Translation from Polish

ERBUD S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2011

Introduction to the Financial Statements

1. Name, business address, the subject of activity and number in the Court Register

Erbud is a joint stock company [Erbud S.A.] established as a result the transformation of Erbud Spółka z ograniczoną odpowiedzialnością [Erbud Limited Liability Company], entered on 29.11.2006 by the District Court for the Capital City of Warsaw, XIII Economic Department to the Register of Entrepreneurs of the National Court Register under No. 0000268667, with headquarters in Warsaw at 300A Puławska Street.
Erbud Ltd. was founded on 28.8.1990 and registered in the National Court Register, on 08.08.2001 under number 0000034299.
The Company's subject of activity is conducting general large-volume civil engineering (PKD 4521A - Polish Classification of Activities).
The Company is a dominating entity.
The Company prepares consolidated financial statements of the Erbud Group.

2. Duration of activity

The duration of the Company's activity is not indicated.

3. Presentation periods

The financial statements cover the period from 1 January 2011 to 30 June 2011 and comparable figures (for the balance sheet as of 31 December 2010 and 30 June 2010 and for the income statement for the period from 1 January 2010 to 30 June 2010). The financial statements have been prepared in accordance with accounting principles prevailing in Poland.

4. Composition of the Management Board and the Supervisory Board

Management Board

Dariusz Grzeszczak	- Board Member
Józef Zubelewicz	- Board Member

Supervisory Board

Udo Berner	- Chairman of the Supervisory Board
Józef Olszyński	- Deputy Chairman of the Supervisory Board
Albert Durr	- Member of the Supervisory Board
Gabriel Główka	- Member of the Supervisory Board
Lech Wysokiński	- Member of the Supervisory Board
Zofia Dzik	- Member of the Supervisory Board

5. Internal organizational business units

Due to the closing down of the Branch Office, data from the financial statements of the Branch have been included in the accounts of the parent already as at 31 December 2010. In the current reporting period, the company did not have separated internal organizational units.

6. Exercising control over other units

Erbud S.A. controls the following entities:

- ER Services Spółka z o.o.
- Erbud International Spółka z o.o.
- GWI GmbH
- Erbud Construction Spółka z o.o.
- Erbud Rzeszów Spółka z o.o.
- Delta Spółka z o.o.
- Budlex Spółka z o.o.
- Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.
- Erbud Energetyka Sp. z o.o.
- Ersteel Sp. z o.o.
- Erbud Ireland Ltd.

7. Assumption of continuing the Company's business and comparability of financial statements

The financial statements presented in this report were prepared on the assumption that Erbud SA would continue its economic activity during 12 months after the balance sheet date i.e. 30.06.2011. As at the date of signing the financial statements the Management Board has not ascertained the existence of facts and circumstances which would suggest that the possibility of continuing the Company's activities over next 12 months from the balance sheet date is being jeopardised due to an intentional or obligatory cessation, or a significant restriction of the Company's present activities.
Until preparing the financial statements as at 30.06.2011, no events occurred which have not been but should be included in the accounts for the reporting period.

8. Description of accounting principles (policy) applied, including methods of valuation of assets and liabilities, revenues and costs

The financial statements have been prepared in accordance with accounting principles specified in the Accounting Act of 29 September 1994 (Journal of Laws of 2009 No. 152, item. 1223, as amended) and related regulations issued under it, as well as the requirements set out in the Act on public companies (Journal of Laws of 2009, No 185, item 1439), and the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic

information disclosed by issuers of securities and the conditions for recognition as equal to the information required by the law of a non-Member State (Journal of Laws No. 33, item. 259, with subsequent amendments).

8.1 Intangible assets

Intangible assets are recognized if it is likely that in the future they will bring to the unit an inflow of economic benefits that can be directly related to those assets.
The initial recognition of intangible assets is recorded by the purchase price or cost of production. After initial recognition, intangible assets are measured at purchase price or production cost less any accumulated amortization and write-downs due to permanent impairment. Intangible assets are amortised using the straight-line method across the correctly estimated period of their use and are as follows:

- Patents and licenses 5 -15 years
- Computer software 1-5 years

We commence depreciation not earlier than at the first day of the month following the handing over for use.
Estimates on the economic lifetime and depreciation method are reviewed at the end of each financial year in order to verify whether the method used and period of amortization are consistent with the expected time shift of economic benefits provided by the intangibles.
Upon every balance sheet day the Company assesses whether the carrying value of the reported assets does not exceed the value of expected future economic benefits. If there are such indications, the carrying amount of the asset is reduced to the net selling price. Write-downs from impairment are recognized in other operating costs.

8.2 Property, plant and equipment

Fixed assets are complete and use-able assets with an expected lifetime of more than one year, owned by the Company.
Fixed assets are measured and presented in the statements at its purchase price or production cost reduced by depreciation and write-offs from impairment.
Costs relating to the asset incurred after it has been handed over for use are recognized in the profit and loss account, except where it can be shown that these costs resulted in increase of expected future economic benefits from the ownership of the asset. Then the costs incurred increase the asset initial value.
Property, plant and equipment is depreciated according to the straight-line method over a period of its estimated economic usefulness. Annual depreciation rates correspond to the particular periods as presented below:

Buildings and civil engineering structures	2 - 4,5%
Technical equipment and machinery	6 - 30%
Means of transport	12,5% - 20%

Assets with an initial value below PLN 3,500 are depreciated once at the the acquisition date. In the case of fixed assets, which have permanently lost their economic usefulness, unplanned depreciation is recognised as other operating costs.
Estimates on the economic lifetime and depreciation method are reviewed at the end of each financial year in order to verify whether the method used and period of amortization are consistent with the expected time shift of economic benefits provided by the asset. Inventory of fixed assets is conducted every four years.

8.3. Property, plant and equipment in progress

Property, plant and equipment under construction is measured in the amount of the total costs remaining directly connected with its acquisition or production, taking into account non-deductible tax on goods and services and excise duty, as well as the cost of liabilities due to finance assets and related foreign exchange differences, reduced by income from it. The balance of fixed assets in the process of construction is reduced by write-offs on account of permanent impairment.
Property, plant and equipment in progress is not depreciated until the it is completed and handed over for use.

8.4 Lease

Finance lease in which the Company takes over practically all risks and benefits arising from owning the leased asset, are capitalized at the inception of the lease at the lower of the following two values: a measure of fair value of the subject leased or value of the minimum lease charges. Lease payments are divided into an interest part and a capital part, such that the rate of interest on the liability is a fixed amount.
Financial expenses are presented in the profit or loss account. Fixed assets used under finance leases are subject to depreciation according to the rules applied to the own items of assets. In absence of certainty, that after the end of the lease agreement the Company receives the right to property, assets are written off over a shorter of two following periods: the lease period or the period of economic usefulness.
Lease contracts under which the lessor retains substantially all the risks and rewards of ownership of the assets under a lease are classified as operating leases.

8.5 Investment property

Investment property is property which is treated as a source of revenue from rents or is kept in possession on account of an increase in its value or for both of these benefits, where such property is neither:

- used for the purpose manufacturing, supply of goods or services or for administrative activity, nor
- held for sale in the course of ordinary business of the unit.

Real estate investment is initially measured at purchase price or cost of production. Transaction costs are included in the initial valuation.
Subsequent expenditures on investment property increase its value if the undertaking will become in future economic benefits associated with this property exceeding the costs incurred for the investment property.
To measure the property after the initial recognition, the Company has chosen the cost model, under which all of its investment properties are valued at acquisition price or production cost less any accumulated depreciation and write-off due to permanent impairment.

8.6 Long-term investments

Investments in subsidiaries, i.e. in controlled entities, partially owned subsidiaries and associates are measured at its historical cost less potential loss of value resulting from the tests for impairment.
Permanent loss of value of shares in subsidiary companies is estimated as of every balance sheet day.

The carrying value of such assets is individually reviewed to determine if it exceeds or not the value of future economic benefits. Where the carrying amount exceeds the expected economic benefits, it shall be reduced to net selling price. Reduction of the value of investments previously revalued to the amount by which the revaluation capital (fund) has been increased, reduces this capital (fund) in the event that the amount of the difference due the revaluation was not cleared until the date of valuation. In other cases, the effects of decreasing the value of investments are classified as financial costs. The rise in investment value directly connected with a prior reduction of its value, classified in the financial costs, is recognized to the level of such costs as financial income.

8.7 Financial assets

At the time of entry into the accounting books, financial assets are measured at cost (purchase price) representing the fair value. Transaction costs are recognized at the initial value of those financial instruments. Financial assets are entered into the accounts at the settlement date.
After initial recognition, financial assets are classified into one of four categories and measured, excluding financial fixed assets which are measured at purchase cost and not revalued to their value at market price, as follows:

1. Financial assets and liabilities available for sale

   Fair-value measurement, without reducing transaction costs; gains and losses on revaluation are recognized in the profit or loss account.

2. Loans granted and receivables

   Valuation at the adjusted purchase price (amortized cost) determined using the effective interest rate. Receivables with a short maturity, for which interest rate was not determined are measured at amounts due.

3. Financial assets held to maturity

   Valuation at the adjusted purchase price (amortized cost) determined using the effective interest rate.

4. Financial assets available for sale

   Measurement at fair value; gains and losses on revaluation are recognized in the revaluation capital until the sale of investment or reducing its value. At this time, the cumulative gain or loss from revaluation is recognized in the profit and loss account.

8.8 Impairment of assets

For each balance-sheet day, the Company assesses whether exist objective conditions which indicate the impairment of an asset a group of assets. If such conditions exist, the Company determines an estimated value possible for recovering the value of the asset and writes-down in an amount equal to the difference between the value of recoverable and the carrying value.

8.9 Inventories

Materials, goods, work in progress and finished goods are current assets inventory.
The Group applies the following rules of inventory classification to the specific categories:

- ***materials*** – elements stored in the storage places for use in manufacturing processes, particularly for construction purposes
- ***work in progress*** – includes costs of development projects under construction as well as materials of general-purpose stock and low-processing materials, which can easily and without incurring significant costs be used for other contracts or sold (if they are unnecessary to execute this contract)
- ***goods*** – the stock acquired in the purpose of their resale, including land for development projects in the implementation of development projects
- ***finished goods*** – products of own production, which proceeding been fully completed, apartments,premises and buildings for sale.

Elements stored on construction sites to be used by the Company or a subcontractor for specific purposes on particular site only, which probably cannot be used by execution of other contracts or sold, are not included to the inventory. These items are related directly to the cost of the contract and included in the valuation of the contract according to the stage. Inventories are estimated at the lower of the two values: purchase cost or net selling price.

Net selling price is the sale price without VAT and excise taxes, less discounts and other costs related to the adaptation of the item for sale and to selling it, achievable as at the balance sheet date.

Materials are measured at purchase cost determined by the using the FIFO method and work in progress and goods finished - at the direct costs of materials and labour and a fair share of indirect costs of production fixed at normal capacity utilization.

8.10 Long-term construction contracts

The initial costs incurred before the conclusion of a contract, due to salaries, travel expenses (personal), etc. are included in operating cots of the period in which they were incurred. They are not included in technical production costs of performance of a given order at the time of concluding a contract. If the entity is sure that the contract will be concluded and the ordering party will pay the costs before signing such a contract cost are capitalized. This may relate only to costs of services and materials purchased outside (services of subcontractors, materials, etc.).

8. 10.1. Settlement and presentation of the financial consequences of long-term contracts

Large-volume construction contracts

In the event that the entity cannot reliably determine the progress of works, a percentage method is used. Contract income is shown commensurate with the costs incurred for a specific moment of its realisation. Revenues, costs and profits are shown in proportion to the status of works completion.

While determining the progress of contract implementation, the entity uses a method that will allow to fix the work performed in a credible way. Depending on the contract type, the methods may, include:

- proportion of contract costs incurred for work performed to date compared to the estimated total contract costs
- quantity survey of work performed.

In setting the status of works on the basis of contract costs incurred up to the date only those costs are taking into account which reflect the work performed.

If the stage of completion of a long-term construction contract cannot be estimated reliably, revenues are recognized only to the level of expenses which are likely to be recovered.

The measurement results are recognized in assets and liabilities respectively in the financial statement B. IV "Short-term prepayments" and B.IV.2 "Other accruals".

8.11 Current and non-current trade receivables

Trade receivables are shown with caution in the amount of the payment demanded.
The value of a receivable is brought up to date by taking into account the degree of probability of its being paid, by making a write-down. Impairments are created on overdue debts of over 180 days at its full value. The individual principles of charging of an impairment may be applied in particular, justified cases.
Write-downs of the value of a receivable are counted towards operating costs or financial expenses, depending on the type of receivable to which the write-down refers. Receivables which are amortised, time-barred or which cannot be collected decrease previously made write-downs.
Claims amortised, time-barred, or not to be collected, in relation to which no impairment or non-full write-offs were made, are classified accordingly as other operating expenses or financial costs.
Claims arising from the deposits, recognized as an item of trade receivables are presented in discounted value according the maturity date.

8.12 Cash and cash equivalents

Cash in hand and in bank accounts are measured at their par value.
Cash and cash equivalents include cash on hand and bank and short-term deposits with an original maturity not exceeding three months.

8.13 Prepayments

The Company makes prepayments if they relate to future reporting periods, taking into account the principles of materiality and prudence.

8.14 Capitals

The original capital includes ordinary shares and is shown at their par value according to the Statute and its state registered in the National Court Register.
The capital reserve is created from profit retained, as a result of transferring revaluation capital and issue of shares above their nominal value.

