Translation from Polish

ERBUD GROUP

INTERIM REPORT ON OPERATIONS OF THE ISSUER'S CAPITAL GROUP AS AT 30.06.2012

WARSAW, 29.08.2012

TABLE OF CONTENTS

1. Overview of financial highlights, including a commentary:
    a. Analysis of the consolidated statement of financial position
    b. Analysis of the statement of comprehensive income
    c. Key economic ratios
    d. Analysis of the consolidated cash flow statement.
2. Description of the organization of the Erbud S.A. Capital Group.
3. Indication of the effects of changes in the structure of the enterprise, including results from business combination, acquisition or sale of the companies comprising the Issuer's Capital Group, long-term investments, distribution, restructuring and discontinuing operations.
4. The opinion of the Management Board of Erbud SA as regards the feasibility of the previously published estimates.
5. List of shareholders holding at least 5% of the total number of votes at a general meeting of shareholders - directly or indirectly through subsidiaries - as at the date of submission of this report.
6. Breakdown of number of the Issuer's shares holding by the managing and supervising staff as at the date of submission of quarterly report, including changes in ownership.
7. Information about the proceedings pending before a court, authority responsible for arbitration or public administration in accordance with paragraph 87 item 7 point 7 sub-points a) and b) of the Decree 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 equivalent to information required by the law of a non-member state [the "Decree"].
8. Information about one or more transactions with associates concluded by the Issuer or its subsidiary in accordance with paragraph 87 item 7 point 8 of the Decree.
9. Information about credit or loan guarantees provided by the Issuer or its subsidiary to an entity or a company controlled by this entity, if the total value of the guarantee is equal to at least 10% of the equity of the Issuer.
10. Other information, which in the Issuer's opinion are important for the assessing its personnel situation, the asset and financial position, financial results and their changes that are relevant to evaluate the feasibility of the Issuer's obligations.
    a. Managing the Issuer's financial assets
    b. Off-balance sheet liabilities of the Issuer
    c. Insurance Contracts
    d. Asset-backed securities.
11. Bodies of the Issuer
12. Factors, which in the Issuer's opinion will have an impact on the results achieved over at least next quarter.
13. Description of the business outlook in the reporting period and the market environment in which the Issuer operates.
14. Main threats and risks.

1. Overview of economic and financial highlights

The financial position of Erbud SA in the first half of 2012 is characterized by selected economic and financial figures recognized in the consolidated statement of financial position, statement of comprehensive income, consolidated cash flow statement and the notes, together with the auditor's opinion and report.

a) ANALYSIS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

BALANCE SHEET	30.06.2012	30.06.2011	Change	Change in %
I. Fixed assets	**138 317,00**	**119 558,00**	**18 759,00**	**15,69**
1. Intangible fixed assets	29 649,00	32 944,00	-3 295,00	-10,00
2. Investment real property	5 536,00	5 770,00	-234,00	-4,06
3. Goodwill	20 102,00	20 102,00	0,00	0,00
4. Tangible fixed assets	588,00	531,00	57,00	10,73
5. Non-current financial assets	31 780,00	28 148,00	3 632,00	12,90
6. Long-term receivables	770,00	30,00	740,00	2 466,67
7. Long-term prepayments	0,00	0,00	0,00	0,00
8. Deferred tax assets	49 892,00	32 033,00	17 859,00	55,75
II. Current assets	**620 231,00**	**661 245,00**	**-41 014,00**	**-6,20**
1. Inventory	128 806,00	113 936,00	14 870,00	13,05
2. Current receivables	259 271,00	393 264,00	-133 993,00	-34,07
3. Financial assets	792,00	3 936,00	-3 144,00	-79,88
4. Short-term investments	70 232,00	60 698,00	9 534,00	15,71
5. Construction contracts	122 164,00	55 402,00	66 762,00	120,50
6. Short-term prepayments	1 975,00	515,00	1 460,00	283,50
8. Building securities	36 991,00	33 494,00	3 497,00	10,44
Total assets	**758 548,00**	**780 803,00**	**-22 255,00**	**-2,85**
I. Total equity	**238 277,00**	**219 976,00**	**18 301,00**	**8,32**
1. Equity attributable to shareholders of the Parent	**228 148,00**	**210 674,00**	**17 474,00**	**8,29**
2. Minority interests	**10 129,00**	**9 302,00**	**827,00**	**8,89**
II. Long-term liabilities, incl.	**113 555,00**	**61 161,00**	**52 394,00**	**85,67**
Credits and loans	61 870,00	18 988,00	42 882,00	225,84
III. Short-term liabilities, incl.	**406 716,00**	**499 666,00**	**-92 950,00**	**-18,60**
Credits and loans	55 414,00	63 777,00	-8 363,00	-13,11
Trade liabilities	211 422,00	303 134,00	-91 712,00	-30,25
Building securities	78 549,00	72 311,00	6 238,00	8,63
Building contracts	17 418,00	14 618,00	2 800,00	19,15
Total liabilities	**758 548,00**	**780 803,00**	**-22 255,00**	**-2,85**

The carrying value of the Group as compared to the same period of the previous year reduced by 2,85%.

Except for the increase of long-term debt as a result of the issuance of bonds in July 2011 with a par value of PLN 50,000,000, the balance sheet structure did not change significantly in comparison with the corresponding period last year and the proportions between current assets and fixed assets are stable, what is characteristic for companies rendering services.

b) ANALYSIS OF THE STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2012

- (Classification by nature)

ITEM	30.06.2012	30.06.2011	Change	Change in %
A. Revenue from core business	**579 983**	**686 480**	**-106 497**	**-15,51**
B. Operating expenses	**566 533**	**716 466**	**-149 933**	**-20,93**
Amortisation and depreciation	3 669	3 884	-215	-5,54
Consumption of materials and energy	112 184	131 016	-18 832	-14,37
External services	362 357	512 938	-150 581	-29,36
Taxes and charges	3 896	2 930	966	32,97
Payroll	51 341	47 104	4 237	8,99
Social security and other benefits	11 544	11 060	484	4,38
Other costs by type	5 495	5 855	-360	-6,15
Value of goods and materials sold	16 047	1 679	14 368	
C. Profit (loss) on sales	**13 450**	**-29 986**	**43 436**	**-144,85**
D. Other operating revenues	2 374	4 029	-1 655	-41,08
E. Other operating expenses	1 641	1 809	-168	-9,29
F. Profit (loss) on operating activities	**14 183**	**-27 766**	**41 949**	**-151,08**
G. Financial revenues	3 265	3 249	16	0,49
H. Financial costs	6 635	7 737	-1 102	-14,24
I. Profit (loss) on business activities	**10 813**	**-32 254**	**43 067**	**-133,52**
J. Profit (loss) before tax	**10 813**	**-32 254**	**43 067**	**-133,52**
K. Income tax	2 479	-3 666	6 145	-167,62
L. Other statutory reductions in profit	0	0	0	0,00
N. Net profit	**8 334**	**-28 588**	**36 922**	**-129,15**

