Translation from Polish

ERBUD S.A.

Condensed Separate Financial Statements for four quarters of 2013

FINANCIAL STATEMENTS FOR THE PERIOD OF 12-MONTH ENDED 31 DECEMBER 2013

Balance Sheet

ASSETS

		31.12.2013	30.09.2013	31.12.2012	30.09.2012
A.	**Fixed assets**	**206 545**	**205 515**	**214 391**	**212 085**
I.	**Intangible fixed assets**	**425**	**430**	**437**	**415**
1.	Development costs	0	0	0	0
2.	Goodwill	0	0	0	0
3.	Other intangibles	58	63	70	48
4.	Advances for intangibles	367	367	367	367
II.	**Tangible fixed assets**	**6 132**	**6 696**	**7 605**	**8 370**
1.	Fixed assets	6 132	6 696	7 605	8 370
a)	Land (incl. perpetual usufruct)	0	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 334	3 358	3 432	3 457
c)	Plant and equipment	86	101	89	98
d)	Means of transport	2 474	2 945	3 723	4 419
e)	Other tangible fixed assets	238	292	361	396
2.	Fixed assets under construction	0	0	0	0
3.	Prepaid tangible fixed assets under construction	0	0	0	0
III.	**Long-term receivables**	**0**	**0**	**0**	**0**
1.	From associates	0	0	0	0
2.	From other entities	0	0	0	0
IV.	**Long-term investments**	**175 052**	**177 145**	**185 489**	**176 457**
1.	Real property	515	515	515	515
2.	Intangibles	0	0	0	0
3.	Non-current financial assets	174 537	176 630	184 974	175 942
a)	In associates, incl.:	173 775	175 890	184 197	175 219
–	shares or stocks	136 713	136 713	142 485	133 181
–	other securities	0	0	0	0
–	loans granted	37 062	39 177	41 712	42 038
–	other non-current financial assets	0	0	0	0
b)	In other entities, incl.:	762	740	777	723
–	shares or stocks	5	5	5	5
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other non-current financial assets	757	735	772	718
4.	Other long-term investments	0	0	0	0
V.	**Long-term prepayments**	**24 936**	**21 244**	**20 860**	**26 843**
1.	Deferred tax assets	24 936	21 244	20 860	26 843
2.	Other prepayments	0	0	0	0

		31.12.2013	30.09.2013	31.12.2012	30.09.2012
B.	**Current assets**	**423 772**	**397 032**	**504 883**	**531 156**
I.	**Inventory**	**1 883**	**0**	**1 110**	**398**
1.	Materials	1 883	0	1 110	0
2.	Semi-products and unfinished products	0	0	0	0
3.	Finished products	0	0	0	0
4.	Goods	0	0	0	398
5.	Advances for deliveries	0	0	0	0
II.	**Short-term accounts receivable**	**221 698**	**238 019**	**260 197**	**365 985**
1.	From associates	3 453	4 590	3 133	8 852
a)	Deliveries and services, with maturity	1 340	1 076	3 133	8 852
–	up to 12 months	1 340	1 076	3 133	8 852
–	over 12 months	0	0	0	0
b)	Other	2 113	3 514	0	0
2.	Receivables from other entities	218 245	233 429	257 064	357 133
a)	Deliveries and services, with maturity	204 425	213 308	207 121	320 830
–	up to 12 months	189 633	201 660	201 282	314 531
–	over 12 months	14 792	11 648	5 839	6 299
b)	Tax, subsidies, duty, social security, health care and other benefits	5 514	7 436	6 923	1 275
c)	Other	8 306	12 685	43 020	35 028
d)	Receivables claimed at court	0	0	0	0
III.	**Short-term financial assets**	**58 077**	**35 136**	**152 193**	**56 715**
1.	Current financial assets	58 077	35 136	152 193	56 715
a)	In associates, incl.:	156	0	0	0
–	shares or stocks	0	0	0	0
–	other securities	0	0	0	0
–	loans granted	156	0	0	0
–	other current investments	0	0	0	0
b)	In other entities, incl.:	0	0	0	0
–	shares or stocks	0	0	0	0
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other current financial assets	0	0	0	0
c)	Cash and cash equivalents	57 921	35 136	152 193	56 715
–	cash at bank and in hand	44 303	17 680	134 435	33 277
–	other cash	13 618	17 456	17 758	23 438
–	other financial assets	0	0	0	0
2.	Other current financial investments	0	0	0	0
IV.	**Short-term prepayments**	**142 114**	**123 877**	**91 383**	**108 058**
	TOTAL ASSETS	**630 317**	**602 547**	**719 274**	**743 241**

