Translation from Polish

ERBUD CAPITAL GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR I QUARTER OF 2012

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 March 2012 (in '000 PLN)

	31.03.2012	31.12.2011	31.03.2011
Fixed assets	**125 864**	**126 702**	**116 845**
Intangibles	601	602	601
Goodwill	20 102	20 102	20 102
Tangible fixed assets	31 038	29 666	33 492
Real estate investments	5 521	5 693	5 755
Financial assets available for sale	0	0	0
Other non-current financial assets	30 390	31 770	29 930
Investments valued using equity method	0	0	0
Non-current receivables	0	120	40
Long-term prepayments	0	0	0
Deferred tax assets	38 212	38 749	26 925
Current assets	**615 655**	**648 060**	**563 498**
Inventory	119 226	107 943	103 103
Delivery, services and other receivables	251 267	235 606	280 692
Income tax receivables	7 964	6 957	4 730
Financial assets	548	571	6 241
Building securities	35 455	42 067	33 482
Cash and cash equivalents	78 544	161 291	47 102
Short-term prepayments and accruals	1 721	729	773
Construction contracts	120 930	92 896	87 375
Total assets	**741 519**	**774 762**	**680 343**
Equity attributable to shareholders of the parent company	**222 798**	**220 464**	**225 707**
Share capital	1 264	1 264	1 260
Treasure shares	0	0	0
Exchange rate differences on translation of foreign entities	429	1 014	59
Reserve funds	242 290	240 255	210 296
Capital reserves	0	0	0
Undistributed profits	-21 185	-22 069	14 092
Minority interests	9 975	9 983	9 226
Total shareholders' equity	**232 773**	**230 447**	**234 933**
Long-term liabilities	**106 990**	**108 668**	**59 973**
Bank loans and borrowings	11 465	12 564	19 090
Provision for deferred income tax	31 129	30 927	23 965
Provision for retirement and similar benefits	1 320	1 320	1 358
Other provisions	1 778	1 816	1 083
Other financial liabilities	5 833	5 182	5 983
Liabilities from bonds issue	50 000	50 000	0
Other liabilities	5 465	6 859	8 494
Short-term liabilities	**401 756**	**435 647**	**385 437**
Credits and loans	45 543	66 978	47 679
Derivative financial instruments	0	0	0
Trade and other liabilities	180 697	223 493	200 764
Current tax liabilities	1 626	1 311	1 994
Provision for retirement and similar benefits	4 826	4 826	3 108
Provisions	11 679	10 960	6 663
Building securities	84 899	79 211	68 085
Construction contracts	49 439	29 034	39 338
Other accruals	23 047	19 834	14 338
Liabilities due to fixed assets classified as held for sale	0	0	3 468
Total liabilities	**741 519**	**774 762**	**680 343**

Calculation of book value per share

	31.03.2012	31.12.2011	31.03.2011
Book value (in 000' PLN)	222 798	220 464	225 707
Number of shares	12 644 169	12 644 169	12 602 711
Book value per share (in PLN)	17.62	17.44	17.91

Book value per share is calculated as equity less the minority interests.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2012 (in 000' PLN)

	3-month period ended 31.03.2012	3-month period ended 31.03.2011
CONTINUING OPERATIONS		
Revenues from sales of products and services and of goods and materials	**234 402**	**276 017**
Cost of sold products and services and of goods and materials	**214 366**	**278 338**
Profit (loss) from sales	**20 036**	**-2 321**
Cost of sales	572	495
General and administrative costs	12 364	11 758
Other operating income	**1 359**	**182**
Other operating expenses	**959**	**85**
Profit (loss) on operating activities	**7 500**	**-14 477**
Other gains (losses) on investments	**0**	**0**
Financial income	**1 873**	**932**
Financial expenses	**4 971**	**1 895**
Profit (loss) on continuing operations before tax	**4 402**	**-15 440**
Income tax	1 127	-1 067
Net profit (loss) for the financial period attributable to:	**3 275**	**-14 373**
- Shareholders of the parent company	**3 206**	**-14 217**
- Minority shareholders	**69**	**-156**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)	**12 644 169 /12 648 833**	**12 602 711/ 12 679 988**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN) on continuing operations	**0.25 / 0.25**	**-1.13 / -1.12**

Consolidated net profit	**3 275**	**-14 373**
Exchange rate differences from translation of foreign branches and entities	-949	-12
Deferred income tax due to items of other comprehensive incomes	0	0
Other comprehensive net incomes	**-949**	**-12**
Total a comprehensive incomes attributable to:	2 326	-14 385
- Shareholders of the parent company	2 334	-14 230
- Minority shareholders	-8	-155

CONSOLIDATED STATEMENT OF CASH FLOW

for the 3-month period ended 31 March 2012 (in 000' PLN)

	3-month period ended 31.03.2012	3-month period ended 31.03.2011
Cash flow from operating activities		
Net profit (loss)	**3 275**	**-14 373**
Total adjustments	**-60 963**	**-109 919**
Depreciation and amortization	1 165	1 324
Share in net profit of subsidiaries valued using equity method	0	0
Gains / losses from exchange rate differences	-568	-12
Interest and profit sharing (dividend)	2 156	522
Profit / loss on investment activities	-113	0
Change in provisions	883	446
Change in inventories	-10 973	-7 231
Change in receivables	-9 935	-107 723
Change in short-term liabilities, excluding loans and borrowings	-38 941	8 888
Change in prepayments and accruals	-4 870	-6 865
Other adjustments	233	732
Net cash used in operating activities	**-57 688**	**-124 292**
Cash flow from investment activities		
Inflows	**946**	**393**
Disposal of intangible and tangible fixed assets	386	117
Disposal of real property investments	0	0
Disposal of financial assets	0	0
Dividends and interest received	560	246
Repayment of long-term loans	0	30
Other investment inflows	0	0
Outflows	**1 024**	**2 458**
Acquisition of intangible and tangible fixed assets	713	834
Investments in real property	0	0
Acquisition of financial assets	0	0
Loans granted	311	1 624
Acquisition of subsidiary after deducting the funds acquired	0	0
Other	0	0
Net cash flow from investment activities	**-78**	**-2 065**

