Translation from Polish

ERBUD S.A.

Condensed Separate Financial Statements for three quarters of 2012

Financial Statements for the period of 9-month ended 30 September 2012 (in PLN '000)

Balance Sheet

ASSETS

		30.09. 2012	30.06.2012	31.12.2011	30.09. 2011
A.	**Fixed assets**	**212 085**	**219 721**	**206 539**	**195 669**
I.	**Intangible fixed assets**	**415**	**407**	**388**	**245**
1.	Development costs	0	0	0	0
2.	Goodwill	0	0	0	0
3.	Other intangibles	48	60	71	245
4.	Advances for intangibles	367	347	317	0
II.	**Tangible fixed assets**	**8 370**	**8 461**	**8 596**	**8 820**
1.	Fixed assets	8 370	8 461	8 596	8 770
a)	Land (incl. perpetual usufruct)	0	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 457	3 482	3 532	3 557
c)	Plant and equipment	98	108	125	239
d)	Means of transport	4 419	4 437	4 524	4 518
e)	Other tangible fixed assets	396	434	415	456
2.	Fixed assets under construction	0	0	0	50
3.	Prepaid tangible fixed assets under construction	0	0	0	0
III.	**Long-term receivables**	**0**	**0**	**0**	**0**
1.	From associates	0	0	0	0
2.	From other entities	0	0	0	0
IV.	**Long-term investments**	**176 457**	**176 337**	**173 065**	**156 747**
1.	Real property	515	515	515	515
2.	Intangibles	0	0	0	0
3.	Non-current financial assets	175 942	175 822	172 550	156 232
a)	In associates, incl.:	175 219	175 099	171 827	155 446
–	shares or stocks	133 181	132 967	132 965	128 065
–	other securities	0	0	0	0
–	loans granted	42 038	42 132	38 862	27 382
–	other non-current financial assets	0	0	0	0
b)	In other entities, incl.:	723	723	723	786
–	shares or stocks	5	5	5	5
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other non-current financial assets	718	718	718	781
4.	Other long-term investments	0	0	0	0
V.	**Long-term prepayments**	**26 843**	**34 516**	**24 490**	**29 857**
1.	Deferred tax assets	26 843	34 516	24 490	29 857
2.	Other prepayments	0	0	0	0

		30.09. 2012	30.06.2012	31.12.2011	30.09. 2011
B.	**Current assets**	**531 156**	**455 932**	**476 205**	**544 655**
I.	**Inventory**	**398**	**0**	**1 127**	**0**
1.	Materials	0	0	1 127	0
2.	Semi-products and unfinished products	0	0	0	0
3.	Finished products	0	0	0	0
4.	Goods	398	0	0	0
5.	Advances for deliveries	0	0	0	0
II.	**Short-term accounts receivable**	**365 985**	**263 005**	**253 401**	**365 802**
1.	From associates	8 852	13 902	8 741	7 006
a)	Deliveries and services, with maturity	8 852	13 545	8 741	7 006
–	up to 12 months	8 852	13 545	8 741	7 006
–	over 12 months	0	0	0	0
b)	Other	0	357	0	0
2.	Receivables from other entities	357 133	249 103	244 660	358 796
a)	Deliveries and services, with maturity	320 830	225 000	230 724	339 838
–	up to 12 months	314 531	219 900	229 146	336 800
–	over 12 months	6 299	5 100	1 578	3 038
b)	Tax, subsidies, duty, social security, health care and other benefits	1 275	11 718	11 105	11 742
c)	Other	35 028	12 385	2 831	7 216
d)	Receivables claimed at court	0	0	0	0
III.	**Short-term financial assets**	**56 715**	**34 141**	**121 707**	**57 704**
1.	Current financial assets	56 715	34 141	121 707	57 704
a)	In associates, incl.:	0	74	1 436	16 553
–	Shares or stocks	0	0	0	0
–	Other securities	0	0	0	0
–	Loans granted	0	74	1 436	16 553
–	Other current investments	0	0	0	0
b)	In other entities, incl.:	0	0	0	0
–	Shares or stocks	0	0	0	0
–	Other securities	0	0	0	0
–	Loans granted	0	0	0	0
–	Other current financial assets	0	0	0	0
c)	Cash and cash equivalents	56 715	34 067	120 271	41 151
–	Cash at bank and in hand	33 277	12 387	108 027	23 658
–	Other cash	23 438	21 680	12 244	17 493
–	Other financial assets	0	0	0	0
2.	Other current financial investments	0	0	0	0
IV.	**Short-term prepayments**	**108 058**	**158 786**	**99 970**	**121 149**
	TOTAL ASSETS	**742 868**	**675 653**	**682 744**	**740 324**

