MANAGEMENT BOARD REPORT FOR 1-3Q OF 2013

1. Description of the organization of the ERBUD Group and changes in the structure

1.1 The Parent

Erbud S.A. is a Parent Company of the Erbud Group [the "Parent"].

The core business of the Group is broadly understood construction activity performed in general contracting and subcontracting in the country and abroad. ERBUD S.A. is the dominant entity in the Group.

1.2 Consolidated related parties

As at 30 September 2013 the structure of Erbud Group was as follows.

The Group consists of the Parent Company Erbud SA, based in Warsaw and the following subsidiaries:

Subsidiary name	Seat	Core business	Percentage of shares held by the Parent and votes at AGM as of			
			31.03.2013	30.06.2013	31.03.2013	31.12.2012
Erbud International Sp. z o.o.	Toruń	Construction	100%	100%	100%	100%
GWI GmbH	Niemcy	Construction	85%	85%	85%	85%
Ersteel Sp. z o.o.	Toruń	Construction	100%	100%	100%	100%
Erbud Rzeszów Sp. z o.o.	Rzeszów	Construction	79%	79%	79%	79%
Delta Sp. z o.o.	Toruń	Construction	100%	100%	100%	100%
Toruńska Sportowa S.A. w likwidacji	Toruń	Sports, leisure and entertainment	39%	39%	39%	39%
Grupa Budlex	Warszawa	Housing development	90%	90%	90%	90%
Przedsiębiorstwo Budownictwa Drogowo -Inżynieryjnego S.A.	Toruń	Road-engineering	94.27%	94.27%	94.27%	94.27%
Erbud Energetyka Sp. z o.o.	Toruń	Construction	100%	100%	100%	100%
Erbud Construction	Toruń	Construction	100%	100%	100%	100%
Engorem Sp. z o.o *)	Łódź	Services for power industry	98.58%	98.41%	80.22%	80.22%

a)) Subsidiaries included in the consolidated financial statements of the Group by full method:

- Erbud International Sp. z o.o.
- GWI GmbH
- Grupa Budlex
- PBDI S.A.
- Erbud Energetyka Sp. z o.o.
- Ersteel Sp. z o.o.
- Delta Sp. z o.o. (Engorem Sp. z o.o.)

b) Subsidiaries excluded from the consolidated financial statements:

- Erbud Rzeszów Sp. z o.o.
- Erbud Construction Sp. z o.o.
- Erbud Ireland LTD

*) **On 22.11.2012**, 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, what was announced in Current Report No. 50/2012 dated 22.11.2012.
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.

The Management Board of ERBUD S.A. believes the new entity is a foundation for further expansion of the Group's competence in the energy sector.

To optimize the transaction in terms of Cash Flow, ERBUD SA sold on 4 January all shares in Engorem Sp. z o.o., a subsidiary of Delta Sp. z o.o.
For the purchase of shares Delta sp. z o.o. received a loan from Polski Bank Przedsiębiorczości S.A. As a result of such financing structure, the transaction will be neutral for Erbud S.A. in cash terms.

As at the date of preparing the Financial Statements, i.e. 30 September 2013 and as at the date of their publication, Delta Sp. z o.o. owns 98.58 percent of the equity share capital and is entitled to 98.58 percent of votes at the AGM.

After buying out the remaining shares in Engorem Sp. z o.o. by Delta, it is planned to make a merger of the two companies.

2. Standpoint of the Erbud's S.A. Management Board as regards meeting forecasts published in the prospectus in light of the results presented herewith

The Management Board of Erbud S.A. did not publish any projections or estimates for 2013.

3. Shareholders of the Parent

According to information held by ERBUD S.A., there were following changes in the shareholding of the Issuer by the report publication date:

On **31 January 2013**, the Issuer's Management Board has been notified of the purchase of shares by a member of the Supervisory Board of Erbud SA. The person related bought 6,000 shares.

On **6 June 2013,** the Issuer's Management Board has been notified of the sale of shares by a proxy of Erbud SA. The person related sold 2,000 shares.

On **17 June 2013,** the Issuer's Management Board has been notified of the sale of shares by a proxy of Erbud SA. The person related sold 4,921 shares.

On **17 June 2013,** the Issuer's Management Board has been notified of the sale of shares by a proxy of Erbud SA. The person related sold 3,000 shares.

