

ERBUD S.A.

Condensed Separate Financial Statements for three quarters of 2014

Financial Statements for the period of 9-month ended 30 September 2014 (in PLN '000)

Balance Sheet

ASSETS

		30.09. 2014	30.06.2043	31.12.2013	30.09. 2013
A.	**Fixed assets**	**192 547**	**193 326**	**206 029**	**205 515**
I.	**Intangible fixed assets**	**330**	**373**	**424**	**430**
1.	Development costs	0	0	0	0
2.	Goodwill	0	0	0	0
3.	Other intangibles	330	373	57	63
4.	Advances for intangibles	0	0	367	367
II.	**Tangible fixed assets**	**6 242**	**6 027**	**6 132**	**6 696**
1.	Fixed assets	6 038	6 027	6 132	6 696
a)	Land (incl. perpetual usufruct)	0	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 259	3 284	3 334	3 358
c)	Plant and equipment	59	67	86	101
d)	Means of transport	2 467	2 475	2 474	2 945
e)	Other tangible fixed assets	253	201	238	292
2.	Fixed assets under construction	204	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**	**166 907**	**166 103**	**176 120**	**177 145**
1.	Real property	479	480	515	515
2.	Intangibles	0	0	0	0
3.	Non-current financial assets	166 428	165 623	175 605	176 630
a)	In associates, incl.:	165 666	164 862	174 843	175 890
–	shares or stocks	136 731	136 731	136 731	136 713
–	other securities	0	0	0	0
–	loans granted	28 935	28 131	38 112	39 177
–	other non-current financial assets	0	0	0	0
b)	In other entities, incl.:	762	762	762	740
–	shares / stocks	5	5	5	5
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other non-current financial assets	757	757	757	735
4.	Other long-term investments	0	0	0	0
V.	**Long-term prepayments**	**19 068**	**20 823**	**23 353**	**21 244**
1.	Deferred tax assets	19 068	20 823	23 353	21 244
2.	Other prepayments	0	0	0	0

		30.09. 2014	30.06.2043	31.12.2013	30.09. 2013
B.	**Current assets**	**499 595**	**486 777**	**423 617**	**397 032**
I.	**Inventory**	**630**	**630**	**2 513**	**0**
1.	Materials	0	0	1 883	0
2.	Semi-products and unfinished products	630	630	630	0
3.	Finished products	0	0	0	0
4.	Goods	0	0	0	0
5.	Advances for deliveries	0	0	0	0
II.	**Short-term accounts receivable**	**336 208**	**293 824**	**220 355**	**238 019**
1.	From associates	15 740	11 369	3 453	4 590
a)	Deliveries and services, with maturity	13 581	9 256	1 340	1 076
–	up to 12 months	13 581	9 256	1 340	1 076
–	over 12 months	0	0	0	0
b)	Other	2 159	2 113	2 113	3 514
2.	Receivables from other entities	320 468	282 455	216 902	233 429
a)	Deliveries and services, with maturity	300 429	265 581	203 240	213 308
–	up to 12 months	287 859	249 668	188 448	201 660
–	over 12 months	12 570	15 913	14 792	11 648
b)	Tax, subsidies, duty, social security, health care and other benefits	10 464	9 132	5 514	7 436
c)	Other	9 575	7 742	8 148	12 685
d)	Receivables claimed at court	0	0	0	0
III.	**Short-term financial assets**	**26 894**	**53 574**	**58 077**	**35 136**
1.	Current financial assets	26 894	53 574	58 077	35 136
a)	In associates, incl.:	161	161	157	0
–	Shares or stocks	0	0	0	0
–	Other securities	0	0	0	0
–	Loans granted	161	161	157	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	26 733	53 413	57 920	35 136
–	Cash at bank and in hand	12 981	39 647	44 303	17 680
–	Other cash	13 752	13 766	13 617	17 456
–	Other financial assets	0	0	0	0
2.	Other current financial investments	0	0	0	0
IV.	**Short-term prepayments**	**135 863**	**138 749**	**142 672**	**123 877**
	TOTAL ASSETS	**692 142**	**680 103**	**629 646**	**602 547**