LIABILITIES

		31.12.2013	30.09.2013	31.12.2012	30.09.2012
A.	**Equity**	**243 248**	**240 110**	**235 313**	**233 998**
I.	**Share capital**	1 271	1 268	1 268	1 264
II.	**Called-up share capital not paid (negative value)**	0	0	0	0
III.	**Treasury shares (negative value)**	0	0	0	0
IV.	**Capital reserve**	234 654	234 136	228 454	227 955
V.	**Revaluation capital reserve**	0	0	0	0
VI.	**Other capital reserves**	0	0	0	0
VII.	**Retained profit / accumulated loss brought forward**	0	0	0	0
VIII.	**Net profit (loss)**	7 323	4 706	5 591	4 779
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0	0
B.	**Liabilities and provisions for liabilities**	**387 069**	**362 437**	**483 961**	**509 243**
I.	**Provisions for liabilities**	**37 874**	**33 223**	**33 829**	**31 207**
1.	Deferred income tax provision	24 110	20 630	18 288	20 294
2.	Provision for retirement and related benefits	3 329	3 209	3 423	2 972
–	non-current	479	528	349	480
–	current	2 850	2 681	3 074	2 492
3.	Other provisions	10 435	9 384	12 118	7 941
–	non-current	0	0	0	0
–	current	10 435	9 384	12 118	7 941
II.	**Long-term liabilities**	**266**	**278**	**50 556**	**50 993**
1.	To associates	0	0	0	0
2.	To other entities	266	278	50 556	50 993
a)	Loans and borrowings	0	0	0	0
b)	Issuance of debt securities	0	0	50 000	50 000
c)	Other financial liabilities	266	278	556	993
d)	Other	0	0	0	0
III.	**Short-term liabilities**	**279 713**	**284 492**	**358 003**	**371 680**
1.	To associates	9 064	15 288	49 588	29 030
a)	Deliveries and services, with maturity:	9 064	15 288	49 588	29 030
–	up to 12 months	8 237	14 619	48 992	27 818
–	over 12 months	827	669	596	1 212
b)	Other	0	0	0	0
2.	To other entities	270 649	269 204	308 415	342 650
a)	Loans and borrowings	6	9	262	25 532
b)	Issuance of debt securities	50 000	50 000	0	0
c)	Other financial liabilities	2 339	1 628	3 057	3 177
d)	Deliveries and services, with maturity :	211 619	207 152	258 272	276 828
–	up to 12 months	204 961	203 265	253 674	273 007
–	over 12 months	6 658	3 887	4 598	3 821
e)	Advances for deliveries	291	4 797	34 009	29 159
f)	Bills	0	0	0	0
g)	Taxes, customs, social insurance and other benefits	4 113	2 053	2 220	1 932
h)	Payroll	682	1 200	1 538	912
i)	Other	1 599	2 365	9 057	5 110
3.	Special funds	0	0	0	0
IV.	**Accruals**	**69 216**	**44 444**	**41 573**	**55 363**
1.	Other accruals	69 216	44 444	41 573	55 363
	TOTAL LIABILITIES	**630 317**	**602 547**	**719 274**	**743 241**

Calculation of book value per share

	31.12.2013	30.09.2013	31.12.2012	30.09.2012
Book value (in PLN '000)	243 248	240 110	235 313	233 998
Number of shares	12 714 546	12 677 956	12 677 956	12 644 169
Book value per share	19.13	18.94	18.56	18.51

