



GRUPA KAPITAŁOWA
IMMOBILE

IMMOBILE Capital Group

**THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF 9 MONTHS ENDING ON 30 SEPTEMBER 2015**

Part A

November 12, 2015

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Selected Consolidated Financial Data

	Form 01.01 to 30.09.2015 (unaudited)	Form 01.01 to 30.09.2014 (unaudited)	Form 01.01 to 30.09.2014	Form 01.01 to 30.09.2015 (unaudited)	Form 01.01 to 30.09.2014 (unaudited)	Form 01.01 to 30.09.2014
	In thousands PLN			In thousands EUR		
Profit and loss Account						
Revenue from sales	65 074	63 961	90 856	15 648	15 301	21 688
Operating profit/loss	7 426	(3 394)	(4 925)	1 786	(812)	(1 176)
Profit/loss before tax	4 234	(9 222)	(12 455)	1 018	(2 206)	(2 973)
Net profit/loss	1 824	4 671	2 842	439	1 117	678
Profit/loss attributable to shareholders of the parent company	1 824	4 671	2 842	439	1 117	678
Earnings per share (PLN)	0,03	0,06	0,04	0,01	0,01	0,01
Diluted earnings per share (PLN)	0,03	0,06	0,04	0,01	0,01	0,01
Average exchange rate PLN / EUR for the period	X	X	X	4,1585	4,1803	4,1893
Cash Flow						
Net cash flows from operating activities	5 134	(2 900)	(5 379)	1 235	(694)	(1 284)
Net cash used in investing activities	(6 027)	(2 528)	(3 111)	(1 449)	(605)	(743)
Net cash from financing activities	16 963	4 818	9 664	4 079	1 153	2 307
Net change in cash and cash equivalents	16 070	(610)	1 174	3 864	(146)	280
Average exchange rate PLN / EUR for the period	X	X	X	4,1585	4,1803	4,1893
Balance Sheet						
Assets	281 898	249 136	263 417	66 507	59 666	61 802
Long-term liabilities	95 793	60 140	66 013	22 600	14 403	15 488
Short-term liabilities	38 512	44 489	53 520	9 086	10 655	12 557
Equity	147 593	144 507	143 884	34 821	34 608	33 757
Equity attributable to shareholders of the parent company	147 593	144 507	143 884	34 821	34 608	33 757
Average exchange rate PLN / EUR for the period	X	X	X	4,2386	4,1755	4,2623

Specific items of the Profit and Loss Account and the Cash Flow Statement were calculated at the exchange rates calculated as the arithmetic mean of average exchange rates published by NBP, as valid on the last day of each month. With respect to the period encompassed by the Interim Condensed Consolidated Financial Statements, the said exchange rates were as follows:

01/01/2015- 30/09/ 2015: 1 EUR = 4.1585
01/01/2014- 30/09/ 2014: 1 EUR = 4.1803
01/01/2014- 31/12/ 2014: 1 EUR = 4.1893

Specific items of the Balance Sheet were calculated at the exchange rates published by NBP, as valid on the Balance Sheet Date. With respect to the period encompassed by the Interim Condensed Consolidated Financial Statements, the said exchange rates were as follows:

