

ERBUD S.A.

Condensed Financial Statements for 1Q 2013

Financial Statement for the period of 3 months ended 31 March 2013

Balance Sheet

ASSETS

		31.03.2013	31.12.2012	31.03.2012
A.	**Fixed assets**	**207 992**	**214 391**	**205 012**
I.	**Intangible fixed assets**	**456**	**437**	**397**
1.	Development costs	0	0	0
2.	Goodwill	0	0	0
3.	Other intangibles	89	70	50
4.	Advances for intangibles	367	367	347
II.	**Tangible fixed assets**	**7 594**	**7 605**	**8 544**
1.	Fixed assets	7 594	7 605	8 544
a)	Land (incl. perpetual usufruct)	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 408	3 432	3 507
c)	Plant and equipment	79	89	116
d)	Means of transport	3 743	3 723	4 512
e)	Other tangible fixed assets	364	361	409
2.	Fixed assets under construction	0	0	0
3.	Prepaid tangible fixed assets under construction	0	0	0
III.	**Short-term receivables**	**0**	**0**	**0**
1.	From associates	0	0	0
2.	From other entities	0	0	0
IV.	**Long-term investments**	**179 154**	**185 489**	**173 065**
1.	Real property	515	515	515
2.	Intangibles	0	0	0
3.	Non-current financial assets	178 639	184 974	172 550
a)	In associates:	177 862	184 197	171 827
	- shares or stocks	136 713	142 485	132 965
	- other securities	0	0	0
	- loans granted	41 149	41 712	38 862
	- other non-current financial assets	0	0	0
b)	In other entities:	777	777	723
	- shares or stocks	5	5	5
	- other securities	0	0	0
	- loans granted	0	0	0
	- other non-current financial assets	772	772	718
4.	Other long-term investments	0	0	0
V.	**Long-term prepayments**	**20 789**	**20 860**	**23 006**
1.	Deferred tax assets	20 789	20 860	23 006
2.	Other prepayments	0	0	0

		31.03.2013	31.12.2012	31.03.2012
B.	**Current assets**	**376 582**	**504 883**	**419 643**
I.	**Inventory**	**0**	**1 110**	**7 338**
1.	Materials	0	1 110	0
2.	Semi-products and unfinished products	0	0	0
3.	Finished products	0	0	0
4.	Goods	0	0	7 338
5.	Advances for deliveries	0	0	0
II.	**Short-term accounts receivable**	**249 929**	**260 197**	**271 542**
1.	From associates	11 796	3 133	16 026
a)	Deliveries and services, payable:	2 296	3 133	16 023
–	- up to 12 months	2 296	3 133	16 023
–	- over 12 months	0	0	0
b)	Other	9 500	0	3
2.	Receivables from other entities	238 133	257 064	255 516
a)	Deliveries and services, payable:	183 412	207 121	244 670
–	- up to 12 months	178 024	201 282	243 360
–	- over 12 months	5 388	5 839	1 310
b)	Tax, subsidies, duty, social security, health care and other benefits	9 982	6 923	10 453
c)	Other	44 739	43 020	393
d)	Receivables claimed at court	0	0	0
III.	**Short-term financial assets**	**34 682**	**152 193**	**42 427**
1.	Current securities and other financial assets	34 682	152 193	42 427
a)	In associates, incl.:	0	0	1 436
	- shares or stocks	0	0	0
	- other securities	0	0	0
	- loans granted	0	0	1 436
	- other current investments	0	0	0
b)	In other entities, incl.:	0	0	0
	- shares or stocks	0	0	0
	- other securities	0	0	0
	- loans granted	0	0	0
	- other current financial assets	0	0	0
c)	Cash and cash equivalents	34 682	152 193	40 991
	- cash at bank and in hand	17 717	134 435	26 126
	- other cash	16 965	17 758	14 865
	- other financial assets	0	0	0
2.	Other current financial investments	0	0	0
IV.	**Short-term prepayments**	**91 971**	**91 383**	**98 336**
	TOTAL ASSETS	**584 574**	**719 274**	**624 655**

