Translation from Polish

ERBUD S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2012

Introduction to Financial Statements

1. Policies adopted for preparation of the Condensed Separate Financial Statements

1.1. Adopted accounting principles

Condensed Separate Financial Statements of Erbud SA for the period of six months of 2012 and the comparative figures have been prepared in accordance with the provisions of the Act of 29 September 1994 (Journal of Laws of 2009, No. 152, item. 1223, as amended) and the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2009 No. 33, item. 259, as amended).

1.2. Comparability of financial data disclosed in the Condensed Separate Financial Statements and those previously prepared and published in the Condensed Separate Financial Statements

In the period covered by the Condensed Separate Financial Statements and in the previous period, there were no events that require to achieve comparability of financial data.

1.3. Description of the rules (policies), including methods of valuation of assets and liabilities and measurement of income and expenses

Over the period covered by the Condensed Separate Financial Statements, there were no changes in the rules of preparing the financial statements. A detailed description of the accounting policies is contained in the introduction to the Separate Financial Statements of the Company for the year ended 31 December 2011.

1.4. Going-concern assumption and comparability of financial statements

Condensed Separate Financial Statements presented in this report have been prepared under the assumption, that ERBUD SA will continue its business activity over next 12 months after the balance sheet date, i.e. 30.06.2012. The Management Board of the Company do not state as at the day of signing the financial statement facts and circumstances which would indicate the possibility of risk to continue operations in the period of 12 months after the closing balance date as a result of intentional or involuntary omissions or significantly reducing the current activity.
By the date of preparing the Financial Statements as of 30.06.2012, there were no events that have not been and should be included in the accounts during the reporting period.

2. Composition of the Management Board and the Supervisory Board

Management Board

Dariusz Grzeszczak - Board Member

Józef Zubelewicz - Board Member

Supervisory Board

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

CONDENSED SEPARATE FINANCIAL STATEMENTS for the 6-month period ended 30 June 2012 (in PLN '000)

Balance Sheet

ASSETS

		Note	30.06.2012	31.12.2011	30.06.2011
A.	Fixed assets		**219 721**	**206 539**	**186 039**
I.	Intangible assets		**407**	**388**	**269**
1.	R&D expenses		0	0	0
2.	Goodwill		0	0	0
3.	Other intangible assets		60	71	269
4.	Advances for intangible assets		347	317	0
II.	Tangible assets		**8 461**	**8 596**	**8 810**
1.	Tangible fixed assets		8 461	8 596	8 810
a)	Land, incl. perpetual usufruct		0	0	0
b)	Buildings, premises and civil and water engineering structures		3 482	3 532	3 581
c)	Plant and equipment		108	125	239
d)	Means of transport		4 437	4 524	4 524
e)	Other tangible fixed assets		434	415	466
2.	Fixed assets under construction		0	0	0
3.	Prepaid tangible fixed assets under construction		0	0	0
III.	Long-term receivables		**0**	**0**	**0**
1.	From associates		0	0	0
2.	From other entities		0	0	0
IV.	Long-term investments		**176 337**	**173 065**	**155 135**
1.	Real property		515	515	515
2.	Intangibles		0	0	0
3.	Non-current financial assets	2, 6	175 822	172 550	154 620
a)	In associates, incl.:		175 099	171 827	153 834
–	Shares or stocks		132 967	132 965	128 065
–	Other securities		0	0	0
–	Loans granted		42 132	38 862	25 769
–	Other non-current financial assets		0	0	0
b)	In other entities, incl.:		723	723	786
–	Shares or stocks		5	5	5
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other non-current financial assets		718	718	781
4.	Other non-current investments		0	0	0
V.	Long-term prepayments		**34 516**	**24 490**	**21 825**
1.	Deferred tax assets	3	34 516	24 490	21 825
2.	Other prepayments		0	0	0

		Note	30.06.2012	31.12.2011	30.06.2011
B.	Current assets		**455 932**	**476 205**	**523 082**
I.	Inventories	**6**	**0**	**1 127**	**0**
1.	Materials		0	1 127	0
2.	Semi-finished products and products in progress		0	0	0
3.	Finished products		0	0	0
4.	Goods		0	0	0
5.	Advances for deliveries		0	0	0
II.	Short-term receivables	**4**	**263 005**	**253 401**	**393 163**
1.	From affiliated entities		13 902	8 741	6 911
a)	Trade receivables with a maturity:		13 545	8 741	6 843
–	up to 12 months		13 545	8 741	6 843
–	above 12 months		0	0	0
b)	Other		357	0	68
2.	Receivables from other entities		249 103	244 660	386 252
a)	trade receivables with a maturity:		225 000	230 724	372 062
–	up to 12 months		219 900	229 146	369 702
–	above 12 months		5 100	1 578	2 360
b)	receivables from tax, subsidy, customs, social security		11 718	11 105	6 102
c)	and other benefits		12 385	2 831	8 088
d)	Other		0	0	0
III.	Claimed at court		**34 141**	**121 707**	**52 151**
1.	Short-term investments	6	34 141	121 707	52 151
a)	Current investments		74	1 436	17 047
–	In affiliated entities		0	0	0
–	Shares or stocks		0	0	0
–	Other securities		74	1 436	17 047
–	Loans granted		0	0	0
b)	Other current financial assets		0	0	0
–	In other entities		0	0	0
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		0	0	0
c)	Other current financial assets		34 067	120 271	35 103
–	Cash and other cash assets		12 387	108 027	15 510
–	Cash in hand and at bank		21 680	12 244	19 593
–	Other cash		0	0	0
2.	Other cash assets		0	0	0
IV.	Other current investments	**5**	**158 786**	**99 970**	**77 768**
	Short-term prepayments		**675 653**	**682 744**	**709 121**