	3-month period ended 31.03.2012	3-month period ended 31.03.2011
Cash flow from financial activities		
Inflows	**14 880**	**31 956**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Credits and loans	14 837	31 919
Issue of debt instruments	0	0
Other	43	37
Outflows	**39 861**	**5 726**
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	36 396	4 161
Repayment of debt instruments issued	0	0
Due to other financial liabilities	0	51
Payment of liabilities arising from financial leases	527	798
Interest paid	2 938	716
Other	0	0
Net cash flow from financial activities	**-24 981**	**26 230**
Total net cash flow	**-82 747**	**-100 127**
Balance sheet change in cash, including:	**-82 747**	**-100 127**
- change in cash due to foreign exchange differences	0	0
Cash opening balance	**161 291**	**147 229**
Closing balance of cash, including:	**78 544**	**47 102**
- restricted cash	6 790	12 422

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 31 March 2012 (in 000' PLN)

	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2012	**1 264**	**0**	**240 255**	**1 014**	**-22 069**	**0**	**220 464**	**9 983**	**230 447**
Profit/loss for the period	0	0	0	0	0	3 206	**3 206**	69	**3 275**
Other total incomes	0	0	0	-585	-287	0	**-872**	-77	**-949**
Total revenue	**0**	**0**	**0**	**-585**	**-287**	**3 206**	**2 334**	**-8**	**2 326**
Payment in form of dividends	0	0	2 035	0	-2 035	0	**0**	0	**0**
Parent's result of the previous year brought forward to capital reserve	0	0	0	0	0	0	**0**	0	**0**
As at March 2012	**1 264**	**0**	**242 290**	**429**	**-24 391**	**3 206**	**222 798**	**9 975**	**232 773**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 31 December 2011 (in 000' PLN)

	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2011	**1 260**	**0**	**209 558**	**0**	**28 381**	**0**	**239 199**	**9 381**	**248 580**
Profit/loss for the period	0	0	0	rease0	0	-20 358	**-20 358**	643	**-19 715**
Other total incomes	0	0	0	1 014	0	0	**1 014**	127	**1 141**
Total revenue	**0**	**0**	**0**	**1 014**	**0**	**-20 358**	**-19 344**	**770**	**-18 574**
Dividend to GWI shareholders	0	0	0	0	0	0	**0**	-168	**-168**
Share capital increase	4	0	451	0	0	0	**455**	0	**455**
Payment in form of shares	0	0	154	0	0	0	**154**	0	**154**
Parent's result of the previous year brought forward to capital reserve	0	0	30 004	0	-30 004	0	**0**	0	**0**
Presentation adjustment	0	0	88	0	-88	0	**0**	0	**0**
As at 31 December 2011	**1 264**	**0**	**240 255**	**1 014**	**-1 711**	**-20 358**	**220 464**	**9 983**	**230 447**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 31 March 2011 (in 000' PLN)

	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2011	**1 260**	**0**	**209 558**	**0**	**28 381**	**0**	**239 199**	**9 381**	**248 580**
Profit/loss for the period						-14 217	**-14 217**	-156	**-14 373**
Other total incomes				59	-72		**-13**	1	**-12**
Total revenue				**59**	**-72**	**-14 217**	**-14 230**	**-155**	**-14 385**
Payment in form of dividends			738				**738**		**738**
Parent's result of the previous year brought forward to capital reserve									
As at March 2011	**1 260**	**0**	**210 296**	**59**	**28 309**	**-14 217**	**225 707**	**9 226**	**234 933**

The average PLN exchange rates against the EURO during the period covered by the financial statements

Period	Average exchange rate for the reported period	Exchange rate as of the last day of the period
31.03.2012	4.1750	4.1616
31.12.2011	4.1401	4.4168
31.03.2011	3.9742	4.0119

Key items of the balance sheet converted to the EURO (as at the last day of the period, in 000' PLN)

Balance-sheet item	31.03.2012		31.03.2011	
	PLN	EUR	PLN	EUR
Total assets	741 519	178 18130	680 343	169 582
Fixed assets	125 864	30 244	116 845	29 125
Current assets	615 655	147 937	563 498	140 457

Balance-sheet item	31.03.2012		31.03.2011	
	PLN	EUR	PLN	EUR
Total liabilities	741 519	178 181	680 343	169 582
Shareholders' equity	232 773	55 934	234 933	58 559
Liabilities and provisions for liabilities	508 746	122 247	445 410	111 023

Items of the balance sheet as at 31 March 2012 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.1616 PLN/EUR.

Items of the balance sheet as at 31 March 2011 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.0119 PLN/EUR.

Key items of the profit and loss statement converted to the EURO (for the reporting period, in 000' PLN)

Profit or loss account item	3-month period ended 31.03.2012		3-month period ended 31.03.2011	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	234 402	56 144	276 017	69 452
Manufacturing cost of products sold	214 366	51 345	278 338	70 036
Gross profit on sales	20 036	4 799	-2 321	-584
Profit from operating activities	7 500	1 796	-14 477	-3 643
Gross profit (loss)	4 402	1 054	-15 440	-3 885
Net profit (loss)	3 275	784	-14 373	-3 617

Items of the cash flow for the period 01.01.2012 - 31.03.2012 were translated at the mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that date, i.e. 4.1750 PLN/EUR.

Items of the cash flow for the period 01.01.2011 - 31.03.2011 were translated at the EURO mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that date, i.e. 3.9742 PLN/EUR.

Key items of cash flow converted to the EURO (for the reporting period, in 000' PLN)

Cash flow item	3-month period ended 31.03.2012		3-month period ended 31.03.2011	
	PLN	EUR	PLN	EUR
A. Cash flow from operating activities	-57 688	-13 817	-124 292	-31 275
B. Cash flow from investing activities	-78	-19	-2 065	-520
C. Cash flow from financing activities	-24 981	-5 983	26 230	6 600
D. Total net cash flow (A+/-B+/-C)	-82 747	-19 820	-100 127	-25 194
F. Cash and cash equivalents at the beginning of the period	161 291	36 518	147 229	37 176
G. Cash and cash equivalents at the end of the period	78 544	18 874	47 102	11 741

Cash flow items for the period of 01 January 2012 - 31 March 2012 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1750 PLN/EUR,

F item figures - at the exchange rate set by the NBP on the 31 December 2009, i.e. 4.1750 PLN/EUR,

G item figures - at the exchange rate set by the NBP on the 31 March 2010, i.e. 4.1616 PLN/EUR.

