Translation from Polish

ERBUD S.A.

CONDENSED SEPARATE FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2013

Introduction to Financial Statements

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

1.1. Adopted accounting principles

Condensed Separate Financial Statements of Erbud SA for the period of six months of 2013 and the comparative figures have been prepared in accordance with the provisions of the Act of 29 September 1994 (Journal of Laws of 2009, No. 152, item. 1223, as amended) and the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2009 No. 33, item. 259, as amended).

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

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

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

Over the period covered by the Condensed Separate Financial Statements, there were no changes in the rules of preparing the financial statements. A detailed description of the accounting policies is contained in the introduction to the Separate Financial Statements of the Company for the year ended 31 December 2012.

1.4. Going-concern assumption and comparability of financial statements

Condensed Separate Financial Statements presented in this report have been prepared under the assumption, that ERBUD SA will continue its business activity over next 12 months after the balance sheet date, i.e. 30.06.2013. The Management Board of the Company do not state as at the day of signing the financial statement facts and circumstances which would indicate the possibility of risk to continue operations in the period of 12 months after the closing balance date as a result of intentional or involuntary omissions or significantly reducing the current activity.
By the date of preparing the Financial Statements as of 30.06.2013, there were no events that have not been and should be included in the accounts during the reporting period.

2. Composition of the Management Board and the Supervisory Board

Management Board

Dariusz Grzeszczak	- Board Member
Józef Zubelewicz	- Board Member

Supervisory Board

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

Condensed Separate Financial Statements for the 6-month period ended 30 June 2013 (in PLN '000)

Balance Sheet

ASSETS

		Note	30.06.2013	31.12.2012	30.06.2012
A.	**Fixed assets**		**213 481**	**214 391**	**219 721**
I.	**Intangible assets**		**451**	**437**	**407**
1.	R&D expenses		0	0	0
2.	Goodwill		0	0	0
3.	Other intangible assets		84	70	60
4.	Advances for intangible assets		367	367	347
II.	**Tangible assets**		**6 791**	**7 605**	**8 461**
1.	Tangible fixed assets		6 791	7 605	8 461
a)	Land, incl. perpetual usufruct		0	0	0
b)	Buildings, premises and civil and water engineering structures		3 383	3 432	3 482
c)	Plant and equipment		109	89	108
d)	Means of transport		2 970	3 723	4 437
e)	Other tangible fixed assets		329	361	434
2.	Fixed assets under construction		0	0	0
3.	Prepaid tangible fixed assets under construction		0	0	0
III.	**Long-term receivables**		**0**	**0**	**0**
1.	From associates		0	0	0
2.	From other entities		0	0	0
IV.	**Long-term investments**		**179 384**	**185 489**	**176 337**
1.	Real property		515	515	515
2.	Intangibles		0	0	0
3.	Non-current financial assets	2, 6	178 869	184 974	175 822
a)	In associates, incl.:		178 128	184 197	175 099
–	Shares or stocks		136 713	142 485	132 967
–	Other securities		0	0	0
–	Loans granted		41 415	41 712	42 132
–	Other non-current financial assets		0	0	0
b)	In other entities, incl.:		741	777	723
–	Shares or stocks		5	5	5
–	Other securities		0	0	0
–	Loans granted		0	0	0
–	Other non-current financial assets		736	772	718
4.	Other non-current investments		0	0	0
V.	**Long-term prepayments**		**26 855**	**20 860**	**34 516**
1.	Deferred tax assets	3	26 855	20 860	34 516
2.	Other prepayments		0	0	0

		Note	30.06.2013	31.12.2012	30.06.2012
B.	**Current assets**		**390 951**	**504 883**	**455 932**
I.	**Inventories**	**6**	**0**	**1 110**	**0**
1.	Materials		0	1 110	0
2.	Semi-finished products and products in progress		0	0	0
3.	Finished products		0	0	0
4.	Goods		0	0	0
5.	Advances for deliveries		0	0	0
II.	**Short-term receivables**	**4**	**230 126**	**260 197**	**263 005**
1.	From affiliated entities		3 944	3 133	13 902
a)	Trade receivables with a maturity:		431	3 133	13 545
–	up to 12 months		431	3 133	13 545
–	above 12 months		0	0	0
b)	Other		3 513	0	357
2.	Receivables from other entities		226 182	257 064	249 103
a)	Trade receivables with a maturity:		195 084	207 121	225 000
–	up to 12 months		184 980	201 282	219 900
–	above 12 months		10 104	5 839	5 100
b)	Receivables from tax, subsidy, customs, social security and other benefits		7 486	6 923	11 718
c)	Other		23 612	43 020	12 385
d)	Claimed at court		0	0	0
III.	**Short-term investments**		**33 312**	**152 193**	**34 141**
1.	Current investments	6	33 312	152 193	34 141
a)	In affiliated entities		1 000	0	74
–	Shares or stocks		0	0	0
–	Other securities		0	0	0
–	Loans granted		1 000	0	74
–	Other current financial assets		0	0	0
b)	In other entities		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 other cash assets		32 312	152 193	34 067
–	Cash in hand and at bank		15 040	134 435	12 387
–	Other cash		17 272	17 758	21 680
–	Other cash assets		0	0	0
2.	Other current investments		0	0	0
IV.	**Short-term prepayments**	**5**	**127 513**	**91 383**	**158 786**
	TOTAL ASSETS		**604 432**	**719 274**	**675 653**

LIABILITIES

		Note	30.06.2013	31.12.2012	30.06.2012
A.	**Equity**		**235 908**	**235 313**	**233 820**
I.	**Share capital**	7	1 268	1 268	1 264
II.	**Called-up share capital (negative value)**		0	0	0
III.	**Treasury shares (negative value)**		0	0	0
IV.	**Reserve capital**		234 136	228 454	227 955
V.	**Revaluation capital reserve**		0	0	0
VI.	**Other reserve capital**		0	0	0
VII.	**Retained profit / accumulated loss brought forward**		0	0	0
VIII.	**Net profit (loss)**		504	5 591	4 601
IX.	**Write-offs due to net profit for the financial year (negative value)**		0	0	0
B.	**Liabilities and provisions for liabilities**		**368 524**	**483 961**	**441 833**
I.	**Provisions for liabilities**		**37 326**	**33 829**	**42 351**
1.	Deferred income tax provision	8	24 803	18 288	31 271
2.	Provision for retirement and related benefits		3 209	3 423	2 972
–	Non-current	9	528	349	480
–	Current	10	2 681	3 074	2 492
3.	Other provisions		9 314	12 118	8 108
–	Non-current	11	0	0	0
–	Current	12	9 314	12 118	8 108
II.	**Long-term liabilities**	**13**	**50 278**	**50 556**	**50 993**
1.	To associates		0	0	0
2.	To other entities		50 278	50 556	50 993
a)	Loans and borrowings		0	0	0
b)	Issue of debt securities	15	50 000	50 000	50 000
c)	Other financial liabilities		278	556	993
d)	Other		0	0	0
III.	**Short-term liabilities**		**225 151**	**358 003**	**285 040**
1.	To associates		14 665	49 588	29 852
a)	Deliveries and services with a maturity:		14 665	49 588	29 852
–	up to 12 months		14 058	48 992	29 392
–	above 12 months		607	596	460
b)	Other		0	0	0
2.	To other entities		210 486	308 415	255 188
a)	Loans and borrowings	14	24 533	262	8 635
b)	Issue of debt securities		0	0	0
c)	Other financial liabilities		2 419	3 057	3 466
d)	Deliveries and services with a maturity:		168 355	258 272	222 803
–	up to 12 months		164 154	253 674	219 255
–	above 12 months		4 201	4 598	3 548
e)	Advances for deliveries		8 434	34 009	11 707
f)	Bills		0	0	0
g)	Taxes, customs, social insurance and other benefits		2 865	2 220	1 941
h)	Salaries		2 050	1 538	795
i)	Other		1 830	9 057	5 841
3.	Special funds		0	0	0
IV.	**Accruals**		**55 769**	**41 573**	**63 449**
1.	Other accruals	5,1	55 769	41 573	63 449
	TOTAL LIABILITIES		**604 432**	**719 274**	**675 653**