Moreover, on **19 August 2013,** ING Otwarty Fundusz Emerytalny („the Fund") sold a part of shares held. 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.

On **5 September 2013,** the Issuer's Management Board has been notified of the sale of shares by a proxy of Erbud SA. The person related sold 2,750 shares.

On **13 September 2013,** the Issuer's Management Board has been notified of the sale of shares by a person having access to Erbud's confidential information and a person related to him. The person related sold 1,800 shares.

On **17 September 2013,** the Issuer's Management Board has been notified of the sale of shares by a person related to the person having access to Erbud's confidential information. The person related sold 1,245 shares.

On **17 September 2013,** the Issuer's Management Board has been notified of the sale of shares by a proxy of Erbud SA. The person related sold 3,000 shares.

On **17 September 2013,** the Issuer's Management Board has been notified of the sale of shares by a person related to the person having access to Erbud's confidential information. The person related sold 1,791 shares.

On **30 October 2013,** the Management Board received information, that the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register, registered the increase of the Issuer's share capital to PLN 1,271,454.60. The increase was due to the issue of series H shares under the Management Stock Option Scheme adopted by the General Meeting of Shareholders.

Therefore, the Issuer's share capital as at the report preparation date, i.e. 30 September 2013, consisted of the following shares:

Series	Number of shares	Price in PLN	Value in PLN
A	2 000 000	0.10	200 000.00
B	8 000 000	0.10	800 000.00
C	71 025	0.10	7 102.50
D	2 500 000	0.10	250 000.00
E	31 686	0.10	3 168.60
F	41 458	0.10	4 145.80
G	33 787	0.10	3 378.70
Total	12 677 956	0.10	1 267 795.60

The Issuer's share capital as at the report publication date consists of the following shares:

Series	Number of shares	Price in PLN	Value in PLN
A	2 000 000	0.10	200 000.00
B	8 000 000	0.10	800 000.00
C	71 025	0.10	7 102.50
D	2 500 000	0.10	250 000.00
E	31 686	0.10	3.168.60
F	41 458	0.10	4 145.80
G	33 787	0.10	3 378.70
H	36 590	0.10	3 659.00
Total	12 714 546	0.10	1 271 454.60

Accordingly, the shareholding (shareholders having more than 5%) as at the date of preparing the report, i.e. 30 September 2013, was as follows:

Shareholders holding over 5 percent of ERBUD SA shares as at 30.09.2013

Aggregate number of Erbud shares: 12 677 956

No.	Shareholder	Class of shares	Number of shares held	Equity percentage	Voting power	% of voting rights
1	Wolff & Müller Baubeteiligungen GmbH & Co. KG, of which Wolff & Müller Holding GmbH & Co. KG	ordinary	4 152 865	32.76%	4 152 865	32.76%
2	Juladal Investment Limited	ordinary	2 848 347	22.47%	2 848 347	22.47%
3	Aviva OFE Aviva BZ WBK	ordinary	1 183 146	9.33%	1 183 146	9.33%
4	ING OFE	ordinary	1 266 900	9.99%	1 266 900	9.99%
5	Dariusz Grzeszczak, of which a subsiadry monitoring by Dariusz Grzeszczak	ordinary	773 900	6.10%	773 900	6.10%
6	Free Float	ordinary	2 452 798	19.35%	2 452 798	19.35%
		Total	12 677 956	100.00%	12 677 956	100.00%

The shareholding (shareholders having more than 5%) as at the date of publication the report, i.e. 14.11.2013, was as follows:

Shareholders holding over 5 percent of ERBUD SA shares as at 14.11.2013

Aggregate number of Erbud shares: 12 714 546

No.	Shareholder	Class of shares	Number of shares held	Equity percentage	Voting power	% of voting rights
1	Wolff & Müller Baubeteiligungen GmbH & Co. KG, of which Wolff & Müller Holding GmbH & Co. KG	ordinary	4 152 865	32.66%	4 152 865	32.66%
2	Juladal Investment Limited	ordinary	2 848 347	22.40%	2 848 347	22.40%
3	Aviva OFE Aviva BZ WBK	ordinary	1 183 146	9.30%	1 183 146	9.30%
4	ING OFE	ordinary	1 266 900	9.96%	1 266 900	9.96%

5	Dariusz Grzeszczak, of which a subsiadry monitoring by Dariusz Grzeszczak	ordinary	773 900	6.08%	773 900	6.08%
6	Free Float	ordinary	2 489 388	19.60%	2 489 388	19.60%
		Total	12 714 546	100.00%	12 714 546	100.00%

4. The Erbuds S.A. shares or rights to them (options) held by the managing and supervising staff as at the date of the report submission, including changes in ownership in 3Q 2013

As of 31 September 2013, the members of managing and supervising staff held the following number of shares.