LIABILITIES

		30.09. 2012	30.06.2012	31.12.2011	30.09. 2011
A.	**Equity**	**233 998**	**233 820**	**229 219**	**227 258**
I.	**Share capital**	1 264	1 264	1 264	1 264
II.	**Called-up share capital not paid (negative value)**	0	0	0	0
III.	**Treasury shares (negative value)**	0	0	0	0
IV.	**Capital reserves**	227 955	227 955	253 239	253 239
V.	**Revaluation capital**	0	0	0	0
VI.	**Other capital reserves**	0	0	0	0
VII.	**Retained profit / accumulated loss brought forward**	0	0	0	0
VIII.	**Net profit (loss)**	4 779	4 601	-25 284	-27 245
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0	0
B.	**Liabilities and provisions for liabilities**	**509 243**	**441 833**	**453 525**	**513 066**
I.	**Provisions for liabilities**	**31 207**	**42 351**	**30 277**	**32 259**
1.	Deferred income tax provision	20 294	31 271	19 928	24 086
2.	Provision for retirement and related benefits	2 972	2 972	2 985	2 995
–	Non-current	480	480	420	887
–	Current	2 492	2 492	2 565	2 108
3.	Other provisions	7 941	8 108	7 364	5 178
–	Non-current	0	0	0	0
–	Current	7 941	8 108	7 364	5 178
II.	**Long-term liabilities**	**50 993**	**50 993**	**56 537**	**60 052**
1.	To associates	0	0	0	0
2.	To other entities	50 993	50 993	56 537	60 052
a)	Loans and borrowings	0	0	0	0
b)	Issuance of debt securities	50 000	50 000	50 000	50 000
c)	Other financial liabilities	993	993	1 261	1 514
d)	Other	0	0	5 276	8 538
III.	**Short-term liabilities**	**371 680**	**285 040**	**324 560**	**351 806**
1.	To associates	29 030	29 852	41 729	16 577
a)	Deliveries and services, with maturity:	29 030	29 852	41 729	16 577
–	up to 12 months	27 818	29 392	41 729	15 953
–	over 12 months	1 212	460	0	624
b)	Other	0	0	0	0
2.	To other entities	342 650	255 188	282 831	335 229
a)	Loans and borrowings	25 532	8 635	28 663	14 786
b)	Issuance of debt securities	0	0	0	0
c)	Other financial liabilities	3 177	3 466	3 609	1 636
d)	Deliveries and services, with maturity :	276 828	222 803	243 808	307 839
–	up to 12 months	273 007	219 255	236 321	298 994
–	over 12 months	3 821	3 548	7 487	8 845
e)	Advances for deliveries	29 159	11 707	16	7 922
f)	Bills	0	0	0	0
g)	Taxes, customs, social insurance and other benefits	1 932	1 941	1 931	1 831
h)	Payroll	912	795	1 306	1 158
i)	Other	5 110	5 841	3 498	56
3.	Special funds	0	0	0	0
IV.	**Accruals**	**55 363**	**63 449**	**42 151**	**68 949**
1.	Other accruals	55 363	63 449	42 151	68 949
	TOTAL LIABILITIES	**743 241**	**675 653**	**682 744**	**740 324**

Calculation of book value per share

	30.09. 2012	30.06.2012	31.12.2011	30.09. 2011
Book value (in PLN '000)	233 998	233 820	229 219	227 258
Number of shares	12 644 169	12 644 169	12 644 169	12 644 169
Book value per share	18,51	18,49	18,13	17,97

