ROBYG S.A. GROUP

FINANCIAL REPORT FOR THE PERIOD OF 9 MONHTS ENDED 30 SEPTEMBER 2011

(including interim condensed consolidated financial statements of ROBYG S.A. Group for the 9 months ended 30 September 2011 and interim standalone condensed financial statements of ROBYG S.A. for the 9 months ended 30 September 2011)

ROBYG S.A. GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2011

TOGETHER WITH INDEPENDENT AUDITORS' REVIEW REPORT

(in PLN thousands)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 9 months ended 30 September 2011

	Note	*9 months ended 30 September 2011 (unaudited)*	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Revenues	9.1	87 901	25 280	191 763	50 695
Cost of sales	9.2	(73 212)	(21 912)	(148 739)	(38 916)
Gross profit		**14 689**	**3 368**	**43 024**	**11 779**
Other income	9.3	13 398	5 509	1 880	168
Selling and distribution expenses		(6 781)	(2 413)	(4 349)	(1 802)
Administrative expenses		(11 406)	(4 641)	(6 610)	(2 051)
Other expenses	9.4	(1 926)	(152)	(309)	(80)
Finance income	9.5	5 084	2 198	5 924	1 735
Finance costs	9.6	(7 787)	(4 646)	(5 133)	(1 999)
Profit before tax		**5 271**	**(777)**	**34 427**	**7 750**
Income tax expense	10	(1 222)	1 502	(9 545)	(2 295)
Net profit for the period		**4 049**	**725**	**24 882**	**5 455**
Other comprehensive income (loss) for the period, net of tax		-	-	-	-
Total comprehensive income for the period, net of tax		**4 049**	**725**	**24 882**	**5 455**
Attributable to:					
Owners of the parent		64	(1 148)	22 169	4 623
Non-controlling interests		3 985	1 873	2 713	832
		4 049	**725**	**24 882**	**5 455**
Earnings per share (in PLN):	11				
- basic, for profit for the period attributable to ordinary owners of the parent		0.00	0.00	0.11	0.02
- diluted, for profit for the period attributable to ordinary owners of the parent		0.00	0.00	0.11	0.02

(in PLN thousands)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2011

	Note	*30 September 2011 (unaudited)*	*31 December 2010*
ASSETS			
Non-current assets			
Property, plant and equipment		7 904	6 733
Investment properties	13	141 626	93 440
Goodwill		21 488	21 488
Other intangible assets		367	408
Other long term receivables	19	370	-
Deferred tax asset		13 408	12 033
Land designated for development	12.1	136 127	208 375
		321 290	**342 477**
Current assets			
Inventories	12.2	663 029	505 130
Trade and other receivables		10 208	6 243
Income tax receivables		394	331
Prepayments		1 913	2 222
Short term financial assets	19	593	-
Cash and cash equivalents	14	206 998	190 063
		883 135	**703 989**
TOTAL ASSETS		**1 204 425**	**1 046 466**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		25 739	25 739
Share premium		306 817	306 817
Retained earnings		58 604	74 513
		391 160	**407 069**
Non-controlling interests		**138 584**	**141 973**
Total equity		**529 744**	**549 042**
Non-current liablities			
Interest-bearing loans, borrowings and bonds	16	343 375	313 345
Other liabilities		5 108	2 889
Advances from the customers		1 331	11 862
Deferred income tax liabilities		20 033	21 563
		369 847	**349 659**
Current liabilities			
Trade and other payables		48 949	29 584
Interest-bearing loans, borrowings and bonds	16	67 807	87 201
Income tax payable		264	76
Accruals		1 472	3 037
Advances from the customers		169 643	17 011
Provisions		16 699	10 856
		304 834	**147 765**
Total liabilities		**674 681**	**497 424**
TOTAL EQUITY AND LIABILITIES		**1 204 425**	**1 046 466**

(in PLN thousands)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
for the 9 months ended 30 September 2011

	Notes	*9 months ended 30 September 2011 (unaudited)*	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Cash flows from operating activities					
Profit before taxation		5 271	(777)	34 427	7 750
Adjustments for:					
Depreciation		666	266	443	42
Share based payment		2 044	1 100	-	-
Investment property valuation	9.3	(13 099)	(5 349)	(355)	-
Change in receivables		(3 400)	(716)	3 399	(2 993)
Change in inventories and land designated for development		(42 720)	(25 495)	106 824	24 002
Change in payables except loans and borrowings		(2 764)	5 591	(1 383)	3 112
Interest income		(3 396)	(1 541)	(4 172)	(30)
Interest expense		4 365	1 909	4 419	1 762
Foreign exchange losses/(gains)		2 474	2 523	(800)	(1 531)
Change in accruals, advances from the customers and prepayments		139 576	78 203	(30 648)	4 912
Change in provisions		3 864	317	931	301
Income tax paid		(4 112)	(2 603)	(4 847)	(3 703)
Other		(541)	(32)	(77)	(14)
Net cash flows from operating activities		88 228	53 396	108 161	33 610
Cash flows from investing activities					
Purchase of property, plant and equipment and intangibles		(596)	(283)	(675)	(619)
Payment for the acquisition of loans receivables	17	(1 500)	-	-	-
Acquisition and incorporation of subsidiaries and acquisition of jointly controlled entities net of cash acquired	17	(8 907)	-	2	(58)
Interest received		3 252	1 464	-	-
Loans granted to related parties		(4 141)	-	-	-
Repayment of loans granted to related parties		3 650	3 650	-	-
Net cash flows from investing activities		(8 242)	4 831	(673)	(677)
Cash flows from financing activities					
Payment of finance lease liabilities		(2 444)	(183)	(122)	(36)
Proceeds from loans and borrowings		156 842	84 975	50 259	23 770
Proceeds from issue of bonds		40 000	-	-	-
Repayment of loans and borrowings		(215 310)	(99 904)	(149 164)	(22 910)
Commissions paid		(1 803)	(364)	(636)	(66)
Interest paid		(22 141)	(8 309)	(22 193)	(12 840)
Dividends paid		(18 017)	(18 017)	-	-
Dividends paid to non- controlling shareholders		(900)	(900)	(750)	(750)
Return of the security bank deposit		1 480	-	-	-
Payment of the security bank deposit		(724)	(724)	-	-
Net cash flows from financing activities		(63 017)	(43 426)	(122 606)	(12 832)
Net increase/(decrease) in cash and cash equivalents		16 969	14 801	(15 118)	20 101
Net foreign exchange difference		-	-	-	-
Cash and cash equivalents at the beginning of the period	14	184 350	186 518	63 526	28 307
Cash and cash equivalents at the end of the period, of which:	14	201 319	201 319	48 408	48 408
restricted cash	14	34 000	34 000	9 920	9 920

(in PLN thousands)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 9 months ended 30 September 2011 (unaudited)

	Attributable to owners of the parent					*Non-controlling interests*	*Total equity*
	Note	*Share capital*	*Share premium*	*Retained earnings*	*Total*		
At 1 January 2011		**25 739**	**306 817**	**74 513**	**407 069**	**141 973**	**549 042**
Profit/(loss) for the 9 months ended 30 September 2011		-	-	64	64	3 985	4 049
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**64**	**64**	**3 985**	**4 049**
Share based payment		-	-	2 044	2 044	-	2 044
Dividend declared		-	-	(18 017)	(18 017)	-	(18 017)
Advance payments declared to non-controlling shareholders		-	-	-	-	(7 400)	(7 400)
Minority interest arising on the acquisition of the new subsidiaries	17	-	-	-	-	26	26
At 30 September 2011		**25 739**	**306 817**	**58 604**	**391 160**	**138 584**	**529 744**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 3 months ended 30 September 2011 (unaudited)

	Attributable to owners of the parent					*Non-controlling interests*	*Total equity*
	Note	*Share capital*	*Share premium*	*Retained earnings*	*Total*		
At 1 July 2011		**25 739**	**306 817**	**58 652**	**391 208**	**144 111**	**535 319**
Profit/(loss) for the 3 months ended 30 September 2011		-	-	(1 148)	(1 148)	1 873	725
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**(1 148)**	**(1 148)**	**1 873**	**725**
Share based payment		-	-	1 100	1 100	-	1 100
Advance payments declared to non-controlling shareholders		-	-	-	-	(7 400)	(7 400)
At 30 September 2011		**25 739**	**306 817**	**58 604**	**391 160**	**138 584**	**529 744**

(in PLN thousands)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 9 months ended 30 September 2010 (unaudited)

	Attributable to owners of the parent						*Non-controlling interests*	*Total equity*
	Note	*Share capital*	*Share capital not registered as at the reporting date (*)*	*Share premium*	*Retained earnings*	*Total*		
At 1 January 2010		**19 839**	**-**	**199 419**	**38 132**	**257 390**	**40 050**	**297 440**
Profit for the 9 months ended 30 September 2010		-	-	-	22 169	22 169	2 713	24 882
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**22 169**	**22 169**	**2 713**	**24 882**
Increase of the share capital not registered as at 30 June 2010 (*)	20	-	40 000	-	-	40 000	-	40 000
Registration of the share capital increase (*)		2 000	(40 000)	38 000		-	-	-
Dividends paid to non-controlling shareholders		-	-	-	-	-	(750)	(750)
Reclassification of the loans into equity	16.3	-	-	-	-	-	98 654	98 654
At 30 September 2010		**21 839**	**-**	**237 419**	**60 301**	**319 559**	**140 667**	**460 226**

(*) This increase of the share capital was registered by the registration court on 1 July 2010.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 3 months ended 30 September 2010 (unaudited)

	Attributable to owners of the parent						*Non-controlling interests*	*Total equity*
	Note	*Share capital*	*Share capital not registered as at the reporting date (*)*	*Share premium*	*Retained earnings*	*Total*		
At 1 July 2010		**19 839**	**40 000**	**199 419**	**55 678**	**314 936**	**140 585**	**455 521**
Profit for the 3 months ended 30 September 2010		-	-	-	4 623	4 623	832	5 455
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		**-**	**-**	**-**	**4 623**	**4 623**	**832**	**5 455**
Increase of the share capital not registered as at 30 June 2010 (*)	20	-		-	-	-	-	-
Registration of the share capital increase (*)		2 000	(40 000)	38 000	-	-	-	-
Dividends paid to non-controlling shareholders		-	-	-	-	-	(750)	(750)
At 30 September 2010		**21 839**	**-**	**237 419**	**60 301**	**319 559**	**140 667**	**460 226**

(*) This increase of the share capital was registered by the registration court on 1 July 2010.

(in PLN thousands)

SELECTED EXPLANATORY NOTES

1. GENERAL INFORMATION

1.1. Corporate information

The ROBYG S.A. Capital Group (the "Group") is composed of ROBYG S.A. (the "Company") and its subsidiaries and jointly controlled entities listed in Note 1.2 below.

The Group was created in April 2008 as a result of the reorganization process including contribution in kind of number of entities to ROBYG S.A. as well as purchase or set up of some entities by ROBYG S.A. The details regarding the contribution in kind process were described in the annual consolidated financial statements of ROBYG S.A. Group for the year ended 31 December 2008.

The Group is currently operating primarily in the development and sales of residential real estate.

The basic corporate information relating to ROBYG S.A. is as follows:

- ROBYG S.A. has its seat in Poland, Warsaw (01-793), Rydygiera 15 street.
- ROBYG S.A. was established based on its articles of association on 14 March 2007.
- ROBYG S.A. was entered in the Register of Entrepreneurs kept by the District Court, XII Economic Department of the National Court Register, Entry No. KRS 0000280398.
- ROBYG S.A. was granted statistical REGON number 140900353.

1.2. The composition of the Group

The details relating to the entities creating the Group as at 30 September 2011 and as at 31 December 2010 are listed in the table below:

Entity name	*Seat (***)*	*Business activities*	*% held by the Group in share capital as at 30 September 2011*	*% held by the Group in share capital as at 31 December 2010*
ROBYG S.A.	Warsaw (01-793), Rydygiera 15 street, Poland	Holding and financing activities.	n/a	n/a
ROBYG Development Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
MZM Properties Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Holding and financing activities.	100.00 %	100.00 %
ROBYG Park Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
ROBYG Morena Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
ROBYG City Apartments Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	75.00 %	75.00 %
ROBYG Marina Tower Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
ROBYG Wilanów II Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	85.00 %	85.00 %
Jagodno Estates Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
Buforowa Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 % (*)	100.00 % (*)
ROBYG Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
ROBYG Marketing	Warsaw (01-793), Rydygiera 15	Organization of the selling	100.00 %	100.00 %

(in PLN thousands)

Entity name	*Seat (***)*	*Business activities*	*% held by the Group in share capital as at 30 September 2011*	*% held by the Group in share capital as at 31 December 2010*
and Sprzedaż Sp. z o. o.	street, Poland	process for the apartments built by the Group companies.		
ROBYG Jabłoniowa Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	100.00 %
ROBYG Zarządzanie Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Project management and supporting services	100.00 %	100.00 %
ROBYG Construction Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Construction and building activities	100.00 %	100.00 %
ROBYG Kameralna Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 %	n/a
P-Administracja Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate management services.	100.00 %	n/a
ROBYG Jabłoniowa 2 Sp. z o.o. (*******)	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 % (**)	n/a
ROBYG City Apartments 2 Sp. z o.o. (*******)	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	75.00 % (***)	n/a
ROBYG Development 2 Sp. z o.o. (*******)	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	100.00 % (****)	n/a
ROBYG Osiedle Zdrowa 2 Sp. z o.o. (*******)	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	85.00 % (*****)	n/a
ROBYG Osiedle Kameralne Sp. z o.o. (*******)	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	50.00 % (******)	n/a
Wilanów Office Center Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Offices and commercial space development, sales and management.	51.00 %	n/a
ROBYG Ogród Jelonki Sp. z o.o.	Warsaw (01-793), Rydygiera 15 street, Poland	Real estate development and sales of apartments on its own behalf.	50.00 %	n/a

(*) indirect stake through Jagodno Estates Sp. z o.o.;
(**) indirect stake through ROBYG Jabłoniowa Sp. z o.o.;
(***) indirect stake through ROBYG City Apartments Sp. z o.o.;
(****) indirect stake through ROBYG Development Sp. z o.o.;
(*****) indirect stake through ROBYG Wilanów II Sp. z o.o.;
(******) indirect stake through ROBYG Ogród Jelonki Sp. z o.o.;
(*******) these companies were purchased under the different names, but on 8 April 2011the Group has changed the names of these companies to the ones presented in the above table.

As at 30 September 2011 and as at 31 December 2010, the percentage of voting rights held by the Group in the legal subsidiaries and jointly controlled entities corresponds to the percentage held in the share capital of those entities.

On 3 March 2011 the Group has purchased 5 new companies: ROBYG Jabłoniowa 2 Sp. z o.o., ROBYG City Apartments 2 Sp. z o.o., ROBYG Development 2 Sp. z o.o., ROBYG Osiedle Zdrowa 2 Sp. z o.o. and ROBYG Osiedle Kameralne Sp. z o.o. On 16 March 2011 and on 23 March 2011 ROBYG S.A. incorporated two new entities – ROBYG Kameralna Sp. z o.o. and P-Administracja Sp. z o.o. On 24 March 2011 the Group has obtained control over Wilanów Office Center Sp. z o.o. whereas on 31 March 2011 the Group has purchased 50% of shares in ROBYG Ogród Jelonki Sp. z o.o. The details relating to these transactions are described in Note 17 of these interim condensed consolidated financial statements.

