ERBUD S.A.

Condensed Financial Statements for 1Q 2015

Financial Statement for the period of 3 months ended 31 March 2015

Balance Sheet

ASSETS

		31.03.2015	31.12.2014	31.03.2014
A.	**Fixed assets**	**193 122**	**198 936**	**201 110**
I.	**Intangible fixed assets**	**208**	**252**	**418**
1.	R&D completed	0	0	0
2.	Goodwill	0	0	0
3.	Other intangibles	208	252	418
4.	Advances for intangibles	0	0	0
II.	**Tangible fixed assets**	**7 525**	**6 986**	**6 082**
1.	Fixed assets	6 500	6 394	6 082
a)	Land (incl. perpetual usufruct)	0	0	0
b)	Buildings, premises and civil and water engineering structures	3 210	3 234	3 309
c)	Plant and equipment	59	64	77
d)	Means of transport	3 033	2 890	2 454
e)	Other tangible fixed assets	198	206	242
2.	Fixed assets under construction	1 025	592	0
3.	Prepaid tangible fixed assets under construction	0	0	0
III.	**Short-term receivables**	**0**	**0**	**0**
1.	From associates	0	0	0
2.	From other entities	0	0	0
IV.	**Long-term investments**	**172 122**	**165 885**	**176 436**
1.	Real property	359	359	515
2.	Intangibles	0	0	0
3.	Non-current financial assets	171 763	165 526	175 921
a)	In associates:	171 000	164 763	175 159
–	- shares or stocks	136 731	136 731	136 731
–	- other securities	0	0	0
–	- loans granted	34 269	28 032	38 428
–	- other non-current financial assets	0	0	0
b)	In other entities:	763	763	762
–	- shares or stocks	5	5	5
–	- other securities	0	0	0
–	- loans granted	0	0	0
–	- other non-current financial assets	758	758	757
4.	Other long-term investments	0	0	0
V.	**Long-term prepayments**	**13 267**	**25 813**	**18 174**
1.	Deferred tax assets	13 267	25 813	18 174
2.	Other prepayments	0	0	0

		31.03.2015	31.12.2014	31.03.2014
B.	**Current assets**	**504 545**	**597 485**	**435 251**
I.	**Inventory**	**630**	**847**	**630**
1.	Materials	0	217	0
2.	Semi-products and unfinished products	630	630	630
3.	Finished products	0	0	0
4.	Goods	0	0	0
5.	Advances for deliveries	0	0	0
II.	**Short-term accounts receivable**	**296 589**	**302 405**	**272 582**
1.	From associates	8 566	18 440	9 260
a)	Deliveries and services, payable:	2 583	16 326	7 147
–	- up to 12 months	2 583	16 326	7 147
–	- over 12 months	0	0	0
b)	Other	5 983	2 114	2 113
2.	Receivables from other entities	288 023	283 965	263 322
a)	Deliveries and services, payable:	257 294	254 833	251 323
–	- up to 12 months	247 727	244 109	238 196
–	- over 12 months	9 567	10 724	13 127
b)	Tax, subsidies, duty, social security, health care and other benefits	21 203	20 201	5 846
c)	Other	9 526	8 931	6 153
d)	Receivables claimed at court	0	0	0
III.	**Short-term financial assets**	**107 497**	**123 450**	**47 222**
1.	Current financial assets	107 497	123 450	47 222
a)	In associates, incl.:	709	709	157
–	- shares or stocks	0	0	0
–	- other securities	0	0	0
–	- loans granted	709	709	157
–	- other current investments	0	0	0
b)	In other entities, incl.:	3 214	0	0
–	- shares or stocks	0	0	0
–	- other securities	0	0	0
–	- loans granted	0	0	0
–	- other current financial assets	3 214	0	0
c)	Cash and cash equivalents	103 574	122 741	47 065
–	- cash at bank and in hand	87 691	109 778	33 654
–	- other cash	15 883	12 963	13 411
–	- other financial assets	0	0	0
2.	Other current financial investments	0	0	0
IV.	**Short-term prepayments**	**99 829**	**170 783**	**114 817**
	TOTAL ASSETS	**697 667**	**796 421**	**636 361**