As at 30 June 2012 revenues from the core business amounted to PLN 579,983 thousand which represents a decline by 15,51% as compared to the corresponding period.
Profit on sales was PLN 13,450 thousand, EBIT – 14,183 thousand and net profit – PLN 8,334 thousand.

c) KEY ECONOMIC RATIOS

KEY FINANCIAL RATIOS*

Item	*As at 30.06.2012*	*As at 30.06.2011*
ROE[1]	3.50%	-13.00%
ROA[2]	1.10 %	-3.66 %
EBIT[3]	2.35%	-4.06%
EBITDA[4]	2.96%	-3.49%
Return on sales[5]	6.65%	-4.38%
Return on sales before tax[6]	1.79%	-4.71%
Return on net sales[7]	1.38%	-4.18%
Current liquidity ratio[8]	1.52	1.30
Quick liquidity ratio[9]	1.21	1.10
Overall debt ratio[10]	69%	72%
Debt to equity ratio[11]	2.18	2.55

* Financial ratios calculated on the basis of data from the statement of comprehensive income for the period from 1 January 2012 to 30 June 2012 (Functional Classification).

[1] *Net income / Equity*
[2] *Net income / Total assets*
[3] *Operating profit / Net income on sales*
[4] *Operating profit + Amortization / Net income on sales*
[5] *Gross income on sales / Net income on sales*
[6] *Gross income / Net income on sales*
[7] *Net income / Net income on sales*
[8] *Current assets / Current liabilities*
[9] *Current assets – Inventories / Current liabilities*
[10] *Liabilities and provisions for liabilities / Total assets*
[11] *Liabilities and provisions for liabilities / Equity*

1. In this index and its trend are particularly interested shareholders of the company (investors). A high ROE (Return on Equity) shows them whether the capital has been allocated properly. It suggests that the company is developing what creates opportunities for higher dividends.
2. The value of ROE is usually compared with the bank interest rate on long-term deposits. The level of this ratio should exceed the rate of long-term bank deposits.
3. ROA (Return on Assets) informs about the company's ability (and more strictly - its assets) to generate a profit. It shows how effectively a company manages its assets. The higher value of ROA, the better the company's financial situation. The ROA ratio is of particular interest of the company's lenders, since it is a valuable source of information about the ability of assets to raise revenue, which is the source of instalments and interest on loans. Western banks expect this index to reach a level of 2-6 per cent, while in small firms it should be higher than in large ones. Low ratio as compared to the index level of companies operating in the same business usually means under-utilization of company's capacity.
4. EBIT shows the sales profitability achieved by the company. So calculated profitability is "cleansed" of influences which interest on capital, taxes and extraordinary events have on the profit gained.
5. EBITDA shows the profitability of the company without taking into account interest, taxes, extraordinary events and depreciation.
6. The three presented profitability ratios inform about return on sales at different levels of the company's operations. Despite a reduction in the profitability of sales, the ratios achieve a satisfactory value as regards the construction industry.
7. Debt ratios indicate a company's ability to repay liabilities. The rates are expected to be ranged between 1 and 2.
8. The Overall Debt Ratio shows the structure of financing company's assets. It indicates the percentage of debt in sources of financing assets. The higher the ratio, the higher the debt, and the higher the financial risk. Too high level of overall debt ratio may arouse reservations as to the financial credibility of the company. According to the standards, the index should be in the range of 0.57 - 0.67.
9. The growth of the Debt to Equity Ratio means that borrowing sources are involved in a greater scale than the own sources of the company, and thus indicates an increase in the debt value. This directly affects the level of financial risk due to higher repayments of instalments and interest. A limit value for small businesses is the ratio of 3:1. For medium and large firms requirements are more strictly - 1:1 ratio.

The analysis of ratios presented above shows the situation of the Capital Group. The operating profit allowed to reach a satisfactory EBITDA margin and Return on Sales. Due to the increase in funding costs as a result of the issuance of bonds in July 2011, net and gross profit ratios are lower than the net operating activity ratios, however they show an improvement over the comparative period. Recorded earnings also affected the increase in equity which allowed to rise the share of equity in the financing of assets of the group.

Solvency ratios rose in relation to the comparable period and are on a safe level.

d) ANALYSIS OF THE CONSOLIDATED CASH FLOW STATEMENT

The Capital Group began the year 2012 with cash amounting to PLN 161,91 thousand and cash balance of PLN 70,232 thousand as at 30 June 2011. Flows from operating activities showed the balance of PLN -57,215 thousand which was mainly caused by increased accrued expenses, accompanied by a disproportionate increase in liabilities. Balance of investment flows was PLN -14,765 thousand and of financial flows PLN -19,079 thousand. Cash decreased by PLN 91,059 in overall.

2. Organization of the Issuer's Capital Group, indicating the consolidated companies

Erbud SA is a parent company of the Erbud Group [the "Parent"]. The core business of the Group is performance of construction services as general contractor and subcontractor in the country and abroad, housing development and specialized construction for the power industry as well as earth works and road-engineering. ERBUD SA functions as the dominant entity of the Group.

On 4 April 2012, Erbud SA purchased from a natural person 45 shares in Erbud Energetyka Sp. z o.o. at a nominal price. After this transaction Erbud SA holds a 100% stake in Erbud Energetyka Sp. z o.o..

Except for the above-described transaction there were no movements in shares held by the Parent in subsidiaries as well as no changes in the structure of subsidiaries as of 30 June 2012 in comparison to the state as of the publication date of the report for the first quarter.