30/09/ 2015:1 EUR = 4,2386
30/09/2014: 1 EUR = 4,1755
31/12/2014: 1 EUR = 4,2623

Interim Condensed Consolidated Profit and Loss Account

	Note no.	01/07/2015- 30/09/2015 (unaudited)	01/01/2015- 30/09/2015 (unaudited)	01/07/2014- 30/09/2014 (unaudited)	01/01/2014- 30/09/2014 (unaudited)	01/0/2014 - 31/12/2014
Continued operations						
Revenue from sales	4 (part A)	19 488	65 074	22 414	63 961	9
Revenue from sales of products		6 542	29 041	10 870	31 998	0
Revenue from the render of services		12 443	34 539	11 309	31 634	8
Revenue from sales of goods and materials		503	1 494	235	329	5
<i>Revenue from sales per segment</i>						
Heavy Industry		7 441	30 611	11 841	33 512	4
Hotel Industry		8 176	21 782	7 258	19 122	9
Construction Consultancy		1 536	4 937	1 505	4 844	3
Rental of Assets		1 816	5 809	1 989	5 813	8
Other Segments		519	1 935	(179)	670	3
Cost of sales		15 900	47 637	16 646	50 789	7
Cost of products sold		6 330	20 547	(1 919)	14 801	3
Cost of services rendered		9 195	26 044	18 573	35 351	1
Cost of goods and materials sold		375	1 046	(8)	637	9
Gross profit/loss from sales		3 588	17 437	5 768	13 172	1
Selling expenses		369	1 057	-	-	-
Administrative expenses		3 447	10 802	2 738	8 275	1
Fair value adjustments of biological assets		-	-	-	-	3
Other operating income	5 (part A)	5 841	6 980	760	10 834	0
Other operating expenses	5 (part A)	4 108	5 132	861	19 125	7
Operating profit/loss		1 505	7 426	2 929	(3 394)	(
Financial income	5 (part A)	(309)	913	427	812	188
Financial cost	5 (part A)	991	4 105	2 472	6 640	7 718
Profit/loss before tax		205	4 234	884	(9 222)	(1
Income tax expense	11 (part A)	331	2 410	69	(13 893)	(1
Net profit/loss from continuing operations		(126)	1 824	815	4 671	2
Net profit/loss		(126)	1 824	815	4 671	2
Net profit/loss attributable to						
- Equity holders of the parent company		(126)	1 824	815	4 671	2
- Non-controlling interests		-	-	-	-	-
Basic earnings per share		0,03	0,03	0,01	0,06	0,04
Diluted earnings per share		0,03	0,03	0,01	0,06	0,04

Interim Condensed Consolidated Statement of Comprehensive Income

	Note no.	01/07/2015- 30/09/2015 (unaudited)	01/01/2015- 30/09/2015 (unaudited)	01/07/2014- 30/09/2014 (unaudited)	01/01/2014- 30/09/2014 (unaudited)	01/0/2014 - 31/12/2014
Net profit/loss		(126)	1 824	815	4 671	2 842
Other Comprehensive Income						
- Other comprehensive income/loss to be reclassified to other comprehensive income in subsequent periods		(14)	(37)	-	-	-
Income tax related to items to be reclassified to profit/loss		3	7	-	-	-
Other comprehensive income after tax		(11)	(30)	-	-	-
Total comprehensive income		(137)	1 794	815	4 671	2 842
Total comprehensive income attributable to:						
- Equity holders of the parent company		(137)	1 794	815	4 671	2 842
- Non-controlling interests		-	-	-	-	-

Interim Condensed Consolidated Statement of Financial Position

Assets	Note no.	30/09/2015 (unaudited)	30/06/2015 (unaudited)	31/12/2014	30/09/2014 (unaudited)
Fixed Assets					
Company value					
Intangible assets	14 (part B)	525	571	570	616
Tangible fixed assets, including:	12 (part B)	123 472	124 620	124 339	126 122
<i>Hotel Focus in Szczecinie</i>		29 703	29 922	30 359	30 657
<i>Hotel Focus in Bydgoszczy</i>		6 797	6 867	7 009	7 099
<i>Hotel Focus in Chorzowie</i>		29 579	29 833	30 393	29 161
<i>Hotel Focus in Łodzi</i>		30 719	30 917	31 314	31 595
<i>Bydgoszcz, Leśna - land (manufacturing segment)</i>		3 712	3 712	3 712	3 712
<i>CNC borers (machinery)</i>		11 733	11 953	12 392	12 612
<i>Other assets:</i>		11 229	11 416	9 160	11 286
Investment properties, including:	13 (part B)	79 083	76 085	75 065	74 022
<i>Pomerania Shipyard of Szczecin (37.625 sq metres)</i>		24 685	27 575	27 575	27 575
<i>Bydgoszcz, Sułkowskiego-Kamienna (52.803 sq metres)</i>		24 435	24 347	23 327	23 221
<i>Bydgoszcz, Plac Kościeleckich (2.255 sq metres)</i>		3 563	3 563	3 563	3 116
<i>CH Faktoria, Bydgoszcz, Gdańska-Kamienna (13.656 sq metres)</i>		26 400	20 600	20 600	20 110
Other financial assets		3	3	3	-
Receivables and loans	19.11 (part B)	2 155	2 149	1 901	1 406
Long-term prepayments		20	20	11	-
Deferred tax assets	11 (part B)	10 007	9 992	10 975	4 368
Fixed Assets Total		215 265	213 440	212 864	206 534