LIABILITIES

		30.09. 2014	30.06.2043	31.12.2013	30.09.2013
A.	**Equity**	**245 891**	**243 970**	**244 341**	**240 110**
I.	**Share capital**	1 271	1 271	1 271	1 268
II.	**Called-up share capital not paid (negative value)**	0	0	0	0
III.	**Treasury shares (negative value)**	0	0	0	0
IV.	**Capital reserves**	234 377	234 377	234 654	234 136
V.	**Revaluation capital**	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)**	10 243	8 322	8 416	4 706
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0	0
B.	**Liabilities and provisions for liabilities**	**446 251**	**436 133**	**385 305**	**362 437**
I.	**Provisions for liabilities**	**35 655**	**35 920**	**37 702**	**33 223**
1.	Deferred income tax provision	22 080	22 663	24 130	20 630
2.	Provision for retirement and related benefits	3 458	3 458	3 328	3 209
–	Non-current	664	664	479	528
–	Current	2 794	2 794	2 849	2 681
3.	Other provisions	10 117	9 799	10 244	9 384
–	Non-current	0	0	0	0
–	Current	10 117	9 799	10 244	9 384
II.	**Long-term liabilities**	**52 451**	**52 451**	**266**	**278**
1.	To associates	0	0	0	0
2.	To other entities	52 451	52 451	266	278
a)	Loans and borrowings	0	0	0	0
b)	Issuance of debt securities	52 000	52 000	0	0
c)	Other financial liabilities	451	451	266	278
d)	Other	0	0	0	0
III.	**Short-term liabilities**	**306 984**	**271 418**	**280 227**	**284 492**
1.	To associates	15 332	13 227	9 067	15 288
a)	Deliveries and services, with maturity:	15 332	13 227	9 067	15 288
–	up to 12 months	14 645	12 540	8 240	14 619
–	over 12 months	687	687	827	669
b)	Other	0	0	0	0
2.	To other entities	291 652	258 191	271 160	269 204
a)	Loans and borrowings	25 510	0	6	9
b)	Issuance of debt securities	0	10 000	50 000	50 000
c)	Other financial liabilities	1 342	1 619	2 339	1 628
d)	Deliveries and services, with maturity :	245 985	233 766	212 502	207 152
–	up to 12 months	242 986	227 871	205 791	203 265
–	over 12 months	2 999	5 895	6 711	3 887
e)	Advances for deliveries	13 198	346	291	4 797
f)	Bills	0	0	0	0
g)	Taxes, customs, social insurance and other benefits	2 824	2 072	3 746	2 053
h)	Payroll	1 968	1 187	682	1 200
i)	Other	825	9 201	1 594	2 365
3.	Special funds	0	0	0	0
IV.	**Accruals**	**51 161**	**76 344**	**67 110**	**44 444**
1.	Other accruals	51 161	76 344	67 110	44 444
	TOTAL LIABILITIES	**692 142**	**680 103**	**629 646**	**602 547**

Calculation of book value per share

	30.09.2014	30.06.2043	31.12.2013	30.09.2013
Book value (in PLN '000)	245 891	243 970	244 341	240 110
Number of shares	12 714 546	12 714 546	12 714 546	12 677 956
Book value per share	19.34	19.19	19.22	18.94

PROFIT AND LOSS STATEMENT

	Quarter to 30.09.2014	Year to 30.09.2014	Quarter to 30.09.2013	Year to 30.09.2013
Income from sales of products, goods and materials, incl.:	**296 939**	**798 024**	**200 412**	**584 489**
- from associates	1 731	2 568	886	1 605
Net revenues on sales of products	296 939	798 024	200 412	584 489
Net revenues on sales of goods and materials	0	0	0	0
Cost of sold products, goods and materials, incl.:	**287 222**	**760 523**	**184 287**	**546 904**
- to associates	19 157	50 663	14 661	26 860
Cost of manufacturing products sold	287 222	760 523	184 287	546 904
Cost of manufacturing goods and materials sold	0	0	0	0
Profit (loss) on sales before taxes	**9 717**	**37 501**	**16 125**	**37 585**
Selling costs	0	0	0	0
General and administrative expenses	6 909	23 807	8 956	24 217
Profit (loss) on sales	**2 808**	**13 694**	**7 169**	**13 368**
Other operating income	**1 186**	**2 544**	**1 273**	**1 737**
Gain on disposal of non-financial fixed assets	761	1 252	29	82
Subsidies and donations	0	0	0	0
Other operating income	425	1 262	1 244	1 655
Other operating expenses	**693**	**3 419**	**923**	**3 074**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	693	3 419	923	3 074
Profit (loss) on operating activity	**3 301**	**12 819**	**7 519**	**12 031**
Financial income	**585**	**5 557**	**131**	**2 120**
Dividends and shares in profit	0	3 497	0	610
- from associates	0	3 497	0	610
Interests	326	1 620	298	989
- from associates	231	1 144	189	312
Gain on sale of investments	0	0	0	228
Investment revaluation	0	0	0	0
Other	259	440	-167	293
Financial expenses	**2 523**	**5 898**	**2 171**	**7 486**
Interests	1 842	4 066	1 264	5 081
- to associates	0	0	-87	325
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	681	1 832	907	2 405
Profit (loss) on economic activity	**1 363**	**12 478**	**5 479**	**6 665**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**1 363**	**12 478**	**5 479**	**6 665**
Income tax	-558	2 235	1 278	1 959
Other mandatory profit decrease (loss increase)	0	0	0	0
Net profit (loss)	**1 921**	**10 243**	**4 201**	**4 706**
Net earnings (loss) per share				
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 714 546 / 12 745 377**	**12 696 251**	**12 696 251**
Earnings (loss) per ordinary share / Diluted earnings (loss) per share (in PLN)	**0.1510 / 0.1507**	**0.8056 / 0.8037**	**0.3295**	**0.3690**