8.15 Provisions for liabilities

Provisions are recognized when the Company has an obligation (legal or ordinary) resulting from past events, and when it is certain or highly probable that fulfilment of that obligation will cause a need for an outflow of resources embodying economic benefits, and when a reliable estimation can be made of the amount of that obligation.
Provisions for liabilities include, among other:

- guarantee repair provision,
- deferred tax provision,
- unused leave provision,
- provision for retirement.

Guarantee repair provision

Erbud is obliged to provide guarantees under the construction services rendered.
A general principle is the creation of reserves for warranty costs in the amount fixed by warranty cost index, calculated as the quotient of warranty repair costs to revenues from the given contract. This value is subject to individual review and may be increased or decreased in justified cases.
Provision for guarantee repair is recognized as at balance sheet date in the amount fixed on the basis of past experience in the field of a guarantee repairs.

Tax return

There are numerous regulations In Poland concerning tax on goods and services, excise duty, corporate income tax and social security contributions. Provisions related to these taxes are subject to frequent changes what results in ambiguities and inconsistencies. Often there are differences of opinion as to the legal interpretations of tax law both within the state authorities and between state authorities and taxpayers, causing uncertainties and conflicts. Tax settlements and other areas regulated may be subject to inspection for a period of five years. The relevant inspection authorities are entitled to impose heavy sanctions and penalties, including penal interest. There is a risk that the authorities will take a different position as the company by interpretation of regulations, which could have a significant impact on the Company's tax liability

8.16 Employee benefits

The Company has a scheme of retirement and pension severance payments, and therefore makes provision for the present value of obligations under the above-mentioned benefits. Payments shall be written down in the cost of profit and loss account in a way that enable arrangement of benefit payments during the whole period of employment.

The Company does not create a special fund for collecting payments for future benefits.
Provision for unused leave is calculated on the basis of a breakdown of unused leave days as at the balance sheet date prepared for individual employees and their daily gross salary add the employer's social security overheads.

8.17 Bank credits and loans

At the time of their initial recognition, bank loans and credits are recorded at cost equal to the fair value of cash received, including costs related to obtaining bank credits or loans. Upon the balance sheet date, loans and borrowings, except for liabilities held for trading, are measured at adjusted purchase cost (amortized cost), using the effective interest rate.
Liabilities held for trading are measured at fair value. Profit or loss due to revaluation to fair value are recognized in the profit and loss account of the current period.

8.18 Costs of external financing

Borrowing costs for the construction, adaptation, installation or improvement of fixed assets or intangible assets are recognized in the value of these assets over a period of construction, adaptation, installation or improvement if those costs were incurred for the above purpose.
Borrowing costs relating to the manufacture of products requiring a long manufacturing period are written off in the profit and loss account over the period in which they were incurred.
Other costs of external financing are recorded in the profit and loss account.

8.19 Deferred income tax

Provision and assets due to the deferred income tax are determined in connection with transitional differences between the amount of assets and liabilities and the tax amount shown in the books of account and the tax loss which can be deducted in the future.
Deferred tax liability is created in respect of taxable temporary differences in the amount of income tax to be paid in the future.
Assets from the deferred income tax shall be equal to the amount expected to be deducted from income tax in respect of deductible temporary differences and tax loss which can be deducted in the future applying the principle of precaution.

Carrying amount of the assets from deferred tax is reviewed as of every balance sheet date and is reduced appropriately inasmuch as achieving the sufficient taxable income in order to realize partially or in sum the item of assets from deferred tax is no longer likely.

Assets from the deferred tax and deferred tax provision are measured using tax rates that will be valid during the period when the asset is realized or the liability is released, based on tax legislation in force as at the balance sheet date.

8.20 Liabilities

Liabilities are commitments resulting from future circumstances to meet obligations of a reliably estimated value, that will use current or future assets of the entity.

Due to the characteristics, liabilities can be divided into:

- provisions,
- contingent liabilities,
- financial liabilities,
- current liabilities,
- non-current liabilities.

Contingent liabilities are commitments to performance obligations which may arise upon the occurrence of certain events. These commitments are disclosed in the additional information and explanations.

Financial liabilities are obligations to deliver financial assets or to exchange the financial instrument with another entity under adverse conditions.

Current liabilities are all liabilities from supplies and services, and also all or part of other liabilities which will become due within 12 months from the balance sheet date.

Non-current liabilities are the part of liabilities other than from supplies and services with the maturity of over 12 months from the balance sheet date.

Liabilities are recognized in the outstanding amount as at the balance-sheet date.

Claims arising from the deposits, recognized as an item of trade receivables are presented in discounted value according the maturity date.

8.21 Receivables and liabilities in foreign currency

Receivables and liabilities quoted in foreign currencies are measured as at the balance sheet day by applying the mid-rate for the given currency fixed by the National Bank of Poland as on the balance sheet date.

Claims quoted in foreign currencies arising during the financial year are converted into Polish zlotys at the rate as at the date the claim has arisen (invoice date).

Liabilities in foreign currencies arising during the financial year are converted into Polish zlotys at the exchange rates applied in customs documents. In the case of importing services or intra-EU supplies the rate of NBP on the business transaction date (invoice date) is used.

In the case of debt payment quoted in foreign currency, the sale rate at which the bank has booked it on the account of entity is applied. The difference between the rate at which the payment was accounted and the rate resulting from arising of receivables is classified to the financial costs or income.

In the case of settlement of liabilities in foreign currency, the rate at which the currency was acquired in the bank, and when the payment is effected from the own account of the entity, the foreign exchange rate which the cooperating bank would have applied if the entity would have bought currency in this bank is used. The difference between the rate at which the liabilities have been converted into Polish zlotys and the rate at which the currency needed have been purchased is classified to the financial costs or income.

8.22 Accruals

Accruals are made in the amount of likely liabilities falling due in the current reporting period.

8.23 Operating revenues and costs

Revenues are recorded by the accrual basis, i.e. in the periods to which they relate, regardless of the date of payment receipt.
Sales revenues include the fair value of revenue from the sale of goods and services, less tax on goods and services, discounts and deductions.
Revenues from sales of products and goods are recognized when the Company has provided products to the customer, the customer has accepted the products, and claims are reasonably certain to collect.
Income from execution of construction contracts is recognized in accordance with the Company's accounting policy set out in the section Long-term construction contracts.
Dividend income is recognized when the shareholders' right to receive them is confirmed.
According to the accrual basis the Company recorded all costs in the reporting period in the profit and loss account regardless of the duration of their settlement. Costs incurred and not related to this period are included in the assets as prepayments, while the costs not incurred and falling for that period are recognized as accruals.

8.24 Other income, expenses, profits and losses, and financial income and costs

Other operating income and expenses are revenues and costs non-directly connected with operating activity.
Financial income and expenses include, inter alia: interest on credits and loans granted and used, interest on arrears received and paid, exchange differences, commissions paid and received, gains and losses on the sale of securities, released and created provisions classified to financial costs.
Interest income is recognized according to the accrual basis using the effective interest rate method.
When the debt loses its value, the Company reduces its carrying amount to recoverable amount, equal to the estimated future cash flows and discounted at the original effective interest rate on the financier instrument; then the amount of the discount is gradually settled in correspondence with the revenue from interest. Extraordinary gains and losses reflected the financial consequences of unique events from outside the core business.

8.25 Income tax (including deferred tax liability)

Current tax is calculated on the basis of the tax result (tax base) of the financial year. Tax profit (loss) differs from accounting profit (loss) in connection with dercognicion of tax deductible costs which are tax deductibles in the following years and the items of costs and revenues, which will never be subject to tax. Taxes are calculated on the basis of tax rates in force during the financial year.

Income tax on income earned in the country is calculated in accordance Polish tax law and income of units operating abroad is subject to local tax regulations, having regard to the agreements on the avoidance of double taxation.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 30, 2011

Financial Statements for the 6-month period ended 30 June 2010 (in PLN '000)

Balance Sheet

ASSETS

		Note	30.06.2011	31.12.2010	30.06.2010
A.	**Fixed assets**		**186 039**	**179 890**	**145 899**
I.	**Intangible assets**	**3**	**269**	**124**	**54**
1.	R&D expenses		0	0	0
2.	Goodwill		0	0	0
3.	Other intangible assets		269	124	54
4.	Advances for intangible assets		0	0	0
II.	**Tangible assets**		**8 810**	**8 582**	**8 450**
1.	Tangible fixed assets	1, 2	8 810	8 582	8 450
a)	Land, incl. perpetual usufruct		0	0	139
b)	Buildings, premises and civil and water engineering structures		3 581	3 631	4 044
c)	Plant and equipment		239	275	309
d)	Means of transport		4 524	4 312	3 629
e)	Other tangible fixed assets		466	364	329
2.	Fixed assets under construction		0	0	0
3.	Prepaid tangible fixed assets under construction		0	0	0
III.	**Long-term receivables**		**0**	**0**	**0**
1.	From associates		0	0	0
2.	From other entities		0	0	0
IV.	**Long-term investments**		**155 135**	**158 501**	**126 424**
1.	Real property		515	515	515
2.	Intangibles		0	0	0
3.	Non-current financial assets	4, 8	154 620	157 986	125 909
a)	In associates, incl.:		153 834	157 272	125 195
–	Shares or stocks		128 065	130 914	125 195
–	Other securities		0	0	0
–	Loans granted		25 769	26 358	0
–	Other non-current financial assets		0	0	0
b)	In other entities, incl.:		786	714	714
–	Shares or stocks		5	5	5
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other non-current financial assets		781	709	709
4.	Other non-current investments		0	0	0
V.	**Long-term prepayments**		**21 825**	**12 683**	**10 971**
1.	Deferred tax assets	5	21 825	12 683	10 971
2.	Other prepayments		0	0	0

		Note	30.06.2011	31.12.2010	30.06.2010
B.	**Current assets**		**523 082**	**387 306**	**422 182**
I.	**Inventories**	**8**	**0**	**1 189**	**0**
1.	Materials		0	1 189	0
2.	Semi-finished products and products in progress		0	0	0
3.	Finished products		0	0	0
4.	Goods		0	0	0
5.	Advances for deliveries		0	0	0
II.	**Short-term receivables**	**6**	**393 163**	**194 423**	**256 902**
1.	From affiliated entities		6 911	10 674	8 995
a)	Trade receivables with a maturity:		6 843	7 287	6 984
–	up to 12 months		6 843	7 287	6 984
–	above 12 months		0	0	0
b)	Other		68	3 387	2 011
2.	Receivables from other entities		386 252	183 749	247 907
a)	trade receivables with a maturity:		372 062	161 648	243 533
–	up to 12 months		369 702	159 123	241 759
–	above 12 months		2 360	2 525	1 774
b)	receivables from tax, subsidy, customs, social security and other benefits		6 102	4 695	3 794
c)	Other		8 088	17 406	580
d)	Claimed at court		0	0	0
III.	**Short-term investments**		**52 151**	**129 827**	**117 422**
1.	Current investments	8	52 151	129 827	117 422
a)	In affiliated entities		17 047	8 636	21 676
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		17 047	8 636	21 676
–	Other current financial assets		0	0	0
b)	In other entities		0	0	0
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other current financial assets		0	0	0
c)	Cash and other cash assets		35 103	121 191	95 746
–	Cash in hand and at bank		15 510	104 566	77 026
–	Other cash		19 593	16 625	18 720
–	Other cash assets		0	0	0
2.	Other current investments		0	0	0
IV.	**Short-term prepayments**	**7**	**77 768**	**61 867**	**47 858**
	TOTAL ASSETS		**709 121**	**567 196**	**568 081**

LIABILITIES

		Note	30.06.2011	31.12.2010	30.06.2010
A.	**Equity**		**226 968**	**251 973**	**247 091**
I.	**Share capital**	9,	1 260	1 260	1 257
II.	**Called-up share capital (negative value)**		0	0	0
III.	**Treasury shares (negative value)**		0	0	-1 571
IV.	**Supplementary capital**		252 787	220 709	219 978
V.	**Revaluation capital reserve**		0	0	87
VI.	**Other capital reserve**		0	0	0
VII.	**Retained profit / accumulated loss brought forward**		0	0	0
VIII.	**Net profit (loss)**		-27 079	30 004	27 340
IX.	**Write-offs due to net profit for the financial year (negative value)**		0	0	0
B.	**Liabilities and provisions for liabilities**		**482 153**	**315 223**	**320 990**
I.	**Provisions for liabilities**		**30 631**	**18 370**	**14 768**
1.	Deferred income tax provision	10	15 843	11 209	9 034
2.	Provision for retirement and related benefits		2 995	2 570	3 400
–	Non-current	11	887	640	1 763
–	Current	12	2 108	1 930	1 637
3.	Other provisions		11 793	4 591	2 334
–	Non-current	13	0	0	0
–	Current	14	11 793	4 591	2 334
II.	**Long-term liabilities**	**15**	**10 053**	**10 892**	**14 050**
1.	To associates		0	0	0
2.	To other entities		10 053	10 892	14 050
a)	Loans and borrowings		0	0	0
b)	Issue of debt securities		0	0	0
c)	Other financial liabilities		1 514	1 691	1 315
d)	Other		8 539	9 201	12 735
III.	**Short-term liabilities**	**16**	**394 952**	**259 467**	**255 621**
1.	To associates		43 993	35 783	22 412
a)	Deliveries and services with a maturity:		43 993	35 747	22 154
–	up to 12 months		43 993	35 384	21 858
–	above 12 months		0	363	296
b)	Other		0	36	258
2.	To other entities		350 959	223 684	233 209
a)	Loans and borrowings	18	33 667	0	265
b)	Issue of debt securities		0	0	0
c)	Other financial liabilities		1 636	1 459	3 764

d)	Deliveries and services with a maturity:		305 504	190 561	192 764
–	up to 12 months		297 586	183 408	186 738
–	above 12 months		7 918	7 153	6 026
e)	Advances for deliveries		6 030	19 277	13 120
f)	Bills		0	0	0
g)	Taxes, customs, social insurance and other benefits		2 873	6 645	15 355
h)	Salaries and wages		1 147	2 145	1 577
i)	Other		102	3 597	6 364
3.	Special funds		0	0	0
IV.	**Accruals**		**46 517**	**26 494**	**36 551**
1.	Other accruals	7.	46 517	26 494	36 551
	TOTAL LIABILITIES		**709 121**	**567 196**	**568 081**