Calculation of book value per share

	30.06.2013	31.12.2012	30.06.2012
Book value (in 000' PLN)	235 908	235 313	233 820
Number of shares	12 677 956	12 677 956	12 644 169
Book value per share (in PLN)	18.61	18.56	18.49

Off-balance sheet items

	30.06.2013	31.12.2012	30.06.2012
1. Conditional receivables	0	0	0
1.1. From affiliated entities (due to)	0	0	0
- guarantees received	0	0	0
1.2 From other entities (due to)	0	0	0
- guarantees received	0	0	0
2. Conditional liabilities	392 929	378 896	345 629
2.1. To affiliated entities (due to)	61 292	66 250	72 535
- guarantees granted	61 292	66 250	72 535
2.2. To other entities (due to)	331 637	312 646	273 094
- guarantees granted	331 637	312 646	273 094
3.Other	0	0	0
Total off-balance sheet items	**392 929**	**378 896**	**345 629**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2012

PROFIT AND LOSS STATEMENT

		6-month period ended 30.06.2013	6-month period ended 30.06.2012
Revenues from sales of products, goods and materials, incl.		**384 077**	**473 744**
- From associates		727	13 751
Net revenues from sales of products	18	384 077	460 948
Net revenues from sales of goods and materials	19	0	12 796
Cost of products, goods and materials sold		**362 617**	**447 727**
- To associates		13 330	74 399
Manufacturing cost of products sold	20	362 617	434 963
Value of goods and materials sold		0	12 764
Gross profit (loss) on sales		**21 460**	**26 017**
Sales costs		0	0
General and administrative costs		15 260	17 746
Profit (loss) on sales		**6 200**	**8 270**
Other operating revenues	**22**	**465**	**254**
Profit on disposal of non-financial fixed assets		53	24
Subsidies		0	0
Other operating revenues		412	230
Other operating expenses		**2 152**	**1 078**
Loss on disposal of non-financial assets		0	0
Revaluation of non-financial fixed assets		0	0
Other operating expenses		2 152	1 078
Profit (loss) on operating activities		**4 513**	**7 446**
Financial revenues	**23**	**1 988**	**3 032**
Dividends and profit sharing, incl.:		610	750
- From associates		610	750
Interest		691	1 876
- From associates		123	1 447
Profit on investments sale		228	0
Revaluation of investments		0	0
Other		459	406
Financial costs	**24**	**5 315**	**4 361**
Interest:		3 817	2 840
- To associates		412	0
Loss on selling investments		0	0
Revaluation of investments		0	0
Other		1 498	1 521
Profit (loss) on business activities		**1 186**	**6 117**
Result on extraordinary events		**0**	**0**
Extraordinary profit		0	0
Extraordinary los		0	0
Gross profit (loss)		**1 186**	**6 117**
Income tax		682	1 516
Other statutory reductions in profit (increases in loss)		0	0
Net earnings (loss)		**504**	**4 601**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 694 849/ 12 741 627**	**12 644 169/ 12 745 653**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	**25**	**0.040/ 0.040**	**0.364/ 0.362**

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/Board Member/

Warsaw, August 26, 2012

CASH FLOW STATEMENT

	6-month period ended 30.06.2013	6-month period ended 30.06.2012
Net profit (loss)	**504**	**4 601**
Total adjustments	**-138 241**	**-53 461**
Amortisation and depreciation	1 007	1 113
Foreign currency translation gain (loss)	-25	100
Interest and profit sharing (dividends)	1 247	1 564
(Profit (loss) on investment activities	7	-1 471
Change in provisions	3 497	12 074
Change in inventory	1 110	1 127
Change in receivables	33 571	748
Change in short-term liabilities, excluding credits and loans	-150 818	-21 346
Change in prepayments and accruals	-27 928	-47 543
Other adjustments	91	173
Net cash flows from operating activities	**-137 737**	**-48 860**
Cash flows from investment activities		
Inflows	**8 457**	**1 696**
Disposal of intangible and tangible fixed assets	69	231
Disposal of investments in real property and intangible assets	0	0
From financial assets, incl.:	8 388	1 465
a) In associates	7 894	1 037
- Disposal of financial assets	6 000	0
- Dividends and profit sharing	610	552
- Repayment of granted long-term loans	1 283	485
- Interest	0	0
- Other inflows from financial assets	0	0
b) In other entities	494	428
- Disposal of financial assets	0	0
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	0	0
- Interest	494	428
- Other inflows from financial assets	0	0
Other inflows from investment activities	0	0
Outflows	**11 507**	**15 423**
Purchase of intangible assets and tangible fixed assets	158	529
Investments in real property and intangible assets	0	0
Due to financial assets, incl.:	11 349	14 894
a) In associates	11 349	4 622
- Disposal of financial assets	9 167	3 534
- Dividends and profit sharing	0	0
- Repayment of granted long-term loans	2 182	1 088
- Interest	0	0
- Other outflows due to financial assets	0	0
b) In other entities	0	10 272
- Purchase of financial assets	0	10 272
- Long-term loans granted	0	0
Other outflows due to investment activities	0	0
Net cash flows from investment activities	**-3 050**	**-13 727**

	6-month period ended 30.06.2013	6-month period ended 30.06.2012
Cash flow from financial activities		
Inflows	**24 271**	**25**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Credits and loans	24 271	25
Issue of debt instruments	0	0
Other financial inflows	0	0
Outflows	**3 269**	**23 642**
Redemption of own shares	0	0
Dividends and other payments to the shareholders	0	0
Other than payments to shareholders, expenses due to profit distribution	0	0
Repayment of credits and loans	0	20 054
Repayment of debt instruments issued	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	708	1 044
Interest paid	2 561	2 544
Other	0	0
Net cash flow from financial activities	**21 003**	**-23 617**
Total net cash flow	**-119 784**	**-86 204**
Balance sheet change in cash, including:	**-119 881**	**-86 204**
- change in cash due to foreign exchange differences	-97	0
Cash opening balance	**152 193**	**120 271**
Closing balance of cash, including:	**32 312**	**34 067**
- restricted cash	17 272	21 680

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2012

STATEMENT OF MOVEMENTS IN EQUITY

	6-month period ended 30.06.2013	6-month period ended 31.12.2012	6-month period ended 30.06.2012
I. Equity opening balance	**235 313**	**229 219**	**229 219**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
I.a. Equity opening balance after adjustment at the beginning of the period	**235 313**	**229 219**	**229 219**
1. Share capital at the beginning of the period	**1 268**	**1 264**	**1 264**
1.1. Changes to share capital	**0**	**4**	**0**
a) Increases from	0	4	0
– issue of shares of Series G	0	4	0
– issue of shares of Series F	0	0	0
b) Decreases from	0	0	0
– redemption of shares	0	0	0
1.2. Share capital at the end of the period	**1 268**	**1 268**	**1 264**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	0	0
a) Increases	0	0	0
b) Decreases	0	0	0
2.2. Called-up share capital at the end of the period	**0**	**0**	**0**
3. Own shares at the beginning of the period	**0**	**0**	**0**
a) Increases - repurchase of own shares	0	0	0
b) Decreases - disposal of own shares	0	0	0
3.1. Own shares at the end of the period	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**228 454**	**253 239**	**253 239**
4.1. Changes in capital reserves	5 682	-24 785	25 284
a) Increases from	5 682	499	0
– capital reserves transfer	0	0	0
– profit distribution	5 591	0	0
– redemption of shares	0	0	0
– profit from disposal of own shares	0	0	0
– issue of Series G shares above par value	0	369	0
– contribution to Series C shares	0	0	0
– manager options	91	130	0
b) Decreases from	0	25 284	25 284
– loss coverage for 2011	0	25 284	25 284
– redemption of shares	0	0	0
4.2. Capital reserves at the end of the period	**234 136**	**228 454**	**227 955**
5. Revaluation reserve at the beginning of the period	**0**	**0**	**0**
5.1.Changes in revaluation reserve	0	0	0
a) Increases from	0	0	0
– financial assets valuation	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	0	0
b) Decreases from	0	0	0
– valuation of financial instruments held for sale	0	0	0
– transformation of the Branch Germany balance sheet from EUR to PLN	0	0	0
5.2. Revaluation reserve at the end of the period	**0**	**0**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**
6.1. Changes in other capital reserves	0	0	0
a) Increases from	0	0	0
- reserves for Staff Incentive Scheme	0	0	0
b) Decreases – transfer to capital reserves	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**