ROBYG Development Sp. z o.o., ROBYG Park Sp. z o.o., ROBYG Morena Sp. z o.o., ROBYG City Apartments Sp. z o.o., ROBYG Marina Tower Sp. z o.o., ROBYG Wilanów II Sp. z o.o., Jagodno Estates Sp. z o.o., Buforowa Sp. z o.o., ROBYG Sp. z o.o., ROBYG Jabłoniowa Sp. z o.o., ROBYG Jabłoniowa 2 Sp. z o.o., ROBYG City Apartments 2 Sp. z o.o., ROBYG Development 2 Sp. z o.o., ROBYG Osiedle

Zdrowa 2 Sp. z o.o., ROBYG Osiedle Kameralne Sp. z o.o., ROBYG Kameralna Sp. z o.o. and ROBYG Ogród Jelonki Sp. z o.o. are all special purpose vehicles ("SPVs", "SPV") that were incorporated or purchased to realize real estate development projects in Poland. Each SPV was incorporated to carry out separate development project.

Wilanów Office Center Sp. z o.o. is a SPV that was purchased to realize office and commercial space development project.

MZM Properties Sp. z o.o. is a holding company that held 100% stake in the share capital of ROBYG Park Sp. z o.o. In fourth quarter of 2010 MZM Properties Sp. z o.o. sold 100% stake in the share capital of ROBYG Park Sp. z o.o. to ROBYG S.A.

ROBYG Zarządzanie Sp. z o.o. is a project management company, rendering project management and other supporting services mainly to the SPVs forming ROBYG S.A. Group as well as to other entities.

ROBYG Construction Sp. z o.o. is a construction company, rendering construction and building services to the SPVs forming ROBYG S.A. Group.

ROBYG Marketing i Sprzedaż Sp. z o.o. is a company that organizes the selling process for the apartments built by the Group companies.

P-Administracja Sp. z o.o. was set up to manage and administer the real estate built by the Group companies.

All the entities forming the Group have an unlimited period of operation.

2. COMPOSITION OF THE MANAGEMENT BOARD OF ROBYG S.A.

As at 30 September 2011 and as at 31 December 2010, the Management Board of ROBYG S.A. consisted of:

- Zbigniew Wojciech Okoński – President of the Management Board;
- Eyal Keltsh – Vice-President of the Management Board;
- Artur Ceglarz – Vice-President of the Management Board.

3. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were authorized for issue by the Management Board on 9 November 2011.

4. BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS", "IFRSs"), which have been endorsed by the European Union and which are applicable to the interim financial reporting (International Accounting Standard 34 "Interim Financial Reporting", [IAS 34]). At the date of authorisation of these interim condensed consolidated financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Group's activities, there are no differences between the IFRSs applied by the Group and the IFRSs endorsed by the European Union.

IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC", "IFRICs").

The Group entities keep books of accounts in accordance with accounting policies specified in the Accounting Act dated 29 September 1994 ("the Accounting Act") with subsequent amendments and the regulations issued based on that Act (all together: "Polish Accounting Standards"). These interim condensed consolidated financial statements include certain adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRSs.

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment properties measured at fair value.

When preparing these interim condensed consolidated financial statements certain information and disclosures which in accordance with the IFRSs adopted by the European Union are normally included in full financial statements, have been condensed or omitted pursuant to the provisions of IAS 34. These interim condensed consolidated financial statements should be therefore read in conjunction with the Group's recent full financial statements prepared for year ended 31 December 2010.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed consolidated financial statements, ROBYG S.A. Management Board is not aware of any facts or circumstances that would indicate a threat to the continued activity of any entity creating the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those described in the Group's most recent full financial statements prepared in accordance with IFRSs for the year ended 31 December 2010, except for the adoption of the new or revised IFRSs and IFRICs described in Note 6 to these interim condensed consolidated financial statements and except from some new accounting policies that were applied by the Group to the new transactions occurring during the period of 9 months ended 30 September 2011, that were not described in the last annual financial statements of the Group and which are presented below.

Interest in joint ventures

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a joint control over the economic activities of the entity. The Group recognises its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group. Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, transactions and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture. Upon loss of joint control the Group measures and recognises its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognised in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associate.

These interim condensed consolidated financial statements are presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand (PLN '000) except when otherwise indicated.

6. CHANGES IN ACCOUNTING POLICIES ARISING FROM THE AMENDMENTS TO EXISTING STANDARDS AND NEW REGULATIONS

6.1. Amendments to existing standards and new regulations

The Group has adopted in the current period the following new and amended IFRSs and IFRIC interpretations:

- Amendments to IAS 32 Financial instruments: presentation: Classification of Rights Issues – effective for financial years beginning on or after 1 February 2010.

  The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

- IAS 24 Related Party Disclosures (revised in November 2009) – effective for financial years beginning on or after 1 January 2011.

  The IABS has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayments of a Minimum Funding Requirements – effective for financial years beginning on or after 1 January 2011,

  The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as pension asset.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments – effective for financial years beginning on or after 1 July 2010,

- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters – effective for financial years beginning on or after 1 July 2010,

- Improvements to IFRSs (issued in May 2010) – unless otherwise specified, the amendments are effective for annual periods beginning on or after 1 January 2011:

  - IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instrument's proportionate share of the acquiree's identifiable net asset. All other components are to be measured at their acquisition date fair value.

  - IFRS 7 Financial Instruments – Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

- IAS 1 Presentation of Financial Statements: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity of in the notes to the financial statements.
- IAS 34 Interim Financial Statements: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statement.

The adoption of the above mentioned standards and interpretation did not have any significant impact on financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

6.2. New standards and interpretations not yet effective

The following standards and interpretations were issued by the IASB or IFRIC but are not yet effective:

- IFRS 9 Financial Instruments – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IFRS 10 Consolidated Financial Statements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IFRS 11 Joint Arrangements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IFRS 12 Disclosure of Interests in Other Entities – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IFRS 13 Fair Value Measurement - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IAS 27 Separate Financial Statements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IAS 28 Investments in Associates and Joint Ventures – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- Amendments to IFRS 7 Financial Instruments – Disclosures: Transfer of Financial Assets – effective for financial years beginning on or after 1 July 2011 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- Amendments to IAS 12 Deferred tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- Amendments to IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters - effective for financial years beginning on or after 1 July 2011 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,

- Amendments to IAS 1 Presentation of Other Comprehensive Income - effective for financial years beginning on or after 1 July 2012 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 July 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements,
- IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.

Management is considering the impact that the introduction of the above-mentioned new standards, amendments to existing standards and interpretations will have on financial position and performance of the Group.

7. SEASONALITY OF OPERATIONS

The Group's activities are not seasonal and thus the presented financial results of the Group do not fluctuate significantly between the particular reporting periods.

8. SEGMENT INFORMATION

The current activities of the Group are mostly homogenous and focus primarily on the construction and sales of apartments, however they are carried out in different cities in Poland (Warsaw, Gdańsk and Wrocław). Operating segments have been established on the level of the particular SPVs carrying out projects in the given location which for reporting purposes were aggregated. The aggregation for reporting purpose is based on geographical locations. According to Management Board's assessment, the operating segments identified have similar economic characteristics. Within the unallocated activities the Group has included the supporting activities rendered by the project management company (ROBYG Zarządzanie Sp. z o.o.), by the holding companies (ROBYG S.A. and MZM Properties Sp. z o.o.), the construction company (ROBYG Construction Sp. z o.o.) and the company organizing the selling process of the constructed apartments (ROBYG Marketing i Sprzedaż Sp. z o.o.) as well as P-Administracja Sp. z o.o. due to the fact that the services rendered by these companies for the entities outside the Group are insignificant.

The Group distinguished the following reporting segments:

- Warsaw segment, to which the Group allocated the following SPVs: ROBYG Development Sp. z o.o., ROBYG Development 2 Sp. z o.o., ROBYG Wilanów II Sp. z o.o., ROBYG Osiedle Zdrowa 2 Sp. z o.o., ROBYG City Apartments Sp. z o.o., ROBYG City Apartments 2 Sp. z o.o., ROBYG Park Sp. z o.o., ROBYG Ogród Jelonki Sp. z o.o., ROBYG Osiedle Kameralne Sp. z o.o., ROBYG Kameralna Sp. z o.o. and Wilanów Office Center Sp. z o.o.
- Gdańsk segment, to which the Group allocated the following SPVs: ROBYG Jabłoniowa Sp. z o.o., ROBYG Jabłoniowa 2 Sp. z o.o., ROBYG Morena Sp. z o.o. and ROBYG Marina Tower Sp. z o.o.,
- Wrocław segment, to which the Group allocated activities of the following SPVs: Jagodno Estates Sp. z o.o. Group (including Jagodno Estates Sp. z o.o. and Buforowa Sp. z o.o.) and ROBYG Sp. z o.o.

The Group evaluates the results generated by the particular segments based on the revenues from sales and based on the gross profits on sales generated by the particular segments.

(in PLN thousands)

In the previous periods the Group analysed the segment results based on the profit before tax generated by the particular reporting segments. Due to the fact that in the opinion of the key decision makers of the Group, gross profit better reflects the actual economic profitability of the particular segments, the Group decided to move from analyzing the profitability of the particular segments based on the profit before tax to analyzing that profitability based on the gross profit.

The below table presents the information regarding the revenues and gross profits/(losses) and other disclosures required by IFRS 8 „Operating Segments" and relating to the particular reporting segments identified by the Group for the 9 months and 3 months ended 30 September 2011 and 30 September 2010.

9 months ended 30 September 2011 (unaudited):

	Reporting segments				
	Warszawa	*Gdańsk*	*Wrocław*	*Unallocated*	*Total*
Revenues					
Revenues from sales to external customers	61 145	15 795	-	10 961	87 901
Revenues from sales for other segments	-	-	-	114 543	114 543
Consolidation adjustments	-	-	-	(114 543)	(114 543)
Total revenues	**61 145**	**15 795**	**-**	**10 961**	**87 901**
Gross profit/(loss)	**9 096**	**3 745**	**-**	**1 848**	**14 689**

3 months ended 30 September 2011 (unaudited):

	Reporting segments				
	Warszawa	*Gdańsk*	*Wrocław*	*Unallocated*	*Total*
Revenues					
Revenues from sales to external customers	14 867	7 516	-	2 897	25 280
Revenues from sales for other segments	-	-	-	49 101	49 101
Consolidation adjustments	-	-	-	(49 101)	(49 101)
Total revenues	**14 867**	**7 516**	**-**	**2 897**	**25 280**
Gross profit/(loss)	**1 665**	**1 085**	**-**	**618**	**3 368**

9 months ended 30 September 2010 (unaudited):

	Reporting segments				
	Warszawa	*Gdańsk*	*Wrocław*	*Unallocated*	*Total*
Revenues					
Revenues from sales to external customers	191 209	-	-	554	191 763
Revenues from sales for other segments	-	-	-	39 358	39 358
Consolidation adjustments	-	-	-	(39 358)	(39 358)
Total revenues	**191 209**	**-**	**-**	**554**	**191 763**
Gross profit/(loss)	**42 627**	**-**	**-**	**397**	**43 024**

3 months ended 30 September 2010 (unaudited):

	Reporting segments				
	Warszawa	*Gdańsk*	*Wrocław*	*Unallocated*	*Total*
Revenues					
Revenues from sales to external customers	50 376	-	-	319	50 695
Revenues from sales for other segments	-	-	-	13 365	13 365

(in PLN thousands)

	Reporting segments				
	Warszawa	*Gdańsk*	*Wrocław*	*Unallocated*	*Total*
Consolidation adjustments	-	-	-	(13 365)	(13 365)
Total revenues	**50 376**	**-**	**-**	**319**	**50 695**
Gross profit/(loss)	**11 563**	**-**	**-**	**216**	**11 779**

9. REVENUES AND COSTS

9.1. Sales revenues

Sales revenues recognized in these interim condensed consolidated financial statements in relation to the particular projects realized by the Group were as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Sales of apartments under "Nowa Rezydencja Królowej Marysieńki" Project (realized by ROBYG Development Sp. z o.o.)	17 536	5 999	70 497	18 897
Sales of apartments under "Szczęśliwy Dom" (realized by ROBYG Park Sp. z o.o.)	-	-	3 706	1 870
Sales of apartments under "Zdrowa" Project (realized by ROBYG Wilanów II Sp. z o.o.)	20 664	4 241	4 577	1 140
Sales of apartments under "City Apartments" Project (realized by ROBYG City Apartments Sp. z o.o.)	22 935	4 627	112 429	28 469
Sales of apartments under "Lawendowe Wzgórza" Project (realized by ROBYG Jabłoniowa Sp. z o.o.)	8 366	2 730	-	-
Sales of apartments under "Słoneczna Morena" Project (realized by ROBYG Morena Sp. z o.o.)	7 190	4 796	-	-
Revenues from construction services provided by the Group to a related party ROBYG Ogród Jelonki Sp. z o.o. (please see Note 19)	9 890	2 557	-	-
Other revenues from related parties	661	145	214	131
Other sales revenues from third parties	659	185	340	188
Total sales revenues	**87 901**	**25 280**	**191 763**	**50 695**

9.2. Costs of sales

Costs of goods sold recognized in these interim condensed consolidated financial statements in relation to the particular projects realized by the Group were as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Costs of sales relating to apartments sold under "Nowa Rezydencja Królowej Marysieńki" Project (realized by ROBYG Development Sp. z o.o.)	(13 748)	(5 155)	(49 685)	(13 057)
Costs of sales relating to apartments sold under "Szczęśliwy Dom" Project (realized by ROBYG Park Sp. z o.o.)	-	-	(2 566)	(1 283)
Costs of sales relating to apartments sold under "Zdrowa" Project (realized by ROBYG Wilanów II Sp. z o.o.)	(16 536)	(3 438)	(4 092)	(893)
Costs of sales relating to apartments sold under "City Apartments" Project (realized by ROBYG City Apartments Sp. z o.o.)	(20 378)	(4 243)	(90 716)	(23 237)
Costs of sales relating to apartments sold under "Lawendowe Wzgórza" Project (realized by ROBYG Jabłoniowa Sp. z o.o.)	(5 879)	(2 170)	-	-
Costs of sales relating to apartments sold under "Słoneczna Morena" Project (realized by ROBYG Morena Sp. z o.o.)	(5 783)	(3 961)	-	-

(in PLN thousands)

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Costs of rendering construction services to the related entity ROBYG Ogród Jelonki Sp. z o.o.	(8 971)	(2 248)	-	-
Other costs of goods sold	(1 917)	(697)	(1 680)	(446)
Total costs of sales	**(73 212)**	**(21 912)**	**(148 739)**	**(38 916)**

Within the costs of sales presented above there are PLN 7 953 thousand (PLN 3 790 thousand for ”Osiedle Zdrowa” project, PLN 3 814 thousand for “City Apartments” project, PLN 346 thousand for “Lawendowe Wzgórza” project and PLN 3 thousand for “Słoneczna Morena” project) of the costs relating to the recognition of the purchase price allocated as a result of contribution in kind (for the 9 months ended 30 September 2010 these costs amounted to PLN 16 169 thousand and related to “Osiedle Zdrowa” project [PLN 733 thousand] and to “City Apartments” project [PLN 15 436 thousand]). Purchase price allocation reflected the excess of the fair value of the projects contributed in kind over their book value as at the moment of contribution in kind, i.e. as at 22 April 2008.