PROFIT AND LOSS STATEMENT

	Quarter to 31.12.2013	Year to 31.12.2013	Quarter to 31.12.2012	Year to 31.12.2012
Income from sales of products, goods and materials, incl.:	**277 146**	**861 636**	**330 177**	**1 078 582**
- from associates	1 565	3 170	1 554	15 909
Net revenues on sales of products	277 146	861 636	330 177	1 065 771
Net revenues on sales of goods and materials	0	0	0	12 811
Cost of sold products, goods and materials, incl.:	**260 809**	**807 713**	**318 821**	**1 031 874**
- to associates	9 374	36 233	46 556	144 632
Cost of manufacturing of products sold	260 809	807 713	318 821	1 019 094
Value of goods and materials sold	0	0	0	12 780
Profit (loss) on sales before taxes	**16 337**	**53 923**	**11 356**	**46 708**
Sale costs	0	0	0	0
General and administrative expenses	10 750	34 967	8 053	32 211
Profit (loss) on sales	**5 587**	**18 956**	**3 303**	**14 497**
Other operating income	**435**	**2 171**	**455**	**1 426**
Gain on disposal of non-financial fixed assets	40	121	47	82
Subsidies and donations	0	0	0	0
Other operating income	395	2 050	408	1 344
Other operating expenses	**1 718**	**4 792**	**685**	**2 633**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	1 718	4 792	685	2 633
Profit (loss) on operating activity	**4 304**	**16 335**	**3 073**	**13 290**
Financial income	**386**	**2 506**	**982**	**4 308**
Dividends and other share in profit	0	610	0	750
- from associates	0	610	0	750
Interest	405	1 394	897	2 981
- from associates	387	699	767	2 214
Gain on disposal of investments	0	228	0	0
Investment revaluation	0	0	32	32
Other	-19	274	54	545
Financial expenses	**2 286**	**9 772**	**2 858**	**10 017**
Interest	1 227	6 308	2 071	6 831
- to associates	-98	227	0	0
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	1 059	3 464	787	3 186
Gain (loss) on ordinary activities	**2 404**	**9 069**	**1 197**	**7 581**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**2 404**	**9 069**	**1 197**	**7 581**
Income tax	-213	1 746	385	1 990
Other mandatory decrease of profit (increase of loss)	0	0	0	0
Net profit (loss)	**2 617**	**7 323**	**812**	**5 591**
Net earnings (loss) per share				
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 696 251 / 12 768 486**		**12 661 062 / 12 710 858**
Earnings (loss) per ordinary share / Diluted earnings (loss) per share (in PLN)		**0,5768 / 0.5735**		**0.4416 / 0.4399**

STATEMENT OF CASH FLOW

	Quarter to 31.12.2013	Year to 31.12.2013	Quarter to 31.12.2012	Year to 31.12.2012
Net profit (loss)	**2 617**	**7 323**	**812**	**5 591**
Total adjustments	**18 064**	**-99 781**	**123 708**	**75 157**
Depreciation and amortization	854	2 050	866	2 139
Gains / losses from foreign exchange differences	-13	-76	-520	-265
Interest and share in profit (dividends)	567	3 144	2 400	4 325
Profit / loss on investment activities	-300	-122	91	-1 397
Change in provisions	4 650	4 045	2 622	3 552
Change in inventory	-1 883	-773	-712	17
Change in accounts receivable	14 921	40 599	99 646	-5 587
Change in short-term liabilities, net of loans and borrowings	-3 503	-121 649	9 965	60 602
Change in prepayments and accruals	2 842	-27 163	8 866	11 640
Other adjustments	-71	164	483	131
Net cash flow from operating activities	**20 681**	**-92 458**	**124 520**	**80 748**
Cash flow from investing activities				
Inflows	**5 254**	**18 740**	**9 577**	**11 665**
Disposal of intangible and tangible fixed assets	75	177	47	293
Disposal of investment property and intangible fixed assets	0	0	0	0
From financial assets, incl.:	5 179	18 563	1 230	3 072
a) In associates	5 130	17 937	1 230	2 360
- disposal of financial assets	1 400	7 400	1 155	0
- dividends and share in profits	0	610	750	750
- repayment of long-term borrowings	2 909	8 696	405	1 610
- interest	821	1 231	0	0
- other income from financial assets	0	0	0	0
b) In other entities	49	626	75	712
- disposal of financial assets	0	0	0	0
- dividends and share in profits	0	0	0	0
- repayment of long-term borrowings	0	0	0	0
- interest	49	626	75	712
- other income from financial assets	0	0	0	0
Other investing inflow	0	0	8 300	8 300
Outflows	**1 135**	**14 370**	**12 550**	**25 050**
Acquisition of tangible and intangible fixed assets	88	317	64	670
Investment property and intangible fixed assets	0	0	0	0
Financial assets, incl.	1 047	14 053	12 486	24 380
a) In associates	1 047	14 053	14 110	14 110
- acquisition of financial assets	0	9 167	13 022	13 022
- loans granted	1 047	4 886	1 088	1 088
b) In other entities	0	0	2 998	10 270
- acquisition of financial assets	0	0	2 998	10 270
- long-term borrowings granted	0	0	0	0
Other investing outflow	0	0	0	0
Net cash flow from investing activities	**4 119**	**4 370**	**-2 973**	**-13 385**