STATEMENT OF CASH FLOW

	Quarter to 30.09.2014	Year to 30.09.2014	Quarter to 30.09.2013	Year to 30.09.2013
Net profit (loss)	**1 921**	**10 243**	**4 201**	**4 706**
Total adjustments	**-33 024**	**-66 328**	**20 397**	**-117 845**
Depreciation and amortization	198	1 217	190	1 196
Gains / losses from foreign exchange differences	-224	303	-37	-62
Interest and share in profit (dividends)	1 653	-257	1 329	2 577
Profit / loss on investment activities	-761	-1 252	171	178
Change in provisions	-265	-2 047	-4 103	-606
Change in inventory	0	1 883	0	1 110
Change in accounts receivable	-42 385	-115 853	-7 892	25 678
Change in short-term liabilities, net of loans and borrowings	29 233	52 250	32 672	-118 146
Change in prepayments and accruals	-20 541	-2 847	-2 077	-30 006
Other adjustments	68	275	144	236
Net cash flow from operating activities	**-31 103**	**-56 085**	**24 598**	**-113 139**
Cash flow from investing activities				
Inflows	**1 165**	**15 366**	**5 029**	**13 486**
Disposal of intangible and tangible fixed assets	12	263	33	103
Disposal of investment property and intangible fixed assets	0	0	0	0
From financial assets, incl.:	1 153	15 102	4 996	13 383
a) In associates	1 084	14 814	4 913	12 806
- disposal of financial assets	0	0	0	6 000
- dividends and share in profits	658	3 497	0	610
- repayment of long-term borrowings	0	8 791	4 504	5 787
- interest	426	2 526	409	409
- other income from financial assets	0	0	0	0
b) In other entities	69	288	83	577
- 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	69	288	83	577
- other income from financial assets	0	0	0	0
Other investment inflow	0	0	0	0
Outflows	**1 233**	**1 371**	**1 728**	**13 235**
Acquisition of tangible and intangible fixed assets	233	371	71	229
Investment property and intangible fixed assets	0	0	0	0
Financial assets, incl.	1 000	1 000	1 657	13 006
a) In associates	1 000	1 000	1 657	13 006
- acquisition of financial assets	0	0	0	9 167
- loans granted	1 000	1 000	1 657	3 839
b) In other entities	0	0	0	0
- acquisition of financial assets	0	0	0	0
- long-term borrowings granted	0	0	0	0
Other investing outflow	0	0	0	0
Net cash flow from investing activities	**-68**	**13 994**	**3 301**	**251**

	Quarter to 30.09.2014	Year to 30.09.2014	Quarter to 30.09.2013	Year to 30.09.2013
Cash flow from financing activities				
Inflows	**25 510**	**34 905**	**0**	**252**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	0	0	0	0
Loans and borrowings	25 510	25 510	0	252
Issuance of debt securities	0	9 395	0	0
Other financing inflow	0	0	0	0
Outflows	**21 019**	**24 002**	**25 172**	**4 421**
Repurchase of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	8 900	8 900	0	0
Profit distribution other than distributions to shareholders	0	0	0	0
Repayment of loans and borrowings	0	6	24 019	0
Redemption of debt securities	10 000	10 000	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	0	385	0	708
Interest	2 119	4 711	1 153	3 714
Other financing cash outflow	0	0	0	0
Net cash flow from financing activities	**4 491**	**10 903**	**-25 172**	**-4 169**
Total net cash flow	**-26 680**	**-31 187**	**2 727**	**-117 057**
Balance-sheet change in cash, incl.:	**-26 680**	**-31 187**	**2 824**	**-117 057**
- change in cash due to foreign exchange differences	0	0	97	0
Cash at the beginning of the period	**53 413**	**57 920**	**32 312**	**152 193**
Cash at the end of the period, incl.:	**26 733**	**26 733**	**35 136**	**35 136**
- restricted cash	0	13 752	184	17 456