LIABILITIES

		31.03.2015	31.12.2014	31.03.2014
A.	**Equity**	**256 234**	**247 259**	**246 636**
I.	**Share capital**	1 276	1 276	1 271
II.	**Called-up share capital not paid (negative value)**	0	0	0
III.	**Treasury shares (negative value)**	0	0	0
IV.	**Capital reserves**	234 804	234 804	234 654
V.	**Revaluation capital reserve**	3 441	-1 066	0
VI.	**Other capital reserves (funds)**	0	0	0
VII.	**Retained profit / accumulated loss brought forward**	12 245	0	8 416
VIII.	**Net profit (loss)**	4 467	12 245	2 294
IX.	**Write-offs from net profit for the financial year (negative value)**	0	0	0
B.	**Liabilities and provisions for liabilities**	**441 433**	**549 162**	**389 725**
I.	**Provisions for liabilities**	**29 818**	**43 345**	**32 809**
1.	Deferred income tax provision	15 293	28 747	18 924
2.	Provision for retirement and related benefits	4 077	4 077	3 328
–	- non-current	542	542	479
–	- current	3 535	3 535	2 849
3.	Other provisions	10 448	10 521	10 557
–	- non-current	0	0	0
–	- current	10 448	10 521	10 557
II.	**Long-term liabilities**	**53 065**	**53 065**	**52 266**
1.	To associates	0	0	0
2.	To other entities	53 065	53 065	52 266
a)	Loans and borrowings	0	0	0
b)	Issuance of debt securities	52 000	52 000	52 000
c)	Other financial liabilities	1 065	1 065	266
d)	Other	0	0	0
III.	**Short-term liabilities**	**323 101**	**419 046**	**234 524**
1.	To associates	26 375	15 859	16 261
a)	Deliveries and services, with maturity:	26 375	15 859	16 261
–	- up to 12 months	26 162	15 646	15 484
–	- over 12 months	213	213	777
b)	Other	0	0	0
2.	To other entities	296 726	403 187	218 263
a)	Loans and borrowings	0	0	23 047
b)	Issuance of debt securities	0	0	10 000
c)	Other financial liabilities	808	2 836	192
d)	Deliveries and services, with maturity :	274 727	371 301	178 382
–	- up to 12 months	267 527	365 022	170 913
–	- over 12 months	7 200	6 279	7 469
e)	Advances for deliveries	13 330	22 749	346
f)	Bills	0	0	0
g)	Taxes, customs, social insurance and other benefits	3 868	3 113	4 598
h)	Payroll	2 776	2 157	802
i)	Other	1 217	1 031	896
3.	Special funds	0	0	0
IV.	**Accruals**	**35 449**	**33 706**	**70 126**
1.	Other accruals	35 449	33 706	70 126
	TOTAL LIABILITIES	**697 667**	**796 421**	**636 361**

Calculation of book value per share

	31.03.2015	31.12.2014	31.03.2014
Book value (in PLN '000)	256 234	247 259	246 636
Number of shares (in units)	12 761 925	12 761 925	12 714 546
Book value per share (in PLN)	20.08	19.37	19.40

