

BUDIMEX SA

**FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2012**

Introduction

1. Information on company business operations

Budimex SA (hereinafter the "Company", the "Issuer") with its registered office in Warsaw, ul. Stawki 40, is a joint-stock company entered in the Register of Entrepreneurs kept by the District Court for the capital city of Warsaw, XIX Economic Department of the National Court Register, File No. WA.XIX NS-REJ.KRS/12100/01/253, Entry No. KRS 0000001764.

Budimex SA is the Parent Company of the Budimex Group and serves as an advisory, management and financial centre.

The Company has an unlimited period of operation.

The main area of the business activities of the Company are widely understood construction-assembly services realized in the system of general execution at home and abroad and limited scope of developer activities, property management, trading and production.

According to the Polish Classification of Activities ("PKD" 2007), on 31 December 2012, the main area of business activity of the Company consisted in construction of civil engineering objects (PKD no 42.11.Z). The industry branch, in which the Company operates was classified by the Stock Exchange in Warsaw as general construction and civil engineering business.

As at 31 December 2012, the Company had the following branches:

- General Construction North Branch in Poznań, ul. Wołowska 92A,
- General Construction South Branch in Krakow, ul. Ujastek 7,
- General Construction East Branch in Warsaw, ul. Stawki 40,
- Infrastructure North Branch in Warsaw, ul. Stawki 40,
- Infrastructure South Branch in Krakow, ul. Ujastek 7,
- Infrastructure West Branch in Wrocław, ul. Jana Długosza 2-6,
- Railway Branch in Warsaw, ul. Stawki 40,
- Equipment Services Branch in Pruszków, ul. Przejazdowa 24,
- Branch in Rzeszów, ul. Słowackiego 24,
- Branch in Poznań, ul. Wołowska 92A,
- Budimex SA Zweigniederlassung Köln, Pferdmengesstr. 5, Köln.

2. Financial statements

The financial statements cover the 12-month period ended 31 December 2012 and the comparative financial data for the 12-month period ended 31 December 2011 and were prepared in accordance with the following acts:

- The Accounting Act of 29 September 1994 Dz. U. of 2009 No. 152 item 1223 (as amended) ("the Act"),
- Decree of the Minister of Finance of 18 October 2005, Dz. U. 209, item 1743 (as amended) on the scope of information disclosed in financial statements and consolidated financial statements, required in prospectuses of issuers with their registered office in the Republic of Poland to whom the Polish Accounting Standards apply ("Decree on the scope of information in financial statements"),
- Decree of the Minister of Finance of 12 December 2001, Dz. U. 149, item 1674 (as amended) on detailed rules of recognition, methods of valuation and disclosure extent and methods of presentation of financial instruments ("Decree on financial instruments").

The financial data is expressed in PLN thousand unless stated otherwise.

The financial statements were prepared under historical cost convention, which was modified in the following cases:

- intangible and tangible assets,
- investments,
- financial instruments,

which was described in details in the Introduction, point 7.

The financial statements and the comparative financial data contain aggregate data of all branches that conducted their operations as at 31 December 2012 and 31 December 2011. The financial statements of foreign operations (branches) are presented in foreign currencies. The balance sheet data of these entities are translated into Polish zloty using the average NBP rate of exchange prevailing at the reporting date, while the profit and loss account items are translated using the rate of exchange being the mathematical mean of the average NBP exchange rate prevailing for the given currency on the last day of every month of a financial year. The resultant exchange differences are presented in the financial statements of the Company under "Foreign exchange differences on translation of foreign operations" as a component of revaluation reserve.

The financial statements and the comparative financial data contain also data corresponding to Budimex SA share in jointly controlled companies: Budimex SA Sygnity SA Sp. j. and Budimex SA Ferrovia Agroman Sp. j. and Budimex SA Ferrovia Agroman SA S.C.. The financial data of the above mentioned entities were aggregated using the proportionate method pursuant to Art. 61 of the Accounting Act, i.e. individual items of the financial statements of Budimex SA were summed up with the proportionate part of the respective items of the jointly controlled companies' financial statements and the appropriate exclusions were made.