	6-month period ended 30.06.2013	6-month period ended 31.12.2012	6-month period ended 30.06.2012
7. Retained profit (loss) at the beginning of the period	**5 591**	**-25 284**	**-25 284**
7.1. Retained profit at the beginning of the period	5 591	0	0
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
7.2 Retained profit at the beginning of the period after adjustment	5 591	0	0
a) Increases	0	0	0
b) Decreases from	5 591	0	0
– profit-sharing for capital reserves	5 591	0	0
– profit-sharing for dividends	0	0	0
– profit-sharing to cover losses from previous years	0	0	0
7.3. Retained profit at the end of the period	**0**	**0**	**0**
7.4. Retained loss at the beginning of the period	**0**	**-25 284**	**25 284**
– changes in accounting rules (policy) applied	0	0	0
– correction of material errors	0	0	0
7.5. Retained loss at the beginning of the period after adjustment	0	-25 284	25 284
a) Increases	0	0	0
– presentation adjustments	0	0	0
b) Decreases	0	25 284	25 284
– profit-sharing to cover losses from previous years	0	25 284	25 284
7.6. Retained loss at the end of the period	**0**	**0**	**0**
7.7 Retained profit (loss) at the end of the period	**0**	**0**	**0**
8. Net result	**504**	**5 591**	**4 601**
a) Net profit	504	5 591	4 601
b) Net loss	0	0	0
c) Write-downs from profit	0	0	0
II. Equity closing balance	**235 908**	**235 313**	**233 820**
III. Equity, after including proposed profit distribution (coverage of loss)	**235 908**	**235 313**	**233 820**

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2012

Key items converted to the EURO

	30.06.2013		31.12.2012		30.06.2012	
	PLN	**EUR**	**PLN**	**EUR**	**PLN**	**EUR**
Fixed assets	213 481	49 312	214 391	52 441	219 721	51 562
Current assets	390 951	90 305	504 883	123 498	455 932	106 994
Shareholders' equity	235 908	54 492	235 313	57 559	233 820	54 871
Liabilities and provisions for liabilities	368 524	85 125	483 961	118 380	441 833	103 685

Items of the balance sheet data as at 30 June 2013 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.3292 PLN/EUR.

Items of the balance sheet data as at 31 December 2012 were converted at the Euro rate which was set by the NBP as of that day i.e. 4.0882 PLN/EUR.

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

	6-month period ended 30.06.2013		6-month period ended 30.06.2012	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products, services, goods and materials	384 077	91 143	473 744	112 139
Cost of products, services, goods and materials sold	362 617	86 051	447 727	105 981
Profit on sales before tax	21 460	5 092	26 017	6 158
Profit on operating activities	4 513	1 071	7 446	1 762
Profit (loss) before tax	1 186	281	6 117	1 448
Net profit (loss)	504	120	4 601	1 089

Items of the profit and loss statement for the period from 1.01.2013 to 30.06.2013 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing o the last day of given month in the period, set by the NBP as of that day, i.e. 4.2140 PLN/EUR.

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

	6-month period ended 30.06.2013		6-month period ended 30.06.2012	
	PLN	**EUR**		**PLN**
Cash flows from operating activities	-137 737	-32 686	-48 860	-11 566
Cash flows from investment activities	-3 050	-724	-13 727	-3 249
Cash flows from financial activities	21 003	4 984	-23 617	-5 590
Net cash flows	-119 784	-28 426	-86 204	-20 405
Cash opening balance	152 193	37 227	120 271	27 230
Cash closing balance	32 312	7 464	34 067	7 994

Items of the cash flow for the period from 1.01.2013 to 30.06.2013 were translated at the rate which was calculated as an arithmetic mean of average rates prevailing on the last day of given month in the period, set by the NBP as of that day, i.e. 4.2140 PLN/EUR.

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

For translating cash as at 1 January 2013, the exchange rate set by the NBP as of that day was applied, i.e. 4.0882 PLN/EUR.

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

For translating cash as at 30 June 2013, the exchange rate set by the NBP as of that day was applied, i.e. 4.3292 PLN/EUR.

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

EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 30 June 2013 the Company has conducted operations under the following business segments:

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

During the reporting period ended 30 June 2013 the Company has conducted operations in the following geographical segments:

- domestic
- abroad (Belgium, Luxembourg).

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

Business segments

The tables below present figures for particular business segments of the Company for the period from 1 January to 30 June 2013:

Income and expenses by business segments

Period from 1 January to 30 June 2013	Large volume construction	Road-engineering	Construction for power industry	Other segments	Total
Sale to external clients	380 480	2 213	1 384	0	**384 077**
Total income	**380 480**	**2 213**	**1 384**	**0**	**384 077**
Cost of products, goods and materials sold to external clients	355 327	4 548	2 742	**0**	**362 617**
Total cost of products, goods and materials sold	**355 327**	**4 548**	**2 742**	**0**	**362 617**
Total gross sales	**25 153**	**-2 335**	**-1 358**	**0**	**21 460**
Cost of sales	0	0	0	0	**0**
General and administrative costs	13 538	506	584	632	**15 260**
Profit (loss) on other operating activity	-1 687	0	0	0	**-1 687**
Segment profit (loss)	**9 928**	**-2 841**	**-1 942**	**-632**	**4 513**
Profit (loss) on other financing activity	-3 327	0	0	0	**-3 327**
Income tax	682	0	0	0	**682**
Net profit	**5 919**	**-2 841**	**-1 942**	**-632**	**504**

Income and expenses by business segments

Period from 1 January to 30 June 2012	Large scale construction	Road-engineering	Construction for power industry	Other segments	Total
Sale to external clients	424 854	35 265	13 625	0	**473 744**
Total income	**424 854**	**35 265**	**13 625**	**0**	**473 744**
Cost of products, goods and materials sold to external clients	415 602	19 981	12 144	**0**	**447 727**
Total cost of products, goods and materials sold	**415 602**	**19 981**	**12 144**	**0**	**447 727**
Total gross sales	**9 252**	**15 284**	**1 481**	**0**	**26 017**
Cost of sales	0	0	0	0	**0**
General and administrative costs	15 609	634	589	915	**17 746**

Profit (loss) on other operating activity	-824	0	0	0	**-824**
Segment profit (loss)	**-7 181**	**14 650**	**892**	**-915**	**7 446**
Profit (loss) on other financing activity	-1 329	0	0	0	**-1 329**
Income tax	1 516	0	0	0	**1 516**
Net profit	**-10 026**	**14 650**	**892**	**-915**	**4 601**

Geographical segments

Income and expenses by geographical segments

Period from 1 January to 30 June 2012	**Domestic**	**Abroad**	**Total**
Sale to external clients	360 346	23 731	**384 077**
Total income	**360 346**	**23 731**	**384 077**
Cost of products, goods and materials sold to external clients	339 624	22 993	**362 617**
Total cost of products, goods and materials sold	**339 624**	**22 993**	**362 617**
Total gross sales	**20 722**	**739**	**21 460**
Cost of sales	0	0	**0**
General and administrative costs	14 842	418	**15 260**
Profit (loss) on other operating activity	-1 712	25	**-1 687**
Segment profit (loss)	**4 168**	**345**	**4 513**
Profit (loss) on other financing activity	-4 323	996	**-3 327**
Income tax	682	0	**682**
Net profit	**-837**	**1 341**	**504**

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

Note 2.

