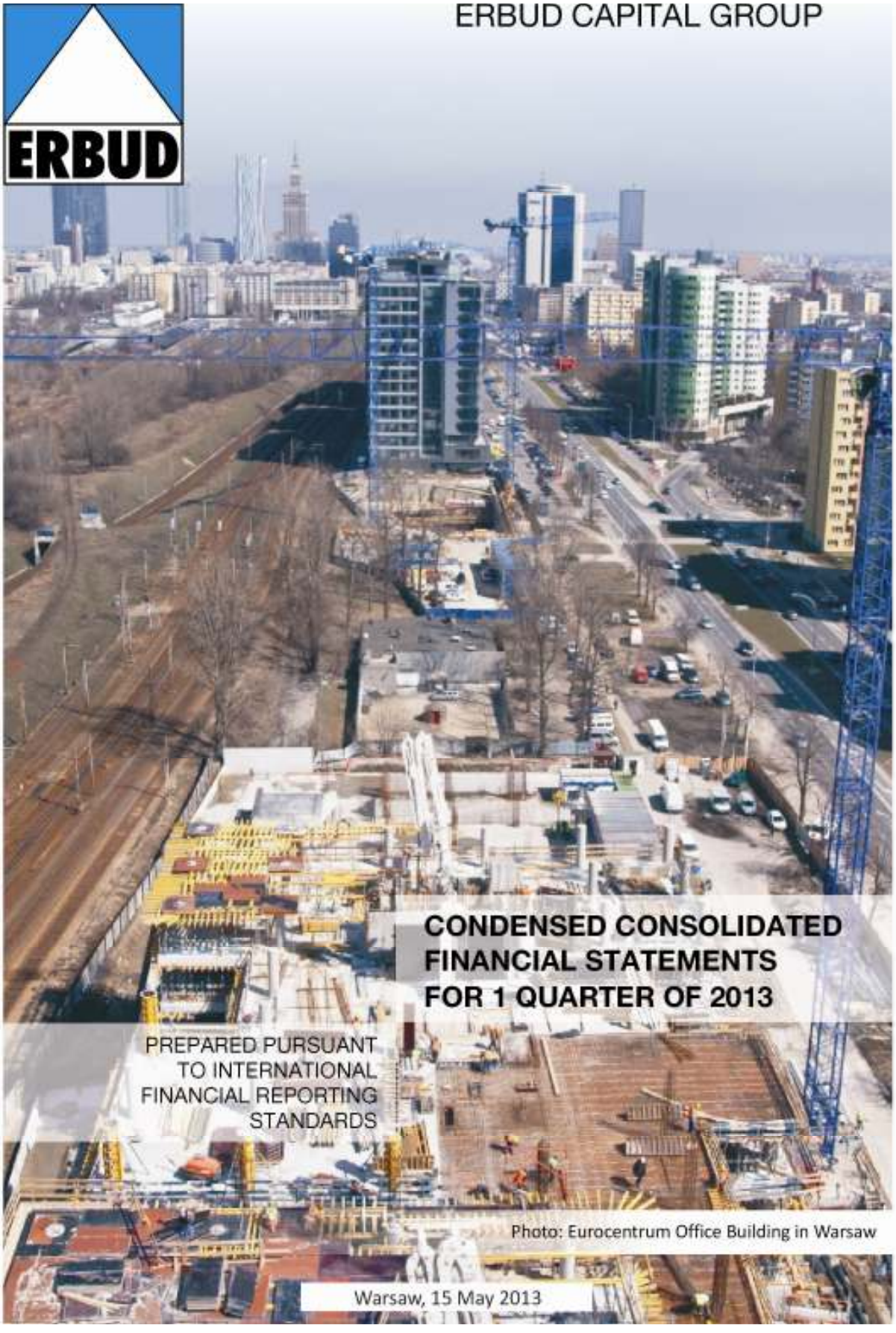
ERBUD CAPITAL GROUP



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 1 QUARTER OF 2013

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Photo: Eurocentrum Office Building in Warsaw

Warsaw, 15 May 2013

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 March 2013 (in '000 PLN)

	31.03.2013	31.12.2012	31.03.2012
Fixed assets	**117 411**	**123 826**	**125 864**
Intangibles	1 999	2 067	601
Goodwill	20 102	20 102	20 102
Tangible fixed assets	34 448	34 968	31 038
Real estate investments	5 402	5 519	5 521
Other non-current financial assets	18 413	25 066	30 390
Non-current receivables	1 552	1 550	0
Deferred tax assets	35 495	34 554	38 212
Current assets	**582 582**	**695 867**	**615 655**
Inventory	108 941	115 293	119 226
Trade and other receivables	226 109	267 500	251 267
Income tax receivables	8 332	6 593	7 964
Financial assets	333	389	548
Construction securities	45 875	42 234	35 455
Cash and cash equivalents	86 573	201 769	78 544
Short-term prepayments and accruals	3 213	3 068	1 721
Construction contracts	103 206	59 021	120 930
Total assets	**699 993**	**819 693**	**741 519**
Equity attributable to shareholders of the parent company	**238 868**	**237 652**	**222 798**
Share capital	1 268	1 268	1 264
Treasure shares	0	0	0
Exchange rate differences on translation of foreign entities	530	455	429
Supplementary capital	216 474	215 669	242 290
Capital reserves	0	0	0
Undistributed profits	20 596	20 260	-21 185
Minority interests	11 362	13 791	9 975
Total shareholders' equity	**250 230**	**251 443**	**232 773**
Long-term liabilities	**99 782**	**103 597**	**106 990**
Bank loans and borrowings	8 167	12 616	11 465
Provision for deferred income tax	29 497	28 620	31 129
Provision for retirement and similar benefits	6 900	6 900	1 320
Other provisions	2 765	2 750	1 778
Other financial liabilities	2 453	2 699	5 833
Liabilities from bonds issue	50 000	50 000	50 000
Other liabilities	0	12	5 465
Short-term liabilities	**349 981**	**464 653**	**401 756**
Trade and other liabilities	36 488	37 987	45 543
Current tax liabilities	155 400	296 163	180 697
Provision for retirement and similar benefits	47	201	1 626
Provisions	5 640	5 802	4 826
Trade and other liabilities	16 639	16 901	11 679
Construction securities	78 297	79 814	84 899
Construction contracts	42 071	11 931	49 439
Other accruals	15 399	15 854	23 047
Total liabilities	**699 993**	**819 693**	**741 519**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2013 (in 000' PLN)