Budimex SA as the Parent Company of the Budimex Group prepares the consolidated financial statements for the 12-month period ended 31 December 2012 in accordance with the International Financial Reporting Standards approved for use in the European Union ("IFRS").

3. THE MANAGEMENT AND SUPERVISORY BOARDS

As at 31 December 2012, the Management Board of Budimex SA was composed of the following persons:

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|-----------------------------|---|
| • Dariusz Blocher | President of the Management Board, General Director |
| • Ignacio Botella Rodriguez | Vice-President of the Management Board |
| • Jacek Daniewski | Board Member, Legal Director |
| • Andrzej Artur Czynczyk | Board Member, Human Resources Director |
| • Henryk Urbański | Board Member, Chief Property Officer |
| • Marcin Węglowski | Board Member, Chief Financial Officer |

On 8 May 2012, Ms. Joanna Katarzyna Makowiecka resigned from her duty of the Management Board member and Chief HR Officer of Budimex SA.

On 25 May 2012, the Supervisory Board of Budimex SA appointed Mr. Andrzej Artur Czynczyk the member of the Management Board and Chief HR Office.

As at 31 December 2012, the following persons were authorised commercial representatives of the Company:

- José Emilio Pont Pérez
- Jaime Rontomé Pérez.

As at 31 December 2012, the Supervisory Board of Budimex SA was composed of the following persons:

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| • Marek Michałowski | Chairman, |
| • Alejandro de la Joya Ruiz de Velasco | Deputy Chairman, |
| • Tomasz Sielicki | Secretary |

and the following members:

- Marzenna Anna Weresa
- Igor Chalupec
- José Carlos Garrido-Lestache Rodríguez
- Javier Galindo Hernández
- Piotr Kamiński
- Maciej Stańczuk.

In 2012 no changes to the composition of the Supervisory Board took place.

4. Going concern assumption

The financial statements of the Company were prepared on the assumption that the Company will be a going concern during the period of 12 months from the reporting date, i.e. 31 December 2012. As at the date of signing the financial statements, the Management Board of the Company is not aware of any facts or circumstances that would indicate a threat to the Company's continued activities within 12 months after the reporting date, due to an intended or compulsory withdrawal from or a significant limitation in its activities.

As at 31 December 2012, the excess of the liabilities and current provisions and current accruals (no account being taken of income resultant from translation of long-term contracts) over the current assets, adjusted by the amount of retained and due retentions for construction contracts with maturities of over 12 months, amounted to PLN 203 575 thousand (as at 31 December 2011 the excess of the assets over the liabilities, calculated using the same method) amounted to PLN 58 290 thousand.

In its consolidated financial statements as at 31 December 2012 the Budimex Group disclosed the surplus of current asset over current liabilities less due deferred income resultant from translation of long-term contracts of PLN 562,132 thousand. As at 31 December 2012, the net cash position of the Budimex Group, covering cash and short-term securities less external sources of financing amounted to PLN 1,188,361 thousand.

In view of the above, the Management Board of the Company is not aware, as at the date of signing the financial statements, of any threats to the Company's continued activities within 12 months after the reporting date.

5. Business combination

In 2012 Budimex SA did not execute any combinations with other commercial companies.

6. Comparability of financial data and adjustments to the financial statements

No adjustments resulting from qualifications of the 2011 auditor's opinion were made to the attached financial statements for the year 2012 or to the 2011 comparative financial data. The opinion of the entity authorised to perform audit of the 2011 financial statements was unqualified.

In 2012, Budimex SA performed a write-down of the value of shares in the company Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (a related entity of Budimex SA) in the amount of PLN 290 267 thousand (of which PLN 182 267 thousand was recognised as adjustment of the result for the prior periods). Therefore, in the comparative data presented in these financial statements account is taken of such adjustment (as described in detail in note 18 of the Additional Notes and Explanations).

