Translation from Polish

ERBUD S.A.

Condensed Separate Financial Statements for four quarters of 2014

FINANCIAL STATEMENT FOR THE PERIOD OF 12-MONTH ENDED 31 DECEMBER 2014

Balance Sheet

ASSETS

		31.12.2014	30.09.2014	31.12.2013	30.09.2013
A.	**Fixed assets**	**198 182**	**192 547**	**206 029**	**205 515**
I.	**Intangible fixed assets**	**252**	**330**	**424**	**430**
1.	Development costs	0	0	0	0
2.	Goodwill	0	0	0	0
3.	Other intangibles	252	330	57	63
4.	Advances for intangibles	0	0	367	367
II.	**Tangible fixed assets**	**6 986**	**6 242**	**6 132**	**6 696**
1.	Fixed assets	6 394	6 038	6 132	6 696
a)	Land (incl. perpetual usufruct)	0	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 234	3 259	3 334	3 358
c)	Plant and equipment	64	59	86	101
d)	Means of transport	2 890	2 467	2 474	2 945
e)	Other tangible fixed assets	206	253	238	292
2.	Fixed assets under construction	592	204	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**	**165 884**	**166 907**	**176 120**	**177 145**
1.	Real property	359	479	515	515
2.	Intangibles	0	0	0	0
3.	Non-current financial assets	165 525	166 428	175 605	176 630
a)	In associates, incl.:	164 763	165 666	174 843	175 890
–	shares or stocks	136 731	136 731	136 731	136 713
–	other securities	0	0	0	0
–	loans granted	28 031	28 935	38 112	39 177
–	other non-current financial assets	0	0	0	0
b)	In other entities, incl.:	763	762	762	740
–	shares or stocks	5	5	5	5
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other non-current financial assets	758	757	757	735
4.	Other long-term investments	0	0	0	0
V.	**Long-term prepayments**	**25 060**	**19 068**	**23 353**	**21 244**
1.	Deferred tax assets	25 060	19 068	23 353	21 244
2.	Other prepayments	0	0	0	0

		31.12.2014	30.09.2014	31.12.2013	30.09.2013
B.	**Current assets**	**591 077**	**499 595**	**423 617**	**397 032**
I.	**Inventory**	**800**	**630**	**2 513**	**0**
1.	Materials	170	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**	**300 762**	**336 208**	**220 355**	**238 019**
1.	From associates	18 440	15 740	3 453	4 590
a)	Deliveries and services, with maturity	16 326	13 581	1 340	1 076
–	up to 12 months	16 326	13 581	1 340	1 076
–	over 12 months	0	0	0	0
b)	Other	2 114	2 159	2 113	3 514
2.	Receivables from other entities	282 322	320 468	216 902	233 429
a)	Deliveries and services, with maturity	254 234	300 429	203 240	213 308
–	up to 12 months	243 510	287 859	188 448	201 660
–	over 12 months	10 724	12 570	14 792	11 648
b)	Tax, subsidies, duty, social security, health care and other benefits	18 950	10 464	5 514	7 436
c)	Other	9 138	9 575	8 148	12 685
d)	Receivables claimed at court	0	0	0	0
III.	**Short-term financial assets**	**123 789**	**26 894**	**58 077**	**35 136**
1.	Current financial assets	123 789	26 894	58 077	35 136
a)	In associates, incl.:	709	161	157	0
–	shares or stocks	0	0	0	0
–	other securities	0	0	0	0
–	loans granted	709	161	157	0
–	other current investments	0	0	0	0
b)	In other entities, incl.:	0	0	0	0
–	shares or stocks	339	0	0	0
–	other securities	0	0	0	0
–	loans granted	0	0	0	0
–	other current financial assets	339	0	0	0
c)	Cash and cash equivalents	122 741	26 733	57 920	35 136
–	cash at bank and in hand	109 778	12 981	44 303	17 680
–	other cash	12 963	13 752	13 617	17 456
–	other financial assets	0	0	0	0
2.	Other current financial investments	0	0	0	0
IV.	**Short-term prepayments**	**165 726**	**135 863**	**142 672**	**123 877**
	TOTAL ASSETS	**789 259**	**692 142**	**629 646**	**602 547**

