ERBUD

ERBUD CAPITAL GROUP



PREPARED PURSUANT
TO INTERNATIONAL
FINANCIAL REPORTING
STANDARDS

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR 1Q 2015

Photo:Office Building Royal Wilanów in Warsaw

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2015 (in '000 PLN)

	31.03.2015	31.12.2014	31.03.2014
Fixed assets	**156 821**	**162 161**	**115 997**
Intangibles	2 212	2 263	1 965
Goodwill	22 066	22 066	20 102
Tangible fixed assets	44 295	42 430	35 861
Investment property	11 255	9 377	5 486
Other non-current financial assets	43 663	41 298	17 892
Non-current receivables	0	0	0
Deferred tax assets	33 244	44 651	34 654
Prepayments	86	76	37
Current assets	**781 640**	**889 284**	**685 880**
Inventory	108 468	112 336	111 034
Trade and other receivables	310 288	317 643	259 448
Income tax receivables	6 279	5 883	8 347
Financial assets	3 441	235	224
Construction contracts retentions	47 224	55 333	52 472
Cash and cash equivalents	158 905	209 263	111 171
Short-term prepayments and accruals	7 386	6 503	5 329
Construction contracts	139 649	182 088	137 855
Total assets	**938 461**	**1 051 445**	**801 877**
Equity attributable to shareholders of the Parent Company	**283 532**	**274 339**	**256 735**
Share capital	1 276	1 276	1 271
Exchange rate differences on translation of foreign entities	540	671	784
Valuation of hedging instruments	3 441	-1 067	0
Supplementary capital	223 120	223 094	222 783
Capital reserves	0	0	0
Undistributed profits	55 155	50 365	31 897
Minority interests	13 419	13 192	11 880
Total shareholders' equity	**296 951**	**287 531**	**268 615**
Long-term liabilities	**128 267**	**144 797**	**117 607**
Bank loans and borrowings	20 398	22 801	21 598
Provision for deferred income tax	31 250	45 379	33 083
Provision for retirement and similar benefits	1 451	1 455	1 757
Other provisions	3 492	3 538	3 439
Other financial liabilities	6 676	6 624	5 730
Liabilities from bonds issue	65 000	65 000	52 000
Other liabilities	0	0	0
Short-term liabilities	**513 243**	**619 117**	**415 655**
Bank loans and borrowings	31 107	30 065	37 517
Trade and other liabilities	279 926	401 548	159 824
Current tax liabilities	702	2 751	139
Liabilities from bonds issue	0	0	10 000
Provision for retirement and similar benefits	7 075	7 124	5 559
Provisions	17 149	15 448	16 405
Construction contracts retentions	87 952	92 832	80 097
Construction contracts	77 899	42 538	95 199
Other accruals	11 433	26 811	10 915
Total liabilities	**938 461**	**1 051 445**	**801 877**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 3-month period ended 31 March 2015 (in 000' PLN)

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
CONTINUING OPERATIONS		
Revenues from sales of products and services and of goods and materials	**336 236**	**283 602**
Cost of sold products and services and of goods and materials	**313 878**	**263 626**
Profit (loss) from sales before tax	**22 358**	**19 976**
Cost of sales	1 343	984
General and administrative costs	14 167	13 746
Other operating income	**774**	**1 297**
Other operating expenses	**583**	**403**
Share of net profit (loss) of subsidiaries valued by equity method	**1 500**	**0**
Profit (loss) on operating activities	**8 539**	**6 140**
Other gains (losses) on investments	**0**	**0**
Financial income	**1 120**	**665**
Financial expenses	**3 590**	**3 515**
Profit (loss) on continuing operations before tax	**6 069**	**3 290**
Income tax	531	1 867
Net profit (loss) for the financial period attributable to:	**5 538**	**1 423**
- Shareholders of the parent company	**5 198**	**1 303**
- Minority shareholders	**340**	**120**
Weighted average number of ordinary shares / Diluted weighted average number of ordinary shares (in units)	**12 736 925/ 12 768 667**	**12 714 546/ 12 777 703**
Earnings (loss) per share / Diluted earnings (loss) per share (in PLN) on continuing operations	**0.4081/ 0.4071**	**0.1024/ 0.1019**

Consolidated net profit	**5 538**	**1 423**
Exchange rate differences from translation of foreign branches and entities	-652	236
Valuation of hedging instruments	4 508	0
Other comprehensive net incomes	**3 856**	**236**
Total comprehensive income attributable to:	9 394	1 659
- Shareholders of the Parent Company	9 167	1 527
- Minority interest	227	132

CONSOLIDATED STATEMENT OF CASH FLOW

for the 3-month period ended 31 March 2015 (in 000' PLN)

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
Cash flows from operating activities		
Net profit (loss)	**5 538**	**1 423**
Total adjustments	**-46 122**	**-40 119**
Depreciation and amortization	1 855	1 457
Share of net profit of subsidiaries valued by equity method	0	0
Gains / losses from exchange rate differences	-116	105
Interest and profit sharing (dividend)	766	2 192
Profit / loss on investment activities	-1 678	-137
Change in provisions	-12 527	-3 312
Change in inventories	4 014	1 316
Change in receivables	15 053	-39 686
Change in short-term liabilities, excluding loans and borrowings	-126 256	-32 481
Change in prepayments and accruals	72 939	29 910
Other adjustments	-172	517
Net cash used in operating activities	**-40 584**	**-38 696**
Cash flows from investment activities		
Inflows	**400**	**376**
Disposal of intangible and tangible fixed assets	215	208
Disposal of investment property	4	0
Disposal of financial assets		20
Dividends and interest received	51	148
Repayment of loans	48	0
Other	82	0
Outflows	**5 660**	**930**
Acquisition of intangible and tangible fixed assets	2 843	918
Investments in real property	1 919	0
Acquisition of financial assets	0	9
Loans granted	898	3
Acquisition of subsidiary after deducting the funds acquired	0	0
Other	0	0
Net cash flows from investment activities	**-5 260**	**-554**