PROFIT AND LOSS STATEMENT

	Quarter to 30.09.2012	Year to 30.09.2012	Quarter to 30.09.2011	Year to 30.09.2011
Income from sales of products, goods and materials, incl.:	**274 660**	**748 404**	**344 066**	**916 503**
- from associates	603	14 355	556	1 500
Net revenues on sales of products	274 645	735 593	344 066	916 499
Net revenues on sales of goods and materials	15	12 811	0	4
Cost of sold products, goods and materials, incl.:	**265 325**	**713 053**	**336 162**	**917 768**
- to associates	23 677	98 075	17 972	74 988
Cost of manufacturing products sold	265 310	700 273	336 162	917 768
Cost of manufacturing goods and materials sold	15	12 780	0	0
Profit (loss) on sales before taxes	**9 335**	**35 351**	**7 904**	**-1 265**
Selling costs	0	0	0	0
General and administrative expenses	6 412	24 158	8 203	27 044
Profit (loss) on sales	**2 923**	**11 193**	**-299**	**-28 309**
Other operating income	**717**	**972**	**1 440**	**2 665**
Gain on disposal of non-financial fixed assets	12	36	19	27
Subsidies and donations	0	0	0	0
Other operating income	705	936	1 421	2 638
Other operating expenses	**869**	**1 948**	**275**	**1 641**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	869	1 948	275	1 641
Profit (loss) on operating activity	**2 771**	**10 217**	**866**	**-27 285**
Financial income	**293**	**3 326**	**1 184**	**6 241**
Dividends and shares in profit	0	750	0	950
- from associates	0	750	0	950
Interests	208	2 084	187	4 163
- from associates	0	1 447	0	1 650
Gain on sale of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	86	491	997	1 128
Financial expenses	**2 796**	**7 158**	**2 006**	**10 247**
Interests	1 919	4 759	477	1 486
- to associates	0	0	0	0
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	5 661
Other	877	2 399	1 529	3 099
Profit (loss) on economic activity	**268**	**6 385**	**44**	**-31 291**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**268**	**6 385**	**44**	**-31 291**
Income tax	90	0	210	-4 047
Other mandatory profit decrease (loss increase)	0	0	0	0
Net profit (loss)	**178**	**4 779**	**-166**	**-27 245**
Net earnings (loss) per share	**0,01**	**0,38**	**-0,01**	**-2,15**
Current	**0,01**	**0,38**	**-0,01**	**-2,15**
Diluted	**0,01**	**0,38**	**-0,01**	**-2,15**
Weighted average number of shares	**12 644 169**	**12 644 169**	**12 644 169**	**12 644 169**

CASH FLOW STATEMENT

	Quarter to 30.09.2012	Year to 30.09.2012	Quarter to 30.09.2011	Year to 30.09.2011
Net profit (loss)	**178**	**4 779**	**-166**	**-27 245**
Total adjustments	**4 915**	**-48 546**	**-23 118**	**-101 388**
Depreciation and amortization	160	1 273	189	1 342
Gains / losses from foreign exchange differences	154	254	324	157
Interest and share in profit (dividends)	361	1 925	628	151
Profit / loss on investment activities	-12	-1 483	0	4 944
Change in provisions	-11 144	930	1 628	13 890
Change in inventory	-398	729	0	1 189
Change in accounts receivable	-105 980	-105 233	27 361	-172 299
Change in short-term liabilities, net of loans and borrowings	71 984	50 638	-24 266	82 904
Change in prepayments and accruals	50 316	2 773	-28 982	-34 002
Other adjustments	-526	-352	0	336
Net cash flow from operating activities	**5 093**	**-43 767**	**-23 284**	**-128 633**
Cash flow from investing activities				
Inflow	**392**	**2 088**	**763**	**2 273**
Disposal of intangible and tangible fixed assets	16	246	104	132
Disposal of investments in real property and intangible fixed assets	0	0	0	0
From financial assets, incl.:	376	1 842	659	2 141
a) In associates	168	1 205	495	1 506
- Disposal of financial assets	0	0	0	0
- Dividends and share in profits	0	0	0	700
- Repayment of long-term borrowings	0	0	495	806
- Interest	0	0	0	0
- Other income from financial assets	168	1 205	0	0
b) In other entities	208	636	164	635
- Disposal of financial assets	0	0	0	0
- Dividends and share in profits	0	0	0	0
- Repayment of long-term borrowings	0	0	0	0
- Interest	208	636	164	635
- Other income from financial assets	0	0	0	0
Other investing inflow	0	0	0	0
Outflow	**-2 923**	**12 500**	**1 663**	**15 155**
Acquisition of tangible and intangible fixed assets	77	606	135	808
Investments in real property and intangible fixed assets	0	0	0	0
Financial assets, incl.	-3 000	11 894	1 528	14 347
a) In associates	0	4 622	1 528	14 347
- acquisition of financial assets	0	3 534	0	3 534
- granted long-term borrowings	0	1 088	1 528	10 813
b) In other entities	-3 000	7 272	0	0
- acquisition of financial assets	-3 000	7 272	0	0
- granted long-term borrowings	0	0	0	0
Other investing outflow	0	0	0	0
Net cash flow from investing activities	**3 315**	**-10 412**	**-901**	**-12 881**

