Translation from Polish

ERBUD CAPITAL GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 3 QUARTERS OF 2013

PREPARED PURSUANT TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2013 (in PLN 000')

	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Fixed assets	**116 817**	**122 307**	**123 826**	**117 578**
Intangibles	1 812	1 906	2 067	577
Goodwill	20 102	20 102	20 102	20 102
Tangible fixed assets	32 096	32 850	34 968	28 580
Real estate investments	5 499	5 506	5 519	5 527
Other non-current financial assets	20 494	19 700	25 066	18 317
Non-current receivables	0	0	1 550	1 550
Deferred tax assets	36 814	42 243	34 554	42 925
Current assets	**646 397**	**564 641**	**695 867**	**773 126**
Inventory	109 693	104 584	115 293	124 339
Trade and other receivables	239 991	229 654	267 500	370 698
Income tax receivables	5 074	4 530	6 593	1 002
Financial assets	339	342	389	13 996
Building securities	46 804	43 997	42 234	37 142
Cash and cash equivalents	95 151	79 901	201 769	93 536
Short-term prepayments and accruals	4 944	4 493	3 068	2 387
Construction contracts	144 401	97 140	59 021	130 026
Total assets	**763 214**	**686 948**	**819 693**	**890 704**
Equity attributable to shareholders of the parent company	**248 771**	**241 412**	**237 652**	**232 058**
Share capital	1 268	1 268	1 268	1 264
Exchange rate differences on translation of foreign entities	663	738	455	539
Capital reserves	222 204	222 200	215 669	214 967
Undistributed profits	24 636	17 206	20 260	15 288
Minority interests	**11 638**	**11 410**	**13 791**	**10 539**
Total shareholders' equity	**260 409**	**252 822**	**251 443**	**242 597**
Long-term liabilities	**52 147**	**106 075**	**103 597**	**103 517**
Bank loans and borrowings	4 678	5 132	12 616	12 567
Provision for deferred income tax	34 517	37 911	28 620	34 001
Provision for retirement and similar benefits	7 398	7 398	6 900	1 346
Other provisions	2 753	2 772	2 750	1 798
Other financial liabilities	2 681	2 266	2 699	3 805
Other liabilities	120	596	12	0
Liabilities due to bonds issue	0	50 000	50 000	50 000
Short-term liabilities	**450 658**	**328 051**	**464 653**	**544 590**
Credits and loans	38 246	53 004	37 987	66 057
Trade and other liabilities	185 019	147 711	296 163	292 164
Current tax liabilities	12	264	201	562
Liabilities form issue of bonds	50 000	0	0	0
Provision for retirement and similar benefits	5 473	5 072	5 802	4 220
Other provisions	14 242	14 459	16 901	10 342
Building securities	81 425	78 225	79 814	79 377
Construction contracts	61 799	18 004	11 931	59 354
Other accruals	14 442	11 312	15 854	32 514
Total liabilities	**763 214**	**686 948**	**819 693**	**890 704**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 9-month period ended 30 September 2013 (in PLN 000')

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
CONTINUING OPERATIONS				
Revenues from sales of products and services and of goods and materials	**824 586**	**298 684**	**965 780**	**362 368**
Cost of sold products and services and of goods and materials	**762 629**	**273 239**	**905 966**	**342 673**
Profit (loss) from sales	**61 957**	**25 445**	**59 814**	**19 695**
Cost of sales	2 745	809	1 803	598
General and administrative costs	38 025	13 078	34 979	9 515
Other operating income	**7 998**	**6 586**	**3 232**	**858**
Other operating expenses	**8 507**	**5 626**	**2 722**	**1 081**
Profit (loss) on operating activities	**20 678**	**12 518**	**23 542**	**9 359**
Other gains (losses) on investments	**0**	**0**	**0**	**0**
Financial income	**2 982**	**-599**	**4 512**	**1 247**
Financial expenses	**8 438**	**1 847**	**11 519**	**4 884**
Profit (loss) on continuing operations before tax	**15 222**	**10 072**	**16 535**	**5 722**
Income tax	4 643	2 132	3 624	1 145
Net profit (loss) for the financial period attributable to:	**10 579**	**7 940**	**12 911**	**4 577**
- Shareholders of the parent company	**10 019**	**7 668**	**12 067**	**4 122**
- Minority shareholders	**560**	**272**	**844**	**455**
Earnings (loss) per share (in PLN) on continuing operations	**0.79**	**0.60**	**0.95**	**0.33**
Earnings (loss) per share (in PLN) on continuing and discontinued operations	**0.79**	**0.60**	**0.95**	**0.33**

	Note	9-month period ended 30.09.2013	9-month period ended 30.09.2012
Consolidated net profit		10 579	12 911
Exchange rate differences from translation of foreign branches and entities		94	-757
Deferred income tax due to items of other comprehensive incomes		0	0
Other comprehensive net incomes		94	-757
Total comprehensive income attributable to:		10 673	12 154
- Shareholders of the parent company		10 175	11 598
- Minority shareholders		498	556