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
Cash flows from financial activities		
Inflows	**18 149**	**39 573**
Net inflows from issue of shares and other capital instruments and from capital contributions	0	0
Loans and borrowings	18 149	30 178
Issue of debt instruments	0	9 395
Other	0	0
Outflows	**22 663**	**13 742**
Redemption of own shares	0	0
Dividends and other payments to the shareholders of the Parent	0	0
Dividends and other payments to the minority shareholders	0	0
Repayment of loans and borrowings	19 470	10 063
Redemption of debt securities	0	0
Due to other financial liabilities	0	0
Payment of liabilities arising from financial leases	1 055	832
Interest paid	2 049	2 847
Other	89	0
Net cash flows from financial activities	**-4 514**	**25 831**
Total net cash flows	**-50 358**	**-13 419**
Balance sheet change in cash, including:	**-50 358**	**-13 419**
- change in cash due to foreign exchange differences		
Cash opening balance	**209 263**	**124 590**
Closing balance of cash, including:	**158 905**	**111 171**
- restricted cash	20 261	31 752

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

attributable to shareholders of the Parent as of 31 March 2015 (in 000' PLN)

	Capital attributable to shareholders of the Parent									
						Undistributed profit (loss)				
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Valuation of hedging instruments	Retained profit / accumulated loss brought forward	Net profit / net loss	Total	Minority interests	Share capital
As at 1 January 2014	**1 276**	**0**	**223 094**	**671**	**-1 067**	**50 365**	**0**	**274 339**	**13 192**	**287 531**
Profit / loss for the period	0	0	0	0	0	0	5 198	**5 198**	340	**5 538**
Other total income	0	0	0	-131	4 508	-408	0	**3 969**	-113	**3 856**
Total income for the period	**0**	**0**	**0**	**-131**	**4 508**	**-408**	**5 198**	**9 167**	**227**	**9 394**
Buyout of minority interests of Erbud Industry Centrum	0	0	26	0	0	0	0	**26**	0	**26**
Increase of share capital under the authorized capital	0	0	0	0	0	0	0	**0**	0	**0**
Shares-based payment (Management Stock Option Scheme)	0	0	0	0	0	0	0	**0**	0	**0**
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	**0**	0	**0**
Dividend to shareholders	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
As at 31 March 2015	**1 276**	**0**	**223 120**	**540**	**3 441**	**49 957**	**5 198**	**283 532**	**13 419**	**296 951**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

attributable to shareholders of the Parent for the year ended 31 December 2014 (in 000' PLN)

	Capital attributable to shareholders of the Parent									
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Valuation of hedging instruments	Undistributed profit (loss)		Total	Minority interests	Share capital
						Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2014	**1 271**	**0**	**222 793**	**591**	**0**	**30 563**	**0**	**255 218**	**11 748**	**266 966**
Profit / loss for the period	0	0	0	0	0	0	26 431	**26 431**	1 461	**27 892**
Other total income	0	0	0	80	-1 067	238	0	**-749**	45	**-704**
Total income for the period	**0**	**0**	**0**	**80**	**-1 067**	**238**	**26 431**	**25 682**	**1 506**	**27 188**
Purchase of shares in Engorem Spółka z o.o	0	0	-9	0	0	0	0	**-9**	0	**-9**
Increase of share capital within the authorized capital	5	0	517	0	0	0	0	**522**	0	**522**
Shares-based payment (Management Stock Option Scheme)	0	0	277	0	0	0	0	**277**	0	**277**
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	0	**0**	0	**0**
First time consolidated subsidiary (Erbud Rzeszów)	0	0	0	0	0	1 549	0	**1 549**	439	**1 988**
Dividend to shareholders	**0**	**0**	**-484**	**0**	**0**	**-8 416**	**0**	**-8 900**	**-501**	**-9 401**
As at 31 December 2014	**1 276**	**0**	**223 094**	**671**	**-1 067**	**23 934**	**26 431**	**274 339**	**13 192**	**287 531**

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

attributable to shareholders of the Parent as of 31 March 2014 (in 000' PLN)

	Capital attributable to shareholders of the Parent								
	Share capital	Treasury shares	Capital reserve	Exchange differences on translation of foreign entities	Undistributed profit (loss)		Total	Minority interests	Total equity
					Retained profit / accumulated loss brought forward	Net profit / net loss			
As at 1 January 2014	**1 271**	**0**	**222 793**	**591**	**30 563**	**0**	**255 218**	**11 748**	**266 966**
Profit / loss for the period	0	0	0	0	0	1 303	**1 303**	120	**1 423**
Other total income	0	0	0	193	31	0	**224**	12	**236**
Total income for the period	**0**	**0**	**0**	**193**	**31**	**1 303**	**1 527**	**132**	**1 659**
Purchase of shares in Engorem Spółka z o.o	0	0	-10	0	0	0	**-10**	0	**-10**
Increase of share capital within the authorized capital	0	0	0	0	0	0	**0**	0	**0**
Shares-based payment (Management Stock Option Scheme)	0	0	0	0	0	0	**0**	0	**0**
Transfer of net profit from the previous year to retained earnings	0	0	0	0	0	0	**0**		
As at 31 March 2014	**1 271**	**0**	**222 783**	**784**	**30 594**	**1 303**	**256 735**	**11 880**	**268 615**