LIABILITIES

		31.12.2014	30.09.2014	31.12.2013	30.09.2013
A.	**Equity**	**246 818**	**245 891**	**244 341**	**240 110**
I.	**Share capital**	1 276	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 reserve**	234 960	234 377	234 654	234 136
V.	**Revaluation of capital**	-1 317	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)**	11 899	10 243	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**	**542 441**	**446 251**	**385 305**	**362 437**
I.	**Provisions for liabilities**	**42 043**	**35 655**	**37 702**	**33 223**
1.	Deferred income tax provision	27 759	22 080	24 130	20 630
2.	Provision for retirement and related benefits	3 886	3 458	3 328	3 209
–	non-current	542	664	479	528
–	current	3 344	2 794	2 849	2 681
3.	Other provisions	10 398	10 117	10 244	9 384
–	non-current	0	0	0	0
–	current	10 398	10 117	10 244	9 384
II.	**Long-term liabilities**	**53 065**	**52 451**	**266**	**278**
1.	To associates	0	0	0	0
2.	To other entities	53 065	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	1 065	451	266	278
d)	Other	0	0	0	0
III.	**Short-term liabilities**	**410 221**	**306 984**	**280 227**	**284 492**
1.	To associates	15 263	15 332	9 067	15 288
a)	Deliveries and services, with maturity:	15 263	15 332	9 067	15 288
–	up to 12 months	15 050	14 645	8 240	14 619
–	over 12 months	213	687	827	669
b)	Other	0	0	0	0
2.	To other entities	394 958	291 652	271 160	269 204
a)	Loans and borrowings	0	25 510	6	9
b)	Issuance of debt securities	0	0	50 000	50 000
c)	Other financial liabilities	3 226	1 342	2 339	1 628
d)	Deliveries and services, with maturity :	362 677	245 985	212 502	207 152
–	up to 12 months	356 398	242 986	205 791	203 265
–	over 12 months	6 279	2 999	6 711	3 887
e)	Advances for deliveries	22 749	13 198	291	4 797
f)	Bills	0	0	0	0
g)	Taxes, customs, social insurance and other benefits	3 112	2 824	3 746	2 053
h)	Payroll	2 157	1 968	682	1 200
i)	Other	1 037	825	1 594	2 365
3.	Special funds	0	0	0	0
IV.	**Accruals**	**37 112**	**51 161**	**67 110**	**44 444**
1.	Other accruals	37 112	51 161	67 110	44 444
	TOTAL LIABILITIES	**789 259**	**692 142**	**629 646**	**602 547**

Calculation of book value per share

	31.12.2014	30.09.2014	31.12.2013	30.09.2013
Book value (in PLN '000)	246 818	245 891	244 341	240 110
Number of shares	12 761 925	12 714 546	12 714 546	12 677 956
Book value per share	19.34	19.34	19.22	18.94

