



THE BUDIMEX GROUP

**CONSOLIDATED REPORT ON PAYMENTS TO
GOVERNMENTS**

for the year ended 31 December 2016

Introduction

The below presented consolidated report on payments to governments of the Budimex Group for the year ended 31 December 2016 was prepared in accordance with the requirements of the Accounting Act of 29 September 1994 (Dz. U. of 2016, item 1047, as amended).

Due to the fact that Budimex SA (parent company of the Budimex Group) is the only company in the Group which in 2016 conducted mining operations (sand mining) and is an issuer of securities admitted to trading at Warsaw Stock Exchange, this report was prepared as consolidated report on payment to governments of the Budimex Group. The entities included in the report are all entities included in the consolidated financial statements of the Budimex Group for the year ended 31 December 2016, available at www.budimex.pl. At the same time the exemption contained in the article 63h paragraph 2 of the Accounting Act was exercised and a decision was taken not to prepare a standalone report on payments to governments only for the parent company.

In the year ended 31 December 2016 the Budimex Group conducted only sand mining activities. Sand was extracted only in Poland.

The report consists of payments which were made by the Budimex Group to governments in connection with the mining activity only, taking into account different levels of public administration. Mining is a non-core activity for the Group and the extracted sand is primarily used in construction works carried out by the Group.

According to the definition from the Accounting Act, government means any national or local authority as well as entities controlled or supervised by them. A project is a business activity carried out under an agreement, in particular rent, license or concession agreements, which form the basis of obligations to the government of individual countries - if several such agreements are significantly related with each other, the operations carried out under them are considered one project.

Payments in the report were presented on a cash basis, i.e. the payments were presented in the period when they were made.

*(all amounts are expressed in PLN thousand)***Consolidated report on payments to governments**

	Production entitlements	Taxes	Royalties	Dividends	Concession fees, production and discovery bonuses	Licence fees, rental fees, entry fees and other fees*	Payments for infrastructure improvements	Total
Poland								
Payments by recipient government authority								
Payments to national governments	-	-	-	-	-	392	-	392
Payments to local governments	-	-	-	-	-	588	-	588
Total	-	-	-	-	-	980	-	980
Payments by projects								
Second roadway of S-3 Sulechów Nowa Sól section 3	-	-	-	-	-	206	-	206
Second roadway of S-3 Sulechów Nowa Sól section 2	-	-	-	-	-	58	-	58
Expressway S-3 Nowa Sól - Legnica task 5	-	-	-	-	-	353	-	353
Expressway S-3 ringroad of Międzyrzecz	-	-	-	-	-	50	-	50
A1 Stryków Tuszyń task III	-	-	-	-	-	226	-	226
Expressway S-5 Żnin Gniezno, Mielno Gniezno	-	-	-	-	-	87	-	87
Total	-	-	-	-	-	980	-	980

*flows consist mainly of payments for exploitation fees due to sand mining

Dariusz Blocher	President of the Management Board	..... signature	Henryk Urbański	Member of the Management Board	..... signature
Fernando Luis Pascual Larragoiti	Vice-President of the Management Board	..... signature	Marcin Węglowski	Member of the Management Board	..... signature
Jacek Daniewski	Member of the Management Board	..... signature	Artur Popko	Member of the Management Board	..... signature
Cezary Mączka	Member of the Management Board	..... signature			
Radosław Górski	Member of the Management Board	..... signature			
					Warsaw, 16 March 2017