Persons related holding shares of ERBUD SA as at 30.09.2013

Aggregate number of Erbud shares: 12 677 956

No.	Person related	Relationship	Class of shares	Number of shares	Equity percentage	Number of votes	% of voting rights
1	Dariusz Grzeszczak	Erbud's SA Management Board member	ordinary	773 900	6.10%	773 900	6.10%
2	Józef Adam Zubelewicz	Erbud's SA Management Board member	ordinary	259 500	2.05%	259 500	2.05%
3	Walenty Twardy	Proxy of Erbud SA	ordinary	16 852	0.13%	16 852	0.13%
4	Piotr Augustyniak	Proxy of Erbud SA	ordinary	890	0.01%	890	0.01%
5	Bogdan Dürr	President of Erbud International Sp. zo. o. / Proxy of Erbud S.A.	ordinary	6 712	0.05%	6 712	0.05%
6	Beata Krzywicka	Spouse of Proxy of Erbud S.A.	ordinary	0	0.00%	0	0.00%
7	Tomasz Krzywicki	Proxy of Erbud SA	ordinary	0	0.00%	0	0.00%
8	Agnieszka Głowacka	Proxy of Erbud SA	ordinary	2 336	0.02%	2 336	0.02%
9	Włodzimierz Czystowski	Proxy of Erbud SA	ordinary	10 525	0.08%	10 525	0.08%
10	Mariola Zielińska	Chief Accountant of ERBUD S.A.	ordinary	4 018	0.03%	4 018	0.03%
11	Radosław Kałamaga	Proxy of Erbud SA	ordinary	5 494	0.04%	5 494	0.04%
12	Waldemar Kozłowski	Proxy of Erbud SA	ordinary	0	0.00%	0	0.00%
13	Maciej Wyrzykowski	Proxy of Erbud SA	ordinary	1 200	0.01%	1 200	0.01%
14	Mirosław Młynarski	Proxy of Erbud SA	ordinary	6 778	0.05%	6 778	0.05%
15	Albert Dürr	Erbud's SA Supervisory Board member	ordinary	14 500	0.11%	14 500	0.11%
TOTAL				**1 102 705**	**8.70%**	**1 102 705**	**8,70%**

Persons related holding shares of ERBUD SA as at 12.11.2013

Aggregate number of Erbud shares: 12 714 546

No.	Person related	Relationship	Class of shares	Number of shares	Equity percentage	Number of votes	% of voting rights
1	Dariusz Grzeszczak	Erbud's SA Management Board member	ordinary	773 900	6.09%	773 900	6.09%
2	Józef Adam Zubelewicz	Erbud's SA Management Board member	ordinary	259 500	2.04%	259 500	2.04%
3	Walenty Twardy	Proxy of Erbud SA	ordinary	20 852	0.16%	20 852	0.16%
4	Piotr Augustyniak	Proxy of Erbud SA	ordinary	890	0.01%	890	0.01%
5	Bogdan Dürr	President of Erbud International Sp. zo. o. / Proxy of Erbud S.A.	ordinary	6 712	0.05%	6 712	0.05%
6	Tomasz Krzywicki	Proxy of Erbud SA	ordinary	700	0.01%	700	0.01%
7	Agnieszka Głowacka	Proxy of Erbud SA	ordinary	6 336	0.05%	6 336	0.05%
8	Włodzimierz Czystowski	Proxy of Erbud SA	ordinary	11 525	0.09%	11 525	0.09%
9	Mariola Zielińska	Chief Accountant of ERBUD S.A.	ordinary	4 818	0.04%	4 818	0.04%
10	Radosław Kałamaga	Proxy of Erbud SA	ordinary	5 494	0.04%	5 494	0.04%
11	Waldemar Kozłowski	Proxy of Erbud SA	ordinary	0	0.00%	0	0.00%
12	Maciej Wyrzykowski	Proxy of Erbud SA	ordinary	2 200	0.02%	2 200	0.02%
13	Mirosław Młynarski	Proxy of Erbud SA	ordinary	11 426	0.09%	11 426	0.09%
14	Albert Dürr	Erbud's SA Supervisory Board member	ordinary	14 500	0.11%	14 500	0.11%
Total				**1 118 853**	**8.80%**	**1 118 853**	**8.80%**

The Management Board members and holders of a commercial power of attorney did not have any Erbud's shares options.