LIABILITIES

		Note	30.06.2012	31.12.2011	30.06.2011
A.	**Equity**		**233 820**	**229 219**	**226 968**
I.	**Share capital**	7	1 264	1 264	1 260
II.	**Called-up share capital (negative value)**		0	0	0
III.	**Treasury shares (negative value)**		0	0	0
IV.	**Reserve capital**		227 955	253 239	252 787
V.	**Revaluation capital reserve**		0	0	0
VI.	**Other reserve capital**		0	0	0
VII.	**Retained profit / accumulated loss brought forward**		0	0	0
VIII.	**Net profit (loss)**		4 601	-25 284	-27 079
IX.	**Write-offs due to net profit for the financial year (negative value)**		0	0	0
B.	**Liabilities and provisions for liabilities**		**441 833**	**453 525**	**482 153**
I.	**Provisions for liabilities**		**42 351**	**30 277**	**30 631**
1.	Deferred income tax provision	8	31 271	19 928	15 843
2.	Provision for retirement and related benefits		2 972	2 985	2 995
–	Non-current	9	480	420	887
–	Current	10	2 492	2 565	2 108
3.	Other provisions		8 108	7 364	11 793
–	Non-current	11	0	0	0
–	Current	12	8 108	7 364	11 793
II.	**Long-term liabilities**	**13**	**50 993**	**56 537**	**10 053**
1.	To associates		0	0	0
2.	To other entities		50 993	56 537	10 053
a)	Loans and borrowings		0	0	0
b)	Issue of debt securities	15	50 000	50 000	0
c)	Other financial liabilities		993	1 261	1 514
d)	Other		0	5 276	8 539
III.	**Short-term liabilities**		**285 040**	**324 560**	**394 952**
1.	To associates		29 852	41 729	43 993
a)	Deliveries and services with a maturity:		29 852	41 729	43 993
–	up to 12 months		29 392	41 729	43 993
–	above 12 months		460	0	0
b)	Other		0	0	0
2.	To other entities		255 188	282 831	350 959
a)	Loans and borrowings	14	8 635	28 663	33 667
b)	Issue of debt securities		0	0	0
c)	Other financial liabilities		3 466	3 609	1 636
d)	Deliveries and services with a maturity:		222 803	243 808	305 504
–	up to 12 months		219 255	236 321	297 586
–	above 12 months		3 548	7 487	7 918
e)	Advances for deliveries		11 707	16	6 030
f)	Bills		0	0	0
g)	Taxes, customs, social insurance and other benefits		1 941	1 931	2 873
h)	Salaries		795	1 306	1 147
i)	Other		5 841	3 498	102
3.	Special funds		0	0	0
IV.	**Accruals**		**63 449**	**42 151**	**46 517**
1.	Other accruals	5,1	63 449	42 151	46 517
	TOTAL LIABILITIES		**675 653**	**682 744**	**709 121**

Calculation of book value per share

	30.06.2012	31.12.2011	30.06.2011
Book value (in 000' PLN)	233 820	229 219	226 968
Number of shares	12 644 169	12 644 169	12 602 711
Book value per share (in PLN)	18.49	18.13	18.01

OFF-BALANCE SHEET ITEMS

	30.06.2012	31.12.2011	30.06.2011
1. Conditional receivables	0	0	0
1.1. From affiliated entities (due to)	0	0	0
- guarantees received	0	0	0
1.2 From other entities (due to)	0	0	0
- guarantees received	0	0	0
2. Conditional liabilities	345 629	356 254	289 978
2.1. To affiliated entities (due to)	72 535	25 120	0
- guarantees granted	72 535	25 120	0
2.2. To other entities (due to)	273 094	331 134	289 978
- guarantees granted	273 094	331 134	289 978
3.Other	0	0	0
Total off-balance sheet items	**345 629**	**356 254**	**289 978**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 29, 2012

PROFIT AND LOSS STATEMENT

	Note	6-month period ended 30.06.2012	6-month period ended 30.06.2011
Revenues from sales of products, goods and materials, incl.		**473 744**	**572 437**
- From associates		13 751	944
Net revenues from sales of products	18	460 948	572 433
Net revenues from sales of goods and materials	19	12 796	4
Cost of products, goods and materials sold		**447 727**	**581 606**
- To associates		74 399	57 016
Manufacturing cost of products sold	20	434 963	581 606
Value of goods and materials sold		12 764	0
Gross profit (loss) on sales		**26 017**	**-9 169**
Sales costs		0	0
General and administrative costs		17 746	18 842
Profit (loss) on sales		**8 270**	**-28 011**
Other operating revenues	**22**	**254**	**1 225**
Profit on disposal of non-financial fixed assets		24	7
Subsidies		0	0
Other operating revenues		230	1 218
Other operating expenses		**1 078**	**1 366**
Loss on disposal of non-financial assets		0	0
Revaluation of non-financial fixed assets		0	0
Other operating expenses		1 078	1 366
Profit (loss) on operating activities		**7 446**	**-28 152**
Financial revenues	**23**	**3 032**	**5 057**
Dividends and profit sharing, incl.:		750	950
- From associates		750	950
Interest		1 876	3 976
- From associates		1 447	1 650
Profit on investments sale		0	0
Revaluation of investments		0	0
Other		406	131
Financial costs	**24**	**4 361**	**8 241**
Interest:		2 840	1 009
- To associates		0	0
Loss on selling investments		0	0
Revaluation of investments		0	5 661
Other		1 521	1 571
Profit (loss) on business activities		**6 117**	**-31 336**
Result on extraordinary events		**0**	**0**
Extraordinary profit		0	0
Extraordinary los		0	0
Gross profit (loss)		**6 117**	**-31 336**
Income tax		1 516	-4 257
Other statutory reductions in profit (increases in loss)		0	0
Net earnings (loss)		**4 601**	**-27 079**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 644 169/ 12 745 653**	**12 602 711/ 12 680 526**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	**25**	**0.364/0.362**	**-2.15/-2.13**

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/Board Member/

Warsaw, August 29, 2012

CASH FLOW STATEMENT

	6-month period ended 30.06.2012	6-month period ended 30.06.2011
Net profit (loss)	**4 601**	**-27 079**
Total adjustments	**-53 461**	**-78 270**
Amortisation and depreciation	1 113	1 153
Foreign currency translation gain (loss)	100	-167
Interest and profit sharing (dividends)	1 564	-1 177
(Profit (loss) on investment activities	-1 471	5 644
Change in provisions	12 074	12 262
Change in inventory	1 127	1 189
Change in receivables	748	-199 660
Change in short-term liabilities, excluding credits and loans	-21 346	107 170
Change in prepayments and accruals	-47 543	-5 020
Other adjustments	173	334
Net cash flows from operating activities	**-48 860**	**-105 349**
Cash flows from investment activities		
Inflows	**1 696**	**1 511**
Disposal of intangible and tangible fixed assets	231	28
Disposal of investments in real property and intangible assets	0	0
From financial assets, incl.:	1 465	1 483
a) In associates	1 037	1 011
- Disposal of financial assets	0	0
- Dividends and profit sharing	552	700
- Repayment of granted long-term loans	485	311
- Interest	0	0
- Other inflows from financial assets	0	0
b) In other entities	428	472
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	0	0
- Interest	428	472
- Other inflows from financial assets	0	0
Other inflows from investment activities	0	0
Outflows	**15 423**	**13 492**
Purchase of intangible assets and tangible fixed assets	529	673
Investments in real property and intangible assets	0	0
Due to financial assets, incl.:	14 894	12 819
a) In associates	4 622	12 819
- Disposal of financial assets	3 534	3 534
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	1 088	9 285
- Interest	0	0
- Other outflows due to financial assets	0	o
b) In other entities	10 272	0
- Purchase of financial assets	10 272	0
- Long-term loans granted	0	0
Other outflows due to investment activities	0	0
Net cash flows from investment activities	**-13 727**	**-11 981**

