ERBUD S.A.

Separate Financial Statements for the year ended 31 December 2014

Introduction to the Financial Statements

1. Name, business address, the subject of activity and number in the Court Register

Erbud is a joint stock company established as a result of conversion of Erbud Limited Liability Company registered on 29.11.2006 in the District Court for the Capital City of Warsaw, XIII Commercial Division of the National Court Register under number 0000268667, seated in Warsaw, ul. Puławska 300 A.
Erbud Limited Liability Company was founded on 28.8.1990 and registered on 08.08.2001 in the National Court Register, under number 0000034299.
The Company's core business is execution of large-volume civil construction works (PKD 4521A - Polish Classification of Activities).
The Company is a parent entity.
The Company prepares the consolidated financial statements of the Erbud Group.

2. Duration of the company

The duration of the Erbud SA is indefinite.

3. Presentation periods

The Financial Statements cover the period from 1 January 2014 to 31 December 2014 and comparable data covering the period from 1 January 2013 to 31 December 2013. The Financial Statements have been prepared in accordance with the accounting rules in force in Poland.

4. Composition of the Management Board and the Supervisory Board

Management Board

Dariusz Grzeszczak - Management Board Member
Józef Zubelewicz - Management Board Member

Supervisory Board

Udo Berner - Chairman of the Supervisory Board
Józef Olszyński - Deputy Chairman of the Supervisory Board
Albert Durr - Member of the Supervisory Board
Gabriel Główka - Member of the Supervisory Board
Zofia Dzik - Member of the Supervisory Board
Michał Otto - Member of the Supervisory Board
Janusz Lewandowski - Member of the Supervisory Board

5. Internal organizational business units

In the current reporting period the Company did not have separate internal organizational units.

6. Controlling other units

Erbud S.A. controls the following entities:

Company	Date of taking control	Equity as at 31.12.2014 (in PLN '000)	Revenue from sales for 2014 FY (in PLN '000)	Net result for 2014 FY (in PLN '000)	Percentage of capital held
Erbud International Spółka z o.o.	20-12-2002	6 504	53 742	1 145	100%
GWI GmbH	9-02-2004	10 653	134 888	1 601	85%

Erbud Rzeszów Spółka z o.o.	31-12-2002	3 010	19 342	921	79%
Delta Spółka z o.o.	26-05-2004	2 247	0	-654	100%
Grupa Budlex S.A. (formerly Budlex Sp. z o.o.)	27-09-2007	84 703	46 843	7 183	89.96%
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	31-03-2008	39 234	162 609	5 042	94.27%
Erbud Industry Sp. z o.o. (formerly Ersteel Sp. z o.o.)	1-07-2010	5 377	91 830	2 764	100%
Erbud Industry Centrum Sp. z o.o. (formerly Engorem Sp. z o.o.)	22-11-2012	18 166	63 226	1 491	98.66%
Energoserv Pomorze Sp. z o.o*	03-11-2014	3 016	851	-26	100%
Erbud Industry Pomorze Sp. z o.o.* (formerly NGK Ojrzyński)	01-10-2014	2 474	5 271	-63	100%

* Since the date of taking control

7. Going-concern assumption and comparability of financial statements

The financial statements presented in this report were prepared on the assumption that Erbud will continue its economic activity during 12 months after the balance sheet date i.e. 31.12.2014. As at the acceptance date of financial statements, the Management Board does not see any facts and circumstances which would suggest that the possibility of continuing the Company's activities over next 12 months from the balance sheet date is being jeopardised due to an intentional or obligatory cessation, or a significant restriction of the Company's present activities.
By the date of preparing the Separate Financial Statements no events occurred that were no but should be included in the accounts of the reporting period.

8. Description of accounting principles (policy) applied, including methods of valuation of assets and liabilities, revenues and costs

The financial statements have been prepared in accordance with accounting principles set out in the Act of 29 September 1994 on Accounting (Journal of Laws of 2013, item 330, as amended) and the regulations issued thereunder, as well as the requirements set out in the Act on public companies (Journal of Laws of 2009 No. 185, item 1439, as amended), and the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws No. 33, item. 259, as amended).

8.1. Intangible assets

Intangible assets are recognized if it is likely that in the future they will bring to the unit an inflow of economic benefits that can be directly related to those assets.
The initial recognition of intangible assets is recorded by the purchase price or cost of production. After initial recognition, intangible assets are valued at purchase price or production cost less any accumulated amortization and write-downs due to permanent impairment. Intangible assets are amortised using the straight-line method across the correctly estimated period of their use and are as follows:
- patents and licenses 5 -15 years;
- computer software 1-5 years.

Depreciation commences no earlier than at the first day of the month after an intangible asset has been taken for use.

Estimates on the economic lifetime and depreciation method are reviewed at the end of each financial year in order to verify whether the method used and period of amortization are consistent with the expected time shift of economic benefits provided by the intangibles.

At every balance sheet date the Company assesses whether the carrying value of the reported assets does not exceed the value of expected future economic benefits. If there are such indications, the carrying amount of the asset is reduced to the net selling price. Allowances for impairment losses are recognized in other operating costs.

8.2. Property, plant and equipment

The complete assets owned by the Company and fit to be used with an expected life-time for longer than one year are classified as fixed assets.
Fixed assets are valued and recognized in the financial statements at the purchase price or manufacturing cost less accumulated depreciation and write-downs on impairment.
Costs related to an fixed asset, incurred after the asset has been taken for use are recognized in the income statement, except where it can be proved that the costs caused an increase in expected future economic benefits due to the ownership of the asset. Then the costs incurred increase the value of the asset.
Property, plant and equipment are depreciated according to the straight-line method over a period of its estimated economic usefulness. Annual depreciation rates correspond to the particular periods as presented below:

Buildings and civil engineering structures: 2% - 4.5%
Technical equipment and machines: 6% - 30%
Means of transport: 12.5% - 20%.

Assets with an initial value below PLN 3,500 are depreciated once at the purchase date. In case of fixed assets, which have permanently lost their economic usefulness, unscheduled depreciation is charged to the other operating costs.
Estimates on the economic lifetime and depreciation method are reviewed at the end of each financial year in order to verify whether the method used and period of amortization are consistent with the expected time shift of economic benefits provided by the asset.
An inventory of fixed assets is conducted each four years.

8.3. Fixed assets in progress

Fixed assets in progress are measured in the amount of the total costs remaining directly connected with its acquisition or production, taking into account non-deductible tax on goods and services and excise duty, as well as the cost of liabilities due to finance assets and related foreign exchange differences, reduced by income from it. The balance of fixed assets, which are not yet available for use, is reduced by write-downs on account of permanent impairment.
Fixed assets in progress are not depreciated until they are completed and commissioned.

8.4. Lease

Finance leases, which substantially transfer to the Company all the risks and benefits of ownership of the leased, are capitalized at the inception of the lease at the lower of the following two values: a measure of fair value of the subject leased or value of the minimum lease charges. Lease payments are divided into an interest part and a capital part, such that the rate of interest on the liability is a fixed amount.
Financial expenses are recognized in the profit or loss account. Fixed assets used under finance leases are subject to depreciation according to the rules applied to the own items of assets.
In absence of certainty, that after the end of the lease agreement the Company receives the right to property, assets are written off over a shorter of two following periods: the lease period or the period of economic usefulness.
Lease contracts under which the lessor retains substantially all the risks and rewards of ownership of the assets under a lease are classified in accordance with Article 3 section 4 of the Act on Accounting as operating leases.

8.5. Investment property

Investment property is a real estate which is classified as a source of revenues from rents or is kept in possession in view of increase of its value or for both of these benefits, where such property is neither used for the purpose manufacturing, supply of goods or services or for administrative activity, nor held for sale in the course of ordinary business of the unit.

Investment properties are measured initially at purchase price or production cost. The initial measurement includes costs of transaction. After initial recognition, investment properties are accounted at fair value. Gains or losses arising from changes in fair value of investment property are recognized in the profit and loss account in the period in which they arise.

Investment properties are derecognised when disposed of or permanently withdrawn from the use and no future benefits are expected from its sale. Any gain or loss arising on derecognition of investment property are recognized in profit or loss account in the period in which such derecognition took place.

Transfers of assets to the investment property are made only if there is a change of use, evidenced by the end of use of the asset by the owner, conclusion of an operating lease contract or completion of the investment property construction.

In the event, the investment property is transferred by the owner to the assets used or to the inventories, the alleged cost of such asset item, which will be adopted for the purpose of its inclusion in another category, is equal to the fair value of the property at the date of modification of its use. If an asset used by the owner i.e. the Group becomes an investment property, the Group applies the principles set out in the section "Property, plant and equipment" up to the date of change in use. In case of transfer of assets from the inventories to the investment property, the difference between the fair value of the property determined as on the date of transfer and its previous carrying amount is recognized in the profit and loss account. When the Group finishes the building or execution of the investment property, the difference between the fair value of the property as on that date and its previous carrying amount is recognized in the profit and loss account.

8.6. Long-term investments

Investments in subsidiaries, i.e. in entities under control, as well as associates are valued at its historical cost less potential loss of value resulting from the tests for impairment.

Interest in jointly controlled entities is measured using the equity method.

Permanent loss of value of shares in subsidiary companies is estimated as of every balance sheet date.

The carrying value of such assets is individually reviewed to determine if it exceeds or not the value of future economic benefits. Where the carrying amount exceeds the expected economic benefits, it shall be reduced to net selling price.

Reduction of the value of investments previously revalued to the amount, by which the revaluation capital (fund) has been increased, reduces this capital (fund) in the event that the amount of the difference due to the revaluation was not cleared until the date of valuation.

In other cases, the effects of decreasing the value of investments are classified as financial costs. The rise in investment value directly connected with a prior reduction of its value, classified in the financial costs, is recognized to the level of such costs as financial income.

8.7. Financial assets

At the time of entry in the accounts, financial assets are measured at cost (purchase price) representing the fair value. Transaction costs are recognized at the initial value of those financial instruments. Financial assets are accounted at the settlement date.

After the initial recognition, financial assets are classified into one of four categories and valued, excluding financial fixed assets which are measured at purchase cost and not revalued to their value at market price, as follows:

1. Financial assets and liabilities available for sale – Fair value measurement, without reducing transaction costs; gains and losses on revaluation are recognized in the profit or loss account.
2. Loans granted and receivables – Measurement at the adjusted purchase price (amortized cost) determined using the effective interest rate. Receivables with a short maturity, for which interest rate was not determined, are measured at amounts due.
3. Financial assets held to maturity – Measurement at the adjusted purchase price (amortized cost) determined using the effective interest rate.
4. Financial assets available for sale – Measurement at fair value; gains and losses on revaluation are recognized in the revaluation capital until the sale of investment or reducing its value. At this time, the cumulative gain or loss from revaluation is recognized in the profit and loss account.

8.8. Impairment of financial assets

At each balance sheet date, the Company assesses whether objective conditions exist which indicate the impairment of an asset or a group of assets. If such conditions exist, the Company determines an estimated value possible for recovering the value of the asset and writes-down in an amount equal to the difference between the value of recoverable and the carrying value.

8.9. Inventories

Materials, goods, work in progress and finished goods are current assets inventories.
The Group applies the following rules of inventory classification to the specific categories:

- ***materials*** - elements stored in the storage places for use in manufacturing processes, particularly for construction purposes
- ***work in progress*** - includes costs of development projects under construction as well as materials of general-purpose stock and low-processing materials, which can easily and without incurring significant costs be used for other contracts or sold (if they are unnecessary to execute this contract)
- ***goods*** - the stock acquired in the purpose of their resale, including land for development projects in the implementation of development projects
- ***finished goods*** - products of own production, which proceeding been fully completed, apartments.

Elements stored on construction sites to be used by the Company or a subcontractor for specific purposes on particular site only, which probably cannot be used by execution of other contracts or sold, are not classified as inventories. Such items are directly counted towards contract costs and included in the valuation of the contract according to the stage of performance.
Inventories are estimated at the lower of the two values: purchase cost or net selling price.
Net selling price is the sale price without VAT and excise taxes, less discounts and other costs related to the adaptation of the item for sale and to selling it, achievable as at the balance sheet date.
Materials are valued at purchase cost determined by the using the FIFO method and work in progress and goods finished - at the direct costs of materials and labour and a fair share of indirect costs of production fixed at normal capacity utilization.

8.10. Long-term construction contracts

The initial costs incurred before the execution of a contract, related to salaries, business travels (personal), etc. are included in operating costs of the period in which they has been incurred. They are not included in technical production costs of performance of a given order at the time of concluding a contract. If the entity is sure that the contract will be concluded and the ordering party will pay the costs before signing such a contract, such costs are capitalized. This may relate only to costs of services and materials purchased outside (services of subcontractors, materials, etc.).

8.10.1. Accounting and presentation of the financial consequences of long-term contracts

Large-volume construction contracts

If an entity can reliably determine the stage of completion of construction in progress, the percentage method is used. A contract income is shown proportionately to costs incurred for a specific moment of its completion.
While determining the progress of contract execution, the entity uses a method that will allow measuring the work performed in a credible way. Depending on the contract type, the methods may include:

- proportion of contract costs incurred for work performed to date compared to the estimated total contract costs
- measurement of works.

In setting the status of works on the basis of contract costs incurred up to the date only those costs are taking into account which reflect the work performed.

If the stage of completion of a long-term construction contract cannot be estimated reliably, revenues are recognized only to the level of expenses which are likely to be recovered.
The results of valuation are recognized in assets and liabilities respectively in the position B.IV "Short-term prepayments" and B.IV.2 "Other accruals" of the financial statements.

8.11. Current and non-current trade receivables

Trade claims are recognized in the balance sheet at receivable amount, observing precautions.
Receivables are revaluated by taking into account the probability their payment, through a write-down. Impairments are created on overdue debts of over 180 days at its full value. The individual principles of charging of impairment may be applied in particular justified cases.
Write-downs of the value of a receivable are counted towards operating costs or financial expenses, depending on the type of receivable to which the write-down refers. Receivables which are amortized, time-barred or which cannot be collected decrease previously made write-downs.
Claims prescribed, written-off against provisions and bad debts, in relation to which no impairment or non-full write-downs were made, are classified accordingly as other operating expenses or financial costs.

8.12. Cash and cash equivalents

Cash in hand and in bank accounts are measured at their par value.
Cash and cash equivalents include cash on hand and bank and short-term deposits with an original maturity not exceeding three months.

8.13. Prepayments

The Company recognizes prepayments if they relate to future reporting periods, respecting the principle of materiality and applying the precautionary principle.

8.14. Capitals

Original capital includes ordinary shares and is shown at their par value according to the Statute and registration in the National Court Register.
Capital reserves are created from profit retained, as a result of transferring revaluation capital and issue of shares above their nominal value.

8.15. Provisions for liabilities

Provisions are created when the Company has an existing obligation (legal or ordinary) resulting from past events, and when it is certain or highly probable that fulfilment of that obligation will cause a need for an outflow of resources embodying economic benefits, and when a reliable estimation can be made of the amount of that obligation.
Provisions for liabilities include, among other:

- guarantee repair provision,
- deferred tax provision,
- unused leave provision,
- provision for retirement.

Guarantee repair provision
In the case of construction contracts Erbud is obliged to provide guarantees on its services.
A general principle is, that there are created provisions for warranty costs in the amount fixed by warranty cost index, calculated as the quotient of warranty repair costs to revenues from the given contract. This value is subject to individual review and may be increased or decreased in justified cases.
Provision for guarantee repairs is recognized as at balance sheet date in the amount fixed on the basis of past experience in the field of a guarantee repairs.

Tax settlements
There are numerous regulations In Poland concerning tax on goods and services, excise duty, corporate income tax and social security contributions. Provisions related to these taxes are subject to frequent changes what results in ambiguities and inconsistencies. Often there are differences of opinion as to the legal interpretations of tax law both within the state authorities and between state authorities and taxpayers, causing uncertainties and conflicts. Tax settlements and other areas under regulations may be subject to inspection for a period of five

years. The relevant inspection authorities are entitled to impose heavy sanctions and penalties, including penal interest. There is a risk that the authorities will take a different position as the company by interpretation of regulations, which could have a significant impact on the Company's tax liability.

8.16. Employee benefits

The Company is obliged to retirement and pension severance payments, in accordance with relevant regulations. Therefore, there are created provisions for the current value of these liabilities. Payments due to the above titles are written off within the profit or loss costs so as to spread the benefits for the entire period of employment of employees in companies.
The Company does not create a special fund for collecting payments for future benefits.
Provision for unused leave is calculated on the basis of a list of unused leave days as at the balance sheet date, in respect to the individual employees and their daily gross salary plus the employer's social security charges.

8.17. Bank loans and borrowings

At the time of initial recognition, bank loans and borrowings are recorded at cost equal to the fair value of cash received, including costs related to obtaining bank credits or loans. As at the balance sheet date, loans and borrowings, except for liabilities held for trading, are valued at adjusted purchase cost (amortized cost), using the effective interest rate.
Liabilities held for trading are measured at fair value. Profit or loss due to revaluation to fair value is recognized in the income statement for the current period.

8.18. Borrowing costs

Borrowing costs related to the construction, adaptation, installation or improvement of fixed assets or intangible assets, for a period of construction, adaptation, installation or improvement are included in the value of these assets if the liabilities were incurred for this purpose.
Borrowing costs related to manufacturing the products with a long production period are recognized in the income statement in the period in which they incurred. Other borrowing costs are recognized also in the profit or loss account.

8.19. Deferred income tax

Provision and assets from the deferred income tax are determined in connection with transitional differences between the amount of assets and liabilities and the tax amount shown in the accounts books and the tax loss which can be deducted in the future.

Deferred tax liability is created in respect of taxable temporary differences in the amount of income tax to be paid in the future.

Assets from the deferred income tax shall be equal to the amount expected to be deducted from income tax in respect of deductible temporary differences and tax loss which can be deducted in the future observing the precautionary principle.

Carrying amount of the assets from deferred tax is reviewed as of every balance sheet date and is reduced appropriately inasmuch as achieving the sufficient taxable income in order to realize partially or in sum the item of assets from deferred tax is no longer likely.

Assets from the deferred tax and deferred tax provision are measured using tax rates that will be valid during the period when the asset is realized or the liability is released, based on tax legislation in force as at the balance sheet date.

8.20. Liabilities

Liabilities are commitments resulting from future circumstances to meet obligations of a reliably estimated value that will use current or future assets of the entity.
Due to the characteristics, liabilities can be divided into:
- provisions,
- contingent liabilities,

- financial liabilities,
- current liabilities,
- non-current liabilities.

Contingent liabilities are commitments to performance obligations which may arise upon the occurrence of certain events. These commitments are disclosed in the additional information and explanations.
Financial liabilities are obligations to deliver financial assets or to exchange the financial instrument with another entity under adverse conditions.
Current liabilities are all liabilities from supplies and services, and also all or part of other liabilities which will become due within 12 months from the balance sheet date.
Non-current liabilities are the part of liabilities other than from supplies and services with the maturity of over 12 months from the balance sheet date.
Liabilities are recognized in the amount due as at the balance-sheet date.

8.21. Foreign currency receivables and liabilities

Receivables and liabilities quoted in foreign currencies are valued as at the balance sheet date by applying the mid-rate for the given currency fixed by the National Bank of Poland as at the balance sheet date.
Claims quoted in foreign currencies arising during the financial year are converted into Polish zlotys at the rate as at the date the claim has arisen (invoice date).
Foreign currency liabilities arising during the financial year are converted into Polish zlotys at the exchange rates applied in customs documents. In the case of importing services or intra-EU supplies the rate of NBP on business transaction date (invoice date) is applied.
In the case of debt payment quoted in foreign currency, the sale rate at which the bank has booked it on the account of entity is applied. The difference between the rate at which the payment was accounted and the rate resulting from arising of receivables is classified to the financial costs or income.
In the case of settlement of foreign currency liabilities, the rate at which the currency was purchased at the bank is used, and where the payment is make from the own foreign currency account, the foreign exchange rate which the cooperating bank would have applied if the entity would have bought currency in this bank is used. The resulting difference between the exchange rate used to translate the liabilities into Polish zlotys and the rate at which the currency needed for the payment has been purchased is classified to the financial costs or income.