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
CONTINUING OPERATIONS		
Revenues from sales of products and services and of goods and materials	**206 433**	**234 402**
Cost of sold products and services and of goods and materials	**188 514**	**214 366**
Profit (loss) from sales	**17 919**	**20 036**
Cost of sales	850	572
General and administrative costs	14 200	12 364
Other operating income	**5 111**	**1 359**
Other operating expenses	**5 667**	**959**
Profit (loss) on operating activities	**2 313**	**7 500**
Other gains (losses) on investments	**0**	**0**
Financial income	**1 603**	**1 873**
Financial expenses	**3 091**	**4 971**
Profit (loss) on continuing operations before tax	**825**	**4 402**
Income tax	415	1 127
Net profit (loss) for the financial period attributable to:	**410**	**3 275**
- Shareholders of the parent company	**353**	**3 206**
- Minority shareholders	**57**	**69**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)	**12 677 956/ 12 717 719**	**12 644 169/ 12 648 833**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN) on continuing operations	**0.0278/ 0.0277**	**0.25/ 0.25**

Consolidated net profit	**410**	**3 275**
Exchange rate differences from translation of foreign branches and entities	92	-949
Deferred income tax due to items of other comprehensive incomes	0	0
Other comprehensive net incomes	**92**	**-949**
Total a comprehensive incomes attributable to:	502	2 326
- Shareholders of the Parent Company	411	2 334
- Minority shareholders	91	-8

CONSOLIDATED STATEMENT OF CASH FLOW

for the 3-month period ended 31 March 2013 (in 000' PLN)

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
Cash flow from operating activities		
Net profit (loss)	**410**	**3 275**
Total adjustments	**-112 354**	**-60 963**
Depreciation and amortization	1 310	1 165
Share in net profit of subsidiaries valued using equity method	0	0
Gains / losses from exchange rate differences	1	-568
Interest and profit sharing (dividend)	1 498	2 156
Profit / loss on investment activities	-143	-113
Change in provisions	467	883
Change in inventories	6 509	-10 973
Change in receivables	36 009	-9 935
Change in short-term liabilities, excluding loans and borrowings	-142 434	-38 941
Change in prepayments and accruals	-15 586	-4 870
Other adjustments	15	233
Net cash used in operating activities	**-111 944**	**-57 688**
Cash flow from investment activities		
Inflows	**8 126**	**946**
Disposal of intangible and tangible fixed assets	447	386
Disposal of real property investments	0	0
Disposal of financial assets	61	0
Dividends and interest received	576	560
Repayment of loans	7 034	0
Other	8	0
Outflows	**2 543**	**1 024**
Acquisition of intangible and tangible fixed assets	813	713
Investments in real property	0	0
Acquisition of financial assets	1 714	0
Loans granted	2	311
Acquisition of subsidiary after deducting the funds acquired	0	0
Other	14	0
Net cash flow from investment activities	**5 583**	**-78**

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
Cash flow from financial activities		
Inflows	**17 247**	**14 880**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Credits and loans	17 192	14 837
Issue of debt instruments	0	0
Other	55	43
Outflows	**26 082**	**39 861**
Redemption of own shares	0	0
Dividends and other payments to the shareholders of the Parent	0	0
Dividends and other payments to the minority shareholders	1	0
Repayment of credits and loans	23 408	36 396
Redemption of debt securities	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	506	527
Interest paid	2 167	2 938
Other	0	0
Net cash flow from financial activities	**-8 835**	**-24 981**
Total net cash flow	**-115 196**	**-82 747**
Balance sheet change in cash, including:	**-115 196**	**-82 747**
- change in cash due to foreign exchange differences		0
Cash opening balance	**201 769**	**161 291**
Closing balance of cash, including:	**86 573**	**78 544**
- restricted cash	5 617	6 790

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 31 March 2013 (in 000' PLN)

	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2013	**1 268**	**0**	**215 669**	**455**	**20 260**	**0**	**237 652**	**13 791**	**251 443**
Profit / loss for the period	0	0	0	0	0	353	**353**	57	**410**
Other total income	0	0	0	75	-17	0	**58**	34	**92**
Total income for the period	**0**	**0**	**0**	**75**	**-17**	**353**	**411**	**91**	**502**
Taking control over ENGOREM	0	0	805	0	0	0	**805**	-2 520	**-1 715**
Previous years result of the parent company brought forward to supplementary capital	0	0	0	0	0	0	**0**	0	**0**
As at 31 March 2013	**1 268**	**0**	**216 474**	**530**	**20 243**	**353**	**238 868**	**11 362**	**250 230**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

	Capital attributable to shareholders of the Parent								
	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2012	**1 264**	**0**	**240 255**	**1 014**	**-22 069**	**0**	**220 464**	**9 983**	**230 447**
Profit / loss for the period	0	0	0	0	0	17 223	**17 223**	1 304	**18 527**
Other total income	0	0	0	-559	-178	0	**-737**	-108	**-845**
Total income for the period	**0**	**0**	**0**	**-559**	**-178**	**17 223**	**16 486**	**1 196**	**17 682**
Taking control over Engorem Spółka z o.o.	0	0	0	0	0	0	**0**	2 804	**2 804**
Dividend to minority shareholders (GWI)	0	0	0	0	0	0	**0**	-132	**-132**
Buyout of shares in Energetyka Sp.z o.o.	0	0	58	0	0	0	**58**	-60	**-2**
Shares-based payment (Management Stock Option Scheme)	4	0	538	0	0	0	**542**	0	**542**
Coverage of losses from the previous year by supplementary capital	0	0	-25 284	0	25 284	0	**0**	0	**0**
Consolidation of a subsidiary	0	0	102	0	0	0	**102**	0	**102**
As at 31 December 2012	**1 268**	**0**	**215 669**	**455**	**3 037**	**17 223**	**237 652**	**13 791**	**251 443**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