Calculation of book value per share

	30.06.2011	31.12.2010	30.06.2010
Book value (in 000' PLN)	226 968	251 973	247 091
Number of shares	12 602 711	12 602 711	12 571 025
Book value per share (in PLN)	18.01	19.99	19.66

OFF-BALANCE SHEET ITEMS

	30.06.2011	31.12.2010	30.06.2010
1. Conditional receivables	0	0	0
1.1. From affiliated entities (due to)	0	0	0
- guarantees received	0	0	0
1.2 From other entities (due to)	0	0	0
- guarantees received	0	0	0
2. Conditional liabilities	289 978	281 010	197 894
2.1. To affiliated entities (due to)	0	0	4 000
- guarantees granted	0	0	4 000
2.2. To other entities (due to)	289 978	281 010	193 894
- guarantees granted	289 978	281 010	193 894
3.Other	0	0	0
Total off-balance sheet items	**289 978**	**281 010**	**197 894**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 30, 2011

PROFIT AND LOSS STATEMENT

		6-month period ended 30.06.2011	6-month period ended 30.06.2010
Revenues from sales of products, goods and materials, incl.		**572 437**	**442 435**
- From associates		944	5 575
Net revenues from sales of products	22	572 433	442 417
Net revenues from sales of goods and materials	23	4	18
Cost of products, goods and materials sold, incl.		**581 606**	**395 103**
- To associates		57 016	30 180
Manufacturing cost of products sold	24	581 606	395 103
Value of goods and materials sold		0	0
Gross profit (loss) on sales		**-9 169**	**47 332**
Sales costs		0	0
General and administrative costs		18 842	14 652
Profit (loss) on sales		**-28 011**	**32 680**
Other operating revenues	**26**	**1 225**	**732**
Profit on disposal of non-financial fixed assets		7	10
Subsidies		0	0
Other operating revenues		1 218	722
Other operating expenses	**27**	**1 366**	**918**
Loss on disposal of non-financial assets		0	0
Revaluation of non-financial fixed assets		0	0
Other operating expenses		1 366	918
Profit (loss) on operating activities		**-28 152**	**32 494**
Financial revenues	**28**	**5 057**	**3 764**
Dividends and profit sharing, incl.:		950	2 000
- From associates		950	2 000
Interest, incl.:		3 976	1 500
- From associates		1 650	657
Profit on investments sale		0	262
Revaluation of investments		0	0
Other		131	2
Financial costs	**29**	**8 241**	**2 172**
Interest, incl.:		1 009	282
- To associates		0	9
Loss on selling investments		0	0
Revaluation of investments		5 661	19
Other		1 571	1 871
Profit (loss) on business activities		**-31 336**	**34 086**
Result on extraordinary events		**0**	**0**
Extraordinary profit		0	0
Extraordinary los		0	0
Gross profit (loss)		**-31 336**	**34 086**
Income tax	30	-4 257	6 746

Other statutory reductions in profit (increases in loss)		0	0
Net earnings (loss)		**-27 079**	**27 340**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 602 711 / 12 680 526**	**12 571 025**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN) on continuing operations	**31**	**-2.15 / -2.13**	**2.7**

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Warsaw, August 30, 2011

CASH FLOW STATEMENT

	6-month period ended 30.06.2011	6-month period ended 30.06.2010
Net profit (loss)	**-27 079**	**27 340**
Total adjustments	**-78 270**	**-51 548**
Amortisation and depreciation	1 153	916
Foreign currency translation gain (loss)	-167	18
Interest and profit sharing (dividends)	-1 177	-3 228
(Profit (loss) on investment activities	5 644	4
Change in provisions	12 262	4 114
Change in inventory	1 189	303
Change in receivables	-199 660	-57 325
Change in short-term liabilities, excluding credits and loans	107 170	25 197
Change in prepayments and accruals	-5 020	-21 713
Other adjustments	334	166
Net cash flows from operating activities	**-105 349**	**-24 208**
Cash flows from investment activities		
Inflows	**1 511**	**1 054**
Disposal of intangible and tangible fixed assets	28	15
Disposal of investments in real property and intangible assets	0	0
From financial assets, incl.:	1 483	1 039
a) In associates	1 011	300
- Disposal of financial assets	0	300
- Dividends and profit sharing	700	0
- Repayment of granted long-term loans	311	0
- Interest	0	0
- Other inflows from financial assets	0	0
b) In other entities	472	739
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	0	0
- Interest	472	739
- Other inflows from financial assets	0	0
Other inflows from investment activities	0	0
Outflows	**13 492**	**24 915**
Purchase of intangible assets and tangible fixed assets	673	310
Investments in real property and intangible assets	0	0
Due to financial assets, incl.:	12 819	12 048
a) In associates	12 819	12 048
- Disposal of financial assets	3 534	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	9 285	0
- Interest	0	0
- Other outflows due to financial assets	o	12 048
b) In other entities	0	0
- Purchase of financial assets	0	0
- Long-term loans granted	0	0
Other outflows due to investment activities	0	12 557
- currency options	0	12 557
Net cash flows from investment activities	**-11 981**	**-23 861**

	6-month period ended 30.06.2011	6-month period ended 30.06.2010
Cash flow from financial activities		
Inflows	**32 156**	**1 013**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	221
Credits and loans	32 156	264
Issue of debt instruments	0	0
Other	0	528
Outflows	**1 055**	**865**
Redemption of own shares	0	0
Dividends and other payments to the shareholders of the parent	0	0
Dividends and other payments to the minority shareholders	0	0
Repayment of credits and loans	0	0
Repayment of debt instruments issued	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	936	660
Interest paid	119	205
Other	0	0
Net cash flow from financial activities	**31 101**	**148**
Total net cash flow	**-86 229**	**-47 921**
Balance sheet change in cash, including:	**-86 088**	**-47 801**
- change in cash due to foreign exchange differences	141	120
Cash opening balance	**121 191**	**143 547**
Closing balance of cash, including:	**34 962**	**95 746**
- restricted cash	19 593	18 719

Signature of person preparing the Financial Statements

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/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 30, 2011

STATEMENT OF MOVEMENTS IN EQUITY

	6-month period ended 30.06.2011	12-month period ended 31.12.2010	6-month period ended 30.06.2010
I. Equity opening balance	**251 973**	**225 494**	**225 494**
– changes in accounting rules (policy) applied	0	0	0
– Errors adjustments	0	0	0
I.a. Equity opening balance after adjustment at the beginning of the period	**251 973**	**225 494**	**225 494**
1. Share capital at the beginning of the period	**1 260**	**1 257**	**1 257**
1.1. Changes to share capital	**0**	**3**	**0**
a) Increases from	0	3	0
– issue of shares of Series E	0	3	0
– issue of shares of Series D	0	0	0
b) Decreases from	0	0	0
– redemption of shares	0	0	0
1.2. Share capital at the end of the period	**1 260**	**1 260**	**1 257**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	0	0
a) Increases	0	0	0
b) Decreases	0	0	0
2.2. Called-up share capital at the end of the period	**0**	**0**	**0**
3. Own shares at the beginning of the period	**0**	**1 994**	**-1 994**
a) Increases - repurchase of own shares	0	0	0
b) Decreases - disposal of own shares	0	1 994	-423
3.1. Own shares at the end of the period	**0**	**0**	**-1 571**
4. Capital reserves at the beginning of the period	**220 709**	**185 169**	**185 169**
4.1. Changes in capital reserves	32 078	35 540	34 809
a) Increases from	32 078	35 540	34 809
– capital reserves transfer	0	2 000	2 000
– profit distribution	30 004	32 704	32 704
– redemption of shares	0	485	0
– profit from disposal of own shares	0	0	105
– issue of Series E shares above par value	0	345	0
– contribution to Series C shares	0	6	0
– manager options	2 074		
b) Decreases from	0	0	0
– distribution to shareholders	0	0	0
– redemption of shares		0	0
4.2. Capital reserves at the end of the period	**252 787**	**220 709**	**219 978**
5. Revaluation reserve at the beginning of the period	**0**	**92**	**92**
5.1.Changes in revaluation reserve	0	-92	-5
a) Increases from	0	0	0
– financial assets valuation	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	0	0
b) Decreases from	0	92	5
– valuation of financial instruments held for sale	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	92	5
5.2. Revaluation reserve at the end of the period	**0**	**0**	**87**
6. Other capital reserves at the beginning of the period	**0**	**2 000**	**2 000**
6.1. Changes in other capital reserves	0	-2 000	-2 000
a) Increases from	0	0	0
- reserves for Staff Incentive Scheme	0	0	0
b) Decreases – transfer to capital reserves	0	2 000	2 000
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**

	6-month period ended 30.06.2011	12-month period ended 31.12.2010	6-month period ended 30.06.2010
7. Retained profit (loss) at the beginning of the period	**30 004**	**-525**	**38 970**
7.1. Retained profit at the beginning of the period	30 004	0	38 970
– changes in accounting rules (policy) applied	0	0	0
– basic errors adjustments	0	0	0
7.2 Retained profit at the beginning of the period after adjustment	30 004	-525	38 970
a) Increases	0	39 945	0
b) Decreases from	30 004	39 945	38 970
– profit-sharing for capital reserves	30 004	32 704	32 704
– profit-sharing for dividends	0	6 266	6 266
– profit-sharing to cover losses from previous years	0	525	0
7.3. Retained profit at the end of the period	**0**	**0**	**0**
7.4. Retained loss at the beginning of the period	**0**	**525**	**525**
– changes in accounting rules (policy) applied	0	0	0
– basic errors adjustments	0	0	0
7.5. Retained loss at the beginning of the period after adjustment	0	525	525
a) Increases	0	0	0
– presentation adjustments	0	0	0
b) Decreases	0	525	525
– profit-sharing to cover losses from previous years	0	525	525
7.6. Retained loss at the end of the period	**0**	**0**	**0**
7.7 Retained profit (loss) at the end of the period	**0**	**0**	**0**
8. Net result	**-27 079**	**30 004**	**27 340**
a) Net profit	0	30 004	27 340
b) Net loss	27 079	0	0
c) Write-downs from profit	0	0	0
II. Equity closing balance	**226 968**	**251 973**	**247 091**
III. Equity, after including proposed profit distribution (coverage of loss)	**226 968**	**251 973**	**247 091**

Signature of person preparing the Financial Statements

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Warsaw, August 30, 2011

Key items converted to the EURO

	30 June 2011		30 June 2010	
	PLN	EUR	PLN	EUR
Fixed assets	186 039	46 666	179 890	45 423
Current assets	523 082	131 210	387 306	97 797
Shareholders' equity	226 968	56 933	251 973	63 625
Liabilities and provisions for liabilities	482 153	120 943	315 223	79 596

Items of the balance sheet data as at 30 June 2011 were converted at the Euro rate which was set by the NBP as of that day i.e. 3.9866 PLN/EUR.
Items of the balance sheet data as at 31 December 2011 were converted at the Euro rate which was set by the NBP as of that day i.e. 3.9603 PLN/EUR.
Items of the balance sheet data as at 30 June 2010 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.1458 PLN/EUR.

	6- month period ended 30.06.2011		6- month period ended 30.06.2010	
	PLN	EUR	PLN	EUR
Revenues from sales of products, services, goods and materials	572 437	144 289	442 435	110 493
Cost of products, services, goods and materials sold	581 606	146 600	395 103	98 672
Profit on sales before tax	-9 169	-2 311	47 332	11 821
Profit on operating activities	-28 152	-7 096	32 494	8 115
Profit (loss) before tax	-31 336	-7 899	34 086	8 513
Net profit (loss)	-27 079	-6 826	27 340	6 828

Items of the profit and loss statement for the period from 1.01.2011 to 30.06.2011 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing o the last day of given month in the period, set by the NBP as of that day, i.e. 3.9673 PLN/EUR.
Items of the profit and loss statement for the period from 1.01.2010 to 30.06.2010 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.0042 PLN/EUR.

	6- month period ended 30.06.2011		6- month period ended 30.06.2010	
	PLN	EUR	PLN	EUR
Cash flows from operating activities	-105 349	-26 554	-24 209	-6 046
Cash flows from investment activities	-11 981	-3 020	-23 861	-5 959
Cash flows from financial activities	31101	7 839	148	37
Net cash flows	-86 229	-21 735	-47 921	-11 968
Cash opening balance	121 191	30 601	143 547	34 942
Cash closing balance	34 962	8 770	95 746	23 095

Items of the cash flow for the period from 1.01.2011 to 30.06.2010 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 3.9673 PLN/EUR.
Items of the cash flow for the period from 1.01.2010 to 30.06.2010 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.0042 PLN/EUR.

For translating cash as at 30 June 2011, the exchange rate set by the NBP as of that day, i.e. 3.9866 PLN/EUR, was applied.
For translating cash as at 30 June 2010, the exchange rate set by the NBP as of that day, i.e. 4,1458 PLN/EUR, was applied.