Cash flow items for the period of 01 January 2011 - 31 March 2011 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e.3.9742 PLN/EUR,

F item figures - at the exchange rate set by the NBP as at the 31 December 2010, i.e. 3.9603 PLN/EUR,

G item figures- at the exchange rate set by the NBP on the 31 March 2011, i.e. 4.019 PLN/EUR.

Reconciliation of changes in balance sheet items to changes reported in the cash flow statement as at 31 March 2012 is as below:

	31.03.2012
Change in receivables in the balance sheet	**-11 283**
Balance as of the date of acquisition of units	0
Deferred financing costs	310
Change in receivables in the statement of cash flows	**-10 973**

	31.03.2012
Change in liabilities in the balance sheet	**-36 793**
Balance as of the date of acquisition of units	0
Liabilities from unpaid assets purchase	-2 148
Change in liabilities in the statement of cash flows	**-38 941**

Note 1. Tangible fixed assets

	31.03.2012	31.12.2011	31.03. 2011
a) Fixed assets, including:	31 038	29 608	33 002
- Land (incl. perpetual usufruct)	4 195	4 204	5 802
- Buildings, premises and civil and water engineering structures	7 621	5 572	6 198
- Plant and equipment	10 725	11 196	12 212
- Means of transport	7 515	7 701	7 777
- Other tangible fixed assets	982	935	1 013
b) Fixed assets under construction	0	34	490
c) Prepaid tangible fixed assets under construction	0	24	0
Total tangible fixed assets	**31 038**	**29 666**	**33 492**

Note 2. Long-term financial assets

	31.03.2012	31.12.2011	31.03. 2011
a) in associates	16 084	16 915	16 789
- shares or stocks	179	179	179
- loans granted	15 905	16 736	16 610
- other	0	0	0
b) in other units	14 306	14 855	13 141
- shares or stocks	558	558	557
- loans granted	12 976	13 502	11 634
- other non-current financial assets	772	795	950
Total long-term financial assets	**30 390**	**31 770**	**29 930**

Note 3. Deferred income tax assets

Assets / liabilities due to	31.03.2012	31.12.2011	31.03. 2011
- Contracts valuation	12 598	11 306	6 684
- Provisions	3 604	2 779	2 416
- Loss on taxes	15 017	14 703	9 674
- Margin on intra-Group sales	487	487	2 367
- Other fees charged statistically	246	806	91
- Receivables revaluation	39	1 193	2 667
- Other financial liabilities	1 073	1 143	1 835
- Provisions revaluation	194	0	0
- Consolidation adjustments	2 454	2 456	0
- Deferred costs	840	2 841	0
- Other	1 660	1 035	1 191
Total deferred tax assets	**38 212**	**38 749**	**26 925**

Deferred tax liabilities are created based on the rate of 19% for positive and negative temporary differences on domestic assets and liabilities, and for temporary differences on the balance sheet items for foreign operations - based on the tax rates applicable in the country that is the basic economic environment in which the entity operates and regulates its liability due to income tax from legal persons.

Note 4. Short-term receivables
Note 4.1 Short-term trade receivables and other debts

	31.03.2012	31.12.2011	31.03. 2011
Short-term receivables before tax	**301 193**	**291 416**	**328 308**
Due to deliveries and services	280 141	267 068	288 114
- from associates	36	90	3 304
- from other entities	280 105	266 978	284 810
From the public sector	14 632	16 526	12 245
Other	6 420	7 822	27 948
Impairment of receivables	**6507**	**6 786**	**9 403**
Net short-term receivables	**294 686**	**284 630**	**318 904**

Note 4.2. Allowances for short-term trade receivables and other debts

	31.03.2012	31.12.2011	31.03. 2011
Write-downs at the beginning of the period	6 786	**9 400**	9 400
Created to other operating costs	0	639	0
Reversed into other operating costs	87	3 672	60
Used	0	37	8
Foreign exchange differences	-192	456	71
Write-downs on short-term receivables at the end of the period	**6 507**	**6 786**	**9 403**

Age structure of receivables is presented in the table below:

Note 4.3 Receivables from deliveries and services (gross)

	31.03.2012	31.12.2011	31.03. 2011
a) up to 3 months	236 499	222 940	273 607
b) between 3 and 6 months	7 633	5 872	718
c) between 6 and 12 months	17 318	18 204	1 706
d) over 12 months	6 910	6 937	4 779
e) overdue debts	11 781	13 115	7 304
Total receivables from deliveries and services (gross)	280 141	**267 068**	288 114
f) Allowances for trade receivables	6 488	6 767	8 528
Total net receivables from deliveries and services	**273 653**	**260 301**	**279 586**

Write-offs on receivables are created for overdue debts over 180 days at their full value.

In single, justified cases, can be applied individual principles of accounting an impairment.

The amount of overdue more than 1 year not covered by the write-down includes mainly receivables of PLN 3,815 from Koncepta Spółka z o.o., on which it was established mortgage on property belonging to the company Koncepta.

There is no credit risk concentration for trade receivables, as the Group has a large number of clients, both domestic and foreign.

The fair value of receivables due to deliveries and services and other receivables is approximately equivalent to their balance value.

Note 5. Construction contracts

	31.03.2012	31.12.2011	31.03. 2011
Building contracts income	219 536	1 454 666	265 164
Building contracts costs, including:	201 596	1 427 904	264 675
- recorded loss	0	162	0
Profit before tax	**17 940**	**26 762**	**489**

The following table shows the value of recognized receivables and liabilities under long-term contracts for construction services in the Parent Company:

	31.03.2012	31.12.2011	31.03. 2011
Assets:			
Amounts due from customers	120 930	**92 896**	87 375
Contracts valuation	120 930	92 896	87 375
Liabilities:			
Amounts due to customers, including:	49 439	**29 034**	39 338
Contracts valuation	49 439	29 034	39 338
Provision for losses on contracts	0	0	0

Note 6. Share capital of ERBUD SA (structure)
Note 6.1. Structure of the share capital ownership as at 31 March 2012

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	% of equity shareholding	Restrictions on disposal
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.23%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.68%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24.94%	None
	Total Wolff & Muller				**4 152 865**	**32.84%**	
B	Juladal Investment Ltd	Ordinary	None	None	2 818 174	22.29%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.93%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.36%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 269 709	10.04%	None
D,E,C,F	Free Float	Ordinary	None	None	2 470 275	19.54%	None
	Total				**12 644 169**	**100%**	

The above table shows shareholders having more than 5% of the capital.