Assets	Note no.	30/09/2015 (unaudited)	30/06/2015 (unaudited)	31/12/2014	30/09/2014 (unaudited)
Current Assets					
Inventory	15.1 (part.B)	25 250	20 544	10 891	8 663
<i>Apartment buildings U/C (Bydgoszcz, Leśna 19-21 Street)</i>		23 551	19 016	10 210	7 829
<i>Other Current Assets</i>		1 699	1 528	681	834
Biological assets	15.2 (part B)	1 471	2 303	1 894	2 470
Receivables from construction contracts	20 (part B)	7 030	6 810	16 876	16 010
Trade and other receivables	19.12 (part B)	9 857	17 305	15 932	11 576
Receivables from current income tax		192	-	1 086	-
Loans granted		1 811	-	-	1 015
Derivative financial instruments		-	-	-	7
Other short-term current financial assets		1 204	635	91	117
Short-term prepayments		847	961	421	1 157
Cash and cash equivalents	19.7 (part B)	18 971	5 203	2 901	1 117
Current assets Total		66 633	53 761	50 092	42 132
Fixed assets classified as held for sale		-	-	461	470
Assets Total		281 898	267 201	263 417	249 136

Interim Condensed Consolidated Statement of Financial Position

Equity	Note no.	30/09/2015 (unaudited)	30/06/2015 (unaudited)	31/12/2014	30/09/2014 (unaudited)
Equity					
Share capital	19.5 (part B)	18 216	18 216	18 216	18 216
Treasury shares (negative value)		(1 739)	(1 739)	(2 960)	(2 960)
Capital surplus/ Share premium		98 086	98 086	98 086	98 086
Other components of equity		822	833	158	158
Retained earnings:		32 208	32 334	30 384	31 007
- Profit/loss from previous years		30 384	30 384	27 542	26 336
- Net profit/loss attributable to shareholders of the entity		1 824	1 950	2 842	4 671
Equity attributable to equity holders of the parent company		147 593	147 730	143 884	144 507
Non-controlling interests		-	-	-	-
Equity Total		147 593	147 730	143 884	144 507
Long-term liabilities					
Credits, loans and other debt instruments	18 (part B)	77 407	58 243	45 862	44 291
Finance lease	19.9 (part B)	3 050	3 414	4 590	5 359
Derivative financial instruments	23 (part B)	2 727	2 337	3 261	2 824
Other long-term liabilities		24	29	94	270
Provision for deferred income tax	11 (part B)	11 463	11 287	10 902	5 988
Liabilities and provisions for employee benefits	16 (part B)	318	318	222	228
Other provisions for long-term liabilities		17	-	-	-
Long-term accruals		787	885	1 082	1 180
Long-term liabilities Total		95 793	76 513	66 013	60 140

Equity	Note no.	30/09/2015 (unaudited)	30/06/2015 (unaudited)	31/12/2014	30/09/2014 (unaudited)
Short-term liabilities					
Trade and other payables	19.13 (cz.B)	15 873	16 486	18 349	15 431
Income tax payable		-	251	-	93
Credits, loans and other debt instruments	18 (cz.B)	14 144	17 147	24 918	20 570
Finance lease	19.9 (cz.B)	2 972	3 545	3 526	3 194
Derivative financial instruments	23 (cz.B)	151	153	247	-
Short-term liabilities and provisions for employee benefits	16 (cz.B)	2 999	3 187	3 809	3 196
Other provisions for short-term liabilities	17 (cz.B)	680	578	914	1 074
Short-term accruals		1 693	1 611	1 757	931
Short-term liabilities Total:		38 512	42 958	53 520	44 489
Liabilities Total		134 305	119 471	119 533	104 629
Total equity		281 898	267 201	263 417	249 136