CONSOLIDATED STATEMENT OF CASH FLOW

as at 30 September 2013 (in PLN 000')

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
Cash flow from operating activities				
Net profit (loss)	**10 579**	**7 940**	**12 911**	**4 577**
Total adjustments	**-99 995**	**25 284**	**-55 451**	**10 098**
Depreciation and amortization	5 369	1 672	5 244	1 575
Gains / losses from exchange rate differences	-162	-524	-822	-412
Interest and profit sharing (dividend)	2 840	1 019	4 024	1 547
Profit / loss on investment activities	940	1 256	-917	-965
Change in provisions	3 410	-3 230	1 858	-9 991
Change in inventories	6 052	-4 861	-14 995	4 734
Change in receivables	29 507	-11 439	-118 289	-116 359
Change in short-term liabilities, excluding loans and borrowings	-107 485	36 549	69 192	87 174
Change in prepayments and accruals	-41 060	4 640	38	44 088
Other adjustments	594	202	-784	-1 293
Net cash used in operating activities	**-89 416**	**33 224**	**-42 540**	**14 675**
Cash flow from investment activities				
Inflows	**8 959**	**607**	**18 343**	**17 108**
Disposal of intangible and tangible fixed assets	775	181	650	148
Disposal of real property investments	0	0	81	0
Disposal of financial assets	79	0	218	198
Dividends and interest received	722	0	893	309
Repayment of long-term loans	7 375	426	13 501	13 453
Other investment inflows	8	0	3 000	3 000
Outflows	**10 422**	**1 721**	**32 014**	**16 014**
Acquisition of intangible and tangible fixed assets	1 316	389	3 865	2 688
Investments in real property	0	0	0	0
Acquisition of financial assets	7 633	13	14 628	624
Long-term loans granted	1 196	1 179	13 521	12 702
Other investment outflows	277	140	0	0
Net cash flow from investment activities	**-1 463**	**-1 114**	**-13 671**	**1 094**

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
Cash flow from financial activities				
Inflows	**40 577**	**0**	**55 282**	**10 970**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0	224	224
Credits and loans	40 577	0	55 058	10 746
Issue of debt instruments	0	0	0	0
Other financial inflows	0	0	0	0
Outflows	**56 316**	**16 957**	**66 826**	**3 435**
Redemption of own shares	0	0	0	0
Dividends and other payments to the shareholders	2	2	134	134
Dividends and other payments to the minority shareholders	0	0	0	0
Repayment of credits and loans	47 787	14 723	55 976	0
Repayment of debt instruments issued	0	0	0	0
Other financial liabilities	0	0	0	0
Payment of liabilities arising from financial leases	2 960	951	2 792	286
Interest paid	5 358	1 216	7 758	3 015
Other financial outflows	209	65	166	0
Net cash flow from financial activities	**-15 739**	**-16 957**	**-11 544**	**7 535**
Total net cash flow	**-106 618**	**15 153**	**-67 755**	**23 304**
Balance sheet change in cash, including:	**-106 618**	**15 250**	**-67 755**	**23 304**
- change in cash due to foreign exchange differences	0	-97	0	0
Cash opening balance	**201 769**	**79 901**	**161 291**	**70 232**
Closing balance of cash, including:	**95 151**	**95 151**	**93 536**	**93 536**
- restricted cash	24 566	-12 489	35 086	-6 625

Reconciliation of changes in balance sheet items to changes disclosed in the cash flow statement for 3Q 2013 is presented below:

	30.09.2013
Change in inventories in the balance sheet	**5 599**
Financial costs activated	453
Change in inventories in the statement of cash flows	**6 052**

	30.09.2013
Change in liabilities in the balance sheet	**-113 221**
Activated interest on the loan	69
Liabilities due to the purchase of Budlex shares	5 667
Change in liabilities in the statement of cash flows	**-107 485**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 30 September 2013 (in PLN 000')

	Equity attributable to shareholders of the Parent								
					Undistributed profit (loss)				
	Share capital	Treasury shares	Capital reserve	Foreign exchange differences on translation of foreign entities	Retained profit / accumulated loss brought forward	Net profit / net loss	Total	Minority interests	Total shareholders' equity
As at 1 January 2013	**1 268**	**0**	**215 669**	**455**	**20 260**	**0**	**237 652**	**13 791**	**251 443**
Profit/loss for the period	0	0	0	0	0	10 019	**10 019**	560	**10 579**
Other total incomes	0	0	0	208	-52	0	**156**	-62	**94**
Total comprehensive income	**0**	**0**	**0**	**208**	**-52**	**10 019**	**10 175**	**498**	**10 673**
Payment in form of shares (Management Stock Option Scheme)	0	0	128	0	0	0	**128**	0	**128**
Parent's profit distribution	0	0	5 591	0	-5 591	0	**0**	0	**0**
Acquisition of shares in Engorem Sp. z o.o	0	0	816	0	0	0	**816**	-2 651	**-1 835**
As at 30 September 2013	**1 268**	**0**	**222 204**	**663**	**14 617**	**10 019**	**248 771**	**11 638**	**260 409**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

attributable to shareholders of the Parent Company as at 30 September 2012 (in PLN 000')