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

	30.06.2013	**31.12.2012**	**30.06.2012**
a) As at the beginning of the period	184 974	172 550	172 550
- Shares	142 490	132 970	132 970
- Loans granted	41 712	38 862	38 862
- Other long-term financial assets	772	718	718
b) Increases (from)	5 385	12 424	3 272
- Shares	3 500	9 520	2
- Reclassification	0	0	2 182
- Loans granted	1 885	2 850	1 088
- Other long-term financial assets	0	54	0
c) Decreases (from)	11 491	0	0
- Impairment loss on shares	9 272	0	0
- Loans granted	2 182	0	0
- Other long-term financial assets	37	0	0
d) As at the end of the period	178 869	184 974	175 822
- Shares	136 718	142 490	132 972
- Loans granted	41 415	41 712	42 132
- Other long-term financial assets	736	772	718

Note 2.2. Shares or stocks in subsidiaries as at 31 June 2013

	Name (business name) of entity and form of incorporation	Seat	Business area	Type of relationship (subsidiary, joint controlled subsidiary or affiliated, specifying direct and indirect connections)	Applied method of consolidation / equity method or indication that the entity is not subject to consolidation / valuation by equity method	Total value adjustments	Carrying amount of shares /stocks	Equity stake held	Share of total vote number at the AGM
1.	Delta Sp. z o.o.	Toruń	construction	subsidiary	full method	0	3 532	100.00%	100.00%
2.	Erbud Construction Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated (unessential)	39	0	100.00%	100.00%
3.	Toruńska Sportowa S.A. w likwidacji	Toruń	construction	associated	non-consolidated (unessential)	39	0	39.00%	39.00%
4.	Erbud Rzeszów Sp. z o.o.	Rzeszów	construction	subsidiary	non-consolidated (unessential)	0	79	79.00%	79.00%
5.	Erbud International Sp. z o.o.	Toruń	construction	subsidiary	full method	0	50	100.00%	100.00%
6.	GWI GmbH	Dusseldorf, Germany	construction	subsidiary	full method	0	347	85.00%	85.00%
7.	Budlex S.A.	Warszawa	housing development	subsidiary	full method	0	73 575	89.96%	89.96%
8.	Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego	Toruń	road-engineering	subsidiary	full method	0	49 554	94.27%	94.27%
9.	Erbud Energetyka Sp. z o.o.	Katowice	construction	subsidiary	full method	0	1 512	100.00%	100.00%
10.	Erbud Ireland Limited	Dublin, Ireland	construction	indirect controlled subsidiary	non-consolidated (unessential)	0	50	100.00%	100.00%
11.	Ersteel Sp. z o.o.	Toruń	property management	subsidiary	full method	2 850	8 064	100.00%	100.00%
12.	Engorem Sp z o.o.	Łódź	services for power industry	indirect controlled subsidiary	full method	0	11 453	98.41%	98.41%
			Shares or stocks in indirect and direct controlled subsidiaries as at 31.12.2013			2 928	148 216		
			of which:	Shares or stocks in subsidiaries as at 31.12.2013		2 928	136 713		

Note 2.3. Net profit (loss) of fully consolidated subsidiaries

	6-month period ended 30.06.2013	6-month period ended 30.06.2012
Erbud International Sp. z o.o.	1 380	1 103
GWI GmbH	969	804
Budlex S.A.	1 782	2 279
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	-553	709
Erbud Energetyka Sp. z o.o.	-34	3
Ersteel Sp. z o.o.	7	-207
Engorem Sp. z o.o.	-28	-
Delta Sp. z o.o.	-257	-

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

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

	30.06.2013	31.12.2012	30.06.2012
A. With non-restricted transferability, listed on stock exchange market (carrying value)	0	0	0
B. With non-restricted transferability, listed on OTC market (carrying value)	0	0	0
C. With non-restricted transferability, not listed on a regulated market (carrying value)	0	0	0
D. With restricted transferability (carrying value)	178 869	184 974	175 822
a) Shares and stocks (carrying value)	136 718	142 490	132 972
- Value adjustments (cumulative)	-2 928	-2 928	-2 960
- Value at the beginning of the period	0	0	0
- Value at acquisition prices	139 646	145 418	135 932
b) Bonds (carrying value)	0	0	0
c) Loans granted (carrying value)	41 415	41 712	42 132
d) Other - by type (carrying value)	736	772	718
- Value at acquisition prices	810	810	810
- Value adjustments (cumulative)	-74	-38	-92
Total carrying value	**178 869**	**184 974**	**175 822**

Note 3. Assets due to deferred income tax

Assets due to deferred income tax	**30.06.2013**	**31.12.2012**	**30.06.2012**
- Measurement of long-term contracts	10 593	7 899	12 055
- Tax-loss	10 541	6 665	16 934
- Costs of subsequent periods	1 973	2 036	2 115
- Provision for loss on contracts	21	71	112
- Other	3 727	4 189	3 300
Total assets from deferred income tax	**26 855**	**20 860**	**34 516**

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

Assets due to deferred income tax on losses relates to tax losses incurred in 2010, 2011 and 2013. The Company may use this asset over 5 years from the date of the balance sheet date.

Note 4.
Note 4.1. Changes in write-offs from current debts

	30.06.2013	31.12.2012	30.06.2012
At the beginning of the period	2 645	2 848	2 848
a) Increases	1 060	0	0
- Creations	1 060	0	0
b) Decreases	69	203	0
- Impairment loss release	69	203	0
- Use of write-offs	0	0	0
Short-term write-offs from receivables at end of the period	**3 636**	**2 645**	**2 848**

Note 5. Short-term prepayments

	30.06.2013	31.12.2012	30.06.2012
Prepaid expenses, including:	127 513	91 383	158 786
- long-term contracts	124 176	88 831	157 320
- other costs	3 337	2 552	1 466
Total short-term prepayments	**127 513**	**91 383**	**158 786**

Note 5.1 Prepayments due to construction contracts

	30.06.2013	31.12.2012	30.06.2012
Expected revenues from ongoing projects	1 969 901	1 942 007	1 861 533
Expected costs of ongoing projects	1 773 713	1 755 668	1 685 966
Expected margin on ongoing projects	196 188	186 339	175 567
Cumulative revenues recognized in the profit or loss	1 189 277	1 011 941	774 248
Cumulative costs recognized in the profit or loss	1 086 398	921 310	695 242
Cumulative margin recognized in the profit or loss	102 879	90 631	79 006
Margin to be recognized in next periods	93 309	95 708	96 561
Percentage of margin to be recognized in next periods	47,56%	51,36%	55,00%
Revenue surplus over partial invoices by staging	102 224	78 081	142 950
Costs surplus over expenses arising from the accounting costs by staging	48 857	40 372	61 252
Surplus on partial invoices over incomes by staging	6 895	1 201	2 197
Surplus on costs resulting from the accounting costs over expenses by staging	21 952	10 750	14 370
Total amounts presented in deferred expenditures	124 176	88 831	157 320
Total amounts presented in deferred revenues	55 752	41 573	63 449

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

Impairment of long-term financial assets	**30.06.2013**	**31.12.2012**	**30.06.2012**
Opening balance	**2 928**	**2 960**	**2 960**
Increase / Decrease	0	-32	0
Closing balance	**2 928**	**2 928**	**2 960**

Impairment of short-term financial assets	**30.06.2013**	**31.12.2012**	**30.06.2012**
Opening balance	**0**	**0**	**0**
Increase / Decrease	0	0	0
Closing balance	**0**	**0**	**0**

Impairment of inventories	30.06.2013	31.12.2012	30.06.2012
Opening balance	**262**	**262**	**262**
Increase / Decrease	0	0	0
Closing balance	**262**	**262**	**262**

Impairment of fixed assets	30.06.2013	31.12.2012	30.06.2012
Opening balance	**0**	**0**	**0**
Increase / Decrease	0	0	0
Closing balance	**0**	**0**	**0**

Note 7. Structure of share capital of ERBUD S.A.

Note 7.1. Shareholding as at 30.06.2013

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				**4 152 865**	**32,76%**	
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	PLN1 267 795.60		

Moreover, on 19 August 2013, ING Otwarty Fundusz Emerytalny (Pension Fund) sold a part of shares hold. After the settlement of the transaction the Fund holds 1,266,900 (one million two hundred sixty-six thousand nine hundred) shares, representing 9.99% of the share capital and is entitled to 1,266,900 votes at the AGM of Shareholders, which constitutes 9.99% of total number of votes.

Detailed information on the shareholding as at 31 December 2012 is included in the Annual Financial Statements for the year ended 31 December 2012.
This table presents the shareholders holding over 5% of the equity.

