



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

for the period from 01/01/2015 to 30/06/2015

TRANSLATORS' EXPLANATORY NOTE

The following document is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts must be prepared and presented in accordance with Polish legislation and in accordance with the accounting principles and practices generally used in Poland.

The accompanying translated report has not been reclassified or adjusted in any way to conform to accounting principles generally accepted in countries other than in Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancy in interpreting the terminology, the Polish version is binding.

Independent registered auditor's report on the review of the interim condensed financial statements for the period from 1 January to 30 June 2015

To the Shareholders and the Supervisory Board of Mostostal Warszawa S.A.

We have reviewed the accompanying interim condensed financial statements of Mostostal Warszawa S.A. (hereinafter called *the Company*), with its registered office in Warsaw, Malownicza 2 Street, comprising the statement of financial position as at 30 June 2015, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period from 1 January to 30 June 2015 and selected explanatory notes.

The Company's Management Board is responsible for the preparation of interim condensed financial statements which comply with the International Financial Reporting Standards adopted by the European Union concerning interim reporting (IAS 34). Our responsibility was to issue a report on these interim condensed financial statements based on our review.

We conducted our review in accordance with the requirements of the national standards of auditing issued by the National Chamber of Registered Auditors. These standards require us to plan and perform the review to obtain moderate assurance that the interim condensed financial statements are free of material misstatements. We conducted the review mainly by analysing the data in the financial statements, inspecting the accounting records, and making use of information obtained from the Company's Management Board and persons responsible for financial and accounting matters in the Company.

The scope and methodology of the review of interim condensed financial statements is significantly different from the scope of an audit aimed at expressing an opinion on compliance of the financial statements with the applicable accounting policies and their fairness and clarity, therefore we cannot express an opinion on the attached financial statements.

The Company applies International Accounting Standard 11 (IAS 11) in accounting for construction contracts. The Company has claimed additional revenues from its customers in relation to certain construction contracts. IAS 11 requires revenue to be recognized only when

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**To the Shareholders and the Supervisory Board of
Mostostal Warszawa S.A. (cont.)**

negotiations with customers have reached an advanced stage and when it is probable that the customer will accept the claim. As at the date of this audit report, the legal processes and negotiations with the customers have not yet reached an advanced stage. As the recognition of the additional revenue has been recorded in 2011 and 2012 this has no impact on the result for the six months ended 30 June 2015. Such additional revenue recognised in previous years has net impact on retained earnings as at 30 June 2015 of PLN 190,500 thousand. Our audit report for the year ended 31 December 2014 was qualified on this matter.

Based on our review, except for the effect of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Without further qualifying our report we draw your attention to the Note 3.1 of the interim condensed financial statements, which indicate the existence of a material uncertainties which may cast significant doubt about the ability of the Company to continue as a going concern.

Conducting the review on behalf of PricewaterhouseCoopers Sp. z o.o., Registered Audit Company No. 144:

Piotr Wyszogrodzki

Key Registered Auditor
No. 90091

Warsaw, 20th August 2015

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

for the period from 01/01/2015 to 30/06/2015

PROFIT AND LOSS ACCOUNT
for the period of 6 months from 01/01/2015 to 30/06/2015

NO.	PROFIT AND LOSS ACCOUNT	Note	1st half period from 01/01/2015 to 30/06/2015 (unaudited)	1st half period from 01/01/2014 to 30/06/2014 (unaudited)
	Continued activities			
I	Revenue from sales		494,899	422,920
	Revenue from sale of products		488,833	397,249
	Revenue from sale of services		5,665	25,547
	Revenue from sales of goods and materials		401	124
II	Own sales costs		457,347	390,056
III	Gross profit (loss) on sales		37,552	32,864
IV	General administrative expenses		18,697	23,451
V	Other operating revenue		3,306	2,146
VI	Other operating costs		10,444	2,118
VII	Profit (loss) on operating activities		11,717	9,441
VIII	Financial revenue		12,352	6,329
IX	Financial costs		10,583	8,668
X	Gross profit (loss)		13,486	7,102
XI	Income tax		2,562	1,349
	a) current			
	b) deferred		2,562	1,349
XII	Net profit (loss) on continued activities		10,924	5,753
XIII	Discontinued activities		0	0
XIV	Net profit (loss) on discontinued activities			
XV	Net profit / (loss)		10,924	5,753
	Net profit / (loss)		10,924	5,753
	Weighted average number of shares		20,000,000	20,000,000
	Net profit (loss) per ordinary share (PLN)		0.55	0.29
	Diluted net profit (loss) per ordinary share			

STATEMENT OF TOTAL REVENUE
for the period of 6 months from 01/01/2015 to 30/06/2015

	Details		1st half period from 01/01/2015 to 30/06/2015 (unaudited)	1st half period from 01/01/2014 to 30/06/2014 (unaudited)
	Net profit / loss for the period		10,924	5,753
	Effective part of profit and loss associated with hedging of cash flows		0	0
	Income tax associated with components of other total revenue		0	0
	Other total revenue after tax		0	0
	<i>including items that may be reclassified as profit or loss at a later date</i>		0	0
	Total income		10,924	5,753

BALANCE SHEET
as of 30/06/2015

NO.	ASSETS	Note	as at 30/06/2015 (unaudited)	as at 31/12/2014
I	Fixed assets (long-term)		256,695	247,697
I.1	Intangible assets		3,869	4,343
I.2	Perpetual usufruct right		19,838	19,838
I.3	Tangible fixed assets		29,881	44,610
I.4	Long-term receivables from deliveries and services and other receivables.		7,256	5,596
I.5	Long-term advances for construction works		80,291	59,427
I.6	Investment property		8,872	0
I.7	Long-term financial assets		34,846	39,398
I.8	Other long-term investments		3,855	3,855
I.9	Assets from deferred taxes		67,976	70,538
I.10	Long-term deferred charges and accruals		11	92
II	Current assets (short-term)		998,178	982,862
II.1	Inventory		5,360	6,401
II.2	Receivables from deliveries and services and other receivables.		354,563	371,067
II.3	Advances for the works		76,584	24,597
II.4	Short-term financial assets		0	0
II.5	Cash and equivalents		138,715	160,234
II.6	Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)		418,888	417,387
II.7	Other accruals		4,068	3,176
	TOTAL ASSETS		1,254,873	1,230,559