Interim Condensed Consolidated Statement of Cash Flows

	Note no	01/07/2015- 30/09/2015 (unaudited)	01/01/2015- 30/09/2015 (unaudited)	01/07/2014- 30/09/2014 (unaudited)	01/01/2014- 30/09/2014 (unaudited)	01/01/2014- 31/12/2014
Operating activities						
Profit/loss before tax from continuing operations		205	4 234	884	(9 222)	(12 455)
<i>Adjustments:</i>						
Amortisation of tangible fixed assets	12 (part B)	1 495	4 435	981	4 429	6 461
Write-downs on tangible fixed assets		-	-	403	7 779	1 069
Write-downs on tangible fixed assets held for sale		-	-	-	-	2 135
Amortisation of intangible assets	14 (part B)	50	105	28	124	141
Impairment losses on intangible assets		-	-	-	-	381
Impairment losses on biological assets		1 000	1 000	-	-	-
Fair value adjustment of investment properties		(2 910)	(2 910)	-	(173)	2 801
Fair value adjustment of financial assets/liabilities as determined in the Profit and Loss Account		63	(975)	143	35	3 203
Impairment of financial assets		-	104	-	-	-
Gains/losses on disposal of non-financial fixed assets		102	76	600	851	997
Gains/losses from disposal of financial assets (other than financial derivatives)		34	78	(156)	(582)	-
Gains/losses on foreign exchange differences		(333)	430	(51)	(95)	393
Interest paid		966	3 123	540	2 157	4 075
Income from interest and dividends		26	30	-	-	-
Other adjustments		(11)	2	74	1 880	-
Total adjustments:		482	5 498	2 562	16 405	21 656
Change in inventory and biological assets	19.8 (pat B)	(4 875)	(14 937)	(2 826)	(4 280)	(5 335)
Changes in receivables		7 442	5 716	(1 511)	(1 065)	(5 916)
Changes in payables		(976)	(3 429)	5 508	7 648	11 202
Changes in provisions and accruals		217	(1 010)	238	(252)	740
Changes in receivables from construction contracts		(220)	9 846	(4 038)	(12 182)	(13 052)
Working capital adjustments		1 588	(3 814)	(2 629)	(10 131)	(12 361)
Interest paid (operating activities)		12	(17)	-	(44)	(374)
Income tax paid		(407)	(767)	(75)	92	(1 845)
Net cash flows from operating activities		1 880	5 134	742	(2 900)	(5 379)
Cash flows used in investing activities						
Expenditure for acquisition of intangible assets	14 (part B)	(55)	(56)	(57)	(417)	(633)
Expenditure for acquisition of tangible fixed assets	12 (part B)	(73)	(1 222)	(524)	(2 091)	(4 415)
Proceeds from sale of tangible fixed assets	12 (part B)	79	88	375	1 049	1 980
Expenditure for acquisition of investment properties		(900)	(1 819)	-	-	-
Net expenditure for acquisition of subsidiaries		-	-	(25)	(25)	-
Proceeds from borrowings		-	-	-	-	1 000
Repayment of borrowings		(1 800)	(1 800)	-	(1 000)	(1 000)
Expenditure for acquisition of other financial assets		(2 298)	(3 506)	(153)	(234)	(43)
Proceeds from sale of other financial assets		1 660	2 288	187	190	-
Net cash flows used in investing activities		(3 387)	(6 027)	(197)	(2 528)	(3 111)
Net cash flows (used in)/from financing activities						
Net proceeds from sale of treasury shares		-	1 915	-	-	-
Purchase of Treasury shares		-	-	(100)	(1 325)	(1 326)
Proceeds from credit and loans granted	19.8 (part B)	23 017	57 373	9 579	79 454	90 738
Repayment of credit and loans	19.8 (part B)	(6 241)	(36 874)	(9 628)	(68 021)	(72 820)
Repayment of finance leased liabilities		(228)	(1 973)	(676)	(2 072)	(3 227)
Interest paid		(1 273)	(3 478)	(653)	(3 218)	(3 701)
Net cash flows (used in)/from financing activities		15 275	16 963	(1 478)	4 818	9 664
Net change in cash and cash equivalents		13 768	16 070	(933)	(610)	1 174
Cash and cash equivalents at the beginning of period		5 203	2 901	2 050	1 727	1 727
Cash and cash equivalents at the end of period		18 971	18 971	1 117	1 117	2 901
Including restricted cash	19.7 (part B)	7 456	7 456	-	-	-