8.22. Accruals

Accruals are made in the amount of probable liabilities falling due in the current reporting period.

8.23. Revenues and operating costs

Revenues are accounted at the accrual basis, i.e. in the periods to which they relate, regardless of the date of payment receipt.
Sales revenues include the fair value of revenue from the sale of goods and services, less tax on goods and services, discounts and deductions.
Revenues from sales of products and goods are recognized when the Company has provided products to the customer, the customer has accepted the products, and claims are reasonably certain to collect.
Income from execution of construction contracts is recognized in accordance with the Company's accounting policy set out in the section on long-term construction contracts.
Dividend income is recognized when the shareholders' right to receive them is confirmed.
According to the accrual basis, the Company recorded all costs in the reporting period in the profit and loss account regardless of the duration of their settlement. Costs incurred and not related to this period are included in the assets as prepayments, while the costs not incurred and falling for that period are recognized as accruals.

8.24. Other revenues, costs, gains and losses, and financial incomes and expenses

Revenues and costs non-directly connected with operating activity are other operating income and expenses.
Financial income and expenses include, inter alia: interest on credits and loans granted and used, interest on arrears received and paid, exchange differences, commissions paid and received, gains and losses on the sale of securities, released and created provisions classified to financial costs.
Interest income is recognized according to the accrual basis using the effective interest rate method.
When the debt loses its value, the Company reduces its carrying amount to recoverable amount, equal to the estimated future cash flows and discounted at the original effective interest rate on the financier instrument; then

the amount of the discount is gradually settled in correspondence with the revenue from interest. Extraordinary earnings and losses reflect the financial consequences of unique events from outside the core business.

8.25. Income tax, including deferred tax liability

Current tax is calculated on the basis of the tax result (tax base) of the financial year. Tax profit (loss) differs from accounting profit (loss) in connection with dercognicion of tax deductible costs which are tax deductibles in the following years and the items of costs and revenues, which will never be subject to tax. Taxes are calculated on the basis of tax rates in force during the financial year.

Income tax on income earned in the country is calculated in accordance Polish tax law and income of units operating abroad is subject to local tax regulations, having regard to the agreements on the avoidance of double taxation.

Deferred income tax

Provision and assets from deferred income tax shall are determined taking into account the existing temporary differences between the value of assets and liabilities and their tax value shown in the books and the tax loss which can be deducted in the future from tax base.
Deferred tax liability is created in respect of taxable temporary differences in the amount of income tax to be paid in the future.

Assets from the deferred income tax are determinated in the amount expected to be deducted from income tax in respect of deductible temporary differences and tax loss which can be deducted in the future applying the principle of precaution.

Carrying amount of the assets from deferred tax is revised as of each balance sheet date and is reduced appropriately as far as it is no longer likely to achieve the sufficient taxable income in order to realize partially or in sum the item of assets from deferred tax

Assets from the deferred tax and deferred tax provision are measured using tax rates that will be applied during the period when the asset is realized or reserve is resolved, based on tax regulations which were in force as at the balance sheet date.

Financial statements for the 12-month period year ended 31 December 2014 (in PLN '000)

BALANCE SHEET

ASSETS

		Note	31 Dec 2014	31 Dec 2013
A.	**Fixed assets**		**198 936**	**206 029**
I.	**Intangible assets**	**1**	**252**	**424**
1.	R&D completed		0	0
2.	Goodwill		0	0
3.	Other intangible assets		252	57
4.	Prepaid intangible assets		0	367
II.	**Tangible assets**	**2**	**6 986**	**6 132**
1.	Tangible fixed assets		6 394	6 132
a)	Property, incl. perpetual usufruct		0	0
b)	Buildings, premises and civil and water engineering structures		3 234	3 334
c)	Plant and equipment		64	86
d)	Means of transport		2 890	2 474
e)	Other tangible fixed assets		206	238
2.	Fixed assets under construction		592	0
3.	Prepaid tangible fixed assets under construction		0	0
III.	**Long-term receivables**		**0**	**0**
1.	From associates		0	0
2.	From other entities		0	0
IV.	**Long-term investments**		**165 885**	**176 120**
1.	Real property	3	359	515
2.	Intangibles		0	0
3.	Non-current financial assets	4,6	165 526	175 605
a)	In associates, incl.:		164 763	174 843
–	Shares or stocks	5	136 731	136 731
–	Other securities		0	0
–	Loans granted		28 032	38 112
–	Other non-current financial assets		0	0
b)	In other entities, incl.:		763	762
–	Shares or stocks		5	5
–	Other securities		0	0
–	Loans granted		0	0
–	Other non-current financial assets		758	757
4.	Other non-current investments		0	0
V.	**Long-term prepayments**		**25 813**	**23 353**
1.	Deferred tax assets	7	25 813	23 353
2.	Other prepayments		0	0

		Note	31 Dec 2014	31 Dec 2013
B.	**Current assets**		**597 485**	**423 617**
I.	**Inventories**	**8**	**847**	**2 513**
1.	Materials		217	1 883
2.	Semi-finished products and products in progress		630	630
3.	Finished products		0	0
4.	Goods		0	0
5.	Prepaid deliveries		0	0
II.	**Short-term receivables**	**9**	**302 405**	**220 355**
1.	From affiliated entities		18 440	3 453
a)	Trade receivables with a maturity:		16 326	1 340
–	up to 12 months		16 326	1 340
–	above 12 months		0	0
b)	Other		2 114	2 113
2.	Receivables from other entities		283 965	216 902
a)	trade receivables with a maturity:		254 833	203 240
–	up to 12 months		244 109	188 448
–	above 12 months		10 724	14 792
b)	receivables from tax, subsidy, customs, social security and other benefits		20 201	5 514
c)	Other		8 931	8 148
d)	Claimed at court		0	0
III.	**Short-term investments**		**123 450**	**58 077**
1.	Current financial assets	10	123 450	58 077
a)	In affiliated entities		709	157
–	Shares or stocks		0	0
–	Other securities		0	0
–	Loans granted		709	157
–	Other current financial assets		0	0
b)	In other entities		0	0
–	Shares or stocks		0	0
–	Other securities		0	0
–	Loans granted		0	0
–	Other current financial assets		0	0
c)	Cash and other cash assets		122 741	57 920
–	Cash in hand and at bank		109 778	44 303
–	Other cash		12 963	13 617
–	Other cash assets		0	0
2.	Other current investments		0	0
IV.	**Short-term prepayments**	**11**	**170 783**	**142 672**
	TOTAL ASSETS		**796 421**	**629 646**

LIABILITIES

		Note	31 Dec 2014	31 Dec 2013
A.	**Equity**		**247 259**	**244 341**
I.	**Share capital**	13	1 276	1 271
II.	**Called-up share capital (negative value)**		0	0
III.	**Treasury shares (negative value)**		0	0
IV.	**Capital reserve**	15	234 804	234 654
V.	**Revaluation reserve**	14	-1 066	0
VI.	**Other reserves**		0	0
VII.	**Retained profit / accumulated loss brought forward**		0	0
VIII	**Net profit (loss)**		12 245	8 416
IX.	**Write-downs on net profit over the financial year (negative value)**		0	0
B.	**Liabilities and provisions for liabilities**		**549 162**	**385 305**
I.	**Provisions for liabilities**		**43 345**	**37 702**
1.	Deferred income tax provision	16	28 747	24 130
2.	Provision for retirement and related benefits		4 077	3 328
–	Non-current	17	542	479
–	Current	18	3 535	2 849
3.	Other provisions		10 521	10 244
–	Non-current	19	0	0
–	Current	20	10 521	10 244
II.	**Long-term liabilities**	**21**	**53 065**	**266**
1.	To associates		0	0
2.	To other entities		53 065	266
a)	Loans and borrowings		0	0
b)	Issuance of debt securities		52 000	0
c)	Other financial liabilities	23	1 065	266
d)	Other		0	0
III.	**Short-term liabilities**	**22**	**419 046**	**280 227**
1.	To associates		15 859	9 067
a)	Deliveries and services with a maturity:		15 859	9 067
–	up to 12 months		15 646	8 240
–	above 12 months		213	827
b)	Other		0	0
2.	To other entities		403 187	271 160
a)	Loans and borrowings	24	0	6
b)	Issuance of debt securities		0	50 000
c)	Other financial liabilities	23	2 836	2 339
d)	Deliveries and services with a maturity:		371 301	212 502
–	up to 12 months		365 022	205 791
–	above 12 months		6 279	6 711
e)	Prepaid deliveries		22 749	291
f)	Bills		0	0
g)	Taxes, customs, social insurance and other benefits		3 113	3 746
h)	Salaries and wages		2 157	682
i)	Other		1 031	1 594
3.	Special funds		0	0
IV.	**Accruals**		**33 706**	**67 110**
1.	Other accruals	11.1	33 706	67 110
	TOTAL LIABILITIES		**796 421**	**629 646**

Calculation of book value per share

	Note	31 Dec 2014	31 Dec 2013
Book value (in PLN '000)		247 259	244 341
Number of shares		12 761 925	12 714 546
Book value per share (in PLN)	25	19.37	19.22

Off-balance sheet items

	Note	31 Dec 2014	31 Dec 2013
1. Conditional receivables		50 000	0
1.1. From affiliated entities (due to)		50 000	0
- guarantees and sureties received		50 000	0
1.2 From other entities (due to)		0	0
- guarantees and sureties received		0	0
2. Conditional liabilities		460 121	304 926
2.1. To affiliated entities (due to)	52	98 497	20 736
- guarantees and sureties granted		98 497	20 736
2.2. To other entities (due to)	52	361 624	284 190
- guarantees and sureties granted		361 624	284 190
3.Other		0	0
Total off-balance sheet items		**510 121**	**304 926**

Signature of person preparing the Financial Statement

Mariola Zielińska
/ Chief Accountant /

Signatures of the Management Board Members

Józef Zubelewicz
/ Management Board Member /

Dariusz Grzeszczak
/ Management Board Member /

Warsaw, 24 April 2015

PROFIT AND LOSS STATEMENT

	Note	12 month period ended 31.12.2014	12 month period ended 31.12.2013
Revenues from sales of products, goods and materials, incl.		**1 108 379**	**861 441**
- From associates		8 828	3 170
Net revenues from sales of products	28,29	1 108 379	861 441
Net revenues from sales of goods and materials	30	0	0
Cost of products, goods and materials sold, incl.	**31**	**1 051 385**	**807 397**
- To associates		91 496	36 233
Manufacturing cost of products sold		1 051 385	807 397
Value of goods and materials sold		0	0
Gross profit (loss) on sales		**56 994**	**54 044**
Selling costs	31	0	0
General and administrative costs	31	36 595	34 967
Profit (loss) on sales		**20 399**	**19 077**
Other operating revenues	**32**	**3 054**	**3 146**
Profit on disposal of non-financial fixed assets		1 243	122
Subsidies		0	0
Other operating revenues		1 811	3 024
Other operating expenses	**33**	**5 893**	**5 129**
Loss on disposal of non-financial assets		0	0
Revaluation of non-financial fixed assets		0	0
Other operating expenses		5 893	5 129
Profit (loss) on operating activities		**17 560**	**17 094**
Financial revenues		**7 448**	**4 409**
Dividends and profit sharing, incl.:		3 498	610
- From associates		3 498	610
Interest, incl.:	33.1	2 636	3 279
- From associates		1 378	1 749
Profit on sale of investments		0	228
Revaluation of investments		0	0
Other	33.2	1 314	292
Financial costs		**8 616**	**9 737**
Interest, incl.:	34.1	5 902	6 274
- To associates		0	227
Loss on selling investments		0	0
Revaluation of investments	34.2	0	0
Other	34.3	2 714	3 463
Profit (loss) on business activities		**16 392**	**11 766**
Result on extraordinary events		**0**	**0**
Extraordinary profit		0	0
Extraordinary loss		0	0
Gross profit (loss)		**16 392**	**11 766**
Income tax	35	4 147	3 350
Other statutory reductions in profit (increases in loss)		0	0
Net profit (loss)	**37**	**12 245**	**8 416**
Weighted average number of ordinary shares / Diluted weighted average number of shares (in units)		**12 738 236/ 12 768 272**	**12 696 251/ 12 744 407**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)		**0.9612 / 0.959**	**0.5607 / 0.5584**

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Warsaw, 24 April 2015

CASH FLOW STATEMENT

	Note	12 month period ended 31.12.2014	12 month period ended 31.12.2013
Net profit (loss)		**12 245**	**8 416**
Total adjustments		**56 819**	**-100 875**
Amortisation and depreciation		2 256	2 050
FX profit (loss)		-177	-75
Interest and profit sharing (dividends)		1 964	1 980
(Profit (loss) on investment activities		-1 243	-122
Change in provisions		5 643	3 874
Change in inventories		1 665	-1 403
Change in receivables	38	-82 049	41 942
Change in short-term liabilities, excluding loans and borrowings	38	190 758	-121 135
Change in prepayments and accruals		-62 057	-28 244
Other adjustments		59	258
Net cash flows from operating activities		**69 064**	**-92 459**
Cash flows from investment activities			
Inflows		**17 121**	**18 740**
Disposal of intangible and tangible fixed assets		644	177
Disposal of investments in real property and intangible assets		949	0
From financial assets, incl.:		15 528	18 563
a) In associates		15 098	17 937
- Disposal of financial assets		0	7 400
- Dividends and profit sharing		3 497	610
- Repayment of granted long-term loans		8 791	8 696
- Interest		0	0
- Other inflows from financial assets		2 810	1 231
b) In other entities		430	626
- Disposal of financial assets		0	0
- Dividends and profit sharing		0	0
- Repayment of granted long-term loans		0	0
- Interest		430	626
- Other inflows from financial assets		0	0
Other inflows from investment activities		0	0
Outflows		**3 616**	**14 370**
Purchase of intangible assets and tangible fixed assets		491	317
Investments in real property and intangible assets		0	0
Due to financial assets, incl.:		3 125	14 053
a) In associates		3 125	14 053
- Purchase of financial assets		0	9 167
- Long-term loans granted		3 125	4 886
b) In other entities		0	0
- Purchase of financial assets		0	0
- Long-term loans granted		0	0
Other outflows from investment activities		0	0
Net cash flows from investment activities		**13 505**	**4 370**

	Note	12 month period ended 31.12.2014	12 month period ended 31.12.2013
Cash flow from financing activities			
Inflows		**9 916**	**402**
Net proceeds from issue of shares and other equity instruments; additional contributions to equity		521	402
Loans and borrowings		0	0
Issuance of debt securities		9 395	0
Other financing inflow		0	0
Outflows		**27 664**	**6 586**
Redemption of treasury shares		0	0
Dividends and other distributions to shareholders		8 900	0
Expenses due to profit sharing other than payments to shareholders		0	0
Repayment of loans and borrowings		6	256
Redemption of debt securities		10 000	0
Other financial liabilities		0	0
Finance lease liabilities		720	1 196
Interest		5 324	5 134
Other financing outflows		2 714	0
Net cash flow from financing activities		**-17 748**	**-6 184**
Total net cash flow		**64 821**	**-94 273**
Balance-sheet change in cash, incl.:	**38**	**64 821**	**-94 273**
- Change in cash due to exchange rate differences			
Cash at the beginning of the period	**38**	**57 920**	**152 193**
Cash at the end of the period, incl.:	**38**	**122 741**	**57 920**
- Restricted cash		12 963	13 618

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Warsaw, 24 April 2015

STATEMENT OF MOVEMENTS IN EQUITY

	12 month period ended 31.12.2014	12 month period ended 31.12.2013
I. Equity at the beginning of the period (Opening balance)	**244 341**	**235 313**
– Changes to applied accounting principles (policy)	0	0
– Adjustments of basic errors	0	0
I.a. Equity opening balance after reconciliation to comparative data	**244 341**	**235 313**
1. Share capital at the beginning of the period	**1 271**	**1 268**
1.1. Changes to share capital	**5**	**3**
a) Increases	5	3
– issue of shares of Series I	5	0
– issue of shares of Series H	0	3
b) Decreases	0	0
– redemption of shares	0	0
1.2. Share capital at the end of the period	**1 276**	**1 271**
2. Called-up share capital at the beginning of the period	**0**	**0**
2.1. Changes in due payments for share capital	0	0
a) Increases	0	0
b) Decreases	0	0
2.2. Called-up share capital at the end of the period	**0**	**0**
3. Own shares at the beginning of the period	**0**	**0**
a) Increases	0	0
b) Decreases	0	0
3.1. Own shares at the end of the period	**0**	**0**
4. Capital reserves at the beginning of the period	**234 654**	**228 454**
4.1. Changes in capital reserves	150	6 200
a) Increases	634	6 200
– transfer of the capital reserves	0	0
– profit distribution	0	5 591
– redemption of own shares	0	0
– issue of Series I shares above face value	516	0
– issue of Series H shares above face value	0	399
– manager options	118	210
b) Decreases	484	0
– dividend payment for 2013	484	0
– redemption of shares	0	0
4.2. Capital reserves at the end of the period	**234 804**	**234 654**
5. Revaluation reserve at the beginning of the period	**0**	**0**
5.1.Changes in revaluation reserve	-1 066	0
a) Increases	0	0
– revaluation of financial assets	0	0
b) Decreases	1 066	0
– measurement of financial instruments	1 066	0
5.2. Revaluation reserve at the end of the period	**-1 066**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**
6.1. Changes in other capital reserves	0	0
a) Increases	0	0
- reserves for Staff Incentive Scheme	0	0
b) Decreases - transfer to capital reserves	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**

	12 month period ended 31.12.2014	12 month period ended 31.12.2013
7. Retained profit (loss) at the beginning of the period	**8 416**	**0**
7.1. Retained profit at the beginning of the period	8 416	0
– changes to accepted accounting principles (policy)	0	0
– adjustments of basic errors – recognition of the last FY result as the result of prior years	0	5 591
7.2 Retained profit at the beginning of the period after reconciliation to comparable data	8 416	5 591
a) Increases	0	0
b) Decreases	8 416	5 591
– distribution of profit for the purpose of capital reserves	0	5 591
– distribution of profit for the purpose of dividends payment	8 416	0
– profit distribution for the purpose to cover losses from previous FY	0	0
7.3. Retained profit at the end of the period	**0**	**0**
7.4. Retained loss at the beginning of the period	**0**	**0**
– changes to accepted accounting principles (policy)	0	0
– adjustments of basic errors – recognition of the last FY result as the result of prior years	0	0
7.5. Retained loss at the beginning of the period after reconciliation to comparative data	0	0
a) Increases	0	0
b) Decreases (profit distribution to cover losses)	0	0
7.6. Retained loss at the end of the period	**0**	**0**
7.7 Retained profit (loss) at the end of the period	**0**	**0**
8. Net result	**12 245**	**8 416**
a) Net profit	12 245	8 416
b) Net loss	0	0
c) Write-downs of profit	0	0
II. Equity at the end of the period (Closing balance)	**247 259**	**244 341**
III. Equity after proposed distribution of profits (loss coverage)	**247 259**	**244 341**

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Warsaw, 24 April 2015

KEY ITEMS CONVERTED TO THE EURO

	31 Dec 2014		31 Dec 2013	
	PLN	EUR	PLN	EUR
Fixed assets	198 936	46 673	206 029	49 679
Current assets	597 485	140 179	423 617	102 145
Shareholders' equity	247 259	58 011	244 341	58 917
Liabilities and provisions for liabilities	549 162	128 842	385 305	92 907

Items of the balance sheet as at 31 Dec 2014 were converted at the Euro rate which was set by the NBP on that date i.e. 4.2623 PLN/EUR.

Items of the balance sheet as at 31 Dec 2013 were converted at the Euro rate which was set by the NBP on that date i.e. 4.1472 PLN/EUR.