	Quarter to 30.09.2012	Year to 30.09.2012	Quarter to 30.09.2011	Year to 30.09.2011
Cash flow from financing activities				
Inflow	**16 900**	**25**	**50 052**	**82 208**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	0	0	452	452
Loans and borrowings	16 900	25	0	32 156
Issuance of debt securities	0	0	49 600	49 600
Other financing inflow	0	0	0	0
Outflow	**2 660**	**9 401**	**19 678**	**20 734**
Repurchase of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	0	0	0
Profit distribution other than distributions to shareholders	0	0	0	0
Repayment of loans and borrowings	3	3 156	18 880	18 880
Redemption of debt securities	0	0	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	0	1 043	0	936
Interests	2 657	5 202	798	918
Other financing cash outflow	0	0	0	0
Net cash flow from financing activities	**14 240**	**-9 376**	**30 374**	**61 474**
Total net cash flow	**22 648**	**-63 555**	**6 189**	**-80 040**
Balance-sheet change in cash, incl.:	**22 648**	**-63 555**	**6 048**	**-80 040**
- Change in cash due to foreign exchange differences	-154	0	-141	0
Cash at the beginning of the period	**34 067**	**120 271**	**35 103**	**121 191**
Cash at the end of the period, incl.:	**56 715**	**56 715**	**41 151**	**41 151**
- Restricted cash	1 759	23 438		17 493

RECONCILIATION OF MOVEMENTS IN EQUITY

	Quarter to 30.09.2012	Year to 30.09.2012	Quarter to 30.09.2011	Year to 30.09.2011
II. Equity at the beginning of the period (OB)	**229 219**	**229 219**	**251 973**	**251 973**
- Changes in accounting principles (policies) adopted	0	0	0	0
- Basic errors adjustment	0	0	0	0
I.a. Equity at the beginning of the period (OB), after reconciliation to comparable data	**229 219**	**229 219**	**251 973**	**251 973**
1. Share capital at the beginning of the period	**1 264**	**1 264**	**1 260**	**1 260**
1.1. Change in share capital	**0**	**0**	**4**	**4**
a) Increase,	0	0	4	4
- Issue of Series E Shares	0	0	0	0
- Issue of Series F Shares	0	0	4	4
b) Decrease, (due to)	0	0	0	0
- redemption of shares/stocks	0	0	0	0
1.2. Share capital at the end of the period	**1 264**	**1 264**	**1 264**	**1 264**
2. Called-up share capital not paid at the beginning of the period	**0**	**0**	**0**	**0**
2.1. Change in called-up share capital not paid	0	0	0	0
a) Increase (due to)	0	0	0	0
b) Decrease (due to)	0	0	0	0
2.2. Called-up share capital not paid at the end of the period	**0**	**0**	**0**	**0**
3. Treasury shares/stocks at the beginning of the period	**0**	**0**	**0**	**0**
a) Increase – repurchase of own shares	0	0	0	0
b) Decrease – disposal of own shares	0	0	0	0
3.1. Treasury shares/stocks at the end of the period	**0**	**0**	**0**	**0**
4. Capital reserves (fund) at the beginning of the period	**227 955**	**253 239**	**220 709**	**220 709**
4.1. Change in capital reserves	0	25 284	32 530	32 530
a) Increase (due to)	0	0	32 530	32 530
- Capital reserves transfer	0	0	0	0
- Profit distribution	0	0	30 004	30 004
- Repurchase of own shares	0	0	0	0
- Profit on sales of own shares	0	0	0	0
- Issue of Series E Shares above their par value	0	0	0	0
- Issue of Series F Shares above their par value	0	0	452	452
- Called up Series C Shares	0	0	0	0
- Manager options	0	0	2 074	2 074
b) Decrease (due to)	0	25 284	0	0
– 2011 loss covering	0	25 284	0	0
– Redemption of shares	0	0	0	0
4.2. Capital reserves at the end of the period	**227 955**	**227 955**	**253 239**	**253 239**
5. Revaluation of capital reserves at the beginning of the period	**0**	**0**	**0**	**0**
5.1. Change in revaluation of capital reserves	0	0	0	0
a) Increase	0	0	0	0
- Valuation of financial assets	0	0	0	0
- Conversion of balance of Branch Germany from EUR to PLN	0	0	0	0
b) Decrease	0	0	0	0
– Valuation of financial instruments held for sale	0	0	0	0
- Conversion of balance of Branch Germany from EUR to PLN	0	0	0	0
5.2. Capital reserves at the end of the period	**0**	**0**	**0**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**	**0**
6.1. Change in other capital reserves	0	0	0	0
a) Increase	0	0	0	0
- resources reserved for the Staff Incentive Program	0	0	0	0
b) Decrease - transfer to the capital reserves	0	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**	**0**