NO.	EQUITY CAPITAL AND LIABILITIES	Note	as at 30/06/2015 (unaudited)	as at 31/12/2014
I	Equity capital		153,556	142,632
I.1	Stated capital		44,801	44,801
I.2	Called-up subscribed capital (negative value)		0	0
I.3	Own shares (interests) (negative value)		0	0
I.4	Supplementary/reserve capital		108,406	108,406
I.5	Reserve capital from reclassification of loans		201,815	201,815
I.6	Retained profit / uncovered loss		-201,466	-212,390
	unshared profit / (uncovered loss)		-212,390	-266,107
	profit / loss for the period		10,924	53,717
II	Long term liabilities		222,766	234,067
II.1	Interest bearing bank credits and loans		78,523	55,542
II.2	Long term liabilities from leasing agreements		860	1,748
II.3	Long term liabilities from deliveries and services.		41,999	44,259
II.4	Long-term advances for construction works		88,571	119,705
II.5	Long-term reserves		12,813	12,813
III	Short term liabilities		878,551	853,860
III.1	Current portion of interest-bearing bank credits and loans		140,394	189,530
III.2	Short term liabilities from leasing agreements		2,349	4,157
III.3	Trade liabilities		268,834	312,818
III.4	Other liabilities		7,431	13,894
III.5	Advances for the works		88,284	92,847
III.6	Short-term reserves		40,277	36,683
III.7	Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)		78,491	8,331
III.8	Other accruals		252,491	195,600
IV	Total liabilities		1,101,317	1,087,927
	EQUITY CAPITAL AND LIABILITIES (TOTAL)		1,254,873	1,230,559

CASH FLOW ACCOUNT
for the period of 6 months from 01/01/2015 to 30/06/2015

NO.	CASH FLOW ACCOUNT	Note	1st half period from 01/01/2015 to 30/06/2015 (unaudited)	1st half period from 01/01/2014 to 30/06/2014 (unaudited)
I	Cash flows from operating activities			
I.1	Gross profit (loss)		13,486	7,102
I.2	Adjustments by items:		-17,018	85,023
I.2.1	Depreciation		3,784	6,537
I.2.2	Currency translation differences		0	0
I.2.3	Interest received and paid		-916	3,653
I.2.4	Profit (loss) on investing activities		-1,524	-1,499
I.2.5	Increase / decrease in receivables		-58,007	31,013
I.2.6	Increase / decrease in inventory		1,041	2,815
I.2.7	Increase / decrease in liabilities excluding credits and loans		-94,381	33,069
I.2.8	Change in prepayments and accruals		124,739	28,626
I.2.9	Change in reserves		3,594	-18,220
I.2.10	Income tax paid		0	0
I.2.11	Other		4,652	-971
	Net cash from operating activities		-3,532	92,125
II	Cash flows from investment activities			
II.1	Disposal of fixed assets and intangible assets		8,581	2,634
II.2	Purchase of tangible fixed assets and intangible assets		-4,603	-410
II.3	Disposal of financial assets			4,727
II.4	Acquisition of financial assets		-7	
II.5	Interest and dividends received and paid		7,004	
II.6	Loans granted			-1,510
	Net cash flows from investment activities		10,975	5,441
III	Cash flows from financial activities			
III.1	Payment of liabilities arising from financial leases		-2,696	-5,732
III.2	Inflows from credits/loan taken			8,301
III.3	Repayment of loans/credit		-20,178	
III.4	Interest paid		-6,088	-3,653
	Net cash flows from financial activities		-28,962	-1,084
IV	Change in net cash and its equivalents		-21,519	96,482
	Net currency translation differences		0	0
V	Cash opening balance, including		160,234	71,298
VI	Cash closing balance, including		138,715	167,780

STATEMENT OF CHANGES IN EQUITY CAPITAL
for the period of 6 months from 01/01/2015 to 30/06/2015

	Stated capital	Supplementary/reserve capital	Retained profit / uncovered loss	Total equity capital
1st half of 2015 – period from 01/01/2015 to 30/06/2015				
As at 01 January 2015	44,801	310,221	-212,390	142,632
Profit for the period			10,924	10,924
Other total revenue				
Total income			10,924	10,924
Distribution of previous years' profit				
Dividends paid				
As at 30 June 2015	44,801	310,221	-201,466	153,556

1st half of 2014 – period from 01/01/2014 to 30/06/2014				
As at 01 January 2014	44,801	310,221	-266,107	88,915
Profit for the period			5,753	5,753
Other total revenue				
Total income			5,753	5,753
Distribution of previous years' profit				
Dividends paid				
As at 30 June 2014	44,801	310,221	-260,354	94,668

Additional information and explanatory notes for the condensed interim financial statements for the period from 01/01/2015 to 30/06/2015

1. General information

For the profit and loss account and the cash flow statement, the interim financial statements cover the period of the first 6 months of 2015 and contain comparative data for the 6 months of 2014, and in the case of balance sheet data as at 30 June 2015, contain comparative data as at 31 December 2014.

Mostostal Warszawa S.A., 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 4399Z. The Company's shares are listed on the Warsaw Stock Exchange S.A., construction sector.

The Company is established for an indefinite time.

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

Mostostal Warszawa S.A. has prepared the condensed interim financial statements, which was approved on 20/08/2015.

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 Company 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 Company's main management centre and enhancing cooperation within the Group 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 gained during 70 years of its activities.

As of 20/08/2015, members of the Management Board included:

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 of 20/08/2015, members of the Supervisory Board included:

Francisco Adalberto Claudio Vazquez – Chair of the Supervisory Board

Raimundo Fernández – Cuesta Laborde – Member of the Supervisory Board

Jose Manuel Terceiro Mateos – Member of the Supervisory Board

Neil Balfour – Member of the Supervisory Board

Piotr Gawrýs – Member of the Supervisory Board

2. Approval of the Financial Statements

The condensed interim financial statement for the 1st half of 2015 was approved for publication by the Company's Management Board on 20/08/2015.

3. Basis for preparation of the condensed financial statement for the 1st half of 2015 and accountancy principles

3.1 Basis for preparation of the Financial Statements

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

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

a) In the 1st half of 2015, the Company financed its operations mainly from own funds generated from operating activities and loans granted by the related party - Acciona Infraestructuras S.A. On 16 July 2015, the Company's Management Board received a written notice from Acciona Infraestructuras S.A. stating that in the absence of funds for repayment of loans in the total amount of PLN 211,047,000 of which PLN 132,524,000 is payable in 2015 and PLN 78,523,000 is payable in 2017, the repayment due dates would be extended. In the 1st half of 2015, the Company partially repaid the loans granted by Acciona Infraestructuras S.A. in the total amount of EUR 4,278,000.