	6-month period ended 30.06.2012	6-month period ended 30.06.2011
Cash flow from financial activities		
Inflows	**25**	**32 156**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Credits and loans	25	32 156
Issue of debt instruments	0	0
Other financial inflows	0	0
Outflows	**23 642**	**1 055**
Redemption of own shares	0	0
Dividends and other payments to the shareholders	0	0
Other than payments to shareholders, expenses due to profit distribution	0	0
Repayment of credits and loans	20 054	0
Repayment of debt instruments issued	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	1 044	936
Interest paid	2 544	119
Other	0	0
Net cash flow from financial activities	**-23 617**	**31 101**
Total net cash flow	**-86 204**	**-86 229**
Balance sheet change in cash, including:	**-86 204**	**-86 088**
- change in cash due to foreign exchange differences	0	1410
Cash opening balance	**120 271**	**121 191**
Closing balance of cash, including:	**34 067**	**34 962**
- restricted cash	21 680	19 593

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 29, 2012

STATEMENT OF MOVEMENTS IN EQUITY

	6-month period ended 30.06.2012	12-month period ended 31.12.2011	6-month period ended 30.06.2011
I. Equity opening balance	**229 219**	**251 973**	**251 973**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
I.a. Equity opening balance after adjustment at the beginning of the period	**229 219**	**251 973**	**251 973**
1. Share capital at the beginning of the period	**1 264**	**1 260**	**1 260**
1.1. Changes to share capital	**0**	**4**	**0**
a) Increases from	0	4	0
– issue of shares of Series E	0	0	0
– issue of shares of Series F	0	4	0
b) Decreases from	0	0	0
– redemption of shares	0	0	0
1.2. Share capital at the end of the period	**1 264**	**1 264**	**1 260**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	0	0
a) Increases	0	0	0
b) Decreases	0	0	0
2.2. Called-up share capital at the end of the period	**0**	**0**	**0**
3. Own shares at the beginning of the period	**0**	**0**	**0**
a) Increases - repurchase of own shares	0	0	0
b) Decreases - disposal of own shares	0	0	0
3.1. Own shares at the end of the period	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**253 239**	**220 709**	**220 709**
4.1. Changes in capital reserves	25 284	32 530	32 078
a) Increases from	0	32 530	32 078
– capital reserves transfer	0	0	0
– profit distribution	0	30 004	30 004
– redemption of shares	0	0	0
– profit from disposal of own shares	0	0	0
– issue of Series F shares above par value	0	452	0
– contribution to Series C shares	0	0	0
– manager options	0	2 074	2 074
b) Decreases from	25 284	0	0
– loss coverage for 2011	25 284	0	0
– redemption of shares	0	0	
4.2. Capital reserves at the end of the period	**227 955**	**253 239**	**252 787**
5. Revaluation reserve at the beginning of the period	**0**	**0**	**0**
5.1.Changes in revaluation reserve	0	0	0
a) Increases from	0	0	0
– financial assets valuation	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	0	0
b) Decreases from	0	0	0
– valuation of financial instruments held for sale	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	0	0
5.2. Revaluation reserve at the end of the period	**0**	**0**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**
6.1. Changes in other capital reserves	0	0	0
a) Increases from	0	0	0
- reserves for Staff Incentive Scheme	0	0	0
b) Decreases – transfer to capital reserves	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**

	6-month period ended 30.06.2012	12-month period ended 31.12.2011	6-month period ended 30.06.2011
7. Retained profit (loss) at the beginning of the period	**-25 284**	**30 004**	**30 004**
7.1. Retained profit at the beginning of the period	0	30 004	30 004
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
7.2 Retained profit at the beginning of the period after adjustment	0	30 004	30 004
a) Increases	0	0	0
b) Decreases from	0	30 004	30 004
– profit-sharing for capital reserves	0	30 004	30 004
– profit-sharing for dividends	0	0	0
– profit-sharing to cover losses from previous years	0	0	0
7.3. Retained profit at the end of the period	**0**	**0**	**0**
7.4. Retained loss at the beginning of the period	**25 284**	**0**	**0**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
7.5. Retained loss at the beginning of the period after adjustment	25 284	0	0
a) Increases	0	0	0
– presentation adjustments	0	0	0
b) Decreases	25 284	0	0
– profit-sharing to cover losses from previous years	25 284	0	0
7.6. Retained loss at the end of the period	**0**	**0**	**0**
7.7 Retained profit (loss) at the end of the period	**0**	**0**	**0**
8. Net result	**4 601**	**-25 284**	**-27 079**
a) Net profit	4 601	0	0
b) Net loss	0	25 284	27 079
c) Write-downs from profit	0	0	0
II. Equity closing balance	**233 820**	**229 219**	**226 968**
III. Equity, after including proposed profit distribution (coverage of loss)	**233 820**	**229 219**	**226 968**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 29, 2012

Key items converted to the EURO

	30 June 2012		31 December 2011		30 December 2011	
	PLN	**EUR**	**PLN**	**EUR**	**PLN**	**EUR**
Fixed assets	219 721	51 562	206 539	46 762	186 039	46 666
Current assets	455 932	106 994	476 205	107 817	523 082	131 210
Shareholders' equity	233 820	54 871	229 219	51 897	226 968	56 933
Liabilities and provisions for liabilities	441 833	103 685	453 525	102 682	482 153	120 943

Items of the balance sheet data as at 30 June 2012 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.2613 PLN/EUR.

Items of the balance sheet data as at 31 December 2011 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.4168 PLN/EUR.

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

	6- month period ended 30.06.2012		6- month period ended 30.06.2011	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products, services, goods and materials	473 744	112 139	572 437	144 289
Cost of products, services, goods and materials sold	447 727	105 981	581 606	146 600
Profit on sales before tax	26 017	6 158	-9 169	-2 311
Profit on operating activities	7 446	1 762	-28 152	-7 096
Profit (loss) before tax	6 117	1 448	-31 336	-7 899
Net profit (loss)	4 601	1 089	-27 079	-6 826

Items of the profit and loss statement for the period from 1.01.2012 to 30.06.2012 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing o the last day of given month in the period, set by the NBP as of that day, i.e. 4.2246 PLN/EUR.