	Quarter to 30.09.2012	Year to 30.09.2012	Quarter to 30.09.2011	Year to 30.09.2011
7. Accumulated loss/retained profit brought forward at the beginning of the period	**0**	**25 284**	**30 004**	**30 004**
7.1. Retained profit brought forward at the beginning of the period	0	0	30 004	30 004
- Changes in accounting principles (policies) adopted	0	0	0	0
- Basic errors adjustment	0	0	0	0
7.2. Retained profit brought forward at the beginning of the period, after reconciliation to comparable data	0	0	30 004	30 004
a) Increase (due to)	0	0	0	0
b) Decrease (due to)	0	0	30 004	30 004
– Distribution of profit for capital reserves	0	0	30 004	30 004
– Distribution of profit for payment of dividends	0	0	0	0
– Distribution of profit to cover losses from previous years	0	0	0	0
7.3. Retained profit brought forward at the end of the period	**0**	**0**	**0**	**0**
7.4. Accumulated loss brought forward at the beginning of the period	**0**	**25 284**	**0**	**0**
- Changes in accounting principles (policy) adopted	0	0	0	0
- Basic errors adjustment	0	0	0	0
7.5. Accumulated loss brought forward at the beginning of the period, after adjustments	0	25 284	0	0
a) Increase (due to)	0	0	0	0
- presentation adjustments	0	0	0	0
b) Decrease (due to)	0	25 284	0	0
- Distribution of profit to cover losses	0	25 284	0	0
7.6. Retained profit brought forward at the end of the period	**0**	**0**	**0**	**0**
7.7. Retained profit or accumulated loss brought forward at the end of the period	**0**	**0**	**0**	**0**
8. Net result	**178**	**4 779**	**-25 284**	**-27 245**
a) Net profit	178	4 779	0	0
b) Net loss	0	0	25 284	27 245
c) Write-offs from profit	0	0	0	0
II. Equity at the end of the period (CB)	**233 998**	**233 998**	**229 219**	**227 258**
III. Equity after proposed distribution of profit (coverage of loss)	**233 998**	**233 998**	**229 219**	**227 258**

1. Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statements of ERBUD SA for three quarters of 2012 and comparable data has been drawn up in accordance with accounting principles prevailing in Poland, described in the introduction to the Company's Financial Report for the year 2011.

1.2. Rules adopted for the calculation of selected financial data into the Euro

KEY ITEMS CONVERTED TO THE EURO

	30 September 2012		30 September 2011	
	PLN	EUR	PLN	EUR
Fixed assets	212 085	51 554	195 669	44 357
Current assets	531 156	129 116	544 655	123 471
Shareholders' equity	233 998	56 881	227 258	51 518
Liabilities and provisions for liabilities	509 243	123 789	513 066	116 310

Assets and liabilities items - at the average exchange rate as at 30 September 2012, i.e. 4.1138 PLN/EUR.

Assets and liabilities items - at the average exchange rate as at 30 September 2011, i.e. 4.4112 PLN/EUR.

	9-month period ended 30.09.2012		9-month period ended 30.09.2011	
	PLN	EUR	PLN	EUR
Revenues from sales of products and services and of goods and materials	748 404	178 412	916 503	226 784
Cost of sold products and services and of goods and materials	713 053	169 985	917 768	227 097
Profit on sales before taxes	35 351	8 427	-1 265	-313
Profit on operating activities	10 217	2 436	-27 285	-6 751
Profit (loss) before taxes	6 385	1 522	-31 291	-7 743
Net profit (loss)	4 779	1 139	-27 245	-6 742

Items of the profit or loss statement and cash flow for three quarters of 2012 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 30 September 2012, i.e. 4.1948 PLN/EUR

Items of the profit or loss statement and cash flow for three quarters of 2011 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 30 September 2011, i.e. 4.0413 PLN/EUR.