PROFIT AND LOSS STATEMENT

	Quarter to 31.12.2014	Year to 31.12.2014	Quarter to 31.12.2013	Year to 31.12.2013
Income from sales of products, goods and materials, incl.:	**424 579**	**1 222 604**	**276 952**	**861 441**
- from associates	6 260	8 828	1 565	3 170
Net revenues on sales of products	424 579	1 222 604	276 952	861 441
Net revenues on sales of goods and materials	0	0	0	0
Cost of sold products, goods and materials, incl.:	**405 315**	**1 165 839**	**260 493**	**807 397**
- to associates	40 236	90 899	9 373	36 233
Cost of manufacturing of products sold	405 315	1 165 839	260 493	807 397
Value of goods and materials sold	0	0	0	0
Profit (loss) on sales before taxes	**19 264**	**56 765**	**16 459**	**54 044**
Sale costs	0	0	0	0
Overhead costs	12 816	36 624	10 750	34 967
Profit (loss) on sales	**6 448**	**20 142**	**5 709**	**19 077**
Other operating income	**565**	**3 108**	**1 409**	**3 146**
Gain on disposal of non-financial fixed assets	148	1 399	40	122
Subsidies and donations	0	0	0	0
Other operating income	417	1 709	1 369	3 024
Other operating expenses	**2 431**	**5 850**	**2 055**	**5 129**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	2 431	5 850	2 055	5 129
Profit (loss) on operating activity	**4 582**	**17 400**	**5 063**	**17 094**
Financial income	**1 715**	**7 273**	**2 289**	**4 409**
Dividends and other share in profit	0	3 498	0	610
- from associates	0	3 498	0	610
Interest	819	2 439	2 290	3 279
- from associates	233	1 378	1 437	1 749
Gain on disposal of investments	0	0	0	228
Investment revaluation	0	0	0	0
Other	896	1 337	-1	292
Financial expenses	**2 768**	**8 667**	**2 251**	**9 737**
Interest	1 886	5 953	1 193	6 274
- to associates	0	0	-98	227
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	882	2 714	1 058	3 463
Gain (loss) on ordinary activities	**3 529**	**16 006**	**5 101**	**11 766**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**3 529**	**16 006**	**5 101**	**11 766**
Income tax	1 873	4 107	1 391	3 350
Other mandatory decrease of profit (increase of loss)	0	0	0	0
Net earnings (loss)	**1 656**	**11 899**	**3 710**	**8 416**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)		**12 761 925/ 12 791 962**		**12 696 251/ 12 744 407**
Earnings (loss) per ordinary share / Diluted earnings (loss) per share (in PLN)		**0.9324/ 0.9302**		**0.5607/ 0.5584**

STATEMENT OF CASH FLOW

	Quarter to 31.12.2014	Year to 31.12.2014	Quarter to 31.12.2013	Year to 31.12.2013
Net profit (loss)	**1 656**	**11 899**	**3 710**	**8 416**
Total adjustments	**118 689**	**52 361**	**16 970**	**-100 875**
Depreciation and amortization	1 038	2 255	854	2 050
Gains / losses from foreign exchange differences	-479	-176	-13	-75
Interest and share in profit (dividends)	-2 072	-2 329	-597	1 980
Profit / loss on investment activities	-147	-1 399	-300	-122
Change in provisions	6 388	4 341	4 480	3 874
Change in inventory	-170	1 713	-2 513	-1 403
Change in accounts receivable	35 447	-80 406	16 264	41 942
Change in short-term liabilities, net of loans and borrowings	128 863	181 113	-2 989	-121 135
Change in prepayments and accruals	-50 184	-53 031	1 762	-28 244
Other adjustments	5	280	22	258
Net cash flow from operating activities	**120 345**	**64 260**	**20 680**	**-92 459**
Cash flow from investing activities				
Inflows	**4 307**	**19 673**	**5 254**	**18 740**
Disposal of intangible and tangible fixed assets	1 451	1 714	74	177
Disposal of investment property and intangible fixed assets	0	0	0	0
From financial assets, incl.:	2 856	17 959	5180	18 563
a) In associates	2 714	17 529	5 131	17 937
- disposal of financial assets	0	0	1 400	7 400
- dividends and share in profits	0	3 498	0	610
- repayment of long-term borrowings	2 430	11 221	2 909	8 696
- interest	284	2 810	-409	0
- other income from financial assets	0	0	1 231	1 231
b) In other entities	142	430	49	626
- 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	142	430	49	626
- other income from financial assets	0	0	0	0
Other investing inflow	0	0	0	0
Outflows	**2 245**	**3 616**	**1 135**	**14 370**
Acquisition of tangible and intangible fixed assets	120	491	88	317
Investment property and intangible fixed assets	0	0	0	0
Financial assets, incl.	2 125	3 125	1 047	14 053
a) In associates	2 125	3 125	1 047	14 053
- acquisition of financial assets	0	0	0	9 167
- loans granted	2 125	3 125	1 047	4 886
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	**2 062**	**16 057**	**4 119**	**4 370**