Interim Condensed Consolidated Statement of Changes in Equity

	Note no	Equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
		Share capital	Treasury shares (-)	Capital surplus/ Share premium	Other capital reserves	Retained earnings	Total		
Balance on January 1, 2015		18 216	(2 960)	98 086	158	30 384	143 884	-	143 884
<i>Change in the equity in period from 01.01 to 30.09.2015 (unaudited)</i>									
Net profit for the period of 01/01/2015- 30/09/2015		-	-	-	-	1 824	1 824	-	1 824
Other comprehensive income for the period of 01/01/2015-30/09/2015		-	-	-	(30)	-	(30)	-	(30)
Total Comprehensive income 01/01/2015-30/09/2015		-	-	-	(30)	1 824	1 794	-	1 794
Disposal of treasury shares	19.5 (part B)	-	1 221	-	694	-	1 915	-	1 915
Balance on September 30, 2015		18 216	(1 739)	98 086	822	32 208	147 593	-	147 593

	Note no	Equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
		Share capital	Treasury shares (-)	Capital surplus/ Share premium	Other capital reserves	Retained earnings	Total		
Balance on January 1, 2014		18 216	(1 634)	98 086	158	31 576	146 402	-	146 402
Prior period adjustment		-	-	-	-	(5 240)	(5 240)	-	(5 240)
Balance after adjustment		18 216	(1 634)	98 086	158	26 336	141 162	-	141 162
<i>Change in the equity in period from 01.01 to 30.09.2014 (unaudited)</i>									
Net profit for the period of 01/01/2014- 30/09/2014		-	(1 326)	-	-	-	(1 326)	-	(1 326)
Other comprehensive income for the period of 01/01/2014-30/09/2014		-	-	-	-	4 671	4 671	-	4 671
Total Comprehensive income 01/01/2014-30/09/2014		-	(1 326)	-	-	4 671	3 345	-	3 345
Balance on September 30, 2014		18 216	(2 960)	98 086	158	31 007	144 507	-	144 507

The additional explanatory notes to the Interim Condensed Consolidated Financial Statements, are included on pages 9-14 of Part A and B, which are integral part of this document

Additional Explanatory Notes

1. General Information

The IMMOBILE Capital Group (hereinafter referred to as *the Group*) consists of the parent company Grupa Kapitałowa Immobile S.A. with its registered office at ul. Fordońska 40 in Bydgoszcz (hereinafter referred to as *the Parent Company* or *the Company*) and its subsidiaries. The Interim Condensed Consolidated Financial Statements have been drawn up for the period of 9 months ending on September 30, 2015.

The Interim Condensed Consolidated Statement of Financial Position, as well as the additional notes complementing it, include the data as on September 30, 2015 and the comparable data as on December 31, 2014. The Interim Condensed Consolidated Profit and Loss Account (as complemented with additional explanatory notes) and the Statement of Comprehensive Income concerns the data for the period of 9 months ending on September 30, 2015, as well as the comparable data for the period of 9 months, ending on September 30, 2014. The Interim Condensed Consolidated Financial Statements of the Group have been subsequently drawn up as on September 30, 2015 and September 30, 2014 and neither of them was subject to review by an independent auditor.

