

Budimex SA

Condensed financial statements
for I quarter of 2011

BALANCE SHEET

	As at 31.03.2011	As at 31.12.2010	As at 31.03.2010
	(PLN '000)	(PLN '000)	(PLN '000)
Assets			
I. Non-current assets	1 275 577	1 288 055	1 146 963
1. Intangible assets, including:	1 751	1 768	1 895
- goodwill	-	-	-
2. Tangible fixed assets	79 055	82 891	64 485
3. Long-term receivables	-	-	-
3.1. From related parties	-	-	-
3.2. From other entities	-	-	-
4. Long-term investments	804 437	810 754	834 027
4.1. Investment property	13 265	13 391	13 899
4.2. Intangible assets	-	-	-
4.3. Long-term financial assets	791 172	797 363	820 128
a) in related parties, including:	788 987	795 121	817 886
- shares in subordinate entities equity accounted	-	-	-
b) in other entities	2 185	2 242	2 242
4.4. Other long-term investments	-	-	-
5. Long-term deferred costs	390 334	392 642	246 556
5.1. Deferred tax assets	386 924	388 337	244 471
5.2. Other prepayments and deferred costs	3 410	4 305	2 085
II. Current assets	2 041 389	2 570 896	1 229 736
1. Inventories	328 135	237 579	131 635
2. Short-term receivables	524 774	413 961	357 725
2.1. From related parties	117 363	72 481	65 320
2.2. From other entities	407 411	341 480	292 405
3. Short-term investments	976 863	1 769 110	624 775
3.1. Short-term financial assets	976 863	1 769 110	624 775
a) in related parties	-	-	608
b) in other entities	14 679	14 111	10 792
c) cash and cash equivalents and other monetary assets	962 184	1 754 999	613 375
3.2. Other short-term investments	-	-	-
4. Short-term deferred costs	211 617	150 246	115 601
Total Assets	3 316 966	3 858 951	2 376 699
Liabilities and Shareholders' Equity			
I. Shareholders' equity	709 609	642 735	610 819
1. Share capital	127 650	127 650	127 650
2. Unpaid share capital (negative value)	-	-	-
3. Own shares purchased (negative value)	-	-	-
4. Reserve capital	285 349	285 349	324 265
5. Revaluation reserve	3 440	3 453	3 153
6. Other reserves	-	-	-
7. Accumulated profits (losses) from previous years	226 283	-	134 433
8. Net profit (loss) for the period	66 887	226 283	21 318
9. Deductions from profit for the period (negative value)	-	-	-
II. Liabilities and provisions	2 607 357	3 216 216	1 765 880
1. Provisions	238 637	231 671	195 161
1.1. Deferred tax liability	58 319	48 683	34 272
1.2. Provision for retirement bonuses and related obligations	2 911	2 911	2 767
a) long-term	1 554	1 554	1 441
b) short-term	1 357	1 357	1 326
1.3. Other provisions	177 407	180 077	158 122
a) long-term	78 413	76 285	65 035
b) short-term	98 994	103 792	93 087
2. Long-term liabilities	7 356	11 244	8 438
2.1. To related parties	-	-	-
2.2. To other entities	7 356	11 244	8 438
3. Short-term liabilities	1 211 366	1 678 864	812 329
3.1. To related parties	122 607	108 140	100 735
3.2. To other entities	1 082 674	1 567 628	706 824
3.3. Special funds	6 085	3 096	4 770
4. Accruals and deferred income	1 149 998	1 294 437	749 952
4.1. Negative goodwill	-	-	-
4.2. Other accruals and deferred income	1 149 998	1 294 437	749 952
a) long-term	5 150	5 150	5 150
b) short-term	1 144 848	1 289 287	744 802
Total Liabilities and Shareholders' Equity	3 316 966	3 858 951	2 376 699
Book value per share calculation	As at 31.03.2011	As at 31.12.2010	As at 31.03.2010
Net assets (thd zł)	709 609	642 735	610 819
Number of shares	25 530 098	25 530 098	25 530 098
Book value per share (zł)	27,79	25,18	23,93

OFF-BALANCE SHEET ITEMS (in PLN thousands)