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. Subsidiaries do not hold any shares of the Parent.

No shares have been reserved for the purpose of issuance under options of sale contracts.

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

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

The Company's Statute does not give any personal rights in relation to Erbud S.A., Company's to the shareholders referred to above, in particular, does not give the right to appoint members of the Management Board or members of the Supervisory Board of the Company.

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

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 acquire 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 8. Provision for deferred income tax

Provision due to:	**30.06.2013**	**31.12.2012**	**30.06.2012**
- Measurement of construction contracts	23 244	16 878	29 891
- Other	1 559	1 410	1 380
Provision for deferred income tax	**24 803**	**18 288**	**31 271**

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

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

	30.06.2013	**31.12.2012**
a) At the beginning of the period	349	420
b) Increases (from)	179	0
- retirement payments	179	0
c) Used (due to)	0	0
d) Released (due to))	0	71
- jubilee awards	0	71
e) At the end of the period	528	349

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

	30.06.2013	**31.12.2012**
a) At the beginning of the period	3 074	2 565
b) Increases (from)	0	509
- unused leave	0	509
c) Used (due to)	0	0
d) Released (due to)	393	0
- unused leave	393	0
e) At the end of the period	2 681	3 074

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

As at 30 June 2013, 31 December 2012 and 30 June 2012, such item was not accounted.

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

	30.06.2013	31.12.2012
a) At the beginning of the period	12 118	7 364
b) Increases (from)	453	4 928
- Litigation and claims	31	599
- Guarantee repair	312	3 956
- Losses on long-term contracts	110	373
c) Use (from)	0	0
d) Release (from)	3 257	174
- Litigation and claims	84	13
- Branch Germany	2 800	0
- Losses on long-term contracts	373	161
e) At the end of the period	9 314	12 118

Note 13. Long-term liabilities

As of 30 June 2013, bonds with a nominal value of PLN 50,000,000 denominated in Polish Zloty, as described in Note #15 of Explanatory notes, are a significant portion of the long-term debt. The Maturity date is 15 July 2014.

Note 14. Loans and credits

As of 30.06.2013, the Company had four revolving overdrafts under provided by the banks credit lines to finance current business.

The following tables present details of loans granted:

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
PKO BP	5 000	PLN	4 551	WIBOR 3M +margin	2014-06-30

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

Bank - the Creditor	Limit of credit available under the agreement	Loan currency	Overdraft debt	Interest rate	Maturity date
	PLN '000		PLN '000		
BRE Bank S.A.	10 000	PLN	6 471	WIBOR for overnight deposits add the bank margin	2013-12-31

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

Bank - the Creditor	Limit of credit available under the agreement PLN '000	Loan currency	Overdraft debt PLN '000	Interest rate	Maturity date
ING Bank Śląski S.A..	15 000	PLN	6 101	Arithmetic average for WIBOR 1M from a given calendar month on the last working day of each calendar month add the bank margin	2013-12-31

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

Bank - the Creditor	Limit of credit available under the agreement PLN '000	Loan currency	Overdraft debt PLN '000	Interest rate	Maturity date
Alior Bank	10 000	PLN	7 397	WIBOR 1 M + margin	2013-09-26

Final collateral:
Assignments of the receivables from contracts concluded by the Erbud SA within the framework of conducting business, in each case approved by the Bank, transferred to the Bank under the a transfer agreement for receivables due to a trade agreement.
Blank bill of exchange

As described in Note 24 to the Separate Financial Statements for the year ended 31.12.2012, the Company failed to meet certain financial ratios (covenants) under loan agreements. During the six months period ended 30.06.2013 the Parent Company also violated ratios some financial ratios.
Here is a list of these ratios:

Bank ING

Ratio	*Level required*	*Level achieved*	*Comment*
Debt / EBITDA	not more than 3	3.7	not achieved

Alior Bank

Ratio	*Level required*	*Level achieved*	*Comment*
Net profit margin	min. of 1%	0.1%	not achieved

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

Total liabilities due to overdrafts were presented as current liabilities.

Total liabilities from short-term overdraft credits held by the Company as at 30 June 2013 amounted to PLN 24 520 thousand and as at 30 June 2012 was PLN 8 609 thousand.

Note 15. Issue / Redemption / Repayment of equity securities

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

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

For the period from 1 January 2012 to 30 June 2013, the Company incurred costs due to interest paid on the bonds issued in the amount of PLN 2,070 thousand. The amount said consists of the amount of interest accrued and paid as of 15 July 2013, as well as portion of the deferred costs of issuance of PLN 75 thousand, included in the cost of the period. Any obligations under the bonds the Company regulates on time.

Note 16. Issue / Redemption / Repayment of debt securities

Description of the Management Stock Option under the issuance of shares of Series H and the Management Stock Option for 2013 - 2015 is included in Note # 7 of Explanatory notes.

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

On 4 January 2013, Delta sp z o.o. (a subsidiary of the Erbud Capital Group) entered into an agreement to acquire 80.22% of shares in ENGOREM Sp. z o.o. from ERBUD S.A. for the amount of PLN 9 500 thousand.

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

	30.06.2013	**30.06.2012**
a) Domestic	360 346	460 184
- Sale of products	0	0
- Sale of services	360 346	460 184
of which: to associates	619	778
b) Export	23 731	764
- Sale of products	0	0
of which: to associates	0	0
- Sale of services	23 731	764
of which: to associates	100	177
Total trade net income	**384 077**	**460 948**
of which: to associates	**727**	**955**

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

	30.06.2013	30.06.2012
a) Domestic	**0**	**0**
- Sale of goods	0	12 796
of which: to associates	0	12 796
b) Export	0	0
- Sale of goods	0	0
of which: to associates	**0**	**0**
Total net income on sales of goods and materials	**0**	**12 796**
of which: to associates	**0**	**12 796**

Note 20. Expenses by sort

	30.06.2013	30.06.2012
a) Depreciation and amortisation	1 007	1 113
b) Consumption of materials and power	41 975	71 420
c) External services	302 312	317 110
d) Taxes and charges	2 036	981
e) Payroll	26 489	16 689
f) Social security and other benefits	5 429	4 843
g) Other costs	1 346	1 037
h) Goods and materials sold	0	12 764
Total expenses by sort	**380 594**	**425 957**
Change in products and accrued expenses due to construction contracts	-2 717	39 516
Cost of products manufactured for in-house use (negative value)	0	0
Sales cost (negative value)	0	0
General and administrative costs (negative value)	-15 260	-17 746
Value of goods and materials sold	**0**	**-12 764**
Manufacturing cost of products sold	**362 617**	**434 963**

Note 21. Sale costs

The Company does not identify the cost of sales due to immateriality.

Note 22. Other operating income

	30.06.2013	30.06.2012
a) Profit on disposal of non-financial fixed assets, incl.:	53	24
- Fixed assets and fixed assets in progress	53	24
c) Other, incl.:	412	230
- Indemnities	78	215
- Release of provision for receivables	69	0
- Release of provision for guarantee works	84	0
- Penalties, compensations and indemnities imposed	122	0
- Other	59	15
Total other operating income	**465**	**254**

Note 23. Financial income
Note 23.1. Financial income from dividends and profit sharing

In the reporting period ended 30 June 2013, the Company recorded financial income related to the dividend from a subsidiary GWI GmbH amounted to PLN 610 thousand.

Note 23.2. Financial income due to interests

	30.06.2013	30.06.2012
a) Loans granted	123	1 447
- to associated entities, of which:	123	1 447
- to subsidiaries	123	1 447
- to other entities	0	0
b) Other interests	568	429
- from associated entities	0	0
- from other entities	568	429
Total financial cost due to interests	**691**	**1 876**

Note 24. Financial costs
Note 24.1. Financial costs due to interests

	30.06.2013	30.06.2012
a) Loans granted	409	0
- to subsidiaries	409	0
b) Other interests	3 408	2 840
- from bonds,	2 027	2 146
- from loans	342	350
- due to discounting accounts	791	174
- other	248	170
Total financial cost due to interests	**3 817**	**2 840**

Note 25. Net earnings (loss) per share

	6-month period ended 30.06.2013	6-month period ended 30.06.2012
Net earnings (loss)	504	4 601
Weighted average number of shares / Diluted weighted average number of shares (in units)	12 694 849/ 12 741 627	12 644 169/ 12 745 653
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	0.040 / 0.040	0.364 / 0.362

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

Note 26. Net earnings (loss) – distribution

By Resolution No. 3/2013 dated 18 June 2013, the Annual General Meeting of Erbud S.A. decided to earmarked the amount of PLN 5 591 thousand for reserve capital.