In 2013, Mostostal Warszawa S.A. concluded annexes with Acciona Infraestructuras S.A. to three loan agreements with a total value of PLN 201,815,000, under which the terms and conditions for the repayment of the loans were set out in such a manner that the repayment period of the loans was extended for an indefinite period and the borrower i.e. Mostostal Warszawa S.A. will decide about the repayment date thereof. This allowed to include these loans in 2013 in the equity, in accordance with IAS 32.

b) In the 1st half of 2015, the Company generated sales profit of PLN 37,552,000, gross profit of 13,486,000 and net profit of PLN 10,924,000. The Company's equity as at 30/06/2015 was positive and amounted to PLN 153,556,000. As at the balance sheet date, the Company's current liabilities amounted to PLN 878,551,000 (as at 31/12/2014: PLN 853,860,000) and were lower by PLN 119,627,000 than current assets (as at end of 2014, they were lower by PLN 129,002,000).

c) The Company's Management Board expects that the positive performance will continue in 2015. Based on the analysis of future cash flows, the Company's Management Board estimates that the Company will have sufficient cash to fund its operations in the period of at least 12 months after the balance sheet date. In the following years, the Company expects to strengthen its position in the sector of general construction and environmental protection and to increase its involvement in the energy sector, which would be driven to a large extent, by the implementation of an energy project of key importance for the state economy i.e. construction of energy blocks in Opole, launched in 2014. The implementation of this contract will improve the cash flow. The value of Mostostal Warszawa's backlog amounts to PLN 2,725,242,000. At the same time, the Company is involved in a number of procurement procedures, which will translate into winning new contracts in the near future, which should also contribute to improved results and cash flows for Mostostal Warszawa S.A.

d) The 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 Company for the period of at least 12 months after the balance sheet date. Therefore, according to the Management Board, the going concern assumption for the Company is appropriate.

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting, as approved by the EU. These condensed interim financial statements should be read together with the audited financial statements of the Company for the year ended on 31 December 2014 and the related additional information. The condensed interim financial statements of Mostostal Warszawa S.A. were reviewed by a statutory auditor.

3.2 Compliance statement

These condensed interim financial statements for the period of 6 months ended on 30 June 2015 have been prepared in accordance with the International Accounting Standard 34.

3.3 Accounting Policies

The detailed accountancy principles adopted by the Company were described in the financial statement for the year ending 31 December 2014.

The accounting principles applied in preparing this condensed consolidated financial statement are consistent with those used in preparing the annual financial statement of the Group for the year ending 31 December 2014.

The Company intends to adopt the amendments to IFRS published but not effective as at the date of publication of these interim condensed financial statements, in accordance with the date of their entry into force. The estimated

impact of the amendments and new IFRS on future financial statements of the Company has been presented in the financial statements for the year 2014 in Note 4.30.

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

a) 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 Company has applied IFRIC 21 since 01 January 2015. The interpretation had no material impact on the financial statements.

a) 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 Company has applied the above-mentioned amendments to IFRS since 01 January 2015. They had no material impact on the financial statements.

3.4 Changes in the presentation

The restructuring of the 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 6,989 thousand, in the first half of 2015, and the amount of PLN 9,737, in the first half of 2014, were transferred from own costs of sale to the general administrative expenses.

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

3.5 The principles applied to convert the selected financial data into EUR

The following principles have been adopted for converting the selected financial data concerning the 1st half of 2015 to EUR:

- individual items of the profit and loss account and cash flow account for the 1st half of 2015 were converted at the PLN/EUR rate of 4.1341, 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 and June of 2015.
- individual items of assets and liabilities on the balance sheet were converted at the PLN/EUR rate of 4.1944 as published by the NBP on 30/06/2015.

3.6 Currency of the financial statements

The condensed interim financial statements for the 1st half 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. Long-term construction contracts

Selected data – Profit and Loss Account

Details	01/01/2015 – 30/06/2015	01/01/2014 – 30/06/2014
Revenue from the sales of construction works (long-term contracts)	488,833	397,249
Cost of performing construction works	446,862	383,973
Result	41,971	13,276

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 financial statements.

Revenue from uncompleted construction contracts as of the balance sheet date

Details	as at 30/06/2015	as at 31/12/2014
The estimated incremental revenue from uncompleted construction contracts is recognized in accordance with IAS 11.	2,064,292	2,087,281
Incrementally invoiced sales of uncompleted construction contracts	1,959,250	1,913,580
Deferred charges and accruals from valuation of uncompleted construction contracts	105,042	173,701
Advances received on uncompleted construction contracts	180,855	212,552
Net balance sheet position for uncompleted construction contracts	-75,813	-38,851
Reconciliation with the item 'Deferred charges and accruals from revaluation of contracts' in the balance sheet:		
Deferred charges and accruals from valuation of uncompleted construction contracts	105,042	173,701
Claims on completed contracts	235,355	235,355
Deferred charges and accruals from valuation of construction contracts	340,397	409,056

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

- broadened scope of works in relation to the design (tender) conditions communicated to the Company by the 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 Company's claims against the Employers (in the total amount of PLN 235,355,000) have been included in the budgets of some infrastructural contracts by the Company (the effect on the 2012 net result amounted to PLN 105,260,000 while the effect on the 2011 result amounted to PLN 85,239,000). It is the opinion of the Company that these claims are fully legitimate. The Management Board of the Company has taken all possible actions in order to recover these amounts.

Selected balance sheet data

Assets	as at 30/06/2015	as at 31/12/2014
Amounts due from the recipients under construction agreements (long term contracts)	361,819	376,663
- including retained deposits	14,844	14,309
Advances for the works	156,875	84,024
Accruals and deferred income from contract valuation (gross amounts due from ordering parties under construction agreements)	418,888	417,387

Liabilities	as at 30/06/2015	as at 31/12/2014
Amounts due to the suppliers under construction agreements (long term contracts)	310,833	357,077
- including retained deposits	109,801	123,820
Advances for the works	176,855	212,552
Reserves for anticipated losses	22,880	19,485
Accruals and deferred income from contract valuation (gross amounts due to ordering parties under construction agreements)	78,491	8,331

5. Major changes to estimated amounts

Recognition of sales on construction contracts constitutes an essential estimate. The Company recognizes revenue from construction contracts in accordance with the progress method. The progress is measured by reference to the share of costs incurred between the day the contract has been entered into and the day of determining revenue in relation to the total costs of providing the service. Total revenue from long term construction contracts denominated in 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.

Information about the created and reversed write-downs is presented in Notes 9 and 10 of this report.

Information on the provisions created and reversed in the reporting period is presented in Note 11 of this report.

The deferred tax assets decreased over the reporting period by PLN 2,562,000 and as at 30/06/2015 amounted to PLN 67,976,000 (as of 31/12/2014: PLN 70,538,000). The Company recognises financial assets from deferred taxes assuming that a tax profit is to be generated in the future that shall allow to use it. Deterioration of tax results in the future could cause the whole or a part of the deferred tax assets not to be realized.

The tax losses in 2010-2013 resulted primarily from losses on infrastructural contracts. The Management Board has carried out an analysis relating to the recovery of assets from deferred taxes as at the balance sheet day based on projections for the next 4 years that have been prepared taking into account the planned involvement in the power generation sector. The test demonstrate the realization of a deferred tax asset in the amount not less than PLN 67,976,000.

6. Description of major achievements and setbacks and major events in the 1st half of 2015 and an assessment of the management of financial resources.