	As at 31.03.2011	As at 31.12.2010	As at 31.03.2010
	(PLN '000)	(PLN '000)	(PLN '000)
1. Contingent receivables	312 368	278 736	208 602
1.1. From related parties, of which:	-	-	-
- guarantees and suretyships received	-	-	-
- bills of exchange received as security	-	-	-
1.2. From other entities	312 368	278 736	208 602
- guarantees and suretyships received	301 220	271 037	205 761
- bills of exchange received as security	11 148	7 699	2 841
1.3. Other	-	-	-
- other contingent receivables	-	-	-
2. Contingent liabilities	1 556 386	1 429 246	1 412 340
2.1. To related parties, of which	139 476	113 066	130 258
- guarantees and suretyships issued	139 476	113 066	130 258
- promissory notes issued as security	-	-	-
2.2. To other entities, of which	1 416 910	1 316 180	1 282 082
- guarantees and suretyships issued	1 414 855	1 314 180	1 278 080
- promissory notes issued as security	2 055	2 000	4 002
3. Other	-	-	-
- other contingent liabilities	-	-	-
Total off-balance sheet items	(1 244 018)	(1 150 510)	(1 203 738)

PROFIT AND LOSS ACCOUNT

	1. quarter for the period from 01.01.11 to 31.03.11 (PLN '000)	1. quarter for the period from 01.01.10 to 31.03.10 (PLN '000)
I. Sales of finished products, goods for resale and raw materials, including:	657 624	384 110
- to related parties	52 651	11 652
1. Sales of finished products	657 444	384 060
2. Sales of goods for resale and raw materials	180	50
II. Cost of finished products, goods for resale and raw materials, including:	(592 379)	(348 794)
- from related parties	(20 524)	(14 920)
1. Cost of finished products	(592 264)	(348 760)
2. Cost of goods for resale and raw materials sold	(115)	(34)
III. Gross profit (loss) on sales (I - II)	65 245	35 316
IV. Selling expenses	(2 620)	(2 506)
V. General and administrative expenses	(28 510)	(26 053)
VI. Profit (loss) on sales (III - IV - V)	34 115	6 757
VII. Other operating revenue	19 722	6 753
1. Profits on the sale of non-financial fixed assets	1 273	1 048
2. Subsidies	-	-
3. Other	18 449	5 705
VIII. Other operating expenses	(19 841)	(4 857)
1. Losses on the sale of non-financial fixed assets	-	-
2. Revaluation of non-financial assets	(40)	(465)
3. Other	(19 801)	(4 392)
IX. Operating profit (loss) (VI + VII - VIII)	33 996	8 653
X. Financial revenue	51 084	24 086
1. Dividends received and share in profits, including:	37 000	-
- from related parties	37 000	-
2. Interest revenue, including:	13 387	10 159
- from related parties	-	8
3. Profits on the sale of investments	-	-
4. Revaluation of investments	654	13 910
5. Other	43	17
XI. Financial expenses	(11 762)	(6 881)
1. Interest expenses, including:	(736)	(353)
- to related parties	(42)	(36)
2. Losses on the sale of investments	(149)	(1 766)
3. Revaluation of investments	(7 571)	(693)
4. Other	(3 306)	(4 069)
XII. Profit (loss) on the sale of shares in subordinate entities	73 318	25 858
XIII. Extraordinary items (XIV.1. - XIV.2.)	-	-
1. Extraordinary gains	-	-
2. Extraordinary losses	-	-
XIV. Gross profit (loss) (XIII +/- XIV)	73 318	25 858
XV. Corporate income tax	6 431	4 540
a) current	(4 618)	(3 917)
b) deferred	11 049	8 457
	-	-
XVI. Other obligatory charges	-	-
XVII. Profit (loss) on shares in subordinate entities equity accounted	-	-
XVIII. Net profit (loss) (XIV +/- XV +/- XVI +/- XVII)	66 887	21 318
Calculation of net profit (loss) per ordinary share		
Net profit (loss) (annualised)	271 852	132 290
Weighted average number of ordinary shares	25 530 098	25 530 098
Net profit (loss) for the first quarter per ordinary share (zł)	2,62	0,84