	12 month period ended 31.12.2014		12 month period ended 31.12.2013	
	PLN	EUR	PLN	EUR
Revenues from sales of products, services, goods and materials	1 108 379	264 574	861 441	204 569
Cost of products, services, goods and materials sold	1 051 385	250 969	807 397	191 735
Profit on sales before tax	56 994	13 605	54 044	12 834
Profit on operating activities	17 560	4 192	17 094	4 059
Gross profit (loss)	16 392	3 913	11 766	2 794
Net profit (loss)	12 245	2 923	8 416	1 998

Items of the profit and loss statement for the period of 1.01.2014 - 31.12.2014 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. 4.1893 PLN/EUR.

Items of the profit and loss statement for the period of 1.01.2013 - 31.12.2013 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. 4.211 PLN/EUR.

	12 month period ended 31.12.2014		12 month period ended 31.12.2013	
	PLN	EUR	PLN	EUR
Cash flows from operating activities	69 064	16 486	-92 458	-21 956
Cash flows from investment activities	13 505	3 224	4 370	1 038
Cash flows from financial activities	-17 748	-4 237	-6 184	-1 468
Net cash flows	64 821	15 473	-94 272	-22 387
Cash opening balance	57 920	13 966	152 193	37 227
Cash closing balance	122 741	28 797	57 920	13 966

Cash flow items for the period of 1.01.2014 - 31.12.2014 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 date, i.e. 4.1893 PLN/EUR.

Cash flow items for the period of 1.01.2013 - 31.12.2013 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 date, i.e. 4.2110 PLN/EUR.

For translating cash as at 1 Jan 2014 it was applied the exchange rate set by the NBP as of that day, i.e. 4.1472 PLN/EUR.

For translating cash as at 1 Jan 2013 it was applied the exchange rate set by the NBP as of that day, i.e. 4.0882 PLN/EUR.

For translating cash as at 31 Dec 2014 it was applied the exchange rate set by the NBP as of that day, i.e. 4.2623 PLN/EUR.

For translating cash as at 31 Dec 2013 it was applied the exchange rate set by the NBP as of that day, i.e. 4.1472 PLN/EUR.

EXPLANATORY NOTES

Note 1. Intangible assets

	31.12.2014	31.12.2013
Intangible assets		
a) R&D completed	0	0
b) Goodwill	0	0
c) Concessions, patents, licenses and similar assets, incl.:	0	0
- computer software	0	0
d) Other intangible assets	252	57
e) Prepaid intangible assets	0	367
Total tangible assets	**252**	**424**

Note 1.1. Changes in other intangible assets (by type)

Item	Other
a) Gross value of intangible assets as at 1 Jan 2014	727
b) Increases (from)	504
- acquisition	137
- transfer from advances to intangible assets	367
c) Decreases (from)	4
d) Gross value of intangible assets as at 31 Dec 2014	1 226
e) Cumulative depreciation as at 1 Jan 2014	670
f) Depreciation for the period	308
g) Cumulative depreciation as at 31 Dec 2014	978
h) Net value of intangible assets as at 31 Dec 2014	252

Item	Other
a) Gross value of intangible assets as at 1 Jan 2013	634
b) Increases (from)	93
- acquisition	93
c) Decreases (from)	0
d) Gross value of intangible assets as at 31 Dec 2013	727
e) Cumulative depreciation as at 1 Jan 2013	564
f) Depreciation for the period	106
g) Cumulative depreciation as at 31 Dec 2013	670
h) Net value of intangible assets as at 31 Dec 2013	57

Note 1.2. Intangible assets (ownership structure)

	31.12.2014	31.12.2013
Other intangible assets		
a) own	252	57
Other intangible assets in total	**252**	**57**

Note 2. Tangible assets

	31.12.2014	31.12.2013
Tangible assets		
Fixed assets, incl.:	6 394	6 132
- Land (incl. perpetual usufruct)	0	0
- Buildings, premises and civil and water engineering structures	3 234	3 334
- Plant and equipment	64	86
- Means of transport	2 890	2 474
- Other fixed assets	206	238
Total tangible assets	**6 986**	**6 132**

Note 2.1. Balance sheet assets (ownership structure)

	31.12.2014	31.12.2013
Balance sheet assets		
a) own	4 218	3 822
b) used under the lease, rent or other contract, incl. lease contract	2 768	2 310
- lease	2 768	2 310
Total balance sheet assets	**6 986**	**6 132**

Note 2.2. Changes in tangible assets (by type)

Item	Land (incl. perpetual usufruct)	Buildings, premises and civil and water engineering structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Total tangible assets
a) Gross value of fixed assets as at 1 Jan 2014	**0**	**3 966**	**334**	**10 395**	**2 550**	**0**	**0**	**17 245**
b) Increases (from)			4	2 083	318	592	0	**2 997**
- acquisition			4	206	318	592	0	**1 120**
- lease				1 877				**1 877**
- transfer			22		-22			**0**
c) Decreases (from)				293	434			**727**
- sale				293	95			**387**
- revaluation								
- liquidation					339			**339**
- derecognition of lease								
- adjustments								
d) Gross value of fixed assets as at 31 Dec 2014	**0**	**3 966**	**360**	**12 186**	**2 411**	**592**		**19 516**
e) Cumulative depreciation at the beginning of the period	**0**	**632**	**247**	**7 921**	**2 312**			**11 113**
f) Amortisation for the period		99	35	1 476	337			**1 948**
g) Decreases, incl.:			-13	101	443			**531**
- liquidation					336			**336**
- sale				101	94			**195**
- adjustments			-13		13			**0**
- derecognition of lease								
h) Cumulative depreciation as at 31 Dec 2014		**732**	**296**	**9 297**	**2 206**			**12 529**
i) Net value of fixed assets as at 1 Jan 2014	**0**	**3 334**	**86**	**2 474**	**238**	**0**	**0**	**6 132**
j) Net value of fixed assets as at 31 Dec 2014		**3 234**	**64**	**2 890**	**206**	**592**		**6 986**

Item	Land (incl. perpetual usufruct)	Buildings, premises and civil and water engineering structures	Plant and equipment	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Total tangible assets
a) Gross value of fixed assets as at 1 Jan 2013	**0**	**3 966**	**332**	**10 264**	**2 334**	**0**	**0**	**16 895**
b) Increases (from)			31	254	220			**505**
- acquisition			31	66	220			**317**
- lease				188				
- transfer								
c) Decreases (from)			29	123	3			**155**
- sale			29	123				**152**
- revaluation								
- liquidation					3			
- derecognition of lease								
- adjustments								
d) Gross value of fixed assets as at 31 Dec 2013	**0**	**3 966**	**334**	**10 395**	**2 550**	**0**	**0**	**17 245**
e) Cumulative depreciation at the beginning of the period	**0**	**533**	**243**	**6 541**	**1 973**	**0**	**0**	**9 290**
f) Amortisation for the period		99	39	1 476	331			**1 945**
g) Decreases, incl.:			35	95	-8			**122**
- liquidation					3			**3**
- sale			24	95				**119**
- adjustments			11		-11			**0**
- derecognition of lease								
h) Cumulative depreciation as at 31 December 2013	**0**	**632**	**247**	**7 921**	**2 312**			**11 113**
i) Net value of fixed assets as at 1 Jan 2013	**0**	**3 432**	**89**	**3 723**	**361**	**0**	**0**	**7 605**
j) Net value of fixed assets as at 31 Dec 2013	**0**	**3 334**	**86**	**2 474**	**238**	**0**	**0**	**6 132**

Note 2.3. Cost of manufacturing of fixed assets under construction, including interest and capitalized exchange rate differences on liabilities incurred to finance these assets

As at 31 December 2014 and 31 December 2013, the item did not occur.

Note 2.4. Value of assets non-depreciated or non-amortized by the business unit, used under rental and other agreements, including leases

As at 31 December 2014 and 31 December 2013, the item did not occur.

Note 3. Changes in real property

	31.12.2014	31.12.2013
Changes in real property		
a) As at the beginning of the period	515	515
b) Increases	0	0
c) Decreases	156	0
- Sale	156	0
d) As at the end of the period	359	515

Note 4. Non-current financial assets

	31.12.2014	31.12.2013
Long-term financial assets		
a) In affiliates	164 763	174 843
- Shares or stocks	136 731	136 731
- Loans granted	28 032	38 112
b) In associates	763	762
- Shares or stocks	5	5
- Other long-term financial assets	758	757
Total long-term financial assets	**165 526**	**175 605**

Note 4.1. Changes in non-current financial assets (by type)

Changes in long-term financial assets	**31.12.2014**	**31.12.2013**
a) As at the beginning of the period - 1 Jan	175 605	184 974
- Shares	136 736	142 490
- Loans granted	38 112	41 712
- Other long-term financial assets	757	772
b) Increases (from)	1	3 518
- Shares	0	3 518
- Loans granted	0	0
- Other long-term financial assets	1	0
c) Decreases (from)	10 080	12 887
- Shares	0	9 272
- Loans granted	10 080	3 600
- Other long-term financial assets	0	15
d) As at the end of the period - 31 Dec	165 526	175 605
- Shares	136 736	136 736
- Loans granted	28 032	38 112
- Other long-term financial assets	758	757

The balance of long-term loans to related parties included:
- Loans for ERBUD International Sp. z o.o. in the amount of PLN 6 902 thousand with interest rate based on 1M WIBOR plus margin;
- Loans for Budlex SA in the amount of PLN 21 130 thousand with interest rate based on 1M WIBOR plus margin;
- Loans for dla Erbud Industry Sp. z o.o. in the amount of PLN 583 thousand with interest rate based on 1M WIBOR plus margin;
- Short-term loans for Delta Sp. z o.o. in the amount of PLN 126 thousand with interest rate based on 1M WIBOR plus margin.

Note 5. Shares or stocks of subsidiaries as at 31 December 2014

No.	Name and legal form of the subsidiary	Seat	Business area	Type of relationship	Method of consolidation / equity method or indication that the unit is not subject to consolidation/ valuation by equity method	Value adjustments (total)	Carrying amount of shares /stocks in separate statement of Erbud S.A.	Equity stake held	Voting power at the AGM
1.	Delta Sp. z o.o.	Toruń	Construction	subsidiary	full method	0	3 550	100.00%	100.00%
2.	Erbud Construction Sp. z o.o.	Toruń	Construction	subsidiary	not consolidated - not relevant	39	0	100.00%	100.00%
3.	Toruńska Sportowa S.A. w likwidacji	Toruń	Construction	associated company	not consolidated - not relevant	39	0	39.00%	39.00%
4.	Erbud Rzeszów Sp. z o.o.	Rzeszów	Construction	subsidiary	full method	0	79	79.00%	79.00%
5.	Erbud International Sp. z o.o.	Toruń	Construction	subsidiary	full method	0	50	100.00%	100.00%
6.	GWI GmbH	Dusseldorf, Germany	Construction	subsidiary	full method	0	347	85.00%	85.00%
7.	Budlex S.A.	Toruń	Real estate development	subsidiary	full method	0	73 575	89.96%	89.96%
8.	Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A.	Toruń	Road-engineering	subsidiary	full method	0	49 554	94.27%	94.27%
9.	Erbud Industry Sp. z o.o. (formerly Ersteel Sp. z o.o.)	Toruń	Steel structures	subsidiary	full method	2 850	9 576	100.00%	100.00%
10.	Erbud Industry Centrum (formerly Engorem Sp z o.o.)	Łódź	Energy services	indirect subsidiary	full method	0	11 479	98.66%	98.66%
11	Energoserv Pomorze Sp. z o.o.	Toruń	Energy services	indirect subsidiary	full method		4 579	100.00%	100.00%
12	Erbud Industry Pomorze Sp. z o.o.	Gdańsk	Energy services	indirect subsidiary	full method		3 062	100.00%	100.00%
			Stocks or shares of direct and indirect subsidiaries as at 31.12.2014			2 928	155 851		
			of which stocks or shares of direct subsidiaries as at 31.12.2014			2 928	136 731		

Shares or stocks of subsidiaries as at 31 December 2013

No.	Entity name (business name) and form of incorporation	Seat	Core business	Type of relationship (subsidiary, joint controlled subsidiary or affiliated, specifying direct and indirect connections)	Applied method of consolidation / equity method or indication that the entity is not subject to consolidation/valuation by equity method	Total value adjustments	Carrying amount of shares /stocks	Equity stake held	Share of total vote number at the GM
1.	Delta Sp. z o.o.	Toruń	construction	subsidiary	full method	0	3 550	100.00%	100.00%
2.	Erbud Construction Sp. z o.o.	Toruń	construction	subsidiary	non-consolidated due to immateriality	39	0	100.00%	100.00%
3.	Toruńska Sportowa S.A. w likwidacji	Toruń	construction	associated	non-consolidated due to immateriality	39	0	39.00%	39.00%
4.	Erbud Rzeszów Sp. z o.o.	Rzeszów	construction	subsidiary	non-consolidated due to immateriality	0	79	79.00%	79.00%
5.	Erbud International Sp. z o.o.	Toruń	construction	subsidiary	full method	0	50	100.00%	100.00%
6.	GWI GmbH	Dusseldorf, Germany	construction	subsidiary	full method	0	347	85.00%	85.00%
7.	Budlex S.A.	Toruń	housing development	subsidiary	full method	0	73 575	89.96%	89.96%
8.	Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego	Toruń	road engineering	subsidiary	full method	0	49 554	94.27%	94.27%
9.	Erbud Energetyka Sp. z o.o.	Katowice	construction	subsidiary	full method	0	1 512	100.00%	100.00%
10.	Erbud Ireland Limited	Dublin, Ireland	construction	indirect controlled subsidiary	non-consolidated due to immateriality	0	50	100.00%	100.00%
11.	Ersteel Sp. z o.o.	Toruń	steel structures	subsidiary	full method	2 850	8 064	100.00%	100.00%
12.	Engorem Sp z o.o.	Łódź	energy services	subsidiary	full method	0	11 470	98.62%	98.62%
					Stocks or shares of direct and indirect subsidiaries as at 31.12.2013	2 928	148 251		
					of which in direct subsidiaries as at 31.12.2013	2 928	136 731		

Note 5.1. Profit (loss) attributable to fully consolidated companies

	31.12.2014	31.12.2013
Erbud International Sp. z o.o.	1 145	847
GWI GmbH	1 601	1 976
Grupa Budlex S.A.	7 183	4 042
Przedsiębiorstwo Budownictwa Drogowo Inżynieryjnego S.A.	5 042	2 325
Erbud Energetyka Sp. z o.o.****	-	-31
Erbud Industry Sp. z o.o.	2 764	-76
Erbud Industry Centrum (formerly Engorem Sp. z o.o.)	1 491	2 387
Delta sp. z o.o.*	-654	-474
Erbud Rzeszów Sp. z o.o.**	921	-
Erbud Industry Pomorze Sp. z o.o.***	-63	-
Energoserv Pomorze Sp. z o.o.***	-26	-

The above results relate to the performance of individual companies adopted for the consolidation purpose of the ERBUD Group, i.e. after taking into account the conversion result in accordance with IFRS.

* Company consolidated starting from 2013
** Company consolidated starting from 2014
*** Company acquired in 2014
**** Company merged with ERBUD Industry during 2014.

Note 6. Securities, shares and other long-term financial assets (by transferability)

	31.12.2014	31.12.2013
Securities, shares and other non-current financial assets		
A. With non-restricted transferability, listed on stock exchange market (carrying value)	0	0
B. With non-restricted transferability, listed on OTC market (carrying value)	0	0
C. With non-restricted transferability, not listed on a regulated market (carrying value)	0	0
D. With restricted transferability (carrying value)	184 974	184 974
a) Shares and stocks (carrying value)	136 736	136 736
- Value adjustments (cumulative)	-2 928	-2 928
- Value at the beginning of the period	0	0
- Value at acquisition prices	139 664	139 664
b) Bonds (carrying value)	0	0
c) Loans granted (carrying value)	28 032	38 112
d) Other - by type (carrying value)	758	757
- Value at acquisition prices	810	810
- Value adjustments (cumulative)	-52	-53
Total carrying value	**165 526**	**175 605**

Note 6.1. Securities, shares and other long-term financial assets (by currency)

	31.12.2014	31.12.2013
Securities, shares and other long-term financial assets		
a) in Polish currency	165 179	175 258
b) in foreign currencies (by currency, converted into PLN)		
- in EUR	100	100
- In PLN (historical rate)	347	347
Total of securities, shares and other long-term financial assets	**165 526**	**175 605**

Note 7. Changes in assets due to deferred income tax

	31.12.2014	31.12.2013
1. Deferred tax assets at the beginning of the period, incl.:	**23 353**	**20 860**
a) Recognized in financial result	**23 353**	**20 860**
- Holiday provision	541	584
- Retirement severance provision	91	66

- Guarantee repair provision	1 816	1 973
- Provision for loss on long-term contracts	0	71
- Impairment on receivables	705	393
- Accruals for costs	1 242	2 036
- Valuation of building contracts	12 751	7 899
- Tax loss	5 055	6 665
- Balance sheet valuation of receivables	0	155
- Provision on cost	167	293
- Write-downs of inventories and investments	53	53
- Balance sheet valuation of interest on bonds	359	359
- Long-term investment impairment	556	556
- Lease liabilities	136	328
- Fixed assets under lease	-439	-669
- Other	320	98
b) Recognized in equity	**0**	**0**
2. Increases	**25 813**	**23 353**
a) Recognized in financial result	**25 563**	**23 353**
- Holiday provision	672	541
- Retirement severance provision	103	91
- Guarantee repair provision	1 798	1 816
- Provision for loss on long-term contracts	51	0
- Impairment on receivables	712	705
- Accruals	13 211	1 242
- Valuation of building contracts	6 404	12 751
- Tax loss	1 088	5 055
- Write-downs of inventories and investments	53	53
- Long-term investment impairment	556	556
- Provision on cost	187	167
- Lease liabilities	356	136
- Fixed assets under lease	-526	-439
- Balance sheet valuation of liabilities	140	359
- Balance sheet valuation of bond interest	758	320
b) Recognized in equity	**250**	**0**
3. Decreases	**23 353**	**20 860**
a) Recognized in financial result	**23 353**	**20 860**
- Holiday provision	541	584
- Retirement severance provision	91	66
- Guarantee repair provision	1 816	1 973
- Provision for loss on long-term contracts	0	71
- Valuation of building contracts	12 751	7 899
- Impairment on receivables	705	393
- Tax loss	5 055	6 665
- Balance sheet valuation of receivables	0	155
- Write-downs of inventories and investments	53	53
- Long-term investment impairment	556	556
- Provision on cost	167	293
- Accruals	1 242	2 036
- Balance sheet valuation of bond interest	359	359
- Lease liabilities	136	328
- Fixed assets under lease	-439	-669
- Other	320	98
b) Recognized in equity	**0**	**0**
4. Deferred tax assets at the end of the period, incl.:	**25 813**	**23 353**
a) Recognized in financial result	**25 563**	**23 353**
- Holiday provision	672	541
- Retirement severance provision	103	91
- Guarantee repair provision	1 798	1 816
- Impairment on receivables	712	705
- Accruals	13 211	1 242
- Valuation of building contracts	6 404	12 751
- Write-downs of inventories and provisions	53	53

- Long-term investment impairment	556	556
- Provision for loss on contracts	51	0
- Tax loss	1 088	5 055
- Provision on cost	187	167
- Lease liabilities	356	136
- Fixed assets under lease	-526	-439
- Balance sheet valuation of receivables	0	0
- Balance sheet valuation of bond interest	140	359
- Other	758	320
b) Recognized in equity	**250**	**0**

Note 7.1. Assets from deferred income tax

	31.12.2014	31.12.2013
Assets from deferred income tax		
- Valuation of long-term contracts	6 404	12 751
- Accruals	13 211	1 242
- Tax loss	1 088	5 055
- Provision for loss on contracts	51	0
- Employee provisions	775	632
- Provision for repairs	1 798	1 816
- Other provisions	187	167
- Other	2 299	1 690
Total assets from deferred income tax	**25 813**	**23 353**

Deferred income tax is created on the rate basis of 19% for positive and negative taxable temporary differences relating to assets and liabilities.