9.3. Other income

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Release of provisions for legal proceedings	-	-	109	-
Release of provisions for perpetual usufruct	-	-	1 078	53
Penalties paid by the customers and subcontractors	67	30	159	-
Profit on the revaluation of investments property to fair value	13 099	5 349	355	-
Other	232	130	179	115
Total other revenues	**13 398**	**5 509**	**1 880**	**168**

9.4. Other costs

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Provision for legal proceedings	(1 250)	-	(7)	(7)
Provision for receivables	-	-	(11)	-
Taxes and charges	(345)	-	-	-
Other	(331)	(152)	(291)	(73)
Total other expenses	**(1 926)**	**(152)**	**(309)**	**(80)**

Provision for the legal proceedings amounting to PLN 1 250 thousand was created in connection with the three claims received by the Group in the period of 9 months ended 30 September 2011 from Tenants Management Organizations (TMOs) for the removal of faults in common areas of the apartments' buildings constructed by the Group. The total value of claims raised by the TMOs amounted to PLN 15 518 thousand. In the opinion of the Management of the Group the amounts claimed by TMOs are significantly overstated, premature and in vast majority unjustified due to the fact that the Group removes the identified, justified faults in an on-going manner and in addition some proportion of these claims are covered by the subcontractors performing the actual works. Nevertheless, after analysis carried out by the technical department regarding the possible scope and amount of repairs works that need to be done in order to remove the faults and due to the fact that at this stage it is uncertain whether and to what extent they will be covered by the subcontractors, the Management of the Group decided to create the provision amounting to PLN 1 250 thousand for the expected costs of the removal of the faults identified in the said buildings constructed by the Group.

(in PLN thousands)

9.5. Finance income

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Bank interest income	4 557	1 914	594	136
Interest income from loan granted to related party	72	36	214	-
Interest income from loans received from related parties	-	-	3 873	-
Foreign exchange gains	-	-	804	1 513
Other	455	248	439	86
Total finance income	**5 084**	**2 198**	**5 924**	**1 735**

9.6. Finance costs

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Interest on bank loans	(1 958)	(747)	(3 216)	(810)
Interest from loans from related parties	(486)	(1 202)	(1 157)	(1 157)
Interest on loans from other entities	-	-	(48)	(1)
Interest on bonds	(1 783)	(961)	-	-
Interest on other liabilities	(307)	(70)	(189)	(104)
Finance charges payable under finance leases	(138)	(56)	(21)	(6)
Foreign exchange losses	(2 408)	(1 404)	-	-
Costs connected with the purchase and incorporation of subsidiaries and purchase of jointly controlled entities	(220)	-	-	-
Other financial costs	(487)	(206)	(502)	79
Total finance costs	**(7 787)**	**(4 646)**	**(5 133)**	**(1 999)**

10. INCOME TAX

10.1. Tax burdens

Major components of income tax expense for 9 months ended 30 September 2011 and 30 September 2010 are as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Interim condensed consolidated statement of comprehensive income				
Current income tax	-	-	-	-
Current income tax charge	(4 111)	(2 255)	(6 351)	(4 350)
Adjustments in respect of current income tax of previous years	(125)	-	4	-
Deferred income tax				
Relating to origination and reversal of temporary differences	3 014	3 757	(3 198)	2 055
Income tax expense reported in interim condensed consolidated statement of comprehensive income	**(1 222)**	**1 502**	**(9 545)**	**(2 295)**

10.2. Reconciliation of the effective income tax rate

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the 9 months ended 30 September 2011 and 30 September 2010 is as follows:

(in PLN thousands)

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Accounting profit before tax from continuing operations	5 271	(777)	34 427	7 750
At statutory income tax rate of 19% (for 9 months ended 30 September 2010: 19%)	(1 001)	148	(6 541)	(1 473)
Other permanent difference resulting from the purchase price allocation	(1 511)	(321)	(3 072)	(783)
Reversal of the valuation allowance created for the deferred tax asset in previous years	1 993	1 993	-	-
Other	(703)	(318)	68	(39)
At the effective income tax rate of 23% (for 9 months ended 30 September 2010: 28%)	(1 222)	1 502	(9 545)	(2 295)
Income tax expense reported in consolidated statement of comprehensive income	**(1 222)**	**1 502**	**(9 545)**	**(2 295)**

11. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Net profit attributable to ordinary shareholders of the parent, used to compute basic earnings per share	64	(1 148)	22 169	4 623
Weighted average number of ordinary shares for basic earnings per share	257 390 000	257 390 000	205 081 176	218 390 000
Basic earnings per share (in PLN per share)	**0.00**	**0.00**	**0.11**	**0.02**

Due to the issue of subscription warrants as it was in details described in Notes 19 and 20 to these interim condensed consolidated financial statements, the Group computed the diluted earnings per share. The computation was done as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Net profit attributable to ordinary shareholders of the parent, used to compute diluted earnings per share	64	(1 148)	22 169	4 623
Weighted average number of issued ordinary shares used to compute diluted earnings per share	257 571 188	257 506 569	205 081 176	218 390 000
Diluted earnings per share (in PLN per share)	**0.00**	**0.00**	**0.11**	**0.02**

(in PLN thousands)

12. INVENTORIES AND LAND DESIGNATED FOR DEVELOPMENT CLASSIFIED AS NON CURRENT ASSET

12.1. Land designated for development classified as non-current asset

The balance of the land designated for development classified as non-current asset amounted as at 30 September 2011 to PLN 136 127 thousand (31 December 2010: PLN 208 375 thousand) and related to the land on which the Group plans to start the construction works within the period exceeding 2 years from the reporting date. The decrease in the balance of land designated for development classified as non-current asset as at 30 September 2011 as compared to the balance of this position as at the end of December 2010 resulted primarily from the approaching expected commencement of the next stages of the projects realised by the Group.

12.2. Inventory

	30 September 2011 (unaudited)	*31 December 2010*
Work in progress (apartments under construction)	252 820	121 456
Land purchased for construction purposes	360 308	280 180
Advanced payments for acquisition of construction services	3 145	1 413
Finished goods (apartments)	46 756	102 081
Total inventories, at the lower of cost and net realisable value	**663 029**	**505 130**

In the periods of 9 months ended 30 September 2011 and 9 months ended 30 September 2010 the Group did not make any write-downs or reversals of the write-downs for inventories.

13. INVESTMENT PROPERTY

	30 September 2011 (unaudited)	*31 December 2010*
Opening balance as at 1 January	93 440	90 672
Additions - acquisition of a subsidiary (for details please refer to Note 17 of these interim condensed consolidated financial statements)	34 664	-
Additions – other	423	-
Net gain from fair value adjustment	13 099	2 768
Closing balance	**141 626**	**93 440**

14. CASH AND CASH EQUIVALENTS

For the purposes of the interim condensed consolidated statement of cash flow, cash and cash equivalents comprise the following:

	30 September 2011 (unaudited)	*31 December 2010*	*30 September 2010 (unaudited)*
Cash at bank and in hand	5 968	14 516	9 131
Short-term deposits	161 351	158 494	29 156
Restricted cash - developers blocked accounts	34 000	11 340	9 920
Cash in transit	-	-	201
Total cash and cash equivalents presented in the consolidated cash flow statements	**201 319**	**184 350**	**48 408**
Restricted cash - deposits kept by bank as collateral for bank loans	5 679	5 713	5 713
Total cash and cash equivalents presented in the consolidated statement of financial position	**206 998**	**190 063**	**54 121**

15. DIVIDENDS PAID AND PROPOSED

Dividends are paid in accordance with the Polish Commercial Code based on the standalone statutory financial statements of ROBYG S.A. prepared in accordance with the IFRSs.

No dividends were declared by the Company for 2009.

On 21 June 2011 the Ordinary Shareholders' Meeting of the Company approved the payment of the dividend for 2010 amounting to PLN 18 017 thousand (PLN 0.07 per one ordinary share). The dividend day was set on 7 July 2011 and the dividend was paid on 29 July 2011.

16. INTEREST-BEARING LOANS AND BORROWINGS

16.1. New agreements and changes to the bank loan agreements that have occurred during 9 months ended 30 September 2011

ROBYG Jabłoniowa Sp. z o.o.

On 10 June 2011 ROBYG Jabłoniowa Sp. z o.o. and Nordea Bank Polska S.A. have signed an appendix to the bank loan agreement concluded by this SPV with the bank, based on which the following significant changes to the said bank loan agreement were introduced:

- granting the revolving tranche to the SPV amounting to PLN 18 000 thousand available for all stages of the project,
- increase in the margin on the loan by 0,4 percentage points.

Additional securities agreed for the approved revolving tranche were as follows:

- a corporate guarantee granted by ROBYG S.A. up to the amount of PLN 18 000 thousand with regard to the revolving tranche,
- a liability of ROBYG S.A. to grant to ROBYG Jabłoniowa Sp. z o.o. a subordinated loan up to the amount of PLN 5 000 thousand in case of the overrun of cost of the project realized by ROBYG Jabłoniowa Sp. z o.o. in place of the existing Nanette Real Estate Group N.V. commitment to grant to ROBYG Jabłoniowa Sp. z o.o. a subordinated shareholders loan up to the amount of PLN 40 000 thousand.

ROBYG City Apartments Sp. z o.o.

In February 2011, ROBYG City Apartments Sp. z o.o. has received a decision of the Credit Committee of Nordea Bank Polska S.A. which was held on 7 February 2011 in which the Committee approved, among others, the following changes to the bank loan agreement signed by this SPV with the bank:

- postponement of the final repayment date of the investment tranche until 31 December 2014; the repayment is to be made in tranches, each within 6 months after the completion of each stage,
- postponement of the final repayment date of the revolving tranche until 31 December 2014; the repayment is to be made in tranches, each within 12 months after the completion of each stage,
- extension of revolving loan for stages III – VII of the project realized by this SPV.

Securities proposed in relation to the approved changes:

- a liability of ROBYG S.A. to grant to ROBYG City Apartments Sp. z o.o. a subordinated loan up to the amount of PLN 5 000 thousand in case of the overrun of cost of the project realized by ROBYG City Apartments Sp. z o.o. in place of the existing Nanette Real Estate Group N.V. commitment to grant to ROBYG City Apartments Sp. z o.o. a subordinated shareholders loan up to the amount of PLN 30 000 thousand.

ROBYG Morena Sp. z o.o.

On 30 March 2011, ROBYG Morena Sp. z o.o. has signed an amendment to the bank loan agreement concluded by this SPV with Bank Zachodni WBK S.A. which introduced, among others, the following changes to the said bank loan agreement:

- postponement of the repayment date of a portion of the of PLN 1 738 thousand until 31 December 2011 and the final repayment of the remaining balance of the loan of PLN 14 500 thousand until 31 October 2012,
- bank's consent to partial releases of the land provided the LTV covenant is kept at the level of 60% for the remaining loan balance,

The securities of the bank loan were changed as follows as a result of the amendment:

- an ordinary joint mortgage was decreased up to the amount of PLN 16 238 thousand and a capped mortgage up to the amount of PLN 1 624 thousand on the land developed by the company,
- blocked deposit of PLN 2 080 thousand established as a security of interest payments on the land loan was decreased to the amount of PLN 600 thousand,
- a corporate guarantee was granted by ROBYG S.A. up to the amount of PLN 16 238 thousand with regard to the land loan tranche,
- a corporate guarantee was granted by ROBYG S.A. up to the amount of PLN 1 400 thousand for covering of additional costs.

ROBYG Ogród Jelonki Sp. z o.o.

On 16 June 2011 ROBYG Ogród Jelonki Sp. z o.o. has signed a new bank loan agreement with Nordea Bank Polska S.A., based on which the said bank committed itself to grant a bank loan amounting to PLN 27 000 thousand to this SPV. The conditions of the said bank loan were agreed as follows:

- investment tranche, amounting to PLN 12 000 thousand is to be used for the repayment of existing bank loan (amounting to PLN 4 700 thousand) and other loans that were granted to ROBYG Ogród Jelonki Sp. z o.o.,
- revolving tranche, amounting to PLN 15 000 thousand is to be used to finance and refinance the costs connected with the realization of the project carried out by ROBYG Ogród Jelonki Sp. z o.o.,
- the repayment of the loan should occur not later than 31 December 2014,
- the interest charged on the loan shall amount to WIBOR 1M plus margin of the bank.

The securities established in relation to the above bank loan were as follows:

- a joint capped mortgage for the total amount of PLN 40 500 thousand established on the land situated in Warsaw (in Bemowo district where ROBYG Ogród Jelonki Sp. z o.o. carries out its investment),
- a financial and registered pledge on shares in ROBYG Ogród Jelonki Sp. z o.o kept by ROBYG S.A. along with a statement of ROBYG S.A. concerning its submission to enforcement proceedings pursuant to the provisions of the Banking Law,
- a financial and registered pledge on shares in ROBYG Ogród Jelonki Sp. z o.o kept by Wildetio Ltd. along with a statement of Wildetio Ltd. concerning its submission to enforcement proceedings pursuant to the provisions of the Banking Law,
- a registered pledge on the group of assets and rights up to the maximum security amount of PLN 40 500 thousand,
- a financial and registered pledge on receivables arising from bank account agreements for bank accounts maintained by ROBYG Ogród Jelonki Sp. z o.o. with Nordea Bank Polska S.A., including bank accounts used to collect payments from the customers from the second and further stages of the project realized by ROBYG Ogród Jelonki Sp. z o.o.,
- a corporate guarantee granted by ROBYG S.A. up to the amount of PLN 12 000 thousand with regards to the investment tranche and up to the amount of PLN 15 000 thousand with regards to the revolving tranche of the loan and a statement of ROBYG S.A. on the submission to enforcement proceedings pursuant to the provisions of the Banking Law,
- a statement by ROBYG Ogród Jelonki Sp. z o.o on the submission to enforcement proceeding pursuant to the provisions of the Banking Law,

- an agreement obliging to enter into a loan agreement between ROBYG S.A. as the lender and ROBYG Ogród Jelonki Sp. z o.o. as the borrower, obligating ROBYG S.A. to extend a subordinated loan up to the amount of PLN 5 000 thousand to ROBYG Ogród Jelonki Sp. z o.o to provide funds for financing of the project in the cases set forth in the bank loan agreement,
- subordination of the repayment of the loans granted to ROBYG Ogród Jelonki Sp. z o.o. by the related parties to the repayment of the bank loan,
- a security deposit in the amount equalling the total interest accrued over the period of three months.