The average PLN exchange rates against the EURO during the period covered by the financial statements

Period	Average exchange rate for the reported period	Exchange rate as of the last day of the period
31.03.2015	4.1489	4.0890
31.12.2014	4.1893	4.2623
31.03.2014	4.1894	4.1713

Key items of the balance sheet converted to the EURO (as at the last day of the period, in 000' PLN)

Balance-sheet item	31.03.2015		31.03.2014	
	PLN	EUR	PLN	EUR
Total assets	938 461	229 509	801 877	192 236
Fixed assets	156 821	38 352	115 997	27 808
Current assets	781 640	191 157	685 880	164 428

Balance-sheet item	31.03.2015		31.03.2014	
	PLN	EUR	PLN	EUR
Total liabilities	938 461	229 509	801 877	192 236
Shareholders' equity	296 951	72 622	268 615	64 396
Liabilities and provisions for liabilities	641 510	156 887	533 262	127 840

Items of the balance sheet as at 31 March 2015 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.0890 zł PLN/EUR.

Items of the balance sheet as at 31 March 2014 were converted at the Euro rate which was set by the NBP as at that date i.e. 4.1713 zł PLN/EUR.

Key items of the profit and loss statement converted to the EURO (for the reporting period, in 000' PLN)

Profit or loss account item	3-month period ended 31.03.2015		3-month period ended 31.03.2014	
	PLN	EUR	PLN	EUR
Net revenues from sales of products	336 236	81 042	283 602	67 695
Manufacturing cost of products sold	313 878	75 653	263 626	62 927
Gross profit on sales	22 358	5 389	19 976	4 768
Profit from operating activities	8 539	2 058	6 140	1 466
Gross profit (loss)	6 069	1 463	3 290	785
Net profit (loss)	5 538	1 335	1 423	340

Items of the cash flows for the period 01.01.2015 - 31.03.2015 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. 4.1489 PLN/EUR.

Items of the cash flows for the period 01.01.2014 - 31.03.2014 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. 4.1894 PLN/EUR.

Key items of cash flows converted to the EURO (for the reporting period, in 000' PLN)

Cash flow item	3-month period ended 31.03.2015		3-month period ended 31.03.2014	
	PLN	EUR	PLN	EUR
A. Cash flows from operating activities	-40 584	-9 782	-38 696	-9 237
B. Cash flows from investing activities	-5 260	-1 268	-554	-132
C. Cash flows from financing activities	-4 514	-1 088	25 831	6 166
D. Total net cash flows (A+/-B+/-C)	-50 358	-12 138	-13 419	-3 203
F. Cash and cash equivalents at the beginning of the period	209 263	49 096	124 590	30 042
G. Cash and cash equivalents at the end of the period	158 905	38 862	111 171	26 651

Cash flow items for the period of 01 January 2015 - 31 March 2015 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1489 PLN/EUR,

F item figures - at the exchange rate set by the NBP as at the 31 December 2014, i.e. 4.2623 PLN/EUR,

G item figures- at the exchange rate set by the NBP on the 31 March 2015, i.e. 4.0890 PLN/EUR.

Cash flow items for the period of 01 January 2014 - 31 March 2014 were converted as follows:

A, B, C, and D item figures - at the average exchange rate which was calculated as an arithmetic mean of average rates set by the NBP as at the last day of each month in the period, i.e. 4.1894 PLN/EUR,

F item figures - at the exchange rate set by the NBP as at the 31 December 2013, i.e. 4.1472 PLN/EUR,

G item figures- at the exchange rate set by the NBP on the 31 March 2014, i.e. 4,1713 PLN/EUR.

Reconciliation of changes in balance sheet items to changes accounted in the cash flows statement as at 31 March 2015 is as below:

	31.03.2014
Change in provisions in the balance sheet	**3 868**
Balance as of the date of acquisition of business units	0
Deferred financing costs	146
Change in receivables in the statement of cash flows	**4 014**

	31.03.2014
Change in liabilities in the balance sheet	**15 067**
Balance as of the date of acquisition of business units	0
Other	-14
Change in liabilities in the statement of cash flows	**15 053**

	31.03.2014
Change in liabilities in the balance sheet	**-126 228**
Balance as of the date of acquisition of business units	0
Liabilities from loan commissions	-28
Change in liabilities in the statement of cash flows	**-126 256**

Note 1. Significant acquisitions and sales of property, plant and equipment and significant liabilities arising from the purchase of property, plant and equipment

There were no significant purchases and sales of property, plant and equipment in the reporting period.
As of 31 March 2015, the Group has no material commitments for the purchase of fixed assets.