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	1. quarter for the period from 01.01.11 to 31.03.11	year 2010	1. quarter for the period from 01.01.10 to 31.03.10
	(PLN '000)	(PLN '000)	(tys. zł)
I. Shareholders' equity at the beginning of the period	642 735	590 312	590 312
a) changes in accounting policies	-	-	-
b) adjustments due to errors	-	-	-
I.a. Shareholders' equity at the beginning of the period, restated	642 735	590 312	590 312
1. Share capital at the beginning of the period	127 650	127 650	127 650
1.1 Changes in share capital	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
1.2. Share capital at the end of the period	127 650	127 650	127 650
2. Unpaid share capital at the beginning of the period	-	-	-
2.1. Changes in unpaid share capital	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
2.2. Unpaid share capital at the end of the period	-	-	-
3. Own shares purchased at the beginning of the period	-	-	-
3.1. Changes in own shares purchased	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
3.2. Own shares purchased at the end of the period	-	-	-
4. Reserve capital at the beginning of the period	285 349	324 265	324 265
4.1. Changes in reserve capital	-	(38 916)	-
a) increases	-	256	-
- profit distribution (in excess of statutory requirements)	-	256	-
b) decreases	-	(39 172)	-
- dividend payment	-	(35 575)	-
- adjustment of equity due to merger	-	(3 597)	-
4.2. Reserve capital at the end of the period	285 349	285 349	324 265
5. Revaluation reserve at the beginning of the period	3 453	3 964	3 964
5.1. Changes in revaluation reserve	(13)	(511)	(811)
a) increases	-	-	-
b) decreases	(13)	(511)	(811)
- FX differences on translation of foreign operations	(13)	(511)	(811)
5.2. Revaluation reserve at the end of the period	3 440	3 453	3 153
6. Accumulated profit (loss) from previous years at the beginning of the period	226 283	134 433	134 433
6.1. Accumulated profit from previous years at the beginning of the period	226 283	134 433	134 433
a) changes in accounting policies	-	-	-
b) adjustments due to errors	-	-	-
6.2. Accumulated profit from previous years at the beginning of the period, restated	226 283	134 433	134 433
a) increases	-	3 597	-
- adjustment of equity due to merger	-	3 597	-
b) decreases	-	(138 030)	-
- dividend payment	-	(138 030)	-
6.3. Accumulated profit from previous years at the end of the period	226 283	-	134 433
6.4. Accumulated loss from previous years at the beginning of the period	-	-	-
a) changes in accounting policies	-	-	-
b) adjustments due to fundamental errors	-	-	-
6.5. Accumulated loss from previous years at the beginning of the period, restated	-	-	-
a) increases	-	-	-
b) decreases	-	-	-
6.6. Accumulated loss from previous years at the end of the period	-	-	-
6.7. Accumulated profit (loss) from previous years at the end of the period	226 283	-	134 433
7. Net profit	66 887	226 283	21 318
a) net profit	66 887	226 283	21 318
b) net loss	-	-	-
c) net profit distribution	-	-	-
II. Shareholders' equity at the end of the period	709 609	642 735	610 819
III. Shareholders' equity at the end of the period, after proposed profit distribution / loss absorption	477 796	642 735	437 214