LIABILITIES

		31.03.2013	31.12.2012	31.03.2012
A.	**Equity**	**236 382**	**235 313**	**231 392**
I.	**Share capital**	1 268	1 268	1 264
II.	**Called-up share capital not paid (negative value)**	0	0	0
III.	**Treasury shares (negative value)**	0	0	0
IV.	**Capital reserves**	228 454	228 454	253 239
V.	**Revaluation capital reserve**	0	0	0
VI.	**Other capital reserves (funds)**	0	0	0
VII.	**Retained profit / accumulated loss brought forward**	5 591	0	-25 284
VIII.	**Net profit (loss)**	1 069	5 591	2 173
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0
B.	**Liabilities and provisions for liabilities**	**348 192**	**483 961**	**393 263**
I.	**Provisions for liabilities**	**33 006**	**33 829**	**30 259**
1.	Deferred income tax provision	18 456	18 288	19 206
2.	Provision for retirement and related benefits	3 423	3 423	2 985
	- non-current	349	349	420
	- current	3 074	3 074	2 565
3.	Other provisions	11 127	12 118	8 068
	- non-current	0	0	0
	- current	11 127	12 118	8 068
II.	**Long-term liabilities**	**50 556**	**50 556**	**56 600**
1.	To associates	0	0	0
2.	To other entities	50 556	50 556	56 600
a)	Loans and borrowings	0	0	0
b)	Issuance of debt securities	50 000	50 000	50 000
c)	Other financial liabilities	556	556	1 261
d)	Other	0	0	5 339
III.	**Short-term liabilities**	**230 292**	**358 003**	**262 689**
1.	To associates	14 995	49 588	33 403
a)	Deliveries and services, with maturity:	14 995	49 588	33 403
	- up to 12 months	14 388	48 992	33 403
	- over 12 months	607	596	0
b)	Other	0	0	0
2.	To other entities	215 297	308 415	229 286
a)	Loans and borrowings	7 615	262	8 414
b)	Issuance of debt securities	0	0	0
c)	Other financial liabilities	3 057	3 057	2 720
d)	Deliveries and services, with maturity :	161 863	258 272	197 141
	- up to 12 months	158 964	253 674	189 453
	- over 12 months	2 899	4 598	7 688
e)	Advances for deliveries	31 615	34 009	14 565
f)	Bills	0	0	0
g)	Taxes, customs, social insurance and other benefits	3 049	2 220	1 983
h)	Payroll	2 162	1 538	944
i)	Other	5 936	9 057	3 519
3.	Special funds	0	0	0
IV.	**Accruals**	**34 974**	**41 573**	**43 714**
1.	Other accruals	34 974	41 573	43 714
	TOTAL LIABILITIES	**584 574**	**719 274**	**624 655**

Calculation of book value per share

	31.03.2013	31.12.2012	31.03.2012
Book value (in PLN '000)	236 382	235 313	231 392
Number of shares (in units)	12 677 956	12 677 956	12 644 169
Book value per share (in PLN)	18.65	18.56	18.30