	Share capital	Treasury shares	Other capital	Foreign exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total shareholders' equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2012	**1 264**	**0**	**240 255**	**1 014**	**-22 069**	**0**	**220 464**	**9 983**	**230 447**
Profit/loss for the period	0	0	0	0	0	3 206	**3 206**	69	**3 275**
Other total incomes	0	0	0	-585	-287	0	**-872**	-77	**-949**
Total revenue	**0**	**0**	**0**	**-585**	**-287**	**3 206**	**2 334**	**-8**	**2 326**
Payment in form of dividends	0	0	2 035	0	-2 035	0	**0**	0	**0**
Parent's result of the previous year brought forward to capital reserve	0	0	0	0	0	0	**0**	0	**0**
As at 31 March 2012	**1 264**	**0**	**242 290**	**429**	**-24 391**	**3 206**	**222 798**	**9 975**	**232 773**

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

Period	Average exchange rate for the reported period	Exchange rate as of the last day of the period
31.03.2013	4.1738	4.1774
31.12.2012	4.1736	4.0882
31.03.2012	4.1750	4.1616

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

Balance-sheet item	31.03.2013		31.03.2012	
	PLN	EUR	PLN	EUR
Total assets	699 993	167 567	741 519	178 181
Fixed assets	117 411	28 106	125 864	30 244
Current assets	582 582	139 461	615 655	147 937

Balance-sheet item	31.03.2013		31.03.2012	
	PLN	EUR	PLN	EUR
Total liabilities	699 993	167 567	741 519	178 181
Shareholders' equity	250 230	59 901	232 773	55 934
Liabilities and provisions for liabilities	449 763	107 666	508 746	122 247

Items of the balance sheet as at 31 March 2013 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.1774 PLN/EUR.

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

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

Profit or loss account item	3-month period ended 31.03.2013		3-month period ended 31.03.2012	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	206 433	49 459	234 402	56 144
Manufacturing cost of products sold	188 514	45 166	214 366	51 345
Gross profit on sales	17 919	4 293	20 036	4 799
Profit from operating activities	2 313	554	7 500	1 796
Gross profit (loss)	825	198	4 402	1 054
Net profit (loss)	410	98	3 275	784

Items of the cash flow for the period 01.01.2013 - 31.03.2013 were translated at the mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that date, i.e. 4.1738 PLN/EUR.

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

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

Cash flow item	3-month period ended 31.03.2013		3-month period ended 31.03.2012	
	PLN	EUR	PLN	EUR
A. Cash flow from operating activities	-111 944	-26 821	-57 688	-13 817
B. Cash flow from investing activities	5 583	1 338	-78	-19
C. Cash flow from financing activities	-8 835	-2 117	-24 981	-5 983
D. Total net cash flow (A+/-B+/-C)	-115 196	-27 600	-82 747	-19 820
F. Cash and cash equivalents at the beginning of the period	201 769	49 354	161 291	36 518
G. Cash and cash equivalents at the end of the period	86 573	20 724	78 544	18 874

Cash flow items for the period of 01 January 2013 - 31 March 2013 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1738 PLN/EUR,

F item figures - at the exchange rate set by the NBP as at the 31 December 2012, i.e. 4.0882 PLN/EUR,

G item figures- at the exchange rate set by the NBP on the 31 March 2013, i.e. 4.1774 PLN/EUR.

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

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

F item figures - at the exchange rate set by the NBP on the 31 December 2009, i.e. 4.4168 PLN/EUR,

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

Reconciliation of changes in balance sheet items to changes reported in the cash flow statement as at 31 March 2013 is as below:

	31.03.2013
Change in provisions in the balance sheet	**6 352**
Balance as of the date of acquisition of units	0
Deferred financing costs	157
Change in receivables in the statement of cash flows	**6 509**

Note 1 Significant acquisitions and sales of property, plant and equipment and significant liabilities arising from the purchase of property, plant and equipment

There were no significant acquisitions and sales of property, plant and equipment in the reporting period.
As of 31 March 2013, the Group has no material commitments for the purchase of fixed assets.

Note 2 Deferred income tax assets

Assets / liabilities due to	**31.03. 2013**	**31.12. 2012**	**31.03.2012**
- Building contracts valuation	8 681	9 721	12 598
- Provisions	6 585	6 825	3 604
- Loss on taxes	13 775	10 547	15 017
- Margin on intra-Group sales	487	0	487
- Other fees charged statistically	252	236	246
- Revaluation of receivables	500	857	39
- Valuation of bonds	579	359	0
- Other financial liabilities	476	578	1 073
- Revaluation of inventories	0	0	194
- Consolidation adjustments	1 672	1 687	2 454
- Deferred costs	699	2 035	840
- Other	1 789	1 709	1 660
Total deferred tax assets	**35 495**	**34 554**	**38 212**

Assets and liabilities due to deferred income tax assets are offset when there is a legally enforceable entitlement to offset tax receivables and current tax liabilities and when the deferred tax relates to the same tax jurisdiction and will be executed in similar periods.

Margin realized on the intra-Group sales results from the higher tax value of assets sold to the Group companies in relation to their carrying amount due to the exclusion of consolidated profits included in assets.

Note 3 Short-term receivables
Note 3.1 Short-term trade receivables and other debts

	31.03. 2013	**31.12. 2012**	**31.03.2012**
Short-term receivables before tax	**286 559**	**326 289**	**301 193**
Due to deliveries and services	220 809	265 483	280 141
- from associates	43	863	36
- from other entities	220 766	264 620	280 105
From the public sector	13 830	11 614	14 632
Other	51 920	49 192	6 420
Impairment of receivables	**6 243**	**9 962**	**6507**
Net short-term receivables	**280 316**	**316 327**	**294 686**

Note 3.2 Allowances for short-term trade receivables and other debts

	31.03. 2013	**31.12. 2012**	**31.03.2012**
Write-downs at the beginning of the period	9 962	**6 786**	6 786
Created to other operating costs	607	1 935	0
Reversed into other operating costs	4 419	412	87

Used	0	0	0
Foreign exchange differences	93	-276	-192
Write-downs taken over from the ENGOREM	0	1 929	0
Write-downs on short-term receivables at the end of the period	**6 243**	**9 962**	**6 507**

The Group creates impairment losses on receivables in case there is an objective evidence proof that the Group will not receive all amounts due under the original terms of receivables.

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

Note 3.3 Allowances for other financial assets (long-term)

During the reporting period, there were no write-downs due to other long-term financial assets.