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

	30.06.2013	30.06.2012
a) Total cash (as of the beginning of the period)	152 193	120 271
- Cash in hand and at bank	134 435	108 027
- Other cash	17 758	12 244
b) Total cash (as of the end of the period)	32 312	34 067
- Cash in hand and at bank	15 040	12 387
- Other cash	17 272	21 680
Change in cash	**-119 784**	**-86 204**
Change in cash due to exchange rate differences	-97	0
Cash generated from operating activities	-137 737	-48 860
Cash from investing activities	-3 050	-13 727
Cash from financing activities	21 003	-23 617

Reconciliation of movements in balance sheet items to changes reported in the statement of cash flows as at 30 June 2013 is presented below:

	30.06.2013
Change in balance sheet receivables	**30 071**
Delta shares	3 500
Change in receivables in the cash flows statement	**33 571**

	30.06.2013
Change in current liabilities excluding loans in the balance sheet	**-157 123**
Partly payment of liabilities for the purchase of shares of Budlex	5 667
Lease	429
Interest on bonds	209
Change in current liabilities excluding loans in the cash flows statement	**-150 818**

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

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

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

In the period ended 30 June 2013, the Company did not change the classification of financial assets as a result of changing the gaol or using these assets.

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

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

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

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30.06.2013		Period ended 30.06.2013	
Total affiliated entities	**46 359**	**14 665**	**1 647**	**14 335**
- Deliveries and services	431	14 665	727	13 330
- Loans and interest liabilities	42 415	0	123	412
- Other	3 513	0	797	593
Affiliated entities that are subject to consolidation	**46 342**	**14 325**	**1 639**	**13 204**
- Deliveries and services	414	14 325	719	12 199
- Loans and interest liabilities	42 415	0	123	412
- Other	3 513	0	797	593
Affiliated entities that are not subject to consolidation	**17**	**340**	**8**	**1 131**
- Deliveries and services	17	340	8	1 131
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30.06.2012		Period ended 30.06.2012	
Total affiliated entities	**44 845**	**49 588**	**21 427**	**144 632**
- Deliveries and services	3 133	49 588	18 668	144 632
- Loans and interest liabilities	41 712	0	2 214	0
- Other	0	0	545	0
Affiliated entities that are subject to consolidation	44 692	48 909	18 668	141 997
- Deliveries and services	2 980	48 909	15 909	141 997
- Loans and interest liabilities	41 712	0	2 214	0
- Other	0	0	545	0
Affiliated entities that are not subject to consolidation	153	679	3	2 635
- Deliveries and services	153	679	3	2 635
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 30.06.2012		Period ended 30.06.2012	
Total affiliated entities	**56 108**	**29 852**	**15 371**	**74 399**
- Deliveries and services	13 545	29 852	13 751	74 399
- Loans and interest liabilities	42 206	0	1 447	0
- Other	357	0	173	0
Affiliated entities that are subject to consolidation	**56 034**	**29 081**	**15 359**	**72 947**
- Deliveries and services	13 471	29 081	13 739	72 947
- Loans and interest liabilities	42 206	0	1 447	0
- Other	357	0	173	0
Affiliated entities that are not subject to consolidation	**74**	**771**	**12**	**1 452**
- Deliveries and services	74	771	12	1 452
- Other	0	0	0	0
- Loans and interest liabilities	0	0	0	0

Note 31.

As at 30 June 2013 the managing staff (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	Percentage of equity	Number of votes	Percentage of voting rights at the GM
Juladal Investments Ltd. a company controlled by members of the Board of Erbud SA)	Common	2 848 347	22.47%	2 848 347	22.47%
Dariusz Grzeszczak	Common	773 900	6.10%	773 900	6.10%
Józef Adam Zubelewicz	Common	259 500	2.05%	259 500	2.05%
Albert Duerr- Member of the Supervisory Board	Common	14 500	0.11%	14 500	0.11%
Walenty Twardy Proxy of Erbud S.A.	Common	19 852	0.16%	19 852	0.16%
Piotr Augustyniak Proxy of Erbud S.A..	Common	890	0.01%	890	0.01%
Agnieszka Głowacka Proxy of Erbud S.A..	Common	2 836	0.02%	2 836	0.02%
Grzegorz Krzywicki Proxy of Erbud S.A..	Common	3 033	0.02%	3 033	0.02%
Bogdan Duerr Proxy of Erbud S.A.	Common	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski Proxy of Erbud S.A.	Common	10 525	0.08%	10 525	0.08%
Beata Krzywicka (wife of a proxy)	Common	3 636	0.03%	3 636	0.03%
Mirosław Młynarski Proxy	Common	6 778	0.05%	6 778	0.05%
Radosław Kałamaga Proxy	Common	5 494	0.04%	5 494	0.04%
Tomasz Krzywicki Proxy of Erbud S.A.	Common	3 950	0.03%	3 950	0.03%
Maciej Wyrzykowski Proxy of Erbud S.A	Common	1 200	0.01%	1 200	0.01%
Mariola Zielińska Chief Account of Erbud SA	Common	4 018	0.03%	4 018	0.03%

As at 31 December 2012 the managing staff (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	Percentage of equity	Number of votes	Percentage of voting rights at the GM
Juladal Investments Ltd. a company controlled by members of the Board of Erbud SA)	Common	2 848 347	22.47%	2 848 347	22.47%
Dariusz Grzeszczak	Common	773 900	6.10%	773 900	6.10%
Józef Adam Zubelewicz	Common	259 500	2.05%	259 500	2.05%
Albert Duerr- Member of the Supervisory Board	Common	8 500	0.07%	8 500	0.07%
Walenty Twardy – Proxy of Erbud S.A.	Common	19 852	0.16%	19 852	0.16%
Piotr Augustyniak – Proxy of Erbud S.A.	Common	9 811	0.08%	9 811	0.08%
Agnieszka Głowacka – Proxy of Erbud S.A.	Common	5 836	0.05%	5 836	0.05%
Grzegorz Krzywicki – Proxy of Erbud S.A.	Common	3 033	0.02%	3 033	0.02%
Bogdan Duerr – Proxy of Erbud S.A.	Common	6 712	0.05%	6 712	0.05%
Włodzimierz Czystowski – Proxy of Erbud S.A.	Common	10 525	0.08%	10 525	0.08%
Beata Krzywicka (wife of a proxy)	Common	3 636	0.03%	3 636	0.03%
Mirosław Młynarski – Proxy of Erbud S.A.	Common	6 778	0.05%	6 778	0.05%
Radosław Kałamaga - Proxy	Common	5 494	0.04%	5 494	0.04%
Tomasz Krzywicki – Proxy of Erbud S.A.	Common	3 950	0.03%	3 950	0.03%

Maciej Wyrzykowski – Proxy of Erbud S.A.	Common	1 200	0.01%	1 200	0.01%
Mariola Zielińska Chief Account of Erbud SA	Common	4 018	0.03%	4 018	0.03%

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

Members of the Supervisory Board, of the Management Board of the Parent and of key management personnel, both as at 30 June 2013 and 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, both as at 30 June 2013 and 31 December 2012 were not a party to the contract obliging to render services to the companies of the Erbud Group.

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

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

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

Note 33. Information about significant events that occurred during the first half of 2012 and after the balance sheet date

Significant contracts concluded

On 27 February 2013, ERBUD S.A. signed a contract for the construction of 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: CGLI Spółka z o.o. Spółka komandytowa, seated in Warsaw, 37 Domaniewska.
Net contract value: PLN 25,499,000.00
Completion period: 16 months.