PROFIT AND LOSS STATEMENT

	Quarter to 31.03.2013	Year to 31.12.2012	Quarter to 31.03.2012	Year to 31.12.2011
Income from sales of products, goods and materials, incl.:	**148 620**	**1 078 582**	**193 207**	**1 245 578**
- from associates	353	15 909	4 375	3 080
Net revenues on sales of products	148 620	1 065 771	189 529	1 245 574
Net revenues on sales of goods and materials	0	12 811	3 678	4
Cost of sold products, goods and materials, incl.:	**137 074**	**1 031 874**	**179 939**	**1 231 809**
- to associates	4 971	144 632	21 015	113 987
Cost of manufacturing products sold	137 074	1 019 094	176 270	1 231 809
Value of manufacturing goods and materials sold	0	12 780	3 669	0
Profit (loss) before taxes on sales	**11 546**	**46 708**	**13 268**	**13 769**
Selling costs	0	0	0	0
General and administrative expenses	8 227	32 211	7 907	34 341
Profit (loss) on sales	**3 319**	**14 497**	**5 361**	**-20 572**
Other operating income	**112**	**1 426**	**767**	**162**
Gain on disposal of non-financial fixed assets	18	82	11	0
Subsidies	0	0	0	0
Other operating income	94	1 344	756	162
Other operating expenses	**853**	**2 633**	**882**	**1 381**
Loss on disposal of non-financial fixed assets	0	0	0	41
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	853	2 633	882	1 340
Profit (loss) on operating activity	**2 578**	**13 290**	**5 246**	**-21 791**
Financial income	**1 006**	**4 308**	**375**	**7 380**
Dividends and other share in profit	0	750	0	950
- from associates	0	750	0	950
Interest	419	2 981	290	5 929
- from associates	0	2 214	0	3 302
Gain on disposal of investments	228	0	0	0
Investment revaluation	0	32	0	0
Other	359	545	85	501
Financial expenses	**2 275**	**10 017**	**2 684**	**13 711**
Interest	1 414	6 831	1 671	3 983
- to associates	0	0	0	0
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	6 092
Other	861	3 186	1 013	3 636
Profit (loss) on economic activity	**1 309**	**7 581**	**2 936**	**-28 122**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**1 309**	**7 581**	**2 936**	**-28 122**
Income tax	240	1 990	763	-2 838
Other mandatory decrease of profit (increase of loss)	0	0	0	0
Net profit (loss)	**1 069**	**5 591**	**2 173**	**-25 284**
Weighted average number of ordinary shares/ Weighted average diluted number of shares (in pcs)	**12 677 956/ 12 717 719**	**12 661 062/ 12 710 858**	**12 644 169/12 648 833**	**12 614 864/ 12 621 415**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	**0.0843/ 0.0841**	**0.4416/ 0.4399**	**0.17/ 0.17**	**-2.004/ -2.003**

CASH FLOW STATEMENT

	Quarter to 31.03.2013	Year to 31.12.2012	Quarter to 31.03.2012	Year to 31.12.2011
	1 069	**5 591**	**2 173**	**-25 284**
Net profit (loss)				
Total adjustments	**-121 795**	**75 157**	**-59 138**	**-36 633**
Amortisation and depreciation	115	2 139	168	2 141
FX profit (loss)	-230	-265	185	343
Interest and profit sharing (dividends)	1 008	4 325	1 897	410
(Profit (loss) on investment activities	0	-1 397	46	5 383
Change in provisions	-823	3 552	-688	11 907
Change in inventories	1 110	17	-6 211	62
Change in receivables	19 767	-5 587	-18 142	-59 715
Change in short-term liabilities, excluding credits and loans	-135 064	60 602	-40 733	36 572
Change in prepayments and accruals	-7 751	11 640	4 684	-34 255
Other adjustments	73	131	-343	519
Net cash flows from operating activities	**-120 726**	**80 748**	**-56 965**	**-61 917**
Cash flows from investment activities				
Inflows	**1 049**	**11 665**	**476**	**2 210**
Disposal of intangible and tangible fixed assets	25	293	186	203
Disposal of investments in real property and intangible assets	0	0	0	0
From financial assets, incl.:	1 024	3 072	290	2 007
a) In associates	619	2 360	0	1 247
- Disposal of financial assets	0	0	0	0
- Dividends and profit sharing	0	750	0	700
- Repayment of granted long-term loans	0	0	0	547
- Other inflows from financial assets	619	1 610	0	0
b) In other entities	405	712	290	760
- Disposal of financial assets	0	0	0	0
- Dividends and profit sharing	0	0	0	0
- Repayment of granted long-term loans	0	0	0	0
- Interest	405	712	290	760
- Other inflows from financial assets	0	0	0	0
Other inflows from investment activities	0	8 300	0	0
Outflows	**3 774**	**25 050**	**355**	**16 644**
Purchase of intangible assets and tangible fixed assets	124	670	355	947
Investments in real property and intangible assets	0	0		0
Due to financial assets, incl.:	3 650	24 380	0	15 697
a) In associates	3 650	14 110	0	15 697
- Purchase of financial assets	3 500	13 022	0	4 884
- Loans granted	150	1 088	0	10 813
b) In other entities	0	10 270	0	0
- Purchase of financial assets	0	10 270	0	0
- Loans granted	0	0	0	0
Other outflows from investment activities	0	0	0	0
Net cash flows from investment activities	**-2 725**	**-13 385**	**121**	**-14 434**