	Quarter to 31.12.2014	Year to 31.12.2014	Quarter to 31.12.2013	Year to 31.12.2013
Cash flow from financing activities				
Inflows	**522**	**9 917**	**150**	**402**
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	522	522	402	402
Loans and borrowings	0	0	-252	0
Issuance of debt securities	0	9 395	0	0
Other financing inflow	0	0	0	0
Outflows	**26 921**	**25 413**	**2 165**	**6 586**
Repurchase of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	8 900	0	0
Profit distribution other than distributions to shareholders	0	0	0	0
Repayment of loans and borrowings	25 510	6	256	256
Redemption of debt securities	0	10 000	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	336	720	488	1 196
Interest	1 075	5 787	1 420	5 134
Other financing cash outflow	0	0	0	0
Net cash flow from financing activities	**-26 399**	**-15 496**	**-2 015**	**-6 184**
Total net cash flow	**96 008**	**64 821**	**22 784**	**-94 273**
Balance-sheet change in cash, incl.:	**96 008**	**64 821**	**22 784**	**-94 273**
- change in cash due to foreign exchange differences				
Cash at the beginning of the period	**26 733**	**57 920**	**35 136**	**152 193**
Cash at the end of the period, incl.:	**122 741**	**122 741**	**57 920**	**57 920**
- restricted cash		12 963		13 618

RECONCILIATION OF MOVEMENTS IN EQUITY

	Quarter to 31.12.2014	Year to 31.12.2014	Quarter to 31.12.2013	Year to 31.12.2013
I. Equity at the beginning of the period	**245 891**	**244 341**	**235 313**	**240 110**
– 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	**245 891**	**244 341**	**235 313**	**240 110**
1. Share capital at the beginning of the period	**1 271**	**1 271**	**1 268**	**1 268**
1.1. Changes in share capital	**5**	**5**	**3**	**3**
a) Increase	5	5	3	3
- issue of Series I Shares	5	5	0	0
- issue of Series H Shares	0	0	3	3
b) Decrease	0	0	0	0
– redemption of shares	0	0	0	0
1.2. Share capital at the end of the period	**1 276**	**1 276**	**1 271**	**1 271**
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	**234 377**	**234 654**	**228 454**	**234 136**
4.1. Change in capital reserve	583	306	6 200	518
a) Increase	583	9 206	6 200	518
- capital reserve transfer	0	0	0	0
- profit distribution	0	8 416	5 591	0
- repurchase of own shares	0	0	0	0
– profit on sale of own shares	0	0	0	0
- issue of Series I Shares above their par value	517	517	399	399
- manager options	66	273	210	119
b) Decrease	0	8 900	0	0
– Dividend payment	0	8 900	0	0
4.2. Capital reserve at the end of the period	**234 960**	**234 960**	**234 654**	**234 654**
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
- measurement of financial assets	0	0	0	0
b) Decrease	1 317	1 317	0	0
- measurement of financial instruments available for sale	1 317	1 317	0	0
5.2. Capital reserve at the end of the period	**-1 317**	**-1 317**	**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 31.12.2014	Year to 31.12.2014	Quarter to 31.12.2013	Year to 31.12.2013
7. Accumulated loss/retained profit brought forward at the beginning of the period	**0**	**8 416**	**5 591**	**0**
7.1. 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
- previous year result recognised as a result of previous years	0	8 416	5 591	0
7.2. Retained profit brought forward at the beginning of the period, after adjustments	0	8 416	5 591	0
a) Increase	0	0	0	0
b) Decrease	0	8 416	5 591	0
- allocation of retained profit to capital reserve	0	0	5 591	0
- allocation of retained profit to dividend	0	8 416	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	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	**1 656**	**11 899**	**8 416**	**3 710**
a) Net profit	1 656	11 899	8 416	3 710
b) Net loss	0	0	0	0
c) Write-offs from profit	0	0	0	0
II. Equity at the end of the period	**246 818**	**246 818**	**244 341**	**244 341**
III. Equity, after proposed distribution of profit (coverage of loss)	**246 818**	**246 818**	**244 341**	**244 341**

Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statement of ERBUD SA for four 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.