Sales revenue in the 1st half of 2015 stood at PLN 494,899,000 and increased by 17 % compared to the same period of the previous year. Net profit on sales amounted to PLN 37,552,000 (gross sales profit in the same period of 2014 amounted to PLN 32,864,000). In the 1st half of 2015, the Company generated the net profit of PLN 10,924,000 (in the 1st half of 2014, the net profit amounted to PLN 5,753,000).

The value of the Company's backlog as at 30/06/2015 amounted to PLN 2,568,340,000. 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 limited involvement in non-profitable infrastructural contracts and introduction of the internal risk management procedures aimed at acquiring projects with a margin that will allow the Company to achieve positive results.

The value of receivables from deliveries and services, and other receivables on 30/06/2015 stood at PLN 354,563,000 which was a drop of PLN 16,504,000 compared to 31/12/2014.

The value of prepaid expenses arising from valuation of long-term contracts as at 30/06/2015 amounted to PLN 418,888,000 and was higher as compared to the value as at 31/12/2014 by PLN 1,501,000.

The value of cash as at 30/06/2015 amounted to PLN 138,715,000 and compared to the figures as at 31/12/2014 decreased by PLN 21,519,000. In the 1st half of 2015, the Company was using overdraft facilities and loans, the value of which as at 30/06/2015 amounted to PLN 218,917,000 and compared to the figures as at 31/12/2014 decreased by PLN 26,155,000. In the period from 01/01/2015 to 30/06/2015, the Company partially repaid the loan and interest to Acciona Infraestructuras S.A. in the total amount of EUR 4,278,000 and the current account overdraft at PKO BP. On 16 July 2015, the 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 first half of 2015 was adequate to the Company's situation. The Management Board monitors the liquidity of the Company on the on-going basis, based on the expected cash flows. Given the existing involvement of the related party granting loans and 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. The Management Board believes that the Company has the ability to settle their liabilities and the liquidity position of the Company is improving.

Long-term liabilities in the first half of 2015 decreased by PLN 11,301,000, mainly due settlement of the advance payment received for the construction of Power Plant in Opole. The value of short-term trade liabilities at the end of the 1st half of 2015 amounted to PLN 268,834,000 and compared to the figures as at 31/12/2014 were lower by 43,984,000.

Other deferred charges and accruals as at 30/06/2015 amounted to PLN 252,491,000 and were higher by PLN 56,891,000, compared to the figures as at 31/12/2014. The main reason for the increase in this item was the increase in reserves for construction works performed by subcontractors and not yet invoiced by them.

During the reporting period i.e. from 01/01/2015 to 30/06/2015, the following events significant for the Mostostal Warszawa S.A. took place:

On 05/02/2015, the Company and the Polish Air Navigation Services Agency concluded the Agreement for the construction of an administrative and training building. The Parties agreed to complete the works within 18 months from the handover of the construction site to the contractor. The gross value of the contract is PLN 57.6 million.

On 03/03/2015, the Company and Towarzystwo Ubezpieczeń i Reasekuracji Warta SA (insurance company) signed the Annex 2 to the Agreement of 13 August 2014 on granting contract insurance guarantees up to a specified guarantee limit, increasing the current limit of PLN 6,000,000 to the maximum guarantee limit of PLN 30,000,000. The term of the agreement was specified as at 27/02/2016.

On 06/03/2015, the Company and the Provincial Police Headquarters in Gdansk (Employer) concluded a contract for "Construction of the new headquarters of the Provincial Police Station Gdańsk Śródmieście – including the development of a detailed working design". The gross contract value amounts to PLN 25,687,000. The deadline for completion is 30/04/2017.

On 29 April 2015, Mostostal Warszawa S.A. and Generali Towarzystwo Ubezpieczeń S.A (insurance company) signed a framework agreement for contract guarantees within a renewable limit. Pursuant to the agreement, the maximum limit on contract guarantees is PLN 20 million, while the maximum term of a single guarantee will not exceed six years; and in the case of guarantee co-financed by the European Union – seven years.

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

Over the 1st half 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 Company's activities in the 1st half of 2015

The activities of the Company depend on weather conditions. The Group is significantly less active during winter than during other seasons. The atmospheric conditions in the 1st half of 2015 had no significant effect on the Company'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 first half of 2015, there were no impairments of inventory and reversals 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 first half of 2015, the allowance for uncollectible accounts in the amount of PLN 2,574,000 was reversed and the write-offs in the amount of PLN 1,757,000 were created in this respect.

In the reporting period, the Company recognized a write-down of shares of Mieleckie Przedsiębiorstwo Budowlane in the amount of PLN 4,559,000.

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

30 June 2015	Reserve for anniversary awards and retirement bonuses	Provision for anticipated losses on contracts	Reserve for warranty repairs	Provision for litigation	Total
As of 01/01/2015	2,657	19,485	16,033	11,321	49,496
Created during the financial year		4,363	1,640	4,418	10,421
Used	-227	-968	-1,415	-1,003	-3,159
Dissolved			-3,214		-3,214
As of 30/06/2015	2,430	22,880	13,044	14,736	53,090
Long-term 30/06/2015	2,190	10,623			12,813
Short-term 30/06/2015	240	12,257	13,044	14,736	40,277

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

In the framework of the ownership structure reorganization within the Group, the Company acquired from W.M.B. Miękinia Sp. z o.o. (a wholly owned subsidiary of Mostostal Warszawa S.A.) a plot of land worth PLN 4,250,000.

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

In the first half of 2015, the purchase of the land property from W.M.B. Miękinia Sp. z o.o. gave rise to liabilities amounting to PLN 5,228,000.

14. Information on significant litigation settlements

In the first half 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

There were no share issues in the 1st half of 2015. There were no repayments of debt and equity securities in the 1st quarter of 2011.

On 20 April 2015, the Ordinary General Meeting of Mostostal Warszawa SA resolved to allocate the entire profit for 2014 in the amount of PLN 53,717,000 to cover losses from previous years.

17. Dividends paid (declared) by the Issuer

The Company did not pay out any dividends in the 1st half of 2015.

18. Changes to the basic management rules of the Company

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

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

On 15 July 2015, Mostostal Warszawa S.A. and Millennium Insurance signed a contract for a guarantee facility worth EUR 8 million (PLN 33,6 million) for the support of construction contracts. The new guarantee facility can be used for any construction contract, starting from tendering guarantees to performance bonds.

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

Collateral of commercial contracts

OFF-BALANCE ITEMS	30/06/2015	31/12/2014
1. Contingent receivables	119,840	135,003
Guarantees received	111,749	125,363
Bills of exchange received	8,091	9,640
2. Contingent liabilities	259,248	278,253
Surety of bank guarantee repayment	133	593
Bills of exchange issued to secure trade agreements	89,332	82,081
Guarantees to secure trade agreements	169,783	195,579

The granted collaterals of commercial agreements as at 30/06/2015 amounted to PLN 259,248,000, which means a decrease by PLN 19,005,000 compared to the end of the previous year.