ROBYG S.A.

On 1 June 2011 the Company has signed a bank loan agreement with Bank Millennium S.A. The summary of the conditions relating to the bank loan are as follows:

- the bank loan amounts to PLN 5 000 thousand and is supposed to finance the current business activities of the Company,
- the repayment of the loan should occur not later than 31 May 2012,
- the interest charged on the loan shall amount to WIBOR 1M plus margin of the bank,
- securities established in relation to the bank loan:
  - mortgage on the land held by ROBYG Park Sp. z o.o., the subsidiary of ROBYG S.A., up to the amount of PLN 8 500 thousand.

ROBYG Development Sp. z o.o.

On 30 September 2011 ROBYG Development Sp. z o.o. has signed the following new bank loan agreements as well as the following appendix to the existing bank loan agreement concluded by that SPV with Bank Millennium S.A.:

- new investment loan agreement (no 3063/11/406/04, further called "Investment Loan no. 1") for the amount of PLN 11.797 thousand for refinancing of the land allocated to the stages VIII and X of "Nowa Rezydencja Królowej Marysieńki", the development project carried out by ROBYG Development Sp. z o.o.; the summary of the major conditions of the bank loan agreement are as follows:
  - the repayment of the loan should occur after completion of the construction of the particular stages of the project, not later than 31 December 2013,
  - the interest charged on the loan shall amount to WIBOR 1M plus margin of the bank,
  - securities established in connection with the bank loan are as follows:
    - a joint capped mortgage up to 200% of the amount of the loan granted established on the land situated in Warsaw, Wilanów district, allocated to phases VIII and X of the development project carried out by ROBYG Development Sp. z o.o.,
    - a registered pledge on all shares of ROBYG Development Sp. z o.o. granted to the benefit of the bank,
    - an assignment of proceeds from the sales of apartments within stages VI, VIII and X and IX of the said project,
    - a statement on submission to enforcement proceedings up to the amount of 150% of the bank loan,
    - subordination of all of existing loans received by ROBYG Development Sp. z o.o. from related parties to the repayment of the bank loan.
- new investment loan agreement (no 3061/11/406/04, further called "Investment Loan no. 2") for the amount of PLN 12 458 thousand for refinancing the land allocated to the stages V and VII of "Nowa Rezydencja Królowej Marysieńki", the development project carried out by ROBYG Development Sp. z o.o.; the summary of the major conditions of the loan agreement are as follows:

    - the repayment of the loan should occur after completion of the construction of the particular stages of the project, not later than 31 December 2013,
    - the interest charged on the loan shall amount to WIBOR 1M plus margin of the bank,
    - securities established in connection with the bank loan are as follows:
        - a joint capped mortgage up to 200% of the amount of the loan granted established on the land situated in Warsaw, Wilanów district, allocated to phases V and VII of the development project carried out by ROBYG Development Sp. z o.o.,
        - an assignment of proceeds from the sales of apartments within stages V and VII of the said project,
        - a statement on submission to enforcement proceedings up to the amount of 150% of the bank loan,
        - corporate guarantee granted by the Company up to the amount of loan and related liabilities,
        - a registered pledge on all shares of ROBYG Development 2 Sp. z o.o. granted to the benefit of the bank,
        - upon a request of the bank - a registered pledge on all shares of ROBYG Development Sp. z o.o. granted to the benefit of the bank, that security shall expire at the moment of establishment of the registered pledge on the shares of ROBYG Development 2 Sp. z o.o.,
        - subordination of all of existing loans received by ROBYG Development Sp. z o.o. from related parties to the repayment of the bank loan.
- new revolving loan agreement (no 3059/11/408/04, further called "Revolving Loan") for the amount of PLN 24 000 thousand for financing of construction of stages V and VII of "Nowa Rezydencja Królowej Marysieńki", the development project carried out by ROBYG Development Sp. z o.o. as well as for the financing of the interest from the Investment Loan no. 2; the summary of the major conditions of the loan agreement are as follows:
    - the repayment of the loan should occur not later than 31 December 2013,
    - the interest charged on the loan shall amount to WIBOR 1M plus margin of the bank,
    - securities established in connection with the bank loan are as follows:
        - a joint capped mortgage up to 200% of the amount of the loan granted established on the land situated in Warsaw, Wilanów district, allocated to phases V and VII of the development project carried out by ROBYG Development Sp. z o.o.,
        - an assignment of rights under all insurance policies for the financed project,
        - an assignment of rights under contracts and agreements concluded with the general contractors for the investment project,
        - a fiduciary transfer of the rights to the technical documentation of the investment project being developed,
        - an assignment of proceeds from the sales of apartments within stages V and VII of the said project,
        - corporate guarantee granted by the Company up to the amount of loan and related liabilities,
        - at a request of the bank - a registered pledge on all shares of ROBYG Development Sp. z o.o. granted to the benefit of the bank, that security shall expire at the moment of establishment of the registered pledge on the shares of ROBYG Development 2 Sp. z o.o.,
        - a registered pledge on all shares of ROBYG Development 2 Sp. z o.o. granted to the benefit of the bank,
        - subordination of all of existing loans received by ROBYG Development Sp. z o.o. from related parties to the repayment of the bank loan.

- appendix to existing revolving loan agreement (no 77406558) granted to ROBYG Development Sp. z o.o. in the amount of PLN 30 000 thousand; the summary of major changes introduced by the appendix were as follows:
    - the loan shall be used for financing of construction of stages VI, VIII and X, and IX of "Nowa Rezydencja Królowej Marysieńki", the development project carried out by ROBYG Development Sp. z o.o. as well as for the financing of the interest from the existing investment loan granted to that SPV by the bank as well as from the Investment Loan no. 1;
    - securities established in connection with the bank loan are as follows:
        - a joint capped mortgage up to 200% of the amount of the loan, established on the land situated in Warsaw, Wilanów district, on which ROBYG Development Sp. z o.o. carries out its development project,
        - a registered pledge on all shares of ROBYG Development Sp. z o.o. granted to the benefit of the bank,
        - an assignment of rights under all insurance policies for the financed project,
        - an assignment of rights under contracts and agreements concluded with the general contractors for the investment project,
        - a fiduciary transfer of the rights to the technical documentation of the investment project being developed,
        - an assignment of proceeds from the sales of apartments of the said project.
    - the bank allowed also for payment of the dividend by ROBYG Development Sp. z o.o. amounting to PLN 20 000 thousand against the bank loan.

Signing of the above-mentioned new loan agreements concluded by ROBYG Development Sp. z o.o. is connected with reorganization of operations of ROBYG Development Sp. z o.o., the details of which are described in Note 22 of these interim condensed consolidated financial statements. As a result of the said reorganization, after 30 September 2011 but before the approval of these interim condensed consolidated financial statements, the investment loan granted previously to ROBYG Development Sp. z o.o. has been divided into two investment loans, i.e. the Investment Loan no. 1 and the Investment Loan no. 2. The latter was transferred to ROBYG Development 2 sp. z o.o. within the framework of the organized part of the enterprise. In addition ROBYG Development Sp. z o.o. received a new financing in the form of the Revolving Loan that was transferred to ROBYG Development 2 sp. z o.o. within the framework of the organized part of the enterprise.

16.2. New bonds issued by the Group.

On 18 April 2011 the Company has issued 400 000 of bearer D series bonds each having the nominal value of PLN 100 within the public offering. The major conditions of the issued bonds are as follows:

- The total nominal value of the issued bonds amounted to PLN 40 000 thousand.
- The bonds bear fixed interest rate calculated from the issue date until the maturity date. The interest will be paid quarterly.
- Maturity date of bonds is 4 years from the issue date. The bonds have an embedded option granted to the issuer and allowing for an earlier redemption in accordance with the rules described in the purchase offer for bonds.
- The bonds are secured with the mortgage on the land which is under the perpetual usufruct of Wilanów Office Center Sp. z o.o. The total value of the mortgage (amounting to PLN 54,2 million) covers the nominal value of the bonds plus all accrued interest.

The proceeds raised from the bonds is planned to be used for the financing of the project carried out by Wilanów Office Center Sp. z o.o. and for the financing of other financial needs of the Group.

16.3. Repayments and drawdowns of the bank loans done by the Group during the 9 months ended 30 September 2011

The details relating to the drawdowns and repayments of existing bank loans held by the Group in the period of 9 months ended 30 September 2011 are as follows:

Lending bank	*Borrower*	*Loan*	*Drawdowns (in PLN thousand)*	*Repayments (in PLN thousand)*
Bank Millennium S.A.	ROBYG Development Sp. z o.o.	revolving loan	52 054	48 370
Bank Millennium S.A.	ROBYG S.A.	current loan	5 000	-
Bank Millennium S.A.	ROBYG Wilanów II Sp. z o.o.	revolving loan	47 624	45 799
Nordea Bank Polska S.A.	ROBYG City Apartments Sp. z o.o.	revolving and investment loan	29 792	39 185
Nordea Bank Polska S.A.	ROBYG Jabłoniowa Sp. z o.o.	investment and revolving loan	6 940	2 000
Nordea Bank Polska S.A.	ROBYG Ogród Jelonki Sp. z o.o.	investment and revolving loan	8 169 (*)	2 350 (*)
Bank Zachodni WBK S.A.	ROBYG Morena Sp. z o.o.	investment loan	1 738	4 000
Total			**151 317**	**141 704**

(*) These are the drawdowns and repayments relating to the bank loans granted to ROBYG Ogród Jelonki Sp. z o.o., the company which is a joint venture of the Group, which the Group consolidates using proportionate consolidation. Thus the above table presents only the share of the drawdowns and repayments taken by the Group (i.e.50%).

16.4. Repayments and drawdowns of the loans received by the Group from related parties that have occurred during 9 months ended 30 September 2011

During the period of 9 months ended 30 September 2011 ROBYG Wilanów II Sp. z o.o. has received a new loan from POLNORD S.A. in the amount of PLN 1 500 thousand.

The following amounts have been repaid by the Group to the related parties as the partial or total repayment of loans principal or/and accrued interest in the period of 9 months ended 30 September 2011:

Lender	*Currency of the loan*	*Amount of repayment (PLN thousand)*
ROBYG B.V.	PLN	15 933
ROBYG B.V.	USD	3 262
ROBYG B.V.	EUR	10 000
LBPOL William II S.A.R.L.	PLN	1 563
LBPOL William II S.A.R.L.	EUR	127
William II Finance S.A.R.L.	PLN	14 216
LBREP III BOGTODORSKA S.A.R.L.	PLN	5 000
LBREP III Marina Tower S.A.R.L.	PLN	13 300
EdR Real Estate (Eastern Europe) Finance S.A.R.L.	EUR	4 137
POLNORD S.A.	PLN	600
Wildetio Limited	PLN	10 000
Total		**78 138**

16.5. New lease agreements concluded during 9 months ended 30 September 2011

On 8 February 2011 the Group as a lessee has sold and leased back from ING Lease (Polska) Sp. z o.o. (the Lessor) the commercial premises used by the Group for its administration office. The lease is treated by the Group as a financial lease due to the fact that the Group is obliged to repurchase the leased offices after the lease period. The basic information regarding the lease agreement are as follows:

(in PLN thousands)

- The total initial value of the leased premises amounted to PLN 5 525 thousand.
- Lease period: 7 years.
- Securities provided to the Lessor by the Group in connection with the lease agreement:
    - the financial guarantee provided by ROBYG S.A. to the Lessor for the security of all payments under the lease agreement,
    - the assignment of all receivables from sublease agreements,
    - security deposit amounting to PLN 276 thousand paid by the Group to the Lessor as a security until the Lessor is introduced as an owner of the leased premises to the property register kept by the registration court,
    - obligation to keep debt service ratio covenants.

17. ACQUISITION AND INCORPORATION OF SUBSIDIARIES AND ACQUISITION OF JOINTLY CONTROLLED ENTITIES

On 3 March 2011 the Group (through its subsidiaries) has purchased 5 new companies: ROBYG Jabłoniowa 2 Sp. z o.o., ROBYG City Apartments 2 Sp. z o.o., ROBYG Development 2 Sp. z o.o., ROBYG Osiedle Zdrowa 2 Sp. z o.o. and ROBYG Osiedle Kameralne Sp., z o.o. These companies have been acquired by the Group for the total amount of PLN 242 thousand and were acquired in a planned process of the Group reorganization which aim is to optimize the Group operations. On 16 March 2011 and on 23 March 2011 ROBYG S.A. incorporated two new entities – ROBYG Kameralna Sp. z o.o. and P-Administracja Sp. z o.o. ROBYG Kameralna Sp. z o.o. (with the share capital of PLN 50 thousand) was set up with the aim of carrying out the development project whereas P-Administracja Sp. z o.o. (with a share capital of PLN 5 thousand) was set up as a company that will administer the apartments constructed by the Group companies.

The above described acquisitions and incorporations are treated as asset deals rather than the acquisition of the businesses.

The table below summarizes the total fair value of identifiable assets, liabilities and contingent liabilities of ROBYG Jabłoniowa 2 Sp. z o.o., ROBYG City Apartments 2 Sp. z o.o., ROBYG Development 2 Sp. z o.o., ROBYG Osiedle Zdrowa 2 Sp. z o.o., ROBYG Osiedle Kameralne Sp., ROBYG Kameralna Sp. z o.o. and P-Administracja Sp. z o.o. as at the date of acquisition:

	Carrying amount (direct, before acquisition)	*Fair values recognised on acquisition*
Cash and cash equivalents	80	80
Other assets	-	219
	80	**299**
Net assets	80	299
Non controlling interests (25% in ROBYG City Apartments 2 Sp. z o.o. and 15% in ROBYG Osiedle Zdrowa 2 Sp. z o.o.)		(2)
Total consideration paid		**297**

The cash inflow on acquisition is as follows:	
Net cash acquired with the SPVs	80

(in PLN thousands)

Cash paid	(297)
Net cash outflow	**(217)**

On 24 March 2011 the Group has purchased 51% shares in the share capital of Wilanów Office Center Sp. z o.o. Wilanów Office Center Sp. z o.o. holds a perpetual usufruct right over the land situated in the district Wilanów in Warsaw with the area of approximately 3 hectares. The Company estimates development capacity of the land at the level of around 35 000 square meter of usable area. The purchase of Wilanów Office Center Sp. z o.o. is connected with extension of product offer of the Group by including in such offer commercial units that could be used as commercial and office space. The Group plans to offer offices and commercial units within a project that will be developed by Wilanów Office Center Sp. z o.o. 51% stake in Wilanów Office Center Sp. z o.o. was purchased from Wildetio Limited for the price of PLN 26 thousand. Parallel to the share purchase, the Company has purchased also the receivables from the loans to be repaid by Wilanów Office Center Sp. z o.o. in total amounting to PLN 9 175 thousand for the price of PLN 1 500 thousand. These both transactions (i.e. the share purchase and the purchase of receivables) are perceived as one from the business perspective and are treated as an asset deal rather than the acquisition of the business and the excess of the purchase price paid for the shares of Wilanów Office Center Sp. z o.o. adjusted by the profit realized on the purchase of receivables of this company over the net asset of this company was allocated in total to the investment property – being the land on which this SPV intends to carry out its office and commercial project.