Deferred income tax due to tax losses relates to income loss in 2011. These assets may be used by the Company within 5 years after the balance sheet date.

Note 8. Inventories

	31.12.2014	31.12.2013
Inventories		
a) Materials	217	1 883
b) Products and semi-products in progress	630	630
Total inventories	**847**	**2 513**

Note 8.1. Impairment of inventories. write-downs of inventories

	31.12.2014	31.12.2013
At the beginning of the period	262	262
Increases / Decreases	0	0
At the end of the period	**262**	**262**

Note 9. Short-term receivables

	31.12.2014	31.12.2013
Current receivables		
a) From associates	**18 440**	**3 453**
- due to deliveries and services with a maturity:	16 326	1 340
- up to 12 months	16 326	1 340
- over 12 months	0	0
- other	2 114	2 113
- claimed at court	0	0
b) From other entities	**283 965**	**216 902**
- due to deliveries and services with a maturity:	254 833	203 240
- up to 12 months	244 109	188 448
- over 12 months	10 724	14 792
- due to taxes, subsidies, duties, social and health insurance and other benefits	20 201	5 514
- other	8 931	8 148

- claimed at court	0	0
Total net current receivables	**302 405**	**220 355**
c) Write-downs of receivables	4 154	4 648
Total gross current receivables	**306 559**	**225 003**

Note 9.1. Short-term receivables from associates

	31.12.2014	31.12.2013
Current receivables from associates		
a) Due to deliveries and services, incl.:	**16 326**	**1 340**
- from subsidiaries	16 326	1 340
b) Other	2 114	2 113
- from subsidiaries	2 114	2 113
c) Claimed at court	**0**	**0**
Total net current receivables from associates	**18 440**	**3 453**
Total gross current receivables from associates	**18 440**	**3 453**

Note 9.2. Changes in write-downs of current debts

	31.12.2014	31.12.2013
At the beginning of the period	**4 648**	**2 645**
a) Increases	1 651	2 325
- Creations	1 651	2 325
b) Decreases	2 145	322
- Impairment loss release	2 145	322
Short-term write-downs of receivables at end of the period	**4 154**	**4 648**

Note 9.3. Current receivables (by currency)

	31.12.2014	31.12.2013
Current receivables before tax		
a) In Polish currency	286 234	219 455
b) Equivalent in Polish currency when converted at the average exchange rate of the NBP as at the balance sheet date (Euro is the original settlement currency)	20 325	5 548
Total current receivables	**306 559**	**225 003**

Note 9.4. Gross trade receivables of the remaining maturity since the balance sheet date

	31.12.2014	31.12.2013
Receivables from deliveries and services		
a) Up to 1 month	202 075	88 086
b) Between 1 and 3 months	0	63 929
c) Between 3 and 6 months	0	0
d) Between 6 and 12 months	0	0
e) Over 12 months	0	37
f) Retentions up to 12 months	37 469	24 215
g) Retentions over 12 months	10 724	14 792
h) Overdue debts	24 924	18 169
Total receivables from deliveries and services (gross)	275 192	209 228
i) Write-downs of trade receivables	4 033	4 648
Total receivables from deliveries and services (net)	**271 159**	**204 580**

Impairment charges are created on overdue debts of over 180 days at their full value. In justified cases, they can be used individual principles of calculating the impairment.

Note 9.5. Overdue trade receivables (before tax)

	31.12.2014	31.12.2013
Overdue receivables from deliveries and services		
a) Up to 1 month	748	0

b) Between 1 and 3 months	518	21
c) Between 3 and 6 months	967	3 478
d) Between 6 and 12 months	7 170	1 635
e) Over 12 months	15 521	13 035
Total overdue receivables from deliveries and services (gross)	24 924	18 169
f) Overdue of from trade receivables	4 033	4 648
Total overdue receivables from deliveries and services (net)	**20 891**	**13 521**

The amount of overdue claims not covered by impairment loss as of 31.12.2014 includes receivables from Kępska SA amounting to PLN 8 188 thousand secured by mortgage and receivables from Międzyzdrojski Rynek Sp. z o.o. (a municipal company) of PLN 3 700 thousand. Due to the anticipated recovery of the receivables, the Company did not amortise these items.

Note 10. Current financial assets

	31.12.2014	31.12.2013
Current financial assets		
a) In subsidiaries	709	0
- Loans granted	709	157
b) in joint controlled entities	0	0
c) In associates	0	0
d) In major investor	0	0
e) In the Parent	0	0
f) In other entities	0	0
g) Cash and cash equivalents	122 741	57 920
- Cash at bank and in hand	109 778	44 303
- Other cash	12 963	13 617
Total current financial assets	**123 450**	**58 077**

Note 10.1. Cash and cash equivalents (by currency)

	31.12.2014	31.12.2013
Cash and cash equivalents		
a) In Polish currency	114 920	51 504
b) In foreign currencies (by currency and translated in PLN)		
- unit/currency PLN / 1 EUR (4.2626 and 4.1472)	1 835	1 547
- PLN	7 821	6 416
Total cash and cash equivalents	**122 741**	**57 920**

Note 10.2. Short-term loans granted (by currency)

	31.12.2014	31.12.2013
a) In Polish currency	709	157
b) In foreign currencies (by currency and translated in PLN)	0	0
- unit/currency PLN / 1 EUR (4.2626 and 4.1472)	0	0
- PLN	0	0
Total short-term loans granted	**709**	**157**

Note 11. Short-term prepayments

	31.12.2014	31.12.2013
a) Current prepayments, incl.:	170 783	142 672
- other costs	5 634	3 838
- deferred income (sales invoices for 2014issued after the balance sheet date)	73 580	0
- long term contracts	71 447	118 712
- costs of Modlin Project (prepayments due to costs claimed from the suppliers of aggregates)	20 122	20 122
Total current prepayments	**170 783**	**142 672**

Note 11.1. Prepayments due to construction contracts

	31.12.2014	31.12.2013
Expected revenues from ongoing projects	2 185 324	2 102 635
Expected costs of ongoing projects	1 980 386	1 880 322
Expected margin on ongoing projects	204 937	222 313
Cumulative revenues recognized in the profit and loss account	1 306 796	1 164 280
Cumulative costs recognized in the profit and loss account	1 199 884	1 061 121
Cumulative margin recognized in the profit and loss account	106 912	103 159
Margin remaining to be recognized in next periods	98 025	119 154
Percentage of margin remaining to be recognized in next periods	47,83%	53,60%
Revenue surplus over partial invoices by staging	45 734	101 003
Costs surplus over expenses arising from the accounting costs by staging	23 016	55 811
Surplus on partial invoices over incomes by staging	10 691	11 299
Surplus on costs resulting from the accounting costs over expenses by staging	25 713	17 709
Total amounts presented in deferred expenditures	71 447	118 712
Total amounts presented in deferred revenues	33 707	67 110

Long-term construction services have been valued using method of progress of works resulting from measurement. Revenues, expenses and profit have been recognized in proportion to the stage of completion of works.

Note 12. Significant write-downs recognized and reversed due to impairment

Write-downs due to impairment of long-term financial assets	**31.12.2014**	**31.12.2013**
Opening balance	**2 929**	**2 928**
Increases / Decreases	0	0
Closing balance	**2 929**	**2 928**

Write-downs due to impairment of short-term financial assets	**31.12.2014**	**31.12.2013**
Opening balance	**0**	**0**
Increases / Decreases	0	0
Closing balance	**0**	**0**

Write-downs due to impairment of inventories	**31.12.2014**	**31.12.2013**
Opening balance	**262**	**262**
Increases / Decreases	0	0
Closing balance	**262**	**262**

Note 13. Share capital of ERBUD S.A. (structure)
Note 13.1 Shareholding structure as at 31.12.2014

The share capital of the Parent as of 31 December 2014 consisted of 12,761,925 shares with a total value of PLN 1,276,192.50. The structure of the share capital of the Parent as at 31 December 2014 was as follows:

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity percentage	Disposal restrictions
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.21%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.62%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24.71%	None
	Total				**4 152 865**	**32.54%**	
B	Juladal Investment Ltd	Ordinary	None	None	30 173	0.24%	None

A	Dariusz Grzeszczak	Ordinary	None	None	773 900	6.06%	None
B	DGI Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	None	None	2 136 260	16.74%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.27%	None
A	Józef Zubelewicz	Ordinary	None	None	259 500	2.03%	None
B	Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	None	None	681 914	5.34%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 266 900	9.93%	None
D,E,C, F,G,H,I	Free Float	Ordinary	None	None	2 277 267	17.85%	None
	TOTAL				**12 761 925**	**100%**	
	Par value of shares of all series in PLN	0.10		Equity in PLN	1 276 192.50		

The table shows shareholders having more than 5% of the share capital and has been prepared based on the book of shares.

Movements in the share capital of the Parent Company in 2014.

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 capital. 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. Moreover, the subscription will be effected on the condition that the Capital Group will achieve in 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 19 March 2014, in connection with the planned by the Management Board increase of the share capital by an amount not exceeding PLN 5.000 through the issuance of not more than 50,000 shares of Series I for the purpose of the adopted Management Option Plan, the Supervisory Board of Erbud SA passed at the request of the Management Board of the Company dated 5 March 2014 Resolution No. 6/2014 on depraving the existing shareholders of pre-emptive rights to acquire Series I shares and determining the issue price of shares of Series I in the amount of PLN 11.00 Finally, following the issue of Series I shares, 47,379 shares with a nominal value of PLN 0.10 each was acquired Thus, the share capital has been increased by PLN 4,737.90.

Except for rights arising from the directly held shares of Erbud SA, the major shareholders have no other voting rights at a General Meeting.

Shares of Erbud SA owned by the above mentioned persons are not preference ones.

The Company's Articles of Association do not grant to the below mentioned shareholders any personal rights in relation to Erbud SA, in particular, does not give the right to appoint members neither of the Management Board nor the Supervisory Board of Erbud SA.

The number of shares constituting the authorized capital is equal to the number of shares issued. Nominal value per share is PLN 0.10. No shares have been reserved for issuance under the sale option.

Significant movements in the share capital of the Company during the period from 1 January 2014 up to the preparation of financial statements.

In 2014, there were some significant changes in the shareholding of the Parent Company. Juladal Investment sold 2,136,260 shares (representing 16.74 percent of the share capital at the end of 2014) to DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak and 681,914 shares (representing 5.34% of the share capital) to Adler Properties Ltd. controlled by Józef Zubelewicz. Juladal Investment sold a total of 2,818,174 shares of Erbud SA.

Nota 13.2. Shareholding structure as at 31.12.2012

Series	Shareholder	Class of shares	Preferences on shares	Restrictions on shares	Number of shares	Equity stake held	Restrictions on disposal
A	Wolff & Muller Holding Gmbh & Co.KG	Ordinary	None	None	282 137	2.22%	None
A	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	717 863	5.65%	None
B	Wolff & Muller Baubeteiligungen Gmbh & Co.KG	Ordinary	None	None	3 152 865	24.79%	None
	Total				**4 152 865**	**32.66%**	
B	Juladal Investment Ltd	Ordinary	None	None	2 848 347	22.40%	None
A	Dariusz Grzeszczak	Ordinary	None	None	773 900	6.09%	None
D	AVIVA Otwarty Fundusz Emerytalny BZ WBK	Ordinary	None	None	1 183 146	9.31%	None
D	ING Otwarty Fundusz Emerytalny	Ordinary	None	None	1 266 900	9.96%	None
D,E,C, F, H	Free Float	Ordinary	None	None	2 489 388	19.58%	None
	Total				**12 714 546**	**100%**	
	The nominal value of all series shares		PLN 0.10	Equity in PLN	1 271 454.60		

Shares of all series are entitled to dividends from the date of registration in the National Court.

Note 14. Revaluation capital

	31.12.2014	31.12.2013
Capital at the beginning of the period	0	0
a) due to profit /loss from valuation of financial instruments	-1 066	0
b) due to other adjustment s	0	0
Total revaluation capital at the end of the period	**-1 066**	**0**

Note 15. Supplementary capital (structure)

	31.12.2014	31.12.2013
a) From sale of shares over their nominal value	13 840	13 840
b) Distribution to shareholders	-550	-550
c) Other (by type)	221 514	221 364
- issue of Series C shares (agio)	796	796
- issue of Series D share (agio)	119 896	119 896
- from profit	92 958	98 088
- from redemption of shares	-4 647	-4 647
- adjustment of CIT tax due to issue costs	767	767

- repurchase of own shares	484	484
- transfer from reserve capital	2 000	2 000
- issue of Series E shares	345	345
- issue of Series F shares	452	452
- issue of Series G shares	369	369
- issue of Series H shares	399	399
- issue of Series I shares	516	
- manager options	2 532	2 415
Total supplementary capital	**234 804**	**234 654**

Note 16. Changes in provision for deferred income tax

	31.12.2014	31.12.2013
1. Provision for deferred income tax at the beginning of period, incl.:	**24 130**	**18 288**
a) Recognised in financial result	**24 130**	**18 288**
Valuation of loans as at the balance-sheet date	1 186	1 121
Valuation of construction contracts	22 555	16 878
Discounted liabilities	261	267
Other	128	22
b) Recognised in equity	**0**	**0**
2. Increases	**28 747**	**24 130**
a) Recognised in financial result	**28 747**	**24 130**
Valuation of loans as at the balance-sheet date	922	1 186
Valuation of construction contracts	13 575	22 555
Discounted liabilities	130	261
Accrued income	13 980	0
Other	140	128
b) Recognised in equity	**0**	**0**
3. Decreases	**24 130**	**18 288**
a) Recognised in financial result	**24 130**	**18 288**
Valuation of loans as at the balance-sheet date	1 186	1 121
Valuation of construction contracts	22 555	16 878
Discounted liabilities	261	267
Other	128	22
b) Recognised in equity	**0**	**0**
4. Provision for deferred income tax at the end of period, incl.:	**28 747**	**24 130**
a) Recognised in financial result	**28 747**	**24 130**
Valuation of loans as at the balance-sheet date	922	1 186
Valuation of construction contracts	13 575	22 555
Discounted liabilities	130	261
Accrued income	13 980	0
Other	140	128
b) Recognised in equity	**0**	**0**

Note 16.1. Provision for deferred income tax

Provision due to	31.12.2014	31.12.2013
- Valuation of construction contracts	13 575	22 555
- Other	15 172	1 575
Total provision for deferred income tax	**28 747**	**24 130**

Provision for deferred tax liability is created basing on the rate of 19% for taxable and deductible temporary differences on domestic assets and liabilities.

Note 17. Changes in non-current provision for retirement and similar benefits

	31.12.2014	31.12.2013
a) As at the beginning of the period	479	349
b) Increases (from)	63	130
- Retirement severance payments	63	130
c) Use (from)	0	0

d) Dissolution (from)	0	0
Jubilee	0	0
e) As at the end of the period	542	479

Note 18. Changes in current provision for retirement and similar benefits

	31.12.2014	**31.12.2013**
a) As at the beginning of the period	2 849	3 074
b) Increases (from)	686	0
- Unused leave	686	0
c) Use (from)	0	0
d) Dissolution (from)	0	225
e) As at the end of the period	3 535	2 849

Note 19. Changes in other non-current provisions (by titles)

There were no items.

Note 20. Changes in other current provisions (by titles)

	31.12.2014	**31.12.2013**
a) As at the beginning of the period	10 244	12 118
b) Increases (from)	468	2 002
- Litigation and claims	199	30
- Guarantee repair	0	1 972
- Loss on long-term contracts	269	0
c) Use (from)	0	0
d) Dissolution (from)	191	3 876
- Litigation and claims	94	703
- Guarantee repair	97	2 800
- Loss on long-term contracts	0	373
e) As at the end of the period	**10 521**	**10 244**

Note 21. Non-current liabilities
Note 21.1. Long-term liabilities

	31.12.2014	**31.12.2013**
a) To subsidiaries	0	0
b) To other entities	53 065	266
- Other financial liabilities, of which	1 065	266
- due to finance lease	1 065	266
c) From issue of debt securities	52 000	0
d) Other	0	0
Total long-term liabilities	**53 065**	**266**

Note 21.2. Long-term liabilities of the remaining maturity since the balance sheet date

	31.12.2014	**31.12.2014**
a) Between 1 and 3 years	53 065	266
Total long-term liabilities	**53 065**	**266**

Note 21.3. Long-term liabilities (by currency)

	31.12.2014	**31.12.2013**
a) In Polish currency (PLN)	53 065	266
b) In foreign currencies (converted into PLN)	0	0
Total long-term liabilities	**53 065**	**266**

Note 22. Current liabilities

	31.12.2014	31.12.2013
a) To associates	**15 859**	**9 067**
- Loans and borrowings	0	0
- Issue of debt securities	0	0
- Dividends	0	0
- Other financial liabilities	0	0
- Deliveries and services, with a maturity:	15 859	9 067
- up to 12 months	15 646	8 240
- over 12 months	213	827
- Advances received for deliveries	0	0
- Liabilities due to bills of exchange	0	0
- Other	0	0
b) To other entities	**403 187**	**271 160**
- Loans and borrowings	0	6
- Issue of debt securities	0	50 000
- Dividends	0	0
- Other financial liabilities, incl.:	2 836	2 339
- Lease	808	450
- Interest on bonds	734	1 889
- Financial instruments	1 294	0
- Deliveries and services, with a maturity:	371 301	212 502
- up to 12 months	365 022	205 791
- over 12 months	6 279	6 711
- Advances received for deliveries	22 749	291
- Liabilities from bills of exchange	0	0
- Taxes, customs, social insurance and other benefits	3 113	3 746
- Remuneration	2 157	682
- Other (by type), incl.:	1 031	1 594
- Investment acquisitions	0	0
- Other	1 031	1 594
Total short-term liabilities	**419 046**	**280 227**

Note 22.1. Short-term liabilities (by currency)

	31.12.2014	31.12.2013
a) in Polish currency (PLN)	414 267	277 153
b) Equivalent in Polish currency when converted at the average exchange rate of the NBP as at the balance sheet date (Euro is the original settlement currency)	4 779	3 074
Total short-term liabilities	**419 046**	**280 227**

Note 23. Finance lease liabilities

Balance sheet value

	31.12.2014	31.12.2013
Up to 1 year	808	450
From 1 to 5 years	1 065	266
Over 5 years	0	0
Total	**1 873**	**716**

The Group uses financial leasing of means of transport. The average lease duration is 3 years. Assets used under a finance lease are used to secure liabilities due to lease contracts.
Liabilities from financial leasing, both long-and short-term ones, the Company presents in the balance sheet under the item "Other financial liabilities".

Note 24. Credits and loans

As of 31.12.2014, the Company had open credit lines in five banks.

Terms and conditions of loan agreements

Under the loan agreements, the Companies of Erbud Group are obliged to meet certain financial ratios (so-called loan covenants). As required by IAS 1, a breach of loan covenants which could potentially result in a reduction of unconditional access to credit during the next year makes it necessary to qualify such liabilities as current ones.

In the twelve months of 2014, ERBUD SA breached the terms of the loan agreements related overdrafts related to overdrives in mBank and Alior Bank. The violation concerned the following ratios: current liquidity, net profitability.

Here is a list of violated ratios:

Bank mBank

Ratio	*Level required*	*Level achieved*	*Comment*
current liquidity	not less than 1.2	1.02	not achieved

Alior Bank

Ratio	*Level required*	*Level achieved*	*Comment*
current liquidity	not less than 1.3	1.01	not achieved

As at the date of preparing the Consolidated Financial Statement, the Management Board of the Parent Company does not see any significant problems with maintaining the current bank financing, despite breaking the contractual loan covenants.

As of 31 December 2014, ERBUD SA did not have any liabilities due to short-term overdrafts.