ADDITIONAL INFORMATION AND EXPLANATORY NOTES

Note 1. Changes in tangible assets (by type) for the period ended 30.06.2011

Item	Land (incl. perpetual usufruct)	Buildings, premises, civil and water engineering structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Total tangible assets
a) Gross value of fixed assets as at 01 January 2011	**0**	**3 966**	**831**	**9 339**	**1 710**	**0**	**0**	**15 846**
b) Increases (from)	0	0	6	1 084	280	0	0	**1 370**
- acquisition	0	0	6	148	280	0	0	**434**
- lease	0	0	0	936	0	0	0	**936**
- transfers	0	0	0	0	0	0	0	**0**
c) Decreases (from)	0	0	0	112	0	0	0	**112**
- sale	0	0	0	112	0	0	0	**112**
- revaluation	0	0	0	0	0	0	0	**0**
- liquidation	0	0	0	0	0	0	0	**0**
d) Gross value of fixed assets as at 30 June 2011	**0**	**3 966**	**837**	**10 311**	**1 990**	**0**	**0**	**17 104**
e) Cumulative depreciation at the beginning of the period	**0**	**335**	**556**	**5 027**	**1 346**	**0**	**0**	**7 264**
f) Amortisation for the period	0	50	41	789	179	0	0	**1 059**
g) Decreases, incl.:	0	0	0	29	0	0	0	**29**
- liquidation	0	0	0	0	0	0	0	**0**
- sale	0	0	0	29	0	0	0	**29**
- lease	0	0	0	0	0	0	0	**0**
h) Exchange rate differences	**0**	**385**	**597**	**5 787**	**1 525**	**0**	**0**	**8 294**
h) Cumulative depreciation as at 30 June 2011	**0**	**3 631**	**275**	**4 312**	**364**	**0**	**0**	**8 582**
i) Net value of fixed assets as at 01 January 2011	**0**	**3 581**	**240**	**4 524**	**465**	**0**	**0**	**8 810**

Changes in tangible assets (by type) for the period ended 31.12.2010

Item	Land (incl. perpetual usufruct)	Buildings, premises, civil and water engineering structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Total tangible assets
a) Gross value of fixed assets as at 01 January 2010	**140**	**4 970**	**1 168**	**7 118**	**1 450**	**0**	**0**	**14 846**
b) Increases (from)	0	0	96	2 687	405	0	0	**3 188**
- acquisition	0	0	96	14	405	0	0	**515**
- lease	0	0	0	2 673	0	0	0	**2 673**
- transfers	0	0	0	0	0	0	0	**0**
c) Decreases (from)	140	1 004	433	466	145	0	0	**2 188**
- sale	140	1 004	0	85	10	0	0	**1 239**
- revaluation	0	0	0	0	0	0	0	**0**
- liquidation	0	0	0	1	88	0	0	**89**
- derecognition of lease	0	0	433	380	47	0	0	**860**
- exchange rate differences	0	0	0	0	0	0	0	**0**
d) Gross value of fixed assets as at 31 December 2010	**0**	**3 966**	**831**	**9 339**	**1 710**	**0**	**0**	**15 846**
e) Cumulative depreciation at the beginning of the period	**-2**	**869**	**865**	**4 168**	**1 130**	**0**	**0**	**7 031**
f) Amortisation for the period	0	109	120	1 300	353	0	0	**1 882**
g) Decreases, incl.:	-2	643	429	441	137	0	0	**1 649**
- liquidation	0	0	0	0	86	0	0	**86**
- sale	2	648	0	55	7	0	0	**713**
- lease		0	426	380	44	0	0	**850**
- adjustment	-4	-5	3	6	0	0	0	**0**
h) Exchange rate differences	**0**	**335**	**556**	**5027**	**1346**	**0**	**0**	**7 264**
h) Cumulative depreciation as at 31 December 2010	**138**	**4 095**	**305**	**2 955**	**321**	**0**	**0**	**7 814**
i) Net value of fixed assets as at 01 January 2010	**0**	**3 631**	**275**	**4 312**	**364**	**0**	**0**	**8 582**

Changes in tangible assets (by type) for the period ended 30.06.2010

Item	Land (incl. perpetual usufruct)	Buildings, premises, civil and water engineering structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Total tangible assets
a) Gross value of fixed assets as at of the period	**140**	**4 970**	**1 168**	**7 118**	**1 450**	**0**	**0**	**14 846**
b) Increases (from)	0	0	64	1 276	192	0	0	**1 532**
- acquisition	0		64	2	192	0	0	**258**
- lease	0		0	1 274	0	0	0	**1 274**
- transfers	0		0	0	0	0	0	**0**
c) Decreases (from)	0	-6	0	0	-3	0	0	**-9**
- sale	0		0	0	-3	0	0	**-3**
- revaluation	0		0	0	0	0	0	**0**
- liquidation	0		0	0	0	0	0	**0**
- exchange rate differences	0	-6	0	0	0	0	0	**-6**
d) Gross value of fixed assets at the end of the period	**140**	**4 964**	**1 232**	**8 394**	**1 639**	**0**	**0**	**16 369**
e) Cumulative depreciation at the beginning of the period	**2**	**869**	**865**	**4 168**	**1 131**	**0**	**0**	**7 035**
f) Amortisation for the period	0	54	58	597	182	0	0	**891**
g) Decreases, incl.:	-1	-3	0	0	-3	0	0	**-7**
- liquidation	0	0	0	0	0	0	0	**0**
- sale	0	0	0	0	-3	0	0	**-3**
- lease	0	0	0	0	0	0	0	**0**
h) Exchange rate differences	**-1**	**-3**	**0**	**0**	**0**	**0**	**0**	**-4**
i) Cumulative depreciation at the end of the period	1	920	923	4 765	1 310	0	0	**7 919**
j) Net value of fixed assets at the beginning of the period	**138**	**4 101**	**303**	**2 950**	**319**	**0**	**0**	**7 811**
k) Net value of fixed assets at the end of the period	**139**	**4 044**	**309**	**3 629**	**329**	**0**	**0**	**8 450**

As at 30.06.2011, 31.12.2010 and 30.06.2010 the Company had no assets used under operating leases and no perpetual usufruct of land.

Note 2. Tangible assets

	30.06.2011	31.12.2010
Tangible assets		
Fixed assets, incl.:	8 810	8 582
- Land (incl. perpetual usufruct)	0	0
- Buildings, premises and civil and water engineering structures	3 581	3 631
- Plant and equipment	239	275
- Means of transport	4 524	4 312
- Other fixed assets	466	364
Other, incl.	0	0
- Fixed assets under construction	0	0
- Advances for fixed assets under construction	0	0
Total tangible assets	**8 810**	**8 582**

Note 2.1. Balance sheet assets (ownership structure)

	30.06.2011	31.12.2010
Balance sheet assets		
a) own	4 460	4 411
b) used under the lease, rent or other agreement incl. lease agreement	4 350	4 171
- lease	4 350	4 171
Total balance sheet assets	**8 810**	**8 582**

Note 2.2. Cost of manufacturing of fixed assets under construction, including interest and capitalized exchange rate differences on liabilities incurred to finance these assets

As at 31 June 2011, 31 December 2010 and 30 June 2010 the item has not occurred.

Note 2.3. Value of assets non-depreciated or non-amortized by the business unit, used under rental and other agreements, including leases

As at 31 June 2011, 31 December 2010 and 30 June 2010 there was not any entry to the books.

Note 2.4. Data on commitments to the state budget or units of local self-government due to obtaining ownership rights over buildings and structures

As at 30 June 2011, 31 December 2010 and 30 June 2010 the Company had no obligations towards the state budget or local self-government units in respect of obtaining the ownership of buildings and structures.

Note 3. Intangible assets

	30.06.2011	31.12.2010
Intangible assets		
a) R&D expenses	0	0
b) Goodwill	0	0
c) Concessions, patents, licenses and similar assets, incl.:	0	0
- computer software	0	0
d) Other intangible assets	269	124
e) Advances for intangible assets	0	0
Total tangible assets	**269**	**124**

Note 3.1. Changes in other intangible assets (by type)

As at 30.06.2011

Item	Other	Total
a) Gross value of intangible assets as at 1 January 2011	467	467
b) Increases (from)	239	239
- acquisition	239	239
c) Decreases (from)	0	0
d) Gross value of intangible assets as at 30 June 2011	706	706
e) Cumulative depreciation as at 1 January 2011	343	342
f) Depreciation for the period	94	95
g) Cumulative depreciation as at 30 June 2011	437	437
h) Net value of intangible assets as at 30 June 2011	269	269

As at 31.12.2010

Item	Other	Total
a) Gross value of intangible assets as at 1 January 2010	313	313
b) Increases (from)	154	154
- acquisition	154	154
c) Decreases (from)	0	0

d) Gross value of intangible assets as at 31 December 2010	467	467
e) Cumulative depreciation as at 1 January 2010	293	293
f) Depreciation for the period	50	50
g) Cumulative depreciation as at 31 December 2010	343	343
h) Net value of intangible assets as at 31 December 2010	124	124

Note 3.2. Intangible assets (ownership structure)

	30.06.2011	31.12.2010
Other intangible assets		
a) own	269	124
Other intangible assets in total	**269**	**124**

Note 4

Note 4.1. Changes in non-current financial assets (by type)

	30.06.2011	31.12.2010	30.06.2010
a) As at the beginning of the period	157 986	133 935	133 935
- Shares	130 919	125 237	125 237
- Loans granted	26 358	7 969	7 969
- Other long-term financial assets	709	729	729
b) Increases (from)	72	24 109	0
- Shares	0	5 720	0
- Loans granted	0	18 389	0
- Other long-term financial assets	72	0	0
c) Decreases (from)	3 439	58	8 026
- Shares	2 850	38	37
- Loans granted	589	0	7 969
- Other long-term financial assets	0	20	20
d) As at the end of the period	154 620	157 986	125 909
- Shares	128 070	130 919	125 200
- Loans granted	25 769	26 358	0
- Other long-term financial assets	781	709	709

Note 4.2. Shares or stocks in subsidiaries as at 31 June 2011

Name (business name) of entity and form of incorporation	Seat	Business area	Type of relationship (subsidiary, joint controlled subsidiary or affiliated, specifying direct and indirect connections)	Applied method of consolidation / equity method or indication that the entity is not subject to consolidation / valuation by equity method	Total value adjustments	Carrying amount of shares /stocks	Equity stake held	Share of total vote number at the AGM
Delta Sp. z o.o.	Toruń	Construction	subsidiary	non-consolidated (unessential)	32	0	100%	100%
Erbud Construction Sp. z o.o.	Toruń	Construction	subsidiary	non-consolidated (unessential)	39	0	100%	100%
Toruńska Sportowa S A w likwidacji	Toruń	Sports, leisure and shows	associated	non-consolidated (unessential)	39	0	39%	39%
Erbud Rzeszów Sp. z o.o.	Rzeszów	Construction	subsidiary	non-consolidated (unessential)	0	79	79%	79%
Erbud International Sp. z o.o.	Toruń	Construction	subsidiary	non-consolidated (unessential)	0	50	100%	100%
ER Services Sp. z o.o.	Toruń	Construction	subsidiary	non-consolidated (unessential)	0	100	100%	100%
GWI GmbH	Dusseldorf, Germany	Construction	subsidiary	full method	0	347	85%	85%
Budlex Sp. z o.o.	Toruń	Housing development	subsidiary	full method	0	73 575	89,96%	89,96%
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego	Toruń	Road-engineering	subsidiary	full method	0	49 554	94,27%	94,27%
Erbud Energetyka Sp. z o.o.	Katowice	Construction	subsidiary	full method	0	1 510	86,36%	86,36%
Erbud Ireland Limited	Dublin, Irleland	Construction	indirect controlled subsidiary	non-consolidated (unessential)	0	50	100%	100%
*Ersteel Sp. z o.o.	Toruń	Steel structures	subsidiary	full method	2 850	2 850	100%	100%
Shares or stocks in subsidiaries as at 30.06.2011					2 960	128 115		

* In the current period, there was created an allowance for shares in the subsidiary Ersteel Sp. z o. o. equal to 50% of the company's shares value.

Note 4.3. Information on net profit (loss) of fully consolidated subsidiaries

	30.06.2011	31.12.2010
Erbud International Sp. z o.o.	-812	-1 232
GWI GmbH	1 279	2 146
Budlex Sp. z o.o.	-2 338	-6 000
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	-457	-5 171
Erbud Energetyka Sp. z o.o.	-277	-280
Ersteel Sp. z o.o.	-612	-540

The above results are performances of individual companies under consolidation of the Erbud Group Erbud, i.e. taking into account the result conversion in accordance with International Financial Reporting Standards.

Note 4.4. Securities, shares and other long-term financial assets (by tradability)

	30.06.2011	31.12.2010	30.06.2010
A. With non-restricted transferability, listed on stock exchange market (carrying value)	0	0	0
B. With non-restricted transferability, listed on OTC market (carrying value)	0	0	0
C. With non-restricted transferability, not listed on a regulated market (carrying value)	0	0	0
D. With restricted transferability (carrying value)	154 620	157 986	125 909
a) Shares and stocks (carrying value)	128 070	130 919	125 200
- Value adjustments (cumulative)	-2 960	-110	-110
- Value at the beginning of the period	0	0	
- Value at acquisition prices	131 029	131 029	125 310
b) Bonds (carrying value)	0	0	0
c) Loans granted (carrying value)	25 769	26 358	0
d) Other - by type (carrying value)	781	709	709
- Value at acquisition prices	810	810	810
- Value adjustments (cumulative)	-29	-101	-101
Total carrying value	**154 620**	**157 986**	**125 909**

Note 5. Assets due to deferred income tax

Assets from deferred income tax	**30.06.2011**	**31.12.2010**	**30.06.2010**
- Measurement of long-term contracts	8 838	5 034	6 945
- Measurement of derivative financial instruments	0	0	478
- Tax-loss	5 423	2 426	435
- Adjustment due to the Angel project income	0	2 060	0
- Costs of subsequent periods	3 079	1 341	1 624
- Provision for loss on contracts	1 257	57	0
- Other	3 228	1 765	1 489
Total assets from deferred income tax	**21 825**	**12 683**	**10 971**

Assets due to deferred income tax are created on the rate basis of 19% for positive and negative taxable temporary differences relating to assets and liabilities items.