5. Information about the proceedings pending before a court, authority responsible for arbitration or public administration as at 31 September 2013

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 resulted from the Issuer's need to adequate secure its situation.
The product was presented by the Bank as an instrument optimally adapted to the requirements of Erbud S.A. 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.

In the course of many talks, the Issuer presented its position to the Bank, which required execution of the transaction, including 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.

By the report publishing date, there were three sessions on which seven witnesses have been heard.

On 10.01.2013, Danuta Kurpiewska conducting business under the name WEG BET Danuta Kurpiewska, which is a debtor to Erbud S.A., filed an Application of the creditor for bankruptcy to the District Court for the Capital City of Warsaw, Commercial Division for Bankruptcy and Relief. By decision of 29 May 2013, the court dismissed the application for bankruptcy of ERBUD due to lack of legitimacy of the applicant to file it. The applicant appealed against the decision, while on 19 July 2013 it has been submitted an answer as regards the complaint with a request to reject it as manifestly unfounded. To date, the Company has not received a decision of the court of second instance.

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. Investigation in progress.

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. The current value of claims against WEG BET amounts of more than PLN 3.5 million.

6. Information about the concluding by the Issuer and its subsidiaries transactions of a non-routine and unusual nature with associates of a value exceeding EUR 500,000.00

In the period of three quarters of 2013, there took place transactions with related parties, that value in the period from the beginning of the fiscal year exceeded the PLN equivalent of EUR 500,000. Most transactions were of a routine nature and resulted from the statutory activities of the companies of the Group.

7. Information about loan, pledges or guarantees granted by the Issuer or its subsidiary during a year

Guarantees and loans granted by the Issuer are summarized below:

Description	30.09.2013	30.06.2013	31.03.2013	31.12.2012	30.09.2012
GWI GmbH – guarantee to repay the loan	8 433	8 523	8 355	8 176	8 228
GWI GmbH – guarantee to repay the loan issued by BRE Bank S.A.	8 433	8 523	8 355	11 038	11 107
GWI GmbH – guarantee to repay the loan	0.00	0.00	0.00	4 088	4 114
Erbud International Sp. z o.o. - loan	11 486	11 486	11 486	11 486	11 486
Budlex Sp. z o.o. - loan	23 974	23 974	23 974	23 974	23 974
Budlex Pestalozziego Sp. z o.o.	0.00	12 286	12 286	12 286	12 286
GWI GmbH, Erbud International – surety for financial guarantees line	31 622	31 960	30 662	30 662	30 853

Total contingent liabilities	**83 948**	**97 752**	**96 118**	**102 710**	**103 048**

List of guarantees in the Budlex Group:

Liability	Amount	Guarantor	Debtor	Bank
Guarantee to the loan amount, incl. interest and other receivables due to the bank	1 000.00	Budlex Properties sp. z o.o.	Budlex S.A.	PKO BP S.A.
Bill guarantee	26 000.00	Budlex S.A.	Budlex Glinki A3 sp. z o.o.	BRE Bank Hipoteczny S.A
Bill guarantee	8 081.00	Budlex S.A.	Budlex Zbożowa 1 sp. z o.o. s.k.	Bank PKO BP S.A.
Bill guarantee	15 231.00	Budlex S.A.	Budlex Pestaalozziego 1 sp.z o.o.	Bank PKO BP S.A.
Bill guarantee	11 000.00	Budlex S.A.	Budlex Winnica L6-7 sp. z o.o. s.k.	BRE Bank Hipoteczny S.A
Bill guarantee	11 500.00	Budlex S.A.	Budlex Brzoskwiniowa sp. z o.o.	BRE Bank Hipoteczny S.A
	72 812.00			

Off-balance sheet liabilities of the Issuer in the form of financial guarantees (Bank and Insurance guarantees):

Description	30.09.2013	30.06.2013	31.03.2013	31.12.2012	30.09.2012
Liabilities payment guarantee	23 783	54 492	40 181	48 196	65 331
Performance bond	147 354	142 305	130 984	156 615	131 765
Defects remedying guarantee	137 420	134 840	108 880	107 835	105 194
Total contingent liabilities	**308 557**	**331 637**	**280 045**	**312 646**	**302 291**

8. Key events occurred over three quarters of 2013 and the significant events after 30.09.2013

During the reporting period there were no extraordinary events that would have an impact on the financial position of the Issuer.