PROFIT AND LOSS STATEMENT

	Quarter to 31.03.2015	Year to 31.12.2014	Quarter to 31.03.2014	Year to 31.12.2013
Income from sales of products, goods and materials, incl.:	**239 449**	**1 108 379**	**187 664**	**861 441**
- from associates	2 554	8 828	550	3 170
Net revenues on sales of products	239 449	1 108 379	187 664	861 441
Net revenues on sales of goods and materials	0	0	0	0
Cost of sold products, goods and materials, incl.:	**224 697**	**1 051 385**	**173 909**	**807 397**
- to associates	24 392	91 496	14 041	36 233
Cost of manufacturing products sold	224 697	1 051 385	173 909	807 397
Value of manufacturing goods and materials sold	0	0	0	0
Profit (loss) before taxes on sales	**14 752**	**56 994**	**13 755**	**54 044**
Selling costs	0	0	0	0
General and administrative expenses	8 821	36 595	8 295	34 967
Profit (loss) on sales	**5 931**	**20 399**	**5 460**	**19 077**
Other operating income	**322**	**3 054**	**267**	**3 146**
Gain on disposal of non-financial fixed assets	59	1 243	152	122
Subsidies	0	0	0	0
Other operating income	263	1 811	115	3 024
Other operating expenses	**244**	**5 893**	**249**	**5 129**
Loss on disposal of non-financial fixed assets	0	0	0	0
Revaluation of non-financial assets	0	0	0	0
Other operating expenses	244	5 893	249	5 129
Profit (loss) on operating activity	**6 009**	**17 560**	**5 478**	**17 094**
Financial income	**357**	**7 448**	**991**	**4 409**
Dividends and other share in profit	0	3 498	0	610
- from associates	0	3 498	0	610
Interest	357	2 636	861	3 279
- from associates	284	1 378	781	1 749
Gain on disposal of investments	0	0	0	228
Investment revaluation	0	0	0	0
Other	0	1 314	130	292
Financial expenses	**2 002**	**8 616**	**3 031**	**9 737**
Interest	818	5 902	2 237	6 274
- to associates	0	0	0	227
Loss on disposal of investments	0	0	0	0
Investment revaluation	0	0	0	0
Other	1 184	2 714	794	3 463
Profit (loss) on economic activity	**4 364**	**16 392**	**3 438**	**11 766**
Result on extraordinary items	**0**	**0**	**0**	**0**
Extraordinary gains	0	0	0	0
Extraordinary losses	0	0	0	0
Profit (loss) before taxes	**4 364**	**16 392**	**3 438**	**11 766**
Income tax	-103	4 147	1 144	3 350
Other mandatory decrease of profit (increase of loss)	0	0	0	0
Net profit (loss)	**4 467**	**12 245**	**2 294**	**8 416**
Weighted average number of ordinary shares/ Weighted average diluted number of shares (in pcs)	**12 736 925/ 12 768 667**	**12 738 236/ 12 768 272**	**12 714 546/12 777 703**	**12 696 251/ 12 744 407**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN)	**0.3507/ 0.3499**	**0.9612/ 0.959**	**0.1805/ 0.1796**	**0.5607/ 0.5584**

CASH FLOW STATEMENT

	Quarter to 31.03.2015	Year to 31.12.2014	Quarter to 31.03.2014	Year to 31.12.2013
Net profit (loss)	**4 467**	**12 245**	**2 294**	**8 416**
Total adjustments	**-15 545**	**56 819**	**-44 061**	**-100 875**
Amortisation and depreciation	211	2 256	149	2 050
FX profit (loss)	258	-177	87	-75
Interest and profit sharing (dividends)	484	1 964	1 351	1 980
(Profit (loss) on investment activities	-59	-1 243	-152	-122
Change in provisions	-13 527	5 643	-4 893	3 874
Change in inventories	218	1 665	1 883	-1 403
Change in receivables	5 815	-82 049	-52 227	41 942
Change in short-term liabilities, excluding credits and loans	-93 917	190 758	-26 596	-121 135
Change in prepayments and accruals	85 243	-62 057	36 050	-28 244
Other adjustments	-271	59	287	258
Net cash flows from operating activities	**-11 078**	**69 064**	**-41 767**	**-92 459**
Cash flows from investment activities				
Inflows	**1 170**	**17 121**	**713**	**18 740**
Disposal of intangible and tangible fixed assets	73	644	182	177
Disposal of investments in real property and intangible assets	0	949	0	0
From financial assets, incl.:	1 097	15 528	531	18 563
a) In associates	1 047	15 098	426	17 937
- Disposal of financial assets	0	0	0	7 400
- Dividends and profit sharing	0	3 497	0	610
- Repayment of granted long-term loans	0	8 791	0	8 696
- Other inflows from financial assets	1 047	2 810	426	1 231
b) In other entities	50	430	105	626
- Disposal of financial assets	0	0	0	0
- Dividends and profit sharing	0	0	0	0
- Repayment of granted long-term loans	0	0	0	0
- Interest	50	430	105	626
- Other inflows from financial assets	0	0	0	0
Other inflows from investment activities	0	0	0	0
Outflows	**7 706**	**3 616**	**0**	**14 370**
Purchase of intangible assets and tangible fixed assets	706	491	0	317
Investments in real property and intangible assets	0	0	0	0
Due to financial assets, incl.:	7 000	3 125	0	14 053
a) In associates	7 000	3 125	0	14 053
- Purchase of financial assets	0	0	0	9 167
- Loans granted	7 000	3 125	0	4 886
b) In other entities	0	0	0	0
- Purchase of financial assets	0	0	0	0
- Loans granted	0	0	0	0
Other outflows from investment activities	0	0	0	0
Net cash flows from investment activities	**-6 536**	**13 505**	**713**	**4 370**