	9-month period ended 30.09.2012		9-month period ended 30.09.2011	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-43 767	-10 434	-128 633	-31 829
Cash flow from investing activities	-10 412	-2 482	-12 881	-3 187
Cash flow from financing activities	-9 376	-2 235	61 474	15 211
Net cash flow	-63 555	-15 151	-80 040	-19 805
Cash at the beginning of the period	120 271	27 230	121 191	30 601
Cash at the end of the period	56 715	13 787	41 151	9 329

Items of the cash flow for the period 1.01.20121 - 30.09.2012 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 day, i.e. 4.1948 PLN/EUR.

Items of the cash flow for the period 1.01.2011 - 30.09.2011 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 day, i.e. 4.0413 PLN/EUR.

In order to translate cash as of 1 January 2012, it was applied the exchange rate set by the NBP on that day, i.e. 4.4168 PLN/EUR.

In order to translate cash as of 1 January 2011, it was applied the exchange rate set by the NBP on that day, i.e. 3.9603 PLN/EUR.

In order to translate cash as of 30 September 2012, it was applied the exchange rate set by the NBP on that day, i.e. 4.1138 PLN/EUR.

In order to translate cash as of 30 September 2011, it was applied the exchange rate set by the NBP on that day, i.e. 4.4112 PLN/EUR.

ADDITIONAL INFORMATION

Note 1. Operating segments information

During the reporting period ended 30 September 2012, the Company was operating in the following business segments:

- Large volume construction
- Road-engineering
- Construction for the power industry

During the reporting period ended 30 September 2012 the Company was operating in the following region segments:

- in Poland
- abroad (Belgium, Luxembourg).

Classification of contracts was the basis for dividing into segments. The Company applies the same policy of accounting for all segments.

Business segments

The following tables present data on the revenues and profits of the Company's operating segments for the period from 1 January to 30 September 2012

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2012	Cubature construction	Road engineering	Construction for the energy sector	Other	Total
Sale to external customers	642 336	78 103	27 964	0	748 404
Total income	**642 336**	**78 103**	**27 964**	**0**	**748 404**
Cost of products, goods and materials sold to external customers	618 695	69 492	24 866	**0**	713 053
Total cost of products, goods and materials sold	**618 695**	**69 492**	**24 866**	**0**	**713 053**
Total gross sales	**23 642**	**8 612**	**3 098**	**0**	**35 351**
Cost of sales	0	0	0	0	**0**
General and administrative costs	21 133	937	896	1 192	**24 158**
Profit (loss) on other operating activity	-976	0	0	0	**-976**
Segment profit (loss)	**1 532**	**7 675**	**2 201**	**-1 192**	**10 217**
Profit (loss) on financing activity	-3 833	0	0	0	**-3 833**
Income tax	-488	1 627	467	0	**1 606**
Net profit	**-1 813**	**6 048**	**1 735**	**-1 192**	**4 779**

For the period from 1 January to 30 September 2011	Cubature construction	Road engineering	Construction for the energy sector	Other	Total
Sale to external customers	784 290	95 635	36 578	0	916 503
Total income	**784 290**	**95 635**	**36 578**	**0**	**916 503**
Cost of products, goods and materials sold to external customers	797 123	87 255	33 390	**0**	917 768
Total cost of products, goods and materials sold	**797 123**	**87 255**	**33 390**	**0**	**917 768**
Total gross sales	**-12 833**	**8 381**	**3 188**	**0**	**-1 265**
Cost of sales	0	0	0	0	**0**
General and administrative costs	23 954	929	751	1 411	**27 044**
Profit (loss) on other operating activity	1 024	0	0	0	**1 024**
Segment profit (loss)	**-35 764**	**7 452**	**2 437**	**-1 411**	**-27 285**
Profit (loss) on financing activity	-4 006	0	0	0	**-4 006**
Income tax	-4 047	0	0	0	**-4 047**
Net profit	**-35 723**	**7 452**	**2 437**	**-1 411**	**-27 245**

Geographical segments

The following tables present data on the revenues and profits of the Company's region segments for the period from 1 January to 30 September 2012