9. Other information, which in the Issuer's opinion is important for assessing its personnel situation, the asset and financial position, financial results and their changes and information that is relevant to assess the feasibility of the Issuer's obligations

9.1.1 List of signed loan agreements and agreements for multi-purpose guarantee lines

Available debts of the Erbud Group under the contracts signed were as follows:

Bank name	Type of liability	Amount in PLN '000	CU	Interest rate	Maturity date	Instalments payment	Borrower
BNP Paribas Bank Polska S.A.	Overdraft credit	3 000	PLN	WIBOR 1M + marża	2014-10-29	In one amount	Erbud S.A.
BRE Bank S.A.	Overdraft credit	10 000	PLN	WIBOR 1M + margin	2013-12-31	In one amount	ERBUD S.A.
PKO BP S.A.	Overdraft credit	15 000	PLN	Call rate of PKO BP + margin	2014-06-30	In one amount	ERBUD S.A.

ING Bank Śląski S.A.	Overdraft credit	32 000	PLN	WIBOR 1M + margin	2013-12-31	In one amount	ERBUD S.A./PBDI S.A./Budlex S.A.
Deutsche Bank A.G.	Investment loan	59,3	EUR	5,5% pa fixed rate	2017-05-30	Equal monthly instalments	GWI
Alior Bank S.A.	Overdraft credit	10 000	PLN	WIBOR 1M + margin	2014-09-04	In one amount	ERBUD S.A.
KBC	Overdraft credit	1 000	EUR	EONIA + margin	2013-10-25	In one amount	GWI
BNP Paribas Bank Polska S.A.	Overdraft credit	3 000	PLN	WIBOR 1M + margin	2013-12-04	In one amount	PBDI S.A.
Commerzbank	Overdraft credit	2 000	EUR	5,5% pa fixed rate	2013-12-06	In one amount	GWI
PBP S.A.	Investment loan	7 500	PLN	WIBOR 3M + margin	2019-12-18	In one amount	Delta Sp. z o.o.

Moreover, the following guarantees may be granted:

Bank name	Type of liability	Amount in PLN '000	CU	Company
Fortis Bank S.A.	Bid bond, performance bond, repair works guarantee, repayment of advances, re-guarantee	40 000	PLN	Erbud S.A.
BRE Bank S.A.	Bid bond, performance bond, repair works guarantee	70 000	PLN/USD/USD	Erbud S.A
PKO BP	Bid bond, performance bond, repair works guarantee	20 000	PLN	Erbud S.A
Kredyt Bank S.A.	Performance bond, repair works guarantee, payment guarantee	34 000	PLN	Erbud S.A
Alior Bank S.A.	Performance bond, repair works guarantee, payment guarantee	40 000	PLN	Erbud S.A
ING S.A.	Bid bond, performance bond, repair works guarantee, repayment of advances, re-guarantee	48 000	PLN	Erbud S.A; PBDI S.A.
Fortis Bank S.A.	Bid bond, performance bond, repair works guarantee, repayment of advances, re-guarantee	4 000	PLN	PBDI S.A.
KBC Bank	Bid bond, performance bond, repair works guarantee, repayment of advances, re-guarantee	1 000	EUR	GWI GmbH

9.1.2 Credit agreements signed by the companies of the Budlex Group

No.	Borrower	Creditor	Kind of credit	Amount in PLN '000	Interest rate	Maturity date
1	Budlex S.A.	Bank PKO BP SA	Overdraft credit	1 000	WIBOR 1M +margin	2014-01-24
2	Budlex S.A.	ING Bank Śląski	Revolving credit	12 000	WIBOR 1M +margin	2013-12-31
3	Budlex Glinki A3 sp. z o.o.	BRE BANK HIPOTECZNY SA	Investment loan	26 000	WIBOR 3M +margin	2015-09-15
4	Budlex Zbożowa 1 sp. z o.o. s.k.	PKO BP SA	Development loan	8 081	WIBOR 3M +margin	2013-11-30
5	Budlex Pestaalozziego 1 sp.z o.o.	PKO BP SA	Development loan	15 231	WIBOR 3M +margin	2014-07-31