	Quarter to 31.03.2015	Year to 31.12.2014	Quarter to 31.03.2014	Year to 31.12.2013
Cash flow from financing activities				
Inflows	**0**	**9 916**	**32 436**	**402**
Net proceeds from issue of shares and other equity instruments, and additional contributions to equity	0	521	0	403
Loans and borrowings	0	0	23 041	0
Issuance of debt securities	0	9 395	9 395	0
Other financing inflow	0	0	0	0
Outflows	**1 553**	**27 664**	**2 237**	**6 586**
Acquisition of treasury shares	0	0	0	0
Dividends and other distributions to shareholders	0	8 900	0	0
Expenses due to profit sharing other than payments to shareholders	0	0	0	0
Repayment of loans and borrowings	0	6	0	256
Redemption of debt securities	0	10 000	0	0
Other financial liabilities	0	0	0	0
Finance lease liabilities	0	720	0	1 196
Interest	1 553	5 324	2 237	5 134
Other financing outflows	0	2 714	0	0
Net cash flow from financing activities	**-1 553**	**-17 748**	**30 199**	**-6 184**
Total net cash flow	**-19 167**	**64 821**	**-10 855**	**-94 273**
Balance-sheet change in cash, incl.:	**-19 167**	**64 821**	**-10 855**	**-94 273**
- Change in cash due to exchange rate differences			0	0
Cash at the beginning of the period	**122 741**	**57 920**	**57 920**	**152 193**
Cash at the end of the period, incl.:	**103 574**	**122 741**	**47 065**	**57 920**
- Restricted cash	15 883	12 963	13 411	13 618