Shareholding as at 31.12.2011

The share capital as of 31 December 2011 consists of 12,644,169 shares with a total value of PLN 1,264,416.90.

The shareholding of the Parent Company as at 31 December 2011 was as follows:

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	% of equity shareholding	Restrictions on disposal
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.23%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.68%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24.94%	None
	Total Wolff & Muller				**4 152 865**	**32.84%**	
B	Juladal Investment Ltd	Ordinary	None	None	2 818 174	22.29%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.93%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.36%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 269 709	10.04%	None
D,E,C,F	Free Float	Ordinary	None	None	2 470 275	19.54%	None
	Total				**12 644 169**	**100%**	

The above table shows shareholders having more than 5% of the capital.

The share capital as of 31 March 2011 consists of 12,602,711 shares with a total value of PLN 1,260,271.10. The shareholding of the Parent Company as at 31 March 2011 was as follows:

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	% of equity shareholding	Restrictions on disposal
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 Wolff & Muller				**4 152 865**	**32.95%**	
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	3 224 044	25.59%	None
	Total				12 602 711	100%	

Description of movements in the Company's share capital during the period from 1 January 2012 to the date of preparing financial statements

Apart from the powers arising from directly held shares of Erbud SA, major shareholders have no other voting rights at a general meeting.
Erbud's shares owned by the above mentioned entities are not preference 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.

Note 7. Change in deferred income tax provision
Note 7.1. Deferred income tax provision

Provision due to	31.03.2012	31.12.2011	31.03. 2011
- building contracts valuation	23 548	21 482	15 735
- assets revaluation	6 736	6 832	7 318
- financial costs capitalised	321	321	249
- balance sheet valuation - discounted liabilities	0	493	0
- balance sheet valuation - interest	0	986	0
- other	524	813	663
Total provision for deferred income tax	**31 129**	**30 927**	**23 965**

Deferred tax provisions are created on the rate basis of 19% for positive and negative temporary differences on domestic assets and liabilities, while the difference in the balance sheet items relating to the entitles operating abroad - on tax rates basis of the country of the primary economic environment in which the entity operates and pays obligations arising from income corporate tax.

Note 8.
Note 8.1. Other non-current liabilities

	31.03.2012	31.12.2011	31.03. 2011
a) Due to subsidiaries	0	0	0
b) Due to other entities	72 763	74 605	33 567
- loans and borrowings	11 465	12 564	19 090
- other financial liabilities, incl.	5 833	6 765	14 477
- from financial lease	5 226	5 182	5 983
- securing of foreign exchange risk in Budlex	607	1 583	0
- other	0	0	8 494
- liabilities due to bond issue	50 000	50 000	0
- liabilities from acquiring shares in Budlex	5 339	5 276	0
- other	126	0	0
Total long term liabilities	**72 763**	**74 605**	**33 567**

Note 9. Liabilities from deliveries and services and other debts, income tax liabilities and building securities

	31.03.2012	31.12.2011	31.03. 2011
Short-term liabilities			
a) Due to deliveries and services	229 085	274 220	235 293
- form associates	23	852	1 637
- form other entities	229 062	273 368	233 656
b) To public sector	9 914	13 794	8 820
- corporate income tax	1 626	1 311	1 994
- VAT	1 683	6 101	1 413

- income tax on natural persons	1 348	1 384	1 281
- other	5 257	4 998	4 132
c) Financial liabilities	5 021	6 372	3 453
- interest	88	90	88
- interest from bonds	1 000	1 889	0
- lease	3 933	4 393	3 365
d) Other	23 202	9 629	26 745
- payroll	4 591	4 946	3 826
- prepayments received	15 067	127	19 081
- liabilities due to shares	3 492	3 451	3 468
- other	52	1 105	370
Total	**267 222**	**304 015**	**274 311**

Note 10. Finance lease liabilities

Fail value	**31.03.2012**	**31.12.2011**	**31.03. 2011**
Up to 1 year	3 933	5 029	3 365
Over 1 and up to 5 years	5 226	5 600	5 983
Total	**9 159**	**10 629**	**9 348**

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Note 11. Information on issue, redemption and repayment of debt instruments and securities issued
Note 11.1. Issue / Redemption / Repayment of debt instruments issued

On 14.07.2011, the Parent issued 50,000 unsecured three-years bearer Bonds with a total value of PLN 50 million. The issue price is equal to the par value and the interest rate was set based on WIBOR 6M plus a margin of 3.40% pa The maturity date falls on 15 July 2014.

On 2 August 2011, bearer Bonds of Series A issued by the Parent were introduced to trading in the alternative trading system operated by BondSpot within the Catalyst market of the WSE. The first day of trading fell on 9 August 2011.

The Group's companies did not issue debt securities in the year ended 31 December 2010.

Note 12. Acquisition / Disposal of subsidiaries/ Disposal of long term-investments

In the period from 1 January 2012 to 31 March 2012, there were no changes in the composition of the Capital Group.

Note 13. Net revenues from sales of products (in kind structure - type of activities)

	3-month period ended 31.03.2012	**3-month period ended 31.03.2011**
- products sale	8 852	10 112
- services sale	219 710	265 339
- goods and materials sale	5 840	566
- of which: from associates	0	0
- services sale	0	0
Total net income from sales	**234 402**	**276 017**
- of which: from associates	**0**	**0**

Note 14. Costs by type

	3-month period ended 31.03.2011	3-month period ended 31.03.2011
a) Depreciation and amortisation	1 165	1 324
b) Consumption of materials and power	44 665	53 037
c) External services	146 053	180 849
d) Taxes and charges	1 962	1 304
e) Payroll	25 957	22 466
f) Social security, health care and other benefits	5 739	4 913
g) Other costs	2 448	2 581
h) Value of goods and materials sold	5 793	1 923
Total expenses by type	**233 782**	**268 395**
Change in inventories, products and deferred expenditures due to construction contracts	-6 480	22 196
Cost of production for in-house use (negative value)	0	0
Cost of sales (negative value)	-572	-495
General and administrative costs (negative value)	-12 364	-11 758
Manufacturing cost of products sold	**214 366**	**278 338**