Contingent receivables as of 30/06/2015 amounted to PLN 119,840,000, which means a decrease compared to the end of the previous year by PLN 15,163,000.

Other contingent liabilities

Details	30/06/2015	31/12/2014
A2 – liquidated damages	13,691	13,691
Oncology – penalty for withdrawing from the agreement	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
Total	74,509	57,719

The value of other contingent liabilities as at 30/06/2015 amounted to PLN 74,509,000 and compared to the end of the previous year, increased by PLN 16,790,000.

The following is the 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 Polimix Mostostal S.A. with a contractual penalty of PLN 27,000,000 (the Issuer'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 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 the liquidated damages pursuant to the Agreement. The 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 Issuer withdrew from the contract of 11 November 2010 for construction of a complex of multi-family residential buildings with commercial spaces and underground garages that was entered into with Zielona Italia Sp. z o.o. A failure by the Investor to accept the executed works, or even to commence the acceptance procedure (despite repeated requests made by the Issuer), was the reason behind withdrawal. The fact that the Investor unreasonably declined to accept the works resulted in a delay in the performance of a mutual obligation having the value of PLN 29,551,000. It is also an obvious sign that the Investor is not willing to cooperate and that the Employer is improperly performing the Agreement. Pursuant to § 28(2)(c) of the Agreement, the Company shall be entitled to withdraw from the Agreement due to the fault of Zielona Italia Sp. z o.o. As a result of the withdrawal from the contract due to the Investor's fault, Mostostal charged liquidated damages in the amount of PLN 15,784,000 (not included in revenue). In response to this, Zielona Italia Sp. z o.o. charged the Company with contractual penalties in the amount of PLN 15,784,000. As the Management Board of the Company considers the liquidated damages to be charged unreasonably, this amount has not been included in the contract measurement. The dispute on the lack of grounds to charge liquidated damages from the Issuer is under examination by the Court.
- Construction of a power unit in Elbląg – 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. The issuer 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.

21. Court and administrative proceedings

In the reporting period, the Company participated in the litigation concerning amounts receivables with the total value of PLN 895,935,000 and in the proceedings related to liabilities with the total value amounting to PLN 187,375,000.

Date of initiating the proceedings	Defendant	Value of the dispute (thousands PLN)	Subject of the litigation	Issuer's position
01/02/2010	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 160/10	16,583	Mostostal Warszawa S.A.'s claims in connection with performance of the contract of 6 July 2006 to upgrade National Road 7 to an expressway on the section between Białobrzegi – Jedlińska.	Within this lawsuit, the Company claims payment of compensation for damage in the form of additional costs incurred due to extension of the contract performance as well as payment for additional and replacement works.
10.07.2012	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 857/12	36,961	Claims lodged by Mostostal Warszawa S.A. are associated with the implementation of the agreement of 28 September 2009: "Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394+500 and 411+465.8".	According to Mostostal, in the course of the contract, there was a remarkable change affecting the contractual relationship, in the form of unforeseen and sharp increase in prices of liquid fuels and bitumen. The Plaintiff demands an increase of the fixed remuneration.
09/09/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 1284/13	62,170	Claims of Mostostal Warszawa S.A. for reimbursement of unduly assessed liquidated damages and payment of increased indirect costs arising from an extended period of the contract "Construction of the bridge on the Oder River in Wrocław".	The Company seeks reimbursement of unduly assessed liquidated damages and payment for the completed additional and replacement works.
29/03/2013	Zielona Italia Sp. z o.o. XX GC 287/13	15,953	The case for establishing non-existence of Zielona Italia's right to demand payment under the bank guarantee – performance bond related to the construction of housing estate "Zielona Italia" in Warsaw.	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	Claims of Consortium of Mostostal Warszawa SA - Unitek Ltd for additional compensation and reimbursement of the costs incurred in connection with the Contract No. 3/NSIP/P/2000 concerning the implementation of the projects under the Investment Package CP 2A0022, according to which the Plaintiff acted as an alternative investor.	During performance of the Contract, for reasons independent of the Plaintiff, there were changes to the scope and shape of the project, which resulted in additional costs, the reimbursement of which is sought by the Plaintiff.

Mostostal Warszawa S.A.
Condensed interim financial statements for the period from 01/01/2015 to 30/06/2015

Date of initiating the proceedings	Defendant	Value of the dispute (thousands PLN)	Subject of the litigation	Issuer's position
30/05/2012	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 1227/12	207,530	Claims lodged by Mostostal Warszawa S.A. and Acciona 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 - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 1262/12	8,314	Claim of Mostostal Warszawa S.A. (Plaintiff) related to the implementation of the 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.	The plaintiff 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 lawsuit).
02/07/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 867/13	25,537	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 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	Municipality of Wrocław SA 383/10	56,555	The case for payment (with extension of the lawsuit on 22/08/2012) instituted by the Consortium of Mostostal Warszawa SA, ACCIONA 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	Municipality of Wrocław SA 258/12	82,061	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).

Mostostal Warszawa S.A.
Condensed interim financial statements for the period from 01/01/2015 to 30/06/2015

Date of initiating the proceedings	Defendant	Value of the dispute (thousands PLN)	Subject of the litigation	Issuer's position
09/05/2013	Zielona Italia Sp. z o.o., case file ref.: XX GNc 421/13	52,344	Payment of the remuneration for the works performed under the contract "Zielona Italia".	The Company seeks payment of the amounts resulting from the settlement of the project and the completed additional works.
4/10/2012	The Treasury and NATO Defence Investment Division IC 908/12	5,236	Claims for payment.	Case for payment for additional works not covered under the previous lawsuit.
23/05/2014	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways) XXV C 696/14	103,644	"Design and Construction of A-2 Motorway Stryków-Konotopa, section between km 394 + 500 and 411 + 465.8".	Compensation for the damage suffered by the plaintiffs as a result of improper description of the Employer's Requirements concerning ten Civil Engineering structures and the Bridge on the Rawka River, the Contractor was obliged to construct under the contract.
20/05/2013	State Treasury - Generalny Dyrektor Dróg Krajowych i Autostrad (General Director for National Roads and Motorways)	29,121	"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	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	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., case file ref.: XX GC 104/14	9,963	Construction of a complex of residential buildings with underground garages, basic services and technical infrastructure under the name "Green Italia" in Warsaw 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	Construction of the Institute of Biology and the Faculty of Mathematics and Computer Science, together with the University Computing Centre	The Plaintiff (University of Białystok) seeks payment of the accrued liquidated damages. According to the defendant (Mostostal Warsaw SA), the claimed liquidated damages are unfounded.
22/09/2014	Mostostal Warszawa S.A.	9,522	"Construction of the Sports Hall (Czyżyny) in Krakow".	The Plaintiff – Asseco Poland SA claimed 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	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	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.
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Date of initiating the proceedings	Defendant	Value of the dispute (thousands PLN)	Subject of the litigation	Issuer's position
15/04/2013	Mostostal Warszawa S.A.	15,784	Liquidated damages under the contract with Zielona Italia	The Plaintiff, Zielona Italia, seeks liquidated damages from Mostostal Warszawa S.A. for withdrawal from the contract.

