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PRESS RELEASE

FINANCIAL RESULTS OF THE ERBUD GROUP FOR 1-4Q 2013

IMPROVED PROFITABILITY OF THE GROUP'S OPERATING INCOME, RECORD PORTFOLIO AND OUTLOOK FOR 2014

Consolidated financial results of the ERBUD Group in accordance with IFRS

| PLN million | 4Q 2013 | 4Q 2012 | y/y change | 2013 | 2012 | y/y change |
|-------------------------------|---------|---------|------------|--------|---------|------------|
| Sale | 400.5 | 418.7 | -4.3% | 1225.1 | 1384.45 | -11.5% |
| EBIT | 11.75 | 5.9 | +100.1% | 32.4 | 29.4 | +10.25% |
| EBIT margin | 2,9% | 1.4% | - | 2.7% | 2.1% | - |
| Net profit | 7.8 | 5.6 | +39% | 18.4 | 18.5 | -1% |
| Net margin | 2,0% | 1.3% | - | 1.5% | 1.3% | - |
| Cash at the end of the period | - | - | - | 124.6 | 201.8 | -38% |

LOWER INCOME IN ACCORDANCE WITH THE ASSUMPTIONS

The ERBUD Group's revenues in 4Q 2013 decreased by 4.3% y/y and amounted to PLN 400.5m. Cumulatively, in 2013 the Group had revenues of PLN 1,225.1m, i.e. a fall of 11.5% y/y, **as a result of lower sales in large-volume construction in the country (by 19% y/y) and lower throughputs in the engineering segment, which declined by 32.5% y/y over the year.** During this period, the construction market went down by 12% y/y.

PROFITS AND PROFITABILITY GO UP

In 4Q 2013, EBIT was at PLN 11.75m, i.e. 100.1% up y/y. EBIT margin was 2.9% compared to 1.4% in 4Q 2012. **In the year to the end December 2013, the Group achieved an EBIT of PLN 32.4m to PLN 29.4m, i.e. a 10.25% increase y/y. EBIT margin in 2013 came at 2.7% in relation to 2.1% in 2012.** All business segments of the Group recorded a positive operating result.

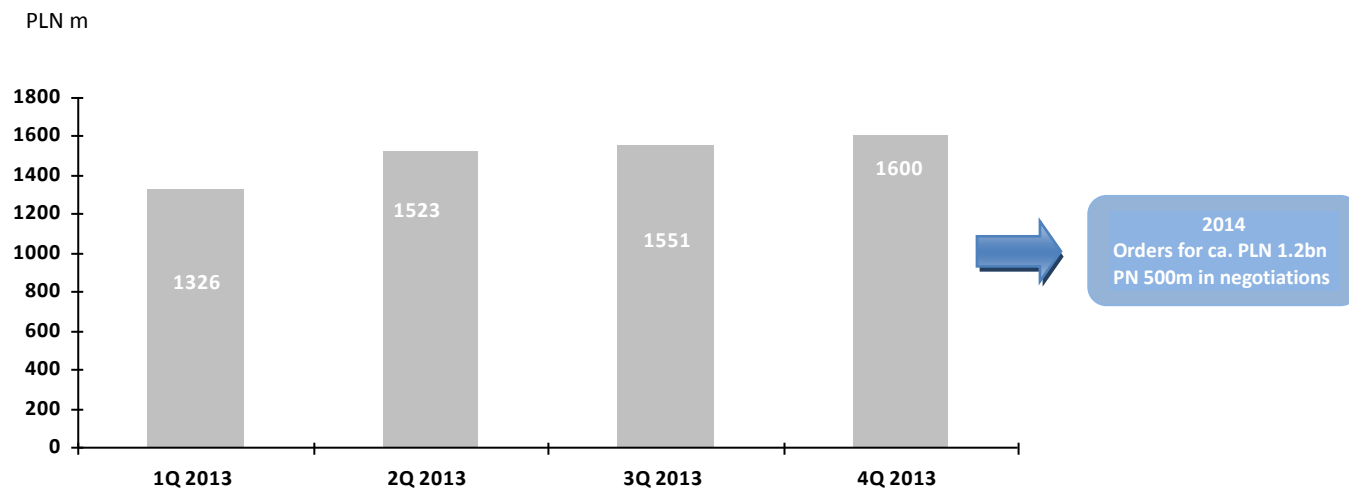
The Group's net profit in 4Q 2013 rose by 39% y/y and amounted to PLN 7.8m, i.e. 2.0% of net margin. For the year 2013, the Group recorded a net profit of PLN 18.4m, i.e 1.5% of margin.

APPROX. PLN 1.6 BILLION IN THE BACKLOG OF ORDERS

At the end of December 2013, the Group had **PLN 124.6m in cash** and available lines of Banking and Insurance for a total amount of PLN 618m.

At the end of the fourth quarter of 2013, the Group had an order portfolio worth about PLN 1.6bn, of which ca. 1.2bn is due for completion this year. For comparison, at the end of December 2012, the backlog amounted to PLN 1.3bn, of PLN 944m was scheduled for 2013. Currently, negotiated are projects valued at around PLN 500m.

Order portfolio of the Group



PROSPECTS FOR FURTHER DEVELOPMENT

In the current year, the Management Board sees opportunities for further development of large volume construction and energy segment. At the end of 2013 the backlog in large volume segment was at PLN 1.28bn out of PLN 913m for 2014. The Management Board expects that improvement of the situation in the construction industry will increase margins on contracts.

The Energy segment entered into this year with a portfolio of orders worth PLN 190.85m. The Management Board plans further development and increase in contracting in the next 2 years. The Energy segment will increase acquisition of country wide projects in the field of services and modernization works in energy sector as well as building investments of renewable energy.

At the end of 2013, the segment had a 6.5% share in the structure of the Group.

In 2014 the development segment will focus on a commercial project in Poznań. The deadline for occupancy permit and opening is planned in 1H 2015.

Some residential projects are also prepared.

The engineering segment entered into 2014 with a backlog worth PLN 96m, what represents a twofold increase y/y. The management expects further improvement of engineering construction in this year.

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