	Quarter to 31.03.2013	Year to 31.12.2012	Quarter to 31.03.2012	Year to 31.12.2011
Cash flow from financing activities				
Inflows	**7 354**	**372**	**0**	**79 119**
Net proceeds from issue of shares and other equity instruments, and additional contributions to equity	0	372	0	456
Loans and borrowings	7 354	0	0	28 663
Issuance of debt securities	0	0	0	50 000
Other financing inflow	0	0	0	0
Outflows	**1 414**	**36 078**	**22 436**	**3 688**
Acquisition of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	0	0	0
Expenses due to profit sharing other than payments to shareholders	0	0	0	0
Repayment of loans and borrowings	0	28 401	20 249	0
Redemption of debt securities	0	0	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	0	1 890	0	1 859
Interest	1 414	5 787	2 187	1 829
Other financing outflows	0	0	0	0
Net cash flow from financing activities	**5 940**	**-35 706**	**-22 436**	**75 431**
Total net cash flow	**-117 511**	**31 657**	**-79 280**	**-920**
Balance-sheet change in cash, incl.:	**-117 511**	**31 922**	**-79 280**	**-920**
- Change in cash due to exchange rate differences		265		
Cash at the beginning of the period	**152 193**	**120 271**	**120 271**	**121 191**
Cash at the end of the period, incl.:	**34 682**	**152 193**	**40 991**	**120 271**
- Restricted cash	16 965	17 758	14 865	12 244

RECONCILIATION OF MOVEMENTS IN EQUITY

	Quarter to 31.03.2013	Year to 31.12.2012	Quarter to 31.03.2012	Year to 31.12.2011
I. Equity opening balance	**235 313**	**229 219**	**251 973**	**229 219**
– Changes to accepted accounting principles (policy)	0	0	0	0
– Adjustments of basic errors	0	0	0	0
I.a. Equity opening balance after adjustment	**235 313**	**229 219**	**251 973**	**229 219**
1. Share capital at the beginning of the period	**1 268**	**1 264**	**1 260**	**1 264**
1.1. Changes to share capital	**0**	**4**	**4**	**0**
a) Increases from	0	4	4	0
– issue of shares of Series G	0	4	0	0
– issue of shares of Series F	0	0	4	0
b) Decreases from	0	0	0	0
– redemption of shares	0	0	0	0
1.2. Share capital at the end of the period	**1 268**	**1 268**	**1 264**	**1 264**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	**0**	**0**	0
a) Increases	0	0	0	0
b) Decreases	0	0	0	0
2.2. Called-up share capital at the end of the period	**0**	0	0	**0**
3. Own shares at the beginning of the period	**0**	**0**	**0**	**0**
a) Increases	0	0	0	0
b) Decreases	0	0	0	0
3.1. Own shares at the end of the period	**0**	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**228 454**	**253 239**	**220 709**	**253 239**
4.1. Changes in capital reserves	0	-24 785	32 530	0
a) Increases from	0	499	32 530	0
– transfer of the capital reserves	0	0	0	0
– profit distribution	0	0	30 004	0
– redemption of own shares	0	0	0	0
– issue of Series G shares above face value	0	369	0	0
– issue of Series F shares above face value	0	0	452	0
– manager options	0	130	2 074	0
b) Decreases from	0	25 284	0	0
– covering losses for 2011	0	25 284	0	0
– redemption of shares	0	0	0	0
4.2. Capital reserves at the end of the period	**228 454**	**228 454**	**253 239**	**253 239**
5. Revaluation reserve at the beginning of the period	**0**	**0**	**0**	**0**
5.1.Changes in revaluation reserve	0	0	0	0
a) Increases from	0	0	0	0
– revaluation of financial assets	0	0	0	0
– conversion of the balance of German Branch from EUR to PLN	0	0	0	0
b) Decreases from	0	0	0	0
– conversion of the balance of German Branch from EUR to PLN	0	0	0	0
5.2. Revaluation reserve 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. Changes in other capital reserves	0	0	0	0
a) Increases from	0	0	0	0
- reserves for Staff Incentive Scheme	0	0	0	0
b) Decreases	0	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**	**0**