Composition of the Group

The Group consists of ERBUD SA which is the dominant entity, seated in Warsaw, and the following subsidiaries:

Name	***Registered office***	***Core business***	***Percentage of the Parent in the share capital and voting rights at the AGM***		
			30.06.2012	**31.12.2011**	**30.06.2011**
Erbud International Sp. z o.o.	Toruń	Construction	100%	100%	100%
ER Services Sp. z o.o. (formerly TOPLUX Sp. z o.o.)	Toruń	Construction	100%	100%	100%
GWI GmbH	Germany	Construction	85%	85%	85%
Ersteel Sp. z o.o.	Toruń	Steel structures	100%	100%	100%
Erbud Rzeszów Sp. z o.o.	Rzeszów	Construction	79%	79%	79%
Delta Sp. z o.o.	Toruń	Construction	100%	100%	100%
Toruńska Sportowa S.A. w likwidacji	Toruń	Sports, leisure and shows	39%	39%	39%

Grupa Budlex	Warszawa	Housing development	90%	90%	90%
Przedsiębiorstwo Budownictwa Drogowo -Inżynieryjnego S.A.	Toruń	Road-engineering	94,27%	94,27%	94,27%
Erbud Energetyka Sp. z o.o.	Toruń	Construction	100%	86,36%	86,36%
Erbud Construction	Toruń	Construction	100%	100%	100%

a) Subsidiaries included in the consolidated financial statements of the Group by full method:

- Erbud International Sp. z o.o.
- GWI GmbH
- Grupa Budlex
- PBDI S.A.
- Erbud Energetyka Sp. z o.o.
- Ersteel Sp. z o.o.

b) Subsidiaries excluded from the consolidated financial statements:

- Erbud Rzeszów Sp. z o.o.
- Erbud Construction Sp. z o.o.
- Delta Sp. z o.o.
- ER Services Sp. z o.o. (formerly TOPLUX Sp. z o.o.)

3. Indication of the effects of changes in the structure of the enterprise, including results from business combination, acquisition or sale of companies comprising the Issuer's Capital Group, long-term investment, distribution, restructuring and discontinuing operations.

During the reporting period, there were no changes in the composition of the company.

4. Opinion of the Management Board of Erbud SA regarding the feasibility of the previously published estimates

Due to the rapidly changing economic circumstances throughout the world since September 2008, the Board of Erbud SA decided not to publish forecasts.

5. List of shareholders holding at least 5% of the total number of votes at a general meeting of shareholders - directly or indirectly through subsidiaries - as at the date of submission of this interim report.

As at 30 June 2012 the share capital amounts to PLN 1,264,416.90 and is divided into 12,.644,169 shares with a nominal value of PLN 0.10 each one. Shares have been acquired in the following manner:

Series	Number	Price in PLN	Value
A	2 000 000	0.10	200 000.00
B	8 000 000	0.10	800 000.00
C	71 025	0.10	7 102.50
D	2 500 000	0.10	250 000.00
E	31 686	0.10	3.168.60
F	41 458	0.10	4.145.80
Total	12 644 169	0.10	1 264 416.90

On 23 April 2012, the Issuer's Board adopted a resolution to increase the Company's share capital under the authorised capital by issuance of G Series shares AND excluding existing shareholders' right to subscribe for shares of Series G. The capital will be increased by no more than PLN 5.000,00 through the issuance of not more than 50,000 shares with a par value at PLN 0.10.

The Issuer's Management Board acted within the statutory authority and pursuant to a resolution No. 22/2012 of 19 April 2012 adopted by the Supervisory Board of Erbud SA.
The capital increase is associated with the implementation of the Employee Incentive Scheme.

As at 30.06.2012 the shareholding structure was as follows:

Shareholders of ERBUD SA holding more than 5 per cent ***As at 30.06.2012***

No.	***Shareholder***	***Class of shares***	***Number of shares held***	***% of shareholders' equity***	***Number of votes***	**% of voting rights at the AGM**
1	Wolff & Müller Baubeteiligungen GmbH & Co. KG w tym Wolff & Müller Holding GmbH & Co. KG	Common	4 152 865	32.84%	4 152 865	32.84%
2	Juladal Investment Limited	Common	2 818 174	22.29%	2 818 174	22.29%
3	Aviva OFE Aviva BZ WBK	Common	1 183 146	9.36%	1 183 146	9.36%
4	ING OFE	Common	1 269 709	10.04%	1 269 709	10.04%
5	Dariusz Grzeszczak, incl. a subsidiary controlled by Dariusz Grzeszczak	Common	773 900	6.12%	773 900	6.12%
6	Free Float	Common	2 446 375	19.35%	2 446 375	19.35%
		TOTAL	**12 644 169**	**100.00%**	**12 644 169**	**100.00%**

According to information held by ERBUD SA, the following changes in the shareholding of the Issuer has occurred by the publication of the report:

On **6 January 2012,** the Issuer's Management Board has been notified of the shares purchase by a person related. The Proxy of Erbud SA has bought 2,702 shares.

On **9 January 2012,** the Issuer's Management Board has been notified of the shares purchase by a person related. The Proxy of Erbud SA has bought 67 shares.

On **11 January 2012,** the Issuer's Management Board has been notified of the shares purchase by a person related. The Proxy of Erbud SA has bought 1,229 shares.

On **13 January 2012** , the Issuer's Management Board has been notified of the shares purchase by a person related. The Proxy of Erbud SA has bought 1,742 shares.

On **13 February 2012,** the Issuer's Management Board has been notified of the shares sale by a person related. The Proxy of Erbud SA has sold 1,200 shares.

On **30 May 2012**, the Issuer's Management Board has been notified of the shares purchase by a subsidiary controlled by the member of the Management Board. The company has bought 23,900 shares.

On **30 May 2012**, the Issuer's Management Board has been notified of the shares purchase by a member of the Management Board. Person related has bought 9,500 shares.

On **15 June 2012** , the Issuer's Management Board has been notified of the shares purchase by a member of the Supervisory Board. Person related has bought 8,500 shares.

In addition to the powers arising from directly held shares of Erbud SA, the major shareholders have no other voting rights at the General Meeting.

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

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

6. Breakdown of number of the Issuer's shares holding by the managing and supervising persons as at the date of submission of the interim report, including changes in ownership.