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

	6- month period ended 30.06.2012		6- month period ended 30.06.2011	
	PLN	**EUR**	**PLN**	**EUR**
Cash flows from operating activities	-48 860	-11 566	-105 349	-26 554
Cash flows from investment activities	-13 727	-3 249	-11 981	-3 020
Cash flows from financial activities	-23 617	-5 590	31101	7 839
Net cash flows	-86 204	-20 405	-86 229	-21 735
Cash opening balance	120 271	27 230	121 191	30 601
Cash closing balance	34 067	7 994	34 962	8 770

Items of the cash flow for the period from 1.01.2012 to 30.06.2012 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.2246 PLN/EUR.

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

For translating cash as at 1 January 2012, the exchange rate set by the NBP as of that day, i.e. 4.4168 PLN/EUR, was applied.

For translating cash as at 1 January 2011, the exchange rate set by the NBP as of that day, i.e. 3.9603 PLN/EUR, was applied.

For translating cash as at 30 June 2012, the exchange rate set by the NBP as of that day, i.e. 4.2613 PLN/EUR, was applied.

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

ADDITIONAL INFORMATION AND EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 30 June 2012 the Company has conducted operations under the following business segments:

- civil engineering - large scale construction
- road-engineering
- construction for the power industry.

During the reporting period ended 30 June 2012 the Company has conducted operations in the following geographical segments:

- domestic
- abroad (Belgium, Luxembourg).

The segmentation was made on classification basis of individual construction contracts. The Company applies an uniform accounting policy for all segments.

Business segments

The following tables present figures on income and profit of particular business segments of the Company for the period from 1 January to 30 June 2012:

Period from 1 January to 30 June 2012	Large scale construction	Road-engineering	Construction for power industry	Other segments	Total
Sale to external clients	424 854	35 265	13 625	0	**473 744**
Total income	**424 854**	**35 265**	**13 625**	**0**	**473 744**
Cost of products, goods and materials sold to external clients	415 602	19 981	12 144	**0**	**447 727**
Total cost of products, goods and materials sold	**415 602**	**19 981**	**12 144**	**0**	**447 727**
Total gross sales	**9 252**	**15 284**	**1 481**	**0**	**26 017**
Cost of sales	0	0	0	0	**0**
General and administrative costs	15 609	634	589	915	**17 746**
Profit (loss) on other operating activity	-824	0	0	0	**-824**
Segment profit (loss)	**-7 181**	**14 650**	**892**	**-915**	**7 446**
Profit (loss) on other financing activity	-1 329	0	0	0	**-1 329**
Income tax	1 516	0	0	0	**1 516**
Net profit	**-10 026**	**14 650**	**892**	**-915**	**4 601**

Period from 1 January to 30 June 2011	Large scale construction	Road-engineering	Construction for power industry	Other segments
Sale to external clients	513 793	35 100	23 544	**572 437**
Total income	**513 793**	**35 100**	**23 544**	**572 437**
Cost of products, goods and materials sold to external clients	528 035	32 718	20 853	**581 606**
Total cost of products, goods and materials sold	**528 035**	**32 718**	**20 853**	**581 606**
Total gross sales	**-14 242**	**2 382**	**2 691**	**- 9 169**
Cost of sales	0	0	0	**0**
General and administrative costs	18 842	0	0	**18 842**
Profit (loss) on other operating activity	-141	0	0	**-141**
Segment profit (loss)	**-33 225**	**2 382**	**2 691**	**-28 152**
Profit (loss) on other financing activity	-3 184	0	0	**-3 184**
Income tax	-4 257	0	0	**-4 257**
Net profit	**-32 152**	**2 382**	**2 691**	**-27 079**

Geographical segments

In the period ended 30 June 2012 and the comparative period ended 30 June 2011, the Company did not conduct any significant operations outside the territory of Poland.

Note. 2

Note 2.1. Change in long-term financial assets (by type)

	30.06.2012	31.12.2011	30.06.2011
a) As at the beginning of the period – 1 January 2012	172 550	157 986	157 986
- Shares	132 970	130 919	130 919
- Loans granted	38 862	26 358	26 358
- Other long-term financial assets	718	709	709
b) Increases (from)	3 272	17 414	72
- Shares	2	4 900	0
- Reclassification	2 182	0	0
- Loans granted	1 088	12 504	0
- Other long-term financial assets	0	10	72
c) Decreases (from)	0	2 850	3 439
- Impairment loss on shares	0	2 850	2 850
- Loans granted	0	0	589
- Other long-term financial assets	0	0	0
d) As at the end of the period	175 822	172 550	154 620
- Shares	132 972	132 970	128 070
- Loans granted	42 132	38 862	25 769
- Other long-term financial assets	718	718	781

Note 2.2. Shares or stocks in subsidiaries as at 31 June 2012

Name (business name) of entity and form of incorporation	Seat	Business area	Type of relationship (subsidiary, joint controlled subsidiary or affiliated, specifying direct and indirect connections)	Applied method of consolidation / equity method or indication that the entity is not subject to consolidation / valuation by equity method	Total value adjustments	Carrying amount of shares /stocks	Equity stake held	Share of total vote number at the AGM
Delta Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated (unessential)	32	0	100%	100%
Erbud Construction Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated (unessential)	39	0	100%	100%
Toruńska Sportowa S A w likwidacji	Toruń	sports, leisure and shows	associated	non-consolidated (unessential)	39	0	39%	39%
Erbud Rzeszów Sp. z o.o.	Rzeszów	construction	subsidiary	non-consolidated (unessential)	0	79	79%	79%
Erbud International Sp. z o.o.	Toruń	construction	subsidiary	full method	0	50	100%	100%
ER Services Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated (unessential)	0	100	100%	100%
GWI GmbH	Dusseldorf, Germany	construction	subsidiary	full method	0	347	85%	85%
Budlex SA.	Toruń	housing development	subsidiary	full method	0	73 575	89.96%	89.96%
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	Toruń	road-engineering	subsidiary	full method	0	49 554	94.27%	94.27%
Erbud Energetyka Sp. z o.o.	Katowice	construction	subsidiary	full method	0	1 512	100%	100%
Erbud Ireland Limited	Dublin, Ireland	construction	indirect controlled subsidiary	non-consolidated (unessential)	0	50	100%	100%
Ersteel Sp. z o.o.	Toruń	steel structures	subsidiary	full method	2 850	7 750	100%	100%
Shares or stocks in indirect and direct controlled subsidiaries as at 31.12.2011					2 960	133 017		
of which: Shares or stocks in subsidiaries as at 31.12.2011					2 960	132 967		