Some of these claims were recognized by the Company in the budgets of contracts and accounted as revenue from previous years. Details are described in section 4 of the Additional information and explanatory notes to the condensed interim financial statements for the period from 01/01/2015 to 30/06/2015.

22. Information on incurred and terminated credits and loans in the 1st half of 2015

In the reporting period, the Company partially repaid the loan and interest to Acciona Infraestructuras S.A. in the total amount of EUR 4,278,000. The balance of loans payable as of 30/06/2015 amounted to PLN 211,047,000 (the balance of loans payable as of 31/12/2014 amounted to PLN 229,479,000).

On 3 June 2015, the Company signed an amendment to the Loan Agreement with Acciona Infaestructuras SA, whereby the repayment date of the loan in the amount of PLN 11,669,000 plus interest was set at 31 January 2017.

On 29 June 2015, the Company signed an amendment to the Loan Agreement with Acciona Infaestructuras SA, whereby the repayment date of the loan in the amount of PLN 7,000,000 plus interest was set at 05 February 2017.

In the reporting period, the Company used the overdraft with the value as at the balance sheet date amounting to PLN 7,870,000 (balance of loans as of 31/12/2014 amounted to PLN 15,593,000).

Bank	Type of loan	Amount of loan in thousand PLN	Amount used as of 30/06/2015 in thousand PLN	Maturity	Interest rate
Societe Generale S.A. Branch in Poland	Current overdraft account	7,900	7.870	15/10/2015	WIBOR 1M + Bank's mark-up
PKO BP S.A.	Current overdraft account	5,000	0	30/06/2015	WIBOR 3M + Bank's mark-up
Bank Zachodni WBK S.A.	Current overdraft account	3,000	0	31/01/2016	WIBOR 1M + Bank's mark-up

In the first half of 2015, no loan agreement was terminated. The loan agreement with PKO BP expired on 30/06/2015, and consequently, the loan has been repaid in full.

23. Information on transactions with affiliated entities

The transactions concluded with affiliated entities in the 1st half of 2015 were typical and routine transactions, and were concluded according to market principles.

Trade receivables from related parties amounted to (thousand PLN):

Company name	30/06/2015	31/12/2014
Acciona Nieruchomości Wilanów Sp. z o.o.	3,925	3,925
Mostostal Power Development Sp. z o.o.	2,177	1,732
Acciona Infraestructuras S.A.	272	5
Mostostal Kielce S.A.	196	896
Towarowa Park Sp. z o.o.	20	20
Acciona Infraestructuras S.A. Branch in Poland	4	18

Mostostal Warszawa S.A.
Condensed interim financial statements for the period from 01/01/2015 to 30/06/2015

Acciona Nieruchomości Żoliborz Sp. z o.o.	2	2
Mostostal Concession Sp. z o.o.	2	0
MPB Mielec S.A.	0	1,157
AMK Kraków S.A.	0	91
Acciona Nieruchomości Sp. z o.o.	0	23
Total	6,598	7,869

Advances for the construction works granted to related parties:

Company name	30/06/2015	31/12/2014
Mostostal Power Development Sp. z o.o.	139,718	59,427

Trade liabilities towards related parties amounted to (thousand PLN):

Company name	30/06/2015	31/12/2014
Mostostal Power Development Sp. z o.o.	25,110	26,350
Acciona Infraestructuras S.A.	17,641	652
Acciona Infraestructuras S.A. Branch in Poland	8,035	8,683
W.M.B. Miękinia Sp. z o.o.	5,228	12
Mostostal Kielce S.A.	215	203
MPB Mielec S.A.	100	100
AMK Kraków S.A.	4	96
Acciona Nieruchomości Sp. z o.o.	0	61
Total	56,333	36,157

As at 30/06/2015, the Company recognized liabilities arising from the loans from Acciona Infraestructuras S.A. with its registered office in Madrid in the amount of PLN 211,047,000 (as at 31/12/2014, the value of the loans was EUR 229,479,000).

Sales of products, materials and goods under intercompany transactions amounted to (in thousand PLN):

Company name	6 month period ended 30/06/2015	6 month period ended 30/06/2014
Mostostal Power Development Sp. z o.o.	2,092	271
Mostostal Kielce S.A.	475	526
Acciona Infraestructuras S.A.	217	0
Towarowa Park Sp. z o.o.	96	96
Acciona Infraestructuras S.A. Branch in Poland	23	24
Acciona Nieruchomości Sp. z o.o.	42	21
Acciona Nieruchomości Żoliborz Sp. z o.o.	9	9
Mostostal Concession Sp. z o.o.	2	2
Mostostal Puławy S.A.	0	3
AMK Kraków S.A.	0	0
Total	2,956	952

Purchases of products, goods and materials under intercompany transactions amounted to (in thousand PLN):

Company name	6 month period ended 30/06/2015	6 month period ended 30/06/2014
Mostostal Power Development Sp. z o.o.	140,894	3,443
Acciona Infraestructuras S.A.	17,651	14
Acciona Infraestructuras S.A. Branch in Poland	0	1,561
Mostostal Kielce S.A.	32	460
W.M.B. Miękinia Sp. z o.o.	50	60
Total	158,627	5,538

On 29/06/2015, Mostostal Warszawa S.A. purchase a plot of land from W.M.B. Miękinia Sp. z o.o. for the net price of PLN 4,250,000.

In the first half of 2015, the total remuneration of the Management Board members amounted to PLN 1,942,000. The remuneration of the Supervisory Board in the reporting period amounted to PLN 72,000.

24. Reporting by market segment

The Company is organised and managed by segment, as appropriate for the types of product offered. The tables below present data from the profit and loss account for the Company's individual reporting segments for the 6-month period ended on 30 June 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.
2. The general construction segment, which includes activities connected with constructing residential buildings and public utilities.