Note 2. Deferred income tax assets

Assets / liabilities due to	**31.03.2015**	**31.12.2014**	**31.03.2014**
- Building contracts valuation	18 122	14 901	18 433
- Provisions	4 977	5 096	5 115
- Loss on taxes	2 042	2 862	2 903
- Margin on intra-Group sales	2 205	487	487
- Other fees charged statistically	96	673	274
- Revaluation of receivables	1 858	1 803	884
- Valuation of bonds	0	0	0
- Other financial liabilities	1 492	1 699	1 764
- Revaluation of inventories	0	0	0
- Consolidation adjustments	0	0	1 828
- Deferred costs	1 028	13 749	901
- Other	1 424	3 381	2 065
Total deferred tax assets	**33 244**	**44 651**	**34 654**

Assets and liabilities due to deferred income tax assets are offset when there is a legally enforceable entitlement to offset tax receivables and current tax liabilities and when the deferred tax relates to the same tax jurisdiction and will be executed in similar periods.

Margin realized on the intra-Group sales results from the higher tax value of assets sold to the Group companies in relation to their carrying amount due to the exclusion of consolidated profits included in assets.

Note 3. Short-term receivables
Note 3.1 Short-term trade receivables and other debts

	31.03.2015	**31.12.2014**	**31.03.2014**
Short-term receivables before tax	**370 982**	**386 074**	**325 174**
Due to deliveries and services	331 311	348 890	305 789
- from associates	47	46	120
- from other entities	331 264	348 844	305 669
From the public sector	28 867	26 473	12 250
Other	10 804	10 711	7 135
Impairment of receivables	**7 191**	**7 215**	**4 907**
Net short-term receivables	**363 791**	**378 859**	**320 267**

Note 3.2 Allowances for short-term trade receivables and other debts

	31.03.2015	**31.12.2014**	**31.03.2014**
Write-downs at the beginning of the period	7 215	**7 582**	7 582
Created to other operating costs	0	2 271	16
Reversed into other operating costs	18	465	2 184
Used	0	2 745	510
Foreign exchange differences	-6	6	3
Other	0	116	0
Write-downs taken from Erbud Rzeszów	0	450	0
Write-downs on short-term receivables at the end of the period	**7 191**	**7 215**	**4 907**

The Group creates impairment losses on receivables in case there is an objective evidence proof that the Group will not receive all amounts due under the original terms of receivables.
There is no credit risk concentration for trade receivables, as the Group has a large number of clients, both domestic and foreign.

Note 3.3 Allowances for other financial assets (long-term)

During the reporting period, there were no write-downs due to other long-term financial assets.

Note 4. Construction contracts

	31.03.2015	31.12.2014	31.03.2014
Building contracts income	302 909	1 623 903	263 673
Building contracts costs, incl.	279 258	1 511 586	242 269
- recorded loss	0	269	0
Profit before tax	**23 651**	**112 317**	**21 404**

The following table shows the value of recognized receivables and liabilities under long-term construction contracts in the Parent Company:

	31.03.2015	31.12.2014	31.03.2014
Assets:			
Amounts due from customers	**139 649**	**182 088**	**137 855**
Valuation of contracts	139 649	182 088	137 855
Liabilities:			
Amounts due to customers, incl.:	**77 899**	**42 538**	**95 199**
Valuation of contracts	77 899	42 538	95 199
Provision for losses on contracts		0	0

Note 5. Share capital of ERBUD SA (ownership structure)
Note 5.1 Shareholding structure as at 31 March 2015

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%**	
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	712 087	5.58%	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		Share capital value in PLN	1 276 192.50		

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 shareholding 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		Share capital value in PLN	1 276 192.50		

Shareholding structure as at 31 March 2014

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	2.22%	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%**	
	Par value of shares of all series in PLN		0.10	Share capital in PLN	1 271 454,60		

The tables present the shareholders holding over 5% of the share capital and have been prepared on the basis of the stocks book.

Number of shares comprising the authorized capital is equal to the number of shares issued. The nominal value of each share is PLN 0.10. No shares have been reserved for the purpose of issuance under contracts' sale options.

Note 6. Change in deferred income tax provision
Note 6.1 Deferred income tax provision

Provision for	**31.03.2015**	**31.03.2014**	**31.03.2014**
- building contracts valuation	22 261	20 609	23 478
- assets revaluation	5 662	5 920	6 239
- financial costs activated	262	355	304
- balance sheet valuation	130	202	1 019
- balance sheet valuation for interest	954	921	1 253
- accrued income	0	13 980	0
- other	1 981	3 392	790
Total provision for deferred income tax	**31 250**	**45 379**	**33 083**

Deferred tax provisions are created on the rate basis of 19% for positive and negative temporary differences on domestic assets and liabilities, while the difference in the balance sheet items relating to the entitles operating abroad - on tax rates basis of the country of the primary economic environment in which the entity operates and pays obligations arising from income corporate tax.

Note 7.
Note 7.1 Other non-current liabilities

	31.03.2015	**31.03.2014**	**31.03.2014**
a) to subsidiaries	0	0	0
b) to other entities	92 074	94 425	79 328
- loans and borrowings	20 398	22 801	21 598
- other financial liabilities, incl.	6 676	6 624	5 730
- from financial lease	6 676	6 608	5 730
- securing of foreign exchange risk in Budlex	0	16	0
- other	0	0	0
- liabilities due to bond issue	65 000	65 000	52 000
- other	0	0	0
Total long term liabilities	**92 074**	**94 425**	**79 328**

Note 8.