RECONCILIATION OF MOVEMENTS IN EQUITY

	Quarter to 31.03.2015	Year to 31.12.2014	Quarter to 31.03.2014	Year to 31.12.2013
I. Equity opening balance	**247 259**	**244 341**	**235 313**	**244 341**
– Changes to accepted accounting principles (policy)	0	0	0	0
– Adjustments of basic errors	0	0	0	0
I.a. Equity opening balance after adjustment	**247 259**	**244 341**	**235 313**	**244 341**
1. Share capital at the beginning of the period	**1 276**	**1 271**	**1 268**	**1 271**
1.1. Changes to share capital	**0**	**5**	**3**	**0**
a) Increases from	0	5	3	0
– issue of shares of Series I	0	5	0	0
– issue of shares of Series H	0	0	3	0
b) Decreases from	0	0	0	0
– redemption of shares	0	0	0	0
1.2. Share capital at the end of the period	**1 276**	**1 276**	**1 271**	**1 271**
2. Called-up share capital at the beginning of the period	**0**	**0**	**0**	**0**
2.1. Changes in due payments for share capital	0	**0**	**0**	0
a) Increases	0	0	0	0
b) Decreases	0	0	0	0
2.2. Called-up share capital at the end of the period	**0**	0	0	**0**
3. Own shares at the beginning of the period	**0**	**0**	**0**	**0**
a) Increases	0	0	0	0
b) Decreases	0	0	0	0
3.1. Own shares at the end of the period	**0**	**0**	**0**	**0**
4. Capital reserves at the beginning of the period	**234 804**	**234 654**	**228 454**	**234 654**
4.1. Changes in capital reserves	0	150	6 200	0
a) Increases from	0	634	6 200	0
– transfer of capital reserves	0	0	0	0
– profit distribution	0	0	5 591	0
– redemption of own shares	0	0	0	0
– issue of Series I shares above face value	0	516	0	0
– issue of Series H shares above face value	0	0	399	0
– manager options	0	118	210	0
b) Decreases from	0	484	0	0
– dividend payment for 2013	0	484	0	0
– redemption of shares	0	0	0	0
4.2. Capital reserves at the end of the period	**234 804**	**234 804**	**234 654**	**234 654**
5. Revaluation reserve at the beginning of the period	**-1 066**	**0**	**0**	**0**
5.1.Changes in revaluation reserve	4 507	-1 066	0	0
a) Increases from	4 507	0	0	0
– revaluation of financial assets	4 507	0	0	0
b) Decreases from	0	1 066	0	0
– measurement of financial instruments	0	1 066	0	0
5.2. Revaluation reserve at the end of the period	**3 441**	**-1 066**	**0**	**0**
6. Other capital reserves at the beginning of the period	**0**	**0**	**0**	**0**
6.1. Changes in other capital reserves	0	0	0	0
a) Increases from	0	0	0	0
- reserves for Staff Incentive Scheme	0	0	0	0
b) Decreases	0	0	0	0
6.2. Other capital reserves at the end of the period	**0**	**0**	**0**	**0**

	Quarter to 31.03.2015	Year to 31.12.2014	Quarter to 31.03.2014	Year to 31.12.2013
4.1. Changes in capital reserves	**12 245**	**8 416**	**0**	**8 416**
a) Increases from	12 245	8 416	0	8 416
– transfer of capital reserves	0	0	0	0
– profit distribution	0	0	5 591	0
– redemption of own shares	12 245	8 416	5 591	8 416
– issue of Series I shares above face value	0	0	0	0
– issue of Series H shares above face value	0	8 416	5 591	0
– manager options	0	0	5 591	0
b) Decreases from	0	8 416	0	0
– dividend payment for 2013	0	0	0	0
– redemption of shares	**12 245**	**0**	**0**	**8 416**
4.2. Capital reserves at the end of the period	**0**	**0**	**0**	**0**
5. Revaluation reserve at the beginning of the period	0	0	0	0
5.1.Changes in revaluation reserve	0	0	0	0
a) Increases from	0	0	0	0
– revaluation of financial assets	0	0	0	0
b) Decreases from	**0**	**0**	**0**	**0**
– measurement of financial instruments	**12 245**	**0**	**0**	**0**
5.2. Revaluation reserve at the end of the period	**4 467**	**12 245**	**8 416**	**2 294**
6. Other capital reserves at the beginning of the period	4 467	12 245	8 416	2 294
6.1. Changes in other capital reserves	0	0	0	0
a) Increases from	0	0	0	0
- reserves for Staff Incentive Scheme	**256 234**	**247 259**	**244 341**	**246 636**
b) Decreases	**256 234**	**247 259**	**244 341**	**246 636**

1. Policies adopted to prepare the report

1.1. Accounting principles applied

The Financial Statement of ERBUD SA for the first quarter of 2015 and comparable data has been drawn up in accordance with accounting principles prevailing in Poland, described in the introduction to the Company's Financial Report for 2014.