Note 2.3. Information on net profit (loss) of fully consolidated subsidiaries

	Six month period ended 30 June 2012	**Six month period ended 30 June 2011**
Erbud International Sp. z o.o.	1 103	-812
GWI GmbH	804	1 279
Budlex S.A.	2 279	-2 338
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	709	-457
Erbud Energetyka Sp. z o.o.	3	-277
Ersteel Sp. z o.o.	-207	-612

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

Note 2.4. Securities, shares and other long-term financial assets (by tradability)

	30.06.2012	31.12.2011	30.06.2011
A. With non-restricted transferability, listed on stock exchange market (carrying value)	0	0	0
B. With non-restricted transferability, listed on OTC market (carrying value)	0	0	0
C. With non-restricted transferability, not listed on a regulated market (carrying value)	0	0	0
D. With restricted transferability (carrying value)	175 822	172 550	154 620
a) Shares and stocks (carrying value)	132 972	132 970	128 070
- Value adjustments (cumulative)	-2 960	-2 960	-2 960
- Value at the beginning of the period	0	0	0
- Value at acquisition prices	135 932	135 930	131 029
b) Bonds (carrying value)	0	0	0
c) Loans granted (carrying value)	42 132	38 862	25 769
d) Other - by type (carrying value)	718	718	781
- Value at acquisition prices	810	810	810
- Value adjustments (cumulative)	-92	-92	-29
Total carrying value	**175 822**	**172 550**	**154 0**

Note 3. Assets due to deferred income tax

Assets due to deferred income tax	**30.06.2012**	**31.12.2011**	**30.06.2011**
- Measurement of long-term contracts	12 055	8 009	8 838
- Tax-loss	16 934	10 359	5 423
- Costs of subsequent periods	2 115	2 841	3 079
- Provision for loss on contracts	112	31	1 257
- Other	3 300	3 250	3 228
Total assets from deferred income tax	**34 516**	**24 490**	**21 825**

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

Assets due to deferred income tax on losses relates to tax losses incurred in 2010, 2011 and as of 30.06.2012. The Company may use this asset over 5 years from the date of the balance sheet date.

Note 4.

Note 4.1. Changes in write-offs from current debts

	30.06.2012	31.12.2011	30.06.2011
At the beginning of the period	2 848	2 908	2 908
a) Increases	0	153	0
- Creations	0	153	0
b) Decreases	0	213	0
- Impairment loss release	0	213	0
- Use of write-offs	0	0	0
Short-term write-offs from receivables at end of the period	**2 848**	**2 848**	**2 908**

Note 5. Short-term prepayments

	30.06.2012	31.12.2011
Prepaid expenses, including:	158 786	99 970
- long-term contracts	157 320	99 549
- other costs	1 466	421
Total short-term prepayments	**158 786**	**99 970**

Note 5.1 Prepayments due to construction contracts

	30.06.2012	31.12.2011	30.06.2011
Expected revenues from ongoing projects	1 861 533	1 595 458	1 625 020
Expected costs of ongoing projects	1 685 966	1 448 486	1 518 125
Expected margin on ongoing projects	175 567	146 972	106 896
Cumulative revenues recognized in the profit or loss	774 248	903 846	803 410
Cumulative costs recognized in the profit or loss	695 242	823 865	754 164
Cumulative margin recognized in the profit or loss	79 006	79 981	49 246
Margin to be recognized in next periods	96 561	66 991	57 650
Percentage of margin to be recognized in next periods	55,00%	45,58%	53,93%
Revenue surplus over partial invoices by staging	142 950	63 470	53 385
Costs surplus over expenses arising from the accounting costs by staging	61 252	29 523	30 875
Surplus on partial invoices over incomes by staging	2 197	12 628	15 642
Surplus on costs resulting from the accounting costs over expenses by staging	14 370	36 079	24 383
Total amounts presented in deferred expenditures	157 320	99 549	77 768
Total amounts presented in deferred revenues	63 449	42 151	46 517

Note 6. Significant amount of allowances recognized or reversed due to impairment losses

Impairment of long-term financial assets	**30.06.2012**	**31.12.2011**
Opening balance	**2 960**	**110**
Increase / Decrease	0	2 850
Closing balance	**2 960**	**2 960**

The increased write-off amount is due to accounted in 2011 impairment of shares in Ersteel Sp. z o. o. valued at PLN 2,850,000.

Impairment of short-term financial assets	**30.06.2012**	**31.12.2011**
Opening balance	**0**	**264**
Increase / Decrease	0	-264
Closing balance	**0**	**0**

Impairment of short-term financial assets	**30.06.2012**	**31.12.2011**
Opening balance	**262**	**262**
Increase / Decrease	0	0
Closing balance	**262**	**262**

Impairment of fixed assets	**30.06.2012**	**31.12.2011**
Opening balance	**0**	**0**
Increase / Decrease	0	0
Closing balance	**0**	**0**

Note 7. Share capital structure of ERBUD S.A.

Note 7.1. Shareholding structure as at 30.06.2012

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.23%	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	24.93%	None
	Total				**4 152 865**	**32.84%**	
B	Juladal Investment Ltd	Ordinary	None	None	2 818 174	22.29%	None
A	Dariusz Grzeszczak	Ordinary	None	None	773 900	6.12%	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	2 446 375	19.35%	None
	Total				12 644 169	100%	
	Par value of shares of all series		PLN 0.10	Share capital value	PLN1 264 416,90		

A detailed description of the shareholding as at 31 December 2011 is included in the Annual Financial Statements for the year fiscal ended 31 December 2011.

The table presents the shareholders holding more than 5% of the share capital and has been prepared on the basis of the stock ledger.

The number of shares comprising the authorized capital is equal to the number of shares issued. The nominal value per share is PLN 0.10. Subsidiaries do not hold any shares of the Parent. No shares have been reserved for issuance under sale agreements options.

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

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

The Company's Statute does not give any personal rights in relation to Erbud S.A., 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.

On 23 April 2012, the Management Board adopted Resolution No. 5/2012 on the share capital increase under the authorised capital by the issue of shares of series G and of their pre-emptive rights to series G shares. The issue will be addressed to employees entitled in connection with the third tranche of the Staff Incentive Scheme, and the number of shares that would be granted to persons entitled cannot exceed 50 000 shares.

By the Resolution No. 22/2012, the Annual General Meeting of Shareholders of Erbud S.A. agreed that the Company will conduct a Manager Option Scheme over the period of 2013-2015, within the scope of which entitled persons will be granted the possibility to subscribe for shares of the Company issued within the scope of the authorised capital. Shares will be offered to the persons entitled to subscribe in the years 2013 - 2015 in a number not more than 50 000 shares per year. The Manager Option Scheme refers to financial years 2012-2014.
The employee may be covered by an option program, if he/she has been working for at least 24 months. As far as concerned persons working in subsidiaries, the company must be a member of the group for at least two years. Moreover, the subscription will be effected on the condition that the Capital Group will achieve in the financial year for which the shares will be offered a consolidated net profit of at least ten million Zlotys. In addition, the person who would be entitled may not be upon notice of termination of the employment contract.