	Equity attributable to shareholders of the Parent								
					Undistributed profit (loss)				
	Share capital	Treasury shares	Capital reserve	Foreign exchange differences on translation of foreign entities	Retained profit / accumulated loss brought forward	Net profit / net loss	Total	Minority interests	Total shareholders' equity
As at 1 January 2012	**1 264**	**0**	**240 255**	**1 014**	**-22 069**	**0**	**220 464**	**9 983**	**230 447**
Profit/loss for the period	0	0	0	0	0	12 067	**12 067**	844	**12 911**
Other total incomes	0	0	0	-475	6	0	**-469**	-288	**-757**
Total comprehensive income	**0**	**0**	**0**	**-475**	**6**	**12 067**	**11 598**	**556**	**12 154**
Dividend to shareholders of the GWI subsidiary	0	0	0	0	0	0	**0**	0	**0**
Share capital increase	0	0	0	0	0	0	**0**	0	**0**
Payment in form of shares - shares awarded	0	0	38	0	0	0	**38**	0	**38**
Parent's result of the previous year brought forward to capital reserve	0	0	-25 284	0	25 284	0	**0**	0	**0**
Merger of subsidiaries	0	0	-100	0	0	0	**-100**	0	**-100**
Acquisition of shares in subsidiary Erbud Energetyka	0	0	58	0	0	0	**58**	0	**58**
As at 30 September 2012	**1 264**	**0**	**214 967**	**539**	**3 221**	**12 067**	**232 058**	**10 539**	**242 597**

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

Period	Average exchange rate for the reported period	Exchange rate as at the last day of the period
30.09.2013	4.2231	4.2163
31.12.2012	4.1736	4.0882
30.09.2012	4.1948	4.1138

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

Balance-sheet item	30.09.2013		30.09.2012	
	PLN	EUR	PLN	EUR
Total assets	763 214	181 015	890 704	216 516
Fixed assets	116 817	27 706	117 578	28 581
Current assets	646 397	153 309	773 126	187 935

Balance-sheet item	30.09.2013		30.09.2012	
	PLN	EUR	PLN	EUR
Total liabilities	763 214	181 015	890 704	216 516
Shareholders' equity	260 409	61 762	242 597	58 972
Liabilities and provisions for liabilities	502 805	119 253	648 107	157 544

Items of the balance sheet as at 30 September 2013 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.2163 PLN/EUR.

Items of the balance sheet as at 30 September 2012 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.1138 PLN/EUR.

Key items of the profit or loss converted to the EURO (as at the last day of the period, in PLN '000)

Item of profit or loss statement	9-month period ended 31.09.2013		9-month period ended 31.09.2012	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	824 586	195 256	965 780	230 233
Manufacturing cost of products sold	762 629	180 585	905 966	215 974
Gross profit on sales	61 957	14 671	59 814	14 259
Profit from operating activities	20 678	4 896	23 542	5 612
Gross profit (loss)	15 222	3 604	16 535	3 942
Net profit (loss)	10 579	2 505	12 911	3 078

Items of the profit or loss account for the period 01.01.2013 - 31.09.2013 were translated at the EURO mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that date, i.e. 4.2231 PLN/EUR.

Items of the profit or loss account for the period 01.01.2012 - 31.09.2012 were translated at the mid-rate which was calculated as an arithmetic mean of average rates prevailing as at the last day of each month during the said period, set by the NBP as at that date, i.e. 4.1948 PLN/EUR.

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

Cash flow items	9-month period ended 31.09.2013		9-month period ended 31.09.2012	
	PLN	EUR	PLN	EUR
A. Cash flow from operating activities	-89 416	-21 173	-42 540	-10 141
B. Cash flow from investing activities	-1 463	-346	-13 671	-3 259
C. Cash flow from financing activities	-15 739	-3 727	-11 544	-2 752
D. Total net cash flow (A+/-B+/-C)	-106 618	-25 246	-67 755	-16 152
F. Cash and cash equivalents at the beginning of the period	201 769	49 354	161 291	36 518
G. Cash and cash equivalents at the end of the period	95 151	22 567	93 536	22 737

Cash flow items for the period of 01 January 2013 - 30 September 2013 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.2231 PLN/EUR

F item figures - at the exchange rate set by the NBP as at 1 January 2013, i.e. 4.0882 PLN/EUR

G item figures- at the exchange rate set by the NBP as at 30 September 2013, i.e. 4.2163 PLN/EUR.