The following tables provide details of loans and borrowings used as of 31.12.2014:

Bank loans:	Loan/borrowing amount under agreement		Loan/ borrowing currency	Loan/borrowing outstanding		Interest	Maturity date	Name of bank / entity providing credit
	[PLN]	[CU]		[PLN]	[CU]			
Erbud S.A.	20 000	PLN	PLN	0	PLN	Wibor 3M+2.60%	30.10.2015	PKO BP
Collaterals/guarantees to repay the loan granted to Erbud S.A.								
Final collaterals:								
Investments - 10% of the limit								
Enforcement statement								
Assignment of receivables from construction contracts of 120% of the loan and guarantee limits								
Turnover - 30% of sale revenues through the account held in PKO BP								
Surety – provided by Erbud International Sp.z o.o. and PBDI S.A.								

Bank loans:	Loan/borrowing amount under agreement		Loan/ borrowing currency	Loan/borrowing outstanding		Interest	Maturity date	Name of bank / entity providing credit
	[PLN]	[CU]		[PLN]	[CU]			
Erbud S.A.	32 000	PLN	PLN	0	PLN	Wibor 1M+2.00%	11.09.2015	ING S.A.
Collaterals/guarantees to repay the loan granted to Erbud S.A.								
Final collaterals:								
Investments - 10% of the guarantee granted for a period between 2 and 4 years; 15% of the guarantee granted for a period of over 4 years								
Mortgage on developed property located in Toruń on Polna St. belonging to PBDI SA up to PLN 50m								
Enforcement statement								
Assignment of receivables from construction contracts of 150% of the loan and guarantee limits								
Turnover - proportional to the involvement of the Bank in crediting the Group through the account held with ING S.A.								

Bank loans:	Loan/borrowing amount under agreement		Loan/ borrowing currency	Loan/borrowing outstanding		Interest	Maturity date	Name of bank / entity providing credit
	[PLN]	[CU]		[PLN]	[CU]			
Erbud S.A.	10 000	PLN	PLN	0	PLN	Wibor 1M+1.80%	31.12.2015	mBank S.A.

Collaterals/guarantees to repay the loan granted to Erbud S.A.

Final collaterals:

Customer's blank promissory note with a declaration of 02/06/2009

Assignment to the Bank of receivables from customers covered by the assignment with an aggregate minimum value of PLN 60,000,000, for contracts with a completion period of at least nine months and with a total monthly average turnover of not less than PLN 10,000,000 PLN

Bank loans:	Loan/borrowing amount under agreement		Loan/ borrowing currency	Loan/borrowing outstanding		Interest	Maturity date	Name of bank / entity providing credit
	[PLN]	[CU]		[PLN]	[CU]			
Erbud S.A.	3 000	PLN	PLN	0	PLN	Wibor 1M+2.00%	26.11.2015	BNP Paribas Bank S.A.

Collaterals/guarantees to repay the loan granted to Erbud S.A.

Final collaterals:

Transfer of amounts from the account as collateral: 0% for a 12 month guarantee, 10% of the guarantee provided for 2 - 36 month, 15% of the guarantee in case of guarantees for over 36 months

Enforcement statement

Assignment of receivables from construction contracts of 150% of the loan and guarantee limits

Turnover - proportional to the involvement of the Bank in crediting Erbud SA through the account held with PNB Paribas S.A.

Bank loans:	Loan/borrowing amount under agreement		Loan/ borrowing currency	Loan/borrowing outstanding		Interest	Maturity date	Name of bank / entity providing credit
	[PLN]	[CU]		[PLN]	[CU]			
Erbud S.A.	10 000	PLN	PLN	0	PLN	Wibor 3M+1.60%	04.09.2015	Alior Bank

Collaterals/guarantees to repay the loan granted to Spółki Erbud S.A.

Final collaterals:

Power of attorney to operate the Borrower's current account and other accounts held with the Bank

Assignment of receivables from construction contracts of 150% of the loan and guarantee limits

Cash deposit of 10% of the guarantee granted under the guarantee limit, in case of guarantees with a period of over 36 months

Note 25. Calculation of book value per share

Book value per share is calculated by dividing the equity by the number of shares as at the balance sheet date.

2014: book value - PLN 247,259 thousand (equity); 12,761,925 shares = PLN 19.37

2013: book value - PLN 244,341 thousand (equity); 12,714,546 shares = PLN 19.22

Diluted book value per share is calculated by dividing the book value by number of ordinary shares issued and those due to be issued.

2014: book value - PLN 247,259 thousand (equity); 12,768,272 shares = PLN 19.36

2013: book value - PLN 244,341 thousand (equity); 12,744,407 shares = PLN 19.17

Note 26. Issuance / Redemption / Repayment of debt and equity securities

Note 26.1. Issuance / Redemption / Repayment of debt securities

On 26 March 2014, the Company issued a total of 5,200 bearer bonds, dematerialized, unsecured, with an aggregate nominal value of PLN 52 million. The par value of one bond was PLN 10,000. The issue price amounted to PLN 9,587. The redemption date is 26 March 2018. The interest rate on bonds is variable and based on WIBOR 6M plus a margin equal to 3.0 percentage points. Interest are to be paid every 6 months. On 25 April 2014 bearer bonds of series B issued by the Company were introduced to the BondSpot alternative trading system operating within Catalyst. The Company has earmarked funds for the purchase of 40,000 bonds of series A issued by the Issuer and financing the increased demand on working capital associated with record orders backlog of the Capital Group. The remaining 10,000 Series A bonds was redeemed according the originally fixed term, i.e. on 14 July 2014.

As at 31 December 2014, the Company incurred financing costs in the amount of PLN 2 705 thousand due to accrued interest on bonds issued.

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 capital. 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. Moreover, the subscription will be effected on the condition that the Capital Group will achieve in 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 19 March 2014, in connection with the planned by the Management Board increase of the share capital by an amount not exceeding PLN 5.000 through the issuance of not more than 50,000 shares of Series I for the purpose of the adopted Management Option Plan, the Supervisory Board of Erbud SA passed at the request of the Management Board of the Company dated 5 March 2014 Resolution No. 6/2014 on depriving the existing shareholders of pre-emptive rights to acquire Series I shares and determining the issue price of shares of Series I in the amount of PLN 11.00 per share. Finally, following the issue of series I shares, were acquired 47 379 shares with a nominal value of PLN 0.10 per share. Thus, the share capital increased by PLN 4 737.90.

Note 26.2. Issuance / Redemption / Repayment of equity securities

On 19 March 2014, in connection with the planned by the Management Board increase of the share capital by an amount not exceeding PLN 5.000 through the issuance of not more than 50,000 shares of Series I for the purpose of the adopted Management Option Plan, the Supervisory Board of Erbud SA passed at the request of the Management Board of the Company dated 5 March 2014 Resolution No. 6/2014 on depriving the existing shareholders of pre-emptive rights to acquire Series I shares and determining the issue price of shares of Series I in the amount of PLN 11.00 per share. There was no issue, redemption and repayment of equity securities.

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. Finally, following the issuance of H series shares were acquired 36,590 shares with a nominal value of PLN 0.10 each one. Thus, the share capital has increased by PLN 3,659.

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 capital. 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. Moreover, the subscription will be effected on the condition that the Capital Group will achieve in the financial year for which the shares will be offered a consolidated net profit of at least ten million Zlotys. Moreover, the person who would be entitled may not be upon notice of termination of the employment contract.

Note 27. Acquisitions / Sale of subsidiaries / Sale of long-term investments

On **1 October 2014**, Erbud Industry Sp. z o.o. (a company belonging to the Erbud SA Capital Group) has become the sole owner of NGK Ojrzyński Sp. z o.o., based in Gdansk.

On **3 October 2014**, Erbud Industry Sp. z o.o. (a company belonging to the Erbud SA Capital Group) has become the sole owner of Energoserv Pomorze Sp. z o.o., based in Toruń.

Note 28. Trade net income (by type – kind of activities)

	31.12.2014	31.12.2013
- Sale of products	0	0
- of which to associates	0	0
- Sale of services	1 108 379	861 441
- of which to associates	8 828	3 170
Total trade net income	**1 108 379**	**861 441**
- of which from associates	**8 828**	**3 170**

Note 29. Trade net income (geographical structure)

	31.12.2014	31.12.2013
a) Domestic	1 080 411	827 853
- Sale of products	0	0
- of which to associates	0	0
- Sale of services	1 080 411	827 853
- of which to associates	8 828	3 170
b) Export	27 968	33 588
- Sale of products	0	0
- of which to associates	0	0
- Sale of services	27 968	33 588
- of which to associates	0	0
Total trade net income	**1 108 379**	**861 441**
- of which to associates	**8 828**	**3 170**

Note 30. Net income on sales of goods and materials (geographical structure)

Both in 2014 and 2013, the Company has not achieved revenue from sales of goods and materials.

Note 31. Operating costs
Note 31.1. Expenses by type

	31.12.2014	31.12.2013
a) Depreciation and amortisation	2 256	2 050
b) Consumption of materials and power	121 795	97 757
c) External services	941 510	670 936
d) Taxes and charges	3 195	3 704
e) Remuneration	45 604	46 753

f) Social security and other benefits	10 525	10 158
g) Other costs	3 895	3 157
h) Goods and materials sold	0	0
Total expenses by type	**1 128 780**	**834 515**
Change in products and accrued expenses due to construction contracts	-40 800	7 849
Cost of products manufactured for in-house use (negative value)	0	0
Sales cost (negative value)	0	0
General and administrative costs (negative value)	-36 595	-34 967
Value of goods and materials sold	0	0
Manufacturing cost of products sold	**1 051 385**	**807 397**

Note 31.2. Sale costs

The Company does not identify the costs of sales due to their insignificant.

Note 32. Other operating income

	31.12.2014	31.12.2013
a) Profit on disposal of non-financial fixed assets, incl.:	1 243	122
- Fixed assets and fixed assets in progress	450	122
- Real estate	793	0
b) Subsidies	0	0
c) Other, incl.:	1 811	3 024
- Indemnities	1 275	711
- Provisions released	191	680
- Other	28	39
- Relief of liabilities	44	1 093
- Release of provisions for receivables	0	322
- Other (Belgium - tax relief)	273	179
Total other operating income	**3 054**	**3 146**

Note 33. Other operating expenses

	31.12.2014	31.12.2013
a) Loss on disposal of non-financial fixed assets	0	0
b) Revaluation of non-financial assets	0	0
- Write-downs of receivables	0	0
- Write-downs of inventories	0	0
c) Other, incl.:	5 893	5 129
- Impairment of receivables	1 651	2 325
- Written-down claims	1 186	658
- Penalties, fines and indemnities	2 094	1 736
- Costs of litigation	731	0
- Provisions for litigation	199	30
- Donations	31	132
- Other	1	248
Total other operating expenses	**5 893**	**5 129**

Note 33.1. Income from interest

	31.12.2014	31.12.2013
a) Due to borrowings granted	1 378	1 749
- from associates, of which:	1 378	1 749
- from subsidiaries	1 378	1 749
- form other entities	0	0
b) Other interest	1 258	1 530
- from associates	0	0
- from other entities, of which:	1 258	1 530
- from investments	364	626
- other	894	904
Total income from interest	**2 636**	**3 279**

Note 33.2. Other financial incomes

	31.12.2014	31.12.2013
a) Foreign exchange profits	571	0
- realized	218	0
- unrealized	353	0
b) Provisions released	0	0
c) Other	743	292
Total other financial income	**1 314**	**292**

Note 33.3 Financial income from dividends and share in profit

In the reporting period ended 31 December 2014, the Company recorded financial income related to dividends from its subsidiary GWI GmbH in the amount of PLN 2 495 thousand and its subsidiary PBDI in the amount of PLN 1 003 thousand.

In the reporting period ended 31 December 2013, the Company recorded financial income due to the dividend from its subsidiary GWI GmbH in the amount of PLN 610 thousand.

Note 34. Financial costs

Note 34.1. 1 Financial costs due to interest

	31.12.2014	31.12.2013
a) Interest due to loans and borrowings to	991	1 414
- associated entities	0	227
- other entities	991	1 187
b) Other interest to	4 911	4 860
- associated entities	0	0
- other entities, incl.;	4 911	4 860
financial liabilities due to lease	70	83
interest on outstanding tax	641	0
interest on bonds	3 272	3 992
other interest	928	785
other current liabilities	0	0
Total financial cost due to interest	**5 902**	**6 274**

Nota 34.2. Financial costs - revaluation of investments

In the reporting period ended 31 December 2014 the position did not occur.

Note 34.3. Other financial costs

	31.12.2014	31.12.2013
a) Foreign exchange losses	0	264
b) Provisions created	0	0
c) Other, incl.:	2 714	3 199
- charges on bank guarantee	239	239
- origination fees and commissions	2 065	2 082
- other	410	878
Total other financial costs	**2 714**	**3 463**

Note 35. Current income tax

	31.12.2014	31.12.2013
1. Gross profit (loss), of which:	**16 392**	**11 766**
- gross profit (loss)	**16 392**	**11 766**
Tax non-deductible costs	**95 258**	**5 802**
Revaluation of receivables	5 006	2 325
Revaluation of long-term financial assets	0	0
Representation and advertising	2 401	1 596

Costs of damages	546	690
Budget interest	641	0
Other	853	574
Penalties and sanctions	2	369
Contribution to National Disabled Persons Rehabilitation Fund (PFRON)	473	425
Creation of provision for leaves	685	0
Creation of provision for repair works	452	0
Creation of provision for retirement severance payments	64	130
Creation of provision for balance sheet audit	196	191
Creation of provision for loss on long- term contracts	269	0
Non-deductible VAT	373	465
Accrued expenses of the period	62 998	-4 178
Provisions for litigation	199	31
Written-off claims	1 186	397
Unpaid social security contributions (ZUS)	188	0
Unpaid remuneration	1 824	0
Donations	31	132
Balance sheet valuation of loans, receivables, payables and cash and cash equivalents	73	-118
Balance sheet valuation of receivables	0	-19
Contributions to the organizations	103	189
Depreciation of fixed assets leased	1 418	1 398
Financial costs on lease	70	83
Discounted receivables and payables	691	731
Management options	118	210
Bank interest	0	181
Interest expense on bonds (accrued)	-1 155	0
Discount of bonds	420	0
Surplus balance sheet costs over tax costs from the valuation of contracts	13 861	0
Overdue payments	541	0
Litigation expenses	732	
Book income not counted as tax income	**80 698**	**7 711**
Revaluation of investments	0	-15
Surplus of balance sheet revenue over tax income from the valuation of contracts	0	4 344
Reversal of impairment losses on receivables	3 356	321
Balance sheet valuation of loans, receivables, payables and cash and cash equivalents	384	0
Dividend	3 498	610
Interest on loans	-1 394	346
Release of provision for losses on long-term contracts	0	373
Release of provisions for repair works	549	828
Release of provisions for holidays	0	224
Release of provisions for litigations	94	680
Discounting of deposit liabilities	631	0
Release of provisions for retirement	0	0
Revenues from contracts (accrued)	73 580	0
Tax costs not classified as book costs	**911**	**1 378**
Release of provision for balance sheet audit	192	182
Lease payments	720	1 196
Tax income not classified as book income	**0**	**0**
2. Income tax base	**30 040**	**8 479**
3. Deductions from tax base	**-20 878**	**-8 479**
- Retained loss	-20 878	-8 479
4. Tax base after deductions	**9 162**	**0**
5. Income tax according to rate of 19%	1 741	
6. Current income tax declared in the tax return for the period		
7. Change in assets due to deferred tax (19%)	-2 461	2 493
8. Change in provision due to deferred tax (19%)	4 617	-5 843
9. Change in assets credited to capital from previous yeas	0	0
10. Change in provision credited to revaluation capital	250	0

11. Change in assets and deferred tax provision	**2 407**	**-3 350**
12. Tax on dividends from a foreign company	**0**	**0**
13. Tax liability shown in profit or loss account	**4 147**	**3 350**

Note 36. Net earnings per share

	31.12.2014	**31.12.2013**
Net earnings (loss)	12 245	8 416
Weighted average number of shares / Diluted weighted average number of shares (in units)	**12 738 236/ 12 768 272**	**12 696 251/ 12 744 407**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	**0.9612 / 0.959**	**0.5607 / 0.5584**

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company, and weighted average number of ordinary shares in use during the year.

Note 37. Net profit (loss) – profit distribution

The Management Board will propose to allocate the net profit for 2014 to reserve capital.

Pursuant to Resolution No. 5/2014 of 25 June 2014 addopted by the Annual General Meeting of Shareholders of Erbud SA it has been decided to distribute the net profit for 2013 in the amount of PLN 8 416 thousand as dividends to Shareholders.
The total dividend paid in 2014 was PLN 8 900 thousand, of which PLN 484 thousand comes from decreasing the suplementary capital.

Note 38. Cash at the beginning and end of the period

	31.12.2014	**31.12.2013**
a) Total cash (as of the beginning of the period)	57 920	152 193
- Cash in hand and at bank	44 302	134 435
- Other cash	13 618	17 758
b) Total cash (as of the end of the period)	122 741	57 920
- Cash in hand and at bank	109 778	44 302
- Other cash	12 963	13 618
Change in cash	**64 821**	**-94 273**
Change in cash due to exchange rate differences	0	0
Cash generated from operating activities	69 064	-92 459
Cash from investing activities	13 505	4 370
Cash from financing activities	-17 748	-6 184

Reconciliation of changes movements in balance sheet items to changes reported in the statement of cash flows as at 31 December 2014 is presented below:

	31 Dec 2014
Change in balance sheet accruals	**-63 976**
Accruals due to discounting bonds	1 919
Change in accruals in the cash flows account	**-62 057**

	31 Dec 2014
Change in balance sheet liabilities	**138 819**
Change in liabilities due to bonds	50 000
Change in other financial liabilities	-497
Change in liabilities from loans and borrowings	6
Offsetting trade payables against receivables due to loans granted	2 430
Change in liabilities in the cash flows account	**190 758**

Reconciliation of changes movements in balance sheet items to changes reported in the statement of cash flows as at 31 December 2013 is presented below:

	31.12. 2013
Change in balance sheet receivables	**39 842**
Receivables due to purchase of shares	2 100
Change in receivables in the cash flows statement	**41 942**

	31.12. 2013
Change in balance sheet liabilities	**-128 066**
Change in liabilities from loans and borrowings	256
Lease	1 008
Partly payment of liabilities for the purchase of Budlex shares	5 667
Change in receivables in the cash flows statement	**-121 135**

Note 39. Information on financial instruments

39.1. Carrying amount

Carrying amounts of all financial instruments of the Company by classes and categories of assets and liabilities as at 31 December 2014 are summarized in the table below:

Class of financial instruments	Financial instruments						
	Available for-sale financial assets	Financial assets at fair value through profit or loss account	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Liabilities due to derivative instruments recognized as hedging instruments - hedge accounting	Total
Loans granted	0	0	28 740	0	0	**0**	**28 740**
Financial assets	136 736	0	0	0	0	**0**	**136 736**
Building contracts securities	0	0	48 193	0	-81 104	**0**	**-32 911**
Trade receivables, excluding building securities	0	0	222 966	0	0	**0**	**222 966**
Receivables from customers under building contracts presented in prepayments	0	0	165 150	0	0	**0**	**165 150**
Derivative financial instruments	0	0	0	0	0	-1 294	**-1 294**
Other financial assets	0	758	0	0	0	**0**	**758**
Cash and cash equivalents	0	122 741	0	0	0	**0**	**122 741**
Credits, loans and other borrowing costs	0	0	0	0	-55 901	**0**	**-55 901**
Liabilities to customers under building contracts	0	0	0	0	-33 707	**0**	**-33 707**
Trade liabilities, excluding building securities	0	0	0	0	-306 057	**0**	**-306 057**
Other receivables and liabilities	0	0	11 045	0	-25 936	**0**	**-14 891**
Total	**136 736**	**123 498**	**476 094**	**0**	**-502 704**	**-1 294**	**232 330**

Carrying amounts of all financial instruments of the Company by classes and categories of assets and liabilities as at 31 December 2013 are summarized in the table below:

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss account	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	0	0	38 269	0	0	**38 269**
Loans granted	0	0	0	0	0	
Financial assets	136 736	0	0	0	0	**136 736**
Building contracts securities	0	0	41 346	0	-76 036	**-34 690**
Trade receivables, excluding building securities	0	0	161 920	0	0	**161 920**
Receivables from customers under building contracts presented in prepayments	0	0	118 712	0	0	**118 712**
Derivative financial instruments	0	0	0	0	0	
Other financial assets	0	756	0	0	0	**756**
Cash and cash equivalents	0	57 920	0	0	0	**57 921**
Credits, loans and other borrowing costs	0	0	0	0	-52 611	**-52 611**
Liabilities to customers under building contracts	0	0	0	0	-67 109	**-67 109**
Trade liabilities, excluding building securities	0	0	0	0	-137 080	**-137 080**
Other receivables and liabilities	0	0	8 149	0	-2 277	**5 872**
Total	**137 736**	**58 676**	**368 396**	**0**	**-335 113**	**229 695**

39.2. Income, expenses, gains and losses recognized in profit or loss account by categories of financial instruments

for the period from 1 January 2014 to 31 December 2014

Classes of financial instruments	Financial instruments						
	Available for-sale financial assets	Financial assets at fair value through profit or loss account	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Liabilities due to derivative instruments recognized as hedging instruments - hedge accounting	Total
Interest income (expense)	0	364	1 641	0	-5 211	23	**-3 183**
Gains (losses) from exchange rate differences	0	187	166	0	217	0	**570**
Impairment charges (impairment release)	0	0	-1 651	0	0	0	**-1 651**
Gains (losses) on valuation	0	1	0	0	-60	0	**-59**
Gains (losses) on sale / implementation of financial instruments	0	0	0	0	0	0	**0**
Total	**0**	**552**	**156**	**0**	**-5 054**	**23**	**-4 323**

Income, expenses, gains and losses recognized in profit or loss account by categories of financial instruments

for the period from 1 January 2013 to 31 December 2013

Classes of financial instruments	Financial instruments					
	Available for-sale financial assets	Financial assets at fair value through profit or loss account	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Interest income (expense)	0	696	2 356	0	-5 315	**-2 263**
Gains (losses) from exchange rate differences	0	-121	121	0	-264	**-264**
Impairment charges (impairment release)	0	0	-2 004	0	0	**-2 004**
Gains (losses) on valuation	0	15	0	0	-731	**-716**
Gains (losses) on sale / implementation of financial instruments	228	0	0	0	0	**228**
Total	**228**	**590**	**473**	**0**	**-6 310**	**-5 019**

The Company holds 5,872 shares in Allianz Stabilnego Wzrostu FIO (Allianz Stable Growth Fund). The purchase value of units as at 31.12.2014 amounted to PLN 758 thousand and the proceeds from the revaluation as at 31.12.2014 was PLN 1 thousand. The revaluation has been recognised in the result of the reporting period.