Note 15. Corporate income tax

	3-month period ended 31.03.2012	3-month period ended 31.03.2011
Current income tax	442	546
Deferred income tax	685	-1 613
Tax liability which is shown in the profit and loss account	**1 127**	**-1 067**

Note 16. Net earnings per share

	3-month period ended 31.03.2011	3-month period ended 31.03.2011
Net earnings (loss)	3 206	-14 217
Weighted average number of shares (in units)	12 644 169	12 602 711
Earnings (loss) per share (in PLN)	0.25	-1.13
Weighted average diluted number of shares (in units)	12 648 833	12 679 988
Diluted earnings (loss) per share (in PLN)	0.25	-1.12

Basic earnings per share are calculated as a quotient of net income for the period attributable to ordinary shareholders of the Parent Company and the weighted average number of common shares outstanding for the period.

Note 17. Income, expenditures and results on discontinued operations or operations to be discontinued in next period

There were no discontinued operations in the reporting period.

Note 18. Number of Erbud's shares held or rights to them (options) by persons managing and supervising Erbud SA as at the report submitting date, including the indication of changes in ownership in the first quarter of 2012

As of 31 March 2012, the managing staff (the Management Board members and procura holders) held the following number of shares:

Shareholder	Class of shares	Number of shares	Per cent of equity held	Number of votes	Per cent of voting rights at a GM
Juladal Investments Ltd. (a company controlled by Board members of Erbud SA)	Common	2 818 174	22.29%	2 818 174	22.29%
Dariusz Grzeszczak	Common	750 000	5.93%	750 000	5.93%
Józef Adam Zubelewicz	Common	250 000	1.98%	250 000	1.98%
Walenty Twardy Procurist of Erbud S.A.	Common	18 124	0.14%	18 124	0.14%
Piotr Augustyniak Procurist of Erbud S.A.	Common	8 747	0.07%	8 747	0.07%
Agnieszka Głowacka Procurist of Erbud S.A.	Common	5 436	0.04%	5 436	0.04%
Grzegorz Krzywicki Procurist of Erbud S.A.	Common	3 033	0.02%	3 033	0.02%
Bogdan Duerr Procurist of Erbud S.A.	Common	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski Procurist of Erbud S.A.	Common	12 463	0.10%	12 463	0.10%
Tomasz Krzywicki Procurist (by a person related)	Common	3 636	0.05%	3 636	0.05%
Mirosław Młynarski Procurist	Common	4 479	0.04%	4 479	0.04%
Radosław Kałamaga Procurist	Common	3 704	0.03%	3 704	0.03%
Tomasz Krzywicki Procurist of Erbud S.A.	Common	2 750	0.02%	2 750	0.02%
Maciej Wyrzykowski Procurist of Erbud S.A.	Common	0	0	0	0
Waldemar Kozłowski Procurist of Erbud S.A.	Common	0	0	0	0
Mariola Zielińska Chief Accountant of Erbud S.A.	Common	4 318	0.03%	4 318	0.03%

As of 31 December 2011, the managing staff (the Management Board members and procura holders) held the following number of shares:

Shareholder	Class of shares	Number of shares	Per cent of equity held	Number of votes	Per cent of voting rights at a GM
Juladal Investments Ltd. (a company controlled by Board members of Erbud SA)	Common	2 818 174	22.29%	2 818 174	22.29%
Dariusz Grzeszczak	Common	750 000	5.93%	750 000	5.93%
Józef Adam Zubelewicz	Common	250 000	1.98%	250 000	1.98%
Walenty Twardy Procurist of Erbud S.A.	Common	12 384	0.10%	12 384	0.10%
Piotr Augustyniak Procurist of Erbud S.A.	Common	8 747	0.07%	8 747	0.07%
Agnieszka Głowacka Procurist of Erbud S.A.	Common	5 436	0.04%	5 436	0.04%

Grzegorz Krzywicki Procurist of Erbud S.A.	Common	3 033	0.02%	3 033	0.02%
Bogdan Duerr Procurist of Erbud S.A.	Common	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski Procurist of Erbud S.A.	Common	12 463	0.10%	12 463	0.10%
Tomasz Krzywicki Procurist (by a person related)	Common	3 636	0.05%	3 636	0.05%
Mirosław Młynarski Procurist	Common	4 479	0.04%	4 479	0.04%
Radosław Kałamaga Procurist	Common	3 704	0.03%	3 704	0.03%
Tomasz Krzywicki Procurist of Erbud S.A.	Common	2 750	0.02%	2 750	0.02%
Maciej Wyrzykowski Procurist of Erbud S.A.	Common	1 200	0.01%	1 200	0.01%
Mariola Zielińska Chief Accountant of Erbud S.A.	Common	4 318	0.03%	4 318	0.03%

As of 31 March 2011, the managing staff (the Management Board members and procura holders) held the following number of shares:

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

As at the date of submitting the report, the Board members and procurists do not have any Erbud's stock options.

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 31 March 2012 and as at 31 December 2011 did not have outstanding loans, credits or guarantees granted by the companies of the Erbud Group.

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 31 March 2012 and as at 31 December 2011 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Note 19. Information about key events occurred in the period of three months of 2012 and after the balance date.

Contracts concluded:

On 30 January 2012, Erbud S.A. signed a contract for construction of multifamily residential buildings with underground garage for DURHAM Sp. z o.o.seated in Warsawa, Bonifraterska St. 17.
Net contract value: PLN 93,359,000.
Scheduled completion: 30.10.2013.

On 1 February 2012, Erbud S.A. entered into a construction contract for errection of multifamily residential buildings with underground garage and infrastructure for LC Corp XIV Sp. z o.o., seated in Wrocław, Powstańców Śląskich St. 2-4.
Contract value: 1st contract - PLN 12,489,721 net, 2nd contract - PLN 11,710,279 net; the aggregate value is PLN 24,200,000 net.
Duration of works: 02.2012 - 09.2013.