RECONCILIATION OF MOVEMENTS IN EQUITY

	3-month period ended 30.09.2014	9-month period ended 30.09.2014	12-month period ended 30.12.2013	9-month period ended 30.09.2013
I. Equity at the beginning of the period	**243 970**	**244 341**	**235 313**	**235 313**
- Changes in accounting principles (policies) adopted	0	0	0	0
- Basic errors adjustment	0	0	0	0
I.a. Equity at the beginning of the period , after reconciliation to comparable data	**243 970**	**244 341**	**235 313**	**235 313**
1. Share capital at the beginning of the period	**1 271**	**1 271**	**1 268**	**1 268**
1.1. Change in share capital	**0**	**0**	**3**	**0**
a) Increase	0	0	3	0
- Issue of Series G Shares	0	0	0	0
- Issue of Series H Shares	0	0	3	0
b) Decrease	0	0	0	0
- redemption of shares/stocks	0	0	0	0
1.2. Share capital at the end of the period	**1 271**	**1 271**	**1 271**	**1 268**
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 – disposal of own shares	0	0	0	0
3.1. Treasury shares/stocks at the end of the period	**0**	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**234 377**	**234 654**	**228 454**	**228 454**
4.1. Change in capital reserves	0	-277	6 200	5 682
a) Increase (due to)	0	8 623	6 200	5 682
- Capital reserves transfer	0	0	0	0
- Profit distribution	0	8 416	5 591	5 591
- Repurchase of own shares	0	0	0	0
- Profit on sales of own shares	0	0	0	0
- Issue of Series H Shares above their par value	0	0	399	0
- Manager options	0	207	210	91
b) Decrease	0	8 900	0	0
– Dividend payment	0	8 900	0	0
4.2. Capital reserves at the end of the period	**234 377**	**234 377**	**234 654**	**234 136**
5. Revaluation of capital reserves at the beginning of the period	**0**	**0**	**0**	**0**
5.1. Change in revaluation of capital reserves	0	0	0	0
a) Increase	0	0	0	0
- Valuation of financial assets	0	0	0	0
b) Decrease	0	0	0	0
– Valuation of financial instruments held for sale	0	0	0	0
5.2. Capital reserves 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**

	3-month period ended 30.09.2014	9-month period ended 30.09.2014	12-month period ended 30.12.2013	9-month period ended 30.09.2013
7. Accumulated loss/retained profit brought forward at the beginning of the period	**0**	**8 416**	**5 591**	**5 591**
7.1. Retained profit brought forward at the beginning of the period	0	0	0	5 591
- 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	8 416	5 591	5 591
a) Increase	0	8 416	5 591	5 591
b) Decrease	0	0	0	0
- allocation of retained profit to capital reserve	0	8 416	5 591	5 591
- allocation of retained profit to dividend	0	0	5 591	5 591
- allocation of retained profit to cover losses from previous years	0	8 416	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**
7. Accumulated loss/retained profit 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	0	0
a) Increase	0	0	0	0
– presentation adjustments	0	0	0	0
b) Decrease	0	0	0	0
- allocation of retained profit to cover losses	0	0	0	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	**1 921**	**10 243**	**8 416**	**4 706**
a) Net profit	1 921	10 243	8 416	4 706
b) Net loss	0	0	0	0
c) Write-offs from profit	0	0	0	0
II. Equity at the end of the period	**237 569**	**245 891**	**244 341**	**240 110**
III. Equity, after proposed distribution of profit (coverage of loss)	**237 569**	**245 891**	**244 341**	**240 110**

1. Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statements of ERBUD SA for three quarters of 2014 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 2013.