CASH FLOW STATEMENT

	1. quarter for the period from 01.01.11 to 31.03.11 (PLN '000)	1. quarter for the period from 01.01.10 to 31.03.10 (PLN '000)
A. Cash flows from operating activities		
I. Net profit (loss) for the period	66 887	21 318
II. Adjustments for:	(854 911)	(432 761)
1. Depreciation and amortisation	5 895	4 322
2. Foreign exchange (gains)/losses	(158)	(372)
3. Interest and dividends	(36 857)	100
4. (Profit) / loss on investing activities	6 446	1 411
5. Change in provisions	6 966	2 074
6. Change in inventories	(90 556)	(21 441)
7. Change in receivables	(73 629)	114 535
8. Change in short-term liabilities and special funds (excluding loans and borrowings)	(468 696)	(413 363)
9. Change in accruals and deferred income / costs	(203 502)	(105 302)
10. Other	(820)	(14 725)
III. Net cash flows from operating activities	(788 024)	(411 443)
B. Cash flows from investing activities		
I. Inflows	1 579	23 623
1. Sale of intangible assets and tangible fixed assets	1 579	3 523
2. Sale of investments in property and intangible assets	-	-
3. From financial assets, including:	-	20 100
a) in related parties	-	100
- sale of financial assets	-	-
- dividends received and share in profits	-	-
- repayment of long-term loans granted	-	100
- interest received	-	-
- other inflows from financial assets	-	-
b) in other entities	-	20 000
- sale of financial assets	-	19 067
- dividends received and share in profits	-	-
- repayment of long-term loans granted	-	-
- interest received	-	933
- other inflows from financial assets	-	-
4. Other investment inflows	-	-
II. Outflows	(3 753)	(3 503)
1. Purchase of intangible assets and tangible fixed assets	(2 167)	(1 737)
2. Purchase of investments in property and intangible assets	-	-
3. From financial assets, including:	(1 437)	-
a) in related parties	(1 437)	-
- purchase of financial assets	(1 437)	-
- long-term loans granted	-	-
b) in other entities	-	-
- purchase of financial assets	-	-
- long-term loans granted	-	-
4. Other investment outflows	(149)	(1 766)
III. Net cash flows from investing activities	(2 174)	20 120
C. Cash flows from financing activities		
I. Inflows	-	-
1. Issuance of shares and capital contributions and additional payments to capital	-	-
2. Proceeds from bank loans and borrowings	-	-
3. Issuance of bonds and other securities	-	-
4. Other financing inflows	-	-
II. Outflows	(2 873)	(2 927)
1. Purchase of own shares	-	-
2. Dividends and other payments to shareholders	-	-
3. Other payments relating to distribution of profit (excluding payments to shareholders)	-	-
4. Repayment of bank loans and borrowings	-	-
5. Redemption of debt securities	-	-
6. Other financial liabilities payments	-	-
7. Finance lease payments	(2 658)	(2 705)
8. Interest paid	(215)	(222)
9. Other financing outflows	-	-
III. Net cash flows from financing activities	(2 873)	(2 927)
D. Net cash flows	(793 071)	(394 250)
E. Change in cash and cash equivalents	(792 815)	(394 334)
- changes in cash and cash equivalents arising from foreign exchange gains/losses	256	(84)
F. Cash and cash equivalents at the beginning of the period	1 754 999	1 007 709
G. Cash and cash equivalents at the end of the period	962 184	613 375
- including restricted cash	45 978	28 626

1. Principles applied for the purpose of preparation of financial statements**1.1. Accounting policies applied**

The financial statements of Budimex SA for the 3-month period of 2011 together with comparative data were prepared in accordance with Polish accounting regulations, described in the introduction to the financial statements of the Company for the year 2010, except an accounting estimates of raw materials, described below.

As from 1 January 2011, raw materials are valued at acquisition cost determined using weighted average prices. Previously, as described in the financial statement for the year 2010, raw materials were valued at acquisition cost determined using the FIFO (first-in, first-out) method. The above change in accounting estimates has no influence on value of inventories and net profit for the I quarter 2011.

The financial statements and the comparative data contain aggregate data of the reporting organizational branches acting as at 31 March 2011, 31 December 2010 and 31 March 2010, prepared in foreign currencies and translated into Polish zloty using the rate of exchange presented in the point 1.4 of herein condensed financial statements.

The financial statements and the comparative data contain also data corresponding to Budimex SA share in jointly controlled entities: Budimex SA Sygnity SA Sp. j., Budimex SA Ferrovia Agroman SA Sp. j. and Budimex SA Ferrovia Agroman SA S.C. that were aggregated using the proportionate method pursuant to Art. 61 of the Accounting Act.

1.2. Differences between current and comparative data reported in the herein condensed financial statements and the data contained in the prior period condensed financial statements

On 23 June 2010, the merger transaction of Budimex SA (the acquiring company) with Budimex Auto-Park Sp. z o. o. (the acquired companies) were realized which were accounted for in accordance with article 44c of the Accounting Act using the pooling of interests method, which was described in details in the financial statements of Budimex SA for the year 2010.