Profit and loss account for individual reporting segments:

6-month period ended on 30 June 2015	Continued activities			
	Engineering and industrial segment	General construction segment	Unallocated revenue, costs	Total
Revenue from sales				
Sales to external customers	347,155	146,665	1,079	494,899
Sales between segments	0	0	0	0
Total revenue from segment	347,155	146,665	1,079	494,899
Profit (loss) of segment (taking into account operating costs and revenue)	23,162	8,584	-1,332	30,414
Unallocated costs (administrative costs and sales costs)	-	-	18,697	18,697
Profit (loss) on operating activities	23,162	8,584	-20,029	11,717
Financial revenue	335	10	12,007	12,352
Financial costs	370	1,027	9,186	10,583
Gross profit (loss)	23,127	7,567	-17,208	13,486
Income tax			2,562	2,562
Net profit (loss) on continued activities	23,127	7,567	-19,770	10,924
Discontinued activities				0
Net profit / (loss)	23,127	7,567	-19,770	10,924

6-month period ended on 30 June 2014	Continued activities			
	Engineering and industrial segment	General construction segment	Unallocated revenue, costs	Total
Revenue from sales				
Sales to external customers	242,902	179,424	594	422,920
Sales between segments	0	0	0	0
Total revenue from segment	242,902	179,424	594	422,920
Profit (loss) of segment (taking into account operating costs and revenue)	14,533	3,263	15,096	32,892
Unallocated costs (administrative costs and sales costs)	-	-	23,451	23,451
Profit (loss) on operating activities	14,533	3,263	-8,355	9,441
Financial revenue	4,420	3	1,906	6,329
Financial costs	370	356	7,942	8,668
Gross profit (loss)	18,583	2,910	-14,391	7,102
Income tax	0	0	1,349	1,349
Net profit (loss) on continued activities	18,583	2,910	-15,740	5,753
Discontinued activities	0	0	0	0
Net profit / (loss)	18,583	2,910	-15,740	5,753

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

The Company operates on the domestic market.

25. Financial Instruments - Fair values

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

Details	Carrying value		Fair value	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
<i>Financial assets</i>				
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				
- Long-term trade receivables and other receivables	7,256	5,596	7,256	5,596
- Short-term trade receivables and other receivables	354,563	371,067	354,563	371,067
- Cash and cash equivalents	138,715	160,234	138,715	160,234
- Short-term financial assets - loans	0	0	0	0
- Accruals and deferred income from measurement of contracts	418,888	417,387	418,888	417,387
- Long-term deposits as security for bank guarantees	3,855	3,855	3,855	3,855
4) Long-term financial assets held for sale				

Details	Carrying value		Fair value	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
<i>Financial liabilities</i>				
1) Financial liabilities - financial instruments measured at fair value through profit or loss				
2) Other financial liabilities - financial instruments - hedge of future cash flows (*1)				
3) Liabilities (measured at amortized cost)				
Liabilities from deliveries and services and other short-term liabilities	276,265	326,712	276,265	326,712
- Accruals and deferred income from measurement of contracts	78,491	8,331	78,491	8,331
Long-term trade liabilities and other long-term liabilities	41,999	44,259	41,999	44,259
4) Other financial liabilities (measured at amortized cost)				
- Interest-bearing bank credits and loans	78,523	55,542	78,523	55,542
- Current portion of interest-bearing bank credits and loans	140,394	189,530	140,394	189,530
- Short-term and long-term liabilities from leasing agreements	3,209	5,905	3,209	5,905

* At the beginning of the fourth quarter of 2008, the Company 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 Company does not hold financial instruments in this category.
- **Level 2** includes financial instruments, whose fair value is determined based on various valuation methods using the available data on current market conditions as at the balance sheet date. The Company includes currency futures contracts in this category of instruments. The fair value of currency futures contracts is determined based on valuations performed by the banks. The Company does not hold financial instruments in this category.
- **Level 3** the fair value of unlisted derivatives is estimated by the Company using various valuation methods based on the assumptions of the company and its own data. The Company does not hold financial instruments in this category.

As at 30/06/2015, the Company did not have any financial instruments used for hedge accounting.

Warsaw, 20 August 2015

Full name	Title	Signatures
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	

**Report on the Activities of Mostostal Warszawa S.A. for the
period from 01/01/2015 to 30/06/2015**

Interim Report on the Activities for the 1st half of 2015

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

- 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 Company's main management centre and enhancing cooperation within the Group 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 gained during 70 years of its activities.

1. Geographical sales structure

In line with the strategic assumptions, the Company operates in the domestic market.

2. Main contracts

The sales revenues on the major contracts performed by the Company in the first half of 2015, were as follows:

- Construction of power units in Opole Power Plant – PLN 162,458,000,
- Construction of waste treatment plant in Szczecin – PLN 86,467,000,
- Construction of waste treatment plant in Kielce – PLN 65,745,000,
- Construction of the Cultural and Congress Centre in Jordanki, Toruń - PLN 36,140,000.

3. Information on organizational and capital affiliations

The Mostostal Warszawa S.A. Capital Group consists of the following subsidiaries:

Name of the entity	Percentage of share capital owned as at 31/03/2015	Consolidation
Mostostal Kielce S.A.	100.00	yes
AMK Kraków S.A.	60.00	yes
MPB Mielec S.A.	97.14	yes
Mostostal Płock S.A.	48.66	yes
Mostostal Power Development Sp. z o.o.	100.00	yes

Mostostal Warszawa S.A. is a company of Acciona S.A. Group based in Madrid. Acciona S.A. holds 50,09 % of shares of Mostostal Warszawa S.A. as at 30/06/2015.

4. Information on transactions with affiliated entities

The transactions concluded with affiliated entities in the 1st half of 2015 were typical and routine transactions, and were concluded according to market principles.

Detailed information on receivables, liabilities, sales and purchases has been presented in the Additional Information and Explanatory Notes to the condensed interim financial statements for the period from 01/01/2015 to 30/06/2015, in the Note 23.

5. Information on incurred and terminated credits and loans in the 1st half of 2015

Detailed information about concluded and terminated credit and loan agreements in the first half of 2015 has been presented in the Additional Information and Explanatory Notes to the condensed financial statements for the period from 01/01/2015 to 30/06/2015, in the Note 22.

6. Loans granted in the first half of 2015.

In the reporting period, the Company did not grant any loans.

7. Information on sureties and guarantees granted and received.

In the reporting period, Mostostal Warszawa S.A. received the guarantees and sureties in the amount of PLN 11,166,000 and granted the guarantees (in the form of bank or insurance guarantees) to external entities in the amount of PLN 31,295,000.

8. Explanation of differences between the financial results disclosed in the annual report and previously published forecasts

The Company did not publish financial performance forecasts for 2015.

9. Assessment of financial resources management.

In the 1st half of 2015, the Company maintained the financial liquidity. As at 30/06/2015, the Company held cash in the amount of PLN 138,715,000. The main reason for the decrease in the cash balance was the repayment of the loans in the total amount of EUR 4,278,000 to Acciona Infraestructuras S.A.

The Company invested the surplus cash in banks on short-term deposits. In the reporting period, the Company used overdraft facilities and loans. The total balance of loans and borrowings as at the balance sheet date amounted to PLN 218,917,000. On 16 July 2015, the Company's Management Board received a written notice from Acciona Infraestructuras S.A. stating that in the absence of funds for repayment of loans in the total amount of PLN 211,047,000, the repayment due dates would be extended, as it was the case in the past.