KEY ITEMS CONVERTED TO THE EURO

	30.09.2014		30.09.2013	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	192 547	46 114	205 515	48 743
Current assets	499 595	119 649	397 032	94 166
Shareholders' equity	245 891	58 889	240 110	56 948
Liabilities and provisions for liabilities	446 251	106 874	362 437	85 961

- Assets and liabilities items - at the average exchange rate as at 30 September 2014, i.e. 4.1755 PLN/EUR.
- Assets and liabilities items - at the average exchange rate as at 30 September 2013, i.e. 4.2163 PLN/EUR

	9-month period ended 30.09.2014		9-month period ended 30.09.2013	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	798 024	190 901	584 489	138 403
Cost of sold products and services and of goods and materials	760 523	181 930	546 904	129 503
Profit on sales before taxes	37 501	8 971	37 585	8 900
Profit on operating activities	12 819	3 067	12 031	2 849
Profit (loss) before taxes	12 478	2 985	6 665	1 578
Net profit (loss)	10 243	2 450	4 706	1 114

- Items of the profit or loss statement and cash flow for three quarters of 2014 - 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 30 September 2014, i.e. 4.1803 PLN/EUR.

- Items of the profit or loss statement and cash flow for three 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 30 September 2013, i.e. 4.2231 PLN/EUR.

	9-month period ended 30.09.2014		9-month period ended 30.09.2013	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-56 085	-13 416	-113 139	-26 790
Cash flow from investing activities	13 994	3 348	251	59
Cash flow from financing activities	10 903	2 608	-4 169	-987
Net cash flow	-31 187	-7 460	-117 057	-27 718
Cash at the beginning of the period	57 920	13 966	152 193	36 051
Cash at the end of the period	26 733	6 402	35 136	8 333

Items of the cash flow for the period 1.01.2014 - 30.09.2014 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 day, i.e. 4.1803 PLN/EUR.

Items of the cash flow for the period 1.01.2013 - 30.09.2013 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 day, i.e. 4.2231 PLN/EUR.

In order to translate cash as of 1 January 2014, it was applied the exchange rate set by the NBP on that day, i.e. 4.1472 PLN/EUR

In order to translate cash as of 1 January 2013, it was applied the exchange rate set by the NBP on that day, i.e. 4.0882PLN/EUR.

In order to translate cash as of 30 September 2014, it was applied the exchange rate set by the NBP on that day, i.e. 4.1755 PLN/EUR.

In order to translate cash as of 30 September 2013, it was applied the exchange rate set by the NBP on that day, i.e. 4.2163 PLN/EUR.

EXPLANATORY NOTES

Nota 1. Operating segments information

During the reporting period ended 30 September 2014 the Company has conducted operations under the following business segments:

- civil engineering - large volume construction
- road-engineering
- construction for power industry.

During the reporting period ended 30 September 2014 the Company has conducted operations in the following geographical segments:

- domestic
- abroad. (Belgium, Luxembourg).

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

Business segments

The following table presents data on the revenues and profits of the Company's operating segments for the period from 1 January to 30 September 2014

Proceeds and expenses by business segments

For the period from 1 January to 30 September 2014	Large-volume construction	Road engineering	Services for the energy sector	Other	Total
Sale to external customers	797 831	193	0	0	798 024
Total income	**797 831**	**193**	**0**	**0**	**798 024**
Cost of products, goods and materials sold to external customers	760 006	518	0	**0**	760 523
Total cost of products, goods and materials sold	**760 006**	**518**	**0**	**0**	**760 523**
Total gross sales	**37 826**	**-325**	**0**	**0**	**37 501**
Cost of sales	0	0	0	0	**0**
General and administrative costs	22 099	168	1 033	508	**23 807**
Profit (loss) on other operating activity	-875	0	0	0	**-875**
Segment profit (loss)	**14 852**	**-492**	**-1 033**	**-508**	**12 819**
Profit (loss) on financing activity	-341	0	0	0	**-341**
Income tax	2 235	0	0	0	**2 235**
Net profit	**12 276**	**-492**	**-1 033**	**-508**	**10 243**

The following table present data on the revenues and profits of the Company'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	Large-volume construction	Road engineering	Services for the energy sector	Other	Total
Sale to external customers	575 664	2 271	6 553	0	584 489
Total income	**575 664**	**2 271**	**6 553**	**0**	**584 489**
Cost of products, goods and materials sold to external customers	537 585	1 685	7 633	**0**	546 904
Total cost of products, goods and materials sold	**537 585**	**1 685**	**7 633**	**0**	**546 904**
Total gross sales	**38 079**	**586**	**-1 080**	**0**	**37 585**
Cost of sales	0	0	0	0	**0**