As at 30 June 2012, the managing staff (members of the Board and holders of a commercial power of attorney) held the following number of shares:

No.	Person related	Kind of relationship	Class of shares	Number of shares	% of shareholders' equity	Number of votes	% of voting rights at the GM
1	Dariusz Grzeszczak	Erbud S.A Management Board member	common	773 900	6.12%	773 900	6.12%
2	Józef Adam Zubelewicz	Erbud S.A Management Board member	common	259 500	2.05%	259 500	2.05%
3	Albert Dürr	Erbud S.A Supervisory Board member	common	8 500	0.07%	8 500	0.07%

4	Walenty Twardy	Prokurist of Erbud S.A.	common	18 124	0.14%	18 124	0.14%
5	Piotr Augustyniak	Prokurist of Erbud S.A.	common	8 747	0.07%	8 747	0.07%
6	Bogdan Dürr	President of Erbud International Sp. z o. o. / Prokurist of Erbud S.A.	common	6 712	0.05%	6 712	0.05%
7	Beata Krzywicka	Spouse of Prokurist of Erbud S.A.A.	common	3 636	0.03%	3 636	0.03%
8	Tomasz Krzywicki	Prokurist of Erbud S.A.	common	2 750	0.02%	2 750	0.02%
9	Agnieszka Głowacka	Prokurist of Erbud S.A.	common	5 436	0.04%	5 436	0.04%
10	Włodzimierz Czystowski	Prokurist of Erbud S.A.	common	12 463	0.10%	12 463	0.10%
11	Mariola Zielińska	Prokurist of Erbud S.A.	common	4 318	0.03%	4 318	0.03%
12	Grzegorz Krzywicki	Prokurist of Erbud S.A.	common	3 033	0.02%	3 033	0.02%
13	Radosław Kałamaga	Prokurist of Erbud S.A.	common	3 704	0.03%	3 704	0.03%
14	Waldemar Kozłowski	Prokurist of Erbud S.A.	common	0	0.00%	0	0.00%
15	Maciej Wyrzykowski	Prokurist of Erbud S.A..	common	0	0.00%	0	0.00%
16	Mirosław Młynarski	Prokurist of Erbud S.A..	common	4 479	0.04%	4 479	0.04%
Total				**1 115 302**	**8.82%**	**1 115 302**	**8,82%**

By the date on which the review has been completed, the Management Board members and holders of a commercial power of attorney do not have any Erbud's shares options.

The following number of shares of series G has been granted to the managers within the Staff Incentive Scheme:

Shareholder	*Class of shares*	*Number of shares*
Walenty Twardy – Procurist of Erbud S.A.	Common	2 460
Piotr Augustyniak – Procurist of Erbud S.A.	Common	5 309
Maciej Wyrzykowski – Procurist of Erbud S.A.	Common	1 200
Agnieszka Głowacka - Procurist of Erbud S.A..	Common	2 500
Bogdan Duerr – Procurist of Erbud S.A..	Common	0
Tomasz Krzywicki – Procurist of Erbud S.A.	Common	1 200
Włodzimierz Czystowski – Procurist of Erbud S.A.	Common	1 800
Mariola Zielińska – Chief Accountant of Erbud S.A.	Common	1 200
Grzegorz Krzywicki – Procurist of Erbud S.A.	Common	0
Mirosław Młynarski – Procurist of Erbud S.A..	Common	2 299
Radosław Kałamaga – Procurist of Erbud S.A.	Common	1 790
Waldemar Kozłowski – Procurist of Erbud S.A.	Common	0

Due to the fact that until the publication of the report, the authorized capital has not yet been registered following the issue of Series G shares, the Board does not specify the share percentage at the Annual General Meeting of the Issuer.

7. Information about the proceedings pending before a court, authority responsible for arbitration or public administration in accordance with paragraph 87 item 7 point 7 sub-points a) and b) of the Decree 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 equivalent to information required by the law of a non-member state [the "Decree"].

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.

Until the publication of financial statements, not any decision has been issued on this case.

8. Information about one or more transactions with associates concluded by the Issuer or its subsidiary in accordance with paragraph 87 item 7 point 8 of the Decree.

In the first half of 2012 and until the report publication, the Issuer and its subsidiaries did not enter into any transactions that deviated from the market principles.

The Issuer and its subsidiaries conclude contracts based only on the margins applicable to each type of agreements in the market. This is consistent with the transfer pricing policy binding in the Group.

Contracts on construction works, on project management and financial agreements on providing loans and guarantees are those, which are usually concluded within the Group.

Agreements with related parties

On 22 June 2012, Erbud SA entered into a contract with the company under the name of PMP Sopot Sp. z o. o. connected with a member of the Management Board of the Issuer. The contract covers the

construction of an retail centre in Sopot. The net contract value amounts to PLN 14.5 million and was concluded at market conditions.

9. Information about credit or loan guarantees provided by the Issuer or its subsidiary to an entity or a company controlled by this entity, if the total value of the guarantee is equal to at least 10% of the equity of the Issuer.

No.	Date of granting the guarantee	Guarantor	Entity	Value in PLN '000	Subject	For	Guarantee expiry date	Guarantee type
1	2010-07-05	Erbud S.A.	Erbud International	4 000	overdraft	Bank Millennium	2012-07-05	civil law guarantee
2	2009-09-28	Erbud S.A.	GWI GmbH	8 523	overdraft	KBC		civil law guarantee
3	2010-09-23	Erbud S.A.	GWI GmbH	11 505	overdraft	Deutsche Bank	2012-09-30	guarantee provided by BRE at request of Erbud S.A.
4	2011-05-25	Erbud S.A.	GWI GmbH	4 261	overdraft	Commerzbank	2012-06-30	guarantee provided by BRE at request of Erbud S.A.
5	2011-07-26	Erbud S.A.	Budlex Pestalozziego Sp. z o.o.	12 286	loan for purchase of a property	BOŚ	2017-11-30	bill guarantee
6	2012-05-30	Erbud S.A.	GWI GmbH, Erbud International	31 960	insurance guarantees line	Euler Hermes	2013-05-29	civil law guarantee

The aggregate value of guarantees to parties related is PLN 72,535 thousand.

10. Other information, which in the Issuer's opinion are important for assessing its personnel situation, the asset and financial position, financial results and their changes that are relevant to assess the feasibility of the Issuer's obligations.

a) MANAGING THE ISSUER'S FINANCIAL ASSETS

In the first half of 2012, the Issuer funded its activities partly by using overdrafts as well as its own assets.