	Quarter to 31.12.2013	Year to 31.12.2013	Quarter to 31.12.2012	Year to 31.12.2012
Cash flow from financing activities				
Inflows	**150**	**402**	**372**	**372**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	402	402	372	372
Loans and borrowings	-252	0	0	0
Issuance of debt securities	0	0	0	0
Other financing inflow	0	0	0	0
Outflows	**2 165**	**6 586**	**26 701**	**36 078**
Repurchase of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	0	0	0
Profit distribution other than distributions to shareholders	0	0	0	0
Repayment of loans and borrowings	256	256	25 269	28 401
Redemption of debt securities	0	0	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	488	1 196	846	1 890
Interest	1 421	5 134	586	5 787
Other financing cash outflow	0	0	0	0
Net cash flow from financing activities	**-2 015**	**-6 184**	**-26 329**	**-35 706**
Total net cash flow	**22 785**	**-94 272**	**95 218**	**31 657**
Balance-sheet change in cash, incl.:	**22 785**	**-94 272**	**95 478**	**31 922**
- change in cash due to foreign exchange differences			260	265
Cash at the beginning of the period	**35 136**	**152 193**	**56 715**	**120 271**
Cash at the end of the period, incl.:	**57 921**	**57 921**	**152 193**	**152 193**
- restricted cash		13 618		17 758

RECONCILIATION OF MOVEMENTS IN EQUITY

	Quarter to 31.12.2013	Year to 31.12.2013	Quarter to 31.12.2012	Year to 31.12.2012
I. Equity at the beginning of the period	**235 313**	**235 313**	**229 219**	**229 219**
– changes in accounting principles (policies)	0	0	0	0
– basic error adjustment	0	0	0	0
I.a. Equity at the beginning of the period, after adjustments	**235 313**	**235 313**	**229 219**	**229 219**
1. Share capital at the beginning of the period	**1 268**	**1 268**	**1 264**	**1 264**
1.1. Change in share capital	**3**	**3**	**4**	**0**
a) Increase	3	3	4	0
- issue of Series G Shares	0	0	4	0
- issue of Series H Shares	3	3	0	0
b) Decrease	0	0	0	0
– redemption of shares	0	0	0	0
1.2. Share capital at the end of the period	**1 271**	**1 271**	**1 268**	**1 264**
2. Called-up share capital not paid at the beginning of the period	**0**	**0**	**0**	**0**
2.1. Change in called-up share capital not paid	0	0	0	0
a) Increase	0	0	0	0
b) Decrease	0	0	0	0
2.2. Called-up share capital not paid at the end of the period	**0**	**0**	**0**	**0**
3. Treasury shares/stocks at the beginning of the period	**0**	**0**	**0**	**0**
a) Increase – repurchase of own shares	0	0	0	0
b) Decrease – own shares sold	0	0	0	0
3.1. Treasury shares/stocks at the end of the period	**0**	**0**	**0**	**0**
4. Capital reserve at the beginning of the period	**234 136**	**228 454**	**253 239**	**227 955**
4.1. Change in capital reserve	518	6 200	-24 785	499
a) Increase	518	6 200	399	499
- capital reserve transfer	0	0	0	0
- profit distribution	0	5 591	0	0
- repurchase of own shares	0	0	0	0
– profit on sale of own shares	0	0	0	0
- issue of Series G Shares above their par value	0	0	369	369
- issue of Series H Shares above their par value	399	399	0	0
- payment for Series C	0	0	0	0
- manager options	119	210	130	130
b) Decrease	0	0	25 284	0
– losses cover for 2011	0	0	25 284	0
– redemption of shares			0	0
4.2. Capital reserve at the end of the period	**234 654**	**234 654**	**228 454**	**228 454**
5. Revalued capital reserve at the beginning of the period	**0**	**0**	**0**	**0**
5.1. Change in revaluation of capital reserve	0	0	0	0
a) Increase	0	0	0	0
- valuation of financial assets	0	0	0	0
- conversion of balance of Branch Germany from EUR to PLN	0	0	0	0
b) Decrease	0	0	0	0
- valuation of financial instruments available for sale	0	0	0	0
- conversion of balance of Branch Germany from EUR to PLN	0	0	0	0
5.2. Capital reserve at the end of the period	**0**	**0**	**0**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**	**0**
6.1. Change in other capital reserves	0	0	0	0
a) Increase	0	0	0	0
- resources reserved for the Staff Incentive Program	0	0	0	0
b) Decrease - transfer to the capital reserves	0	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**	**0**