Trade liabilities and other debts, income tax liabilities and building securities

Short-term liabilities	31.03.2015	31.03.2014	31.03.2014
a) Due to deliveries and services	327 400	445 197	217 906
- from associates	0	0	138
- from other entities	327 400	445 197	217 768
b) To public sector	14 829	15 376	13 078
- corporate income tax	702	2 751	139
- VAT	4 964	4 508	6 485
- income tax on natural persons	1 468	1 540	1 312
- other	7 695	6 577	5 142
c) Financial liabilities , incl.:	4 536	6 859	12 324
- interest	0	28	-258
- interest on bonds	32	734	
- liabilities form bonds	0	0	10 000
- lease	4 504	4 771	2 582
- forward financial instruments	0	1 294	0
d) Other	21 815	29 699	6 752
- payroll	6 418	5 453	4 640
- prepayments received	13 330	22 749	347
- liabilities due to shares	0	0	0
- other	2 067	1 497	1 765
Total	**368 580**	**497 131**	**250 060**

Note 9. Finance lease liabilities

Fair value	31.03.2015	31.03.2014	31.03.2014
Up to 1 year	4 504	5 085	2 582
Over 1 and up to 5 years	6 676	7 047	5 730
Total	**11 180**	**12 132**	**8 312**

The Group uses financial leasing of vehicles. The average lease duration is 3-4 years. Obligations under finance leases are secured by assets used on basis of these lease agreements.
The lease agreements do not include clauses providing for penalties for early repayment of obligations.

Note 10. Information on issue, redemption and repayment of debt instruments and securities issued

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 will be paid every 6 months. The Company will apply for placing bonds on the trading platform for debt financial instruments carried by the Stock Exchange in Warsaw SA in the form of alternative trading system. The Company earmarked funds for the purchase of 40,000 Series A bonds issued by the Issuer and to finance the increased working capital demand associated with record orders portfolio of the Capital Group. The remaining 10,000 Bonds of Series A will be redeemed on the original fixed term, i.e. 14 July 2014.

On 18 June 2014, the subsidiary Budlex SA issued a total of 13,000 bonds with an aggregate nominal value of PLN 13,000,000. The par value of one bond amounted to PLN 1,000. The redemption date was set for 18 June 2017. The interest rate on the Bonds is a variable one and based on WIBOR 6M plus a margin of 5.35%. Interest is payable every 6 months.

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 authorized 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.

Note 11. Acquisition / Disposal of subsidiaries / Disposal of long term-investments

Such events did not occur.

Note 12.

Net revenues from sales of products (in kind structure - type of activities)

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
- sale of products	22 921	13 610
- sale of services	312 454	269 407
-sale of goods and materials	861	585
Total net income from sales	**336 236**	**283 602**

Note 13. Costs by type

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
a) Depreciation and amortisation	1 855	1 457
b) Consumption of materials and power	44 171	47 780
c) External services	213 099	215 111
d) Taxes and charges	2 883	2 041
e) Payroll	36 843	27 054
f) Social security, health care and other benefits	8 161	6 446
g) Other costs	4 042	3 513
h) Value of goods and materials sold	836	556
Total expenses by type	**311 890**	**303 958**
Change in inventories, products and deferred expenditures due to construction contracts	17 498	-25 602
Cost of production for in-house use (negative value)	0	0
Cost of sales (negative value)	-1 343	-984
General and administrative costs (negative value)	-14 167	-13 746
Production cost of products sold	**313 878**	**263 626**

Note 14. Corporate income tax

	3-month period ended 31.03.2015	12-month period ended 31.12.2014	3-month period ended 31.03.2014
Current income tax	4 019	6 345	7 434
Deferred income tax	-3 488	1 817	-5 567
Tax liability shown in the profit and loss account	**531**	**8 162**	**1 867**

Note 15. Net earnings per share

	3-month period ended 31.03.2015	3-month period ended 31.03.2014
Net earnings (loss)	5 198	1 303
Weighted average number of shares (in units)	12 736 925	12 714 546
Earnings (loss) per share (in PLN)	0.4081	0.1024
Weighted average diluted number of shares (in units)	12 768 667	12 777 703
Diluted earnings (loss) per share (in PLN)	0.4071	0.1019

Basic earnings per share are calculated as a quotient of net income for the period attributable to ordinary shareholders of the Parent Company and the weighted average number of issued common shares outstanding for the period.

Diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary shareholders (after deducting interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (after adjusting the impact of dilutive options and dilutive redeemable preference shares convertible into ordinary shares).

Note 16. Income, expenditures and results on discontinued operations or operations to be discontinued in next period

There were no discontinued operations in the reporting period.

Note 17. Number of Erbud SA shares held or rights to them (options) by persons managing and supervising the Company as at the report submitting date, including the indication of changes in ownership in the first quarter of 2015

As at 31 March 2015 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	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	712 087	5.58%	712 087	5.58%
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	1 200	0.01%	1 200	0.01%
Kryspin Jarosz Erbud SA procuration holder	Ordinary	3 244	0.03%	3 244	0.03%

Piotr Dobosz - procuration holder	Ordinary	6 413	0.05%	6 413	0.05%
Mariola Zielińska Chief Accountant of Erbud SA	Ordinary	3 618	0.03%	3 618	0.03%

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 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 2015 and as at 31 December 2014 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 2015 and as at 31 December 2014 were not a party to the contract obliging to render services to the companies of the Erbud Group.

Note 18. Information about key events occurred in the period of three months of 2014 and after the balance date

Contracts concluded:

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.