The table below summarizes the total fair value of identifiable assets, liabilities and contingent liabilities of Wilanów Office Center Sp. z o.o. at the date of the acquisition:

	Carrying amount (direct, before acquisition)	*Fair values recognised on acquisition*
Cash and cash equivalents	107	107
Investment properties	32 714	34 664
Other assets	803	803
	33 624	**35 574**
Interest bearing liabilities	41 021	33 346
Provisions for liabilities	1 931	1 931
Other liabilities	247	247
	43 199	**35 524**
Net assets	(9 575)	50
Non controlling interest (49%)		(24)
Total consideration consisting of:		**26**
Total consideration		**26**

The cash inflow on acquisition is as follows:

Net cash acquired with the SPVs	107
Cash paid	(26)
Net cash inflow	**81**

On 31 March 2011 the Group has purchased 50% share in share capital of ROBYG Ogród Jelonki Sp. z o.o. ROBYG Ogród Jelonki Sp. z o.o. holds ownership over the land situated in Bemowo-Jelonki in Warsaw with a total area of approximately 37 000 square meters with possibility to build approximately

(in PLN thousands)

600 apartments of 38 000 square meters of usable area. ROBYG Ogród Jelonki Sp. z o.o. is developing the first stage of the project on the said plot of land. The 50% stake in ROBYG Ogród Jelonki Sp. z o.o. was purchased from Nanette Real Estate Group N.V. and the purchase price for shares amounted to PLN 18 000 thousand. The payment for the shares was supposed to be done in two installments, the first installment of PLN 9 000 thousand was done within 10 business days following the date of share purchase agreement and the second installment shall be paid within 10 business days after ROBYG Ogród Jelonki Sp. z o.o. receives final zoning decision for the second stage of the project already developed by this SPV.

Due to the fact that the ROBYG Ogród Jelonki Sp. z o.o. is under the joint control of ROBYG S.A. and Wildetio Limited, the Group consolidates this SPV applying proportionate method of consolidation. The above transaction was treated as an asset deal rather than the acquisition of the business and the excess of the purchase price paid for the shares of ROBYG Ogród Jelonki Sp. z o.o. over the Group's share in the net asset of this company was allocated in total to the inventories.

The table below summarizes the total fair value of identifiable assets, liabilities and contingent liabilities of ROBYG Ogród Jelonki Sp. z o.o. at the date of the acquisition in proportion relating to the Group:

	Group's share in the carrying amount (direct, before acquisition)	*Group's share in the fair values recognised on acquisition*
Cash and cash equivalents	567	567
Inventories	8 735	27 281
Other assets	785	785
	10 087	**28 633**
Interest bearing liabilities	6 535	6 535
Other liabilities	4 098	4 098
	10 633	**10 633**
Net assets	(546)	18 000
Total consideration to be paid		**18 000**
The cash inflow on acquisition is as follows:		
Net cash acquired with the SPVs		567
Less: bank deposit kept as security by the bank (restricted cash)		(118)
Cash paid		(9 000)
Net cash outflow		**(8 551)**

During the period of 9 months ended 30 September 2011 the Group has incurred PLN 220 thousand of costs connected with the acquisition and incorporation of subsidiaries and acquisition of jointly controlled entities.

18. CONTINGENT LIABILITIES

18.1. Purchase commitments

As at 30 September 2011 and as at 31 December 2010, the Group had no commitments as to the capital expenditures related to property, plant & equipment. As at 30 September 2011 the Group had however undertaken to bear expenditures related to inventory construction works in the amount of PLN 121 398 thousand (as at 31 December 2010: PLN 113 447 thousand).

Moreover, the Group has also signed preliminary conditional agreement to purchase the land in Bemowo district. The details of the contingent liabilities to purchase the land, amounting to PLN 14 000 thousand arising from that contract are described in Note 21 of these interim condensed consolidated financial statements.

(in PLN thousands)

19. RELATED PARTIES

The table below presents the total values of transactions with related parties entered into during the 9 months ended 30 September 2011:

For the 9 months ended 30 September 2011 (unaudited) and as at 30 September 2011 (unaudited):

Related party	*Sales to related parties*	*Purchases from related parties*	*Trade payables to related entities*	*Other payables to related entities*	*Trade receivables from related parties*	*Loans granted to related parties*	*Other receivables (deposits kept by related parties)*
Entities having significant influence over the Group:							
Nanette Real Estate Group N.V.	-	2 547	419	9 000 (***)	3	-	-
Other related parties:							
STAR Property Sp. z o.o.	18	-	34	-	12	-	-
OK Investment Sp. z o.o.	18	20	-	-	5	-	-
ROBYG Galicja Sp. z o.o.	18	-	-	-	2	-	-
Wilanów Office Center Sp. z o.o.	8 (*)	-	-	-	-	-	-
ROBYG Ogród Jelonki Sp. z o.o.	10 484 (**)	-	-	-	2 441	593 (****)	738 (*****)
Dom na Ursynowie Sp. z o.o.	4	-	-	-	1	-	-
Nova Dom Sp. z o.o.	1	-	-	-	6	-	-
Total	**10 551**	**2 567**	**453**	**9 000**	**2 470**	**593**	**738**

(*) These revenues relate to the period from 1 January 2011 until 31 March 2011, when this company started to be consolidated by the Group.

(**) These revenues contain the revenues generated by the Group from the beginning of 2011 until the moment ROBYG Ogród Jelonki Sp. z o.o. started to be consolidated by the Group – i.e. until 31 March 2011 as well as the uneliminated part of revenues generated by the Group on proportionate consolidation of ROBYG Ogród Jelonki Sp. z o.o. for the period from 1 April 2011 until 30 September 2011.

(***)This is a liability from purchase of shares in ROBYG Ogród Jelonki Sp. z o.o., the details relating to this transaction are presented in Note 17 of these interim condensed consolidated financial statements.

(****) This balance relates to uneliminated receivables from loans granted to ROBYG Ogród Jelonki Sp. z o.o., the entity being proportionately consolidated by the Group. The loan was granted by ROBYG S.A. to ROBYG Ogród Jelonki Sp. z o.o. until 31 December 2011 and it is bearing the fixed interest rate.

(*****)This balance relates to uneliminated receivables from guarantee deposits kept by ROBYG Ogród Jelonki Sp. z o.o., the entity being proportionately consolidated by the Group from ROBYG Construction Sp. z o.o. building company that carries out the construction works for ROBYG Ogród Jelonki Sp. z o.o.

For the 9 months ended 30 September 2010 (unaudited) and as at 31 December 2010:

Related party	*Sales to related parties*	*Purchases from related parties*	*Trade payables to related entities*	*Other payables to related entities*	*Trade receivables from related parties*
Entities having significant influence over the Group:					
Nanette Real Estate Group N.V.	-	1 610	299	-	-
Other related parties:					
STAR Property Sp. z o.o.	15	-	-	-	4
OK Investment Sp. z o.o.	15	99	80	-	2
ROBYG Galicja Sp. z o.o.	15	-	-	-	2
Wilanów Office Center Sp. z o.o.	26	-	-	-	5
ROBYG Ogród Jelonki Sp. z o.o.	126	-	-	-	730
Dom na Ursynowie Sp. z o.o.	4	-	-	-	1
Nova Dom Sp. z o.o.	2	-	-	-	11

(in PLN thousands)

Related party	*Sales to related parties*	*Purchases from related parties*	*Trade payables to related entities*	*Other payables to related entities*	*Trade receivables from related parties*
Buforowa Sp. z o.o.	11	-	-	-	-
Total	**214**	**1 709**	**379**	**-**	**755**

The details relating to the new loans received from the related parties and the loans repaid to the related parties in the period since 31 December 2010 until 30 September 2011 are described in Note 16 of these interim condensed consolidated financial statements.

Interest for the period of the 9 months ended 30 September 2011 on the loans received from related parties is as follows:

Lender	*Interest in the period of 9 months ended 30 September 2011 on the loans received from the related parties*	*Out of which interest capitalized in the value of inventory*	*Net interest costs presented in the interim condensed consolidated statement of comprehensive income*
ROBYG B.V.	(659)	556	(103)
William II Finance S.A.R.L.	(734)	728	(6)
LBPOL William II S.A.R.L.	(7)	7	-
LBREP III BOGTODORSKA S.A.R.L.	(89)	-	(89)
LBREP III Marina Tower S.A.R.L.	(182)	182	-
EdR Real Estate (Eastern Europe) Finance S.A.R.L.	(213)	211	(2)
Wildetio Limited (*)	(286)	-	(286)
Total	**(2 170)**	**1 684**	**(486)**

(*) Wildetio Limited started to be a related party to the Group due to the acquisition by the Group of 50% of shares in ROBYG Ogród Jelonki Sp. z o.o., where Wildetio Limited is a 50% joint venturer.

The table below presents the costs of remunerations of the Members of Management and Supervisory Boards in the following Group companies in the periods of 9 months ended 30 September 2011 and 30 September 2010:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Management of ROBYG Development Sp. z o.o.				
Short-term employee benefits (salaries and surcharges)	32	10	40	18
Management of ROBYG S.A.				
Short-term employee benefits (salaries and surcharges)	566	163	493	207
Cooperation agreements	998	350	938	361
Share based payments	1 619	811	-	-
Supervisory Board of ROBYG S.A.				
Short-term employee benefits (salaries and surcharges)	146	49	144	49
Share based payments	425	289	-	-
Management of subsidiaries				
Short-term employee benefits (salaries and surcharges)	278	56	322	92
Cooperation agreements	576	174	346	145
Total	**4 640**	**1 902**	**2 283**	**872**

(in PLN thousands)

Liabilities to the members of the key management personnel of the Group as at 30 September 2011 amounted to PLN 124 thousand (as at 31 December 2010: PLN 106 thousand).

The shares of the Company held by the members of the management board and supervisory board of the Company as at the date of these interim condensed consolidated financial statements are presented in the table below:

Shareholder	*Total number of shares held by the management or supervisory board members (*)*	*% share in the share capital (**)*
Oscar Kazanelson	8 948	0,00%
OFCYN Management & Financing GmbH (***)	2 390 000	0,93%
Artur Ceglarz (****)	1 020 500	0,40%
Total	**3 419 448**	**1,33%**

(*) Number of shares held by the particular Shareholders is equal to the number of votes they have on the Shareholders' meetings.
(**) Share in the share capital is equal to the share in the total number of votes in the Shareholders' meeting.
(***) The Company controlled by Oscar Kazanelson.
(****) For the details relating to the transaction of sales of shares held by Artur Ceglarz during third quarter 2011, please refer to Note20 of these interim condensed consolidated financial statements.

In accordance with the Shareholders' resolution dated 21 June 2011, the selected members of the Management Board and Supervisory Board of the Company are entitled to the subscription warrants, which shall be released to them within 2 months following the date of the registration by the relevant registry court of the conditional share capital increase as mentioned in Note 20 of these interim condensed consolidated financial statements and in accordance with the relevant resolution of the Supervisory Board of the Company, with reservation to the closed periods within which the warrants cannot be released. The subscription warrants shall allow the members of the Management Board and of the Supervisory Board to take up the G-series shares in 3 equal parts, first part starting from 4 November 2011, second part – from 4 November 2012 and third – from 4 November 2013, taking into consideration the closed periods, in which the rights connected with the warrants cannot be exercised.

The details relating to the subscription warrants granted to the members of the Management Board and Supervisory Board of the Company are presented in the table below:

Subscription warrants holders	*Total number of subscription warrants granted to the particular Management Board or Supervisory Board Member*
Alex Goor – Member of the Supervisory Board of the Company	1 020 500 A series subscription warrants
Zbigniew Wojciech Okoński – President of the Management Board of the Company	1 020 500 B series subscription warrants
Eyal Keltsh – Vice-President of the Management Board of the Company	1 020 500 C series subscription warrants

The Group has treated the issue of the above warrants as the share based payments. The total cost of share based payments recognized for the period of 9 months ended 30 September 2011 amounted to PLN 2 044 thousand.

The total value of agreements for the sales of apartments[1] signed between the Group companies and the Members of the Management Board of the Group companies amounted as at 30 September 2011 to PLN 870 thousand (including VAT) (as at 31 December 2010: PLN 1 395 thousand (including VAT)).

All transactions with the related parties were concluded on the market conditions.

[1] Here are presented the agreements which are not finally settled and for which the transfer of ownership has not yet been completed at the reporting date.

(in PLN thousands)

20. CHANGES IN THE SHARE CAPITAL

The shareholders having directly or indirectly at least 5% of the votes during the shareholders meeting of the Company as at the date of these interim condensed consolidated financial statements were presented in the below table:

Shareholder	*Total number of shares kept by the given Shareholder (*)*	*% share in the share capital (**)*
ROBYG B.V.	31 037 396	12,06%
Nanette Real Estate Group N.V.	83 717 837	32,52%
LBPOL William II S.A.R.L.	100 992 331	39,24%
Other shareholders	41 642 436	16,18%
Total	**257 390 000**	**100,00%**

(*) Number of shares kept by the particular Shareholders equals to the number of votes they have on the Shareholders' Meeting.
(**) The share in the share capital is equal to the share in the total votes during the Shareholders' Meeting.

During the period of 9 months ended 30 September 2011 there were the following changes in the structure of shareholders having at least 5% of the votes during the shareholders meeting of the Company:

- LBPOL William S.A.R.L. informed that on 17 March 2011 it has transferred to Nanette Real Estate Group N.V. outside the regulated market 6 497 419 shares in the Company constituting 2.52% of the share capital of the Company and representing 6 497 419 of votes and 2.52% in the total number of votes in the Company.
- On 29 August 2011 Mr Artur Ceglarz sold 179 500 shares held by him in the Company (representing 0.07% of its share capital) to Nanette Real Estate Group N.V. (89 750 shares) and to LBPOL William II S.A.R.L. (89 750 shares), as a realization of the call option agreement concluded on 15 July 2011 between Nanette Real Estate Group N.V., LBPOL William II S.A.R.L and Mr Artur Ceglarz.
- In the second and third quarter of 2011 Nanette Real Estate Group N.V. has purchased from the Warsaw Stock Exchange the total of 768 064 shares of the Company constituting 0.3% of its share capital and representing 768 064 of votes and 0.3% in the total number of votes in the Company.