Note 6

Note 6.1. Changes in write-offs from current debts

	30.06.2011	31.12.2010	30.06.2010
At the beginning of the period	2 908	**4 100**	4 100
a) Increases	0	175	397
- Creations	0	175	397
b) Decreases	0	1 367	0
- Impairment loss release	0	1 367	0
- Use of write-offs	0	0	0
Short-term write-offs from receivables at end of the period	**2 908**	**2 908**	**4 497**

Note 6.2. Short-term gross receivables (by currency)

	30.06.2011	31.12.2010	30.06.2010
a) In Polish currency	392 513	190 992	251 476
b) Equivalent in Polish currency when converted at the average exchange rate of the NBP as at the balance sheet date (the original settlement currency - Euro)	3 558	6 339	9 923
Total net current receivables	**396 071**	**197 331**	**261 399**

Note 6.3. Receivables from deliveries and services (gross) – of a maturity period after the balance sheet date

	30.06.2011	31.12.2010	30.06.2010
a) Up to 1 month	333 924	126 850	198 301
b) Between 1 and 3 months	0	0	21 859
c) Between 3 and 6 months	1 958	8 316	1 916
d) Between 6 and 12 months	0	0	506
e) Over 12 months	3 041	6 137	0
f) Deposits up to 12 months	26 344	24 765	30 659
g) Deposits over to 12 months	2 360	2 525	1 774
h) Overdue debts	14 186	3 250	0
Total receivables from deliveries and services (gross)	381 813	171 843	255 014
i) Write-offs from trade receivables	2 908	2 908	4 497
Total receivables from deliveries and services (net)	**378 905**	**168 935**	**250 517**

Note 7. Short-term prepayments

	30.06.2011	31.12.2010
Prepaid expenses, including:	77 768	61 867
- long-term contracts	77 768	61 867
Total short-term prepayments	**77 768**	**61 867**

Note 7.1 Prepayments due to construction contracts

	30.06.2011	31.12.2010	30.06.2010
Expected revenues from ongoing projects	1 625 020	1 498 521	1 421 940
Expected costs of ongoing projects	1 518 125	1 390 259	1 251 558
Expected margin on ongoing projects	106 896	108 262	170 382
Cumulative revenues recognized in the profit or loss	803 410	516 089	442 417
Cumulative costs recognized in the profit or loss	754 164	475 456	395 103
Cumulative margin recognized in the profit or loss	49 246	40 633	47 314
Margin to be recognized in next periods	57 650	67 629	123 068
Percentage of margin to be recognized in next periods	53,93%	62,46%	72,23%
Revenue surplus over partial invoices by staging	53 385	34 250	23 613
Costs surplus over expenses arising from the accounting costs by staging	30 875	17 316	26 209
Surplus on partial invoices over incomes by staging	15 642	9 178	10 342
Surplus on costs resulting from the accounting costs over expenses by staging	24 383	27 617	22 687
Total amounts presented in deferred expenditures	77 768	61 867	46 300
Total amounts presented in deferred revenues	46 517	26 494	36 551

Note 8. Significant amount of allowances recognized or reversed due to impairment losses

Impairment of long-term financial assets	**30.06.2011**	**31.12.2010**
Opening balance	**110**	**110**
Increase / Decrease	5 661	0
Closing balance	**5 771**	**110**

Accounted impairment of shares in Ersteel Sp. z o. o. amounting PLN 2,850 thousand and impairment of loan in the amount of PLN 2,811 thousand granted to Erbud Ireland Ltd. are the increased write-off amount.

Impairment of short-term financial assets	**30.06.2011**	**31.12.2010**
Opening balance	**264**	**0**
Increase / Decrease	-264	264
Closing balance	**0**	**264**

Impairment of inventories	**30.06.2011**	**31.12.2010**
Opening balance	**262**	**279**
Increase / Decrease	0	-17
Closing balance	**262**	**262**

Impairment of fixed assets	**30.06.2011**	**31.12.2010**
Opening balance	**0**	**0**
Increase / Decrease	0	0
Closing balance	**0**	**0**

Note 9. Share capital of ERBUD S.A. (the structure)

Note 9.1. Shareholding structure as at 30.06.2011

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.24%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.70%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	25.01%	None
	Total	**Ordinary**	**None**	**None**	**4 152 865**	**32.95%**	None
B	Juladal Investment Ltd	Ordinary	None	None	2 761 147	21.91%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.95%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.39%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	786 677	6.24%	None
D,E,C	Free Float	Ordinary	None	None	2 968 876	23.59%	None
	Total				12 602 711	100%	

This table presents the shareholders holding over 5% of the share capital.

The number of shares comprising the authorized capital is equal to the number of shares issued.

The nominal value per share is PLN 0.10.

Subsidiaries do not hold any shares of the Parent.

No shares have been reserved for issuance under sale agreements options.

Description of movements in the Company's share capital during the period from 1 January 2011 to the date of preparing the condensed interim financial statements.

In the first half of 2011, the main changes among the shareholders of the Parent were related to the reduction of ownership of the shares holding by Wolff & Muller Baubeteiligungen Gmbh & Co.KG by 1.21 percentage point and increasing the ownership of shares by AVIVA Otwarty Fundusz Emerytalny BZ WBK by 2.03 percentage point.

On 5 April 2011, the Management Board of Erbud SA was notified that the Otwarty Fundusz Emerytalny Aviva BZ WBK has increased the number of the Issuer's shares which as at 31.12.2010 amounted to 927,978 shares of Series D.

On 24 May 2011, the Management Board passed Resolution No. 2/2011 on the Company's share capital increase under the authorised capital by issuing shares of series F and depriving the existing shareholders of their pre-emptive rights to acquire shares Series F. The issue was addressed to employees authorized in connection with the second tranche of the Staff Incentive Scheme. On 10 August 2011, the Management Board adopted Resolution No. 4/2011 on the amount the share capital and on specifying the value of subscribed capital in the Articles of Association. In the increased share capital of the Company (under the authorised capital) acquired was an additional number of 41,458 ordinary bearer shares of series F with a nominal value of PLN 0.10 each one. Therefore, the share capital of PLN 4,145.80 has been subscribed under the capital increase. The share capital after increase amounts to PLN 1,264,416.90. Until the statements publication, the authorized capital after issuing shares of Series F has not yet been registered.

In addition to the powers arising from directly held shares of Erbud S.A., the major shareholders have no other voting rights at a general meeting.

Shares of Erbud S.A. held by the above mentioned persons are not preferred ones.

The Company's Statute does not give any personal rights to the shareholders referred to above in relation to Erbud SA, in particular, does not give the right to appoint members of the Management Board or members of the Supervisory Board of the Company.

Note 9.2 Shareholding structure as at 31.12.2010

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.24%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.70%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 304 865	26.22%	None
	Total	**Ordinary**	**None**	**None**	**4 304 865**	**34.16%**	None
B	Juladal Investment Ltd	Ordinary	None	None	2 761 147	21.91%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.95%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	927 978	7.36%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	786 677	6.24%	None
D,E,C	Free Float	Ordinary	None	None	3 072 044	24.38%	None
	Total				**12 602 711**	**100%**	

Note 9.3. Shareholding structure as at 30.06.2010

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.24%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.71%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 304 865	26.29%	None
B	Juladal Investment Ltd	Ordinary	None	None	3 314 865	26.37%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.97%	None
A	Józef Adam Zubelewicz	Ordinary	None	None	250 000	1.99%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	683 146	5.43%	None

D	BPH Towarzystwo Funduszy Inwestycyjnych S.A.	Ordinary	None	None	663 319	5.28%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	786 677	6.26%	None
C	Employees and persons related	Ordinary	None	None	40 887	0.33%	None
D	Free Float	Ordinary	None	None	1 777 266	14.13%	None
	Total				**12 571 025**	**100%**	

Note 10. Provision for deferred income tax

Provision due to	30.06.2011	31.12.2010	30.06.2010
- Measurement of construction contracts	14 776	11 009	8 797
- Other	1 067	200	237
Total provision for deferred income tax	**15 843**	**11 209**	**9 034**

Provision for deferred tax liability is based on the rate of 19% for taxable e and deductible temporary differences on domestic assets and liabilities.

Note 11. Change in long-term provisions for pensions and similar benefits

	30.06.2011	31.12.2010
a) at the beginning of the period	640	433
b) increases (from)	518	405
- retirement payments	0	0
- jubilee awards	518	405
c) used (due to)	0	0
d) released (due to)	271	199
e) at the end of the period	887	640

Note 12. change in short-term provisions for pensions and similar benefits

	30.06.2011	31.12.2010
a) at the beginning of the period	1 930	1 166
b) increases (from)	178	764
c) used (due to)	0	0
d) released (due to)	0	0
e) at the end of the period	2 108	1 930

Note 13. Change in other long-term provisions (by titles)

As at 30 June 2011, 31 December 2010 and 30 June 2010, there was not any entry to the books.

Note 14. Changes in other current provisions (by titles)

	30.06.2011	31.12.2010
a) At the beginning of the period	4 591	3 107
b) Increases (from)	7 503	1 915
- Litigation and claims	26	66
- Guarantee repair	862	1 548
- Losses on long-term contracts	6 615	301
c) Use (from)	0	250
- Tax on civil law transactions	0	250
d) Release (from)	301	181
- Litigation and claims	0	173
- Branch Germany	0	8
- Losses on long-term contracts	301	0
e) At the end of the period	11 793	4 591

Note 15

Note 15.1. Long-term liabilities

	30.06.2011	31.12.2010	30.06.2010
a) To subsidiaries	0	0	0
b) To other entities	1 514	1 691	1 315
- Other financial liabilities, of which	1 514	1 691	1 315
- due to finance lease	1 514	1 691	1 315
c) Other	8 539	9 201	12 735
Total long-term liabilities	**10 053**	**10 892**	**14 050**

Note 15.2. Long-term liabilities due to be paid after the balance sheet date

	30.06.2011	31.12.2010	30.06.2010
a) Over 1 up to 3 years	10 053	10 892	14 050
b) Over 3 up to 5 years	0	0	0
c) Over 5 years	0	0	0
Total long-term liabilities	**10 053**	**10 892**	**14 050**

Note 15.3. Long-term liabilities (the currency structure)

	30.06.2011	31.12.2010	30.06.2010
a) In Polish currency (PLN)	10 053	10 892	14 050
b) In foreign currencies (converted in PLN)	0	0	0
Total long-term liabilities	**10 053**	**10 892**	**14 050**

Note 16. Short-term liabilities (the currency structure)

	30.06.2011	31.12.2010	30.06.2010
a) In Polish currency (PLN)	393 125	256 487	251 646
b) Equivalent in Polish currency converted using the NBP average exchange rate as at the balance sheet (original settlement currency - the Euro)	1 827	2 980	3 975
Total short-term liabilities	**394 952**	**259 467**	**255 621**

Note 17. Finance lease liabilities

Fair value

	30.06.2011	31.12.2010	30.06.2010
Within 1 year	1 636	1 459	1 249
From 1 to 5 years	1 514	1 691	1 315
Over 5 years	0	0	0
Total	**3 150**	**3 150**	**2 564**

The Group uses financial leasing for means of transport. The average lease duration lasts 3-4 years. Liabilities due to lease agreements are secured by assets used under these agreements.

Note 18. Loans and credits

To finance current business the Company had as at 30.06.2011 three overdraft loans within the bank credit lines.

The following tables provide details of loans held:

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
PKO Bank Polski	20 000	PLN	15 122	Call rate of PKO BP + magin	2012-06-29

Final collateral:

- Capped mortgage to the amount of PLN 65 m. on the property, which are the undeveloped plots Nos. 275/3, 288/10 and 288/17, for which the District Court in Torun keeps Land and Mortgage Register under No. No. TO1T/00003133/2.
- Assignment of receivables under the contract GUM/CMI/BIII/88/2009 dated 20.05.2009 on construction works as general contractor concluded with the Medical University of Gdansk, based in Gdansk.
- Assignment of receivables from the contract No PLM/K/96/2010 of 14.09..2010 for the construction of the part of the Warszwa Modlin Airport concluded with Mazowiecki Port Lotniczy Warszawa Modlin Sp. z o.o. with a net value of PLN 87,911,621.
- Blank bill of exchange issued by Erbud SA together with the bill declaration
- Clause on claim deductions from accounts of Erbud SA conducted by PKO BP

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
BRE Bank S.A.	10 000	PLN	7 589	WIBOR for overnight deposits add bank margin	2011-12-31

Final collateral:
- Blank bill of exchange
- Assignment of debts covering the value of the loan granted

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate
	PLN '000		PLN '000	
ING Bank Śląski S.A..	15 000	PLN	10 956	Arithmetic average for WIBOR 1M from a given calendar month on the last working day of each calendar month add bank margin

Final collateral:
- Assignments of the receivables from contracts concluded by the Erbud SA within the framework of conducting business, in each case approved by the Bank, transferred to the Bank under the a transfer agreement for receivables due to a trade agreement.
- Conventional mortgage on real estate established by PBDI SA (a subsidiary of the borrower) to the amount of PLN 96 m. under the perpetual lease of land and the ownership of buildings and facilities on property located in Torun, 113 Polna St. - plots Nos. 128/1, 131/3 and 1/3, 658/2, for which the District Court in Torun keeps Land and Mortgage Register under No. TO1T/00040713/3.