Cash flow items for the period of 01 January 2012 - 30 September 2012 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1948 PLN/EUR

F item figures - at the exchange rate set by the NBP as at 1 January 2012, i.e. 4.4168 PLN/EUR

G item figures- at the exchange rate set by the NBP as at 30 September 2012, i.e. 4.1138 PLN/EUR

Note 1. Information on significant transactions of purchase and sale of property, plant and equipment and a major commitment for the purchase of property, plant and equipment

In the reporting period, there were no significant purchases or sales of property, plant and equipment.
As of 30 September 2013, the Group has no material commitments for the purchase of property, plant and equipment.

Note 2. Deferred income tax assets

Assets / liabilitiesdue to	30.09.2013	30.06.2013	31.12.2012	30.09.2012
- Building contracts valuation	12 121	13 358	9 721	15 070
- Provisions	5 175	5 430	6 825	3 719
- Loss of tax to be deducted in future periods	11 616	15 606	10 547	14 621
- Margin on intra-Group sales	487	0	487	4 216
- Accrued expenses	1 048	1 973	2 035	2 792
- Other remuneration charged statistically	240	233	236	200
- Receivables revaluation	1 320	1 092	857	137
- investment revaluation	359	609	359	562
- Other financial liabilities	1 680	1 303	578	709
- Consolidation adjustments	1 909	1 301	1 687	0

- Other	859	1 338	1 222	899
Total deferred tax assets	**36 814**	**42 243**	**34 554**	**42 925**

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

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

Note 3. Short-term receivables

Note 3.1 Short-term trade receivables and other debts

	30.09.2013	**30.06.2013**	**31.12.2012**	**30.09.2012**
Due to deliveries and services				
- from associates	269 541	244 949	265 483	364 934
- from other entities	62	17	863	238
From the public sector	269 479	244 932	264 620	364 696
Other	12 007	12 009	11 614	7 660
Impairment of receivables	16 694	27 912	49 192	42 853
Net short-term receivables	**6 373**	**6 689**	**9 962**	**6 605**
Due to deliveries and services	**291 869**	**278 181**	**316 327**	**408 842**

The fair value of trade receivables and other receivables is approximately equal to their carrying amount.

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

	30.09.2013	**30.06.2013**	**31.12.2012**	**30.09.2012**
Write-downs at the beginning of the period	**9 962**	**9 962**	**6 786**	**6 786**
Created to other operating costs	1 164	1 193	1 935	406
Reversed into other operating costs	384	90	412	360
Used	4 516	4 516	0	0
Impairment allowances taken from Engorem	0	0	1 929	0
Foreign exchange differences	147	140	-276	-227
Write-downs at the end of the period	**6 373**	**6 689**	**9 962**	**6 605**

Because the Group has a large number of customers both on domestic and foreign market, there is no concentration of credit risk for trade receivables.

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

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

Note 4. Construction contracts

	30.09.2013	**30.06.2013**	**31.12.2012**	**30.09.2012**
Building contracts income	787 744	498 248	1 309 714	916 394
Building contracts costs,	723 350	461 602	1 231 204	860 181

including:				
- recorded loss	0	0	0	0
Profit before tax	**64 394**	**36 646**	**78 510**	**56 213**

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

	30.09.2013	**30.06.2013**	**31.12.2012**	**30.09.2012**
Assets:				
Amounts due from customers	144 401	97 140	59 021	130 026
Contracts valuation	144 401	97 140	59 021	130 026
Liabilities:				
Amounts due to customers, incl.:	61 799	18 004	11 931	59 354
Contracts valuation	61 799	18 004	11 931	59 354
Provision for losses on contracts	0	0	0	0

Note 5. Share capital of ERBUD SA (the structure)
Note 5.1 Structure of the share capital ownership as at 30 September 2013

The share capital of the Parent Company as at 30 September 2013 consists of 12,677,956 shares with a total value of PLN 1,267,795.60. The structure of the share capital of the Parent as at 30 September 2013 was as follows:

Series	**Shareholder**	**Class of shares**	**Preferences on shares**	**Restrictions on shares**	**Number of shares**	**Percentage in equity**	**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	1 266 900	9.99%	None
D,E,C,F	Free Float	Ordinary	None	None	2 452 798	19.35%	None
	Total				**12 677 956**	**100%**	
	Par value of shares of all series	PLN 0.10		Share capital value	PLN 1 267 795.60		

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.