Moreover, during the Ordinary Shareholders Meeting held on 21 June 2011 the Shareholders decided about the conditional increase of share capital by the amount not lower than 0,10 PLN and not higher than PLN 571 thousand by issuing 5 710 000 ordinary bearer G-series shares, each having the nominal value of 0,10 PLN. The purpose of the conditional share capital increase is granting the rights to the new G-series shares to the holders of the subscription warrants within the motivational scheme program introduced in the Group. The subscription warrants were split into A to E series, whereas subscription warrants series A to C (the total number of which amounted to 3 061 500) were granted to the Management Board and Supervisory Board members of the Company (as listed in the table presented in Note 19 above), whereas subscription warrants D and E series (the total number of which amounted to 2 648 500) will be granted to existing and future employees of the Group (including also persons cooperating with the Group based on the cooperation contracts). Each warrant will entitle its holder to one G-series share. The issue price for one G-series share granted for each A to C series warrants will be 1 PLN whereas for shares granted for D and E series warrants it will amount to 0,10 PLN. The conditional share capital increase was registered by the registration court on 20 September 2011.

21. SIGNIFICANT EVENTS RELATING TO THE GROUP OCCURING DURING THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2011

As it is in details described in Note 17 of these interim condensed consolidated financial statements, during the period of 9 months ended 30 September 2011 the Group obtained control over Wilanów Office Center Sp. z o.o. and obtained a joint control over ROBYG Ogród Jelonki Sp. z o.o.

Wilanów Office Center Sp. z o.o. holds a perpetual usufruct right on the land situated in the district Wilanów in Warsaw with the area of approximately 3 hectares. The Company estimates development capacity of the land at the level of around 35 000 square meter of usable area. The purchase of Wilanów Office Center Sp. z o.o. is connected with extension of product offer of the Group by including in such offer commercial units that could be used as commercial and office space. The Group plans to offer offices and commercial units within a project that will be developed by Wilanów Office Center Sp. z o.o. ROBYG Ogród Jelonki Sp. z o.o. holds ownership over the land situated in Bemowo-Jelonki in Warsaw with a total area of approximately 37 000 square meters with possibility to build approximately 600 apartments of 38 000 square meters of usable area. ROBYG Ogród Jelonki Sp. z o.o. is developing the first stage of the project on the said plot of land.

Apart from that, as it in details described in Note 16 of these interim condensed consolidated financial statements, the Group has also issued D series bonds. The issue of D series bonds was completed in April 2011 and the funds raised by this issue are planned to be used for the financing of the construction of first stage of the project realized by Wilanów Office Center Sp. z o.o. and the financing of the other financial needs of the Group.

Moreover, during the first three quarters of 2011 existing bonds A, B and C series started to be quoted on the alternative system of trading of Catalyst market on the Warsaw Stock Exchange.

On 15 June 2011 one of the Group companies – ROBYG Kameralna Sp. z o.o. has signed a preliminary conditional contract of purchase of plots in Bemowo district, in Warsaw, next to the plots already held by one of the other Group companies – ROBYG Ogród Jelonki Sp. z o.o. on which the latter company carries out its development project - "Osiedle Kameralne". The agreed purchase price for the plots is PLN 14 000 thousand net plus VAT. The purchase transaction will be concluded under the following conditions:

1. ROBYG Kameralna Sp. z o.o. will receive an administrative permit for the purchase of plot from the Polish Ministry of Internal Affairs and Administration and
2. current execution proceedings carried out in relation to the plots will be finalized.

The deadline for the fulfillment of both of the conditions is 5 April 2012. Until the day of the approval of these interim condensed consolidated financial statements, only first of the above conditions were met. Due to that fact, the final purchase transaction was not completed and the plot subject to the transaction is not included within the consolidated assets of the Group as at 30 September 2011. In connection with the agreement, ROBYG S.A. has granted a corporate guarantee to the seller of the plot amounting to PLN 1 000 thousand.

On 21 June 2011 the Ordinary Shareholders Meeting of the Company approved also the payment of the dividend amounting to PLN 18 017 thousand. The details relating to that payment are presented in Note 15 of these interim condensed consolidated financial statements.

On the same day, the Shareholders of the Company decided about the conditional share capital increase by issuing G-series shares. The details relating to this increase are described in Note 20 to these interim condensed consolidated financial statements.

22. EVENTS AFTER THE REPORTING PERIOD

During the period from 30 September 2011 until the approval of these interim condensed consolidated financial statements there were the following significant events:

The Group has repaid the following amounts of loans to the related parties:

Lender	*Currency of the loan*	*Amount of repayment in PLN thousand*
ROBYG B.V.	PLN	18 311
ROBYG B.V.	EUR	8 666
William II Finance S.A.R.L.	PLN	15 068
LBREP III Marina Tower S.A.R.L.	PLN	5 632
LBREP III BOGTODORSKA S.A.R.L.	PLN	4 828
EdR Real Estate (Eastern Europe) Finance S.A.R.L.	EUR	3 547
Total repayments	**PLN**	**56 052**

Starting from 7 October 2011 D-series bonds issued by the Company started to be quoted on the alternative system of trading of Catalyst market on the Warsaw Stock Exchange.

On 12 October 2011 the Group has purchased 49% in the share capital of FORT Property Sp. z o.o. On 13 October 2011 the Company has granted a loan amounting to PLN 45 000 thousand to FORT Property Sp. z o.o. On 19 October 2011 FORT Property Sp. z o.o. has signed conditional agreement to purchase the land in Bemowo district, the total area of which is ca. 6,6 ha, for the price of PLN 42 916 thousand. The acquisition of the property will be effective under the condition that the Agency for Agricultural Properties (local department in Warsaw) will not execute its pre-emptive right in accordance with the Polish law.

On 21 October 2011 the Group started the process of reorganization of its operations the aim of which is to optimize the financial and operating activities of the Group. That process started with reorganization of the operations of ROBYG Development Sp. z o.o. through the transfer of an organized part of its' enterprise connected with realization of stages V and VII of the development project carried out by this SPV ("Nowa Rezydencja Królowej Marysieńki") as an in-kind contribution to ROBYG Development 2 Sp. z o.o., being 100% subsidiary of ROBYG Development Sp. z o.o. – in exchange for shares in the increased share capital of ROBYG Development 2 sp. z o.o. Similar reorganizations are planned to take place until the end of November 2011 with the operations of ROBYG Wilanów II Sp. z o.o., ROBYG Jabłoniowa Sp. z o.o., ROBYG City Apartments Sp. z o.o. and ROBYG Ogród Jelonki Sp. z o.o. As a result of the said reorganizations until the end of the current financial year the Group is expected to: (i) recognize a deferred tax asset, and (ii) recognize a decrease in the deferred tax liabilities – which according to the best knowledge of the Management should positively affect the consolidated profit and loss account by approximately PLN 30 000 thousand.

Apart from the events described above, there were no other significant events after the reporting date that should be disclosed in these interim condensed consolidated financial statements.

Warsaw, 9 November 2011

Zbigniew Wojciech Okoński

President of the Management Board

Eyal Keltsh

Vice - President of the Management Board

Artur Ceglarz

Vice - President of the Management Board

ROBYG S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2011

TOGETHER WITH INDEPENDENT AUDITORS' REVIEW REPORT

(in PLN thousands)

STATEMENT OF COMPREHENSIVE INCOME
for the 9 months ended 30 September 2011

	Note	*9 months ended 30 September 2011 (unaudited)*	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Revenues from core operating activities	12	85 945	38 466	40 503	12 820
Cost of core operating activities	13	(49 373)	(20 797)	(19 171)	(413)
Gross profit from core operating activities		**36 572**	**17 669**	**21 332**	**12 407**
Other income		-	-	-	-
Selling and distribution expenses		(214)	(46)	(71)	(47)
Administrative expenses		(4 578)	(1 930)	(1 885)	(647)
Other costs		(392)	(39)	(1)	-
Profit from operating activities		**31 388**	**15 654**	**19 375**	**11 713**
Financial revenues	14	3 252	1 464	93	8
Financial costs		(269)	(144)	-	-
Profit before tax		**34 371**	**16 974**	**19 468**	**11 721**
Income tax	15	(1 544)	(301)	346	(4)
Net profit for the period		**32 827**	**16 673**	**19 814**	**11 717**
Other comprehensive income, net of tax		**-**	**-**	**-**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**32 827**	**16 673**	**19 814**	**11 717**
Earnings per share:					
– basic, from profit for the reporting period	16	0.13	0.06	0.10	0.05
– diluted, from profit for the reporting period	16	0.13	0.06	0.10	0.05

(in PLN thousands)

STATEMENT OF FINANCIAL POSITION
as at 30 September 2011

	Note	*30 September 2011 (unaudited)*	*31 December 2010*
ASSETS			
Non-current assets			
Property, plant and equipment		138	188
Intangible assets		263	318
Other financial assets (non-current)	17	508 863	472 054
Deferred tax asset		-	991
		509 264	**473 551**
Current assets			
Trade and other receivables	18	17 072	11 033
Income tax receivables		3	15
Other financial assets	17	41 720	25 529
Prepayments		74	216
Cash and cash equivalents	19	133 594	122 163
		192 463	**158 956**
TOTAL ASSETS		**701 727**	**632 507**
EQUITY AND LIABILITIES			
Equity			
Share capital		25 739	25 739
Share premium		469 657	469 657
Retained earnings		41 452	24 598
		536 848	**519 994**
Non-current liabilities			
Interest-bearing loans, borrowings, bonds and debt securities as well as other financial liabilities	21	142 042	101 109
Deferred income tax liabilities		553	-
		142 595	**101 109**
Current liabilities			
Trade and other payables	20	9 625	1 249
Current part of interest-bearing loans, borrowings, bonds and debt securities as well as other financial liabilities	21	12 611	9 857
Accruals		48	298
		22 284	**11 404**
Total liabilities		**164 879**	**112 513**
TOTAL EQUITY AND LIABILITIES		**701 727**	**632 507**

(in PLN thousands)

STATEMENT OF CASH FLOW
for the 9 months ended 30 September 2011

	Note	*9 months ended 30 September 2011*	*3 months ended 30 September 2011*	*9 months ended 30 September 2010*	*3 months ended 30 September 2010*
Cash flows from operating activities		*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Profit before taxation		**34 371**	**16 974**	**19 468**	**11 721**
Adjustments for:					
Depreciation/Amortisation		111	37	107	34
(Profit)/Loss from investing activities	17	38 825	16 907	16 175	-
Profit on the purchase of loan receivables	12	(7 675)	-	-	-
Share-based payments		2 044	1 100	-	-
Revenues from dividends and advances for the dividends	12	(64 660)	(33 300)	(36 564)	(11 564)
Interest revenues		(10 773)	(4 162)	(1 825)	(703)
Interest expenses		9 418	3 491	2 403	210
Income from the amortisation of financial guarantees valuation		(607)	(254)	(467)	(157)
Foreign exchange (gains)/losses		-	-	(117)	(39)
Change in receivables		(18)	(45)	(617)	(41)
Change in payables except loans and borrowings		(624)	(110)	203	498
Change in accruals and prepayments		(108)	(130)	(858)	(374)
Other		12	-	(80)	10
Total adjustments of profit before taxation		**(34 055)**	**(16 466)**	**(21 640)**	**(12 126)**
Other cash flows from operating activities:					
Income tax paid		-	-	(15)	(1)
Dividends and advances for dividends received		46 729	38 300	18 250	18 250
Payment for the acquisition of loans receivables	12	(1 500)	-	-	-
Repayment of loans granted		15 850	11 250	9 000	1 000
Loans granted		(62 805)	(404)	(20 090)	(6 460)
Total other cash flows from operating activities		**(1 726)**	**49 146**	**7 145**	**12 789**
Net cash from operating activities		**(1 410)**	**49 654**	**4 973**	**12 384**
Cash flows from investing activities					
Purchase of property, plant and equipment and intangibles		(6)	(1)	(4)	-
Payments for the purchase of investments in subsidiaries and jointly controlled entities		(9 300)	-	(1 720)	-
Net cash from investing activities		**(9 306)**	**(1)**	**(1 724)**	**-**
Cash flows from financing activities					
Dividends paid		(18 017)	(18 017)	-	-
Repayment of financial lease liabilities		-	-	(16)	-
Proceeds from the issue of bills of exchange		6 000	4 000	-	-
Redemption of debt securities		-	-	(1 198)	(1 002)
Proceeds from issue of bonds		40 000	-	-	-
Proceeds from loans received		5 000	5 000	15 000	-
Repayment of loans		(519)	-	(19 274)	(4 274)
Commissions paid		(1 205)	-	-	-
Interest paid		(9 112)	(4 450)	-	-
Net cash from financing activities		**22 147**	**(13 467)**	**(5 488)**	**(5 276)**
Net increase in cash and cash equivalents		11 431	36 186	(2 239)	7 108
Net foreign exchange (gains)/losses		-	-	-	-
Cash and cash equivalents at the beginning of the period	19	**122 163**	**97 408**	**10 922**	**1 575**
Cash and cash equivalents at the end of the period, including:	19	**133 594**	**133 594**	**8 683**	**8 683**
restricted cash		-	-		

(in PLN thousands)

STATEMENT OF CHANGES IN EQUITY
For the 9 months ended 30 September 2011 (unaudited)

	Note	*Share capital*	*Share premium*	*Retained earnings*	*Total equity*
As at 1 January 2011		**25 739**	**469 657**	**24 598**	**519 994**
Net profit for the period		-	-	32 827	32 827
Total comprehensive income for the period		**-**	**-**	**32 827**	**32 827**
Share based payment		-	-	2 044	2 044
Dividend declared		-	-	(18 017)	(18 017)
As at 30 September 2011		**25 739**	**469 657**	**41 452**	**536 848**
As at 1 July 2011		**25 739**	**469 657**	**23 679**	**519 075**
Net profit for the period		-	-	16 673	16 673
Total comprehensive income for the period		**-**	**-**	**16 673**	**16 673**
Share based payment		-	-	1 100	1 100
Dividend declared		-	-	-	-
As at 30 September 2011		**25 739**	**469 657**	**41 452**	**536 848**
As at 1 January 2010		**19 839**	**362 258**	**427**	**382 524**
Net profit for the period		-	-	19 814	19 814
Total comprehensive income for the period		**-**	**-**	**19 814**	**19 814**
Increase of the share capital		2 000	38 000	-	40 000
As at 30 September 2010		**21 839**	**400 258**	**20 241**	**442 338**
As at 1 July 2010		**19 839**	**362 258**	**8 524**	**390 621**
Net profit for the period		-	-	11 717	11 717
Total comprehensive income for the period		**-**	**-**	**11 717**	**11 717**
Increase of the share capital		2 000	38 000	-	40 000
As at 30 September 2010		**21 839**	**400 258**	**20 241**	**442 338**

ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1. GENERAL INFORMATION

These interim financial statements of ROBYG S.A. ("Company") cover the period of 9 months ended 30 September 2011.

The Company was established on the basis of a Notarial Deed dated 14 March 2007. The Company's registered office is located at 15 L. Rydygiera Street, Warsaw (01-793), Poland.

The Company is entered into the register of business entities maintained by the District Court of the National Court Register, Twelfth Commercial Division of the National Court Register, under the KRS number 0000280398. The Company was assigned a statistical number (REGON) 140900353.

The Company has been established for an indefinite period of time.

According to the Articles of Association, the Company's core business activity is:

1. Holding activities (PKD 74.15.Z).
2. Carrying out general construction work related to building construction (PKD 45.21.A).