Note 40. Revenues, costs and results of discontinued operations during the reporting period, or intended to be discontinued in the subsequent period

There were no discontinued operations over the reporting period. Any type of activity is not intended to be discontinued.

Note 41. Information about transactions with affiliated entities (mutual receivables and liabilities, as well as costs and revenues from mutual transactions) that are subject to consolidation and those not to be consolidated

Item	Receivables/assets	Liabilities	Income	Expenses
	as at 31 Dec 2014		as at 31 Dec 2014	
Total affiliated entities	**47 180**	**15 859**	**10 934**	**91 906**
- Deliveries and services	16 326	15 859	8 828	91 496
- Loans and interest	28 740	0	1 378	0
- Other	2 114	0	728	410
Affiliated entities that are subject to consolidation	47 152	15 859	**10 932**	**91 906**
- Deliveries and services	16 298	15 859	8 826	91 496
- Loans and interest	28 740	0	1 378	0
- Other	2 114	0	728	410
Affiliated entities that are not subject to consolidation	28	0	**2**	**0**
- Deliveries and services	28	0	2	0
- Other	0	0	0	0
- Loans and interest	0	0	0	0

Item	Receivables/assets	Liabilities	Income	Expenses
	As at 31.12.2013		As at 31.12.2013	
Total affiliated entities	**41 722**	**9 067**	**5 341**	**39 783**
- Deliveries and services	1 353	9 067	3 318	38 844
- Loans and interest	38 269	0	1 749	227
- Other	2 100	0	274	712
Affiliated entities that are subject to consolidation	41 696	8 452	**5 193**	**37 172**
- Deliveries and services	1 327	8 452	3 170	36 233
- Loans and interest	38 269	0	1 749	227
- Other	2100	0	274	712
Affiliated entities that are not subject to consolidation	26	615	**148**	**2 611**
- Deliveries and services	26	615	148	2 611
- Other	0	0	**0**	**0**
- Loans and interest	0	0	0	0

Note 42.

As at 31 December 2014 the managing persons (members of the Board and holders of a commercial power of attorney) 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 the GM
DGI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych controlled by Dariusz Grzeszczak	Ordinary	2 136 260	16.74%	2 136 260	16.74%
Adler Properties Sp z o.o. controlled by Józef Zubelewicz	Ordinary	681 914	5.34%	681 914	5.34%
Juladal Investments Ltd. (a company controlled by Board members of Erbud SA)	Ordinary	30 173	0.24%	30 173	0.24%
Dariusz Grzeszczak	Ordinary	773 900	6.06%	773 900	6.06%
Józef Adam Zubelewicz	Ordinary	259 500	2.03%	259 500	2.03%
Albert Duerr- Supervisory Board member	Ordinary	14 500	0.11%	14 500	0.11%
Walenty Twardy Erbud SA procuration holder	Ordinary	9 852	0.08%	9 852	0.08%
Piotr Augustyniak Erbud SA procuration holder	Ordinary	890	0.01%	890	0.01%
Agnieszka Głowacka Erbud SA procuration holder	Ordinary	5 500	0.04%	5 500	0.04%
Bogdan Duerr Erbud SA procuration holder	Ordinary	7 297	0.06%	7 297	0.06%
Włodzimierz Czystowski Erbud SA procuration holder	Ordinary	5 921	0.05%	5 921	0.05%
Mirosław Młynarski Procuration holder	Ordinary	14 952	0.12%	14 952	0.12%
Radosław Kałamaga Procuration holder	Ordinary	9 516	0.07%	9 516	0.07%
Maciej Wyrzykowski Erbud SA procuration holder.	Ordinary	2 200	0.02%	2 200	0.02%
Kryspin Jarosz Erbud SA procuration holder	Ordinary	3 244	0.03%	3 244	0.03%
Piotr Dobosz - procuration holder	Ordinary	9 256	0.07%	9 256	0.07%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	5 618	0.04%	5 618	0.04%

As at 31 December 2013 the managing persons (members of the Board and holders of a commercial power of attorney) held the following number of shares:

Shareholder	Class of shares	Number of shares	Equity stake held	Number of votes	% of voting rights at AGM
Juladal Investments Ltd. (controlled by members of the Board of Erbud SA)	Ordinary	2 848 347	22.40%	2 848 347	22.40%
Dariusz Grzeszczak	Ordinary	773 900	6.09%	773 900	6.09%
Józef Adam Zubelewicz	Ordinary	259 500	2.04%	259 500	2.04%
Albert Duerr Supervisory Board member	Ordinary	14 500	0.11%	14 500	0.11%
Walenty Twardy ERBUD SA procuration holder	Ordinary	6 852	0.05%	6 852	0.05%
Piotr Augustyniak ERBUD SA procuration holder	Ordinary	890	0.01%	890	0.01%
Agnieszka Głowacka ERBUD SA procuration holder	Ordinary	6 336	0.05%	6 336	0.05%
Bogdan Duerr ERBUD SA procuration holder	Ordinary	6 712	0.05%	6 712	0.05%
Tomasz Krzywicki ERBUD SA procuration holder	Ordinary	700	0.01%	700	0.01%

Włodzimierz Czystowski ERBUD SA procuration holder	Ordinary	4 921	0.04%	4 921	0.04%
Mirosław Młynarski Procuration holder	Ordinary	11 426	0.09%	11 426	0.09%
Radosław Kałamaga Procuration holder	Ordinary	5 494	0.04%	5 494	0.04%
Maciej Wyrzykowski ERBUD SA procuration holder	Ordinary	2 200	0.02%	2 200	0.02%
Mariola Zielińska Chief Accountant of Erbud S.A.	Ordinary	4 818	0.04%	4 818	0.04%

As of the date of submitting the statements, the Board members and procurists do not have any Erbud's stock options

Members of the Supervisory Board, the Management Board of the Parent and the key management personnel, both as at 31 December 2014 and as at 31 December 2013 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 31 December 2014 and as at 31 December 2013 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Under the Employee Incentive Scheme Program, the following number of shares of series I has been granted to the managing staff:

Shareholder	**Class of shares**	**Number of shares**
Walenty Twardy – ERBUD SA procuration holder	Ordinary	3 000
Maciej Wyrzykowski – ERBUD SA procuration holder	Ordinary	1 000
Agnieszka Głowacka – ERBUD SA procuration holder	Ordinary	4 000
Bogdan Duerr – ERBUD SA procuration holder	Ordinary	585
Tomasz Krzywicki – ERBUD SA procuration holder	Ordinary	700
Włodzimierz Czystowski – ERBUD SA procuration holder	Ordinary	1 000
Radosław Kałamaga – ERBUD SA procuration holder	Ordinary	4 022
Mirosław Młynarski – ERBUD SA procuration holder	Ordinary	3 526
Piotr Dobosz – ERBUD SA procuration holder	Ordinary	3 266
Kryspin Jarosz – ERBUD SA procuration holder	Ordinary	3 244

Nota 42.1. Remuneration of key management personnel

Remuneration of the Management Board members of ERBUD SA paid by ERBUD SA and its subsidiaries:

Name and surname	**Position/Function**	**Total value of remuneration paid and benefits in kind granted in the year ended 31 December 2014**	**Total value of remuneration paid and benefits in kind granted in the year ended 31 December 2013**
Dariusz Grzeszczak	Member of the Management Board	1 175	1 122
Józef Adam Zubelewicz	Member of the Management Board	1 178	1 112

Remuneration of the Supervisory Board members of ERBUD SA in the year ended 31 December 2014 and as at 31 December 2013 paid by ERBUD SA and its subsidiaries:

Name and surname	**Position/Function**	**Total value of remuneration paid and benefits in kind granted in the year ended 31 December 2014**	**Total value of remuneration paid and benefits in kind granted in the year ended 31 December 2013**
Udo Berner	President of the Supervisory Board	90	76
Józef Olszyński	Vice-President of the Supervisory Board	72	59
Albert Durr	Member of the Supervisory Board	60	51
Gabriel Główka	Member of the Supervisory Board	60	51
Zofia Dzik	Member of the Supervisory Board	60	51

Michał Otto	Member of the Supervisory Board	60	51
Lech Wysokiński	Member of the Supervisory Board	-	46
Janusz Lewandowski	Member of the Supervisory Board	31	0

Note 43. Information about joint ventures that are not subject to consolidation

The Company does not conduct non-consolidated joint ventures.

Nota 44. Information on significant events that occurred during the twelve months of 2014 and after the balance sheet date

On **21 February 2014,** Erbud S.A. signed a significant contract for construction works under the following terms and conditions:
1. Contract subject: construction of the complex of multi-family buildings with commercial area and basement car park (MU04)
2. Investor: Promenady II VD Sp. z o.o. seated in Wrocław
3. Max. contract value: PLN 30,600,816.84 net
4. Site location: Wrocław
5. Completion period: 66 weeks from the issue of Instruction to Proceed Commencement of Works to the obtaining Occupancy Permit.

On **25 March 2014,** the Management Board of ERBUD SA entered into a significant contract for execution of construction works under the following terms and conditions:
1. Investor: Dom Development S.A. seated 00-078 Warszawa, Pl. Piłsudskiego 3
2. Contract value: PLN 31,075,750 plus VAT due
3. Contract subject: Willa Lindego residential complex located in Warsaw on Wrzeciono St.
4. Completion period: 18 months from the delivery of the construction site; expected commencement date - April 2014, expected completion date - September 2015.

On **31 March 2014**, the Issuer signed the Amendment No. 2 to the Agreement on the Loan increasing the level of the Issuer's funding by Alior Bank SA from PLN 50m to PLN 80m.
The increased limit applies to the sublimit for financial guarantees. Therefore, overdraft facilities of PLN 10m are available to the Issuer at present, while the possible limit for contract performance bonds rose from PLN 40m to PLN 70m.

On **16 April 2014,** the Management Board of ERBUD SA received information about the signing of a significant contract for construction works by GWI GmbH, a subsidiary of Erbud. The contract was signed on the following terms and conditions:
1. Contract subject: shell & core of Mitsubishi Ratingen office building
2. Parties to the contract:
a) Customer: RS & Partner Immobiliengesellschaft mbH, Brabantstrasse 1, 40235 Düsseldorf
b) Contractor: GWI Bauunternehmung GmbH, Schiessstrasse 55, 40549 Düsseldorf
3. Contract value: EUR 8,300,000 net, EUR 9,877,000 gross.
4. Completion period: 05.05.2014 - 31.01.2015

On **19 May 2014,** Erbud entered into a significant contract for construction works on the conditions and terms as below:
1. Investor: Dom Development S.A. seated 00-078 Warszawa, Pl. Piłsudskiego
2. Contract value: PLN 45,930,000 + VAT due
3. Contract subject: Mokotów Residence" apartment building located in Warsaw at Naruszewicza St. corner of Al. Niepodległości St.
4. Completion period: 18 months from the date of the site delivery. Expected commencement date - May 2014, expected completion date - October 2015.

On **9 June 2014,** the Issuer signed a contract for construction works with RAFAKO SA under the conditions as below:
1. Contract concluded on 06.09.2014
2. Investor: Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. with its registered office in 47-220 Kędzierzyn-Koźle, ul. Mostowa 30 A
4. Contract value: PLN 58,746,104.43 net
5. Contract subject: Building and engineering works, plant and equipment, services under the project "New heat and power plant in Azoty Holding - Zakłady Azotowe Kędzierzyn SA".
7. Completion period: 06.06.2014 - 01.10.2016.

On **18 June 2014,** Erbud S.A. signed a significant contract for construction works on the following terms and conditions:
1. Investor: VALEO AUTOSYSTEMY sp. z o.o., ul. Przemysłowa 3, 32-050 Skawina
2. Contract value: PLN 25,618,116.69 net
3. Contract subject: Extension of the existing windscreen wiper manufacturing facility for VALEO AUTOSYSTEMY Sp. z o.o. located in Skawina with manufacturing area, laboratory, warehouse, offices and welfare rooms, including accompanying utilities and systems such as water and sewer infrastructure, HVAC, electrical wiring, gas rough-in, transformer station and driveway to the building that meets the requirements of the fire road together with the pavement for pedestrians
4. Completion period: July 2014 - January 2015.

On **24 June 2014**, ERBUD SA ("Partner") in consortium with Energomontaż Północ Bełchatów Sp. z o.o. (the "Leader") with its registered office in 97-427 Rogowiec, 2 Montażowa St. signed with EDF Polska SA with its registered office in 00-120 Warsaw, 59 Złota St. ("Builder") a contract for "Plant, construction, installation, start-up and commissioning of flue gas ducts at EDF Polska SA, Rybnik Power Station."
1. Total contract value: PLN 60,798,656 net
2. Erbud SA works value: PLN 21,940,041.80 PLN net
3. Scope of works of ERBUD SA: performance of a part of design, construction and installation works, supply and installation of support structures for flue gas ducts, participation in the start-up of the system.
4. Completion period: from 24/07/2014 (signing a contract) to 16/12/2015 (Issue of Final Commissioning Certificate).

On **24 June 2014,** the Issuer conclude a contract with the PEP Group - Farma Wiatrowa 4 Spółka z o. o. seated in 02-526 Warsaw, 24/26 Krucza St. (the "Builder") to execute comprehensive construction works for the Skurpie Wind Farm, including construction of foundations for wind turbines, adaptation of access roads for oversize hauling, upgrading of existing roads, construction of service roads and assembly platforms.
The Issuer is a partner of the consortium with Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. headquartered in Toruń (consortium leader), a subsidiary owned 94.27% by the Issuer.
The total net value of the contract is 26,105,920.01
The task completion date is scheduled for 31 October 2015.

On **5 August 2014**, Erbud signed a significant contract for construction works on the following terms and conditions:
1. Investor: Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp.k., seated in Warsaw, 6 Al. Szucha St., 00-582 Warszawa
2. Contract value: PLN 115,457,787.00 net – the amount will be converted into Euros at the average exchange rate of EUR/PLN published by the NBP on the date of information delivery about "Conversion Rate" by the Builder to the Contractor
3. Contract subject: construction of an office and shopping building Site
4. Location: Warsaw, 61/63/65 Koszykowa St., plot No. 8, precinct 5-05-05; plot No. 9, precinct 5-05-05
5. Completion period: Commencement - immediately after the takeover by protocol of the Real Estate from the Builder, which will take place no later than three days after the receipt of Order to Proceed from the Builder together with final Building Permission; completion date - 30.06.2016.

On **22 August 2014,** Erbud SA signed a subcontracting agreement with Mitsubishi Hitachi Power Systems Ltd. (General Contractor), headquartered in 3-1, Minatomirai 3-chome, Nishi-ku, Yokohama 220-8401, for construction and installation works within the project to construct NOx reduction system for boilers K2 (Stage I) and K1 (Stage II) in Kozienice Power Plant for Enea Wytwarzanie SA (Investor).
Net contract value: 40,800,000 PLN.
Erbud's scope of works: basic design, incl. obtaining building permit, execution of construction and installation works; procurement and construction of supporting structures and flue gas ducts; design, procurement and installation of feedwater heater and ash removal system; installation of plant, incl. SCR reactor; participation in the start-up.
Completion period: 22.08.2014 (signing the contract) - 30.03.2016 (Acceptance of the Commissioning Protocol by the Investor).

On **17 September 2014,** Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. seated in Toruń (a subsidiary in which the Issuer holds 94.27 per cent in share capital) signed with Eco-Power spółka z ograniczoną odpowiedzialnością with its registered office in 93-231 Łódź, 22 Dostawcza St. (Investor) a contract for the execution of comprehensive power works, necessary works for the 110/30 kV substation with MV electrical network, road works and construction of foundations for wind farm turbines.
Total net contract value: PLN 26,998,952.26 (twenty-six million, nine hundred and ninety-eight thousand, nine hundred and fifty-two, point two six Zlotys).
The task is to be completed no later than 31 August 2015.

On **25 September 2014,** a construction contract with the Builder Promenady ZITA sp. z o.o., a subsidiary of Vantage Development SA, has been concluded. Since 24 February 2014, i.e. from the publishing of Current Report 38/2014, the Issuer has entered with subsidiaries of Vantage Development SA into contracts with a total value of PLN 93,298,200.88. The contract signed on 25 September 2014 with Promenady ZITA Sp. z o.o. has the highest remuneration amounting to PLN 70,272,383.00. The contract has been concluded for the period necessary to fulfil all obligations hereunder, with a deadline falling no later than 13 months after obtaining the occupancy permit, which should take place 66 weeks after the issue of Notice to proceed. Under the contract, ERBUD as a contractor will complete the Promenady ZITA office building, phase A, C and D, incl. necessary infrastructure and site development.

On **15 October 2014,** Erbud S.A. signed with Wiatromil Sp. z o.o based in 80-307 Gdansk, 1A Abrahama St. (the Employer) a contract for the design, plant, construction and commissioning of building and power infrastructure for a wind farm in the towns of of Banie i Kozielice in Poland, consisting of 96 wind turbines, three power stations and connections to the 220 kV transmission grid in Krajnik station.
The Issuer is a Partner of the Consortium formed together with the company PBDI SA seated in Toruń as a Consortium Leader - a subsidiary in which the Issuer owns 94.27% in share capital, and Electrum sp. z o.o. based in Białystok as a Consortium Partner.
The total net contract value is PLN 250,740,540.13 (say: two hundred and fifty million, seven hundred and forty thousand, and five hundred and forty point one three).
The range value to be completed by Electrum sp. z o.o. amounts to PLN 136,558,300.00 (say: one hundred and thirty-six million, five hundred and fifty-eight thousand, three hundred) net.
The task should be ended by 12 December 2015.