	Quarter to 31.03.2013	Year to 31.12.2012	Quarter to 31.03.2012	Year to 31.12.2011
7. Retained profit (loss) at the beginning of the period	**5 591**	**-25 284**	**30 004**	**0**
7.1. Retained profit at the beginning of the period	5 591	0	30 004	0
– adjustments of basic errors	0	0	0	0
7.2 Retained profit at the beginning of the period after adjustment	5 591	0	30 004	0
a) Increases from	0	0	0	0
– undistributed profit carried forward	0	0	0	0
– FX differences from conversion of German Branch	0	0	0	0
b) Decreases from	0	0	30 004	0
– profit distribution allocated to capital reserves	0	0	30 004	0
– profit distribution allocated to dividends	0	0	0	0
– profit distribution allocated to cover losses from previous FY	0	0	0	0
7.3. Retained profit at the end of the period	**5 591**	**0**	**0**	**0**
7.4. Retained loss at the beginning of the period	**0**	**-25 284**	**0**	**0**
– adjustments of basic errors	0	0	0	0
7.5. Retained loss at the beginning of the period after adjustment	0	-25 284	0	0
a) Increases	0	0	0	-25 284
b) Decreases (distribution of profit to cover losses)	0	25 284	0	0
7.6. Retained loss at the end of the period	**0**	**0**	**0**	**-25 284**
7.7 Retained profit (loss) at the end of the period	**5 591**	**0**	**0**	**-25 284**
8. Net result	**1 069**	**5 591**	**-25 284**	**2 173**
a) Net profit	1 069	5 591	0	2 173
b) Net loss	0	0	25 284	0
c) Write-downs from profit	0	0	0	0
II. Equity closing balance	**236 382**	**235 313**	**229 219**	**0** **231 392**
III. Equity after proposed distribution of profits (loss coverage)	**236 382**	**235 313**	**229 219**	**231 392**

1. Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statement of ERBUD SA for the first quarter of 2013 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 2012.

1.2. The principles adopted for the conversion of selected financial data to the euro

Selected financial data were converted to the euro as follows:

- Assets and liabilities items - at the average exchange rate as at 31 March 2013, i.e. **4.1774** PLN/EUR;
- Items of the profit and loss statement and cash flow for 1Q 2013 - 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 31 March 2013, i.e. **4.1738** PLN/EUR;
- Assets and liabilities items of comparable financial data for 1Q 2012 - at the average exchange rate as at 31 March 2011, i.e. **4.1616** PLN/EUR;
- Items of the profit and loss statement and cash flow of comparable financial data for 1Q 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 31 March 2012, i.e. **4.1750** PLN/EUR.

KEY ITEMS CONVERTED TO THE EURO

	31.03.2013		31.03.2012	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	207 992	49 790	205 012	49 263
Current assets	376 582	90 147	419 643	100 837
Shareholders' equity	236 382	56 586	231 392	55 602
Liabilities and provisions for liabilities	348 192	83 351	393 263	94 498

	3-month period ended 31.03.2013		3-month period ended 31.03.2012	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	148 620	35 608	193 207	46 277
Cost of sold products and services and of goods and materials	137 074	32 842	179 939	43 099
Profit on sales before taxes	11 546	2 766	13 268	3 178
Profit on operating activities	2 578	618	5 246	1 257
Profit (loss) before taxes	1 309	314	2 936	703
Net profit (loss)	1 069	256	2 173	520

	3-month period ended 31.03.2013		3-month period ended 31.03.2012	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-120 726	-28 925	-56 965	-13 644
Cash flow from investing activities	-2 725	-653	121	29
Cash flow from financing activities	5 940	1 423	-22 436	-5 374
Net cash flow	-117 511	-28 155	-79 280	-18 989
Cash at the beginning of the period	152 193	37 472	120 271	27 230
Cash at the end of the period	34 682	8 309	40 991	9 850

ADDITIONAL INFORMATION

Note 1. Operating segments information

During the reporting period ended 31 March 2013, the Company was operating in the following business segments:

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

During the reporting period ended 31 March 2013, 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 31 March 2013.