On 3 February 2012, Erbud S.A. concluded a conditional contract to construct an office building with underground garage for Alfa Investments Spółka z ograniczoną odpowiedzialnością Spółka komandytowo-akcyjna, seated in Gdańsk.
Net contract value: PLN 27,600,726.
Conditions precedent: the contract shall have effect upon its signing, subject to the following conditions taking place: provisions of the construction contract with Erbud SA and the lease contract for office space shall have been approved by the financing institution, what should occur no later than on 28.02.2012.
Duration of works: commencement within 7 days after the notification by the Investor on fulfilling the condition (by 28.02.2012) and completion within 14 months from the site delivery (up to 7 days from the above notification).

On 9 March 2012, Erbud S.A. concluded a conditional contract to construct a class A office building ,16 floors and underground garage for DAKOTA Spółka z ograniczoną odpowiedzialnością Spółka, Grupa Capital Park, seated in Warszawa, Marynarska St. 11.
Contract value: € 80,936,083.94 net. Parties agreed fixed clearing rate at 4.16 PLN/EUR. The contract value converted into PLN amounts to 336,694,109.19. The Issuer bears no exchange rate risk.
Conditions precedent: written instruction to start the works made by the Builder at the latest by 30 June 2012.
Duration of works: commencement - not later than the end of June 2012; completion: not later than 45 months from the instruction to start the works.

On 19 April 2012, Erbud S.A. signed a contract with Ulma Construccion Polska S.A. for comprehensive construction of the logistics centre and warehouse in Koszajec.
The contract value amounts to PLN 26,000,000.00 (say: twenty six million zlotys) and meets the criteria of a significant agreement.
The commencement of work is scheduled for April this year and the completion for December 2012.

On 26 April 2012, The Issuer in consortium with its subsidiary PBDI S.A. signed on 26 April 2012 as the consortium leader a contract to build a wind farm in the community of Rząśnia with a capacity of 5.85 MW, including power transmission equipment and associated infrastructure.
The contract was concluded with EKOPAL Sp. o. o. seated in Rząśnia
Net contract value:
a) PLN 8,728,081.48
b) EUR 8,280,851.06.
The performance bond is granted by the Consortium to the Investor as the insurance guarantee and amounts to 10% of the gross contract price.
Deadline: 14 months from the contract conclusion.
This is already the 8th wind farm constructed by the consortium formed by Erbud S.A. and PBDI S.A.

On 27 April 2012, entered into a contract to build a bakery for FSB Piekarnie Sp. o. o., based in Michałów Reginów at 9 Leśna St.
The net contract value is PLN 22,650,000.00. The aggregate value of transactions with FSB Piekarnie Sp. z o.o. after signing of this contract amounts to PLN 24,450,000.00 net.
Commencement: 30.04.2012
Completion: 31.12.2012.

In addition to significant construction contracts, Erbud SA signed a number of agreements which do not exceed the criterion set by the "Significant Agreement".

Note 20. Other important events

Note 21. Changes in accounting policy applied and method of preparation of financial statements, introduced in relation to the previous financial year (years), their causes and the impact on the asset and financial position, liquidity, result and profitability.

No changes has occurred.

Note 22. Business combinations

During the period from 1 January 2012 to 31 March 2012 there were no mergers between the Company and other entities.

Note 23. Dividend policy - description of policy on the payment of dividends and any restrictions related. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted in case of changes of the number of shares in order to make comparisons

In the current reporting period the company did not pay dividends.

Note 24. Changes in accounting estimates

No significant changes in accounting estimates occurred in the comparable period and in the period ended 31 March 2012.

Note 25. Activity segments

During the reporting period ended 31 March 2012 the Group was operating in the following branch segments:

- Building – large volume construction
- Housing development
- Road-engineering
- Construction for the power industry
- Steel structures and products

During the reporting period ended 31 March 2012 the Group was operating on the following region segments:

- in Poland
- abroad (Germany, Belgium , Luxembourg and Holland).

Classification of the entities according to their statutory activities was the basis for dividing into segments. The Group applies the same policy of accounting for all segments.

Business segments

The following tables provide figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 March 2012:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2012	Cubage building	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Sale to external customers	212 892	9 028	9 214	3 267	1	**234 402**
Total income	**212 892**	**9 028**	**9 214**	**3 267**	**1**	**234 402**
Cost of products, goods and materials sold to external customers	198 669	7 062	6 203	2 432	0	**214 366**
Total cost of products, goods and materials sold	**198 669**	**7 062**	**6 203**	**2 432**	**0**	**214 366**
Total gross sales	**14 223**	**1 966**	**3 011**	**835**	**1**	**20 036**
Cost of sales	0	513	59	0	0	**572**
General and administrative costs	8 511	297	2 783	400	373	**12 364**

Profit (loss) on other operating activity	148	201	2	0	49	**400**
Segment profit (loss)	**5 860**	**1 357**	**171**	**435**	**-323**	**7 500**
Profit (loss) on financing activity	-2 984	-5	-103	0	-6	**-3 098**
Income tax	909	162	56	0	0	**1 127**
Net profit	**1 967**	**1 190**	**12**	**435**	**-329**	**3 275**

Other items by business segments

For the period from 1 January to 31 March 2012	**Cubage building**	**Housing development**	**Road-engineering**	**Construction for energy sector**	**Other segments**	**Total**
Segment depreciation and amortisation	264	193	702	1	5	**1 165**
Interest income	524	270	97	0	0	**891**
Interest costs	1 792	200	205	0	6	**2 203**
Impairment of assets	0	0	0	0	0	**0**
Reversal of impairment losses on assets	73	0	0	0	14	**87**
Capital expenditure for:	480	67	126	0	40	**713**
- Tangible fixed assets	480	67	126	0	40	**713**
- Intangible fixed assets	0	0	0	0	0	**0**
- Increase due to acquisition	0	0	0	0	0	**0**
Other non-cash outlays	0	0	0	0	0	**0**

Assets and liabilities by business segments

As at 1 March 2012	**Cubage building**	**Housing development**	**Road-engineering**	**Construction for energy sector**	**Other segments**	**Total**
Segment assets	493 755	162 347	44 458	618	2 129	**703 307**
Investment in associates	0	0	0	0	0	**0**
Deferred tax assets	26 400	5 167	4 763	31	1 851	**38 212**
Total assets	**520 155**	**167 514**	**49 221**	**649**	**3 980**	**741 519**
Total liabilities	**402 757**	**69 086**	**35 445**	**292**	**1 166**	**508 746**