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 2014, i.e. 4.2623 PLN/EUR;
- Items of the profit and loss statement and cash flow for four 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 31 December 2014, i.e. 4.1893 PLN/EUR;
- 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;

KEY ITEMS CONVERTED TO THE EURO

	31.12.2014		31.12.2013	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	198 182	46 496	206 029	49 679
Current assets	591 077	138 675	423 617	102 145
Shareholders' equity	246 818	57 906	244 341	58 917
Liabilities and provisions for liabilities	542 441	127 265	385 305	92 907

	12-month period ended 31.12.2014		12-month period ended 31.12.2013	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	1 222 604	291 839	861 441	204 569
Cost of sold products and services and of goods and materials	1 165 839	278 289	807 397	191 735
Profit on sales before taxes	56 765	13 550	54 044	12 834
Profit on operating activities	17 400	4 153	17 094	4 059
Profit (loss) before taxes	16 006	3 821	11 766	2 794
Net profit (loss)	11 899	2 840	8 416	1 998

	12-month period ended 31.12.2014		12-month period ended 31.12.2013	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	64 260	15 339	-92 458	-21 956
Cash flow from investing activities	16 057	3 833	4 370	1 038
Cash flow from financing activities	-15 496	-3 699	-6 184	-1 468
Net cash flow	64 821	15 473	-94 272	-22 387
Cash at the beginning of the period	57 920	13 966	152 193	37 227
Cash at the end of the period	122 741	28 797	57 920	13 966

EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 31 December 2014, 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 2014, the Company was operating in the following region segments:

- in Poland
- abroad (Belgium, Holland).

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 2014.

Proceeds and expenses by business segments

For the period from 1 January to 31 December 2014	Large volume construction	Road engineering	Construction for energy sector	Other	Total
Sale to external customers	1 222 409	195	0	0	**1 222 604**
Total income	**1 222 409**	**195**	**0**	**0**	**1 222 604**
Cost of products, goods and materials sold to external customers	1 165 073	765	0	**0**	**1 165 839**
Total cost of products, goods and materials sold	**1 165 073**	**765**	**0**	**0**	**1 165 839**
Total sales before tax	**57 336**	**-570**	**0**	**0**	**56 765**
Cost of sales	0	0	0	0	**0**
Overhead costs	34 612	227	1 432	352	**36 624**
Profit (loss) on other operating activity	-2 742	0	0	0	**-2 742**
Segment profit (loss)	**19 982**	**-798**	**-1 432**	**-352**	**17 400**
Profit (loss) on financing activity	-1 394	0	0	0	**-1 394**
Income tax	4 107	0	0	0	**4 107**
Net profit	**14 481**	**-798**	**-1 432**	**-352**	**11 899**

For the period from 1 January to 31 December 2013	Large volume construction	Road engineering	Construction for energy sector	Other	Total
Sale to external customers	837 255	2 271	21 915	0	**861 441**
Total income	**837 255**	**2 271**	**21 915**	**0**	**861 441**
Cost of products, goods and materials sold to external customers	786 629	-419	21 187	**0**	**807 397**
Total cost of products, goods and materials sold	**786 629**	**-419**	**21 187**	**0**	**807 397**
Total sales before tax	**50 625**	**2 690**	**728**	**0**	**54 044**
Cost of sales	0	0	0	0	**0**
Overhead costs	30 816	718	2 669	764	**34 967**
Profit (loss) on other operating activity	-1 983	0	0	0	**-1 983**
Segment profit (loss)	**17 826**	**1 972**	**-1 940**	**-764**	**17 094**
Profit (loss) on financing activity	-5 328	0	0	0	**-5 328**
Income tax	2 893	457	0	0	**3 350**
Net profit	**9 605**	**1 515**	**-1 940**	**-764**	**8 416**