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2013	Cubature construction	Road-engineering	Construction for the energy sector	Other	Total
Sale to external customers	147 556	1 096	-32		**148 620**
Total income	**147 556**	**1 096**	**-32**		**148 620**
Cost of products, goods and materials sold to external customers	134 281	1 841	952		**137 074**
Total cost of products, goods and materials sold	**134 281**	**1 841**	**952**		**137 074**
Total gross sales	**13 275**	**-745**	**-984**		**11 546**
Cost of sales					
General and administrative costs	7 352	271	283	321	**8 227**
Profit (loss) on other operating activity	-741				**-741**
Segment profit (loss)	**5 181**	**-1 016**	**-1 266**	**-321**	**2 578**
Profit (loss) on financing activity	-1 269				**-1 269**
Income tax	240				**240**
Net profit	**3 672**	**-1 016**	**-1 266**	**-321**	**1 069**

Geographical segments

The following table present data on the revenues and profits of the Company's region segments for the period from 1 January to 31 March 2013.

Proceeds and expenses by geographical segments

For the period from 1 January to 31 March 2013	Domestic	Abroad	Total
Sale to external customers	139 176	9 444	148 620
Total income	**139 176**	**9 444**	**148 620**
Cost of products, goods and materials sold to external customers	128 348	8 726	137 074
Total cost of products, goods and materials sold	**128 348**	**8 726**	**137 074**
Total gross sales	**10 828**	**718**	**11 546**
Cost of sales			
General and administrative costs	8 004	223	**8 227**
Profit (loss) on other operating activity	-741		**-741**
Segment profit (loss)	**2 083**	**495**	**2 578**
Profit (loss) on financing activity	-1 400	131	**-1 269**
Income tax	240		**240**
Net profit	**443**	**626**	**1 069**

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 accepted accounting principles 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

	31.03.2013	31.12.2012	31.03.2012
Revenue surplus over partial invoices, by staging	65 751	78 081	64 842
Costs surplus over expenses arising from the accounting costs, by staging	31 974	40 372	29 529
Surplus on partial invoices over incomes, by staging	2 364	1 201	14 185
Surplus on costs resulting from the accounting costs over expenses, by staging	23 965	10 750	32 175
Total amounts presented in deferred expenditures	91 971	88 831	97 017
Total amounts presented in deferred revenues	34 338	41 573	43 714

Provisions and assets due to deferred income tax

Provisions and assets due to deferred income tax	31.03.2013	31.12.2012	31.03.2012
- valuation of long-term contracts	6 524	7 899	8 306
- loss on tax	9 268	6 665	10 791
- deferred costs	0	2 036	840
- provision for loss on contracts	0	71	0
- other	4 997	4 189	3 069
Total assets due to deferred income tax	**20 789**	**20 860**	**23 006**

Provisions	31.03.2013	31.12.2012	31.03.2012
- valuation of long-term contracts	17 046	16 878	19 206
- other	1 410	1 410	0
Total provisions due to deferred income tax	**18 456**	**18 288**	**19 206**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	31.03.2013	31.12.2012	31.03.2012
At the beginning of the period	2 645	2 848	2 848
a) Increase (due to)	565	0	0
- creation of write-offs	565	0	0
b) Decrease (due to)	0	203	0
- impairment loss	0	203	0
- use of write-offs	0	0	0
Write-downs on short-term debts at the end of the period	**3 210**	**2 645**	**2 848**

Impairment charges are created on overdue receivables over 180 days at it full value.
In single reasonable cases, it can be applied the individual principles of calculating write-downs.

Significant amount of impairment losses recognized and reversed

Impairment of long-term financial assets	**31.03.2013**	**31.12.2012**	**31.03.2012**
Opening balance sheet	**2 928**	**2 960**	**2 960**
Increase / Decrease	0	-32	0
Closing balance sheet	**2 928**	**2 928**	**2 960**

Other important events

In the period from 27 December 2012 to 4 January 2013, it has been done works related to the removal of damages on two thresholds of a runway in Modlin. Cost of works executed amounted to PLN 450 thousand. The company DSH, a subcontractor responsible for the completion of the runway in Modlin was charged by the incurred costs. The cost of final removal of defects at the airport will be known after a detailed technology development and its approval by the Investor. For this purpose Erbud created a reserve of PLN 2 million.

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

During the period form 1 January to 31 March 2013, such significant changes did not occur.

Signature of person preparing
the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Member of the Board/

Dariusz Grzeszczak
/Member of the Board/

Warsaw, 14 May 2013