	Quarter to 31.12.2013	Year to 31.12.2013	Quarter to 31.12.2012	Year to 31.12.2012
7. Accumulated loss/retained profit brought forward at the beginning of the period	**0**	**5 591**	**-25 284**	**0**
7.1. Retained profit brought forward at the beginning of the period	0	5 591	0	0
- changes in accounting principles (policies)	0	0	0	0
- correction of basic errors	0	0	0	0
7.2. Retained profit brought forward at the beginning of the period, after adjustments	0	5 591	0	0
a) Increase(due to)	0	0	0	0
b) Decrease (due to)	0	5 591	0	0
- allocation of retained profit to capital reserve	0	5 591	0	0
- allocation of retained profit to dividend	0	0	0	0
- allocation of retained profit to cover losses from previous years	0	0	0	0
7.3. Retained profit brought forward at the end of the period	**0**	**0**	**0**	**0**
7.4. Accumulated loss brought forward at the beginning of the period	**0**	**0**	**0**	**0**
- changes in accounting principles (policies)	0	0	0	0
- correction of basic errors	0	0	0	0
7.5. Accumulated loss brought forward at the beginning of the period, after adjustments	0	0	-25 284	0
a) Increase (due to)	0	0	0	0
– presentation adjustments	0	0	0	0
b) Decrease (due to)	0	0	25 284	0
- allocation of retained profit to cover losses	0	0	25 284	0
7.6. Loss from previous years brought forward at the end of the period	**0**	**0**	**0**	**0**
7.7. Retained profit or accumulated loss brought forward at the end of the period	**0**	**0**	**0**	**0**
8. Net result	**2 617**	**7 323**	**5 591**	**812**
a) Net profit	2 617	7 323	5 591	812
b) Net loss	0	0	0	0
c) Write-offs from profit	0	0	0	0
II. Equity at the end of the period	**238 542**	**243 248**	**235 313**	**230 530**
III. Equity, after proposed distribution of profit (coverage of loss)	**238 542**	**243 248**	**235 313**	**230 530**

Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statement of ERBUD SA for four quarters of 2013 and comparable data has been drawn up in accordance with accounting principles prevailing in Poland, described in the introduction to the Company's Financial Report for the year 2012.

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

Selected financial data were converted to the euro as follows:

- Assets and liabilities items - at the average exchange rate as at 31 December 2013, i.e. 4.1472 PLN/EUR;
- Items of the profit and loss statement and cash flow for four quarters of 2013 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 31 December 2013, i.e. 4.2110 PLN/EUR;
- Assets and liabilities items - at the average exchange rate as at 31 December 2012, i.e. 4.0882 PLN/EUR;
- Items of the profit and loss statement and cash flow for four quarters of 2012 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 31 December 2012, i.e. 4.1736 PLN/EUR.