The Parent Company is registered under entry no. KRS0000033561 in the register of entrepreneurs, as maintained by the proper District Court, XIII Commercial Division of the National Court Register. The entity was registered under Industry Identification Number [REGON] 090549380.

The duration of Parent Company and the entities comprising the Group is indefinite.

The Company mainly runs its activity within the scope of:

- renting and operating of own or leased real estate,
- hotel industry activities,
- industrial activity,
- activity within the scope of construction consultancy,
- property development activity.

The IMMOBILE S.A. Capital group is the dominant entity of the Group.

The interim financial result may not fully reflect the financial result obtained for the financial year.

2. Changes in Group Structure

The entities comprising the Capital Group, as well as the graphical representation of the structure of the Group, have been introduced under section 2 of the Management Report on the Operations of the Group. The period of 9 months ending on September 30, 2015 was marked by the following changes in the structure of the Group compared to as on December 31, 2014:

- FOOD2GO Sp. z o.o. [Ltd.] was founded on January 28, 2015, with its share capital determined at 5 000 PLN and FOCUS Hotels S.A. (a subsidiary company having 100% dependability to GK IMMOBILE S.A.) as its 100% shareholder. The entity was registered on January 29, 2015 with its core activity determined as the retail sales of beverages in specialised stores.
- CDI Nieruchomości Sp. z o.o. [Ltd.] was founded on June 3, 2015, having its share capital determined at 5 000 PLN. 99% of the shares issued are held by CDI Konsultanci Budowlani (a subsidiary company of 100% dependability to GK IMMOBILE S.A.) and CDI Zarządzanie Nieruchomościami Sp. z o.o. (a subsidiary company having 100% dependability to GK IMMOBILE S.A.) is its 1% shareholder. The entity was registered on June 5, 2015, with its core business activity determined as buying and selling of own real estate.

- KUCHET Sp. z o.o. [Ltd.] (a subsidiary company having 100% dependability to GK IMMOBILE S.A.) was founded on August 31, 2015 with its share capital determined at 5 000 PLN. The entity was registered on September 1, 2015, with its core business activity determined as rental and management of own or leased real estate.

3. Basis of Preparation of Interim Condensed Consolidated Financial Statements

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as approved by the EU ('IAS 34').

These Interim Condensed Consolidated Financial Statements do not include all the information and disclosure required in annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended on 31/12/2014, as approved for publication March 20, 2015.

These Interim Condensed Consolidated Financial Statements have been presented in Polish zloty ('PLN') and all values are presented in thousands of PLN, unless otherwise indicated.

The Interim Condensed Consolidated Financial Statements have been prepared on the assumption that the companies of the Group will continue their business activity in the foreseeable future. As at the date of approval of these financial statements, there were no circumstances that would indicate a threat to the continued activity of the companies constituting the Group.

4. Business Segment Information

For management purposes, the Group was divided into several units based on their products and services provided. Therefore, the following operating reportable segments operate within its structure:

Industry Segment comprises the manufacturing of mills, crushers, components of presses, offshore equipment, ship components and machinery for the mining and energy sectors.

Asset Lease Segment includes the lease and management of own or leased real estate.

Hotel Industry Segment covers the hospitality business in hotels owned or leased.

Construction Consulting Segment covers construction supervision.

Development Segment is engaged with the construction and sales of housing. The activity was launched in May 2014

Other Operating Segments encompass the revenue from activities other than those mentioned above. It does not exceed 10% of the total revenue generated within the Group.

None of the Group's operating segments has been aggregated with another segment to form any of the above-mentioned operational segments.

Management monitors the operating results of segments separately for the purpose of making decisions concerning the allocation of resources, performance assessment of allocation and operating results. Segment performance is evaluated based on operating profit or loss, which to a certain degree and as explained in the table below, undergoes different assessment than the operating profit or loss presented in the financial statements. The Group financing (financial revenue and expenses included), as well as the income tax, are monitored at the Group level and not allocated to specific segments.