On 28 February 2013, a contract was 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" which is due for performance 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 2013, a contract was signed by Erbud's subsidiary GWI GmbH to build on a turnkey basis the Oberkasseler Top Office Building (Silizium) in Düsseldorf, Phase 2 and 3.
The Builder: Projekt Oberkasseler Tor GmbH, Breite Straße 31, 40549 Düsseldorf.
Net contract value: € 11.853.826,00
Completion period: 08.03.2013-30.04.2014.

On 10 May 2013, ERBUD S.A signed a contract for detailed design and extension of the Clinical Centre of the Wrocław Medical University located in Wrocław at 213 Borowska St. with the Children's Clinic of Bone Marrow Transplant, Oncology and Haematology, Wrocław, 213 Borowska St. under the Swiss-Polish Cooperation Programme.
Contract value: PLN 51,500,000 net.
Completion period: 100 weeks from the date of conclusion of the contract.

On 11 June 2013, a contract was signed to construct an office building named Kościuszko Business Point in Toruń at 73 Kościuszko St.
The Builder: RYWAL-RHC Sp. z o.o. Oddział w Toruniu ul. Polna 140 B, 87-100 Toruń
Contract value: PLN: 25,800,000 net
Completion period: 14 months from the date of conclusion of the contract.

On 17 June 2013, a contract was signed to construct an office and retail building with basement garage, including internal road, services and utilities and site development works located on plot No. 75, Warsaw, 12 Czerska St.

The Builder: Facinelli 1 Sp. z o.o., ul.Fabryczna 5, 00-446 Warszawa
Contract value: PLN 45,000,000
Completion period: 550 days from receiving Instruction to Proceed Commencement of Works.

On 18 June 2013, ERBUD S.A. entered into a contract for comprehensive construction of a multi-use office and retail building named "Royal Wilanów" with underground car park, services and utilities and site development works, including road infrastructure such as ingress/ egress to and from the Property.
The Builder: HAZEL INVESTMENTS Sp. z o.o., ul. Marynarska 11, 02-674 Warszawa
Contract value: PLN: 212.477.450
Completion period: 760 days within the period from the issue of Instruction to Proceed Commencement of Works to the obtaining Occupancy Permit.

On 27 June 2013, ERBUD S.A. signed - in consortium with Zamet Industry S.A. - a contract to refurbish the cool handling plant.
The Builder: Dalkia Łódź Spółka Akcyjna, 90-975 Łódź, ul. J. Andrzejewskiej 5
Contract value: PLN 65,700,000.00 net, of which ERBUD: PLN 42,789,000.00 and ZAMET: PLN 22,911,000.00
Completion period:: 27.06.2013 - 01.10.2015r
A new company in the ERBUD Group - ENGOREM Sp. z o.o. seated in Łódź will be the Issuer's Subcontractor.

On 18 July 2013, ERBUD S.A. concluded a construction contract for the construction of a multidisciplinary hospital in Katowice
The Builder: CMC "Geo Projekt 2" spółka z ograniczoną odpowiedzialnością spółka komandytowa, ul. Głowackiego 10, 30-085 Kraków.
Contract value: PLN 81,599,738.39 (Phase I – PLN 50,888,173.62 and Phase II – PLN 30,711,564.77).
Completion period: Phase I from 2013.07.19 to 2014.12.04; Phase II from 2014.10.10 to 2015.12.18.

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

Note 34. Changes in accounting policy applied and method of preparation of financial statements, introduced in relation to the previous financial year (years), their causes and the impact on the asset and financial position, liquidity, result and profitability.

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

Note 35. Business combinations

During the period from 1 January 2013 to 30 June 2013 there were no mergers between the Company and other entities.

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

In the reporting period the Company did not pay dividends.

Note 37. Derivative financial instruments

As at 30 June 2013, 31 December 2012 and 30 June 2012, the Company has no liabilities from derivative financial instruments.

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

In the period from 1 January 2013 to 30 June 2013 there were no such transactions.

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

There were no such agreements.

Note 40. Contingent liabilities to related parties

	30.06.2013	31.12.2012	30.06.2012
1) Contingent liabilities to affiliated entities from			
a) guarantees and sureties provided, of which	61 292	66 250	72 535
- to subsidiaries	61 292	66 250	72 535
- to associates	0	0	0
b) other, of which	0	0	0
- to subsidiaries	0	0	0
- to associates	0	0	0
Total contingent liabilities to affiliated entities	**61 292**	**66 250**	**72 535**

Note 41. 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 (Rison Limited seated in Nicosia, Cyprus), the Issuer has entered into an 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 shares in the books of the Issuer**:**

Name and legal form of the subsidiary	Seat	Core business	Type of the relationship	Method of consolidation	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 and persons managing or supervising Erbud and the pledgee (Rison Limited, based in Nicosia, Cyprus):
None

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

As at the date of publishing the Financial Statements, all claims secured by assets owned by ERBUD SA have been repaid in full and the process of withdrawal of securities has been launched.

Possessory lien on assets - shares in Delta Sp. z o.o. based in Toruń

1) Inventory value of the shares in the books of the Issuer:

Name and legal form of the subsidiary	Seat	Core business	Type of the relationship	Method of consolidation	Value adjustment (total)	Carrying amount of shares /stocks	Equity stake held	Voting power at the GM
Delta Sp. z o.o.	Toruń	construction	subsidiary	full method	0	3 532	100%	100%

2) Relationship type between Erbud and persons managing or supervising Erbud and the pledgee (Polski Bank Przedsiębiorczości S.A.):
None

3) Percentage of the pledged shares in the nominal capital of Delta Sp. z o.o. and the value at par of shares and their character as non-current or current capital investment of Erbud:
Pledged shares represent 30% of the nominal capital of Delta Sp. z o.o. The Issuer considers the investment in Delta Sp. z o.o. shares as a long-term one

The secure of repayment of borrowings and loans incurred by the Company with banks has been described in Note 14.

Note 42. Litigation and claims

The claim against the Bank Millennium SA

On 22 December 2010, Erbud SA brought to the Regional Court in Warsaw, XVI Commercial Division an action for payment against Bank Millennium S.A.

Value of the dispute: PLN 71,065,496. The respondent: Bank Millennium S.A. in Warsaw.

In 2008, the Bank Millennium S.A. advised the Issuer (Erbud S.A.) concluding a transaction on currency options to protect euro-denominated contracts executed by the Issuer against an exchange rate risk. The Bank's offer followed the Issuer's need to adequate secure its situation. According to the Company, the product was not optimally adapted to the needs of Erbud SA. In the fourth quarter of 2008, as a result of the drastic depreciation of the Polish zloty against euro, the Bank Millennium S.A. reported to the Issuer a negative valuation of its exposure. At the same time, there arose a dispute as to content of the currency options transactions, primarily concerning exclusion of optional structures.

During many talks, the Issuer presented its position to the Bank, which requested to execute of the transaction with taking action for compulsory execution of claims. In order to reduce the amount of potential loss, the disputed transactions were restructured, and the Bank has been informed about future legal action to compensate damage resulting from the transactions of currency options.
The restructuring details were announced by the Issuer in the Current Report No. 43/2008 of 21.11.2008, and in the financial statements for the year 2008. The Issuer has never agreed with the position of the Bank Millennium S.A. and therefore called the Bank twice to pay the amount of PLN 71,065,496, which consists of amounts collected by the Bank from the Issuer's bank account, lost benefits, and legal and financial advisors' fees. Accordingly, the Issuer has decided to enter a lawsuit for payment in order to compensate the damage suffered

The Issuer's standpoint regarding the situation connected with the execution of the project: extension of the Airport Modlin

Facts - Basic information about the contract and its completion
The contract for the construction of the Warsaw-Modlin Airport was signed on September 14, 2010. The total value of works amounted to about PLN 87 million net. Under the contract, ERBUD SA was obliged, inter alia, to upgrade the runway. The Employer established Bud-Invent Sp. z o.o. as the Project Management Company.
The runway with a length of about 2500 meters consists of two thresholds made of concrete cement, each with a length of about 540 meters and a part made of bituminous concrete with a length of 1,421 meters. The net value of the concrete thresholds constructed is about PLN 10m.
DSH – Dospravni stavby a.s., a subsidiary of the construction group Metrostav, was a subcontractor responsible for the construction of the concrete pavement of runway thresholds. The company specializes in such kind of works. The Employer has been informed of the choice of the subcontractor and did not oppose (January 2011).