Possible debts of the Erbud Group under the contracts signed are as follows:

Bank name	Type of liability	Amount in PLN '000	Currency	Interest rate	Maturity date	Instalments payment	Borrower
BNP Paribas Bank Polska S.A.	Kredyt w rachunku bieżącym	3 000	PLN	WIBOR 1M+margin	2012-09-29	In one amount	Erbud S.A.
BGŻ S.A.	Kredyt w rachunku bieżącym	10 000	PLN	WIBOR 1M+margin	2012-12-31	In one amount	Erbud S.A.
BRE Bank S.A.	Kredyt odnawialny na wykup faktur	10 000	PLN	WIBOR 1M+margin	2012-12-31	In one amount	Erbud S.A.
PKO BP	Kredyt w rachunku bieżącym	20 000	PLN	Call rate of PKO BP+margin	2012-09-29	In one amount	Erbud S.A.
ING bank Śląski S.A.	Kredyt w rachunku bieżącym	32 000	PLN	WIBOR 1M+margin	2012-10-20	In one amount	Erbud S.A.; Budlex S.A.; PBDI S.A.
BNP Paribas Bank Polska S.A.	Wielocelowa Linia kredytowa	3 000	PLN	WIBOR 3M+margin	2012-08-30	In one amount	PBDI S.A.
Bank Millennium S.A.	Kredyt w rachunku bieżącym	4 000	PLN	WIBOR 1M+Margin	2012-07-05	In one amount	Erbud International Sp. z o.o.
KBC	Kredyt w rachunku bieżącym	1 000	EUR	EONIA+margin of 2,5%	2012-10-21	In one amount	GWI GmbH
Commerzbank	Kredyt w rachunku bieżącym	1 000	EUR	fixed interest rate	2013-05-31	In one amount	GWI GmbH
	Total in **PLN '000**	82 000					
	Total in **EUR '000**	2 000					

Information about the limits under bank guarantees by 30 June 2012 in companies of Erbud S.A., PBDI SA, GWI GmbH and Erbud International Sp. z o.o.

Bank name	Type of liability	Amount in PLN '000	Currency	Borrower
BNP Paribas Bank Polska S.A.	Bid bonds, contract performance bonds, guarantee under repair works, repayment of advances, re-guarantees	31 000	PLN	Erbud S.A
BGŻ S.A.	Bid bonds, contract performance bonds, guarantee under repair works, repayment of advances, re-guarantees	58 600	PLN	Erbud S.A
BRE Bank S.A.	Bid bonds, contract performance bonds, guarantee under repair works	70 000	PLN	Erbud S.A
PKO BP	Bid bonds, contract performance bonds, guarantee under repair works	30 000	PLN	Erbud S.A
Kredyt Bank S.A.	Bid bonds, contract performance bonds, guarantee under repair works	34 000	PLN	Erbud S.A
ING Bank Śląski S.A.	Bid bonds, contract performance bonds, guarantee under repair works	40 000	PLN	Erbud S.A
ING Bank Śląski S.A.	Bid bonds, contract performance bonds, guarantee under repair works	8 000	PLN	PBDI S.A.
BNP Paribas Bank Polska S.A.	Bid bonds, contract performance bonds, guarantee under repair works	2 000	PLN	PBDI S.A.
KBC	Bid bonds, contract performance bonds, guarantee under repair works	1 000	EUR	GWI GmbH
Commerzbank	Bid bonds, contract performance bonds, guarantee under repair works	15	EUR	GWI GmbH
HERMES	Bid bonds, contract performance bonds, guarantee under repair works	5 000	EUR	GWI GmbH; Erbud S.A. Erbud International

ZURICH	Bid bonds, contract performance bonds, guarantee under repair works	2 500	EUR	GWI GmbH
	Total in **PLN '000**	263 600		
	Total in **EUR '000**	8 515		

Information about the loan / credit collaterals or guarantees granted to the Budlex Group by 30 June 2012:

Collateral	Loan amount in PLN '000	Guarantor	Borrower	Bank
guarantee to the amount of the loan, incl. interest and other receivables against the bank	1 000	Budlex Winnica sp. z o.o.	Budlex S.A.	PKO BP S.A.
promissory note	8 367	Budlex S.A.	Budlex Construction Sp. z o.o.	BRE Bank Hipoteczny S.A.
promissory note	9 200	Budlex S.A.	Budlex Koszarowa Sp. z o.o.	BRE Bank Hipoteczny S.A.
promissory note	11 437	Budlex S.A.	Budlex Waryńskiego Sp. z o.o.	PKO BP SA
promissory note	9 008	Budlex S.A.	Budlex Sielanka Sp. z o.o.	PKO BP S.A
promissory note	26 000	Budlex S.A.	Budlex Glinki A3 Sp. z o.o.	BRE Bank Hipoteczny S.A
promissory note	11 400	Budlex S.A.	Budlex Powstania Listopadowego Sp. z o.o.	Bank Pocztowy SA
promissory note	1 000	Budlex S.A.	Budlex Powstania Listopadowego Sp. z o.o.	Bank Pocztowy SA
promissory note	9 300	Budlex S.A.	Budlex Winnica L4 Sp. z o.o.	Bank Pocztowy SA
promissory note	600	Budlex S.A.	Budlex Winnica L4 Sp. z o.o.	Bank Pocztowy SA
Total in **PLN '000**	87 312			

List of loan agreements signed by the companies of the Budlex Group

No.	Borrower	Bank name	Kind of liability	Amount in PLN '000	Interest rate	Maturity date
1	Budlex S.A.	Bank PKO BP SA	Overdraft	1 000	WIBOR 1M+2.3%	2013-01-24
2	Budlex S.A.	ING Bank Śląski	Working capital loan	12 000	WIBOR 1M+2%	2012-08-20
3	Budlex Construction Sp. z o.o.	BRE BANK HIPOTECZNY SA	Mortgage credit to purchase land	8 367	WIBOR 6M+5.5%	2012-12-28
4	Budlex Koszarowa Sp. z o.o.	BRE BANK HIPOTECZNY SA	Investment loan	9 200	WIBOR 3M+3.3%	2015-01-31
5	Budlex Waryńskiego Sp. z o.o.	PKO BP SA	Investment loan	11 437	WIBOR 3M+2.8%	2012-09-30
6	Budlex Sielanka Sp. z o.o.	PKO BP SA	Development loan	9 008	WIBOR 3M+2.8%	2012-12-31