7. Basic rules of valuation of assets and liabilities and calculation of financial result

a) Intangible assets

Intangible assets are recognised if it is probable that the future economic benefits that are directly attributable to such assets will flow to the Company. Initially, intangible assets are valued at acquisition cost or cost of production. Following initial recognition, intangible assets are valued at acquisition cost or cost of production less accumulated amortization and impairment losses. Intangible assets are amortized using the straight line method over their estimated useful lives.

The expected useful lives of the Company's intangible assets are as follows:

- patents and licenses 5 years
- software 2-5 years.

b) Property, plant and equipment*Tangible assets*

Tangible assets are carried at acquisition cost, cost of production or re-valued amount, less accumulated depreciation and impairment losses. Land is valued at acquisition cost less any impairment losses.

Assets are re-valued in accordance with separate regulations. The last revaluation took place on 1 January 1995. The effects of the revaluation are taken to the revaluation reserve. After the tangible asset is sold, the amount remaining in the revaluation reserve is transferred to reserve capital.

Costs incurred on an asset already in use, such as repairs, overhauls or operating fees, affect the financial result of the accounting period in which they were incurred. Costs incurred in connection with asset enhancement, modernization or development that result in an increase in asset value in use are capitalised to the initial value of the asset.

Tangible assets, except for land, are depreciated using the straight-line method commencing from the month following the month in which the assets were given over for use, over the period which matches their estimated useful lives. The depreciation periods are as follows:

- buildings, premises and civil engineering objects	10-40 years
- technical equipment	3-15 years
- equipment	3-15 years
- computer hardware	3 years
- motor vehicles (cars)	3-5 years
- other tangible assets	2-10 years.

Tangible assets of individual cost of less than PLN 3,500 are expensed in full in the period to which this cost relates.

Perpetual usufruct

Perpetual usufruct (received from a community council) is stated at acquisition cost which is the surplus of the first payment over the annual payment in accordance with the decision of the community council. Perpetual usufruct is subject to depreciation over the estimated useful life, i.e. 40 years.

Construction-in-progress

Construction-in-progress is carried at the amount of aggregate costs directly attributable to the acquisition or production of such assets, including finance costs, less any impairment losses. Construction-in-progress is not depreciated until completed and brought into use.

c) Non-current investments*Properties*

Investments properties consist mainly of land, perpetual usufruct right, buildings and constructions acquired for capital appreciation or to earn rentals.

Investments in property are valued at the total amount of costs incurred for their acquisition less accumulated depreciation (except for land) and impairment losses. Revenue and costs of lease or maintenance of property are included under operating income or operating expenses.

In case of the Company, the useful lives of investment properties are as follows:

- buildings and construction	10-40 years
- other investment properties	3-20 years.

Non-current financial assets

Non-current financial assets, including investments in subsidiaries, jointly controlled companies and associates, are carried at historical cost less any potential impairment losses. The carrying amount of such assets is reviewed for impairment each time impairment indicators have been identified to confirm that it does not exceed future economic benefits associated with the assets. Where the carrying amount exceeds the value of expected economic benefits associated with the asset, it is reduced to the net realizable value. Impairment losses are recognised under finance costs. An increase in the value of an investment which is directly related to a decrease that has been previously recognised as finance cost is recognised as financial income up to the amount of such expense.

Non-current investments expressed in foreign currencies are valued at the average NBP rate prevailing at the reporting date, while the exchange differences on valuation are recognised in accordance with the policies described in point h) Foreign currency transactions below.

d) Inventories

Inventories of current assets comprise raw materials in warehouses, goods for resale, work in progress and finished goods. In classifying inventory items to individual categories, the following policies are applied by the Company:

- raw materials: represent items kept in warehouses or other places of storage that are to be used in production processes, especially to be consumed in construction activities,
- work in progress: represents costs of uncompleted development projects,
- goods for resale: inventory items purchased with a view to re-selling, including land used in realization of development projects,
- finished goods: internally developed goods e.g. flats, usable floor space and completed constructions ready for sale.

Inventories are valued at the lower of acquisition cost or cost of production and net selling price. Net selling price is the selling price estimated at the reporting date, net of VAT and excise taxes, less any rebates, discounts and other similar items, less the estimated costs to complete and costs to sell.