Note 19. Issue / Redemption / Repayment of debt securities

During the six month period ended 30 June 2011 and comparative periods, there was no issue / redemption or repayment of debt securities.

On 14 July 2011, the Parent issued 50,000 unsecured three-year bearer bonds with a total par value of PLN 50,000,000. The issue price of bonds equals the nominal value and the interest rate was set based on WIBOR 6M plus a margin of 3.4% per year. 15 July 2014 is the Redemption Date.

Bearer bonds of Series A issued by the Parent were introduced on 2 August 2011 to the BondSpot alternative trading system on the Catalyst market. The first day of trading fell on 9 August 2011.

Note 20. Issue / Redemption / Repayment of equity securities

On 9 July 2010, the Board Erbud SA adopted at a its meeting Resolution No.4/2010 on specifying the value of subscribed capital, in connection with the Resolution of the Board No. 3/2010. Pursuant to the Resolution No. 4/2010 the share capital raised by PLN 3,168.60 to PLN 1,260,271.10. The Company's share capital increase has been carried out in accordance with Article 5 item 5 of the Statute of the Company and the Company's Management Board Resolution No. 3/2010 of 17 May 2010 on the increase of the share capital of the Company under the target capital by issuing shares of series E and depriving the existing shareholders of pre-emptive

rights to Series E shares. The increase took place under the Employee Incentive Scheme. On 22 December 31,686 shares of E Series were introduced to trading.

The capital increase resulted from the implementation of the 1st tranche of the Management Stock Option Program, which provides for three issues of shares for persons entitled employed by the Company and its subsidiaries. Next two issues should be carried out respectively by the end of May 2011 and the end of May 2012. Each of the successive equity increases provides for a maximum of 50,000 shares with a maximum value of PLN 5,000. On the basis of results set out in the Program Rules, the Board will determinate the number of shares to be offered to the person entitled.

On 16 June and 2 September 2010, the Issuer sold within the procedure of an ordinary session transaction all treasury shares he held and respectively 10,500 and 39,016 units. The reason and purpose of disposing shares was the implementation of resolution of the Extraordinary General Shareholders Meeting of 8 December 2009 on the repeal of Resolution No. 14/2009 adopted by the Annual General Meeting of Shareholders on 25 June 2009 and on consent to sale the treasury shares which the Company has acquired in accordance with the above mentioned resolution and the authorisation for the Board to determine terms and conditions for sale of these shares.

On 24 May 2011, the Management Board passed Resolution No. 2/2011 on the Company's share capital increase under the authorised capital by issuing shares of series F and depriving the existing shareholders of their pre-emptive rights to acquire shares Series F. The issue was addressed to employees authorized in connection with the second tranche of the Staff Incentive Scheme. On 10 August 2011, the Management Board adopted Resolution No. 4/2011 on the amount the share capital and on specifying the value of subscribed capital in the Articles of Association. In the increased share capital of the Company (under the authorised capital) acquired was an additional number of 41,458 ordinary bearer shares of series F with a nominal value of PLN 0.10 each one. Therefore, the share capital of PLN 4,145.80 has been subscribed under the capital increase. The share capital after increase amounts to PLN 1,264,416.90. Until the statements publication, the authorized capital after issuing shares of Series F has not yet been registered.

Note 21. Acquisitions / Sale of subsidiaries / Sale of long-term investments

In the current reporting period, there was neither acquisition nor sale of subsidiaries nor long-term investments.

Note 22. Net income on sales (by region)

	30.06.2011	30.06.2010
a) Domestic	570 522	428 657
- Sale of products	0	0
- Sale of services	570 522	428 657
of which: to associates	919	5 520
b) Export	1 911	13 760
- Sale of products	0	0
of which: to associates	0	0
- Sale of services	1 911	13 760
of which: to associates	25	55
Total trade net income	**572 433**	**442 417**
of which: to associates	**944**	**5 575**

Note 23. Net income on sales of goods and materials (by region)

	30.06.2011	30.06.2010
a) Domestic	**4**	**18**
- Sale of goods	4	18
of which: to associates	0	0
b) Export	0	0
- Sale of goods	0	0
of which: to associates	**0**	**0**
Total net income on sales of goods and materials	**4**	**18**
of which: to associates	**0**	**0**

Note 24. Expenses by sort

	30.06.2011	30.06.2010
a) Depreciation and amortisation	1 153	916
b) Consumption of materials and power	88 369	32 972
c) External services	464 356	345 072
d) Taxes and charges	1 089	1 369
e) Payroll	21 506	22 211
f) Social security and other benefits	5 748	4 351
g) Other costs	1 433	1 326
h) Goods and materials sold	0	0
Total expenses by sort	**583 654**	**408 217**
Change in products and accrued expenses due to construction contracts	16 794	1 538
Cost of products manufactured for in-house use (negative value)	0	0
Sales cost (negative value)	0	0
General and administrative costs (negative value)	-18 842	-14 652
Value of goods and materials sold		
Manufacturing cost of products sold	**581 606**	**395 103**

Note 25. Sale costs

The Company does not identify the cost of sales; it constitutes a part of the cost of products sold as well as general and administrative costs.

Note 26. Other operating income

	30.06.2011	30.06.2010
a) Profit on disposal of non-financial fixed assets, incl.:	7	10
- Fixed assets and fixed assets in progress	7	10
c) Other, incl.:	1 218	722
- Indemnities	720	32
- Release of provision for receivables	0	211
- Release of provision for guarantee works	0	474
- Penalties, compensations and indemnities imposed	473	5

- Other	25	0
Total other operating income	**1 225**	**732**

Note 27. Other operating expenses

	30.06.2011	30.06.2010
a) Loss on disposal of non-financial fixed assets	0	0
b) Revaluation of non-financial assets	0	0
c) Other, incl.:	1 366	918
- Allowance for receivables	0	397
- Impairment of receivables	381	193
- Penalties, compensations and indemnities	53	23
- Lawsuits costs	0	0
- Donations provided	0	17
- Creation of provision for guarantee repairs	862	0
- Creation of other provisions	0	221
- Creation of provision for litigation and claims	26	63
- Other	44	4
Total other operating expenses	**1 366**	**918**

Note 28. Financial income

Note 28.1. Financial income from dividends and profit sharing

In the reporting period ended 30 June 2011, the Company recorded financial income related to the dividend from a subsidiary GWI GmbH amounted to PLN 950 thousand.

In the reporting period ended 30 June 2010, the Company recorded financial income related to the dividend from a subsidiary Przedsiębiorstwo Robót Drogowych S.A. Amounted to PLN 2,000 thousand.

Note 28.2. Financial income due to interests

	30.06.2011	30.06.2010
a) Loans granted	1 650	702
- to associated entities, of which:	1 650	657
- to subsidiaries	1 650	657
- to other entities	0	45
b) Other interests	2 326	798
- from associated entities	0	0
- from other entities	2 326	798
Total financial cost due to interests	**3 976**	**1 500**

Note 28.3. Other financial income

	30.06.2011	30.06.2010
a) Foreign exchange profits	1	0
- realized	-224	0
- unrealized	225	0
b) Provisions released	0	0
c) Other	130	2
Total other financial income	**131**	**2**

Note 29. Financial costs

Note 29.1. Financial costs due to interests

	30.06.2011	30.06.2010
a) Loans and borrowings	643	125
- from associates	0	9
- from other entities	643	116
b) Other interests	366	157
- to associates	0	0
- to other entities	366	157
Financial liabilities due to lease	107	68
Interest on outstanding tax and social insurance liabilities	164	2
Other interests	95	87
Total financial cost due to interests	**1 009**	**282**

Note 29.2. Financial expenses – investment revaluation

In the reporting period ended 30 June 2011, the Company recorded costs associated with the revaluation of shares in Ersteel Sp. z o. o. and writing off a loan granted to Erbud Ireland Ltd. Deductions amounted to PLN 2,850 thousand and 2,811 thousand respectively.

Note 29.3. Other financial costs

	30.06.2011	30.06.2010
a) Foreign exchange losses	0	288
- realized	0	464
- unrealized	0	-176
c) Other, due to:	1 571	1 583
- charges on bank guarantee	81	649
- liabilities	0	166
- bank commissions	1 340	768
- other	150	0
Total other financial costs	**1 571**	**1 871**

Note 30. Current income tax

	30.06.2011	31.12.2010	30.06.2010
1. Gross profit (loss), of which:	**-31 336**	**37 237**	**34 086**
- gross profit (loss)	**-31 336**	**37 237**	**34 238**
- gross profit (loss) - Branch Germany	**0**	**0**	**-152**
Tax non-deductible costs	**30 673**	**34 818**	**14 839**
Revaluation of receivables and loans	0	703	397
Revaluation of long-term financial assets	2 850	19	0
Representation and advertising	586	2 003	587
Revaluation of investments	2 811	0	0
Balance sheet valuation of receivables	0	0	0
Litigation costs	0	0	0
Interest on outstanding tax and social insurance liabilities	164	11	1
Other	478	626	36
Penalties and sanctions	150	303	0
Contribution to National Disabled Persons Rehabilitation Fund (PFRON)	272	429	204
Creation of provision for balance sheet audit	222	194	284
Creation of provision for guarantee repairs	862	1 548	0
Creation of provision for retirement severance payments	0	158	0
Creation of holiday provision	178	765	471
Creation of provision for loss on long-term contracts	6 314	301	0
Creation of provision for for jubilee awards	518	49	0
Non-deductible VAT	286	395	186
Accrued expenses of the period	9 147	505	1 992
Provisions for litigation	26	66	0
Balance sheet valuation of bank accounts	34	8	0
Balance sheet valuation of loan	0	102	0
Balance sheet valuation of liabilities	267	0	0
Unpaid social security contributions (ZUS)	444	0	0
Other valuations	0	0	19
Depreciation of fixed assets leased	758	1 242	562
Financial costs on lease	107	160	68
Donations	13	25	16
Reversal of other balance sheet valuations	0	0	269
Valuation costs of construction contracts	193	0	1 538
Exclusion of costs from long-term contract taxed in Belgium	999	12 433	7 743
Financial liabilities (options)	0	166	166
Receivables deposit discount	920	0	0
Manager options	2 074	0	0
Contractual penalty	0	0	300
Branch Germany	0	1 496	0
Adjustment of income from the Angel project	0	11 111	0
Tax costs not counted as book costs	**1 401**	**17 165**	**13 217**
Release of provision for costs	0	172	0
Release of provision for for balance sheet audit	194	194	0
Use of provision for tax on civil law transactions	0	250	0
Lease payments	936	1 473	660
Payment of liabilities due to options	0	15 076	12 557
Costs of the Angel project	271	0	0
Book income not counted as tax income	**6 534**	**67 656**	**38 149**
Reversal of balance sheet valuation of liabilities	0	577	0
Release of holiday provision	0	0	0
Release of provision for for balance sheet audit	0	0	193
Release of provision for guarantee works	0	0	474
Release of provision fora severance payments	270	0	5
Release of provision for lawsuits	0	0	113
Release of other provisions	0	0	250

Reversal of balance sheet valuation of receivables	0	1 341	0
Balance sheet valuation of receivables	0	0	1 691
Balance sheet valuation of liabilities	30	0	422
Balance sheet valuation of loans	24	0	0
Balance sheet valuation of cash	33	0	153
Other valuations	72	0	94
Surplus of balance sheet revenue over taxes from contract valuation	0	46 559	26 402
Surplus of tax costs over balance sheet costs from contract valuation	0	0	0
Reversal of impairment losses on receivables	0	1 367	0
Revenue from long-term contract taxed in Belgium	856	9 450	5 389
Dividend	950	2 000	2 000
Interest on loans	1 641	1 055	963
Branch Germany	0	1 378	0
Contract WR-0913 Limanowa	0	3 929	0
Discount for the instalment payment for Budlex shares	663	0	0
Liabilities deposit discount	1 995	0	0
Tax income not accounted as book income	**-7 182**	**0**	**0**
Income from the Angel project (invoice correction)	**-11 111**	**0**	**0**
Contract WR-0913 Limanowa	3 929	0	0
2. Income tax base	**-15 780**	**-12 766**	**-2 441**
3. Deductions from taxation base	**0**	**0**	**0**
- Retained loss	0	0	0
- Donations	0	0	0
4. Taxation base after deductions (tax loss)	**-15 780**	**-12 766**	**-2 441**
5. Income tax paid in Germany	**0**	**0**	**0**
6. Income tax according to rate of 19%	**0**	**0**	**0**
8. Current income taxes shown in the tax return for the period	**0**	**0**	**0**
9. Change in assets due to deferred tax (19%)	**9 142**	**625**	**2 337**
10. Change in provision due to deferred tax (19%)	**4 634**	**6 584**	**4 409**
11. Change in assets credited to capital from previous yeas	**0**	**0**	**0**
12. Change in provision credited to revaluation capital	**0**	**0**	**0**
13. Change in assets and deferred tax provision	**-4 508**	**7 209**	**6 746**
14. Other liabilities - Branch Germany	**0**	**24**	**0**
15. Tax on dividends from a foreign company	**251**	**0**	**0**
16. Tax liability shown in total profit or loss from Branch Germany	**-4 257**	**7 233**	**6 746**

Note 31. Net earnings (losses) per share

	30.06.2011	31.12.2010	30.06.2010
Net earnings (loss)	-27 079	30 004	27 340
Weighted average number of shares / Diluted weighted average number of shares (in units)	12 602 711/ 12 680 526	12 579 532/ 12 657 881	12 571 025
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	-2.15 / -2.13	2.39 / 2.37	2.17

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company, and weighted average number of ordinary shares in use during the year.
Diluted earnings per share is calculated by dividing the profit attributable to shareholders of the Company, and diluted weighted average number of ordinary shares in use during the year.