7	Budlex Pestalozziego Sp. z o.o.	BOŚ BANK SA	Non-revolving loan	12 286	WIBOR 6M+2.6%	2014-11-30
8	Budlex Glinki A3 Sp. z o.o.	BRE BANK HIPOTECZNY SA	Investment loan	26 000	WIBOR 3M+2.95%	2015-09-15
9	Budlex Powstania Listopadowego Sp. z o.o.	Bank Pocztowy SA	Non-revolving loan	11 400	WIBOR 1M+2.55%	2013-08-31
10	Budlex Powstania Listopadowego Sp. z o.o.	Bank Pocztowy SA	Revolving loan	1 000	WIBOR 1M+2.55%	2013-03-31
11	Budlex Winnica L4 Sp. z o.o.	Bank Pocztowy SA	Non-revolving loan	9 300	WIBOR 1M+2.4%	2012-12-31
12	Budlex Winnica L4 Sp. z o.o.	Bank Pocztowy SA	Revolving loan	600	WIBOR 1M+2.4%	2012-10-31
			Total in **PLN '000**	111 598		

b) OFF-BALANCE SHEET ITEMS OF THE ISSUER

As at 30.06.2012 the Parent had the following contingent liabilities:

- Liabilities arising from guarantees provided to third parties

Item	**30.06.2012**	**30.06.2011**
Liabilities payment guarantee	57 944	39 894
Performance bond	112 154	131 934
Guarantee under repair works	102 996	116 003
Total contingent liabilities	**273 094**	**287 831**

As at the date of report publication, the Issuer's off-balance sheet commitments in respect of guarantees issued associated with foreign operations amounted to € 341 thousand.

As at 30.06.2012 in EUR '000	Erbud SA
Liabilities payment guarantee	0
Performance bond	0
Guarantee under repair works	341
Total contingent liabilities	341

Off-balance sheet liabilities of the subsidiary **PBDI SA** as of 30.06.2012 amounted to PLN 6,533 thousand:

As at 30.06.2012 in PLN '000	PBDI S.A.
Contract guarantees	6 508
Other guarantees	25
Total contingent liabilities	**6 533**

Off-balance sheet liabilities of the subsidiary **GWI GmbH** as of 30.06.2012 amounted to € 4,582 thousand:

As at 30.06.2012 in EUR '000	GWI GmbH
Liabilities payment guarantee	31
Performance bond	1 279
Guarantee under repair works	3 272
Total contingent liabilities	**4 582**

Off-balance sheet liabilities of the subsidiary **Erbud International Sp. z o.o.** As at the date of report publication amounted to € 1,019 thousand:

As at 30.06.2012 in EUR '000	Erbud International
Liabilities payment guarantee	0
Performance bond	203
Guarantee under repair works	816
Total contingent liabilities	**1 019**

c) INSURANCE AGREEMENTS

In the reporting period, the Parent entered into the following insurance agreements:

No.	Policy number	Insurer	From	To	Insurance subject	Insurance value
1	901006349681	STU Ergo Hestia S.A.	01-01-2012	31-12-2012	Business liability insurance	PLN 50,000,000 for one event, and PLN 100,000,000 for all events
2	2361000337	Chartis Europe S.A.	01-03-2012	29-02-2013	Indemnity insurance of the company's body members and employees	PLN 20,000,000.00 PLN

d) ASSET-BACKED SECURITIES

Possessory lien on assets of substantial value i.e. on 5,059 shares in the company Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A with its registered seat in Toruń.

1) Inventory value of the above shares in the books of the Issuer:

Name and legal form of the subsidiary	Seat	Core business	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 GM
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A	Toruń	road engineering	subsidiary	full method	0	49 554	94.27%	94.27%

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

None

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

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.

Collaterals for repayment of loans incurred in the banks by the Capital Group:

1) Conventional real estate mortgages and capped mortgages on assets of the Group
2) Assignment of rights from construction contracts
3) Clauses on deductions from bank accounts receivables
4) Blank promissory notes
5) Assignments of rights to compensation from insurance policies.

A breakdown of the above collaterals is presented in the Condensed Consolidated Semi-annual Financial Statements of the Erbud Capital Group for the period from 1 January to 30 June 2012 in Note 12.

11. Bodies of the Issuer

I. SUPERVISORY BOARD

On 31 May 2012, the General Meeting of Shareholders of Erbud SA appointed by resolutions No. 14-20/2012 the following members of the Supervisory Board:

Full name	Post/Function	Term beginning	Term ending
Udo Berner	Chairman of the Supervisory Board	31.05.2012	31.05.2015
Józef Olszyński	Vice-Chairman of the Supervisory Board	31.05.2012	31.05.2015
Albert Dürr	Member of the Supervisory Board	31.05.2012	31.05.2015
Gabriel Główka	Member of the Supervisory Board	31.05.2012	31.05.2015
Lech Wysokiński	Member of the Supervisory Board	31.05.2012	31.05.2015
Zofia Dzik	Member of the Supervisory Board	31.05.2012	31.05.2015
Michał Otto	Chairman of the Supervisory Board	31.05.2012	31.05.2015

There are two committees working within the Supervisory Board of Erbud SA: Remuneration Committee and Audit Committee.

II. MANAGEMENT BOARD OF ERBUD S.A.

On 31 May 2012, the Supervisory Board appointed the Management Board of Erbud SA for a new three-year joint term of office in the following composition:

Full name	Post/Function	Term beginning	Term ending
Dariusz Grzeszczak	Członek Zarządu	31.05.2012	31.05.2015
Józef Adam Zubelewicz	Członek Zarządu	31.05.2012	31.05.2015

The aggregate remuneration of persons having a seat in the Issuer's bodies paid in the 1 half of 2012.

Body	Aggregate remuneration in PLN
Supervisory Board	134 865.00
Management Board	1 187 218.83
Procura holders	1 660 474.63
TOTAL	**2 982 558,46**

12. Factors which in the Issuer's opinion will have an impact on the results achieved over at least next quarter

Currently, the Issuer does not identify any factors that would affect the results achieved by the Issuer. The portfolio consists of stable orders and there is no threat of "suspension" of any ongoing contracts. The Issuer does not foresee any acquisitions in the next quarter.