Note 6. Change in deferred income tax provision
Note 6.1 Deferred income tax provision

Provision due to	30.09.2013	30.06.2013	31.12.2012	30.09.2012
- long term building contracts valuation	25 614	28 430	19 278	24 838
- assets revaluation	6 360	6 433	6 576	5 981
- amortisation	267	0	0	0
- lease	0	0	0	0
- financial costs activated	273	265	346	368
- balance sheet valuation	902	211	277	495
- balance sheet valuation - interest	983	1 608	1 573	1 350
- other	118	964	570	969
- presentation adjustments	0	0	0	0
Total provision for deferred income tax	**34 517**	**37 911**	**28 620**	**34 001**

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

Note 7.
Note 7.1 Other non-current liabilities

	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Other financial liabilities, of which:				
- from financial lease	2 681	2 266	2 699	3 515
- derivative financial instruments	0	0	0	0
- debt securities issued	0	50 000	50 000	50 000
- other	120	596	12	290
Total long term liabilities	**2 801**	**52 862**	**52 711**	**53 805**

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

Short-term liabilities	30.09.2013	30.06.2013	31.12.2012	30.09.2012
a) Due to deliveries and services	239 446	194 053	308 342	318 169
- form associates	271	341	1 233	510
- form other entities	239 175	193 712	307 109	317 659
b) To public sector	11 230	10 318	14 132	9 464
- corporate income tax	12	264	201	562
- VAT	4 282	2 619	7 400	2 403
- income tax on natural persons	1 387	1 282	1 246	1 125
- other	5 549	6 153	5 285	5 374
c) Financial liabilities , incl.:	53 055	4 851	5 372	5 666

- interest	31	48	69	0
- interest from bonds	889	1 680	1 889	1 650
- lease	2 135	3 123	3 414	4 016
- issuance of debt securities	50 000	0	0	0
d) Other	12 725	16 978	48 332	38 804
- payroll	4 943	5 647	4 552	4 068
- prepayments received	4 797	8 434	34 009	29 333
- shares	0	0	5 553	5 403
- other	2 985	2 897	4 218	0
Total	**316 456**	**226 200**	**376 178**	**372 103**

Note 9. Finance lease liabilities

Fail value	**30.09.2013**	**31.12.2012**	**30.09.2012**
Up to 1 year	2 135	3 414	4 016
Over 1 and up to 5 years	2 681	2 699	3 515
Over 5 years			
Total	**4 816**	**3 683**	**7 531**

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

Note 10. Information on issue, redemption and repayment of debt instruments and securities issued
Note 10.1 Liabilities due to debt instruments and securities issued

Over the period ended 31 September 2013, the Group's companies issued the following debt securities and equity financial instruments.

On 14.07.2011, the Parent issued 50,000 unsecured three-years bearer Bonds with a total value of PLN 50 million. The issue price is equal to the par value and the interest rate was set based on WIBOR 6M plus a margin of 3.40% pa. The maturity date falls on 15 July 2014.

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

On 23 April 2012, the Management Board adopted Resolution No. 5/2012 on the share capital increase under the authorised capital by the issue of shares of series G and depraving the existing shareholders of their pre-emptive rights to series G 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.

Over the period from 1 January 2013 to 30 September 2013, the Company incurred financing costs due to interest on the bonds issued amounted to PLN 2,993 thousand. This amount consists of the interest accrued and paid for on 15 July 2013, and of a part of the issuance costs recognised as accruals – tottaled PLN 75 thousand. All commitments under the bonds are paid by the Company in due time.

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 capita. 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. Morover, the subscribtion will be effected on the condition that the Capital Group will achieve in the

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.
On 29 October 2013, the share capital increase to PLN 1,271,454.60 was registered in the National Court Register.

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

On 4 January 2013, Delta Sp. z o.o. (a subsidiary of the Erbud SA Group) entered into an agreement to buy from Erbud SA a 80.22% stake in Engorem Sp. z o.o. for the amount of PLN 9 500 000.

Note 12. Revenues from sales

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
Revenues from finished products sold	34 122	7 811	33 787	15 800
Revenues from services sold	788 663	289 661	914 942	345 709
Revenues from goods and materials	1 801	1 212	17 051	859
Total	**824 586**	**298 684**	**965 780**	**362 368**

Note 13. Costs by type

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
a) Depreciation and amortisation	5 369	1 672	5 244	1 575
b) Consumption of materials and power	122 711	48 860	173 527	61 343
c) External services	550 355	199 572	622 187	259 830
d) Taxes and charges	6 666	2 037	5 525	1 629
e) Payroll	91 693	30 934	76 985	25 644
f) Social security, health care and other benefits	19 049	6 578	17 286	5 742
g) Other costs	13 494	5 716	25 259	3 718
Total expenses by type	**809 337**	**295 369**	**926 013**	**359 481**
Change in inventories, products and deferred expenditures due to construction contracts	-5 938	-8 243	16 735	-6 695
Cost of production for in-house use (negative value)				
Cost of sales (negative value)	-2 745	-809	-1 803	-598
General and administrative costs (negative value)	-38 025	-13 078	-34 979	-9 515
Manufacturing cost of products sold	**762 629**	**273 239**	**905 966**	**342 673**