Business segments

The following tables present data on income and profit as well as selected assets and liabilities of business segments of the Group as at 31 December 2011:

Proceeds and expenses by business segments

For the period from 1 January to 31December 2011	**Cubage building**	**Housing development**	**Road-engineering**	**Construction for energy sector**	**Steel structures and products**	**Exclusions**	**Total**
Sale to external customers	1 182 737	58 548	233 842	42 484	10 221	0	**1 527 832**
Total income	0	0	89 605	0	0	-89 605	**0**
Cost of products, goods and materials sold to external customers	**1 182 737**	**58 548**	**323 447**	**42 484**	**10 221**	**-89 605**	**1 527 832**
Total cost of products, goods and materials sold	1 176 102	49 091	214 336	40 018	11 858	0	**1 491 405**
Total gross sales	0	0	89 605	0	0	-89 605	**0**
Cost of sales	**1 176 102**	**49 091**	**303 941**	**40 018**	**11 858**	**-89 605**	**1 491 405**
General and administrative costs	**6 635**	**9 457**	**19 506**	**2 466**	**-1 637**	**0**	**36 427**
Profit (loss) on other operating activity	0	2 194	1 181	0	295	0	**3 670**
Segment profit (loss)	32 553	3 210	7 102	1 543	1 489	0	**45 897**
Profit (loss) on financing activity	1 212	227	267	-202	-625	0	**879**
Income tax	**-24 706**	**4 280**	**11 490**	**721**	**-4 046**	**0**	**-12 261**
Net profit	-7 845	193	-927	-10	-153	0	**-8 742**
Sale to external customers	-1 707	726	243	46	-596	0	**-1 288**
Total income	**-30 844**	**3 747**	**10 320**	**665**	**-3 603**	**0**	**-19 715**

Other items by business segments

For the period from 1 January to 31 December 2011	Cubage building	Housing development	Road-engineering	Construction for energy sector	Steel structures and products	Total
Segment depreciation and amortisation	2 540	687	4 230	33	307	**7 797**
Interest income	2 671	1 444	25	2	2	**4 144**
Interest cost	4 588	1 129	977	12	155	**6 861**
Impairment of assets	153	1 358	13	167	229	**1 920**
Reversal of impairment of assets	2 811	861	0	0	0	**3 672**
Capital expenditure for:	3 406	534	3 278	4	82	**7 304**
Tangible fixed assets	1 069	430	545	3	82	**2 129**
Intangible fixed assets	370	12	22	1	0	**405**
Increase due to taking over	0	0	0	0	0	**0**
Other non-monetary outlays	1 967	92	2 711	0	0	**4 770**

Assets and liabilities by business segments

As at 31 December 2011	Cubage building	Housing development	Road-engineering	Construction for energy sector	Steel structures and products	Total
Segment assets	530 092	158 287	44 279	670	2 685	**736 013**
Deferred tax assets	27 610	5 118	4 088	31	1 902	**38 749**
Total assets	**557 702**	**163 405**	**48 367**	**701**	**4 587**	**774 762**
Segment liabilities	**427 009**	**68 500**	**46 746**	**256**	**1 804**	**544 315**

Business segments

The following tables provide figures on proceeds, expenditures, and certain assets of business segments of the Group as at 31 March 2011:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2011	Cubage building	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Sale to external customers	235 535	7 722	17 755	10 254	2 751	**276 017**
Total income	**235 535**	**7 722**	**17 755**	**10 254**	**2 751**	**276 017**
Cost of products, goods and materials sold to external customers	243 414	8 078	15 279	8 637	2 930	**278 338**
Total cost of products, goods and materials sold	**243 414**	**8 078**	**15 279**	**8 637**	**2 930**	**278 338**
Total gross sales	**-5 879**	**-356**	**2 476**	**1 617**	**-179**	**-2 321**
Cost of sales	0	495	0	0	0	**495**
General and administrative costs	9 552	289	1 739	178	0	**11 758**
Profit (loss) on other operating activity	105	-6	9	-3	-8	**97**
Segment profit (loss)	**-15 326**	**-1 146**	**746**	**1 436**	**-187**	**-14 477**
Profit (loss) on financing activity	-459	-318	-154	-2	-30	**-963**
Income tax	-1 856	636	-29	128	54	**-1 067**
Net profit	**-13 929**	**-2 100**	**621**	**1 306**	**-271**	**-14 373**

Other items by business segments

For the period from 1 January to 31 March 2011	Cubage building	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment depreciation and amortisation	271	198	739	11	105	**1 324**
Interest income	664	11	13	0	0	**688**
Interest cost	410	275	164	2	30	**881**
Impairment of assets	0	0	0	0	0	**0**

Reversal of impairment of assets	60	0	0	0	0	**60**
Capital expenditure for:	565	65	674	4	0	**1 308**
Tangible fixed assets	565	60	145	3	0	**773**
Intangible fixed assets	0	5	22	1	0	**28**
Increase due to taking over						
Other non-monetary outlays	0	0	507	0	0	**507**

Assets and liabilities by business segments

As at 31 March 2011	Cubage building	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment assets	452 142	136 785	51 566	1 416	11 508	**653 418**
Deferred tax assets	0	0	0	0	0	**0**
Total assets	18 668	4 521	2 561	65	1 110	**26 925**
Segment liabilities	**470 810**	**141 306**	**54 127**	**1 481**	**12 618**	**680 343**
Total liabilities	**352 347**	**55 715**	**30 556**	**505**	**6 287**	**445 410**

Geographical segments

The following tables provide figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2012:

Proceeds and expenses by geographical segments

Year ended 31 March 2012	Domestic	Abroad	Total
Sale to external customers	204 174	30 228	**234 402**
Total income	**204 174**	**30 228**	**234 402**
Cost of products, goods and materials sold to external customers	186 544	27 822	**214 366**
Total cost of products, goods and materials sold	**186 544**	**27 822**	**214 366**
Total gross sales	**17 630**	**2 406**	**20 036**
Cost of sales	572	0	**572**
General and administrative costs	10 249	2 115	**12 364**
Profit (loss) on other operating activity	144	256	**400**
Segment profit (loss)	**6 953**	**547**	**7 500**
Profit (loss) on financing activity	-2 201	-897	**-3 098**
Income tax	1 081	46	**1 127**
Net profit	**3 671**	**-396**	**3 275**