Note 32. Net earnings (losses) – distribution

Net profit for the year 2010 in the amount of PLN 30,004 thousand was appropriated by Resolution No. 5 / 2011 of 21 June 2011 passed by the Annual General Meeting of Erbud S.A. for the supplementary capital

Note 33. Cash at the beginning and end of the period (structure)

	30.06.2011	31.12.2010
a) Total cash (as of the beginning of the period)	121 191	143 547
- Cash in hand and at bank	104 566	118 938
- Other cash	16 625	24 609
b) Total cash (as of the end of the period)	35 103	121 191
- Cash in hand and at bank	15 510	104 566
- Other cash	19 593	16 625
Change in cash	**-86 088**	**-22 356**
Change in cash due to exchange rate differences	141	0
Cash generated from operating activities	-105 349	25 010
Cash from investing activities	-11 981	-42 409
Cash from financing activities	31 101	-4 957

Reconciliation of movements in balance sheet items to changes reported in the statement of cash flows as at 30 June 2011 is presented below:

	30 June 2011
Change in balance sheet receivables	**-198 740**
Receivables discount	-920
Change in receivables in the cash flows statement	**-199 660**

	30 June 2011
Change in balance sheet liabilities	**100 979**
Liabilities discount	2 657
Partial payment of the obligations due to acquiring shares of Budlex	3 534
Change in liabilities in the cash flows statement	**107 170**

Note 34. Information on financial instruments

34.1. Carrying amount

Carrying amounts of all financial instruments of the Group by classes and categories of assets and liabilities as at 30 June 2011 is summarized in the table below:

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Loans granted (excluding consolidated entities)	0	0	0	0	0	**0**
Financial assets (stakes in non-consolidated entities)	184	0	0	0	0	**184**
Building contracts securities	0	0	28 705	0	-71 075	**-42 370**
Delivery and services receivables (excluding consolidated entities)	0	0	343 385	0	0	**343 385**
Receivables from customers under building contracts	0	0	77 768	0	0	**77 768**
Derivative financial instruments	0	0	0	0	0	**0**
Other financial assets	781	0	0	0	0	**781**
Cash and cash equivalents	0	35 103	0	0	0	**35 103**
Credits, loans and other borrowing costs (excluding consolidated entities)	0	0	0	0	-36 817	**-36 817**
Liabilities to customers under building contracts	0	0	0	0	-46 517	**-46 517**
Delivery and services liabilities (excluding consolidated entities)	0	0	0	0	-234 858	**-234 858**
Other receivables and liabilities	0	0	8 087	0	-9 788	**-1 701**
Total	**965**	**35 103**	**457 945**	**0**	**-399 055**	**94 958**

Carrying amounts of all financial instruments of the Group by classes and categories of assets and liabilities as at 30 June 2010 is summarized in the table below:

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Loans granted (excluding consolidated entities)			2 787			**2 787**
Financial assets (stakes in non-consolidated entities)	184					**184**
Building contracts securities					-21 274	**-21 274**
Delivery and services receivables (excluding consolidated entities)			211 138			**211 138**
Receivables from customers under building contracts			46 300			**46 300**
Derivative financial instruments				-2 516		**-2 516**
Other financial assets	709					**709**
Cash and cash equivalents		95 746				**95 746**
Credits, loans and other borrowing costs (excluding consolidated entities)					-2 563	**-2 563**
Liabilities to customers under building contracts					-36 551	**-36 551**
Delivery and services liabilities (excluding consolidated entities)					-139 495	**-139 495**
Other receivables and liabilities			687		-20 994	**-20 307**
Total	**893**	**95 746**	**260 912**	**-2 516**	**-220 877**	**134 158**

Carrying amounts of all financial instruments of the Group by classes and categories of assets and liabilities as at 31 December 2010 is summarized in the table below:

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Loans granted			2 713			**2 713**
Financial assets (stakes in non-consolidated entities)	184					**184**
Building contracts securities			27 290		-68 331	**-41 041**
Delivery and services receivables, excluding building securities			134 419			**134 419**
Receivables from customers under building contracts presented in prepayments			61 867			**61 867**
Derivative financial instruments						
Other financial assets	709					**709**
Cash and cash equivalents		121 191				**121 191**
Credits, loans and other borrowing costs					-3 150	**-3 150**
Liabilities to customers under building contracts					-26 494	**-26 494**
Delivery and services liabilities, excluding building securities					-123 235	**-123 235**
Other receivables and liabilities			17 406		-14 943	**2 463**
Total	**893**	**121 191**	**243 695**	**0**	**-236 153**	**129 626**

34.2. Income, expenses, gains and losses recognized in profit or loss by categories of financial instruments

for the period from 1 January 2011 to 31 December 2011

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest income (expense)	**0**	497	100	0	-1 009	**-412**
Gains (losses) from exchange rate differences	0	18	-90	0	73	**1**
Impairment charges (impairment release)	**0**	0	-3 193	0	0	**-3 193**
Gains (losses) on valuation	72	0	-920	0	2 658	**1 810**
Gains (losses) on sale / implementation of financial instruments	0	0	0	0	0	**0**
Total	**72**	**515**	**-4 103**	**0**	**1722**	**-1 794**

Income, expenses, gains and losses recognized in profit or loss by categories of financial instruments

for the period from 1 January 2010 to 31 June 2010

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest income (expense)		739	104		-273	**570**
Gains (losses) from exchange rate differences	-59		-157		-72	**-288**
Impairment charges (impairment release)			-590			**-590**
Gains (losses) on valuation				-166		**-166**
Gains (losses) on sale / implementation of financial instruments				263		**263**
Total	**-59**	**739**	**-643**	**97**	**-345**	**-211**

Income, expenses, gains and losses recognized in profit or loss by categories of financial instruments

for the period from 1 January 2010 to 31 December 2010

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest income (expense)		**1 790**	**117**		**-393**	**1 514**
Gains (losses) from exchange rate differences		**-274**	**-716**		**424**	**-566**
Impairment charges (impairment release)			**751**			**751**
Gains (losses) on valuation				-169		**-169**
Gains (losses) on sale / implementation of financial instruments	263					**263**
Interest income (expense)	**263**	**1 516**	**152**	**-169**	**31**	**1 793**

Note 35. Revenues, costs and results of discontinued operations during the reporting period, or intended to be discontinued in the subsequent period

Over the reporting period and within 12 months from the reporting date, the Company does not plan to discontinue of any type of activity.

Note 36. Information about transactions with affiliated entities (mutual receivables and liabilities, as well as costs and revenues from mutual transactions) that are subject to consolidation and those not to be consolidated

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30 June 2011		Period ended 30 June 2011	
Total affiliated entities	**49 727**	**43 993**	**2 723**	**57 016**
- Deliveries and services	6 843	43 993	944	57 016
- Loans and interest liabilities	42 816	0	1 650	0
- Other	68	0	129	0
Affiliated entities that are subject to consolidation	**49 701**	**43 564**	**1 698**	**57 016**
- Deliveries and services	6 817	43 564	0	0
- Loans and interest liabilities	42 816	0	1 569	0
- Other	68	0	129	0
Affiliated entities that are not subject to consolidation	**26**	**429**	**81**	**0**
- Deliveries and services	26	0	0	0
- Other	0	0	0	0
- Loans and interest liabilities	0	0	81	0

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 31 December 2010		as at 31 December 2010	
Total affiliated entities	**45 668**	**35 783**	**13 585**	**78 861**
- Deliveries and services	7 287	35 747	10 156	78 851
- Loans and interest liabilities	34 994	36	1 414	10
- Other	3 387	0	2 133	0
Affiliated entities that are subject to consolidation	42 893	34 778	13 585	78 861
- Deliveries and services	7 225	34 742	10 156	78 851
- Loans and interest liabilities	32 281	36	1 297	10
- Other	3 387	0	2 132	0
Affiliated entities that are not subject to consolidation	2 775	1 005	0	0
- Deliveries and services	62	1 005	0	0
- Other	0	0	0	0
- Loans and interest liabilities	2 713	0	117	0

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30 June 2010		Period ended 30 June 2010	
Total affiliated entities	**30 935**	**22 412**	**8 232**	**30 185**
- Deliveries and services	6 984	22 154	5 575	30 180
- Loans and interest liabilities	21 940	0	657	5
- Other	2 011	258	2 000	0
Affiliated entities that are subject to consolidation	**27 846**	**21 717**	**8 167**	**29 047**
- Deliveries and services	6 946	21 717	5 513	29 042
- Loans and interest liabilities	18 889	0	654	5
- Other	2 011	0	2 000	0
Affiliated entities that are not subject to consolidation	**3 089**	**695**	**65**	**1 138**
- Deliveries and services	38	437	62	1 138
- Other		0	0	0
- Loans and interest liabilities	3 051	258	3	0

Note 37.

As at 30 June 2011 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at the AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2 761 147	21.91%	2 761 147	21.91%
Dariusz Grzeszczak	Ordinary	750 000	5.95%	750 000	5.95%
Józef Adam Zubelewicz	Ordinary	250 000	1.98%	250 000	1.98%
Walenty Twardy Procurator of ERBUD SA	Ordinary	5 884	0.05%	5 884	0.05%
Piotr Augustyniak Procurator of ERBUD SA	Ordinary	7 397	0.06%	7 397	0.06%
Agnieszka Głowacka Procurator of ERBUD SA	Ordinary	4 136	0.03%	4 136	0.03%
Grzegorz Krzywicki Procurator of ERBUD SA	Ordinary	2 872	0.02%	2 872	0.02%
Bogdan Duerr Procurator of ERBUD SA	Ordinary	4 895	0.04%	4 895	0.04%
Włodzimierz Czystowski Procurator of ERBUD SA	Ordinary	5 524	0.05%	5 524	0.05%
Tomasz Krzywicki Procurator of ERBUD SA (by a person related)	Ordinary	3 636	0.03%	3 636	0.03%
Mirosław Młynarski Prokurator	Ordinary	2 070	0.02%	2 070	0.02%
Radosław Kałamaga Prokurator	Ordinary	2 021	0.02%	2 021	0.02%
Tomasz Krzywicki Procurator of ERBUD SA	Ordinary	1 250	0.01%	1 250	0.01%
Maciej Wyrzykowski Procurator of ERBUD SA	Ordinary	1 000	0.01%	1 000	0.01%

As at 31 December 2010 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at the AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2 761 147	21.91%	2 761 147	21.91%%
Dariusz Grzeszczak	Ordinary	750 000	5.95%	750 000	5.95%
Józef Adam Zubelewicz	Ordinary	250 000	1.98%	250 000	1.98%
Walenty Twardy Procurator of ERBUD SA	Ordinary	5 884	0.05%	5 884	0.05%
Piotr Augustyniak Procurator of ERBUD SA	Ordinary	7 397	0.06%	7 397	0.06%
Agnieszka Głowacka Procurator of ERBUD SA	Ordinary	4 136	0.03%	4 136	0.03%
Grzegorz Krzywicki Procurator of ERBUD SA	Ordinary	2 872	0.02%	2 872	0.02%
Bogdan Duerr Procurator of ERBUD SA	Ordinary	4 895	0.04%	4 895	0.04%
Włodzimierz Czystowski Procurator of ERBUD SA	Ordinary	3 225	0.03%	3 225	0.03%
Tomasz Krzywicki Procurator of ERBUD SA	Ordinary	1 250	0.01%	1 250	0.01%
Maciej Wyrzykowski Procurator of ERBUD SA	Ordinary	1 000	0.01%	1 000	0.01%

As at 30 June 2010 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at the AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	3 314 865	26.37%	3 314 865	26.37%
Dariusz Grzeszczak	Ordinary	750 000	5.98%	750 000	5.98%
Józef Adam Zubelewicz	Ordinary	250 000	1.99%	250 000	1.99%
Walenty Twardy Procurator of ERBUD SA	Ordinary	4 979	0.03%	4 979	0.03%
Albert Dürr Member of the Supervisory Board	Ordinary	17 000	0.13%	17 000	0.13%
Piotr Augustyniak Procurator of ERBUD SA	Ordinary	3 636	0.03%	3 636	0.03%
Agnieszka Głowacka Procurator of ERBUD SA	Ordinary	3 386	0.03%	3 386	0.03%
Grzegorz Krzywicki Procurator of ERBUD SA.	Ordinary	1 450	0.01%	1 450	0.01%
Bogdan Duerr Procurator of ERBUD SA	Ordinary	3 636	0.03%	3 636	0.03%
Włodzimierz Czystowski Procurator of ERBUD SA	Ordinary	3 225	0.03%	3 225	0.03%

In accordance with Resolution No. 6/2009 of the Extraordinary General Meeting of 8 December 2009, the Company carried out in the current reporting period the 1st tranche of the of the Management Stock Option Program, under which the holders were given the opportunity to acquire shares issued within the authorised capital.

On 24 May 2011, the Management Board passed Resolution No. 2/2011 on the Company's share capital increase under the authorised capital by issuing shares of series F and depriving the existing shareholders of their pre-emptive rights to acquire shares Series F.

On 10 August 2011, the Management Board adopted the resolution No. 4/2011 on specifying the value of subscribed capital and the share capital in the Articles of Association. In the equity increased under the authorized capital, an additional number of 41,458 ordinary bearer shares of series F with par value of PLN 0.10 each has been acquired; thus the share capital of PLN 4,145.80 has been covered under the capital increase. The Company's share capital after the increase amounts to PLN 1,264,416.90.