On **11 March 2015**, the Issuer entered with the Grupa PEP – Farma Wiatrowa 1 Spółka z ograniczoną odpowiedzialnością, with its registered office in 02-526 Warsaw, 24/26 Krucza St. (the "Employer") into a contract for comprehensive building works related to the construction of a wind farm.
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.
The total net Contract value is PLN 4,504,357.39 (said: four million, five hundred and four thousand, three hundred and fifty-seven, point three nine Zlotys).
The project is scheduled to be completed by the consortium till 6 February 2016.

On **11 March 2015**, Erbud S.A. concluded a contract for demolition of existing building and construction of SZUCHA Premium Offices – office building consisting of two aboveground, seven- and three-storey portions, three-storey underground car park and necessary in-building facilities, incl. on-site development works.

The Investor: GPG CORNER - Green Property Group Sp. z o. o. S.K.A ul. Podkocka 4B, 63-460 Nowe Skalmierzyce.
Net contract value: PLN 41,286,000
Site location: Warszawa, Al. Szucha 17/19
Completion period: 18 months from the date of signing the contract.

On **31 March 2015**, the Issuer signed with Wiatromil Sp. z o.o based in 80-307 Gdansk, 1A Abrahama St. (the Employer) an annex to the conditional contract dated 15.10.2014 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. About concluding the above said contract the Issuer has informed in the Current Report No. 39/2014 of 16 October 2014.
The Issuer is a Partner of the Consortium (Contractor) formed together with 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 annex includes the following amends:
1) Reducing the scope of the project. The remaining scope is divided into three phases.
2) Reduction of the total contract value to PLN 157,200,000.00 (say: one hundred and fifty-seven million, two hundred thousand Zlotys) wherein:
- the value of the first phase is set at PLN 117,500,000.00 (say: one hundred and seventeen million, five hundred thousand Zlotys), of which the value of range to be executed by Electrum sp. z o.o. is 39,500,000.00 (say: thirty-nine million, five hundred thousand Zlotys);
- the value of the second phase is set at PLN 28,700,000.00 (say: twenty-eight million, seven hundred thousand Zlotys);
- the value of the third phase is set at PLN 11,000,000 (say: eleven million Zlotys).
The detailed range of works range in the phase II and III will be made prior to the Instruction to Proceed Commencement of these works. The value of works to be completed by Electrum Sp. z o.o is not more than 30 percent of the II and III stages together.
3) The Contractor has been instructed to start of the first phase works; the completion is scheduled for 30 April 2016.
4) The performance of phase II and III of the project will depend on the Employer's decision.
The original value of the contract amounted to PLN 250,740,540.13, of which the value of the work performed by the Consortium Partner Electrum Sp. z o.o. is PLN 136.558.300.00.

All other terms and conditions of the contract shall remain unchanged.

On **1 April 2015**, Erbud S.A. signed contract for construction works to erect a retail and office building on a turnkey basis.
Investor: OMEX Sławomir Stepnowski 54-201 Wrocław, 6-10 Przedmiejska St.
The estimated contract value is PLN 25,450,605.69 - unit price remuneration
The Investor: OMEX Sławomir Stepnowski 54-201 Wrocław, 6-10 Przedmiejska St.
Site location: Wrocław, 38-40 Braniborska St.
Completion period: 02.04.2015 - 16.01.20173.

On **1 April 2015**, the Issuer signed with Potegowo Winergy sp. z o.o. with its registered office in Warsaw (00-633), 11 Polna St. (the “Employer”) an annex to the conditional contract to build the Potęgowo - East Wind Farm. About concluding the above said contract the Issuer has informed in the Current Report No. 14/2015 dated 19 January 2015.
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 annex includes the following amends:
1) Reducing the scope of project works.
2) Reduction of the total contract value to PLN 149,000,000.00 (say: one hundred and forty-nine million Zlotys) of which the value of range to be executed by Electrum sp. z o.o. is 74,500,000.00 (say: seventy-four million, five hundred thousand Zlotys).
The contract is still conditional – it shall come into force subject to receiving from the Employer the Instruction to Commence the Works. It has been agreed that in case the Contractor will be requested to start work before 15 April 2015, the contract will be completed by 5 February 2016. In the event that the Contractor will be requested

to start work later, the deadline will be postponed, provided that if the Contractor is not requested to commence work by 4 August 2015, the contract expires.
The original value of the contract amounted to PLN 198,600,000.00, of which Electrum sp. z o.o. had PLN 102,012,500.00.

On **15 April 2015**, the Company entered with Dom Development SA seated in Warsaw into a contract for the construction as prime contractor of a multi-family housing complex located in Warsaw near to Olbrachta Street.
The remuneration of Erbud SA for the execution of the contract amounts to PLN 63,650,000 (say: sixty-three million, five hundred thousand Zlotys) add VAT.
The total net value of contracts signed with Dom Development SA in the last 12 months is PLN 110,880,000. (say: one hundred and ten million, eight hundred and eighty thousand Zlotys).
The construction works will start on 15 April 2015 with completion scheduled for 15 June 2017.

Note 19. Other important events

On **18 March 2015**, the Issuer filed in the District Court Warsaw Mokotów a suit for damages due to improper performance of the contract, against Cemex Polska sp. z o.o based in Warsaw, and Lafarge Kruszywa i Beton sp. z o.o. based in Warsaw (the "Defendant") in the amount of PLN 18,685,956.97 (say: eighteen million, six hundred and eighty-five thousand, nine hundred and fifty-six, point nine seven), of which a claim of PLN 8,098,200.89 (say: eight million, ninety-eight thousand, two hundred, point eight nine) against Cemex Polska sp. z o.o., and of 10,587,756.08 (say: ten million, five hundred and eighty-seven thousand, seven hundred and fifty-six, point zero eight) against Lafarge Kruszywa i Beton sp. z o.o.).

