Dear Shareholders,

Following the publication of the 2013 Annual Report, we would like to present our views on Erbud Group's performance last year and to highlight challenges and opportunities awaiting the Company this year.

Last year saw a downturn in the construction industry, with construction and assembly output declining by 12%. Despite the economic slowdown, Erbud achieved its performance objectives and reported satisfactory financial results and profit margins.

The Management's priority for 2013 was to strengthen the Group's position in the strategic areas of the construction industry, particularly in residential, office, industrial and power development segments. Erbud began 2013 with a diversified contract portfolio worth over PLN 1 billion. Throughout the year, the Company secured 99 contracts valued at PLN 1.35 billion. The Company's largest projects include: Eurocentrum office building in Warsaw, Royal Wilanów office building in Warsaw, expansion of the Magnolia Park shopping centre in Wrocław, the Marshall's Office in Poznań and the Municipal Waste Incineration Plant in Konin.

The Group closed the year with the revenue of PLN 1.23 billion and the net profit of PLN 18 million. In residential, office and industrial segments, the revenue totalled almost PLN 1 billion, which represented 82% of the Group's consolidated sales.

Earnings before interest and taxes amounted to PLN 21 million constituting a 49% increase year on year. The power segment saw a 93% increase in sales, up to PLN 80 million, and earnings before interest and taxes amounted to PLN 1.7 million. Development activity added PLN 48.5 million to Group's consolidated revenue, with the road engineering segment contributing another PLN 96.2 million. Both segments combined added over PLN 9 million to Group's consolidated earnings before interest and taxes.

The Group began 2014 with a record-breaking contract portfolio worth PLN 1.6 billion, of which PLN 1.2 billion remains to be completed this year. With the new EU financial framework 2014-2020 we expect an investment boom. For further growth opportunities, the Management Board looks to residential, office and industrial construction sectors, where the project portfolio is worth PLN 1.2 billion, including office buildings (37.9%), shopping centres (18.1%) and hospitals (10.9%). Additionally, the Management Board intends to gradually develop the Group's competencies in the power sector using the expertise of Engorem, a power company taken over in 2012. The Management hopes to achieve a dynamic growth in this segment given the plans to develop large public power projects in Poland in the coming years.

In the first quarter of 2014 the Company issued bonds worth PLN 52 million. The issuance proceeds were used to buy out 2011 bonds and fund new projects. As at 31 December 2013 the Group had PLN 125 million cash available. Cash flow stability and access to debt financing ensure safe completion of ongoing construction projects and show the Company's potential this year. We would like 2014 to be a year of growth, for the Company as well as Poland and the international markets. We hope that economic situation will be conducive to our strategic plans.

The Company's future growth depends on Erbud's employees and contractors. Therefore, I would like to thank you for your professionalism and commitment to project development as well as your determination to achieve ultimate goals.

The credit for the Group's stable growth prospects goes to our customers and investors who declare readiness to work with Erbud, a professional company with solid business foundations and responsibility for implemented projects. Thank you for the faith and confidence in Erbud Group's potential. We look forward to doing business with you again. Finally, we wish to express our gratitude to the members of the Supervisory Board who support the Management Board in achieving set business goals. Thank you all very much for your contribution and involvement in the Group's development. I hope we will continue our successful cooperation in the years to come.

Sincerely yours,
Management Board