju Miasta S.A. of Cracow) and is of the opinion that there were no grounds to charge the penalties.

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

9. Information on transactions with affiliated entities

Presentation of total consolidated sales revenue and turnover within the Group for the 1st quarter of 2017

Companies of the Group	Total net sales revenue	Sales within the Group	Consolidated net sales revenue
Parent Company	235.877	441	235.436
Other Companies	154.866	112.539	42.327
TOTAL	390.743	112.980	277.763

The total net sales revenue of the companies included in the consolidation, using the complete method, for the 1st quarter of 2017, amounted to 390,743 thousand. Turnover within the Capital Group amounted to PLN 112,980 thousand i.e. 29 % of the total net sales revenue without consolidation exclusions.

All the transactions concluded with affiliated entities in the 1st quarter of 2017 were typical and routine transactions, and were entered into on the market conditions.

10. Information on the sureties for loans or guarantees granted

In the 1st quarter of 2017, 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 01/01/2017 to 31/03/2017.

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).