On **14 October 2014,** Erbud S.A. signed the following significant contract:
1. Investor: ACE 2 Sp. z o.o., ul. Prosta 70, 00-838 Warszawa
2. Contract value: PLN 96,500,000 net
3. Contract subject: construction of VIVO Retail and Entertainment Centre
4. Site location: Stalowa Wola, Podskarpowa St./ Chopina St.
5. Completion period: 14.10.2014 - 15.10.2015.

On **31 October 2014,** Erbud S.A. signed the following significant contract:
1. Investor: Zdrojowa Invest Sp. z o.o. Projekt 7 S.K.A. ul. Marszałkowska 72/17, 00-545 Warszawa
2. Contract value: PLN 57,340,000 net, of which the value of works executed by ERBUD within the consortium is PLN 43,005,000 (75%)
3. Contract subject: shell and roof of the hotel portion of Baltic Park Molo, incl. Aquapark and 5-star Radisson Blu Resort, Świnoujście
4. Site location: Świnoujście, Uzdrowiskowa St.
5. Completion period: 31.10.2014–15.04.2016.

On **18 December 2014,** the Issuer entered with the GB Radzyń 401 Sp. z o.o based in Warsaw, 46 Wilcza St. (the "Investor"), into a contract to design and execute construction works connected with the completion of the Radzyń Chełmiński Wind Farm. The Issuer is a Partner of the Consortium formed with Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. with its registered office in Torun (the "Consortium Leader"), a subsidiary which is 94.27 per cent owned by the Issuer. Total net contract value: PLN 43,699,049.46 (forty-three million, six hundred ninety-nine thousand and forty-nine, point four-six). The project is expected to be completed by 31 January 2016.

On **12 January 2015,** Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. from Toruń (the "Contractor") - a subsidiary owned 94.27 per cent by the Issuer, concluded on 12 January 2015 with the Dąbrowice Wind Power Plant based 28-230 Połaniec, Zawada 26 (the "Builder") - a company belonging to GDF Suez Energy Polska SA, a contract for preparing detail design and construction works: distribution substation, roads, foundations, assembly yards for wind power plants with installation of high and medium voltage cable lines, fibre-optic cable for the 36,2MW Dąbrowice Wind Farm as well as electrical works.
Total contract value: PLN 38,500,000 net (said: thirty-eight million five hundred thousand Zlotys).
The commissioning of the Dąbrowice Wind Farm will be by 31 December 2015, while the final settlement of the task by 31 March 2016.

On **19 January 2015**, the Issuer entered with Potegowo Winergy sp. z o.o. with its registered office in Warsaw (00-633), 11 Polna St. (the "Employer") into a contract to build the Potęgowo - East Wind Farm with a capacity of 101.25 MW, consisting of 38 wind turbines grouped into four wind farms: Karżcino, Wrzeście-Kępno, Bięcino, Głuszynko-Grapice, including accompanying infrastructure (i.e. building facilities, roads, energy infrastructure and low voltage systems) and power transfer system, i.e. 30/110 kV cable lines with associated network and 30/110 kV power take-off unit.

The Issuer is a Partner of Consortium formed with PBDI SA based in Torun (the “Consortium Leader”) - a subsidiary 94.27 percent owned by the Issuer and Electrum Sp. z o. o. based in Białystok (the “Consortium Partner”).
The total net Contract value is PLN 198,600,000.00 (in words: one hundred and ninety-eight million, six hundred thousand Zlotys).
The value of Electrum sp. z o.o. works amounts to PLN 102,012,500.00 (in words: one hundred and two million, twelve thousand, five hundred Zlotys) net.

On **11 February 2015,** the Issuer concluded with the PEP Group - Farma Wiatrowa Mycielin Spółka z ograniczoną odpowiedzialnością with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the “Builder”) a contract to build the Mycielin Wind Farm, including accompanying infrastructure, with a total capacity of 48 MW, located in Niegosławice and Szprotawa Commune, Żagań District, Lubuskie Provinz.
The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the “Consortium Leader”), a subsidiary 94.27 percent owned by the Issuer.
The total net Contract value is PLN 72,548,990 (in words: seventy-two million, five hundred and forty-eight thousand, nine hundred and ninety Zlotys).
The project is scheduled to be completed by the Consortium till 3 March 2016.

On **11 February 2015,** the Issuer concluded with the PEP Group - Farma Wiatrowa 4 Spółka z ograniczoną odpowiedzialnością seated in 02-526 Warsaw, 24/26 Krucza St. (the “Builder”) a contract to execute complex construction works for the construction of wind turbines constructions, service roads and mezzanine platforms for the second stage of Skurpie Wind Farm.
The Issuer is a Partner of a Consortium formed with PBDI SA based in Torun (the “Consortium Leader”), a subsidiary 94.27 percent owned by the Issuer.
The total net Contract value is PLN 3,410,648.36 (in words: three million, four hundred and ten thousand, six hundred and forty-eight point three six Zlotys).
The project is scheduled to be completed by the Consortium till 4 January 2016.

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

Other important events

On **22 December 2014**, The Issuer’s Management Board signed a Guarantee Line Agreement with Credit Agricole Bank Polska S.A. (the Bank).
The limit amounts to PLN 30 million (said: thirty million Zlotys). Within the line the Issuer can apply for a financial guarantee with a maturity of not more than 60 months.
Under the granted limit, Erbud Industry Centrum Sp. z o.o. with its registered office in Łódź (formerly Engorem Sp. z o.o.), a subsidiary of the Issuer, can use the sublimit of PLN 5 million (said: five million Zlotys).
The guarantee line is secured by transfer of dues from the contracts for which the Bank will provide guarantees.
Price conditions are at arm's length.

On **29 December 2014,** Erbud SA (the Issuer) and its subsidiary PBDI SA that belongs to the ERBUD Group, signed with HSBC Bank Polska SA (the Bank) a tripartite Guarantee Line Agreement.
Within the line the Issuer and PBDI SA can apply for bid bonds, performance guarantees, warranties, repayment of advances, payment guarantees and other securities acceptable to the Bank.
The value of provided line amounts to PLN 30 million. The maximum period of the guarantee validity may not exceed 5 years. Under the granted limit the Issuer may use up to PLN 20 million and for PBDI SA the guarantee limit is up to PLN 10 million.

Following the conclusion of a contract for construction works with the company Hala Koszyki Grayson Investments Spółka z ograniczoną odpowiedzialnością Sp.k., headquartered in 00-582 Warsaw at 6 Szucha Allee the Issuer entered on 14.08.2014 into some par forward agreements hedging cash flows from the above said contract. The hedging transaction was concluded with ING Bank Śląski in Katowice.
The Issuer secured cash flows for a total amount of EUR 26,116,695.38. The transaction was made at arm's length. The Issuer will apply hedge accounting to the transaction.

Relevant information concerning subsidiaries

Note 45. Changes in the applied accounting rules (policy) and principles of preparing financial statement in relation to the previous financial year (-s), their causes, titles and influence of financial effects caused by this on the asset and financial position, liquidity, profits and profitability

In the current period, the Company introduced the following changes in appleid accounting principles and the method of preparation of financial statements in relation to the previous year.

Investment Property

In 2014, the Erbud Group together with an external partner, launched the first building phase of its own large investment project called DEPTAK, involving the construction of an office and shopping center in the downtown of Poznań, at 2 Półwiejska Street.
This project is performed by a jointly controlled company DEPTAK PROJEKT P2 Sp. z o.o. (an external partner participates in 50%) recognized in the consolidated financial statements under the equity accounting method. In connection with the fulfillment of such key indicators as received building permit, significant advancement of the construction process and signed lease agreements for the greater part of the surface of the real estate, the Board decided to recognize the measurement of the investment property in construction progress at their fair value, in accordance with the regulations of IAS 40, based on the valuation as at 31 December 2014, prepared by an independent licensed expert.
In the opinion of the Management Board the measurement of investment property under advanced stage of construction at fair value will better reflect the results and financial position of the Group as at 31 December 2014.
Recognition of investment property at fair value is the change in accounting policy in relation to the recognition and measurement of the Erbud's Group investment properties, which in prior periods were measured at historical cost and amortized. However, the Management Board assessed the potential impact of changes in accounting policy on comparative data presented in the accompanying financial statements and stated that due to the fact that the Deptak Project is the first important investment one carried out in the Erbud Group, this change has no significant influence on the comparative figures for the year 2013.
Impact of recognizing the Deptak Project at fair value on financial data of the Group for 2014 is presented in Note 24.

Hedge accounting has been applied to secure construction contracts denominated in foreign currencies.

Kind of hedged risk: cash flows risk associated with highly probable flows in foreign currencies in the future arising from construction contracts. This risk is related to the appreciation of polish currency (PLN) – expected flows in foreign currency from the contract will be worth less in PLN.

Type of hedging instrument: forward foreign exchange contracts to sell foreign currency in the amounts and dates corresponding to the expected flows arising from construction contract. To assess the effectiveness of hedge, the interest rate component (swap points) and the exchange rate component (spot rate) are not separated, but there are analysed changes in the fair value of the whole forward transaction.

Prospective hedge effectiveness testing: tests are performed at inception of the hedging instrument and on every balance sheet day. The hedge is considered effective if the expected changes in fair value or cash flows of the hedged item are offset by changes in fair value or cash flows of the hedging instrument.

As for hedging risks associated with construction contracts denominated in foreign currencies are only used hedging instruments with tailored key parameters (the same currency, amounts and dates of expected cash flows), the Management Board considers that so constructed hedge will be effective. However, for a fuller justification of applying hedge accounting, the Group also tests the effectiveness prospectively using a quantitative method with the following parameters:

- Effectiveness testing method: by comparing the cumulative change in the fair value of the hedging instrument to that of the hedged item ("dollar offset method") using so called hypothetical derivative.
- **Hypothetical derivative:** for assessing the effectiveness of the financial instrument we selected from a construction contract a hypothetical derivative being a forward contract to buy specific quantities of foreign currencies at some future dates, corresponding to the amounts and the dates under the construction contract. So separated hypothetical derivative instrument is subject to the same risks as construction contract, i.e. its value decreases together with the strengthening of polish currency (expected cash flows from the contract in the currency will be worth less in PLN).
- The **fair value** of the hedging instrument and the hypothetical derivative instrument as at the measurement date is understood as the sum of discounted net cash flows of future receivables / payables under agreed instrument terms. Net cash flows at a given future date are calculated as the difference between the amount of PLN resulting from a forward contract and the amount of foreign currency resulting from the forward contract multiplied by the forward exchange rate for a given future date valid on the measurement date. Discounting of such net cash flows is done using zero-coupon rates implied by the interest swap curve in PLN, valid as at the measurement date.

- For the purpose of a prospective test there are used **historical market rates** of exchange rates and interest rates on twelve monthly dates prior to the planned date of the transaction or the balance sheet day (in the case of measuring the effectiveness during the transaction).
- For each of the above 12 historical dates, the cumulative change in fair value of the hypothetical derivative instrument is calculated and compared with the cumulative change in fair value of the hedging instrument. The ratio of so calculated changes on each date should be in the range of 80-125 per cent.

Retrospective hedge effectiveness testing: effectiveness testing is performed at each balance sheet date throughout the life of the hedge. The hedge is considered effective if during the given period the actual changes in fair value or cash flows of the hedged item are offset by changes in fair value or cash flows of the hedging instrument. Like with the prospective testing, the "dollar offset method" is applied when using the hypothetical derivative instrument, measuring the ratio of the cumulative change in the fair value of the hedging instrument to the cumulative changes in the hypothetical derivative instrument. For the purpose of testing the efficiency, the actual result must be within the range of 80-125 per cent for each accounting period.

Note 46. Business combinations

In the period ended 31 December 2014 and 31 December 2012, the Company did not merge with another entity.

Note 47. Dividend policy - description of the dividends payment policy and any restrictions connected. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted for comparison purposes in case of changes in the number of shares

By Resolution No. 5/2014 of 25 June 2014, the Annual General Meeting of Erbud decided to distribute the net profit for the year 2013 in the amount of PLN 8, 416,000 in the form of dividends payable to shareholders.
The total amount of dividends paid in 2014 is PLN 8,900,000 of which PLN 484,000 came from the reduction of the supplementary capital of Erbud SA.

Note 48. Information on average employment by occupational groups

Average employment	**31.12.2014**	**31.12.2013**
White-collar workers	315	314
Blue-collar workers	359	156
Total	**674**	**470**

Note 49. Information on commitments to the state budget or local self-government units due to the ownership right to buildings and structures

As at 31.12.2014 and 31.12.2013, the Company had no obligations towards the state budget or local self-government units due to the ownership right to buildings and structures.

Note 50. Contingent liabilities to related parties

	31.12.2014	**31.12.2013**
Contingent liabilities to affiliated entities from		
a) guarantees and sureties provided. of which	98 497	20 736
- to subsidiaries	98 497	20 736
- to associates	0	0
b) other, of which	0	0
- to subsidiaries	0	0
- to associates	0	0
Total contingent liabilities to affiliated entities	**98 497**	**20 736**

Item	**31.12.2014**	**31.12.2013**
GWI GmbH – loan repayment surety	12 787	12 442
GWI GmbH – guarantee for the repayment of a loan	8 525	8 294
GWI GmbH, Erbud International – civil surety for Euler Hermes	46 885	0

Erbud Industry Sp. z o.o. – loan repayment guarantee	20 300	0
Erbud Industry Centrum Sp. z o.o. – loan repayment guarantee	10 000	0
Total contingent liabilities	**98 497**	**20 736**

Nota 51. Derivative financial instruments

In the financial year ended 31 December 2014, the Group signed a contract for construction works with Hala Koszyki Grayson Investments sp. z o.o. sp.k. Accordingly, the Group expects specified payments in Euro. In order to hedge cash flows arising from the contract the Group entered with ING Bank Slaski SA. into a par forward contract (one rate of 4.2815 PLN/EUR for all cash flows) for amounts and dates corresponding to the expected flows arising from completion of the construction contract.

Nota 52. Off-balance items

As at 31 December 2014, the Company had the following contingent liabilities:

- Liabilities under guarantees granted

Item	**31.12.2014**	**31.12.2013**
Guarantee to pay obligations	35 652	6 927
Performance bond	190 140	145 491
Repair works guarantee	135 832	131 772
Total contingent liabilities	**361 624**	**284 190**

- Guarantees to subsidiaries

Item	**31.12.2014**	**31.12.2013**
GWI GmbH – loan repayment surety	12 787	12 442
GWI GmbH – guarantee for the repayment of a loan	8 525	8 294
GWI GmbH, Erbud International – civil surety for Euler Hermes	46 885	0
Erbud Industry Sp. z o.o. – loan repayment guarantee	20 300	0
Erbud Industry Centrum Sp. z o.o. – loan repayment guarantee	10 000	0
Total contingent liabilities	**98 497**	**20 736**

Note 53. Segment information

In the year ended 31 December 2014, the Group conducted operations within the following business segments:

- large-volume building,
- road-engineering,
- construction for energy sector.

In the year ended 31 December 2014, the Group conducted operations within the following geographical segments:

- domestic market,
- abroad (Germany, Belgium. Luxembourg).

The segmentation has been made by classification of the individual entities on basis of their statutory activities. The Group applies uniform accounting policies for all segments.

Business segments

The following tables present data on income and profit as well as selected assets and liabilities of business segments of the Group as at 31 December 2014:

Incomes and expenditures by business segments

For the period from 1 January to 31 December 2014	**Large-volume construction**	**Road - engineering**	**Activities in energy sector**	**Other**	**Total**

Sale to external clients	1 108 184	195	0		**1 108 379**
Total income	**1 108 184**	**195**	**0**	**0**	**1 108 379**
Cost of products, goods and materials sold to external clients	1 050 620	765	0		1 051 385
Total cost of products, goods and materials sold	**1 050 620**	**765**	**0**		**1 051 385**
Total gross sales	**57 564**	**-570**	**0**	**0**	**56 994**
Sales costs	0	0	0	0	**0**
General and administrative costs	34 583	228	1 432	352	**36 595**
Result on other operating activity	-2 838	0	0	0	**-2 838**
Segment result	**20 143**	**-798**	**-1 432**	**-352**	**17 560**
Result on financing activity	-1 168	0	0	0	**-1 168**
Income tax	4 147	0	0	0	**4 147**
Net profit	**14 827**	**-798**	**-1 432**	**-352**	**12 245**

Other items by business segments

For the period from 1 January to 31 December 2014	**Large-volume construction**	**Road - engineering**	**Activities in energy sector**	**Total**
Segment depreciation and amortisation	2 256	0	0	**2 256**
Interest income	2 636	0	0	**2 636**
Interest costs	5 902	0	0	**5 902**
Impairment of assets	1 651	0	0	**1 651**
Reversal of impairment losses on assets				
Capital expenditure for:	3 134	0	0	**3 134**
- Tangible fixed assets	1 120	0	0	**1 120**
- Intangible fixed assets	137	0	0	**137**
- Increase due to acquisition				
Other non-cash outlays	1 877	0	0	**1 877**

Assets and liabilities by business segments

As at 31 December 2014	**Large-volume construction**	**Real estate development**	**Activities in energy sector**	**Total**
Segment assets	770 607	0	0	**770 607**
Investment in an associate	0	0	0	**0**
Deferred tax assets	25 813	0	0	**25 813**
Total assets	**796 421**	**0**	**0**	**796 421**
Segment liabilities	549 162	0	0	**549 162**
Total liabilities	**549 162**	**0**	**0**	**549 162**

The following tables present data on income and profit as well as selected assets and liabilities of business segments of the Group as at 31 December 2013:

Incomes and expenditures by business segments

For the period from 1 January to 31 December 2013	**Large-volume building**	**Road-engineering**	**Power sector Construction**	**Other**	**Total**
Sale to external clients	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 clients	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 gross sales	**50 625**	**2 690**	**728**	**0**	**54 044**
Sales costs	0	0	0	0	**0**
General and administrative costs	30 816	718	2 669	764	**34 967**
Result on other operating activity	-1 983	0	0	0	**-1 983**
Segment result	**17 826**	**1 972**	**-1 940**	**-764**	**17 094**
Result 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**

Assets and liabilities by business segments

For the period from 1 January to 31 December 2013	Large-volume building	Road-engineering	Power sector construction	Total
Segment depreciation and amortisation	2 050	0	0	**2 050**
Interest income	3 279	0	0	**3 279**
Interest costs	6 274	0	0	**6 274**
Impairment of assets	2 325	0	0	**2 325**
Reversal of impairment losses on assets	321	0	0	**321**
Capital expenditure for:	598	0	0	**598**
- Tangible fixed assets	317	0	0	**317**
- Intangible fixed assets	93	0	0	**93**
- Increase due to acquisition	0	0	0	**0**
Other non-cash outlays	188	0	0	**188**

Assets and liabilities by business segments

As at 31 December 2013	Large-volume building	Road-engineering	Power sector Construction	Total
Segment assets	606 293	0	0	**606 293**
Investment in associates	0	0	0	**0**
Deferred tax assets	23 353	0	0	**23 353**
Total assets	**629 646**	**0**	**0**	629 646
Segment liabilities	385 305	0	0	385 305
Total liabilities	**385 305**			**385 305**

Geographical segments

The following tables presents data on income, expenditure and certain assets regarding the Group's geographical segments as at 31 December 2014:

Incomes and expenditures by geographical segments

Year ended 31 December 2014	Domestic market	Abroad	Total
Sale to external clients	1 080 411	27 968	1 108 379
Total income	**1 080 411**	**27 968**	**1 108 379**
Cost of products, goods and materials sold to external clients	1 025 952	25 432	1 051 384
Total cost of products, goods and materials sold	**1 025 952**	**25 432**	**1 051 384**
Total gross sales	**54 459**	**2 536**	**56 995**
Sales costs	0	0	**0**
General and administrative costs	33 890	2 705	**36 595**
Result on other operating activity	-3 112	273	**-2 839**
Segment result	**17 457**	**104**	**17 561**
Result on financing activity	-4 430	3 261	**-1 169**
Income tax	4 147	0	**4 147**
Net profit	**8 880**	**3 365**	**12 245**