DSH commissioned the following entities a number of works:

- Instytut Inżynierii Lądowej Politechniki Wrocławskiej [Institute of Civil Engineering, Wrocław University of Technology]:
  The commission included the development of the mix design (concrete mixture components) for the construction of runway thresholds. Developed formulas were in accordance with Polish Standards;
- CEMEX and LAFARGE – two worldwide known suppliers of aggregate:
  The commission included the supply of aggregate for concrete used to complete the runway thresholds.

The suppliers provided declarations of conformity stating that their products for manufacturing the concrete have complied with the Polish standards indicated in the mix design.

On 10 June 2011, DSH submitted the mix design to the Employer. The Employer approved the mix design on 20 June 2011.
The runway was constructed by DSH over the period of June - November 2011, according to the mix design prepared by the Instytut Inżynierii Lądowej Politechniki Wrocławskiej. The company used aggregate supplied by CEMEX and Lafarge. All design solutions, concrete mix formulas, certificates of compliance and land surveying were supervised by the staff of the General Contractor and the Employer, and the works were executed under direct supervision of Client's Engineer.

The concrete mix production samples were taken by the laboratory of TPA Instytut Badań Technicznych [Technical Research Institute]. The samples were collected pursuant to Polish standards, i.e. from each batch of concrete produced. Tests have shown that the strength and frost resistance of concrete is at least equal to or higher than designed one.
By Decision No. 919/2012 of 6 June 2012 the Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego [Mazovian Building Control Office] authorized the use of the project.

The validation of the operation permit was subject to compliance by the Employer (but not limited to) the following conditions:
- developing guidelines on using the civil structure, including the airport pavement maintenance manual
- regular technical inspections of the airport pavement,
- continuous monitoring of the civil structure.

By Decision No. 1980/2012 dated 28 December 2012 the Mazovian Building Control Office prohibited to use of the part of the runway (the decision announced verbally on 22 December 2012). The decision was based on Article 66, Section 1, Item 2 and Section 2 of the Building Code of 7 July 1994, that is on "(…) the statement that a structure is used in a manner endangering life or health of people, safety of property or environment (…)".

According to an interview on 23 January 2013 for the TVN CNBC by Mr. Marcin Danił - Vice President of the Management of Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o., the Customer does not have any agreement with Ryanair on the basis of which the carrier could seek compensation for the airport stoppage.

The Customer has a contract with WizzAir, but it does not contain any provisions which oblige the Customer to receive the damage. WizzAir cannot demand damage money from the airport (there is no legal basis). 3-4 days before the airport has been closed, WizzAir informed the Employer that it changes the operating airport due to lack of the ILS-System in Modlin.

In January and February 2013, the Employer and the General Contractor held a number of meetings, as a result of which the General Contractor presented on 20 February 2013 a Framework Schedule for runway works. The schedule has been approved by the Employer.

On 6 March 2013, the General Contractor took over the site from the Contractor and began to carry out the work. On 22 April 2013, the Contractor approved a new formula of concrete. On 17 June 2013 the Mazovian Building Control Officer issued Decision No. 846/2013 which repealed Decision No. 1980/2012

By the date of this information, the Customer addressed to the General Contractor requests for payment for "indemnification" for the total amount of PLN 22,372,842.80. The Customer did not document the factual and legal basis of claims; the General Contractor does not recognize claims of the Customer.

On 12 August 2013, the Issuer received the decision by District Court for Warsaw-Mokotów on the establishment of security of debts of Przedsiębiorstwo Wielobranżowege Ploh Sp. z o.o. that claims the amount of PLN 74,204.84 for loss of profits related to a break in the activity of PLM. The court has established a security in the form of a compulsory mortgage on the vacant plot owned by the Issuer, located in Toruń. On 19 August 2013, the Issuer made a complaint against the above said decision.

On 17 July 2013, the Issuer received a request for payment of PLN 1,844,412.03 for the LS Airport Services SA due to loss of profits associated with a break in the activity on of the airport in Modlin. Law office representing the Issuer has sent a response to the request, proving that it is groundless.

Standpoint of the Management Board on financial claims
Based on a preliminary analysis of the construction investment process and results of the internal audit, as well as the evaluation of technical research and works performed (including their compatibility with the mix design and Polish standards), it was confirmed that it can be concluded, that all materials used meet the standards specified and required by Polish law.

During conducting the project works, all design solutions, material formulas and land surveying were supervised by the relevant services of the General Contractor and the Employer, and the works were executed under the direct supervision of the General Contractor and the Client's Engineer.

By order of the General Contractor, material samples were collected and then it has been commissioned to make external investigations and technological reports that should show what caused the cavities in concrete surface. This makes it possible to determine the liability of the various parties involved in the project. As at the date of preparing this information, commissioned expert assessments have been completed (several hundred of different types of loading tests, a few hundred times of freezing / de-icing, etc.). General Contractor is waiting for final conclusions and reports which are prepared by experts. Reports are expected to be ready in September 2013.
In late December and early January 2013, the cost of work executed amounted to about PLN 450 thousand. The General Contractor charged DSH with the above costs and offset claims.
The General Contractor has sued DSH for PLN 3,998,040. Up to date, no trial date has been set. If the expert assessments prove fault of subcontractors, they will be charged by the whole of any costs related to the work carried out as well as claims by the Employer.
Expenses for work conducted at the airport in 2013 and concerning the exchange of the runway surface amounted to about PLN 14.5 million. On the basis of responsibility assigned by the independent technical expertise, all the costs will be charged to any other entity involved in the investment process.
Despite the dissenting opinion of DSH, the General Contractor as substitute contractor acting in the public interest, started works associated with the replacement of the runway concrete pavement without waiting for the final explanation of the cause of damage and without having confirmation for the time being, that he is obliged to repair under the warranty.

Submission of an application for bankruptcy of ERRBUD S.A. by Danuta Kurpiewska conducting business activity under the name WEG BET Danuta Kurpiewska

The Management Board of Erbud S.A. informs that Danuta Kurpiewska conducting business under the name WEG BET Danuta Kurpiewska, which is a debtor to Erbud S.A., filed on 10.01.2013 a letter titled "Application of the creditor for bankruptcy" to the District Court for the Capital City of Warsaw - Commercial Division for Bankruptcy and Relief.
In 2011, the Issuer commissioned Danuta Kurpiewska leading business under the name WEG BET Danuta Kurpiewska to lay a foundation for one of the projects. The contract value amounted to PLN 4.4 million, of which the disputed amount is PLN 0.6 thousand.
In view of the long delay in execution of works, the Issuer was forced to commission the contract completion by substitute contractor and to bear costs of this construction. According to the agreement provisions, the Issuer charged WEG BET Danuta Kurpiewska penalties and claimed for damages. In connection with a number of failures in settlement of work by the debtor, the Issuer noticed on 07.02.2013 the Public Prosecutions Office of a crime.
In the Issuer's opinion, steps taken by Danuta Kurpiewska conducting business under the name WEG BET Danuta Kurpiewska are unfounded and the debtor attempt to evade the law and use the fact that Erbud is a public company in order to exert pressure in order to obtain financial benefits. The Issuer has already taken appropriate measures to enforce the claim.

Dispute with the Municipality of the City of Szczecin - Zakład Usług Komunalnych [Public Utilities Company]

Erbud has sued the Municipality of the City of Szczecin - Public Utilities Company for the payment of 5.2 million due to the construction works completed. Erbud is awaiting a response to the lawsuit. In the pleading, the other party requests a reduction in remuneration by PLN 5 million.

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

Such events did not occur.

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

Such events did not occur.

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

Such events did not occur.

Note 46. Information on income tax due to extraordinary operations

There were no extraordinary operations.

Note 47. Seasonality

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

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

During the reporting period there were no such events.

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

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

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

As of 30 June 2013, the Company has no material obligations due to the purchase of property, plant and equipment.

Note 51. Information on adjustments of prior period errors

During the reporting period ended 30 June 2013, the Company did not make any corrections of prior period errors.

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

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

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of the Management Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, August 26, 2012