Note 8. Provision for deferred income tax

Provision due to:	30.06.2012	31.12.2011	30.06.2011
- Measurement of construction contracts	29 891	18 573	14 776
- Other	1 380	1 355	1 067
Total provision for deferred income tax	**31 271**	**19 928**	**15 843**

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

Note 9. Changes in long-term provisions for pensions and similar benefits

	30.06.2012	31.12.2011
a) at the beginning of the period	420	640
b) increases (from)	60	99
- retirement payments	60	99
c) used (due to)	0	0
d) released (due to))	0	319
- jubilee awards	0	319
e) at the end of the period	480	420

Note 10. Changes in short-term provisions for pensions and similar benefits

	30.06.2012	31.12.2011
a) at the beginning of the period	2 565	1 930
b) increases (from)	0	635
c) used (due to)	0	0
d) released (due to)	73	0
e) at the end of the period	2 492	2 565

Note 11. Changes in other long-term provisions (by titles)

As at 30 June 2012, 31 December 2011 and 30 June 2011, there was not any entry to the books due to this item.

Note 12. Change in other current provisions (by titles)

	30.06.2012	31.12.2011
a) At the beginning of the period	7 364	4 591
b) Increases (from)	906	3 074
- Litigation and claims	0	155
- Guarantee repair	318	2 758
- Losses on long-term contracts	588	161
c) Use (from)	0	0
- Tax on civil law transactions	0	0
d) Release (from)	162	301
- Litigation and claims	0	0
- Branch Germany	0	0
- Losses on long-term contracts	162	301
e) At the end of the period	8 108	7 364

Note 13. Long-term liabilities

As of 30 June 2012, bonds with a nominal value of PLN 50,000,000 denominated in Polish Zloty, as described in Note #15 of Additional Information, are a significant portion of the long-term debt. The Maturity date was set for 15 July 2014.

Note 14. Loans and credits

As of 30.06.2012, the Company had three revolving overdrafts under provided by the banks credit lines to finance current business.

The following tables present details of loans held:

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
PKO BP	20 000	PLN	2 493	Call rate of PKO BP + margin	2012-09-29

Final collateral:
- Capped mortgage to the amount of PLN 65 m. on the property, which are the undeveloped plots Nos. 275/3, 288/10 and 288/17, for which the District Court in Torun keeps Land and Mortgage Register under No. No. TO1T/00003133/2.
- Assignment of receivables from the construction contracts
- Blank bill of exchange issued by Erbud SA together with the bill declaration
- Clause on claim deductions from accounts of Erbud SA conducted by PKO BP

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
BRE Bank S.A.	10 000	PLN	1 891	WIBOR for overnight deposits add the bank margin	2012-12-31

Final collateral:
- Blank bill of exchange
- Assignment of claims with a value of not less than PLN 160m

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
ING Bank Śląski S.A..	15 000	PLN	4 225	Arithmetic average for WIBOR 1M from a given calendar month on the last working day of each calendar month add the bank margin	2012-10-20

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

As described in Note # 24 to the Separate Financial Statements for the year ended 31.12.2011, the Parent Company failed to meet some financial ratios (so-called loan covenants) arising from loan agreements. During the 6- months-period ended 30.06.2012 the Parent violated the following ratios:

Bank ING

Ratio	*Level required*	*Level achieved*	*Comment*
Debt / EBITDA	not more than 3	3.40	not achieved

Bank BRE

Ratio	*Level required*	*Level achieved*	*Comment*
Net profit margin	not less than 3%	1%	not achieved
Current liquidity ratio	not less than 1.2	1.04	not achieved
EBITDA (12 months)	PLN 35m	PLN 17,2m	not achieved

Bank BGŻ

Ratio	*Level required*	*Level achieved*	*Comment*
DSCR	not less than 1.3	0.99	not achieved

As at the date of preparing Consolidated Financial Statement, the Management Board of the Parent Company does not see any significant problems with maintaining the current bank financing, despite breaking the contractual loan covenants.

Total liabilities from overdraft short-term loans of the Company as at 30 June 2012 amounted to PLN 8, 609 thousand.

Note 15. Issue / Redemption / Repayment of equity securities

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

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

For the period from 1 January 2012 to 30 June 2012, the Company incurred costs due to interest paid on the bonds issued in the amount of PLN 2,070 thousand. The amount said consists of the amount of interest accrued and paid on 15 January 2012, as well as portion of the deferred costs of issuance of PLN 76 thousand, included in the cost of the period. Any obligations under the bonds, the Company regulates on time.

Note 16. Issue / Redemption / Repayment of debt securities

Description of the Management Stock Option under the issuance of shares of Series G and the Management Stock Option in the years of 2013 - 2015 is included in Note # 7 of Additional Information.

Note 17. Acquisition / Sale of subsidiaries / Sale of long-term investments

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

Note 18. Net revenues from sales of products and services (by region)

	30.06.2012	**30.06.2011**
a) Domestic	460 184	570 522
- Sale of products	0	0
- Sale of services	460 184	570 522
of which: to associates	778	1919
b) Export	764	1 911
- Sale of products	0	0
of which: to associates	0	0
- Sale of services	764	1 911
of which: to associates	177	25
Total trade net income	**460 948**	**572 433**
of which: to associates	**955**	**944**

Note 19. Net revenues from sales of goods and materials (by region)

	30.06.2012	**30.06.2011**
a) Domestic	**0**	**4**
- Sale of goods	12 796	4
of which: to associates	12 796	0
b) Export	0	0
- Sale of goods	0	0
of which: to associates	**0**	**0**
Total net income on sales of goods and materials	**12 796**	**4**
of which: to associates	**12 796**	**0**

Note 20. Expenses by sort

	30.06.2012	30.06.2011
a) Depreciation and amortisation	1 113	1 153
b) Consumption of materials and power	71 420	88 369
c) External services	317 110	464 356
d) Taxes and charges	981	1 089
e) Payroll	16 689	21 506
f) Social security and other benefits	4 843	5 748
g) Other costs	1 037	1 433
h) Goods and materials sold	12 764	0
Total expenses by sort	**425 957**	**583 654**
Change in products and accrued expenses due to construction contracts	39 516	16 794
Cost of products manufactured for in-house use (negative value)	0	0
Sales cost (negative value)	0	0
General and administrative costs (negative value)	-17 746	-18 842
Value of goods and materials sold	**-12 764**	
Manufacturing cost of products sold	**434 963**	**581 606**

Note 21. Sale costs

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

Note 22. Other operating income

	30.06.2012	30.06.2011
a) Profit on disposal of non-financial fixed assets, incl.:	24	7
- Fixed assets and fixed assets in progress	24	7
c) Other, incl.:	230	1 218
- Indemnities	215	720
- Release of provision for receivables	0	0
- Release of provision for guarantee works	0	0
- Penalties, compensations and indemnities imposed	0	473
- Other	15	25
Total other operating income	**254**	**1 225**

Note 23. Financial income

Note 23.1. Financial income from dividends and profit sharing

In the reporting period ended 30 June 2012, the Company recorded financial income related to the dividend from a subsidiary GWI GmbH amounted to PLN 750 thousand.