6	Budlex Winnica I6-7 sp. z o.o. s.k.	BRE BANK HIPOTECZNY SA	Investment loan	11 000	WIBOR 6M +margin	2017-04-15
7	Budlex Brzoskwiniowa sp. z o.o.	BRE BANK HIPOTECZNY SA	Investment loan	11 500	WIBOR 6M +margin	2017-01-15

9.2. Significant financial agreements

On 17.04.2013, Erbud S.A signed with Powszechny Zakład Ubezpieczeń Spółka Akcyjna an agreement for periodic establishment of insurance guarantees.
The agreement includes granting of contractual guarantees on behalf of ERBUD SA. The maximum exposure limit is PLN 50,000,000.00, provided that the exposure limit for advance amount repayment shall not exceed PLN 6,000,000.00.
These limits have been set out by 25.03.2014; an extension for a further period is possible.

On 05.09.2013, Erbud SA signed an annex to the loan agreement with Alior Bank. The agreement provides for an extension of the term of the PLN 50 million line for another 12 months, by 4 September 2014.

On 30.10.2013, the Issuer signed an annex to the agreement on multi-purpose credit line with PNB Paribas Bank Polska SA. By virtue of this annex the value of the credit line was decreased from PLN 30m to 40m. The viability of the line has been extended by 29 October 2014.

9.3. Important information about subsidiaries

9.3.1. General information

By 30 September 2013 and to date of the report publication, there were no events that could have an impact on the Erbud Group.

9.3.2 Information on transactions with related parties in the Group of the Issuer.

By 30 September 2013 and to the report date publication, the Issuer and its subsidiaries have not concluded any transactions with its affiliates under conditions other than market conditions.

9.4. Other relevant factors, which in the Issuer's opinion can influence the future performance of the Group

9.4.1 Modlin Airport - Facts - Basic information about the contract and its completion.

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 carried out 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 Provincial 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 Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego 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.

By the date, the Customer addressed to the General Contractor a request for payment due to "indemnification" of for a the total amount of PLN 10,496,180.48. The Customer did not documented factual and legal claims. The General Contractor shall not acknowledge the Customer's claim.

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.

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 cost of works carried out at the airport is estimated at about PLN12.5m. Following the outsourced expertise all of the costs will be charged to the indicated entity (-ies) as a result of outsourced expertise.

As of 31.12.2012, the General Contractor created a reserve of PLN 2,8m for costs associated with Modlin project, such as expert assessments, legal and consulting services.

Despite the dissenting opinion of DSH, the General Contractor, having regard to the public interest, started works associated with the replacement of the runway concrete pavement (as substitute contractor) 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.

9.5. The Issuer's Supervisory Board

On 31 May 2012, the General Meeting of Shareholders of Erbud SA appointed by resolutions Nos. 14-20/2012 the following members of the Supervisory Board:

Full name	Post/Function	Term beginning	Term ending
Udo Berner	Chairman of the Supervisory Board	31.05.2012	31.05.2015
Józef Olszyński	Vice-Chairman of the Supervisory Board	31.05.2012	31.05.2015
Albert Dürr	Member of the Supervisory Board	31.05.2012	31.05.2015
Gabriel Główka	Member of the Supervisory Board	31.05.2012	31.05.2015
Lech Wysokiński	Member of the Supervisory Board	31.05.2012	31.05.2015
Zofia Dzik	Member of the Supervisory Board	31.05.2012	31.05.2015
Michał Otto	Chairman of the Supervisory Board	31.05.2012	31.05.2015

There are two committees working within the Supervisory Board of Erbud SA: Remuneration Committee and Audit Committee.

To the date of the report publication, the composition of the Supervisory Board has not changed.

9.6. The Issuer's Management Board

On 31 May 20132, the Supervisory Board appointed the Management Board of Erbud SA for a new three-year joint term of office in the following composition:

Full name	Post/Function	Term beginning	Term ending
Dariusz Grzeszczak	Management Board member	31.05.2012	31.05.2015
Józef Adam Zubelewicz	Management Board member	31.05.2012	31.05.2015

To the report publication date, the composition of the Management Board has not changed.

Signatures of the Management Board Members

Józef Zubelewicz
/Board member/

Dariusz Grzeszczak
/Board member/

Warsaw, 12 November 2013