KEY ITEMS CONVERTED TO THE EURO

	31.12. 2013		31.12.2012	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	206 545	49 803	214 391	52 441
Current assets	423 772	102 183	504 883	123 498
Shareholders' equity	243 248	58 653	235 313	57 559
Liabilities and provisions for liabilities	387 069	93 333	483 961	118 380

	12-month period ended 31.12.2013		12-month period ended 31.12.2012	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	861 636	204 616	1 078 582	258 430
Cost of sold products and services and of goods and materials	807 713	191 810	1 031 874	247 238
Profit on sales before taxes	53 923	12 806	46 708	11 192
Profit on operating activities	16 335	3 879	13 290	3 184
Profit (loss) before taxes	9 069	2 154	7 581	1 816
Net profit (loss)	7 323	1 739	5 591	1 340

	12-month period ended 31.12.2013		12-month period ended 31.12.2012	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-92 458	-21 956	80 748	19 347
Cash flow from investing activities	4 370	1 038	-13 385	-3 207
Cash flow from financing activities	-6 184	-1 469	-35 706	-8 555
Net cash flow	-94 272	-22 387	31 657	7 585
Cash at the beginning of the period	152 193	37 227	120 271	27 230
Cash at the end of the period	57 921	13 966	152 193	37 227

EXPLANATORY NOTES

Note 1. Operating segments information

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

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

During the reporting period ended 31 December 2013, the Company was operating in the following region segments:

- in Poland
- abroad (Belgium, Luxembourg).

Classification of contracts was the basis for dividing into segments. The Company applies the same policy of accounting for all segments.

Business segments

The following tables present data on the revenues and profits of the Company's operating segments for the period from 1 January to 31 December 2013.

Proceeds and expenses by business segments

For the period from 1 January to 31 December 2013	Large volume construction	Road engineering	Construction for the energy sector	Other	Total
Sale to external customers	837 449	2 271	21 915	0	**861 636**
Total income	**837 449**	**2 271**	**21 915**	**0**	**861 636**
Cost of products, goods and materials sold to external customers	787 237	-711	21 187	**0**	**807 713**
Total cost of products, goods and materials sold	**787 237**	**-711**	**21 187**	**0**	**807 713**
Total sales before tax					
Cost of sales	0	0	0	0	**0**
General and administrative costs	30 794	720	2 689	764	**34 967**
Profit (loss) on other operating activity	-2 621	0	0	0	**-2 621**
Segment profit (loss)	**9 531**	**2 262**	**-1 960**	**-764**	**9 069**
Profit (loss) on financing activity	-7 266	0	0	0	**-7 266**
Income tax	1 411	335	0	0	**1 746**
Net profit	**8 120**	**1 927**	**-1 960**	**-764**	**7 323**

For the period from 1 January to 31 December 2012	Large volume construction	Road engineering	Construction for the energy sector	Other	Total
Sale to external customers	940 816	102 566	35 200	0	**1 078 582**
Total income	**940 816**	**102 566**	**35 200**	**0**	**1 078 582**
Cost of products, goods and materials sold to external customers	904 550	96 865	30 459	**0**	**1 031 874**
Total cost of products, goods and materials sold	**904 550**	**96 865**	**30 459**	**0**	**1 031 874**
Total sales before tax					
Cost of sales	0	0	0	0	**0**
General and administrative costs	26 770	2 374	2 369	698	**32 211**
Profit (loss) on other operating activity	-1 207	0	0	0	**-1 207**
Segment profit (loss)	**8 289**	**3 327**	**2 372**	**698**	**13 290**
Profit (loss) on financing activity	- 5 709	0	0	0	**-5 709**
Income tax	807	732	451	0	**1 990**
Net profit	**1 773**	**2 595**	**1 921**	**-698**	**5 591**