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

Selected financial data were converted to the euro as follows:

- Assets and liabilities items - at the average exchange rate as at 31 March 2015, i.e. **4.089** PLN/EUR;
- Items of the profit and loss statement and cash flow for 1Q 2015 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 31 March 2014, i.e. **4.1489** PLN/EUR;
- Assets and liabilities items - at the average exchange rate as at 31 March 2014, i.e. **4.713** PLN/EUR;
- Items of the profit and loss statement and cash flow for 1Q 2014 - at the rate calculated as an arithmetic mean of the average exchange rates published by Polish National Bank on the last day of each month during the period from 1 January to 31 March 2014, i.e. **4.1894** PLN/EUR.

KEY ITEMS CONVERTED TO THE EURO

	31.03.2015		31.03.2014	
	PLN	**EUR**	**PLN**	**EUR**
Fixed assets	193 122	47 229	201 110	48 213
Current assets	504 545	123 391	435 251	104 344
Shareholders' equity	256 234	62 664	246 636	59 127
Liabilities and provisions for liabilities	441 433	107 956	389 725	93 430

	3-month period ended 31.03.2015		3-month period ended 31.03.2014	
	PLN	**EUR**	**PLN**	**EUR**
Revenues from sales of products and services and of goods and materials	239 449	57 714	187 664	44 795
Cost of sold products and services and of goods and materials	224 697	54 158	173 909	41 512
Profit on sales before taxes	14 752	3 556	13 755	3 283
Profit on operating activities	6 009	1 448	5 478	1 307
Profit (loss) before taxes	4 364	1 052	3 438	821
Net profit (loss)	4 467	1 077	2 294	548

	3-month period ended 31.03.2015		3-month period ended 31.03.2014	
	PLN	**EUR**	**PLN**	**EUR**
Cash flow from operating activities	-11 078	-2 670	-41 767	-9 970
Cash flow from investing activities	-6 536	-1 575	713	170
Cash flow from financing activities	-1 553	-374	30 199	7 208
Net cash flow	-19 167	-4 619	-10 855	-2 592
Cash at the beginning of the period	122 741	28 797	57 920	13 966
Cash at the end of the period	103 574	25 330	47 065	11 283

EXPLANATORY NOTES

Note 1. Operating segments information

During the reporting period ended 31 March 2015, the Company was operating in the following business segments:

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

During the reporting period ended 31 March 2015, the Company was operating in the following region segments:

- in Poland
- abroad (Belgium).

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

Business segment

The following tables present data on the revenues and profits of the Company's operating segments for the period from 1 January to 31 March 2015.

Proceeds and expenses by business segment

For the period from 1 January to 31 March 2015	Large volume construction	Road-engineering	Construction for energy sector	Other	Total
Sale to external customers	215 899	0	23 550	0	**239 449**
Total income	**215 899**	**0**	**23 550**	**0**	**239 449**
Cost of products, goods and materials sold to external customers	202 436	345	21 916	**0**	**224 697**
Total cost of products, goods and materials sold	**202 436**	**345**	**21 916**	**0**	**224 697**
Total gross sales					
Cost of sales	0	0	0	0	**0**
General and administrative costs	8 407	56	262	96	**8 821**
Profit (loss) on other operating activity	78	0	0	0	**78**
Segment profit (loss)	**5 134**	**-401**	**1 372**	**-96**	**6 009**
Profit (loss) on financing activity	-1 645	0	0	0	**-1 645**
Income tax	-103	0	0	0	**-103**
Net profit	**3 592**	**-401**	**1 372**	**-96**	**4 467**

Proceeds and expenses by business segment

For the period from 1 January to 31 March 2013	Large volume construction	Road-engineering	Construction for energy sector	Other	Total
Sale to external customers	147 556	1 096	-32		**148 620**
Total income	**147 556**	**1 096**	**-32**		**148 620**
Cost of products, goods and materials sold to external customers	134 281	1 841	952		**137 074**
Total cost of products, goods and materials sold	**134 281**	**1 841**	**952**		**137 074**
Total gross sales	**13 275**	**-745**	**-984**		**11 546**
Cost of sales					
General and administrative costs	7 352	271	283	321	**8 227**
Profit (loss) on other operating activity	-741				**-741**
Segment profit (loss)	**5 181**	**-1 016**	**-1 266**	**-321**	**2 578**
Profit (loss) on financing activity	-1 269				**-1 269**
Income tax	240				**240**
Net profit	**3 672**	**-1 016**	**-1 266**	**-321**	**1 069**

Geographical segment

The following table present data on the revenues and profits of the Company's region segments for the period from 1 January to 31 March 2015.