Year ended 31 March 2012	Domestic	Abroad	Total
Segment depreciation and amortisation	1 072	93	**1 165**
Interest income	657	234	**891**
Interest cost	2 084	119	**2 203**
Impairment of assets	0	0	**0**
Reversal of impairment of assets	14	73	**87**
Capital expenditure for:	**588**	**125**	**713**
Tangible fixed assets	588	125	**713**
Intangible fixed assets	0	0	**0**
Increase due to taking over			
Other non-monetary outlays	0	0	**0**

Assets and liabilities by geographical segments

Year ended 31 March 2012	Domestic	Abroad	Total
Segment assets	644 922	58 385	**703 307**
Deferred tax assets	36 185	2 027	**38 212**
Total assets	**681 107**	**60 412**	**741 519**
Segment liabilities	472 925	35 821	**508 746**
Total liabilities			

Geographical segments

The following tables provide figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 December 2011:

Proceeds and expenses by geographical segments

Year ended 31 December 2011	Domestic	Abroad	Total
Sale to external customers	1 420 460	107 372	**1 527 832**
Total income	**1 420 460**	**107 372**	**1 527 832**
Cost of products, goods and materials sold to external customers	1 390 872	100 533	**1 491 405**
Total cost of products, goods and materials sold	**1 390 872**	**100 533**	**1 491 405**
Total gross sales	**29 588**	**6 839**	**36 427**
Cost of sales	3 670	0	**3 670**
General and administrative costs	37 897	8 000	**45 897**
Profit (loss) on other operating activity	-1 839	2 718	**879**
Segment profit (loss)	**-13 818**	**1 557**	**-12 261**
Profit (loss) on financing activity	-8 529	-213	**-8 742**
Income tax	-2 872	1 584	**-1 288**
Net profit	**-19 475**	**-240**	**-19 715**

Year ended 31 December 2011	Domestic	Abroad	Total
Segment depreciation and amortisation	7 429	368	**7 797**
Interest income	2 481	1 663	**4 144**
Interest cost	5 983	878	**6 861**
Impairment of assets	1 920	0	**1 920**
Reversal of impairment of assets	1 074	2 598	**3 672**
Capital expenditure for:	**6 540**	**764**	**7 304**
Tangible fixed assets	1 642	487	**2 129**
Intangible fixed assets	405	0	**405**
Other non-monetary outlays	4 493	277	**4 770**

Assets and liabilities by geographical segments

Year ended 31 December 2011	Domestic	Abroad	Total
Segment assets	674 982	61 031	**736 013**
Deferred tax assets	36 807	1 942	**38 749**
Total assets			
Segment liabilities	711 789	62 973	**774 762**
Total liabilities	**511 446**	**32 869**	**544 315**

Geographical segments

The following tables provide figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2011:

Proceeds and expenses by business segments

Year ended 31 March 2011	Domestic	Abroad	Total
Sale to external customers	256 120	19 897	**276 017**
Total income	**256 120**	**19 897**	**276 017**
Cost of products, goods and materials sold to external customers	257 666	20 672	**278 338**
Total cost of products, goods and materials sold	**257 666**	**20 672**	**278 338**
Total gross sales	**-1 546**	**-775**	**-2 321**
Cost of sales	495	0	**495**
General and administrative costs	10 330	1 428	**11 758**
Profit (loss) on other operating activity	37	60	**97**
Segment profit (loss)	**-12 334**	**-2 143**	**-14 477**
Profit (loss) on financing activity	-1 301	338	**-983**
Income tax	-990	-77	**-1 067**
Net profit	**-12 645**	**-1 728**	**-14 373**

Year ended 31 March 2011	Domestic	Abroad	Total
Segment depreciation and amortisation	1 227	97	**1 324**
Interest income	271	417	**688**
Interest cost	712	169	**881**
Impairment of assets	0	0	**0**
Reversal of impairment of assets	0	60	**60**
Capital expenditure for:	**1 190**	**118**	**1 308**
Tangible fixed assets	655	118	**773**
Intangible fixed assets	28	0	**28**
Increase due to taking over			
Other non-monetary outlays	507	0	**507**

Assets and liabilities by geographical segments

Year ended 31 March 2011	Domestic	Abroad	Total
Segment assets	600 516	52 902	**653 418**
Deferred tax assets	25 597	1 328	**26 925**
Total assets	**626 113**	**54 230**	**680 343**
Segment liabilities	411 720	33 690	**445 410**
Total liabilities	**411 720**	**33 690**	**445 410**

Note 26. Construction contracts deposits

Construction contracts deposits as of 31 March 2012 were as follows:

	31 March 2012	31 March 2011
Deposits retained by customers		
Deposits to be returned beyond 12 months	6 892	7 599
Deposits to be returned within 12 months	28 563	25 883
Total	**35 455**	**33 482**
Deposits retained to suppliers		
Deposits to be returned beyond 12 months	8 436	7 785
Deposits to be returned within 12 months	76 463	60 300
Total	**84 899**	**68 085**

Note 27. Litigation and claims

As at 31 March 2012 there are not any legal proceedings brought by Erbud S.A.

Note 28. 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.

The Agreement on guarantee and credit line with PKO BP SA provides for to secure the limit by capped mortgage to the amount of PLN 65,000 thousand for the property, which are undeveloped parcels No. 275/3, 288/10 and 288/17 entered into the land register managed by business District Court in Torun under No. TO1T00003133/2 and transfer of receivables due to construction work amounting to PLN 157,444 thousand net. The agreement was concluded for the period from 30 June 2009 to 29 June 2012.

Contingent liabilities arising from guarantees given by banks are also secured by transfers of receivables from customers for construction works, in blanco promissory notes and freezing of term deposits.

Note 30. Additional information that, according to the Issuer, is relevant for the assessment of its financial standing and financial results, assets and human resources and any changes thereof, as well as information relevant to assess the Issuer's ability to meet its obligations

With the exception of information presented in this report, there is no other information that, according to the Issuer, is relevant for the assessment of its financial standing and financial results, assets and human resources and any changes thereof, as well as information relevant to assess the Issuer's ability to meet its obligations.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, 15 May 2012