Geographical segments

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

Proceeds and expenses by geographical segments

For the period from 1 January to 31 December 2013	Domestic	Abroad	Total
Sale to external customers	828 276	33 360	861 636
Total income	**828 276**	**33 360**	**861 636**
Cost of products, goods and materials sold to external customers	776 019	31 694	807 713
Total cost of products, goods and materials sold	**776 019**	**31 694**	**807 713**
Total sales before tax	**52 257**	**1 666**	**53 923**
Cost of sales	0	0	**0**
General and administrative costs	33 550	1 417	**34 967**
Profit (loss) on other operating activity	-2 695	74	**-2 621**
Segment profit (loss)	**16 012**	**323**	**16 335**
Profit (loss) on financing activity	-8 241	975	**-7 266**
Income tax	1 496	250	**1 746**
Net profit	**6 274**	**1 048**	**7 323**

Year ended 31 December 2012	Domestic	Abroad	Total
Sale to external customers	1 070 367	8 215	**1 078 582**
Total income	**1 070 366**	**8 215**	**1 078 582**
Cost of products, goods and materials sold to external customers	1 024 666	7 208	**1 031 874**
Total cost of products, goods and materials sold	**1 024 666**	**7 208**	**1 031 874**
Total sales before tax	**45 701**	**1 007**	**46 708**
Cost of sales	0	0	**0**
General and administrative costs	30 193	2 018	**32 211**
Profit (loss) on other operating activity	-1 207	0	**-1 207**
Segment profit (loss)	**14 301**	**-1 011**	**13 290**
Profit (loss) on financing activity	-7 103	1 394	**-5 709**
Income tax	1 990	0	**1 990**
Net profit	**5 208**	**383**	**5 591**

2. Description of factors and events, which had a significant impact on financial results achieved by ERBUD SA.

2.1. Changes in estimates

Construction contracts

In accordance with accepted accounting principles for valuation of the long-term building services, the Company applied a percentage method. Revenues, costs and profit were shown in proportion to the phase of works. To qualify the progress of works, it was used a method of proportional contract costs incurred for work performed to date in relation to the estimated cost of the contract.

Prepayments and accruals - construction contracts

	31.12.2013	30.09.2013	31.12.2012
Revenue surplus over interim invoices, by staging	100 490	78 092	78 081
Costs surplus over expenses arising from the accounting costs, by staging	57 917	40 795	40 372
Surplus on interim invoices over incomes, by staging	11 299	3 633	1 201
Surplus on costs resulting from the accounting costs over expenses, by staging	17 664	41 852	10 750
Total amounts presented in prepayments	118 154	119 944	88 831
Total amounts presented in accruals	69 216	44 428	41 573

Provisions and assets due to deferred income tax

Assets due to deferred income tax	31.12.2013	30.09.2013	31.12.2012	30.09.2012
- valuation of long-term contracts	13 151	8 441	7 899	10 519
- tax loss	6 665	7 939	6 665	10 539
- deferred costs	1 003	1 048	2 036	2 792
- provision for loss on contracts	0	0	71	0
- other	4 117	3 815	4 189	2 993
Total assets due to deferred income tax	**24 936**	**21 244**	**20 860**	**26 843**

Provisions	31.12.2013	30.09.2013	31.12.2012	30.09.2012
- valuation of long-term contracts	22 449	19 508	16 878	18 927
- other	1 661	1 122	1 410	1 367
Total provisions due to deferred income tax	**24 110**	**20 630**	**18 288**	**20 294**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	31.12.2013	30.09.2013	31.12.2012
At the beginning of the period	**2 645**	2 645	**2 848**
a) Increase (due to)	1 988	1 059	0
- creation of write-offs	1 988	1 059	0
b) Decrease (due to)	321	95	203
- impairment loss	321	95	203
- use of write-offs	0	0	0
Write-downs on short-term debts at the end of the period	**4 312**	**3 609**	**2 645**

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

Significant amount of impairment losses recognized and reversed

Impairment of long-term financial assets	31.12.2013	31.12.2012
Opening balance sheet	**2 960**	**2 960**
Increase / Decrease	32	32
Closing balance sheet	**2 928**	**2 928**

Other important events

Information on changes in economic outlook and business conditions, which have a significant impact on the fair value of Company's financial assets and financial liabilities

During the period form 1 January to 31 December 2013 this type of significant changes did not occur.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Member of the Board/

Dariusz Grzeszczak
/Member of the Board/

Warsaw, 24 February 2013