General and administrative costs	21 273	647	1 629	668	**24 217**
Profit (loss) on other operating activity	-1 337	0	0	0	**-1 337**
Segment profit (loss)	**15 469**	**-61**	**-2 709**	**-668**	**12 031**
Profit (loss) on financing activity	-5 367	0	0	0	**-5 367**
Income tax	1 959	0	0	0	**1 959**
Net profit	**8 144**	**-61**	**-2 709**	**-668**	**4 706**

Geographical segments

The following table present data on the revenues and profits of the Company's region segments for the period from 1 January to 30 September 2014

Proceeds and expenses by geographical segments

For the period from 1 January to 30 September 2014	**Domestic**	**Abroad**	**Total**
Sale to external customers	784 312	13 712	798 024
Total income	**784 312**	**13 712**	**798 024**
Cost of products, goods and materials sold to external customers	748 041	12 482	760 523
Total cost of products, goods and materials sold	**748 041**	**12 482**	**760 523**
Total gross sales	**36 271**	**1 230**	**37 501**
Cost of sales	0	0	**0**
General and administrative costs	22 467	1 340	**23 807**
Profit (loss) on other operating activity	-1 025	150	**-875**
Segment profit (loss)	**12 779**	**40**	**12 819**
Profit (loss) on financing activity	-3 050	2 709	**-341**
Income tax	2 235	0	**2 235**
Net profit	**7 494**	**2 749**	**10 243**

The following table present data on the revenues and profits of the Company's region segments for the period from 1 January to 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	552 432	32 057	584 489
Total income	**552 432**	**32 057**	**584 489**
Cost of products, goods and materials sold to external customers	516 077	30 827	546 904
Total cost of products, goods and materials sold	**516 077**	**30 827**	**546 904**
Total gross sales	**36 355**	**1 230**	**37 585**
Cost of sales	0	0	**0**
General and administrative costs	23 250	967	**24 217**
Profit (loss) on other operating activity	-1 316	-21	**-1 337**
Segment profit (loss)	**11 788**	**243**	**12 031**
Profit (loss) on financing activity	-6 291	924	**-5 367**
Income tax	1 616	343	**1 959**
Net profit	**3 882**	**824**	**4 706**

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 accounting principles accepted 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

Prepayments for construction contracts

	30.09.2014	31.12.2013	30.09.2013
Revenue surplus over partial invoices, by work progress	91 037	92 125	78 092
Costs surplus over expenses arising from the accounting costs, by work progress	41 286	46 919	40 795
Surplus on partial invoices over incomes, by work progress	9 875	29 393	3 633
Surplus on costs resulting from the accounting costs over expenses, by work progress	19 203	20 995	41 852
Total amounts presented in deferred expenditures	110 240	113 120	119 944
Total amounts presented in deferred revenues	51 161	76 312	44 428

Provisions and assets due to deferred income tax

Assets due to deferred income tax	30.09.2014	30.06.2014	31.12.2013	30.09.2013
- Valuation of long-term contracts	9 721	14 499	12 751	8 441
- Tax loss	3 835	1 088	5 055	7 939
- Costs of subsequent periods	1 334	1 446	1 242	1 048
- Provision for loss on contracts	0	0	0	0
- Other	4 178	3 790	4 305	3 815
Total assets due to deferred income tax	**19 068**	**20 823**	**23 353**	**21 244**

Provisions	30.09.2014	30.06.2014	31.12.2013	30.09.2013
- Valuation of long-term contracts	20 946	21 493	22 555	19 508
- Other	1 134	1 170	1 575	1 122
Total provisions due to deferred income tax	**22 080**	**22 663**	**24 130**	**20 630**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	30.09.2014	31.12.2013	30.09.2013
As at the beginning of the period	**4 648**	2 645	**2 645**
a) Increase (due to)	2 000	2 325	1 059
- Creation	2 000	2 325	1 059
b) Decrease (due to)	2 162	322	95
- Impairment loss release	2 145	322	95
- Use of write-downs	17	0	0
Write-downs on short-term receivables at end of the period	**4 486**	**4 648**	**3 609**

Significant amount of impairment losses recognized and reversed due to the impairment

Write-downs on long-term financial assets	30.09.2013	31.12.2013
Opening balance sheet	**2 928**	**2 928**
Increases/Decreases	0	0
Closing balance sheet	**2 928**	**2 928**

2.2. 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

In relation to the financial year ended 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
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, 05 November 2014