Note 3.4 Receivables from deliveries and services (gross)

	31.03. 2013	**31.12. 2012**	**31.03.2012**
a) up to 3 months	161 257	180 659	236 499
b) between 3 and 6 months	159	11 501	7 633
c) between 6 and 12 months	37 293	33 699	17 318
d) over 12 months	8 417	8 833	6 910
e) overdue debts	13 683	30 791	11 781
Total receivables from deliveries and services (gross)	220 809	265 483	280 141
f) Allowances for trade receivables	6 224	9 943	6 488
Total net receivables from deliveries and services	214 585	255 540	273 653

Note 4 Construction contracts

	31.03. 2013	**31.12. 2012**	**31.03.2012**
Building contracts income	188 406	1 309 714	219 536
Building contracts costs, incl.	170 312	1 231 204	201 596
- recorded loss	0	124	0
Profit before tax	**18 094**	**78 510**	**17 940**

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

	31.03. 2013	**31.12. 2012**	**31.03.2012**
Assets:			
Amounts due from customers	103 206	59 021	120 930
Valuation of contracts	103 206	59 021	120 930
Liabilities:			
Amounts due to customers, incl.:	42 071	11 931	49 439
Valuation of contracts	42 071	11931	49 439
Provision for losses on contracts	0	0	0

Note 5 Share capital of ERBUD SA (structure)
Note 5.1 Structure of the share capital ownership as at 31 March 2013

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	5.66%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24.87%	None
	Total	Ordinary	None	None	**4 152 865**	**32.76%**	None
B	Juladal Investment Ltd	Ordinary	None	None	2 848 347	22.47%	None
A	Dariusz Grzeszczak	Ordinary	None	None	773 900	6.10%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.33%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 269 709	10.02%	None
D,E,C,F	Free Float	Ordinary	None	None	2 449 989	19.32%	None
	Total				**12 677 956**	**100%**	

	Par value of shares of all series	PLN 0.10	Share capital value in PLN	PLN 1 267 795.60

The share capital as of 31 December 2012 consisted of 12, 677,956 shares with a total value of PLN 1,267,795.60.

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	5,66%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24,87%	None
	Total	Ordinary	None	None	**4 152 865**	**32,76%**	None
B	Juladal Investment Ltd	Ordinary	None	None	2 818 174	22,47%	None
A	Dariusz Grzeszczak	Ordinary	None	None	773 900	6,10%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9,33%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 269 709	10,02%	None
D,E,C,F	Free Float	Ordinary	None	None	2 449 989	19,32%	None
	Total				**1 267 795.60**	**100%**	

	Par value of shares of all series	PLN 0.10	Share capital value in PLN	PLN 1 267 795.60

Shareholding as at 31.12.2012

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	24.94%	None
	Total of Wolff & Muller	Ordinary	None	None	**4 152 865**	**32.84%**	None
B	Juladal Investment Ltd	Ordinary	None	None	2 818 174	22.29%	None
A	Dariusz Grzeszczak	Ordinary	None	None	750 000	5.93%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.36%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 269 709	10.04%	None
D,E,C,F	Free Float	Ordinary	None	None	2 470 275	19.54%	None
	Total				**12 644 169**	**100%**	

The tables present the shareholders holding over 5% of the share capital and have been prepared on the basis of the stocks book.

Number of shares comprising the authorized capital is equal to the number of shares issued. The nominal value of each share is PLN 0.10. No shares have been reserved for the purpose of issuance under contracts' sale options.

Note 6 Change in deferred income tax provision

Note 6.1 Deferred income tax provision

Provision for	31.03. 2013	31.12. 2012	31.03.2012
- building contracts valuation	20 691	19 278	23 548
- assets revaluation	6 405	6 576	6 736
- financial costs activated	346	346	321
- balance sheet valuation	305	277	0
- balance sheet valuation for interest	1 121	1 573	0
- difference between the carrying amount and tax depreciation	268	0	0
- other	361	570	524
Total provision for deferred income tax	**29 497**	**28 620**	**31 129**

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

Note 7

Note 7.1 Other non-current liabilities

	31.03. 2013	31.12. 2012	31.03.2012
a) to subsidiaries	0	0	0
b) to other entities	60 620	65 327	72 763
- loans and borrowings	8 167	12 616	11 465
- other financial liabilities, incl.	2 453	2 711	5 833

- from financial lease	2 295	2 699	5 226
- securing of foreign exchange risk in Budlex	158	12	607
- other	0	0	0
- liabilities due to bond issue	50 000	50 000	50 000
- liabilities from acquiring shares in Budlex	0	0	5 339
- other	0	0	126
Total long term liabilities	**60 620**	**65 327**	**72 763**

Note 8 Trade liabilities and other debts, income tax liabilities and building securities

Short-term liabilities	**31.03. 2013**	**31.12. 2012**	**31.03.2012**
a) To deliveries and services	175 884	308 342	229 085
- from associates	471	1 233	23
- from other entities	175 413	307 109	229 062
b) To public sector	8 818	14 132	9 914
- corporate income tax	47	201	1 626
- VAT	1 237	7 400	1 683
- income tax on natural persons	1 136	1 246	1 348
- other	6 398	5 285	5 257
c) Financial liabilities , incl.:	5 201	5 372	5 021
- interest	0	69	88
- interest on bonds	1 889	1 889	1 000
- lease	3 312	3 414	3 933
d) Other	43 841	48 332	23 202
- payroll	5 389	4 552	4 591
- prepayments received	31 615	34 009	15 067
- liabilities due to shares	5 553	5 553	3 492
- other	1 284	4 218	52
Total	**233 744**	**376 178**	**267 222**

Note 9 Finance lease liabilities

Fail value	**31.03. 2013**	**31.12. 2012**	**31.03.2012**
Up to 1 year	3 312	3 414	3 933
Over 1 and up to 5 years	2 295	2 699	5 226
Over 5 years	**5 607**	**6 113**	**9 159**

The Group uses financial leasing of vehicles. The average lease duration is 3-4 years. Obligations under finance leases are secured by assets used on basis of these lease agreements.
The lease agreements do not include clauses providing for penalties for early repayment of obligations.

Note 10 Information on issue, redemption and repayment of debt instruments and securities issued
Note 10.1 Issue / Redemption / Repayment of debt instruments issued

Over the period ended 31 March 2012, the Group's companies did not issued debt securities and equity financial instruments.

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. Moreover, the person who would be entitled may not be upon notice of termination of the employment contract.

On 15 April 2013, the Management Board adopted Resolution No. 4/2013 on the share capital increase under the authorised capital by the issue of shares of series H and depraving the existing shareholders of pre-emptive rights to series H 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.