Note 14. Current and deferred income tax

	30.09.2013	30.06.2013	31.12.2012	30.09.2012
Profit and loss account	**4 643**	**2 511**	**4 972**	**3 624**
Deferred income tax due to the origination and reversal of temporary differences	3 648	1 786	2 658	-1 888
Current income tax	995	725	2 314	5 512

Note 15. Net earnings per share

	Year to 30.09.2013	Quarter to 30.09.2013	Year to 30.09.2012	Quarter to 30.09.2012
Profit (loss) attributable to the Parent's shareholders	10 019	7 668	12 067	4 122
Weighted average number of shares (in units)	12 696 251	12 696 251	12 644 169	12 644 169
Earnings (loss) per share (in PLN)	0.79	0.60	0.95	0.33
Weighted average diluted number of shares	12 751 214	12 751 214	12 695 441	12 695 441
Diluted earnings (loss) per share (in PLN)	0.79	0.60	0.95	0.32

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

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

There were no discontinued operations in the reporting period.

Note 17. Transactions with key executives

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

Shareholder	Class of shares	Number of shares	Per cent of equity	Number of votes	Per cent of voting rights at a GM
Juladal Investments Ltd. (a company controlled by Board members 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	16 852	0.13%	16 852	0.13%
Piotr Augustyniak Proxy of Erbud S.A.	Common	890	0.01%	890	0.01%
Agnieszka Głowacka Proxy of Erbud S.A.A.	Common	2 336	0.02%	2 336	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%
Mirosław Młynarski Proxy	Common	6 778	0.05%	6 778	0.05%
Radosław Kałamaga Proxy	Common	5 494	0.04%	5 494	0.04%
Maciej Wyrzykowski Proxy of Erbud S.A.	Common	1 200	0.01%	1 200	0.01%
Mariola Zielińska - Chief Accountant of Erbud S.A	Common	4 018	0.03%	4 018	0.03%

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 30 September 2013 and as at 31 December 2012 did not have outstanding loans, credits or guarantees granted by the companies of the Erbud Group.

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

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

Contracts concluded:

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

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

On 8 March 2013, GWI GmbH, the Erbud’s subsidiary, signed a contract for turnkey construction of the Oberkasseler Top Office Building (Silizium) in Düsseldorf, Phase 2 and 3. Projekt Oberkasseler Tor GmbH, seated in Düsseldorf, Breite Straße 31, is the Builder.
Net contract value: € 11.853.826.
Completion period: 08.03.2013 - 30.04.2014.

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.
Net contract value: PLN 51,500,000.
Completion period: 100 weeks from the date of concluding the contract.

On 11 June 2013, a contract has been signed for the construction of Kosciuszko Business Point in Toruń at 73 Kościuszki St.
The Builder: RYWAL-RHC Sp. z o.o. Oddział w Toruniu ul. Polna 140 B, 87-100 Toruń
Net contract value: PLN 25,800,000.
Completion period: 14 months from the date of concluding the contract.

On 17 June 2013, a contract has been signed for the construction of an office and retail building with basement garage, including internal road, services and utilities and site development works; plot No. 75 located in Warsaw at 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: 550 550 days from the issue of Instruction to Proceed Commencement of Works.

On 18 June 2013, ERBUD S.A. signed a contract for the 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 seated in Łódź, 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 - 01.10.2015.
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. signed a 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.
Net 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.

On 23 August, the Issuer signed with the company Grupa PEP - Farma Wiatrowa 1 Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw at 169 Wiertnicza St, 02-952 Warsaw (the Investor) a contract to carry out complete construction works, including foundations for wind turbines, adapting access roads for overweight vehicles, upgrading of existing roads, construction of service roads, assembly platforms for the building of Gawłowice Wind Farm. As regulated under the Contract, the Issuer is a partner of a consortium with the company Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. based in Torun (Consortium Leader) that is a subsidiary 94.27 per cent owned by the Issuer.
Net contract value: PLN 29,710,984.40.
31 December 2014 is a deadline for completion of the task by the consortium.

On 23 August 2013, the Issuer signed with the company Grupa PEP - Farma Wiatrowa 6 Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw at 169 Wiertnicza St, 02-952 Warsaw (the Investor) a contract to carry out complete construction works, including foundations for wind turbines, adapting access roads for overweight vehicles, upgrading of existing roads, construction of service roads and assembly platforms for the building of Rajgród Wind Farm. As regulated under the Contract, the Issuer is a partner of a consortium with the company Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. based in Torun (Consortium Leader) that is a subsidiary 94.27 per cent owned by the Issuer.
Net contract value: PLN 18,966,935.10.
31 December 2014 is a deadline for completion of the task by the consortium.

On 13 September 2013, ERBUD S.A. signed a contract for the construction of a retail centre and amusement park named Pilska Gallery located in Pila, Zygmunta Starego/Zakopiańska/14-LutegoThe Builder: Progress XX Sp. z o.o. ul. Złotoryjska 63, 59-220 Legnica
Contract value: PLN 58,400,000.00.
Completion deadline: 30.09.2014.