Transaction prices adopted in transactions between operating segments are determined on a market basis as in transactions with unrelated parties.

All assets that may have an impact on the revenue generated within specific operating segments are assigned to them, e.g.:

- intangible assets,
- tangible fixed assets,
- investment properties,
- receivables and loans, inventory,
- receivables from contracts concerning rendered construction services,
- trade receivables and other receivables,
- derivative financial instruments,
- short- and long-term accruals,
- biological assets,
- cash and cash equivalents.

Operational segments	Industry	Asset Lease	Hotel Industry/ Hospitality	Construction Consulting	Development	Other segments	Total
<i>For the period of 01/01/2015- 30/09/2015 (unaudited)</i>							
Revenues							
Revenue from external customers	30 611	5 809	21 782	4 937	-	1 935	65 074
Sales between segments	-	2	121	1 892	-	-	2 015
Total Revenue	30 611	5 811	21 903	6 829	-	1 935	67 089
Depreciation and amortisation	1 308	287	2 478	140	-	327	4 540
Segment operating profit	4 040	2 499	4 617	(518)	(1 593)	(3 467)	5 578
Assets of reportable segment	40 082	56 901	99 064	1 423	67 158	4 053	268 681

Operational segments	Industry	Asset Lease	Hotel Industry/ Hospitality	Construction Consulting	Development	Other segments	Total
<i>For the period of 01/01/2014- 30/09/2014 (unaudited)</i>							
Revenues							
Revenue from external customers	33 512	5 813	19 122	4 844	-	670	63 961
Sales between segments	303	1 151	134	1 255	-	-	2 843
Total Revenue	33 815	6 964	19 256	6 099	-	670	66 804
Depreciation and amortisation	1 234	807	2 048	195	-	269	4 553
Segment operating profit	990	2 131	3 686	(543)	(40)	(1 327)	4 897
Assets of reportable segment	50 389	53 855	103 516	1 768	30 157	3 474	243 159

Reconciliation of results for operational segments together with unit result before tax	From 01.01 to 30.09.2015 (unaudited)	from 01.01 to 30.09.2014 (unaudited)
Segment operating result *	5 578	4 897
Other income not allocated to segments	6 980	10 834
Other expense not allocated to segments (negative value)	(5 132)	(19 125)
Total: other income and expenses	1 848	(8 291)
Profit/loss from operating activities	7 426	(3 394)
Financial income	913	812
Financial expense (negative value)	(4 105)	(6 640)
Profit/loss before tax	4 234	(9 222)

* - Gross profit on sales has been reduced by the selling expenses, as well as the general and administrative expenses.

On January 1, 2015, the following was started to be taken into account, while assessing the performance of operational segments within the Group: general and administrative expenses, which were allocated to a particular segment in accordance with the specific cost-segment connotations. Additionally, on January 1, 2015, the Group has also assigned the following items to the classification of assets of a particular operating segment: long-term accruals, biological assets, cash and cash equivalents. The Management holds strong belief that the selected presentation of the Group's assets would fully reflect the involvement of particular assets in the activity of individual operating segment.

In order to maintain the comparability of data, the performance of a particular segment and assets presented for the period of January 1, 2014 to September 30, 2014 were translated accordingly and by analogy.

Between January 1, 2015 and September 30, 2015, the IMMOBILE Capital Group generated 5 578 (thousand) PLN of segmental operating profit, while in the comparable period of 2014, the operational profit amounted to 4 897 (thousand) PLN.

The profit earned on sales was chiefly influenced by the good performance in the Industry and Hotel Industry segment.

The segmental operating profit does not include:

- other operating expenses
- financial expense,
- loss on sale of subsidiaries,
- other operating income,
- financial income.