Note 11 Acquisition / Disposal of subsidiaries/ Disposal of long term-investments

On 22 November 2012, Erbud SA signed an agreement to purchase from Dalkia Lodz SA shares, representing 57.56% of the capital of ENGOREM Sp. z o.o. in Łódź, that entitled to 57.56% votes at the shareholders' meeting. At the same time, the Management Board of Erbud SA acquired shares from minority investors – a group of a few dozen of employees, representing 22.66% of the capital of ENGOREM Sp. z o.o. in Łódź and giving 22.66% votes at the shareholders' meeting. The price was set at PLN 8 million. The transaction was financed with own funds of Erbud SA. As a result of the transaction, Erbud SA became the owner of 80.22% of shares in ENGOREM Sp. z o.o. In the coming months, Erbud SA plans to hold ultimately shares representing 100% of the capital of ENGOREM Sp. z o.o. seated in Łódź.

ENGOREM Sp. z o.o. was established in 1994 and operates in the field of comprehensive investment services, repair and diagnostics for the power industry, mainly in the region of city of Łódź. Due diligence conducted prior to the purchase of shares, confirmed the good economic position of the company. End October, ENGOREM Sp. z o.o achieved revenues of PLN 35m and operating profit of around PLN 1.0m. It has no liabilities. The company employs 270 people.

For the purpose of accounting the business combination in the Consolidated Financial Statements of Erbud S.A., assets and liabilities of ENGOREM Sp. z o.o. were revaluated to their fair value in accordance with IFRS 3. The following table shows a comparison between the book values and fair values of the main assets and liabilities of ENGOREM Sp. z o.o. as at the merger date.

Balance sheet items	**Carrying value**	**Fair value**
Tangible fixed assets	3 726	8 119
Intangible assets	10	1 505
Cash and cash equivalents	4 531	4 531
Inventories	897	897
Receivables	22 328	22 328
Prepayments and accruals	1 200	1 200
Deferred tax assets	2 280	2 280
Total assets	**34 972**	**40 860**
Accounts payable and accruals	25 258	25 258
Provision for deferred tax assets	309	1 428
Total liabilities	**25 567**	**26 686**
Fair value of the net assets, of which:		14 174
net assets attributable to shareholders ERBUD SA		11 370
Purchase price (cash payment)		8 022
Gain on bargain purchase (presented under financial income)		3 348

Should the connection with ENGOREM took place on 1 January 2012 the Erbud Group's net profit for 2012 would be higher by PLN 445,000 and would amounting to PLN 18,972.

On 4 January 2013, Delta z o.o. (a subsidiary belonging to the Erbud SA Group) entered into an agreement to buy shares in ENGOREM Sp. z o.o. for the amount of PLN 9,500 thousand from ERBUD SA. Moreover, on 18 December 2012, the company concluded a loan agreement for PLN 7,500 thousand with Polski Bank Przedsiębiorczości S.A. In view of the above transactions, data concerning Delta Sp. z o.o. were included in the interim report for Q1 2013 of the ERBUD SA Capital Group

Note 12 Net revenues from sales of products (in kind structure - type of activities)

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
- sale of products	12 150	8 852
- sale of services	194 017	219 710
-sale of goods and materials	266	5 840
Total net income from sales	**206 433**	**234 402**

Note 13 Costs by type

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
a) Depreciation and amortisation	1 310	1 165
b) Consumption of materials and power	33 245	44 665
c) External services	148 463	146 053
d) Taxes and charges	2 293	1 962
e) Payroll	29 131	25 957
f) Social security, health care and other benefits	6 070	5 739
g) Other costs	3 946	2 448
h) Value of goods and materials sold	246	5 793
Total expenses by type	**224 704**	**233 782**
Change in inventories, products and deferred expenditures due to construction contracts	-21 140	-6 480
Cost of production for in-house use (negative value)	0	0
Cost of sales (negative value)	-850	-572
General and administrative costs (negative value)	-14 200	-12 364
Manufacturing cost of products sold	**188 514**	**214 366**

Note 14 Corporate income tax

	3-month period ended 31.03.2013	12-month period ended 31.12.2012	3-month period ended 31.03.2012
Current income tax	359	3 084	442
Deferred income tax	56	1 888	685
Tax liability shown in the profit and loss account	**415**	**4 972**	**1 127**

Note 15 Net earnings per share

	3-month period ended 31.03.2013	3-month period ended 31.03.2012
Net earnings (loss)	353	3 206
Weighted average number of shares (in units)	12 677 956	12 644 169
Earnings (loss) per share (in PLN)	0,0278	0,25

Weighted average diluted number of shares (in units)	12 717 719	12 648 833
Diluted earnings (loss) per share (in PLN)	0,0277	0,25

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

Diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary shareholders (after deducting interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (after adjusting the impact of dilutive options and dilutive redeemable preference shares convertible into ordinary shares).

Note 16 Income, expenditures and results on discontinued operations or operations to be discontinued in next period

There were no discontinued operations in the reporting period.

Note 17 Number of Erbud's shares held or rights to them (options) by persons managing and supervising Erbud SA as at the report submitting date, including the indication of changes in ownership in the first quarter of 2013

As of 31 March 2013, the managing staff (the Management Board members and procura holders) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2,848,347	22.47%	2,848,347	22.47%
Dariusz Grzeszczak	Ordinary	773,900	6.10%	773,900	6.10%
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 Prokurist of Erbud S.A.	Ordinary	19,852	0.16%	19,852	0.16%
Piotr Augustyniak Prokurist of Erbud S.A.	Ordinary	9,811	0.08%	9,811	0.08%
Agnieszka Głowacka Prokurator of ERBUD SA	Ordinary	5,836	0.05%	5,836	0.05%
Grzegorz Krzywicki Prokurator of ERBUD SA	Ordinary	3,033	0.02%	3,033	0.02%
Bogdan Duerr Prokurator of ERBUD SA	Ordinary	6,712	0.05%	6,712	0.05%
Włodzimierz Czystowski Prokurator of ERBUD SA	Ordinary	10,525	0.08%	10,525	0.08%
Tomasz Krzywicki Prokurator (by a person related)	Ordinary	3,636	0.03%	3,636	0.03%
Mirosław Młynarski Prokurator	Ordinary	6,778	0.05%	6,778	0.05%
Radosław Kałamaga Prokurator	Ordinary	5,494	0.04%	5,494	0.04%
Tomasz Krzywicki Prokurator of ERBUD SA	Ordinary	3,950	0.03%	3,950	0.03%
Maciej Wyrzykowski Prokurator of ERBUD SA	Ordinary	1,200	0.01%	1,200	0.01%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	4,018	0.03%	4,018	0.03%