Information relating to the shareholders of the Company and the changes in the shareholders structure has been presented in Note 20 of the interim condensed consolidated financial statement of ROBYG S.A. Group for 9 months ended 30 September 2011.

2. IDENTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company prepared interim condensed consolidated financial statements for the period of 9 months ended 30 September 2011 which were approved for publication on 9 November 2011.

3. COMPOSITION OF THE MANAGEMENT BOARD OF THE COMPANY

As at 30 September 2011, the Management Board of the Company consisted of:

- Zbigniew Wojciech Okoński – President of the Management Board;
- Eyal Keltsh – Vice-President of the Management Board;
- Artur Ceglarz – Vice-President of the Management Board.

During the reporting period and until the date of the approval of these interim condensed financial statements, there were no changes in the composition of the Management Board of the Company.

4. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved for publication by the Management Board on 9 November 2011.

5. BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS", "IFRSs"), which have been endorsed by the European Union and which are applicable to the interim financial reporting (International Accounting Standard 34 "Interim Financial Reporting", [IAS 34]). At the date of authorisation of these interim condensed financial statements, in light of the current process of IFRS endorsement in the European Union and the nature of the Company's activities, there are no differences between the IFRSs applied by the Company and the IFRSs endorsed by the European Union.

IFRSs comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC", "IFRICs").

These interim condensed financial statements have been prepared on a historical cost basis.

When preparing these interim condensed financial statements certain information and disclosures which in accordance with the IFRSs adopted by the European Union are normally included in full financial statements, have been condensed or omitted pursuant to the provisions of IAS 34. These interim condensed financial statements should be therefore read in conjunction with the Company's recent full financial statements prepared for year ended 31 December 2010.

These interim condensed financial statements have been prepared on the assumption that the Company will continue as going concerns in the foreseeable future. As at the date of authorisation of these interim condensed financial statements, ROBYG S.A. Management Board is not aware of any facts or circumstances that would indicate a threat to the continued activity of the Company.

6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those described in the Company's most recent full financial statements prepared in accordance with IFRSs for the year ended 31 December 2010, except for the adoption of the new or revised IFRSs and IFRICs described in Note 6 to the interim condensed consolidated financial statements of the ROBYG S.A. Group prepared for the 6 months ended 30 September 2011.

New or revised IFRSs and IFRICs described in the above mentioned Note did not have any impact on the financial position or results of the Company.

These interim condensed financial statements are presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand (PLN '000) except when otherwise indicated.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

7.1. Professional judgements

In the process of applying the accounting principles (policy) to the issues specified below, aside from the estimates of the accountants, the professional judgment of the Company's management was of the greatest importance.

Classification of lease agreements

The Company classifies leases as operational or financial based on the assessment of the scope in which the risk and the benefits from the subject of the lease fall to the lessor and the scope in which they fall to the leaseholder. The assessment is based on economic substance of each transaction.

Impairment write-offs of non-current financial assets

The Company conducts tests for the impairment of individual non-current financial asset. The non-current financial assets of the Company cover mainly shares in the special purpose vehicles (SPVs) implementing individual development projects. The aim of SPVs is to implement a particular development investment.

The entirety of the revenues and profits generated by them is the result of the realisation of the given development project and is directly reflected in the value of the shares in the given SPV indicated in the financial statements of the Company. Therefore, the payment of the dividend by the given SPV also means, from the perspective of the Company, the realisation of the profits from the given development project (in the form of financial revenues from the dividends), but at the same time may result in the decrease of the value of the shares in the given SPV presented in the financial statements of the Company. The impairment write-off of the value of the shares made in the period of 9 months ended 30 September 2011 amounted in total to PLN 38 825 thousand and related to the write-off of the shares in MZM Properties Sp. z o.o. (PLN 8 529 thousand) in connection with the declaration of the dividend done by this company in the said period (the amount of dividend declared by MZM Properties Sp. z o.o. amounted to PLN 11 360 thousand) and to the write-off of the shares in ROBYG Development Sp. z o.o. (PLN 17 090 thousand) in connection with the declaration of the advance payment for the dividend done by this company in the said period (amounting to PLN 23 700 thousand) as well as to the write-off of the shares in ROBYG Wilanów II Sp. z o.o. (PLN 13 206 thousand) in connection with the declaration of the advance payment for the dividend done by this company in the said period (amounting to PLN 13 600 thousand).

7.2. Uncertainty in estimates

The key assumptions concerning the future and other key sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods are discussed below.

Deferred tax assets

The Company recognises deferred tax assets based on the assumption that in the future, taxable profits will be available against which the deferred tax asset can be utilised. Deterioration of future taxable profits might render this assumption unreasonable.

Depreciation and amortisation rates

Depreciation and amortisation rates are determined based on the anticipated economic useful lives of property, plant and equipment and intangible assets. The economic useful lives are reviewed annually by the Company based on current estimates.

8. SIGNIFICANT EVENTS OCCURRING DURING THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2011, INCLUDING THOSE HAVING IMPACT ON THE FINANCIAL RESULTS OF THE COMPANY

Apart from the purchase of new entities – 51% in Wilanów Office Center Sp. z o.o. and 50% in ROBYG Ogród Jelonki Sp. z o.o. which were in details described in Note 17 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011 and apart from the finalization of the process of the issuance of the new D series of bonds (described in Note 16 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011) particularly important from the Company's perspective was earning revenues from the dividends and advances for the dividends received from its subsidiaries – from MZM Properties Sp. z o.o. (amounting to PLN 11 360 thousand), from ROBYG Development Sp. z o.o. (amounting to PLN 23 700 thousand), from ROBYG Wilanów II Sp. z o.o. (amounting to PLN 13 600 thousand), from ROBYG City Apartments Sp. z o.o. (amounting to PLN 15 000 thousand) and from ROBYG Marketing i Sprzedaż Sp. z o.o. (amounting to PLN 1 000 thousand). These revenues were only partially offset by the costs connected with the write off of the value of shares in the above mentioned subsidiaries (created as a result of the decrease in the value of shares in those companies presented in ROBYG S.A. books due to the declaration of the dividend by those companies) amounting for the analysed period in total to PLN 38 825 thousand. Moreover, the Company has generated profit on the purchase of the loan receivables, the details of which are described in Note 12 of these interim condensed financial statements.

(in PLN thousands)

On 21 June 2011 the Ordinary Shareholders Meeting of the Company approved also the payment of the dividend amounting to PLN 18 017 thousand. The details relating to that payment are presented in Note 15 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011.

On the same day, the Shareholders of the Company decided about the conditional share capital increase by issuing G-series shares. The details relating to this increase are described in Note 20 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011.

9. SEASONALITY OF OPERATIONS

The operations of the Company are not subject to any seasonality.

10. DIVIDENDS PAID AND PROPOSED

Information regarding dividends paid and proposed are presented in Note 15 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011.

11. GRANTED GUARANTEES

	30 September 2011 (unaudited)	*31 December 2010*
Guarantees granted by the Company to Nordea Bank S.A. in relation to the repayment of the investment and revolving tranches of the bank loan granted by the aforementioned bank to the Company's subsidiary ROBYG City Apartments Sp. z o.o.	65 000	65 000
Guarantees granted by the Company to Nordea Bank S.A. in relation to the repayment of the investment and revolving tranches bank loan granted to the Company's subsidiary ROBYG Jabłoniowa Sp. z o.o. together with the obligation of the Company to grant a subordinated loan to ROBYG Jabłoniowa Sp. z o.o.	78 800	60 000
Guarantees granted by the Company to Nordea Bank S.A. in relation to the repayment of the investment and revolving tranches bank loan granted to the Company's subsidiary ROBYG Ogród Jelonki Sp. z o.o. together with the obligation of the Company to grant a subordinated loan to ROBYG Ogród Jelonki Sp. z o.o.	32 000	-
Guarantee granted by the Company to ING Lease (Polska) Sp. z o.o. in regard to the all lease liabilities incurred by the Company's subsidiary - ROBYG Zarządzanie Sp. z o.o.	6 226	-
Guarantees granted by the Company to Bank Zachodni WBK S.A. in relation to the repayment of the investment bank loan granted to the Company's subsidiary ROBYG Morena Sp. z o.o.	17 638	-
Guarantee granted by the Company to IGI Komfort Sp. z o.o. as a security in connection with the preliminary conditional purchase agreement for the purchase of land concluded between the Company's subsidiary – ROBYG Kameralna Sp. z o.o. and IGI Komfort Sp. z o.o.	1 000	-
Guarantees granted by the Company to Bank Millennium S.A. in relation to the repayment of the investment and revolving tranches of the bank loan granted by the aforementioned bank to the Company's subsidiary ROBYG Development Sp. z o.o.	36 458	-

(in PLN thousands)

	30 September 2011 (unaudited)	*31 December 2010*
Guarantee granted by the Company to ROBYG Development Sp. z o.o. for the existing and future liabilities of ROBYG Construction Sp. z o.o. resulting from the construction contract concluded between ROBYG Development Sp. z o.o. and ROBYG Construction Sp. z o.o.	1 070	-
Total granted guarantees	238 192	125 000

12. REVENUES FROM CORE OPERATING ACTIVITIES

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Income from licence fees and other charges obtained from related parties	1 819	566	1 454	330
Interest income from loans granted to related parties	10 773	4 162	1 825	703
Income from dividends received from or declared by subsidiaries	64 660	33 300	36 564	11 564
Profit realized on the purchase of loans receivables	7 675	-	-	-
Foreign exchange gains/(losses)	-	-	106	29
Income from the amortisation of the valuation of financial guarantees	607	254	467	157
Other sales revenues	411	184	87	37
Total revenues from core operating activities	85 945	38 466	40 503	12 820

Additionally to the purchase of 51% of the shares in Wilanów Office Center Sp. z o.o. (what was in details described in Note 17 to the interim condensed consolidated financial statements of ROBYG S.A. Group for 9 months ended 30 September 2011), the Company has also purchased the receivables from the loans to be repaid by Wilanów Office Center Sp. z o.o. The price paid for the purchase of those receivables amounted to PLN 1 500 thousand, whereas the nominal value of the acquired loan plus accrued interest on it as at the moment of purchase amounted to PLN 9 175 thousand. As of the reporting date the Company revised the estimated future cash flows and adjusted the carrying amount of the purchased loans receivables. The adjustment was recognized as income in the total amount of PLN 7 675 thousand.

13. COST OF OPERATING ACTIVITIES

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Cost of providing financing arrangement services and licence fees	(1 130)	(399)	(593)	(203)
Interest on loans from related parties	(7)	-	(1 657)	(67)
Interest on bills of exchange and bonds issued to related parties	(235)	(75)	(746)	(143)
Interest on bonds issued to unrelated parties	(9 176)	(3 416)	-	-
Impairment write-offs for shares in subsidiaries	(38 825)	(16 907)	(16 175)	-
Total cost of operating activities	(49 373)	(20 797)	(19 171)	(413)

(in PLN thousands)

The impairment write-off for the value of the shares in subsidiaries done during 9 months ended 30 September 2011 amounting to PLN 38 825 thousand related to write off of the shares held by ROBYG S.A. in MZM Properties Sp. z o.o. (PLN 8 529 thousand), in ROBYG Development Sp. z o.o. (PLN 17 090 thousand) and in ROBYG Wilanów II Sp. z o.o. (PLN 13 206 thousand). This write-off was created as a result of the declaration of a dividend done by MZM Properties Sp. z o.o. that was done in first quarter of 2011 which amounted to PLN 11 360 thousand and as a result of the declaration of the advance payments for the dividend done by ROBYG Development Sp. z o.o. amounting to PLN 23 700 thousand and well as with the declaration of the advance payment for the dividend done by ROBYG Wilanów II Sp. z o.o. amounting to PLN 13 600 thousand.

14. FINANCIAL REVENUES

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Revenues from bank interest	3 252	1 464	93	8
Total financial revenues	3 252	1 464	93	8

15. INCOME TAX

15.1. Tax burdens

Major components of income tax expense for the 9 months ended 30 September 2011 and 30 September 2010 are as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Recognised in statement of comprehensive income				
Current income tax				
Current income tax charge	-	-	(13)	-
Deferred income tax				
Relating to origination and reversal of temporary differences	(1 544)	(301)	359	(4)
Tax burden indicated in statement of comprehensive income	**(1 544)**	**(301)**	**346**	**(4)**

15.2. Reconciliation of the effective income tax rate

A reconciliation of income tax expense applicable to gross accounting profit before income tax at the statutory income tax rate to income tax expense at the Company’s effective income tax rate for the 9 months ended 30 September 2011 and 30 September 2010 is as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Gross profit before tax	34 371	16 974	19 468	11 721

(in PLN thousands)

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
At statutory income tax rate of 19% (2010: 19%)	(6 530)	(3 225)	(3 699)	(2 227)
Non-deductible expenses – share-based payment	(388)	(209)	-	-
Not recognized deferred tax asset on the impairment write off of shares in subsidiaries	(7 377)	(3 213)	(3 073)	-
Other non-deductible expenses	(7)	-	-	-
Income not subject to tax – dividends received from subsidiaries	12 285	6 327	6 947	2 197
Other income not subject to tax	115	48	89	30
Recognition of the previously unrecognized deferred tax asset	344	-	-	-
Other	14	(29)	82	(4)
At the effective income tax rate of 4% (9 months ended 30 September 2010: -2%)	**(1 544)**	**(301)**	**346**	**(4)**
Income tax (burden) indicated in statement of comprehensive income	**(1 544)**	**(301)**	**346**	**(4)**

16. EARNINGS PER SHARE

The following reflects the income and share data used in the basic earnings per share computations:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Net profit used to calculate basic earnings per share	32 827	16 673	19 814	11 717
Weighted average number of issued ordinary shares used to compute basic earnings per share	257 390 000	257 390 000	205 081 176	218 390 000
Earnings per share	0.13	0.06	0.10	0.05
Basic earnings per share	**0.13**	**0.06**	**0.10**	**0.05**

Due to the issue of subscription warrants as it was in details described in Notes 19 and 20 to the interim condensed consolidated financial statements of ROBYG S.A. Group prepared for the period of 9 months ended 30 September 2011, the Company computed the diluted earnings per share. The computation was done as follows:

	9 months ended 30 September 2011 (unaudited)	*3 months ended 30 September 2011 (unaudited)*	*9 months ended 30 September 2010 (unaudited)*	*3 months ended 30 September 2010 (unaudited)*
Net profit used to calculate diluted earnings per share	32 827	16 673	19 814	11 717
Weighted average number of issued ordinary shares used to compute diluted earnings per share	257 571 188	257 506 569	205 081 176	218 390 000
Diluted earnings per share	**0.13**	**0.06**	**0.10**	**0.05**

(in PLN thousands)

17. OTHER FINANCIAL ASSETS

	30 September 2011 (unaudited)	*31 December 2010*
Loans granted to related entities	175 739	103 848
Shares in subsidiaries and jointly controlled entities (the detailed list of the direct and indirect subsidiaries of the Company and jointly controlled entities was presented in Note 1 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for the 9 months ended 30 September 2011)	374 844	393 735
Total other financial assets	**550 583**	**497 583**
- short-term	41 720	25 529
- long-term	508 863	472 054