On 3 October 2013, the Issuer was notified that the company Deptak Projekt P2 sp. z o.o., in which a subsidiary of the Issuer - Budlex SA- holds a 50% stake, entered with Eiffage Polska Budownictwo S.A. with its registered office in Warsaw into a construction contract as general contractor.
Contract subject: construction of an office and retail building, together with supporting infrastructure
Contract value: € 8,875,935,
Location: Poznań, Półwiejska St.
Completion period: shell finish by 01.12.2014.

On 8 October 2013, ERBUD S.A. signed a significant contract for the construction of a residential building and underground garage in Wrocław within the project "Promenady Wrocławskie II".
The Builder: Promenady II VD Sp. z o.o.
Max. contract value: PLN 31,800,000 (of which bonus of PLN 200 thousand for obtaining occupancy permit four weeks prior to the date stipulated in the contract).
Completion period: 63 weeks to issue Final Acceptance Certificate from the date of receiving Instruction to Proceed the Commencement of Works.

On 8 October 2013, ERBUD S.A. signed a contract for construction of an office and commercial building with basement car park, Stage B.
The Builder: Promenady ZITA Sp. z o.o.
Contract value: PLN 24,700,000.
Completion period: 65 weeks to issue Final Acceptance Certificate from the date of receiving Instruction to Proceed the Commencement of Works.

On 15 October 2013, the company Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A., a subsidiary of the Issuer – entered into a significant contract for construction works under the following terms and conditions:
- Contract subject: infrastructure works related to the performance of the "Rusiec Wind Farm" project
- The Investor: VER LS-36 sp. z o.o. seated in Gdańsk, 64D Budowlanych St.
- Contract value: PLN 23,4m
- Completion period: October 2013 - June 2014.

In addition to the significant agreements for construction works, Erbud SA signed several contracts that do not exceed the criterion set by "Significant agreement".

Note 19. Other important events

On 5 September 2013, the Issuer signed an Annex to the loan agreement with Alior Bank. The parties to the Agreement extended the term of the line for another 12 months, i.e. until September 2014. The limit value amounts to PLN 50m (fifty million Zlotys). Debt within the line is up to PLN 10m and financial guarantees provided by order of the Issuer - up to PLN 40m. The line is secured by assignment of receivables from long-term contracts and in the case of a guarantee that exceeds 36 months by a deposit amounting 10% of the issued guarantee. The loan interest rate is based on WIBOR 1M plus margin. Other terms and conditions are the same as market ones.

On 30.10.2013, Erbud SA (the Issuer) signed an Annex to the Agreement on multi-purpose credit line with PNB Paribas Bank Polska SA seated in Warsaw.
By virtue of this annex the value of the credit line was decreased from PLN 30m to PLN 40m.
Sub-limits within the line are as follows:
- PLN 3m to be used by the borrower in the form of an overdraft;
- PLN 40m as financial guarantees;
- PLN 30m as revolving credit.

The line is secured by:
- Assignment of trade receivables from construction contracts in the amount of not less than PLN 40m;
- Blank promissory note;
- Transfer of an amount to secure any guarantee - for the guarantee which covers the period from 12 to 36 months the value of the security is 10% of the issued guarantee, and for the guarantee of validity period longer than 36 months - 15% of the provided guarantee;
- Statement by ERBUD SA on submission to execution conducted by the Bank under the terms of Art. 97 of the Banking Law.

Note 20. Changes in accounting principles (policy) applied and method of preparation of financial statements, introduced in relation to the previous financial year (years), their causes and the impact on the asset and financial position, liquidity, result and profitability

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

Note 21. Business combinations

In the period from 1 January 2013 to 30 September, 2013 did not take place a merger of the Company with another business entity.

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

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

Note 23. Changes in accounting estimates

Tere were no changes in accounting estimates in the comparable period and in the period ended 30 September 2013.

Note 24. Business segments

During the reporting period ended 30 September 2013, the Group was operating in the following business segments:

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

During the reporting period ended 30 September 2013 the Group was operating in the following region segments:

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

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

Business segments

The following table present data on the revenues and profits of the Group's operating segments for the period from 1 January to 30 September 2013.