As at 31 December 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 AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2,848,347	22.47%	2,848,347	22.47%
Dariusz Grzeszczak	Ordinary	773,900	6.10%	773,900	6.10%
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 Procurator of ERBUD SA	Ordinary	19,852	0.16%	19,852	0.16%
Piotr Augustyniak Procurator of ERBUD SA	Ordinary	9,811	0.08%	9,811	0.08%
Agnieszka Głowacka Procurator of ERBUD SA	Ordinary	5,836	0.05%	5,836	0.05%
Grzegorz Krzywicki Procurator of ERBUD SA	Ordinary	3,033	0.02%	3,033	0.02%
Bogdan Duerr Procurator of ERBUD SA	Ordinary	6,712	0.05%	6,712	0.05%
Włodzimierz Czystowski Procurator of ERBUD SA	Ordinary	10,525	0.08%	10,525	0.08%
Tomasz Krzywicki Procurator (by a person related)	Ordinary	3,636	0.03%	3,636	0.03%
Mirosław Młynarski Procurator	Ordinary	6,778	0.05%	6,778	0.05%
Radosław Kałamaga Procurator	Ordinary	5,494	0.04%	5,494	0.04%
Tomasz Krzywicki Procurator of ERBUD SA	Ordinary	3,950	0.03%	3,950	0.03%
Maciej Wyrzykowski Procurator of ERBUD SA	Ordinary	1,200	0.01%	1,200	0.01%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	4,018	0.03%	4,018	0.03%

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

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at AGM
Juladal Investments Ltd. (a company controlled by Board members 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 Prokurator of Erbud S.A.	Ordinary	18.124	0,14%	18.124	0,14%
Piotr Augustyniak Prokurator of Erbud S.A.	Ordinary	8.747	0,07%	8.747	0,07%
Agnieszka Głowacka Prokurator of Erbud S.A.	Ordinary	5.436	0,04%	5.436	0,04%
Grzegorz Krzywicki prokurent Erbud S.A.	Ordinary	3.033	0,02%	3.033	0,02%
Grzegorz Krzywicki Prokurator of Erbud S.A.	Ordinary	6.712	0,05%	6.712	0,05%
Bogdan Duerr Prokurator of Erbud S.A.	Ordinary	12.463	0,10%	12.463	0,10%

Włodzimierz Czystowski Prokurator of Erbud S.A.	Ordinary	3.636	0,05%	3.636	0,05%
Tomasz Krzywicki Prokurator (by a person related)	Ordinary	4.479	0,04%	4.479	0,04%
Mirosław Młynarski Prokurator	Ordinary	3.704	0,03%	3.704	0,03%
Radosław Kałamaga Prokurator	Ordinary	2.750	0,02%	2.750	0,02%
Tomasz Krzywicki Prokurator of Erbud S.A.	Ordinary	0	0	0	0
Waldemar Kozłowski Prokurator of Erbud S.A.	Ordinary	0	0	0	0
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	4.318	0,03%	4.318	0,03%

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

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, as at 31 December 2013 and as at 31 December 2012 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, as at 31 December 2013 and as at 31 December 2012 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Note 18 Information about key events occurred in the period of three months of 2013 and after the balance date

Contracts concluded:

On 27 February 2013, ERBUD S.A. entered into a contract to build “Nowe Bielany” residential and retail complex with an underground garage in Warsaw, District Bielany, Kasprowicza/Nocznickiego streets, incl. on-site infrastructure and site development works.
The Builder: CGL I Spółka z o.o. Spółka komandytowa, seated in Warsaw, 37 Domaniewska.
Net contract value: PLN 25,499,000.
Completion period: 16 months.

On 28 February 2013, a contract has been signed for "Improving the energy efficiency through the supply of renewable energy systems and the modernization of heating installations in selected provincial health care facilities from the public sector" to be performed under the Swiss-Polish Cooperation Programme.
Contract subject: complete comprehensive civil engineering works, including delivery, installation and commissioning of plant, equipment and devices in three hospital buildings.
The Awarding Parties:
– Rydygier Specialist Hospital in Kraków (zip code 31-826), 1Os .Złotej Jesieni St.
– John Paul II Cracow Specialist Hospital in Kraków (31-202), 80 Prądnicka St.
– St. Luke's Regional Hospital in Tarnów (33-100), 178a Lwowska St.
Contract value: PLN 42,990,000.00 gross, i.e. 34,951,219.51 net.
Completion period: 20 months from the date of conclusion of the contract

On 8 March 201, GWI GmbH, the Erbud’s subsidiary, signed a contract for turnkey construction of the Oberkasseler Top Office Building (Silizium) in Düsseldorf, Phase 2 and 3. Projekt Oberkasseler Tor GmbH, seated in Düsseldorf, Breite Straße 31, is the Builder.
Net contract value: € 11.853.826.
Completion period: 08.03.2013 - 30.04.2014.

Note 19 Other important events

There were no other than those described in the Financial Statements as of 31.12.2012.

Note 20 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

Over the current reporting period the Company did not make any changes in accounting policies and method of preparation of financial statements in relation to the previous financial year.

Note 21 Business combinations

In the period from 1 January to 31 March 2013, there were no changes in the composition of the Group.

On 31 August 2012, the District Court in Toruń, VII Commercial Division of the National Court Register, registered under the decree No. TO.VII NS-REJ.KRS/007753/12/019 the merger of ERSTEEL Limited Liability Company based in Torun as the acquiring company with the acquired company ER SERVICES Limited Liability Company with its registered office in Warsaw as per Art. 492 § 1 item 1 of the Commercial Companies Code, i.e. by transferring the assets of the acquired company to the acquiring company against shares in the increased capital of the acquiring company awarded to the shareholders of the acquired company.

Note 22 Dividend policy - description of policy on the payment of dividends and any restrictions related. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted in case of changes of the number of shares, in order to make comparisons

In the reporting period, the Parent Company neither declared not paid dividends.

Note 23 Changes in accounting estimates

There were no changes in the method used for accounting estimates in the comparable period and in the period ended 31 March 2013.