Note 23.2. Financial income due to interests

	30.06.2012	30.06.2011
a) Loans granted	1 447	1 650
- to associated entities, of which:	1 447	1 650
- to subsidiaries	1 447	1 650
- to other entities	0	0
b) Other interests	429	2 326
- from associated entities	0	0
- from other entities	429	2 326
Total financial cost due to interests	**1 876**	**3 976**

Note 24. Financial costs

The increase in financial expenses due to interest was primarily to interest costs on the bonds issued by the Company on 14 July 2011, as described in Note #15.

Note 25. Net earnings (losses) per share

	Six month period ended 30 June 2012	Six month period ended30 June 2011
Net earnings (loss)	4 601	-27 079
Weighted average number of shares / Diluted weighted average number of shares (in units)	12 644 169/ 12 745 653	12 602 711/ 12 680 526
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	0.364 / 0.362	-2.15 / -2.13

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

Note 26. Net earnings (losses) – distribution

By Resolution No. 5 / 2012 of 31 May 2012, the Annual General Meeting of Erbud S.A. decided to cover net loss for the year 2011 in the amount of PLN 25, 284 thousand from the supplementary capital.

Note 27. Cash at the beginning and end of the period (structure)

	30.06.2012	31.12.2011
a) Total cash (as of the beginning of the period)	120 271	121 191
- Cash in hand and at bank	108 027	104 566
- Other cash	12 244	16 625
b) Total cash (as of the end of the period)	34 067	120 271
- Cash in hand and at bank	12 387	108 027
- Other cash	21 680	12 244
Change in cash	**-86 204**	**-920**
Change in cash due to exchange rate differences	0	-343
Cash generated from operating activities	-48 860	-61 917
Cash from investing activities	-13 727	-14 434
Cash from financing activities	-23 617	75 431

Reconciliation of movements in balance sheet items to changes reported in the statement of cash flows as at 30 June 2012 is presented below:

	30 June 2012
Change in balance sheet receivables	**-9 604**
Receivables discount	81
Advance for the purchase of shares in Facinelli 3	10 270
Change in receivables in the cash flows statement	**748**

	30 June 2012
Change in balance sheet liabilities	**-19 492**
Lease	143
Reclassification of liability due to acquiring shares of Budlex	-5 276
Partial payment of liability due to acquiring shares of Budlex	3 534
Liabilities discount	-255
Change in liabilities in the cash flows statement	**-21 346**

Note 28a. Information on changes in the method of determining the value of financial instruments measured at fair value

In the period ended 30 June 2012, the Company did not change the method of determining the value of financial instruments measured at fair value.

Note 28b. Information on changes in the classification of financial assets as a result of changing goals or using these assets

In the period ended 30 June 2012, the Company did not change the classification of financial assets as a result of changing the gaol or using these assets.

Note 29. Revenues, costs and results of discontinued operations in the reporting period or to be discontinued during next period

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

Note 30. Information about transactions with affiliated entities (mutual receivables and liabilities, as well as costs and revenues from mutual transactions) that are subject to consolidation and those not to be consolidated

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30 June 2012		Period ended 30 June 2012	
Total affiliated entities	**56 108**	**29 852**	**15 371**	**74 399**
- Deliveries and services	13 545	29 852	13 751	74 399
- Loans and interest liabilities	42 206	0	1 447	0
- Other	357	0	173	0
Affiliated entities that are subject to consolidation	**56 034**	**29 081**	**15 359**	**72 947**
- Deliveries and services	13 471	29 081	13 739	72 947
- Loans and interest liabilities	42 206	0	1 447	0
- Other	357	0	173	0
Affiliated entities that are not subject to consolidation	**74**	**771**	**12**	**1 452**
- Deliveries and services	74	771	12	1 452
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 31 December 2011		Period ended 31 December 2011	
Total affiliated entities	**49 040**	**41 729**	**6 878**	**114 190**
- Deliveries and services	8 741	41 729	3 080	113 987
- Loans and interest liabilities	40 299	0	3 302	0
- Other		0	496	203
Affiliated entities that are subject to consolidation	48 985	40 890	6 671	111 189
- Deliveries and services	8 686	40 890	3 027	110 986
- Loans and interest liabilities	40 299	0	3 148	0
- Other		0	496	203
Affiliated entities that are not subject to consolidation	55	839	207	3 001
- Deliveries and services	55	839	53	3 001
- Other	0	0	0	0
- Loans and interest liabilities	0	0	154	0

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

Note 31.

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

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at the AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2 818 174	22.29%	2 818 174	22.29%
Dariusz Grzeszczak	Ordinary	773 900	6.12%	773 900	6.12%
Józef Adam Zubelewicz	Ordinary	259 500	2.05%	259 500	2.05%
Albert Duerr- Supervisory Board Member	Ordinary	8 500	0.07%	8 500	0.07%
Walenty Twardy Procurist of ERBUD SA	Ordinary	18 124	0.14%	18 124	0.14%
Piotr Augustyniak Procurist of ERBUD SA	Ordinary	8 747	0.07%	8 747	0.07%
Agnieszka Głowacka Procurist of ERBUD SA	Ordinary	5 436	0.04%	5 436	0.04%
Grzegorz Krzywicki Procurist of ERBUD SA	Ordinary	3 033	0.02%	3 033	0.02%
Bogdan Duerr Procurist of ERBUD SA.	Ordinary	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski Procurist of ERBUD SA	Ordinary	12 463	0.10%	12 463	0.10%
Tomasz Krzywicki Procurist (by a person related)	Ordinary	3 636	0.03%	3 636	0.03%
Mirosław Młynarski Procurist	Ordinary	4 479	0.04%	4 479	0.04%
Radosław Kałamaga Procurist	Ordinary	3 704	0.03%	3 704	0.03%
Tomasz Krzywicki Procurist of ERBUD SA	Ordinary	2 750	0.02%	2 750	0.02%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	4 318	0.03%	4 318	0.03%