5. Revenue and Cost

Comments to operating income and expenses:

The Group's revenues for the period between January 1, 2015 and September 30, 2015, amounted to 65 074 (thousand) PLN and were 1.7% higher than in the same period of the previous year totalled 63 961 (thousand) PLN. The Industry segment had the greatest share in the revenue generated (30 611 thousand PLN), along with the Hotel Industry segment (21 782 thousand PLN). Analogically and subsequently, the numbers generated during the comparable period of the previous year amounted to 33 512 (thousand) PLN and 19 122 (thousand) PLN respectively.

The cost of sales amounted to 47 637 (thousand) PLN, which made it possible to achieve the gross profit of 17 437 (thousand) PLN as compared to 13 172 (thousand) PLN generated during the first three quarters of 2014, with the cost of sales amounting to 50 789 (thousand) PLN.

Comments to other operating income and expenses:

Other operating income between January 1, 2015 and September 30, 2015, amounted to 6 980 (thousand) PLN, while the operating income generated in the comparable period of the previous year totalled 10 834 (thousand) PLN. During the reporting period, the Group verified the value of investment properties in accordance with the adopted Valuation Standards. This resulted in the revaluation of the commercial real estate Faktoria Shopping Center, with its estimated fair value increasing by 5 800 (thousand) PLN. Additionally, within the said 9 months of 2015, the Group has released the write-down of its investment outlays at the amount of 513 (thousand) PLN in connection with the resumption of investment. The value of released provisions amounted to 313 (thousand) PLN, of which 169 (thousand) PLN concerned the revaluation of holiday allowances.

Between January 1, 2014 and September 30, 2014, the considerably high value of other operating income resulted from the revaluation of fair value of the investment on owned plot of land (9 836 thousand PLN).

Other operating expenses in the period between January 1, 2015 and September 30, 2015 achieved the level of 5 132 (thousand) PLN (accordingly, in 2014 they totalled 19 125 thousand PLN). During the reporting period, there has been the revaluation of the Pomerania Shipyard investment property, according to which, the estimated fair value was lowered by 2 890 (thousand) PLN. Due to defects diagnosed with the racehorses owned, as well as the disputes concerning the return of said horses and a lower than expected effective demand for horses capable of achieving good sports' results, the Group decided to recognise an impairment loss in biological assets at the amount of 1 000 (thousand) PLN. Additionally, the value of investment outlay was adjusted over its fair value by 193 (thousand) PLN. The level of provisions was raised by 202 (thousand) PLN, with 102 (thousand) PLN as constituting provision for litigation costs and other legal proceedings related to disputes with one of customers. During the period, the Group transferred its donations at the worth of 129 (thousand) PLN. In addition, by taking measures to improve the collection of unpaid receivables, the expense of legal representation was raised to the level of 66 (thousand) PLN.

In previous year during the comparable period, level of other operating cost was significantly higher primarily due to single write-downs of investment for the construction of Makrum Shopping Centre in the amount of 9 663 thousand PLN, and fair valuation of the shipyard Pomerania at 5 839 thousand PLN.

Comments to financial income and expenses:

Financial income for the period of 9 months in the year 2015 achieved the level of 913 thousand PLN and it is higher by 101 thousand PLN in relation to analogical period in 2014.

Level of financial income is resulting mainly from the change in IRS contracts, hedging instrument, which is covering risk of changing interest rate, which in 2015 reached the level of 708 thousand PLN.

Financial expenses from January 1 until September 30, 2015 achieved the level of 4 105 thousand PLN, in comparison to the period in 2014, the financial cost amounted to 6 640 thousand PLN. The impact on the level of costs is resulted from service cost of loans, which were financing the properties of the Group. Interest together with bank provisions for period of 9 months' equals 2 968 thousand PLN. In addition, 446 thousand PLN of exchange rates differences resulted from the valuation of financial lease and loan in CHF.

Bydgoszcz, November 12, 2015.

Board Signatures

Board Member
Piotr Fortuna

Vice-President of
Sławomir Winiecki

President of Board
Rafał Jerzy

Person who was responsible for preparing Consolidated Financial Data:

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