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 2014

Proceeds and expenses by geographical segments

For the period from 1 January to 31 December 2014	Domestic	Abroad	Total
Sale to external customers	1 194 636	27 968	1 222 604
Total income	**1 194 636**	**27 968**	**1 222 604**
Cost of products, goods and materials sold to external customers	1 140 406	25 433	1 165 839
Total cost of products, goods and materials sold	**1 140 406**	**25 433**	**1 165 839**
Total sales before tax	**54 230**	**2 535**	**56 765**
Cost of sales	0	0	**0**
Overhead costs	33 899	2 725	**36 624**
Profit (loss) on other operating activity	-3 015	273	**-2 742**
Segment profit (loss)	**17 317**	**83**	**17 400**
Profit (loss) on financing activity	-4 667	3 273	**-1 394**
Income tax	4 107	0	**4 107**
Net profit	**8 543**	**3 356**	**11 899**

For the period from 1 January to 31 December 2014	Domestic	Abroad	Total
Sale to external customers	827 853	33 588	**861 441**
Total income	**827 853**	**33 588**	**861 441**
Cost of products, goods and materials sold to external customers	775 704	31 693	**807 397**
Total cost of products, goods and materials sold	**775 704**	**31 693**	**807 397**
Total sales before tax	**52 149**	**1 895**	**54 044**
Cost of sales	0	0	**0**
Overhead costs	33 580	1 387	**34 967**
Profit (loss) on other operating activity	-2 057	74	**-1 983**
Segment profit (loss)	**16 512**	**582**	**17 094**
Profit (loss) on financing activity	-6 294	966	**-5 328**
Income tax	2 909	441	**3 350**
Net profit	**7 309**	**1 107**	**8 416**

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 measurement 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 related to construction contracts

	31.12.2014	30.09.2014	31.12.2013
Revenue surplus over interim invoices, by staging	45 734	91 037	92 125
Costs surplus over expenses arising from the accounting costs, by staging	26 422	41 286	46 919
Surplus on interim invoices over incomes, by staging	10 690	9 875	29 393
Surplus on costs resulting from the accounting costs over expenses, by staging	20 654	19 203	20 995
Total amounts presented in prepayments	66 388	110 240	113 120
Total amounts presented in accruals	37 112	51 161	76 312

Provisions and assets due to deferred income tax

Assets due to deferred income tax	31.12.2014	30.09.2014	31.12.2013	30.09.2013
- measurement of long-term contracts	7 051	9 721	12 751	8 441
- tax loss	1 088	3 835	5 055	7 939
- deferred costs	12 213	1 334	1 242	1 048
- provision for loss on contracts	267	0	0	0
- other	4 441	4 178	4 305	3 815
Total assets due to deferred income tax	**25 060**	**19 068**	**23 353**	**21 244**

Provisions due to	31.12.2014	30.09.2014	31.12.2013	30.09.2013
- measurement of long-term contracts	12 614	20 946	22 555	19 508
- other	15 145	1 134	1 575	1 122
Total provisions due to deferred income tax	**27 759**	**22 080**	**24 130**	**20 630**

Impairment allowances for receivables
Change in write-downs on short-term receivables

	31.12.2014	30.09.2014	31.12.2013
As at the beginning of the period	**4 648**	**4 648**	**2 645**
a) Increase	2 861	2 000	2 325
- creation of write-offs	2 861	2 000	2 325
b) Decrease	3 355	2 162	322
- impairment loss	2145	2 145	322
- use of write-offs	1 210	17	0
Write-downs on short-term debts at the end of the period	**4 154**	**4 486**	**4 648**

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	**31.12.2014**	**31.12.2013**
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 2014 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, 27 February 2015