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

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at the AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2 818 174	22.29%	2 818 174	22.29%
Dariusz Grzeszczak	Ordinary	750 000	5,93%	750 000	5,93%
Józef Adam Zubelewicz	Ordinary	250 000	1.98%	250 000	1.98%
Walenty Twardy Procurist of ERBUD SA	Ordinary	12 384	0.10%	12 384	0.10%
Piotr Augustyniak Procurist of ERBUD SA.	Ordinary	8 747	0.07%	8 747	0.07%
Agnieszka Głowacka Procurist of ERBUD SA	Ordinary	5 436	0.04%	5 436	0.04%
Grzegorz Krzywicki Procurist of ERBUD SA	Ordinary	3 033	0.02%	3 033	0.02%
Bogdan Duerr Procurist of ERBUD SA	Ordinary	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski Procurist of ERBUD SA	Ordinary	12 463	0.10%	12 463	0.10%
Tomasz Krzywicki Procurist of ERBUD SA (by a person related)	Ordinary	3 636	0.03%	3 636	0.03%
Mirosław Młynarski Procurist of ERBUD SA	Ordinary	4 479	0.04%	4 479	0.04%
Radosław Kałamaga Procurist of ERBUD SA	Ordinary	3 704	0.03%	3 704	0.03%
Tomasz Krzywicki Procurist of ERBUD SA.	Ordinary	2 750	0.02%	2 750	0.02%
Maciej Wyrzykowski Procurist of ERBUD SA.	Ordinary	1 200	0.01%	1 200	0.01%
Mariola Zielińska Chief Accountant of Erbud S.A..	Ordinary	4 318	0.03%	4 318	0.03%

As of the date of submitting this report the members of the Management Board and Proxies do not have any Erbud SA stock options.

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2012 and as at 31 December 2011 did not have outstanding loans, credits or a guarantees granted by the companies of the Erbud Group.
Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 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.

On 31 May 2012, the AGM established by Resolution No. 22/2012 rules to conduct by the Company the Management Stock Option Programme in 2013-2015.

Note 32. Information about joint ventures that are not subject to consolidation

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

Note 33. Information about significant events that occurred during the first half of 2011 and after the balance sheet 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 Warszawa, 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 erecting 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.

On 6 June 2012, Erbud SA signed an agreement with ACE 1 Sp. z o.o. seated in Kraków to build the "GALERIA SOLNA" shopping centre in Inowrocław. Net contract value: PLN 77,425,987.
Duration of works: 11.06.2012. – 08.05.2013 .

On 22 June 2012, Erbud SA signed an agreement worth PLN 14.5m net build a three-story retail centre in Sopot, at Bohaterów Monte Casino St.
Builder: PMP Sopot Sp. z o.o. The Investor's sole shareholder is a company Otorino Investment Limited, which shareholder is a person related - Board Member, Dariusz Grzeszczak. Completion: September 2013.

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 34. 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.

In the current period, the Company did not make any changes in accounting policies and method of preparation of the financial statements compared to the previous fiscal year.

Note 35. Business combinations

During the period from 1 January 2012 to 31 June 2012 and in the financial year ended 31 December 2011 here were no mergers between the Company and other entities.

Note 36. Dividend policy - description of the dividends payment policy and any limitations connected. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted for comparison purposes in case of changes in the number of shares

In the reporting period the Company did not pay dividends.

Note 37. Derivative financial instruments

As at 30 June 2012, 31 December 2011 and 30 June 2011, the Company has no liabilities from derivative financial instruments.

Note 38. Significant transactions concluded by the company with related parties under conditions other than market ones

In the period from 1 January 2012 to 30 June 2012 there were no such transactions.

Note 39. Information on the nature and economic purpose of agreements concluded by the unit, which are not included in the balance sheet as necessary to assess their impact on the assets, financial position and financial result of the company

There were no such agreements.

Note 40. Contingent liabilities to related parties

	30.06.2012	31.12.2011	30.06.2011
1) Contingent liabilities to affiliated entities from			
a) guarantees and sureties provided, of which	72 535	25 120	0
- to subsidiaries	72 535	25 120	0
- to associates	0	0	0
b) other, of which	0	0	0
- to subsidiaries	0	0	0
- to associates	0	0	0
Total contingent liabilities to affiliated entities	**72 535**	**25 120**	**0**

Note 41. Asset-backed securities

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

1) Book value of shares in the accounts of the Issuer:

Name and legal form of the subsidiary	Seat	Business area	Type of the relationship (subsidiary, interdependent, associate, detailing the direct and indirect relationships)	Method of consolidation / equity method or indication that the unit is not subject to consolidation / to valuation by equity method	Value adjustment (total)	Carrying amount of shares /stocks	Equity stake held	Voting power at the AGM
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego SA	Toruń	road engineering	subsidiary	full method	0	49 554	94.3%	94,3%

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

Lack

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

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

Other asset-backed securities - for loans detailed described in Note # 18.

Note 42. Legal claims

The record of court cases compared to as at 31 December 2011, in which Erbud SA is a party to the proceedings, both as plaintiff and defendant did not change significantly. Therefore, during the reporting period there were no changes in the amount of provisions for liabilities created for litigation due to their insignificant.
As described in the Separate Financial Statements for the year ended 31 December 2011, the relevant provision amounted to PLN 918 thousand as per 31 December 2011.

Note 43. Information on significant events from previous years, included in the financial statements for the current period

Such events did not occur.

Note 44. Information on significant events that occurred after the balance sheet date, not included in the financial statements

Such events did not occur.

Note 45. Information about extraordinary profit or loss (random and others)

Such events did not occur.

Note 46. Information on income tax due to extraordinary operations

There were no extraordinary operations.

Note 47. Seasonality

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

Note 48. Factors and events of unusual nature, having a significant impact on the financial results

During the reporting period there were no such events.

Note 49. Information on significant transactions of purchase and sale of tangible fixed assets

In the reporting period, there were no significant purchases and sales of property, plant and equipment.

Note 50. Information on significant obligations due to the purchase of tangible fixed assets

As of 30 June, 2012, the Company has no material obligations due to the purchase of property, plant and equipment.

Note 51. Information on adjustments of prior period errors

During the reporting period ended 30 June 2012, the Company did not make any corrections of prior period errors.

Note 52. Information on changes in economic and business conducting conditions, which have a significant impact on the fair value of financial assets and financial liabilities of the company

As compared to the financial year ended 31 December 2012 there were no significant changes.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 29, 2012