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2011	Domestic	Abroad	Total
Sale to external customers	746 182	2 222	748 404
Total income	**746 182**	**2 222**	**748 404**
Cost of products, goods and materials sold to external customers	711 423	1 630	713 053
Total cost of products, goods and materials sold	**711 423**	**1 630**	**713 053**
Total gross sales	**34 760**	**592**	**35 351**
Cost of sales	0	0	**0**
General and administrative costs	23 206	952	**24 158**
Profit (loss) on other operating activity	-940	-36	**-976**
Segment profit (loss)	**10 614**	**-396**	**10 217**
Profit (loss) on financing activity	-4 981	1 148	**-3 833**
Income tax	1 606	0	**1 606**
Net profit	**4 027**	**751**	**4 779**

For the period from 1 January to 30 September 2011	Domestic	Abroad	Total
Sale to external customers	913 596	2 907	916 503
Total income	**913 596**	**2 907**	**916 503**
Cost of products, goods and materials sold to external customers	912 607	5 161	917 768
Total cost of products, goods and materials sold	**912 607**	**5 161**	**917 768**
Total gross sales	**989**	**-2 253**	**-1 265**
Cost of sales	0	0	**0**
General and administrative costs	25 329	1 715	**27 044**
Profit (loss) on other operating activity	1 024	0	**1 024**
Segment profit (loss)	**-23 317**	**-3 968**	**-27 285**
Profit (loss) on financing activity	-3 654	-351	**-4 006**
Income tax	-4 047	0	**-4 047**
Net profit	**-22 925**	**-4 320**	**-27 245**

2. Description of factors and events, which had a significant impact on financial results achieved by ERBUD SA.

2.1. Changes in estimates

Construction Contracts

In accordance with accounting principles accepted for valuation of the long-term building services, the Company applied a percentage method. Revenues, costs and profit were shown in proportion to the phase of works. To qualify the progress of works, it was used a method of proportional contract costs incurred for work performed to date in relation to the estimated cost of the contract.

Prepayments for construction contracts

	30.09.2012	31.12.2011	30.09.2011
Revenue surplus over partial invoices, by staging	81 144	63 470	73 224
Costs surplus over expenses arising from the accounting costs, by staging	50 963	29 523	39 702
Surplus on partial invoices over incomes, by staging	4 400	12 628	29 247
Surplus on costs resulting from the accounting costs over expenses, by staging	24 839	36 079	47 925
Total amounts presented in deferred expenditures	105 983	99 549	121 149
Total amounts presented in deferred revenues	55 363	42 151	68 949

Provisions and assets due to deferred income tax

Assets due to deferred income tax	30.09.2012	30.06.2012	31.12.2011	30.09.2010
- Valuation of long-term contracts	10 519	12 055	8 009	13 100
- Tax loss	10 539	16 934	10 359	13 175
- Costs of subsequent periods	2 792	2 115	2 841	364
- Provision for loss on contracts	0	112	31	0
- Other	2 993	3 300	3 250	3 218
Total assets due to deferred income tax	**26 843**	**34 516**	**24 490**	**29 857**

Provisions	30.09.2012	30.06.2012	31.12.2011	30.09.2011
- Valuation of long-term contracts	18 927	29 891	18 573	23 018
- Other	1 367	1 380	1 355	1 068
Total provisions due to deferred income tax	**20 294**	**31 271**	**19 928**	**24 086**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	30.09.2012	31.12.2011	30.09.2011
As at the beginning of the period	**2 848**	**2 908**	2 908
a) Increase (due to)	0	153	0
- Creation	0	153	0
b) Decrease (due to)	203	213	198
- Impairment loss release	203	213	198
- Use of write-downs	0	0	0
Write-downs on short-term receivables at end of the period	**2 645**	**2 848**	**2 710**

Significant amount of impairment losses recognized and reversed due to the impairment

Write-downs on long-term financial assets	30.09.2012	31.12.2011
Opening balance sheet	**2 960**	**110**
Increases/Decreases	0	2 850
Closing balance sheet	**2 960**	**2 960**

The value of increasing the allowance consists of accounted write-down on shares in Ersteel Sp. z o. o. in the amount of PLN 2,850 thousand.

2.2. Information on changes in economic outlook and business conditions, which have a significant impact on the fair value of Company's financial assets and financial liabilities

In relation to the financial year ended 31 December 2011, this type of significant changes did not occur.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, 14 November 2012