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2013	Cubature construction	Housing development	Road- engineering	Construction for the energy sector	Other	Total
Income	**691 951**	**34 531**	**49 562**	**47 427**	**1 115**	**824 586**
Cost of products, goods and materials sold to external customers	**649 079**	**29 092**	**43 238**	**40 214**	**1 006**	**762 629**
Total gross sales	**42 872**	**5 439**	**6 324**	**7 213**	**109**	**61 957**
Cost of sales	0	1 497	1 248	0	0	**2 745**
General and administrative costs	23 948	1 715	5 089	7 273	0	**38 025**
Profit (loss) on other operating activity	-976	-12	79	403	-3	**-509**
Segment profit (loss)	**17 948**	**2 215**	**66**	**343**	**106**	**20 678**
Profit (loss) on financing activity	-5 612	348	-112	-80	0	**-5 456**
Income tax	2 923	601	241	854	24	**4 643**
Net profit	**9 413**	**1 962**	**-287**	**-591**	**82**	**10 579**

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

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2012	Cubature construction	Housing development	Road engineering	Construction for the energy sector	Other	Total
Income	**785 017**	**34 321**	**118 408**	**27 964**	**70**	**965 780**
Cost of products, goods and materials sold to external customers	**753 426**	**26 840**	**100 765**	**24 698**	**237**	**905 966**
Total gross sales	**31 591**	**7 481**	**17 643**	**3 266**	**-167**	**59 814**
Cost of sales	0	1 670	133	0	0	**1 803**
General and administrative costs	25 289	1 949	6 092	1 132	517	**34 979**
Profit (loss) on other operating activity	-633	1 306	-44	77	-196	**510**
Segment profit (loss)	**5 669**	**5 168**	**11 374**	**2 211**	**-880**	**23 542**
Profit (loss) on financing activity	-6 777	-31	-177	22	-44	**-7 007**
Income tax	598	195	2 427	484	-80	**3 624**
Net profit	**-1 706**	**4 942**	**8 770**	**1 749**	**-844**	**12 911**

Geographical segments

The following tables provide figures on proceeds and gains as well as certain assets and liabilities of individual business segments of the Group as at 30 September 2013

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2013	Domestic	Abroad	Total
Sale to external customers	662 632	161 954	**824 586**
Total income	**662 632**	**161 954**	**824 586**
Cost of products, goods and materials sold to external customers	611 253	151 376	**762 629**
Total cost of products, goods and materials sold	**611 253**	**151 376**	**762 629**
Total gross sales	**51 379**	**10 578**	**61 957**
Cost of sales	2 745	0	**2 745**
General and administrative costs	31 192	6 833	**38 025**
Profit (loss) on other operating activity	-931	422	**-509**
Segment profit (loss)	**16 511**	**4 167**	**20 678**
Profit (loss) on financing activity	-5 707	251	**-5 456**
Income tax	2 727	1 916	**4 643**
Net profit	**8 077**	**2 502**	**10 579**

The following tables provide figures on proceeds and gains as well as certain assets and liabilities of individual business segments of the Group as at 30 September 2012.

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2012	Domestic	Abroad	Total
Sale to external customers	859 322	106 458	**965 780**
Total income	**859 322**	**106 458**	**965 780**
Cost of products, goods and materials sold to external customers	807 458	98 508	**905 966**
Total cost of products, goods and materials sold	**807 458**	**98 508**	**905 966**
Total gross sales	**51 864**	**7 950**	**59 814**
Cost of sales	1 803	0	**1 803**
General and administrative costs	29 591	5 388	**34 979**

Profit (loss) on other operating activity	215	295	**510**
Segment profit (loss)	**20 685**	**2 857**	**23 542**
Profit (loss) on financing activity	-6 222	-785	**-7 007**
Income tax	2 870	754	**3 624**
Net profit	**11 593**	**1 318**	**12 911**

During the period from 1 January to 30 September 2013, the Group did not achieve revenues exceeding 10% of the aggregate proceeds from any customer.

Note 25. Construction contracts deposits

Construction contracts deposits as of 30 September 2013 were as follows:

	30.09.2013	**31.12.2012**	**30.09.201**
Deposits retained by customers			
Deposits to be returned beyond 12 months	16 681	8 607	9 896
Deposits to be returned within 12 months	30 123	33 627	27 246
Total	**46 804**	**42 234**	**37 142**
Deposits retained to suppliers			
Deposits to be returned beyond 12 months	4 885	5 447	4 456
Deposits to be returned within 12 months	76 540	74 367	74 921
Total	**81 425**	**79 814**	**79 377**

Note 26. Litigation and claims

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

Claim against 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.

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 27. Asset-backed securities

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

1) The basic characteristics of assets (type and number votes at the GM), on which the pledge was established: In order to secure an agreement with the Seller (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.

Note 28. Events subsequent to the balance sheet date

After the balance sheet date, by the date of preparing financial statements, there were no events that were not but should be included in the accounting books for the fiscal year.

Note 29. 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.

Note 30. Information on changing in measurement of value of financial instruments valued at their fair value

In the period ended 30 September 2013, the Group did not change the method of measurement of value of financial instruments valued at fair value.

Note 31. Information on changes in the classification of financial assets as a result of changes in goal or use of the assets

In the period ended 30 September 2013, the Group did not change the classification of financial assets as a result of changes in goal or use of these assets.

Signature of person preparing the Financial Statement

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Member of the Board/

Dariusz Grzeszczak
/Member of the Board/

Warsaw, 12 November 2013