13. Description of the business outlook in the reporting period and the market environment in which the Issuer operates

In the first half of 2012, according to estimates of the Department of Strategy and Analysis of the Ministry of Economy, the GDP growth was 3.2% y/y. Forecasts by the above Department show that price increase in the whole 2012 will probably amount to 3%.

The construction output increased by 8% over the same period, while the forecast for this variable as of the end of 2012 fluctuates around 7%. During the reporting period, the rate of CPI inflation amounted to 4%, and the unemployment index was at 12.4%. Industrial production price index rose by 5.4%, and construction price index by 1.1%.

	Year	I	I-II	I-III	I-IV	I-V	I-VI	I-VII	I-VIII	I-IX	I-X	I-XI	I-XII
Manufacturing production sold	2011	110.3	109.9	109.1	108.2	108.5	107.4	106.4	106.9	106.9	107.6	107.7	107.7
	2012	109.1	107.1	104.9	104.6	104.5	103.8						
Construction output	2011	111.1	115.3	118.8	117.0	119.3	120.8	119.9	118.5	118.2	117.2	116.6	116.3
	2012	132.2	123.7	114.9	113.0	111.9	108.0						

The climate index for construction both in July and June 2012 was at 14 points.

For comparison, data for the Eurozone are as follows[1)]:

Euro-zone

Ratio (data for the period)	Current value	Previous value	Change
• Unemployment rate (06.2012/05.2012)	11.20 per cent	11.20 per cent	0.00 per cent
• Manufacturing PMI (07.2012/06.2012)	44.00 points	45.10 points	-1.10 points
• Services PMI (07.2012/06.2012)	47.60 points	47.10 points	0.50 points
• HICP m/m (06.2012/05.2012)	-0.10 per cent	-0.10 per cent	0.00 per cent
• HICP y/y (07.2012/06.2012)	2.40 per cent	2.40 per cent	0.00 per cent
• GDP r/r (Q1 2012/Q4 2011)	-0.10 per cent	0.70 per cent	-0.80 per cent
• Manufacturing output m/m (05.2012/04.2012)	0.60 per cent	-1.10 per cent	1.70 per cent
• Manufacturing output r/r (05.2012/04.2012)	-2.80 per cent	-2.40 per cent	-0.40 per cent
• Retail sale m/m (06.2012/05.2012)	0.10 per cent	0.80 per cent	-0.70 per cent
• Retail sale r/r (06.2012/05.2012)	-1.20 per cent	-0.80 per cent	-0.40 per cent

A) General characteristics of the market

According to the Gdansk Institute for Market Economics (IBnGR), the GDP growth in the second quarter of 2012 amounted to 3.0 percent as compared with the corresponding quarter of the previous year. Therefore, there was a reduction in economic growth to its lowest level for the period of nine quarters. The last time, the GDP growth rate at an even lower level has been recorded, was in the first quarter of 2010.
The main driver of economic growth in the second quarter was domestic demand, the growth rate of which is estimated by the Institute at 3.1 percent. The growth rate of retail consumption, i.e. consumer spending over this period amounted to 2.2 percent, so it was slightly higher than in the first three months of the year. The 2012 UEFA European Football Championship in Poland, was one of the factors influencing it. Also the growth rate of total consumption run into a higher level than reported in the first quarter. The Gdansk Institute estimates that in the second quarter it amounted to 2.0 percent.
At a lower level than the observed one in the first quarter, was the growth rate of gross fixed capital formation i.e. of building investment. According to estimates by the Institute, it amounted to 5.2 percent in the second quarter. This result was under expectations and disappointing as from the point of view of the development of the Polish economy. Dropping investment growth is on the one hand due to the reduction in number of large infrastructure projects carried out and on the other hand results from the enterprises' fears about the economic climate in the coming quarters.

The fastest growing business in the second quarter was the service sector. The rate of growth of value added in market services amounted to 3.1 percent. In previous quarters, In previous quarters, construction was the fastest developed sector. Currently, its growth rate is significantly weakened. The Gdansk Institute estimates that the rate of growth of value added in the construction was 2.5 percent. (compared to 9.6 percent during the first quarter), and the building sold production increased by 3.1 percent. (compared to 14.9 percent recorded three months earlier). Industry was developing even more slowly. The growth rate of value added in industry amounted to 2.3 percent and the growth rate of industrial production stood at 2.8%.

The growth rate of exports (in terms of national accounts) in the second quarter was lower than the growth rate of imports. In the opinion of the Institute, exports increased at this time by 2.5 percent, and

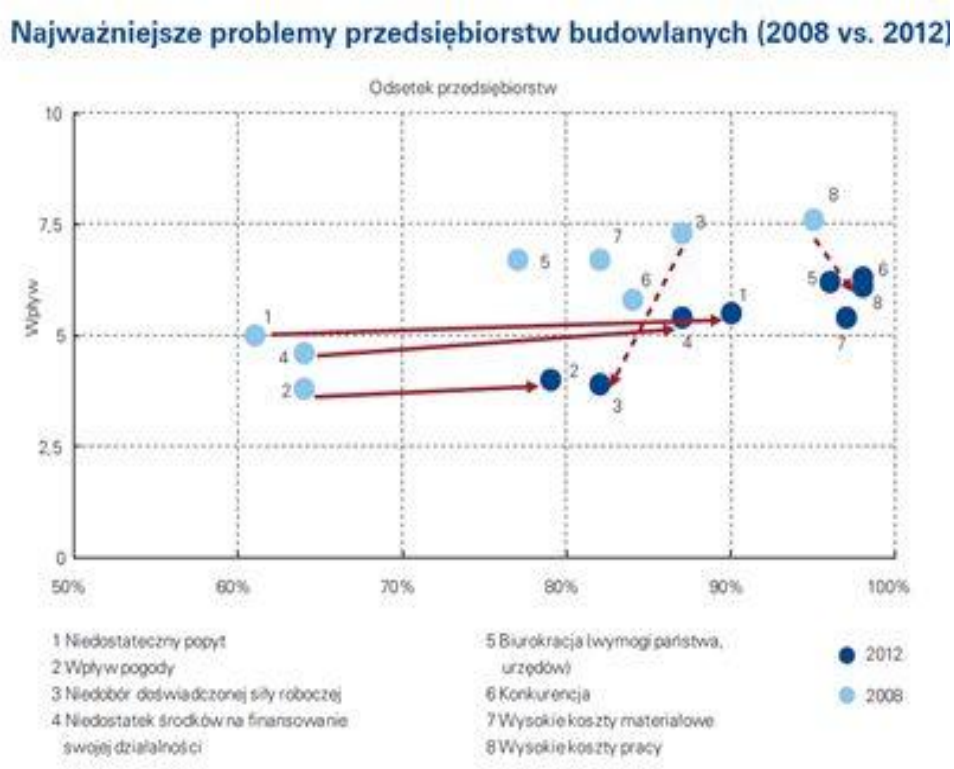
[1] Source: www.biznes.interia.pl/makroekonomia

imports by 2.6 percent. In comparison to the previous quarter, there was a lower growth of both rates and the faster growth of imports rate than exports rate has worsened the trade balance. Worse trade situation was accompanied by a slight depreciation of Polish currency (PLN) against the Euro and the US Dollar, i.e. currencies in which is settled the most number of the foreign trade transactions[2)].

