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PRESS RELEASE

FINANCIAL RESULTS OF THE ERBUD GROUP FOR 1-3Q 2013

IMPROVING PROFITABILITY AT LOWER REVENUES, STABLE OUTLOOK FOR 2014

Consolidated financial results of the ERBUD Group in accordance with IFRS

PLN million	3Q 2013	3Q 2012	y/y change	1-3Q 2013	1-3Q 2012	y/y change
Sale	298.7	362.4	-17.6%	824.6	965.8	-14.6%
EBIT	12.5	9.4	+33.8%	20.7	23.5	-12.2%
EBIT margin	4.2%	2.6%	-	2.5%	2.4%	-
Net profit	7.9	4.6	+73.5%	10.6	12.9	-18.1%
Closing balance of cash	-	-	-	95.15	93.54	+1.7%

IMPROVING PROFITABILITY AT LOWER REVENUES

In the third quarter of this year, the ERBUD Group's revenue decreased **by 17.6% y/y to PLN 298.7m**. In the year to the end of the 3Q 2013, the Group recorded an **income of PLN 824.6m, i.e. a fall of 14.6% y/y**, what was due to lower sales in large volume construction in the country (by 22% y/y) and performance in road construction, which decreased revenues by 58% y/y.

In 3Q 2013, the EBIT amounted to **PLN 12.5m**, what represented **an increase of 33.8% y/y**. The EBIT margin was **4.2% compared to 2.6%** in the third quarter of 2012. The cumulative Group's EBIT at the end of September was **PLN 20.7m, i.e. a decrease of 12.2% y/y**. The EBIT margin in the first three quarters of this year amounted to **2.5% in comparison to 2.4%** in the corresponding period of 2012. All segments have contributed to the positive result of the consolidated operating profit of the Group.

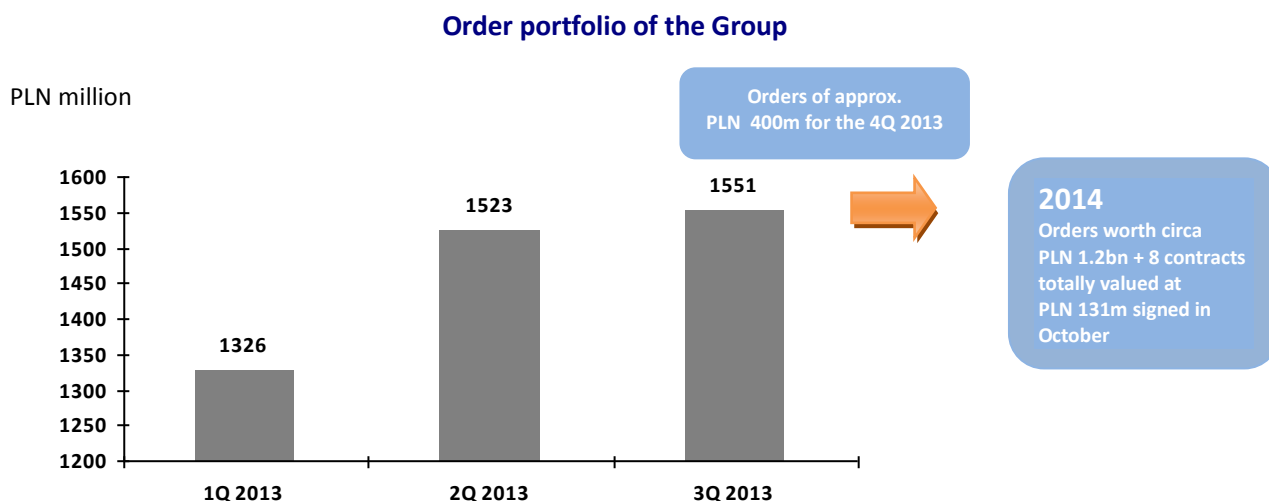
The Group's net profit in 3Q 2013 reached **PLN 7.9m**, what represented a **rise of 73.5% y/y to PLN 4.6m** in the same period of 2012. The net margin was **2.66% compared to 1.26%** in the same corresponding period of 2012. Year to the end of September, the Group recorded a net profit of **PLN 10.6m, i.e. a fall of 18.1% y/y**. The net margin amounted to **1.3%**.

ORDER BACKLOG OF ABOUT PLN 1.6 BILLION

At the end of September 2013, the ERBUD Group had **PLN 95.15m in cash**. The debt of the Group's net interest income fell to **PLN 0** from PLN 30.5m at the end of June 2013. Bank and insurance lines for a total amount of PLN 614m are available to the Group.

At the end of September 2013, the Group had an order backlog of PLN 1.6bn, of which ca. **PLN 400m** is scheduled to be completed in the current year. In October this year, the Group entered into another eight contracts of overall PLN 131m.

The main segments in the portfolio are: office (41.6%), retail centres (12.5%), power sector (10.7%), hospitals (9.8%), public facilities (8.6%), residential buildings (6.7%) as well as engineering projects (3.6%) and road construction (2.9%). As part of the above portfolio, public projects represent 20%.



DEVELOPMENT PROSPECTS FOR 2014

The Management Board believes that the first half of 2014 will stabilize the situation in the construction industry. A visible outlook improvement can be expected no earlier than in the second half of next year.

The ERBUD Group enters 2014 with a stable portfolio of more than PLN 1.1bn. The Board's priority is to develop sales in selected market segments, especially in large-volume construction and energy industry. The Group's Power Department will increase its involvement in country-wide projects in the field of services and modernization in the energy sector and construction of renewable energy facilities.

As regards the housing development, the Management Board plans to begin the performance of the DEPTAK project in Poznań. A final building permission for the construction of an office and retail building in Poznan located at Poznań's Passage has been issued. The building will be erected by a special purpose company Deptak Projekt P2 and will have a tenancy area of approx. 9,000 sq.m, including 6,500 sq.m of retail space and 2,500 sq.m of office space. Date of obtaining the occupancy permission and opening the shopping centre and the opening is scheduled for March 2015. The project funding is provided under a bank credit line.

For further information please contact:

Ms Agnieszka Głowacka
Erbud S.A.
Direct: (+4822) 548-70-10
E-mail: agnieszka.glowacka@erbud.pl