Note 20. Changes in accounting policy applied and method of preparation of financial statements, introduced in relation to the previous financial year (years), their causes and the impact on the asset and financial position, liquidity, result and profitability

Over the current reporting period the Company did not make any changes in accounting policies and method of preparation of financial statements in relation to the previous financial year.

Note 21. Business combinations

On 2 February 2015, pursuant to Art. 492 section 1 item 1 of the Commercial Companies Code, there was a merger between ERBUD Industry Sp. z o.o. and DELTA Sp. z o.o. The business combination took place through acquiring DELTA Sp. z o.o by Erbud Industry Sp. z o.o by transferring all the assets of DELTA Sp. z o.o. to Erbud Industry Sp. z o.o against shares which ERBUD Industry Sp.z o.o. will deliverd to shareholders of DELTA Sp. z o.o. The mergered undertakings belong to the group of companies, in which there is an indentity of shareholders. In both companies ERBUD SA is the sole shareholder.

Note 22. Dividend policy - description of policy on the payment of dividends and any restrictions related. The dividend value per share for each financial year of the period covered by the historical financial information, adjusted in case of changes of the number of shares, in order to make comparisons

On 28 April 2015, the Supervisory Board positively assessed the Management Board's recommendation to the AGM of the Company concerning the dividend payment in the amount of PLN 6,380,962.50 from the net profit for the financial year 2014 and setting the dividend date for 15 July 2015 and the payment date for 30 July 2015.

Note 23. Changes in accounting estimates

There were no changes in the method used for accounting estimates in the comparable period and in the period ended 31 March 2015.

Note 24. Segment information

In the reporting period ended 31 March 2015, the Group conducted operations in the following business segments:

- large-volume building,

- real estate development,
- road-engineering,
- construction for the energy sector,

In the reporting period ended 31 March 2015, the Group conducted operations in the following geographical areas:

- 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 a uniform accounting policy for all segments.

Business segments

The following table provides figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 March 2015:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2015	Large-volume construction	Real estate development	Road-engineering	Activities in energy sector	Total
Sale to external customers	246 358	23 240	29 777	36 861	**336 236**
Total income	**246 358**	**23 240**	**29 777**	**36 861**	**336 236**
Cost of products, goods and materials sold to external clients	231 717	20 670	27 340	34 151	**313 878**
Total cost of products, goods and materials sold	**231 717**	**20 670**	**27 340**	**34 151**	**313 878**
Total gross sales	**14 641**	**2 570**	**2 437**	**2 710**	**22 358**
Cost of sales	175	365	405	398	**1 343**
General and administrative costs	8 727	228	1 893	3 319	**14 167**
Profit (loss) on other operating activity	227	22	-77	19	**191**
Share of net profit (loss) of subsidiaries valued by equity method	0	1 500	0	0	**1 500**
Segment profit (loss)	**5 966**	**3 499**	**62**	**-988**	**8 539**
Profit (loss) on financing activity	-2 180	-36	45	-299	**-2 470**
Income tax	398	232	152	-251	**531**
Net profit	**3 388**	**3 231**	**-45**	**-1 036**	**5 538**

Business segments

The following table provides figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 December 2014:

Proceeds and expenses by business segments

For the period from 1 January to 31 December 2014	Large-volume construction	Real estate development	Road-engineering	Activities in energy sector	Total
Sale to external clients	1 397 537	45 448	160 185	88 885	**1 692 055**
Total income	**1 397 537**	**45 448**	**160 185**	**88 885**	**1 692 055**
Cost of products, goods and materials sold to external clients	1 332 625	40 693	144 226	75 269	**1 592 813**
Total cost of products, goods and materials sold	**1 332 625**	**40 693**	**144 226**	**75 269**	**1 592 813**
Total gross sales	**64 912**	**4 755**	**15 959**	**13 616**	**99 242**
Sales costs	170	1 783	1 690	1 307	**4 950**
General and administrative costs	38 532	1 622	7 917	8 495	**56 566**
Result on other operating activity	-899	170	-625	-126	**-1 480**
Share of net profit (loss) of subsidiaries valued by equity method	0	6 882*	0	0	6 882
Segment result	**25 311**	**8 402**	**5 727**	**3 688**	**43 128**
Result on financing activity	-6 001	-476	-183	-414	**-7 074**

Income tax	5 386	77	1 506	1 193	**8 162**
Net profit	**13 924**	**7 849**	**4 038**	**2 081**	**27 892**

* Deptak Project amounting PLN 6,882 thousand

Business segments

The following table provides figures on proceeds and gains as well as certain assets and liabilities of business segments of the Group as at 31 March 2014:

Proceeds and expenses by business segments

For the period from 1 January to 31 March 2014	**Large volume construction**	**Real estate development**	**Road-engineering**	**Activities in energy sector**	**Other segments**	**Total**
Sale to external customers	225 690	13 913	19 822	24 177	0	**283 602**
Total income	**225 690**	**13 913**	**19 822**	**24 177**	**0**	**283 602**
Cost of products, goods and materials sold to external clients	211 087	11 510	17 195	23 834	0	**263 626**
Total cost of products, goods and materials sold	**211 087**	**11 510**	**17 195**	**23 834**	**0**	**263 626**
Total gross sales	**14 603**	**2 403**	**2 627**	**343**	**0**	**19 976**
Cost of sales	0	401	390	193	0	**984**
General and administrative costs	8 317	240	2 547	2 642	0	**13 746**
Profit (loss) on other operating activity	819	12	-2	65	0	**894**
Segment profit (loss)	**7 105**	**1 774**	**-312**	**- 2 427**	**0**	**6 140**
Profit (loss) on financing activity	-2 839	107	-26	-92	0	**-2 850**
Income tax	1 654	181	2	30	0	**1 867**
Net profit	**2 612**	**1 700**	**-340**	**-2 549**	**0**	**1 423**

Geographical segments

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2015:

Proceeds and expenses by geographical segments

Year ended 31 March 2015	**Domestic**	**Abroad**	**Total**
Sale to external clients	289 485	46 751	**336 236**
Total income	**289 485**	**46 751**	**336 236**
Cost of products, goods and materials sold to external clients	268 910	44 968	**313 878**
Total cost of products, goods and materials sold	**268 910**	**44 968**	**313 878**
Total gross sales	**20 575**	**1 783**	**22 358**
Sales costs	1 343	0	**1 343**
General and administrative costs	13 212	955	**14 167**
Result on other operating activity	71	120	**191**
Share of net profit (loss) of subsidiaries valued by equity method	**1 500**	**0**	**1 500**
Segment result	**7 591**	**948**	**8 539**
Result on financing activity	-1 693	-777	**-2 470**
Income tax	155	376	**531**
Net profit	**5 743**	**-205**	**5 538**

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2014:

Proceeds and expenses by geographical segments

Year ended 31 December 2014	**Domestic**	**Abroad**	**Total**
Sale to external clients	1 496 682	195 373	**1 692 055**

Total income	**1 496 682**	**195 373**	**1 692 055**
Cost of products, goods and materials sold to external clients	1 407 569	185 244	**1 592 813**
Total cost of products, goods and materials sold	**1 407 569**	**185 244**	**1 592 813**
Total gross sales	**89 113**	**10 129**	**99 242**
Sales costs	4 950	0	**4 950**
General and administrative costs	48 046	8 520	**56 566**
Result on other operating activity	-3 875	2 395	**-1 480**
Share of net profit (loss) of subsidiaries valued by equity method	6 882*	0	**6 882**
Segment result	**39 124**	**4 004**	**43 128**
Result on financing activity	-7 392	318	**-7 074**
Income tax	7 258	904	**8 162**
Net profit	**24 474**	**3 418**	**27 892**

* Deptak Project amounting PLN 6,882 thousand

The following table provides figures on proceeds, expenditures, and certain assets of geographical segments of the Group as at 31 March 2014:

Proceeds and expenses by geographical segments

Year ended 31 March 2014	**Domestic**	**Abroad**	**Total**
Sale to external customers	234 338	49 264	**283 602**
Total income	**234 338**	**49 264**	**283 602**
Cost of products, goods and materials sold to external customers	216 681	46 945	**263 626**
Total cost of products, goods and materials sold	**216 681**	**46 945**	**263 626**
Total gross sales	**17 657**	**2 319**	**19 976**
Cost of sales	984	0	**984**
General and administrative costs	11 659	2 087	**13 746**
Profit (loss) on other operating activity	94	800	**894**
Segment profit (loss)	**5 108**	**1 032**	**6 140**
Profit (loss) on financing activity	-2 844	-6	**-2 850**
Income tax	1 579	288	**1 867**
Net profit	**685**	**738**	**1 423**

Note 25. Construction contracts retentions

Construction contracts retention money as of 31 March 2015 was as follows:

	31.03.2015	**31.03.2014**
Retentions held by customers		
Returnable beyond 12 months	11 377	18 730
Returnable within 12 months	35 847	33 742
Total	**47 224**	**52 472**
Retentions retained to suppliers		
Returnable beyond 12 months	11 779	9 793
Returnable within 12 months	76 173	70 304
Total	**87 952**	**80 097**

Note 26. Litigation and claims

The register of court cases in relation to the 31 December 2014, in which the Erbud Capital Group is a party to the proceedings as plaintiff and defendant, did not change significantly. Therefore, during the reporting period, there were no substantial changes in the amount of provisions for liabilities created under litigation.

Note 27. Asset-backed securities

Mortgages on fixed assets of the company

1) The book value of fixed assets of the company covered by the mortgage – PLN 3.234 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.

Note 28. Information on changes in economic outlook and business conditions, which have a significant impact on the fair value of Company's financial assets and financial liabilities

In relation to the financial year ended 31 December 2015, this type of significant changes did not occur.

Note 29. Information on changes in the method of determining the value of financial instruments measured at their fair value

In the period ended 31 March 2015, the Group did not change the method of determining the value of financial instruments measured at fair value.

Note 30. Information on changes in the classification of financial assets as a result of target exchange or use of these assets

In the period ended 31 March 2015, the Group did not change the classification of financial assets as a result of target exchange or use of these assets.

Note 31. Events subsequent to the balance sheet date

After the balance sheet date by the date of the financial statements there were no events which have not been, and should be recognized in the accounts of the financial year.

Signature of person preparing the Financial Statements

Mariola Zielińska
/Chief Accountant/

Signatures of Board Members

Józef Zubelewicz
/Board Member/

Dariusz Grzeszczak
/Board Member/

Warsaw, 12 May 2015