Year ended 31 December 2014	Domestic market	Abroad	Total
Segment depreciation and amortisation	2 256	0	**2 256**
Interest income	2 471	165	**2 636**
Interest costs	5 902	0	**5 920**
Impairment of assets	1 651	0	**1 651**
Reversal of impairment losses on assets			
Capital expenditure for:	**3 134**	**0**	**3 134**
- Tangible fixed assets	1 120	0	**1 120**
- Intangible fixed assets	137	0	**137**
- Increase due to the acquisition			
Other non-cash outlays	1 877	0	**1 877**

Assets and liabilities by geographical segments

Year ended 31 December 2014	Domestic market	Abroad	Total
Segment assets	746 754	23 853	**770 607**
Deferred tax assets	25 606	208	**25 814**
Total assets	**772 360**	**24 061**	**796 421**
Segment liabilities	544 475	4 687	**549 162**
Total liabilities	**544 475**	**4 687**	**549 162**

The following tables present data on income, expenditures and selected assets of geographical segments of the Group as at 31 December 2013:

Incomes and expenditures by geographical segments

Year ended 31 December 2013	Domestic market	Overseas	Total
Sale to external clients	827 853	33 588	**861 441**
Total income	**827 853**	**33 588**	**861 441**
Cost of products, goods and materials sold to external clients	775 704	31 693	**807 397**
Total cost of products, goods and materials sold	**775 704**	**31 693**	**807 397**
Total gross sales	**52 149**	**1 895**	**54 044**
Sales costs	0	0	**0**
General and administrative costs	33 580	1 387	**34 967**
Result on other operating activity	-2 057	74	**-1 983**
Segment result	**16 512**	**582**	**17 094**
Result on financing activity	-6 294	966	**-5 328**
Income tax	2 909	441	**3 350**
Net profit	**7 309**	**1 107**	**8 416**

Year ended 31 December 2013	Domestic market	Overseas	Total
Segment depreciation and amortisation	2 050	0	**2 050**
Interest income	2 939	340	**3 279**
Interest costs	6 047	227	**6 274**
Impairment of assets	2 325	0	**2 325**
Reversal of impairment losses on assets	321	0	**321**
Capital expenditure for:	**598**	**0**	**598**
- Tangible fixed assets	317	0	**317**
- Intangible fixed assets	93	0	**93**
- Increase due to acquisition			
Other non-cash outlays	188	0	**188**

Assets and liabilities by geographical segments

Year ended 31 December 2013	Domestic market	Overseas	Total
Segment assets	590 723	15 570	**606 293**
Deferred tax assets	23 310	43	**23 353**
Total assets	**614 033**	**15 613**	**629 646**
Segment liabilities	384 607	698	**385 305**
Total liabilities	**384 607**	**698**	**385 305**

Note 54. Differences between financial statements prepared under Polish Accounting Standards and financial statements prepared under IFRS

In the period ended 31 December 2014, financial statements prepared by the Company under PAS and IFRS did not show any significant differences.

Note 55. Remuneration of an auditor or entity authorized to audit financial statements, paid or payable for the financial year

Audit for 2014: under the agreement to audit and review the financial statements dated 1 July 2014, the Company incurred in the current reporting period a cost of PLN 353,000 associated with the review of separate and consolidated financial statements prepared as at 30 June 2013 and with the audit of separate and consolidated financial statements prepared as at 31 December 2014.

Note 56. Significant transactions concluded by the Company with related parties under conditions other than market ones.

Such transactions did not occur.

Note 57. Information on the nature and economic purpose of agreements concluded by the Company, which are not included in the balance sheet as necessary to assess their impact on the assets, financial position and financial result of the Company

There were no such contracts.

Note 58. Information on significant events from previous years, included in the financial statements for the current period

Such events did not occur.

Note 59. Information on significant events subsequent to the balance sheet date, not included in the financial statements.

These events have been disclosed in Note 61 concerning litigation.

Note 60. Asset-backed securities

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.

The pledge was removed from the register on 19 February 2015.

Mortgages on fixed assets of the company

1) The book value of fixed assets of the company covered by the mortgage – PLN 3.284 thousand.

Collaterals

Conventional mortgage up to PLN 120m on cooperative ownership right to the premises registered under KW WA5M/00451397/7, WA5M/00451398/4, WA5M/00451399/1, managed by the District Court in Warsaw.

Nota 61. Litigation

Claim against the 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.

As at the report publishing date of the Financial Statements the litigation is in progress; hearings of witnesses are continued.

The Issuer's standpoint regarding the situation connected with the execution of the project: extension of the Airport Modlin

Facts - Basic information about the contract and its completion
The contract for the construction of the Warsaw-Modlin Airport was signed on September 14, 2010. The total value of works amounted to about PLN 87 million net. Under the contract, ERBUD SA was obliged, inter alia, to upgrade the runway. The Employer established Bud-Invent Sp. z o.o. as the Project Management Company.
The runway with a length of about 2500 meters consists of two thresholds made of concrete cement, each with a length of about 540 meters and a part made of bituminous concrete with a length of 1,421 meters. The net value of the concrete thresholds constructed is about PLN 10m.

DSH – Dospravni stavby a.s., a subsidiary of the construction group Metrostav, was a subcontractor responsible for the construction of the concrete pavement of runway thresholds. The company specializes in such kind of works. The Employer has been informed of the choice of the subcontractor and did not oppose (January 2011).

DSH commissioned the following entities a number of works:
- Instytut Inżynierii Lądowej Politechniki Wrocławskiej [Institute of Civil Engineering, Wrocław University of Technology]:
  The commission included the development of the mix design (concrete mixture components) for the construction of runway thresholds. Developed formulas were in accordance with Polish Standards;
- CEMEX and LAFARGE – two worldwide known suppliers of aggregate:
  The commission included the supply of aggregate for concrete used to complete the runway thresholds.

The suppliers provided declarations of conformity stating that their products for manufacturing the concrete have complied with the Polish standards indicated in the mix design.

On 10 June 2011, DSH submitted the mix design to the Employer. The Employer approved the mix design on 20 June 2011.

The runway was carried out by DSH over the period of June - November 2011, according to the mix design prepared by the Instytut Inżynierii Lądowej Politechniki Wrocławskiej. The company used aggregate supplied by CEMEX and Lafarge. All design solutions, concrete mix formulas, certificates of compliance and land surveying were supervised by the staff of the General Contractor and the Employer, and the works were executed under direct supervision of Client's Engineer.
The concrete mix production samples were taken by the laboratory of TPA Instytut Badań Technicznych (Technical Research Institute). The samples were collected pursuant to Polish standards, i.e. from each batch of concrete

produced. Tests have shown that the strength and frost resistance of concrete is at least equal to or higher than designed one.

By Decision No. 919/2012 of 6 June 2012 the Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego (Mazovian Provincial Building Control Office) authorized the use of the project. The validation of the operation permit was subject to compliance by the Employer (but not limited to) the following conditions:
- developing guidelines on using the civil structure, including the airport pavement maintenance manual
- regular technical inspections of the airport pavement,
- continuous monitoring of the civil structure.

By Decision No. 1980/2012 dated 28 December 2012 the Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego prohibited to use of the part of the runway (the decision announced verbally on 22 December 2012). The decision was based on Article 66, Section 1, Item 2 and Section 2 of the Building Code of 7 July 1994, that is on "(…) the statement that a structure is used in a manner endangering life or health of people, safety of property or environment (…)".

According to an interview on 23 January 2013 for the TVN CNBC by Mr. Marcin Danił - Vice President of the Management of Mazowiecki Port Lotniczy Warszawa-Modlin Sp. z o.o., the Customer does not have any agreement with Ryanair on the basis of which the carrier could seek compensation for the airport stoppage.
The Customer concluded a contract with WizzAir, but it does not contain any provisions which oblige the Customer to receive the damage. WizzAir cannot demand damage money from the airport (there is no legal basis). 3-4 days before the airport has been closed, WizzAir informed the Employer that it changes the operating airport due to lack of the ILS-System in Modlin.

In January and February 2013, the Employer and the General Contractor held a number of meetings, as a result of which the General Contractor presented on 20 February 2013 a Framework Schedule for runway works. The schedule has been approved by the Employer.

On 6 March 2013, the General Contractor took over the site from the Contractor and began to carry out the work. On 22 April 2013, the Contractor approved a new formula of concrete. On 17 June 2013 the Mazovian Building Control Officer issued Decision No. 846/2013 which repealed Decision No. 1980/2012 concerning the prohibition of use of part of the runway.

Moreover, on 12 August 2013, the Issuer received the decision issued by the District Court for Warsaw-Mokotów on providing a security on debts of Przedsiębiorstwo Wielobranżowe Ploh Sp. z o.o. amounting to PLN 74,204.84 for loss of profits related to a break in the activity of the airport. The court has established the security in the form of a compulsory mortgage on the vacant plot owned by the Issuer, located in Toruń. On 19 August 2013, it has been brought a protest against the decision on securing the claim. The District Court in Warsaw, due to recognition of a complaint changed the decision on providing the security and dismissed the application. On 26 August 2013, it has been filed an answer to the suit, in which - besides the application to dismiss the complaint in full as manifestly unfounded, it has been raised a plea of lack of jurisdiction. On 24 September 2013, on the ground of lack of jurisdiction, the case was referred for rehearing by the Economics Department of the District Court of the Capital City of Warsaw. The court ordered the authorities to provide documents requested by the claimant party and adjourned the hearing without setting a trial date.

On 17 July 2013, the Issuer received from LS Airport Services SA request for payment in the amount of PLN 1,844 thousand for loss of benefits associated with a break in the activity of Modlin Airport. Law office representing the Issuer filed the response to the request proving that it is unfounded.

On 12 May 2014, a lawsuit was served to the Company, in which the Employer requested the payment of PLN 34,381,374.64 as compensation plus statutory interest and litigation costs. The case is conducted by the District Court in Warsaw, XXVI Commercial Division, under ref. No. XXVI GC 353/14.
Due to the necessity of preparing specialized technical and financial expertise, the application for a further extension of the deadline has been delivered on July 21. According to the information received on 24 July 2014, the date for filing a statement of defence has been extended until 12 October 2014.

On 11 October 2014, ERBUD filed a response to the suit in which it requested to dismiss the MPL's action as a whole and to grant reimbursement of the proceedings costs. At the same time, regardless of repudiating the plaintiff's claim, ERBUD submitted a counterclaim against the MPL applying for ordering to pay the amount of PLN 19 892 thousand plus statutory interest. The counterclaim includes pavement repair costs incurred by ERBUD at Warsaw-Modlin Airport.
On 2 March 2015, Erbud received a pleading in which MPL maintained its request and appealed to dismiss the counterclaim of ERBUD.

Furthermore, on 18 March 2015 Erbud filed a suit against Cemex and Lafarge Kruszywa i Beton Sp. z o.o. for payment of a total of PLN 18.7 million due to damages suffered by ERBUD for improper performance of the contract.

Standpoint of the Management Board on financial claims

Pursuant to a contract dated 14 September 2010 that was executed for the Mazowiecki Port Lotniczy Warszawa - Modlin Sp. z o.o., ERBUD SA acted as the general contractor construction the Warsaw-Modlin airport runway. On 28 December 2012, due to the surface defects found Mazowiecki Wojewódzki Inspektor Nadzoru Budowlanego (Mazovian Provincial Building Control Office) issued a decision prohibiting the use of a part of the runway at Modlin Airport. Hovever, having regard to the public interest, the Company (as substitute contractor) replaced the runway concrete pavement), without waiting for the explanation of the causes of damage and without confirmation that it is obliged to make repair works under the warranty. These works were completed in June 2013 and the airport was re-admitted to passenger traffic on 3 July 2013.

ERBUD SA does not recognize its responsibility for the defective condition of the runway surface, and commissioned independent technical reports indicate that the reasons for damage were independent of the Company. Therefore, in our opinion as well as evaluation by legal advisors of Erbud SA, all expenses incurred for the resurfacing of the runway in a total amount of PLN 20.1 million, recorded as of the balance sheet date as assets of the Company, finally will not be addressed to ERBUD SA.

Due to the initial phase of the litigation related to the assignment of responsibility for the defective condition of the runway surface,, complexity of the case and the anticipated long-term legal proceedings, it cannot be excluded that the final financial consequences of the event for the Company may differ from current estimates adopted by the Management Board of Erbud SA for the purpose of preparing the Financial Statements.

Note 62. Information on expenditure on non-financial assets incurred in the last year and planned for the next one, including the incurred and planned environmental protection expenditure.

Expenditures on non-financial assets during the reporting period amounted to PLN 1 120 thousand. Planned capital outlays for non-financial assets in 2015 are PLN 1 500 thousand.
As at 31 December 2014 and in the previous financial year the Company did not incur any environmental protection expenditure.

Note 63. Extraordinary earnings and losses (random and others)

Such events did not occur.

Note 64. Income tax on result of exceptional operations

There were no exceptional operations.

Note 65. Seasonality

Sale of construction services in Poland is characterized by some seasonality related primarily to weather conditions. Typically, the highest revenues are achieved in the third quarter, while the lowest - in the first quarter. However, it cannot be considered typical seasonal activities.

Note 66. Objectives and principles of financial risk management

In the course of the business conducted, the ERBUD Group is exposed to various types of financial risks: currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Management Board verifies and sets the principles of management of each of these risks.

Foreign exchange risk

As a part of the core operations, the subsidiaries incorporated in the Group conclude construction contracts, which are denominated in foreign currencies (mainly in the Euro). Policy of currency risk management adopted by the Management Board consists in matching the contract currency to the currency of expenditure related to this contract. Contracts carried out in Poland by the Group are concluded in the Polish currency (Polish Zlotys) and contracts executed by the companies and entities operating abroad are signed in Euros.

The Company applies hedge accounting concerning specified payments in Euro (contract for construction works with Spółką Hala Koszyki Grayson Investments sp. z o.o. sp.k.).

	PLN	EUR	Total
Cash and cash equivalents	114 920	7 821	**122 741**
Trade and other receivables	196 819	18 752	**215 571**
Receivables due to retention	48 193	0	**28 740**

Total	**359 932**	**26 573**	**386 505**
Liabilities due to retention	80 741	0	**80 741**
Trade and other liabilities	292 246	4 614	**296 861**
Lease liabilities	1 873	0	**1 873**
Bonds issued	734	0	**734**
Total	**375 594**	**4 614**	**380 208**
Exposure to currency risk	**15 662**	**21 959**	**6 297**

Risk of interest rates

The risk of interest rates is mainly due to the use by companies of the bank credits, loans and finance lease. These financial instruments are based on variable rates and expose the Group to the risk of changes in cash flows. Furthermore, the Group invests surplus cash in investments with variable interest rates (deposits), which reduces the return on investment when interest rates are dropping. The Group also uses fixed-rate instruments for which market changes in interest rates do not affect the interest costs incurred and the interest income received. Trade and other receivables and payables are not interest bearing and their maturity dates are no longer than one year.

The exposure to interest rate risk and interest rate forecasts are monitored by the Group.

The following table presents the carrying value of financial instruments as at 31 December 2014, which are exposed to the interest rate risk, by categories of age.

Fixed interest rates

	Up to 1 year	1-3 years	3-5 years	Over 5 years	Total
Cash assets - term deposits					
Total	**10 048**	**0**	**0**	**0**	**10 048**

Variable interest rates

	Up to 1 year	1-3 years	3-5 years	Over 5 years	Total
Loans granted	709	28 031	0	0	**28 740**
Cash at bank accounts	99 712	0	0	0	**99 712**
Cash assets - deposits	0	12 981	0	0	**12 981**
Overdrafts	0	0	0	0	**0**
Liabilities due to finance lease	808	1 065	0	0	**1 873**
Other loans	0	0	0	0	**0**
Bonds	0	52 000	0	0	**52 000**
Total	**101 229**	**94 077**	**0**	**0**	**195 306**

Price risk

The Group is exposed to the price risk related to increases in the prices of construction materials most purchased such as steel and concrete. The opening of the European labour markets brings the outflow of skilled construction workers abroad and this effects the growth in wage costs. As a result of increase of material prices and labour costs, costs of the services rendered for the Group by the subcontracting companies may rise as well. Prices in the agreements signed with the investors are usually fixed for the duration of a contract performance - usually between 6 and 36 months, while contracts with subcontractors are concluded at a later date, with the progress of individual works.

In order to reduce price risks, the Erbud Group monitors the prices frequently purchased building materials and the contracts are signed with the observance of parameters in respect to, inter alia, market situation, and duration and value of contracts.

Credit risk

Financial assets of the Group, which are exposed to increased credit risk, are trade receivables. The Erbud Group applies the policy of evaluation and verification of credit risk connected with all contracts, whether on the before-offer stage as well as during the execution of contracts.

Before signing the contract, each contractor is evaluated for the ability of meeting its financial obligations. In the event of a negative assessment of the contractor's payment capacity, the agreement conclusion depends on the establishment of appropriate financial or property guarantees. In addition, the conditions of agreements with building investors provide for the right to suspend the execution of works, in case of any delay in payment for services rendered.

If possible, agreements include provisions which conditioning payments to the subcontractors from the inflow of funds from the building investor.

The age structure of debt is presented in Note 9.

Liquidity risk

In order to reduce the liquidity risk, the Group's companies keep an adequate amount of cash and transferable securities, and enter into contracts for credit lines, which are an additional security measure of liquidity. To finance investment purchases, the Group uses its own funds or long-term financial leases providing adequate financing structure of such assets.

The Group's companies collaborate both in monetary and capital transactions with financial institutions of high reliability, without causing a significant concentration of credit risk. The Group applies also a policy of limiting credit exposure to the individual financial institutions and issuers of debt securities that are purchased under the periodic placement of surplus cash.

The liquidity management is supported by the current system of reporting liquidity forecasts by the companies of the Group.

Below are summarized the Group's financial liabilities as at 31 December 2014 by the maturity on the basis of contractual undiscounted payments:

31 Dec 2014	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
Credits and loans at interest	0	0	0	0	**0**
Lease liabilities	0	808	1 065	0	**1 873**
Trade and other liabilities	0	371 301	0	0	**371 301**
Bonds issued	0	0	52 000	0	**52 000**
Total	**0**	**372 109**	**53 065**	**0**	**425 174**

Analysis of sensitivity for currency and interest rates risk

The influence of potential changes on market risk was estimated by the Group as follows:
100 bsp - change in the PLN interest rate (increase or decrease in interest rate)
100 bsp - change in the EUR interest rate (increase or decrease in interest rate)
10% - change in the exchange rate PLN/EUR (revaluation or devaluation of PLN).

The sensitivity analysis by the Group does not include the effects of taxation.

The influence of potential changes on profit before tax and the Company's capital is summarized below:

Sensitivity analysis for currency and interest rates risk

Financial statements item	**Value in PLN '000**	**Interest rate risk**			
		Influence on profit		Influence on profit	
		+ 100 pbs in + 100 pbs in EUR	+ 100 pbs in + 100 pbs in EUR	10% PLN revaluation	10% PLN devaluation
Cash and cash equivalents	122 741	1 227	-1 227	-782	782
Trade and other receivables	215 571	2 156	-2 156	-1 875	1 875
Receivables due to retention	48 193	482	-482	0	0
Influence on financial assets	**386 505**	**3 865**	**-3 865**	**-2 657**	**2 657**
Bonds issued	734	-7	7	0	0
Lease	1 873	-19	19	0	0
Trade and other liabilities	296 860	-2 969	2 969	461	-461
Liabilities due to retention	80 741	-807	807	0	0
Influence on financial liabilities	**299 467**	**-2 995**	**2 995**	**461**	**-461**

Signature of person preparing the Financial Statement

Mariola Zielińska
/ Chief Accountant /

Signatures of the Management Board Members

Józef Zubelewicz
/ Management Board Member /

Dariusz Grzeszczak
/ Management Board Member /

Warsaw, 24 April 2015