Under the Employee Incentive Scheme Program the following number of shares of series E have been granted to the managing staff:

Shareholder	Class of shares	Number of shares
Walenty Twardy – procurist of Erbud S.A.	Common	4 500
Piotr Augustyniak – procurist of Erbud S.A.	Common	2 350
Maciej Wyrzykowski – procurist of Erbud S.A.	Common	1 200
Agnieszka Głowacka - procurist of Erbud S.A.	Common	2 500
Grzegorz Krzywicki - procurist of Erbud S.A.	Common	161
BogdanDuerr - procurist of Erbud S.A.	Common	1 817
Tomasz Krzywicki – procurist of Erbud S.A.	Common	1 500
Włodzimierz Czystowski – procurist of Erbud S.A.	Common	1 800
Radosław Kałamaga – procurist of Erbud S.A.	Common	1 683
Mirosław Młynarski – procurist of Erbud S.A.	Common	2 409

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2011 and as at 31 December 2010 did not have outstanding loans, credits or a guarantees granted by the companies of the Erbud Group.

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2011 and as at 31 December 2010 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Note 38. Information about joint ventures that are not subject to consolidation

The Company does not conduct any non-consolidated joint ventures.

Note 39. Information about significant events that occurred during the first half of 2011 and after the balance sheet date.

On 17 January 2011, the Issuer entered into a contract with the West Pomeranian University of Technology, Szczecin to build the Teaching and Research Centre for Nanotechnology.
The net contract value amounts to PLN 29,250,000.00.
The contract is to be completed by 30 September 2012 together with the receipt of permission to use.

On 02 March 2011, Erbud SA signed an agreement with Dom Development S.A. to construct the "ADRIA, phase II" residential complex with services and underground garage, incl. technical infrastructure, installations and necessary land facilities, located in Warsaw at Jugosławiańska St.
Contract value: PLN 43,001,636 net.
Works will last 17 months.

On 23 March 2011, Erbud SA concluded an agreement with M-Alfa Osiedle sp. z o.o. joint-stock partnership, based 80-391 Gdańsk, at 41C Kołobrzeska St. for erection of the Alfa Park Housing Estate (189 apartments in 7 buildings).
Contract value: PLN 40,990,000.00.
Works will last 18 months.

On 15 April 2011, Erbud signed an agreement to design and construct the Hospital in Krosno. Builder: Wojewódzki Szpital Podkarpacki im. Jana Pawła II, ul. Korczyńska 57, 38-400 Krosno.
Contract value: PLN 23,443,000 net.
Works will last till 14.12.2012.

In addition to the significant agreements for construction works, Erbud SA signed several contracts that do not exceed the criterion set by "Significant agreement".

Other important events

On 25 February 2011, Erbud SA entered into a settlement agreement with ANGEL CITY Sp. z o.o., based in Krakow at Szlak St. 77/316 and SWIFT ANGEL INVEST Sp. o.o., based in Krakow at Sławskowska St. 6/7 as follows:

Acknowledging a claim of ANGEL CITY for reduction of the remuneration in connection with the execution of the 2006 Agreement, Erbud reduces the amount required and grants a discount of PLN 11,524,095.15 gross and recognizes the additional costs incurred by ANGEL CITY in the amount of PLN 247,130.92 gross.

For the performance of works under the 2005 Agreement, ANGEL INVEST should pay to Erbud the remuneration of PLN 3,945,156.20 gross. Recognizing the additional costs incurred by ANGEL INVEST in the amount of PLN 80,239.27 gross, both parties have agreed, that ANGEL INVEST will pay to Erbud an amount of PLN 3,500,000.00 gross, while for the remaining part of the remuneration amounting to PLN 364,925.92 gross, Erbud grants a discount. Payment received on account of the company on 8 April 2011. The payment was effected to the company's bank account on 8 April 2011.

On 9 May 2011, Erbud signed the Annex No. 2 to the loan agreement with ING Bank Śląski SA. By virtue of this Annex Erbud SA, Budlex Sp. z o. o. and PBDI SA (subsidiaries of the Issuer) may benefit from an overdraft and the financial guarantees line. The line value is PLN 80 million, of which the borrower may fall into debt under the negative balance to the amount of PLN 32 million and arrange the issue of financial guarantees to the amount resulting from the difference between PLN 80 m. and balance of the loan used.

Sublimits for individual borrowers are:
- Erbud SA - PLN 32 m,
- Budlex Sp. z o. o. - PLN 12 m,
-PBDI - PLN 5 m.

The total debt can not exceed PLN 32 million.

Within the financial guarantees limit, the individual borrower can request to issue a guarantee under sublimits:
- Erbud SA - the entire available sublimit,
- PBDI SA - guarantee to three years - 8 m, guarantees over three years - 3 m.

The agreement is secured by:
- assignment of receivables from Erbud SA contracts at 150% of the value of the line,
- security deposit of 10% of the guarantee value for guarantees over 2 years and 20% of the guarantee value in case of guarantees over 4 years,
- bail mortgage up to PLN 96 m. on real estate belonging to PBDI SA and located in Toruń.

The interest rate on the line was established on the market conditions.

Relevant information on subsidiaries

On 28 January 2011, the Management Board of the Issuer was informed was notified today about entering into a contract on behalf of the Issuer, under which it has been established a possessory and registered pledge on 1,160 registered series B shares of the subsidiary - Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A (formerly: Przedsiębiorstwo Robót Drogowych S.A) based in Toruń (the "PBDI S.A.") with a nominal value of PLN 50 per one share and of the aggregate nominal value of PLN 59,160.00 (fifty-nine thousand one hundred and sixty) representing 6.65% of the share capital of the PBDI S.A.
Following the Definitive Agreement on sale of the Budlex Sp. z o. o. shares (the "Definitive Agreement") signed on 19 February 2010 between the Issuer and Rison Limited, on which the Issuer reported in the Current Report No. 9/2010 and the Share Pledge Agreement signed on 19 February 2010 between the Issuer and Rison Limited, the Issuer (the "Pledger") established a possessory and registered pledge to Rison Limited (the "Pledgee"). The total amount of the pledged shares is PLN 5,059 and the total nominal value is PLN 252,950 (two hundred fifty-two thousand nine hundred and fifty zlotys), which represents 29% of the share capital of PBDI S.A.

These 5,059 pledged shares is valued in the accounts of the Issuer at PLN 14,372,992. There is no relationship between the Issuer and persons managing or supervising the Issuer and the Pledgee. The Issuer holds 94.3% of the share capital and voting rights at a general meeting of PBDI S.A. and considers the investment in the PBDI equity as a long-term one.
The criterion to recognize the burden of assets i.e. shares in PBDI S.A. as significant is: total book value of the pledged shares amounts to more than EUR 1 million.

Note 40. Changes in the applied accounting rules (policy) and principles of preparing financial statement in relation to the previous financial year (financial years), their causes, titles and influence of financial effects caused by this on the asset and financial position, liquidity, profits and profitability.

In the current period, the Company has not made any changes in accounting policies and method of preparation of financial statements in relation to the previous year.

Note 41. Business combinations

Over the period from 1.01.2011 to 30.06.2011 there were no business combinations between the Company and other entities.

On 4 October 2010 the Issuer informed of the planned merger of two companies: Przedsiębiorstwo Robót Drogowych S.A. [PRD S.A.] and Rembet Plus Sp. z o.o. Erbud SA is the sole shareholder of PRD S.A and the majority shareholder holding a 75% stake in Rembet Plus Sp. z o.o.
The merger will be held under Art. 492 § 1 point 1) of the Commercial Companies Code by acquiring assets of Rembet Plus Sp. z o. o. by Przedsiębiorstwo Robót Drogowych S.A. against shares. As a result of the merger, the share capital of the transferee company will be increased by PLN 200.000 through the issuance of 4,000 new ordinary bearer shares of series B with a value of PLN 50 each share, which will be acquired by the shareholders of Rembet Plus Sp. z o.o. in exchange for shares, while the current percentage of shares held in the offeree company will be the same.
A strengthen of the economic and production potential of both entities and creation of a company that using the increased capacity, experience and credentials of the merged companies will be able to play an important role in the market of road-engineering construction is the purpose of the combination.
December 2010, the District Court in Toruń, VII Economic Division of the National Court Register issued a sentence on the merger of companies Rembet Plus Sp. z o. o. and PRD SA according to the combination plan presented by the above companies to the court. Following the merger, a new entity has been formed under the name of Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. with the seat in Toruń.
Erbud S.A. holds a 94.27% stake in the share capital and the same percentage of votes at a general meeting of the new company. Mr. Jacek Leczkowski, a former partner of Erbud S.A. in the subsidiary Rembet Plus Sp. z o. o. is a minority shareholder.

Note 42. Dividend policy - description of the dividends payment policy and any limitations connected. The dividend value per share for each financial year of the period covered by the historical financial information,, adjusted for comparison purposes in case of changes in the number of shares

In the reporting period the Company did not pay dividends.

Note 43. Derivative financial instruments

As at 30 June 2011, 31 December 2010 and 30 June 2010, the Company has no liabilities from derivative financial instruments.

Note 44. Significant transactions concluded by the company with related parties under conditions other than market ones

According to the Company, such transactions have not occurred.

Note 45. Information on the nature and economic purpose of agreements concluded by the unit, which are not included in the balance sheet as necessary to assess their impact on the assets, financial position and financial result of the company

There were no such agreements.

Note 46. Contingent liabilities to related parties

	30.06.2011	31.12.2010	30.06.2010
1) Contingent liabilities to affiliated entities from			
a) guarantees and sureties provided, of which	0	0	4 000
- to subsidiaries	0	0	4 000
- to associates	0	0	0
b) other, of which	0	0	0
- to subsidiaries	0	0	0
- to associates	0	0	0
Total contingent liabilities to affiliated entities	**0**	**0**	**4 000**

Note 47. Assets-backed securities

Possessory pledge on assets of substantial value, i.e. on 5.059 shares in Przedsiębiorstwo Robot Drogowych S.A. headquartered in Toruń

1) The book value of shares in the accounts of the Issuer:

Name and legal form of the subsidiary	Seat	Business area	Type of the relationship (subsidiary, interdependent, associate, detailing the direct and indirect relationships)	Method of consolidation / equity method or indication that the unit is not subject to consolidation / to valuation by equity method	Value adjustment (total)	Carrying amount of shares /stocks	Equity stake held	Voting power at the AGM
Przedsiębiorstwo Robót Drogowych SA	Toruń	road engineering	subsidiary	full method	0	49 554	94,3%	94,3%

2) A relationship type between Erbud SA and persons managing or supervising Erbud SA and the pledgee (Seller):

Lack

3) Percentage of the pledged shares in the nominal capital of PRD SA and the value at par of shares and their character as long-term or current capital investment of Erbud SA:

Pledged shares represent 29% of the nominal capital of PRD S.A. The Issuer considers the investment in PRD shares as a long-term one

Other asset-backed security - for loans described in detail in Note 18.

Note 48. Legal claims

On 22 December 2010, Erbud SA brought to the Regional Court in Warsaw, XVI Commercial Division an action for payment against Bank Millennium S.A.
Value of the dispute: PLN 71,065,496.
The respondent: Bank Millennium S.A. in Warsaw.

In 2008, the Bank Millennium S.A. advised the Issuer (Erbud S.A.) concluding a transaction on currency options to protect euro-denominated contracts executed by the Issuer against an exchange rate risk. The Bank's offer resulted from the Issuer's need to adequate secure its situation.
The product was presented by the Bank as an instrument optimally adapted to the requirements of Erbud S.A. In the fourth quarter of 2008, as a result of the drastic depreciation of the Polish zloty against euro, the Bank Millennium S.A. reported to the Issuer a negative valuation of its exposure. At the same time, there arose a dispute as to content of the currency options transactions, primarily concerning exclusion of optional structures.

During many talks, the Issuer presented its position to the Bank, which required execution of the transaction, including action for compulsory execution of claims. In order to reduce the amount of potential loss, the disputed transactions were restructured, and the Bank has been informed about future legal action to compensate damage resulting from the transactions of currency options.
The restructuring details were announced by the Issuer in the Current Report No. 43/2008 of 21.11.2008, and in the financial statements for the year 2008. The Issuer has never agreed with the position of the Bank Millennium S.A. and therefore call the Bank twice to pay the amount of PLN 71,065,496, which consists of amounts collected by the Bank from the Issuer's bank account, lost benefits and legal and financial advisors' fees. Accordingly, the Issuer has decided to enter a lawsuit for payment in order to compensate the damage suffered.

Note 49. Remuneration of an auditor or entity authorized to audit financial statements, paid or payable for the financial year, separately for:

In the current reporting period the Company incurred costs of PLN 222 k associated with review of the separate and consolidated financial statements as at 30 June 2011 for the period from 1 January to 30 June 2011.

Note 50. Information on significant events from previous years, included in the financial statements for the current period

Such events did not occur.

Note 51. Information on significant events that occurred after the balance sheet date, not included in the financial statements

Such events did not occur.

Note 52. Information on average employment by occupational groups

Average employment	30.06.2011	31.12.2010
White-collar workers	314	305
Blue-collar workers	275	333
Total	**589**	**638**

Note 53. Information about expenditures for non-financial assets, including those incurred and planned for environmental protection, which were incurred in the last year and are planned for next year

Expenditures incurred for non-financial assets during the reporting period amounted to PLN 1,609 thousand. Planned capital outlays for non-financial assets in 2011 amount are of PLN 300 thousand.

As at 30 June 2011 and in the previous fiscal year the Company did not incur expenditures on environmental protection.

Note 55. Information about extraordinary profit or loss (random and others)

Such events did not occur.

Note 56. Information about income tax on the extraordinary operations. result

There were no extraordinary operations.

Note 57. Seasonality

Sales of construction and assembly services in Poland is characterized by some seasonality related primarily to weather conditions. Typically, the highest revenues are achieved in the third quarter, while the lowest - in the first quarter. However, it cannot be considered typical seasonal activities.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 30, 2011