The details relating to all the new loans granted to related entities and repaid by the related parties during the period of 9 months ended 30 September 2011 are as follows:

Company's name	**Opening balance as at 1 January 2011**			**Increases during 9 months ended 30 September 2011**		**Repayments during 9 months ended 30 September 2011**	**Closing balance as at 30 September 2011**		
	Principal	**Accrued interest**	**Total**	**Principal**	**Accrued interest**	**Principal**	**Principal**	**Accrued interest**	**Total**
Buforowa Sp. z o.o.	35	2	37	800	50	-	835	52	887
Jagodno Estates Sp.z o.o.	-	-	-	9 700	592	-	9 700	592	10 292
P-Administracja Sp. z o.o.	-	-	-	50	-	-	50	-	50
ROBYG Construction Sp. z o.o.	3 600	562	4 162	8 479	740	-	12 079	1 302	13 381
ROBYG Development Sp. z o.o.	450	13	463	-	10	(450)	-	23	23
ROBYG Jabłoniowa Sp. z o.o.	1 320	12	1 332	270	120	-	1 590	132	1 722
ROBYG Marina Tower Sp. z o.o.	10 000	96	10 096	17 630	1 746	-	27 630	1 842	29 472
ROBYG Marketing i Sprzedaż Sp. z o.o.	220	11	231	-	4	(200)	20	15	35
ROBYG Morena Sp. z o.o.	71 360	3 403	74 763	-	5 218	(4 000)	67 360	8 621	75 981
ROBYG Ogród Jelonki Sp. z o.o.	-	-	-	8 281	164	(7 300)	981	164	1 145
ROBYG Park Sp. z o.o.	-	-	-	509	26	-	509	26	535
ROBYG Sp. z o.o.	80	2	82	-	4	-	80	6	86
ROBYG Wilanów II Sp. z o.o.	6 679	453	7 132	4 474	624	(900)	10 253	1 077	11 330
ROBYG Zarządzanie Sp. z o.o.	5 460	90	5 550	600	345	(3 000)	3 060	435	3 495
Wilanów Office Center Sp. z o.o.	-	-	-	24 649	2 656	-	24 649	2 656	27 305
Total	**99 204**	**4 644**	**103 848**	**75 442**	**12 299**	**(15 850)**	**158 796**	**16 943**	**175 739**

(in PLN thousands)

The details relating to the balance sheet value of the shares in subsidiaries and in jointly controlled entities presented in the statement of financial position were presented in the table below.

	30 September 2011 (unaudited)	*31 December 2010*
Gross value of shares in subsidiaries	439 977	420 043
Impairment write-offs for shares	(65 133)	(26 308)
Balance sheet value of shares in subsidiaries	**374 844**	**393 735**

The increase in the gross value of shares in subsidiaries and jointly controlled entities in first three quarters of 2011 by PLN 19 934 thousand was mainly a joint result of the following transactions:

- purchase of shares in ROBYG Ogród Jelonki Sp. z o.o. (for the purchase price of PLN 18 000 thousand),
- purchase of shares in Wilanów Office Center Sp. z o.o. (for the purchase price of PLN 26 thousand),
- incorporation of ROBYG Kameralna Sp. z o.o. and P-Administracja Sp. z o.o. (share capital of which amounted to PLN 50 thousand and PLN 5 thousand respectively),
- increase of value of shares in ROBYG Morena Sp. z o.o., ROBYG Zarządzanie Sp. z o.o., ROBYG Jabłoniowa Sp. z o.o., ROBYG Ogród Jelonki Sp. z o.o. and in ROBYG Development Sp. z o.o. in connection with the valuation of the financial guarantees granted by ROBYG S.A. to those companies (amounting to PLN 143 thousand, PLN 219 thousand, PLN 259 thousand, PLN 603 thousand and PLN 411 thousand respectively),
- transaction costs connected with the purchased shares, amounting in total to PLN 218 thousand.

The details relating to the entities purchased and incorporated by ROBYG S.A. during the period of 9 months ended 30 September 2011 were presented in Note 17 to the interim condensed consolidated financial statements of ROBYG S.A. Group for 9 months ended 30 September 2011.

The increase in the value of the impairment write-offs for shares in the period of 9 months ended 30 September 2011 by PLN 38 825 thousand was the result of the impairment write-off of the shares held by the Company in the subsidiaries. The details relating to these write-offs were described in Note 13 of these interim condensed financial statements.

18. TRADE AND OTHER RECEIVABLES

The increase by PLN 6 039 thousand (or 55%) in the trade and other receivables as at 30 September 2011 as compared to the balance of this position as at 31 December 2010 resulted primarily from the increase in the receivables from the unpaid dividends and advances for the dividend which as at 31 December 2010 amounted to PLN 8 979 thousand whereas as at 30 September 2011 they amounted to PLN 15 000 thousand.

(in PLN thousands)

19. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

	30 September 2011 **(unaudited)**	*31 December 2010*	*30 September 2010* **(unaudited)**
Cash at bank and in hand	216	122	386
Short-term deposits	133 378	122 041	8 297
	133 594	**122 163**	**8 683**

20. TRADE AND OTHER PAYABLES

The increase (by PLN 8 376 thousand or 671%) of trade and other payables which as at 30 September 2011 amounted to PLN 9 625 thousand as compared to the balance of this position as at 31 December 2010 when it stood at the level of PLN 1 249 thousand resulted primarily from the increase of the liabilities from purchase of the new subsidiaries and jointly controlled entities (unpaid balance of liabilities from the purchase of subsidiaries and jointly controlled entities amounted as at 30 September 2011 to PLN 9 000 thousand and related to the liabilities from the purchase of shares of ROBYG Ogród Jelonki Sp. z o.o., the details relating to this transaction were presented in Note 17 to the interim condensed consolidated financial statements of ROBYG S.A. Group for 9 months ended 30 September 2011).

21. INFORMATION ON ISSUES AND REPAYMENTS OF THE BONDS AND BILLS OF EXCHANGE

Total liabilities from bonds as at 30 September 2011 amounted to PLN 140 556 thousand (out of which PLN 299 thousand were presented within short term interest bearing liabilities), whereas as at 31 December 2010 the liabilities from bonds stood at the level of PLN 100 653 thousand (out of which PLN 870 thousand were presented within short term interest bearing liabilities). During the period of 9 months ended 30 September 2011 the Company has issued new D-series bonds (the details relating to that issue are described in Note 16 to the interim condensed consolidated financial statements of ROBYG S.A. Group for 9 months ended 30 September 2011). Interest accrued on the bonds during the period of 9 months ended 30 September 2011 amounted to PLN 9 176 thousand whereas interest and commissions paid for the bonds in this period amounted to PLN 9 273 thousand.

The details relating to the short term liabilities from the bills of exchange that were issued by the Company to its related parties as at 30 September 2011 are presented in the table below:

	Nominal value of bills of exchange	*Accrued interest as at 30 September 2011*	*Total value of liability presented in the financial statements*	*Interest rate*
Liability from the bills of exchange issued by the Company to ROBYG Development Sp. z o.o.	2 000	82	2 082	fixed
Liability from the bills of exchange issued by the Company to ROBYG Wilanów II Sp. z o.o.	4 000	36	4 036	fixed

(in PLN thousands)

The details relating to the short term liabilities from the bills of exchange that were issued by the Company to its related parties as at 31 December 2010 were as follows:

	Nominal value of bills of exchange	*Accrued interest as at 31 December 2010*	*Total value of liability presented in the financial statements*	*Interest rate*
Liability from the bills of exchange issued by the Company to MZM Properties Sp. z o.o.	6 806	-	6 806	fixed

The balance of liabilities arising from the bills of exchange issued by the Company to MZM Properties Sp. z o.o. as at 31 December 2010 amounted to PLN 6 806 thousand. During the period of 9 months ended 30 September 2011 interest accrued on that bills of exchange amounted to PLN 117 thousand and the Company has bought out all bills of exchange issued to MZM Properties Sp. z o.o. (nominal value of plus accrued interest in total amounting to PLN 6 923 thousand).

During the period of 9 months ended 30 September 2011 the Company has issued PLN 2 000 thousand of new bills of exchange to ROBYG Development Sp. z o.o. and PLN 4 000 thousand of new bills of exchange to ROBYG Wilanów II Sp. z o.o. Interest accrued on that bills of exchange amounted in this period to PLN 82 thousand and PLN 36 thousand respectively.

22. RELATED PARTIES TRANSACTIONS

The details relating to the transactions with the related parties concluded by the Company during the period of 9 months ended 30 September 2011 and as at 30 September 2011 were as follows:

Related party	*Sales to related parties*	*Purchases from related parties*	*Trade and other payables to related entities*	*Trade and other receivables from related parties*
Subsidiaries:				
ROBYG Wilanów II Sp. z o.o.	812	-	-	275
ROBYG Morena Sp. z o.o.	279	-	-	83
ROBYG City Apartments Sp. z o.o.	1 017	-	-	15 413 (***)
ROBYG Development Sp. z o.o.	748	-	-	341
ROBYG Zarządzanie Sp. z o.o.	99	169	27	116
ROBYG Jabłoniowa Sp. z o.o.	260	-	-	76
ROBYG Marina Tower Sp. z o.o.	117	-	-	46
ROBYG Marketing i Sprzedaż Sp. z o.o.	18	-	-	-
ROBYG Construction Sp. z o.o.	8	15	-	-
Wilanów Office Center Sp z o o	1	-	-	-
Jointly controlled entities:				
ROBYG Ogród Jelonki Sp. z o.o.	662	-	-	193
Shareholders of the Company::				
Nanette Real Estate Group N.V.	2	-	9 000 (**)	2
Total	**4 023 (*)**	**184**	**9 027**	**16 545**

(*) These revenues contain revenues from re-invoices which were compensated in the financial statements of the Company with the costs pertaining to these re-invoices in the total amount of PLN 2 204 thousand for the 9 months ended 30 September 2011.

(**) This balance relates to the unpaid liability for the purchase of shares in ROBYG Ogród Jelonki Sp. z o.o.

(in PLN thousands)

(***) This balance includes PLN 15 000 thousand of receivables from unpaid as at the balance sheet date receivable from the advance payment for the dividend declared by ROBYG City Apartments Sp. z o.o. to ROBYG S.A., the rest of the balance (PLN 413 thousand) relates to the trade receivables.

The details relating to the transactions with the related parties concluded by the Company during the period of 9 months ended 30 September 2010 and as at 31 December 2010 were as follows:

Related party	*Sales to related parties*	*Purchases from related parties*	*Trade and other payables to related entities*	*Trade and other receivables from related parties*
Subsidiaries:				
ROBYG Wilanów II Sp. z o.o.	554	-	-	88
ROBYG Morena Sp. z o.o.	210	-	-	142
ROBYG City Apartments Sp. z o.o.	856	-	-	519
ROBYG Development Sp. z o.o.	577	-	-	4 811(***)
ROBYG Zarządzanie Sp. z o.o.	23	70	40	11
ROBYG Jabłoniowa Sp. z o.o.	158	-	-	82
ROBYG Marina Tower Sp. z o.o.	263	-	-	-
ROBYG Construction Sp. z o.o.	-	-	-	4 483 (****)
ROBYG Marketing i Sprzedaż Sp. z o.o.	-	-	-	1
ROBYG Park Sp. z o.o.	-	-	875 (**)	-
Other related parties:				
ROBYG Ogród Jelonki Sp. z o.o.	1	-	-	118
Total	**2 642(*)**	**70**	**915**	**10 255**

(*) These revenues contain revenues from re-invoices which were compensated in the financial statements of the Company with the costs pertaining to these re-invoices in the total amount of PLN 1 188 thousand for the 9 months ended 30 September 2010.

(**) This liability resulted from the purchase of shares in ROBYG Park Sp. z o.o.

(***) Out of this amount, PLN 311 thousand relates to trade receivables, while PLN 4 500 thousand relates to receivables under the declared advances from the dividend which has not been paid as at the balance sheet date.

(****) Out of this amount, PLN 4 thousand relates to trade receivables, while PLN 4 479 thousand relates to receivables under the declared advances from the dividend which has not been paid as at the balance sheet date.

The remunerations and the shares held in the share capital of the Company by the members of the Management Board and Supervisory Board of the Company as well as the details relating to the subscription warrants granted to the members of the Management Board and Supervisory Board of the Company have been presented in Note 19 of the interim condensed consolidated financial statements of ROBYG S.A. Group for 9 months ended 30 September 2011.

The details relating to the changes of the receivables from the loans granted to the related parties during the period of 9 months ended 30 September 2011 are presented in Note 17 of these interim condensed financial statements. The details relating to the movements on the liabilities from the bills for exchange issued to the related parties are presented in the Note 21 of these interim condensed financial statements.

During 9 months ended 30 September 2011 the Company has repaid in full the loan that was granted to the Company by its related party – LBPOL William II S.A.R.L. The repayment amounted in total to PLN 1 563 thousand (out of which principal repaid amounted to PLN 519 thousand and the repaid interest amounted to PLN 1 044 thousand).

23. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

After the reporting date until the date of the approval of these interim condensed financial statements there were the following significant events relating to the Company:

- Granting of new loans or new tranches of existing loans by the Company to its related parties:

Lender	*Currency of the loan*	*Amount of repayment in PLN thousand*
FORT Property Sp. z o.o.	PLN	45 000
Jagodno Estates Sp.z o.o.	PLN	10 500
ROBYG Development Sp. z o.o.	PLN	500
ROBYG Jabłoniowa Sp. z o.o.	PLN	4 800
ROBYG Marina Tower Sp. z o.o.	PLN	10 200
ROBYG Morena Sp. z o.o.	PLN	3 500
ROBYG Wilanów II Sp. z o.o.	PLN	200
Wilanów Office Center Sp. z o.o.	PLN	1 700
Total repayments	**PLN**	**76 400**

- Repayment of loans granted by the Company by its related parties:

After the balance sheet until the approval of these interim condensed financial statements ROBYG Ogród Jelonki Sp. z o.o. has partially repaid the loan granted by the Company. The amount of repayment totaled to PLN 930 thousand.

Moreover, on 4 October 2011 ROBYG Ogród Jelonki Sp. z o.o., has purchased four fixed interest-bearing bills of exchange with the total nominal value of PLN 3 400 thousand issued by the Company.

Additionally, on 11 October 2011 ROBYG Development Sp. z o.o. declared advance payment for the dividend to ROBYG S.A. amounting to PLN 1 000 thousand.

Apart from the above and apart from the events described in Note 22 to the interim condensed consolidated financial statements of the ROBYG S.A. Group for 9 months ended 30 September 2011, there were no other significant events occurring after 30 September 2011 until the date of approval of these interim condensed financial statements that would require the disclosure in these interim condensed financial statements.

Warsaw, 9 November 2011

Zbigniew Wojciech Okoński

President of the Management Board

Eyal Keltsh

Vice - President of the Management Board

Artur Ceglarz

Vice - President of the Management Board