According to IBnGR, the GDP growth in 2012 in the European Union will fluctuate around 0% and in 2013 will be at 1 percent. The Institute forecasts that economic growth in Poland in 2012 will amount to 2.8% while the second half will be much worse than the first one. The tear of 2013 will bring further economic downturn, the expected GDP growth is 2.6 percent.
The slowdown in the second half of the year may mainly affect the construction industry.

According to the report entitled "Construction in Poland: the first half of 2012 - a report by KPMG, CEEC Research and Norstat Poland" most building contractors confirms that the ending year 2012 and the following one will bring a decline in construction output. This concerns not only the income but margins as well.
As the main threat entrepreneurs mention cut-throat competition competition and high labor costs.

The most important problems of enterprises in Poland (2008 vs. 2012)



Key:

1. Insufficient demand
2. Impact of weather
3. Shortage of experienced workforce
4. Shortage of funds
5. Bureaucracy; requirements by authorities
6. Competitors
7. High cost of materials
8. High labor costs

[2] INnGR – 75th quarterly report assessing the economic situation in Poland (IIQ 2012) and forecasts for 2012-2013

14. Main threats and risks

2012 brought a significant deterioration of the situation in the construction industry. Falling revenues, margins and payment bottlenecks caused that the building industry is perceived negatively both by financial institutions, stock investors and capital market analysts. Early June 2012, a large construction group - PBG SA together with its subsidiary Hydrobudowa SA applied for bankruptcy. Before, Dolnośląskie Surowce Skalne S.A. - the contractor of section of the A2 motorway, announced the bankruptcy. Following these events, there was a general turning away from the industry, regardless of the situation of individual companies.

In this attitude, especially of financial institutions, the Issuer sees particular threat nowadays. It is common knowledge, that the construction business is dependent on products such as financial guarantees or debt financing. The withdrawal of financial institutions from funding the construction in Poland will result, that companies without Parents operating on the European market will not be able to compete with foreign holdings, which will be granted guarantees from the parent companies. Another risk is the ongoing drastic price competition. Despite the negative consequences for the companies that performed contracts below costs, the price war is still going on and it is getting more and more harder, the more it is emphasized, that the value of construction output in the near future will carry minimal growth is emphasized that the value of construction output in the near future will be at minimal growth rate.

Dumping prices by some competitors are spoiling the market. However, the Issuer's policy in this regard remains unchanged. There is the possibility of signing a contract that will not achieve fair margin.

Very important for the Issuer’s Group operations is cash flow. Most worrying is the risk arising from gridlock and in particular reducing public projects during their conducting due to lack of funds to finance them. At present, neither the Issuer nor any company form the Erbud Group do not faces the problem of gridlock, but market observation shows, that the problem exists.

Therefore, the Management Board focuses on a very precise identification of a potential business partner. Unfortunately, it is difficult to identify and even impossible to assess whether funds for completing the whole project are provided to the public employer. And here it is important, that there is good cooperation between the employer and the contractor, based on a fair basis.

After strengthening the Risk Assessment Program in the Issuers Group, the Management Board does not see any risks from the processes that are affected by the Board.

As at the day of publication of the report, the backlog worth approximately PLN 1,500 thousand is positive assessed by the Management Board.

As of this day, the Issuer signed in the country contracts amounting to:

Investor/Client	Branch Toruń	Branch Warszawa	Branch Rzeszów	Branch Wrocław	Branch Kraków	Power Construction Division	Branch Szczecin	Road-engineerig
Dakota Investment		312						
Apartamenty Novum					93 359			
LC Corp Wrocław				20 200				
Alfa Investment	27 600							
Rybnik - redevelopment of railway siding						10 032		
Tauron Energy Generating Unit						5 016		
Ulma		26 000						

FSB Piekarnie - Bakery Company				24 450				
Rząsnia Wind Farm	41 852							
PRW Sp. z o.o.				34 600				
PAM Clinical Hospital No.1							19 020	
Wadowice Hospital			3 950					
Galeria Solna	77 426							
Dafni						15 085		
Eurocentrum		336 694						
Sopot	14 500							
Zosin			16 800					
Office Park		46 800						
Total	161 378	409 806	20 750	79 250	93 359	30 133	19 020	0

By the publication of the report, the Issuer signed in 2012 construction contracts in Poland amounting to PLN 813,696 thousand. In 2012, the structure of new signed contracts by the criterion "public employer vs. private builder" has changed substantially in favour of private builders and is as follows:

P – private – 98%
PL – public – 2%

Just to remind, in 2011 the structure was as follows:

P – private – 62.50%
PL – public – 37.50%

The portfolio held allows for safe entry into the second half of 2011 and into the year 2013, as well as a very selective attitude towards the selection of projects offered.

The Issuer's Group does not identify significant risks associated with the exchange rate. Just one ongoing contract is denominated in a foreign currency, where a significant part of the cash flows from it is converted at a fixed exchange rate. Revenues in foreign currencies due to projects performed outside Poland are natural hedged by costs incurred in the same currency.

The risk arising from fluctuations in interest rates is not quantified by the Management Board of the Issuer as a significant one. The Capital Group uses debt financing, but the low variability of interest rates and the current decisions by the Monetary Policy Council allow to classify the risk as "low".

Except the risk factors reported in this section, the Management Board does not see any other risks which may affect the Company's financial position.

Management Board Member

Józef Adam Zubelewicz

Management Board Member

Dariusz Grzeszczak