Due to the above, the comparative data recognised in the herein condensed financial statements were restated as compared with the approved condensed financial statements of Budimex SA for the period ended 31 March 2010 in the manner ensuring their comparability through the use of consistent accounting policies.

Presented below is the reconciliation of shareholders' equity and net profit (loss) of Budimex SA as at 31 March 2010 as the result of the merger, compared to the amounts presented in the approved condensed financial statements for I quarter of 2010:

	Shareholders' equity	including net profit (loss)
The value as at 31 March 2010 in accordance with the condensed financial statements for I quarter 2010	605 005	20 563
- adjustments of shareholders' equity * / net profit of Budimex Auto - Park SA	4 330	755
- difference between the share capital of acquired entity and the value of their shares in the books of Budimex SA	1 484	-
The value as at 31 March 2010 in accordance with the condensed financial statements for I quarter 2011	610 819	21 318

* the adjustments of shareholders' equity consist of the adjustments of accumulated profit (loss) from prior years and net profit (loss).

1.3. Changes in the method of preparation of financial statements

Apart from the changes described above and in the point 1.2. of the herein condensed financial statements, there were not any other significant changes introduced in the preparation of financial statements.

1.4. The principles of translation of selected financial data into euro

Selected financial data was translated into euro in accordance with the following rules:

- individual asset and liability items – using the average exchange rate prevailing as at 31 March 2011 – 4.0119 PLN/EUR,
- individual profit and loss account and cash flow statement items for the first quarter of 2011 – using the exchange rate being an arithmetic average of average exchange rates established by the National Bank of Poland for the last day of each ended month for the period from 1 January 2011 to 31 March 2011 – 3.9742 PLN/EUR,
- individual asset and liability items of comparative financial data for the year 2010 – using the average exchange rate prevailing as at 31 December 2010 – 3.9603 PLN/EUR
- individual profit and loss account and cash flow statement items of comparative financial data for the first quarter of 2010 – using the exchange rate being an arithmetic average of average exchange rates established by the National Bank of Poland for the last day of each ended month for the period from 1 January 2010 to 31 March 2010 – 3.9669 PLN/EUR.

2. Changes in the shareholding structure

According to the information held by Budimex SA, the shareholding structure of Budimex SA as at 27 April 2011 was as follows:

Shareholder	Type of shares	Number of shares	% of the share capital	Number of votes	% of voting rights at the AGM
Valivala Holdings B.V. Amsterdam (Holandia) - Spółka z Grupy Ferrovia SA (Hiszpania)	ordinary	15 078 159	59.06%	15 078 159	59.06%
OFE PZU „Złota Jesień”	ordinary	1 444 895	5.66%	1 444 895	5.66%
Other shareholders	ordinary	9 007 044	35.28%	9 007 044	35.28%
Total		25 530 098	100.00%	25 530 098	100.00%

3. Description of factors and events which had a material effect on a financial result of Budimex SA**3.1. Business operation of the Company in the I quarter of 2011**

In the period of three months of 2011 Budimex SA earned sales revenue in the amount of PLN 657 624 thousand, of which 97.92% related to sales of construction services amounted to PLN 643 914 thousand and 1,50% related to sales from development activity and property investments' management amounted to PLN 9 887 thousand.

In the comparative period of the year 2010, sales revenue amounted to PLN 384 110 thousand, of which 87.74% related to sales of construction services amounted to PLN 337 028 thousand and sales from development activity and property investments' management amounted to PLN 40 616 thousand (10.57%).

The sales of construction services increased by more than 90% in the three months of 2011 in relation to the comparative period of the year 2010. Revenue from development activities are of temporary character, as they are recognized based on the documents transferring ownership right to the buyer after the technical reception.

Gross profit on sales for the 3-month period of 2011 amounted to PLN 65 245 thousand and was of PLN 29 929 thousand higher (84.75%) than in the comparative period of the previous year. Otherwise, the operating profit for the period of three months of 2011 amounted to PLN 33 996 thousand and in the comparative period of 2010 amounted to PLN 8 653 thousand. The Company recognised provisions for legal proceedings and penalties accordingly in the amounts of PLN 534 thousand and PLN 17 741 thousand and reversed those provisions accordingly in the amounts of PLN 414 thousand and 16 517 thousand.