In the Management Board's opinion, the management of financial resources was adequate to the circumstances faced by the Company (decrease in revenue, improvement in financial results). The Management Board monitors the liquidity of the Company on the on-going basis, based on the expected cash flows. Given the existing involvement of the related party granting loans and 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. The Management Board believes that the Company has the ability to settle their liabilities and the liquidity position of the Company is going to improve in 2015.

10. Assessment of the feasibility of the investment plans

Currently, the Company is able to finance its investment plans from its own resources and through financial leases.

11. Characteristics of external and internal factors significant for the development of the Company and the development perspectives

The factors significant for the Company's future development include:

- an inflow EU funds aiming at improving Polish infrastructure,
- competition on the construction services market,
- preservation of unfavourable trends in the construction market,
- better relations between ordering parties and general contractors.
- change in the approach of the banking sector to the construction industry.

Internal factors significant for the Company's development include:

- backlog ensuring revenues in 2015 at a level similar to 2014,
- efficient management and experienced staff,
- acquisition of profitable projects,
- better liquidity situation.

12. Changes to the basic management rules of the Company

In the first half of 2015, there were no changes in the basic principles of the Company's management.

13. Effects of changes in the entity's structure

During the reporting period there were no major consequences resulting from changes in the organizational structure of the Company.

14. Overview of key financial figures.

In the reporting period, the Company recorded a revenue growth of 17% compared to the first half of 2014 and earned the gross profit of PLN 37,552,000 (in the first half of 2014, the gross profit on sales amounted to PLN 32,864,000).

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 Company to achieve positive results.

A loss of PLN 7,138,000 was recognized on other operations. The recognized loss resulted mainly from the created provision for litigation.

The Company recorded the profit from financial activities of PLN 1,769,000, mainly as a result of dividends received in the amount of PLN 7,004,000, positive balance of foreign exchange differences in the amount of PLN 4,383,000 and the interest paid and accrued in the amount of PLN 5,456,000 as well as revaluation of shares in Mieleckie Przedsiębiorstwo Budowlane in the amount of PLN 4,559,000.

Consequently, the Company ended the first half of 2015 with the net profit of PLN 10,924,000 (compared to PLN 5,753,000 over the same period of the previous year).

The balance sheet total as at 30/06/2015 amounted to PLN 1,254,873,000 and remained at a similar level compared to the end of 2014. The current assets increased by 1.5 % up to PLN 998,178,000. As at 30/06/2015, 12% of assets are financed with equity and the ratio increased by 4 percentage points compared to the value at the end of 2014.

The Profit and Loss Account for the second quarter of 2015 years is as follows:

NO.	PROFIT AND LOSS ACCOUNT	2nd quarter period from 01/04/2015 to 30/06/2015	2nd quarter period from 01/04/2014 to 30/06/2014
	Continued activities		
I	Revenue from sales	294,627	233,257
	Revenue from sale of products	291,405	209,740
	Revenue from sale of services	2,881	23,448
	Revenue from sales of goods and materials	341	69
II	Own sales costs	267,466	210,932
III	Gross profit (loss) on sales	27,161	22,325
IV	General administrative expenses	9,441	11,316
V	Other operating revenue	1,969	-786
VI	Other operating costs	8,914	1,598
VII	Profit (loss) on operating activities	10,775	8,625
VIII	Financial revenue	2,225	1,384
IX	Financial costs	2,075	3,805
X	Gross profit (loss)	10,925	6,204
XI	Income tax	2,076	1,349
	a) current	0	0
	b) deferred	2,076	1,349
XII	Net profit (loss) on continued activities	8,849	4,855
XIII	Discontinued activities	0	0
XIV	Net profit (loss) on discontinued activities	0	0
XV	Net profit / (loss)	8,849	4,855

In the second quarter of 2015, the Company recorded an increase in revenue by 26% compared to the same period of 2014. The improved results in the second quarter, compared to last year, are attributable mainly to the results achieved on the construction of power units in Opole.

15. Description of important factors and risks related to the remaining months of the financial year.

The Company's major risks and threats include:

- a) the risk of change in the prices of construction materials and subcontractors' services,
- b) the risk of foreign exchange fluctuations affecting the valuation of liabilities under the loans,
- c) stiff competition on the construction/assembly service market,
- d) protracted procedures for settling public tenders due to numerous protests by entities participating in them,
- e) slowdown of investment processes,
- f) limitation of cooperation with the construction sector by the banks.

16. Key shareholders of the Company

List of shareholders with at least 5% of votes at the General Meeting of Shareholders of Mostostal Warszawa S.A. as at 20/08/2015:

Shareholder	Number of shares	Number of voting rights	Share in share capital	Share of total voting rights in General Shareholders' Meeting
Acciona S.A.	10.018.733	10.018.733	50.09%	50.09%
Otwarty Fundusz Emerytalny PZU Żłota 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%

17. Shares of Mostostal Warszawa S.A. held by Members of the Management Board and the Supervisory Board as at 20/08/2015

In the period from 15/05/2015 i.e. from the publication of the financial statements for the 1st quarter, until 20/08/2015, there were no changes in the shares of the Issuer held by members of the management and supervisory bodies.

18. Court and administrative proceedings

The information on ongoing legal and administrative proceedings has been presented in the Additional Information and Explanatory Notes to the condensed interim financial statements for the period from 01/01/2015 to 30/06/2015, in the Note 21.

19. Information on the sureties for loans or guarantees granted

In the reporting period, no sureties for credits and loans and guarantees, which would total at least 10% of the equity of Mostostal Warszawa SA, have been granted to a single entity.

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

The Management Board believes that there are no other information relevant to the evaluation of the Company's standing other than those listed in the remaining sections of the interim report for the first half of 2015 and in the Additional information and explanatory notes to the condensed interim consolidated financial statements for the period from 01/01/2015 to 31/03/2015.

21. Declaration of the Management Board of Mostostal Warszawa S.A.

The Management Board hereby declares that, to the best of its knowledge, the interim condensed financial statements for the first half of 2015 and the comparative data have been prepared in accordance with applicable accounting standards and give a true and fair view of the financial position of Mostostal Warszawa S.A. and its financial results. The interim statements give a true picture of the situation, development and achievements of the Company, including the picture of basic risks and threats.

The Management Board hereby declares that PricewaterhouseCoopers Sp. z o.o. – the entity authorised to audit the financial statements, which reviewed the interim financial statements of Mostostal Warszawa S.A. has been chosen pursuant to the provisions of law, and further confirming that both this entity and the statutory auditors conducting the review hereof fulfil the conditions for issuing an impartial and independent opinion on the reviewed statements, in accordance with the appropriate legislation and professional standards.

Warsaw, 20 August 2015

Full name	Title	Signatures
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	