Note 24 Business segments

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

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

During the reporting period ended 31 March 2013, the Group was operating in the following region segments:

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

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

Business segments

The following tables provide figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 March 2013:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2013	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Sale to external customers	181 272	12 295	7 454	5 372	40	**206 433**
Total income	**181 272**	**12 295**	**7 454**	**5 372**	**40**	**206 433**
Cost of products, goods and materials sold to external customers	163 976	10 105	7 563	7 010	-140	**188 514**
Total cost of products, goods and materials sold	**163 976**	**10 105**	**7 563**	**7 010**	**-140**	**188 514**
Total gross sales	**17 296**	**2 190**	**-109**	**-1 638**	**180**	**17 919**
Cost of sales	0	462	388	0	0	**850**
General and administrative costs	9 646	488	2 374	1 329	363	**14 200**
Profit (loss) on other operating activity	-732	-184	14	285	61	**-556**
Segment profit (loss)	**6 918**	**1 056**	**-2 857**	**-2 682**	**-122**	**2 313**
Profit (loss) on financing activity	-994	-537	-31	68	6	**-1 488**
Income tax	754	122	-226	-262	27	**415**
Net profit	**5 170**	**397**	**-2 662**	**-2 352**	**-143**	**410**

Other items by business segments

For the period from 1 January to 31 March 2013	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment depreciation and amortisation	202	216	639	246	7	**1 310**
Interest income	528	118	116	75	4	**841**
Interest costs	1 501	297	148	33	0	**1 979**
Impairment of assets	565	0	0	42	0	**607**
Reversal of impairment losses on assets	4 413	0	6	0	0	**4 419**
Capital expenditure for:	124	11	227	52	275	**689**
- Tangible fixed assets	124	11	220	52	267	**674**
- Intangible fixed assets	0	0	7	0	8	**15**
- Increase due to acquisition	0	0	0	0	0	**0**
Other non-cash outlays	0	0	0	0	0	**0**

Assets and liabilities by business segments

As at 1 March 2013	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment assets	444 553	150 439	35 118	32 650	1 738	**664 498**
Investment in associates	0	0	0	0	0	**0**
Deferred tax assets	23 830	4 784	2 915	2 169	1 797	**35 495**
Total assets	**468 383**	**155 223**	**38 033**	**34 819**	**3 535**	**699 993**
Total liabilities	**362 035**	**52 911**	**15 127**	**19 045**	**645**	**449 763**

Business segments

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

Proceeds and expenses by business segments

For the period from 1 January to 31 December 2012	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Exclusions	Total
Sale to external customers	1 136 374	63 981	142 534	41 259	306	0	**1 384 454**
Sale between segments	0	0	120 723	0	0	-120 723	**0**
Total income	**1 136 374**	**63 981**	**263 257**	**41 259**	**306**	**-120 723**	**1 384 454**
Cost of products, goods and materials sold to external customers	1 089 313	50 490	124 875	35 280	398	0	**1 300 356**
Total cost of products, goods and materials sold	0	0	120 723	0	0	-120 723	**0**
Total gross sales	**1 089 313**	**50 490**	**245 598**	**35 280**	**398**	**-120 723**	**1 300 356**
Cost of sales	**47 061**	**13 491**	**17 659**	**5 979**	**-92**	**0**	**84 098**
General and administrative costs	0	2 501	1 531	0	7	0	**4 039**
Profit (loss) on other operating activity	31 071	2 969	8 102	3 587	628	0	**46 357**
Total income	-2 470	-869	-761	-4	-185	0	**-4 289**
Segment profit (loss)	**13 520**	**7 152**	**7 265**	**2 388**	**-912**	**0**	**29 413**
Profit (loss) on financing activity	-9 645	555	-122	3 384	-86	0	**-5 914**
Income tax	1 495	1 008	1 674	836	-41	0	**4 972**
Net profit	**2 380**	**6 699**	**5 469**	**4 936**	**-957**	**0**	**18 527**

Other items by business segments

For the period from 1 January to 31 December 2012	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment depreciation and amortisation	2 634	838	3 792	114	151	**7 529**
Interest income	1 676	1 624	232	28	3	**3 563**
Interest cost	7 445	1 253	756	14	80	**9 548**
Impairment of assets	1 463	1 244	167	22	280	**3 176**
Reversal of impairment of assets	276	1	89	33	13	**412**
Capital expenditure for:						
Tangible fixed assets	1 107	2 072	320	117	0	**3 616**
Intangible fixed assets	153	8	32	11	0	**204**
Increase due to taking over	0	0	0	8 109	40	**8 149**
Other non-monetary outlays	766	480	225	0	0	**1 471**

Assets and liabilities by business segments

As at 31 December 2012	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Segment assets	547 549	171 313	31 219	33 672	1 386	**785 139**
Deferred tax assets	23 610	4 949	2 271	1 900	1 824	**34 554**
Total assets	**571 159**	**176 262**	**33 490**	**35 572**	**3 210**	**819 693**
Segment liabilities	**430 089**	**74 122**	**42 976**	**20 310**	**753**	**568 250**

Business segments

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

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2012	Cubage construction	Housing development	Road-engineering	Construction for energy sector	Other segments	Total
Sale to external customers	212 892	9 028	9 214	3 267	1	**234 402**
Total income	**212 892**	**9 028**	**9 214**	**3 267**	**1**	**234 402**
Cost of products, goods and materials sold to external customers	198 669	7 062	6 203	2 432	0	**214 366**
Total cost of products, goods and materials sold	**198 669**	**7 062**	**6 203**	**2 432**	**0**	**214 366**
Total gross sales	**14 223**	**1 966**	**3 011**	**835**	**1**	**20 036**
Cost of sales	0	513	59	0	0	**572**
General and administrative costs	8 511	297	2 783	400	373	**12 364**
Profit (loss) on other operating activity	148	201	2	0	49	**400**
Segment profit (loss)	**5 860**	**1 357**	**171**	**435**	**-323**	**7 500**
Profit (loss) on financing activity	-2 984	-5	-103	0	-6	**-3 098**
Income tax	909	162	56	0	0	**1 127**
Net profit	**1 967**	**1 190**	**12**	**435**	**-329**	**3 275**

Other items by business segments

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

Assets and liabilities by business segments

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

Geographical segments

The following tables provide figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2013:

Proceeds and expenses by geographical segments

Year ended 31 March 2013	Domestic	Abroad	Total
Sale to external customers	162 919	43 514	**206 433**
Total income	**162 919**	**43 514**	**206 433**
Cost of products, goods and materials sold to external customers	149 696	38 818	**188 514**
Total cost of products, goods and materials sold	**149 696**	**38 818**	**188 514**
Total gross sales	**13 223**	**4 696**	**17 919**
Cost of sales	850	0	**850**
General and administrative costs	11 642	2 558	**14 200**
Profit (loss) on other operating activity	-556	0	**-556**
Segment profit (loss)	**175**	**2 138**	**2 313**
Profit (loss) on financing activity	-1 779	291	**-1 488**
Income tax	-79	494	**415**
Net profit	**-1 525**	**1 935**	**410**

Year ended 31 March 2013	Domestic	Abroad	Total
Segment depreciation and amortisation	1 225	85	**1 310**
Interest income	732	109	**841**
Interest cost	1 892	87	**1 979**
Impairment of assets	607	0	**607**
Reversal of impairment of assets	6	4 413	**4 419**
Capital expenditure for:	**565**	**124**	**689**

Tangible fixed assets	550	124	**674**
Intangible fixed assets	15	0	**15**
Increase due to taking over	0	0	**0**
Increase due to taking over	0	0	**0**

Assets and liabilities by geographical segments

Year ended 31 March 2013	**Domestic**	**Abroad**	**Total**
Segment assets	606 074	58 424	**664 498**
Deferred tax assets	33 622	1 873	**35 495**
Total assets	**639 696**	**60 297**	**699 993**
Segment liabilities			
Total liabilities	**420 972**	**28 791**	**449 763**

Geographical segments

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

Proceeds and expenses by geographical segments

Year ended 31December 2012	**Domestic**	**Abroad**	**Total**
Sale to external customers	1 234 457	149 997	**1 384 454**
Total income	**1 234 457**	**149 997**	**1 384 454**
Cost of products, goods and materials sold to external customers	1 162 608	137 748	**1 300 356**
Total cost of products, goods and materials sold	**1 162 608**	**137 748**	**1 300 356**
Total gross sales	**71 849**	**12 249**	**84 098**
Cost of sales	4 039	0	**4 039**
General and administrative costs	39 410	6 947	**46 357**
Profit (loss) on other operating activity	-3 293	-996	**-4 289**
Segment profit (loss)	**25 107**	**4 306**	**29 413**
Profit (loss) on financing activity	-4 855	-1 059	**-5 914**
Income tax	4 196	776	**4 972**
Net profit	**16 056**	**2 471**	**18 527**

Year ended 31 December 2012	**Domestic**	**Abroad**	**Total**
Segment depreciation and amortisation	7 122	407	**7 529**
Interest income	2 530	1 033	**3 563**
Interest cost	8 935	613	**9 548**
Impairment of assets	1 714	1 462	**3 176**
Reversal of impairment of assets	339	73	**412**
Capital expenditure for:			
Tangible fixed assets	3 076	540	**3 616**
Intangible fixed assets	204	0	**204**
Increase due to taking over	8 149	0	**8 149**
Other non-monetary outlays	1 337	134	**1 471**

Assets and liabilities by geographical segments

Year ended 31December 2012	**Domestic**	**Abroad**	**Total**
Segment assets	726 198	58 941	**785 139**
Deferred tax assets	32 699	1 855	**34 554**
Total assets	**758 897**	**60 796**	**819 693**
Segment liabilities	535 983	32 267	**568 250**
Total liabilities	**535 983**	**32 267**	**568 250**

Geographical segments

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

Proceeds and expenses by geographical segments

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

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

Assets and liabilities by geographical segments

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

Note 25 Construction contracts deposits

Construction contracts deposits as of 31 March 20132 were as follows:

	31.03.2013	31.03.2012
Deposits retained by customers		
Deposits to be returned beyond 12 months	8 144	6 892
Deposits to be returned within 12 months	37 731	28 563
Total	**45 875**	**35 455**

Deposits retained to suppliers		
Deposits to be returned beyond 12 months	3 494	8 436
Deposits to be returned within 12 months	74 803	76 463
Total	**78 297**	**84 899**

Note 26 Litigation and claims

The register of court cases in relation to the 31 December 2012, in which the Erbud Capital Group is a party to the proceedings as plaintiff and defendant, did not change significantly. Therefore, during the reporting period, there were no substantial changes in the amount of provisions for liabilities created under litigation.

27 Asset-backed securities

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

1) The basic characteristics of assets (type and number votes at the GM), on which the pledge was established: In order to secure an agreement with the Seller, the Issuer has entered with the Buyer (Rison Limited with registered office in Nicosia, Cyprus) into a lien agreement (possessory and registered), under which the Buyer established to the Seller an possessory lien and upon entry in pledge register will establish an registered lien on 5,059 shares representing 29% stake in Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A headquartered in Toruń. The possessory lien shall expire upon entry of the registered lien in the register of pledges.

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

Name and legal form of the subsidiary	Seat	Core business	Type of the relationship (subsidiary, interdependent, associate, detailing the direct and indirect relationships)	Method of consolidation / equity method or indication that the unit is not subject to consolidation / to valuation by equity method	Value adjustment (total)	Carrying amount of shares /stocks	Equity stake held	Voting power at the GM
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A	Toruń	Road engineering	subsidiary	full method	0	49 554	94.27%	94.27%

3) Relationship type between Erbud SA and persons managing or supervising Erbud SA and the pledgee (Rison Limited with registered office in Nicosia, Cyprus):
None

4) Percentage of the pledged shares in the nominal capital of PRD and the value at par of shares and their character as long-term or current capital investment of Erbud:
Pledged shares represent 29% of the nominal capital of PRD S.A. The Issuer considers the investment in PRD shares as a long-term one.

Note 28 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 2012, this type of significant changes did not occur.

Note 29 Information on changes in the method of determining the value of financial instruments measured at their fair value

In the period ended 30 March 2013, the Group did not change the method of determining the value of financial instruments measured at fair value.

Note 30 Information on changes in the classification of financial assets as a result of target exchange or use of these assets

In the period ended 31 March 2013, the Group did not change the classification of financial assets as a result of target exchange or use of these assets.

Note 31. Events subsequent to the balance sheet date

After the balance sheet date by the date of the financial statements there were no events which have not been, and should be recognized in the accounts of the financial year.

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 May 2013