Due to the positive result from financial activity, mainly including dividends and interests received, the profit on operating activities for the period of 3-months of 2011 amounted to PLN 73 318 thousand and increased by PLN 47 460 thousand in relation to the period of 3-months of 2010. In the I quarter of 2011, the Company recognised the impairment write – downs of long-term financial assets in total amount of PLN 7 571 thousand, of which the amount of PLN 6 141 thousand related to shares in Autopistas del Levante S. L.

In the period of three months of 2011 the Company reported a net profit of PLN 66 887 thousand gaining higher net profit margin of 10.17% in relation to the comparative period of 2010 – 5.55%.

3.2. Changes of estimates

Provisions for expected contract losses

In accordance with accounting policies adopted, the Company creates provisions for expected contract losses if budgeted contract costs exceed the entire expected contract revenue. In the subsequent periods, a part of the created provision is released in proportion to the percentage of contract completion, after taking into account total negative margin on the entire contract. As at 31 March 2011, the balance of the provision for contract losses amounted to PLN 437 658 thousand, while as at 31 March 2010 amounted to PLN 231 357 thousand. In the 3-month period of 2011 the balance of provision decreased by PLN 38 044 thousand.

Provision for legal proceedings

The Company recognises provisions for legal proceedings when it is suited and the probability of an unfavourable court judgement is higher than the probability of a favourable one. An estimation of that result is made on the basis of analysis of a legal proceedings progress as well as lawyers' opinions. As at 31 March 2011, the balance of the provision in this respect amounted to PLN 42 683 thousand, while as at 31 March 2010 amounted to PLN 41 334 thousand. In the 3-month period of 2011 the balance of provision increased by PLN 120 thousand.

Provision for penalties

The Company recognises provisions for penalties related to the realization of construction contracts. A provision is recognised only when the Company has a present obligation as a result of past event, the settlement of that obligation is highly probable and a reliable estimate can be made of the amount of the obligation. As at 31 March 2011, the balance of the provision in this respect amounted to PLN 38 751 thousand, while as at 31 March 2010 amounted to PLN 32 137 thousand. In the 3-month period of 2011 the balance of provision decreased by PLN 4 675 thousand.

Costs of future warranty repairs

The Company is required to issue guarantees for its construction services. It is accepted that the provision between 0.15%-1.4% of revenue from the given contract is made what depends on particular construction segment. This general value is assessed on an individual basis and may

be increased or reduced, as appropriate. As at 31 March 2011, the balance of the provision in this respect amounted to PLN 95 706 thousand, while as at 31 March 2010 amounted to PLN 83 271 thousand. In the 3-month period of 2011 the balance of provision increased by PLN 1 973 thousand.

Deferred tax asset and liability

During the 3-month period of 2011 deferred tax asset decreased by PLN 1 413 (a fall by PLN 142 453 thousand compared to the amount recognized as at 31 March 2010), while deferred tax liability increased by PLN 9 636 thousand (an increase by PLN 24 047 thousand compared to the amount recognized as at 31 March 2010).

Impairment write-downs against receivables

As at 31 March 2011, the balance of recognized impairment write-downs against receivables amounted to PLN 91 297 thousand, while as at 31 March 2010 amounted to PLN 65 865 thousand. In the 3-month period of 2011 the Company recognized impairment write-downs in the amount of PLN 40 thousand and reversed it in the amount of PLN 344 thousand.

3.3. Material changes of the legal proceedings pending in I quarter of 2011

In the period of I quarter 2011, the value of the proceedings relating to the Company's liabilities and claims amounted accordingly to PLN 310 601 thousand and PLN 252 115 thousand.

The greatest change of the proceedings relating to the Company's liabilities was connected with a lawsuit dated 16 December 2010, received by Budimex SA on 7 January 2011, directed by the owners of the company called Cerrys s. c. with regard to the payment of a contractual penalty for delay in the removal of defects identified within the effective period of the guarantee. The value of the subject matter of the lawsuit is PLN 90 000 thousand including contractual interest calculated from 19 October 2006 until the day of payment. In the opinion of Budimex Board, the claim constituting the subject matter of the argument is groundless and there is no basis, either formal or factual, for considering it.