Proceeds and expenses by geographical segment

For the period from 1 January to 31 March 2015	Domestic	Abroad	Total
Sale to external customers	222 786	16 663	239 449
Total income	**222 786**	**16 663**	**239 449**
Cost of products, goods and materials sold to external customers	208 587	16 110	224 697
Total cost of products, goods and materials sold	**208 587**	**16 110**	**224 697**
Total gross sales	**14 199**	**553**	**14 752**
Cost of sales	0	0	**0**
General and administrative costs	8 707	114	**8 821**
Profit (loss) on other operating activity	78	0	**78**
Segment profit (loss)	**5 570**	**439**	**6 009**
Profit (loss) on financing activity	-1 105	-540	**-1 645**
Income tax	-103	0	**-103**
Net profit	**4 568**	**-101**	**4 467**

Proceeds and expenses by geographical segment

For the period from 1 January to 31 March 2014	Domestic	Abroad	Total
Sale to external customers	186 793	871	187 664
Total income	**186 793**	**871**	**187 664**
Cost of products, goods and materials sold to external customers	173 613	296	173 909
Total cost of products, goods and materials sold	**173 613**	**296**	**173 909**
Total gross sales	**13 180**	**575**	**13 755**
Cost of sales	0	0	**0**
General and administrative costs	7 730	565	**8 295**
Profit (loss) on other operating activity	18	0	**18**
Segment profit (loss)	**5 468**	**10**	**5 478**
Profit (loss) on financing activity	-2 069	29	**-2 040**
Income tax	1 144	0	**1 144**
Net profit	**2 255**	**39**	**2 294**

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

2.1. Changes in estimates

Construction contracts

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

Prepayments for construction contracts

	31.03.2015	31.12.2014	31.03.2014
Revenue surplus over partial invoices, by staging	51 842	45 734	63 102
Costs surplus over expenses arising from the accounting costs, by staging	24 869	23 016	34 214

Surplus on partial invoices over incomes, by staging	10 486	10 691	35 912
Surplus on costs resulting from the accounting costs over expenses, by staging	22 483	25 713	27 895
Total amounts presented in deferred expenditures	74 325	71 447	90 997
Total amounts presented in deferred revenues	35 355	33 707	70 126

Provisions and assets due to deferred income tax

Provisions due to deferred income tax	**31.03.2015**	**31.12.2014**	**31.03.2014**
- valuation of long-term contracts	6 717	6 404	13 324
- loss on tax	1 088	1 088	0
- deferred costs	1 026	13 211	901
- other	4 436	5 110	3 949
Total assets due to deferred income tax	**13 267**	**25 813**	**18 174**

Provisions	**31.03.2015**	**31.12.2014**	**31.03.2014**
- valuation of long-term contracts	14 122	13 575	17 289
- other	1 171	15 172	1 635
Total provisions due to deferred income tax	**15 293**	**28 747**	**18 924**

Impairment allowances for receivables

Change in write-downs on short-term receivables

	31.03.2015	**31.12.2014**	**31.03.2014**
At the beginning of the period	4 154	4 648	4 648
a) Increase (due to)	0	1 651	0
- creation of write-offs	0	1 651	0
b) Decrease (due to)	0	2 145	2 162
- impairment loss	0	2 145	2 162
- use of write-offs	0	0	0
Write-downs on short-term debts at the end of the period	**4 154**	**4 154**	**2 486**

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

During the period form 1 January to 31 March 2015, such significant changes did not occur.

Signature of person preparing
the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Management Board Member/

Dariusz Grzeszczak
Management Board Member/

Warsaw, 12 May 2015