3.4. Bank guarantees and insurance agreements signed in I quarter 2010 and after the balance sheet date

On 4 January 2011 Budimex SA signed with Sopockie Towarzystwo Ubezpieczeń Ergo Hestia SA the Annex to the Contract Insurance Guarantee of 8 May 2009. Pursuant to the Annex, the limit of PLN 72 000 thousand has been established to which Ergo Hestia may issue contract guarantees and the security of the Contract has been renewed which currently comprises 10 blank promissory notes with a promissory note declaration issued by Budimex SA. Other provisions of the Contract remain unchanged.

On 20 January 2011 Budimex SA concluded the agreement on the multi-purpose overdraft facility with EFG Eurobank Ergasias SA, Branch in Poland. Pursuant to the Agreement, the Company may, until 30 December 2011, commission the Bank to issue bank guarantees up to the total amount of PLN 200 000 thousand. The collateral established under the Agreement consists of: the Company's statement of execution, and an authorisation to access bank accounts kept with the Bank. Other terms of the Agreement do not differ from terms commonly applied to this type of agreements.

On 31 January 2011 Budimex SA signed with Powszechny Zakład Ubezpieczeń SA Annex no. 6 to the Commission Contract for Periodic Contract Insurance Guarantee of 8 May 2007. Pursuant to the Annex, the limit of PLN 69 500 thousand has been established to which PZU SA may issue contract guarantees. Other provisions of the Contract remain unchanged.

On 28 February 2011 Budimex SA signed with the Polish branch of Societe Generale SA the Annex to the agreement concerning bank guarantees. Pursuant to the agreement, Budimex SA may place instructions at the Bank for furnishing bank guarantees totalling PLN 150 000 thousand. The validity

period of the agreement is 29 April 2011. Other financial terms and conditions are standard for this type of agreement.

On 22 March 2011 Budimex SA signed with Sopockie Towarzystwo Ubezpieczeń Ergo Hestia SA the Annex to the Contract Insurance Guarantee of 8 May 2009. Pursuant to the Annex, the limit of PLN 100 000 thousand has been established to which Ergo Hestia may issue contract guarantees. Other provisions of the Contract remain unchanged.

3.5. Other material events in I quarter of 2011

On 24 January 2011 the Incorporation Act of Budimex Parking Wrocław Sp. z o. o. was signed. The total share capital of new company amounted to PLN 5 thousand was gained by Budimex SA. The main activity of new company is construction and exploitation of a car park located in Wrocław on the base of public – private partnership. The new company was registered on 8 February 2011.

On 1 February 2011 the Extraordinary General Meeting of the company CK Budimex Sp. z o. o. (the 100% subsidiary of Budimex SA) made the resolution on increasing the capital in the amount of PLN 1 430 thousand, The total amount was taken by Budimex SA and paid on 24 February 2011.

On 17 February 2011 the Incorporation Act of Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o. o. was signed. The share capital of new company amounted to PLN 5 thousand, consists of 100 shares of nominal value PLN 50 each, of which 30 shares of total amount of PLN 1,5 thousand was gained by Budimex SA and 70 shares of total amount of PLN 3,5 thousand was gained by Técnicas de Pretensado y Servicios Auxiliares S.L. located in Madrid. The new company was registered on 17 March 2011.

On 19 April 2011 the Management Board of Budimex SA recommend taking the decision to pay out a dividend of PLN 9.08 gross per one share to the Ordinary General Meeting in 2011. It is suggested to reserve unit net profit for the period from 1 January 2010 to 31 December 2010 in the amount of PLN 226 283 thousand increased by the sum of the Company's supplementary capital in this part which has been created from the profit from previous years in the amount of PLN 5 530 thousand for the dividend. The total proposed sum for the dividend payout in the amount of PLN 231 813 thousand. The dividend payout date was determined on 20 June 2011.

**President
of the Management Board**

**Member
of the Management Board**

Dariusz Blocher

Marcin Węglowski

Warsaw, 27 April 2011