Raw materials and goods for resale are valued at acquisition cost determined in case of raw materials using the weighted average method and in case of goods for resale using the FIFO (first-in, first-out) method. Work in progress and finished goods are valued at direct cost of production and an appropriate proportion of manufacturing overheads based on normal operating capacity.

e) Receivables

Receivables are valued at the amount due less write-downs.

The value of receivables overdue for over 180 days, receivables that are highly probable to be irrecoverable and disputed debts is adjusted by appropriate write-downs to the amount not covered by guarantee or other security.

Receivables impairment write-downs are recognised under other operating expenses or finance costs, depending on the type of the receivable.

The amounts of forgiven, statute-barred or bad debts for which no write-downs or only partial write-downs were made are recorded under other operating expenses or finance costs, as appropriate.

**f) Current investments
(excluding cash and financial instruments)**

Current investments, other than financial assets for which an active market has been identified, are carried at market value at the reporting date. The effects of an increase or decrease in the carrying amount of current investments carried at market value are recorded under finance income or finance costs, as appropriate.

Current investments, other than financial assets for which there is no active market, are stated at the reporting date at the lower of acquisition cost and fair value. A decrease in the carrying amount of current investments valued as above is recorded in full under finance costs; while an increase

is taken to finance income up to the amount previously charged to finance costs.

g) Cash and cash equivalents

Cash in hand and at bank is carried at nominal value.

Cash and cash equivalents presented in the cash flow statement comprise cash on hand, bank deposits and term deposits which have maturity period of 3 months or less and were not included under investing activities.

h) Foreign currency transactions

Transactions denominated in currencies other than Polish zloty are translated into Polish zloty at the exchange rate prevailing on the transaction date, being the following:

- actual (real) rate resulting from the character of transaction – for transactions of purchase or sale of foreign currencies or payments of receivables or liabilities;
- average NBP rate announced for the given currency on the day prior to transaction date - for payments of receivables or liabilities, if actual (real) rate resulting from the character of transaction cannot be used, and for all other transactions.

As at 31 December 2012 and 31 December 2011, assets and liabilities expressed in currencies other than Polish zloty are translated using the average NBP rate prevailing at the end of the reporting period.

Foreign exchange differences relating to foreign currency non-current investments, as at the valuation date, are recognised in the following manner:

- the effects of revaluation resulting in an increase of value to market prices are taken to revaluation reserve;
- a decrease in the value of a previously re-valued investment will reduce the revaluation reserve up to the amount previously recorded under revaluation reserve, if the revalued amount has not been amortised to the valuation date. In all other cases, the effects of a decrease in the value of an investment are recognised as finance cost,
- an increase in the value of an investment which is directly related to a decrease that has been previously recognised as finance cost is recognised as finance income up to the amount of such expense.

Foreign exchange differences relating to items other than foreign currency investments (assets) and liabilities that were identified as at valuation date or upon payment of receivables or liabilities, or upon foreign currency sale, are recognised under finance income or finance costs, as appropriate, or in justified cases – under the cost of production of finished goods or purchase price of goods for resale, or purchase price or cost of production of tangible assets, construction-in-progress or intangible assets.

i) Prepayments and accrued income

Prepayments cover costs relating to the months following the month in which they were incurred. Prepaid expenses are written off in proportion to the passage of time, while observing the prudence principle.

An excess of revenue from uncompleted construction services (the "contract") over the amount invoiced also represents accrued income.

j) Shareholders' equity

The share capital is recorded at the amount stated in the Company's Articles of Association and as registered in the National Court Register, i.e. at nominal value.

The reserve capital consists of appropriated profits, amounts transferred from revaluation reserve and share premium. Additionally, in reserve capital is recognised a difference resulting from a merger settlement using the uniting of interest method, i. e. a difference between the share capital of an acquired company and an acquisition cost of its shares in the books of account of the acquiring company.

The revaluation reserve is composed of the following items:

- difference between the pre- and post valuation net carrying amounts of fixed assets, for which valuation was performed as at 1 January 1995. Revaluation reserve is gradually reduced due to disposals of fixed assets subject to revaluation, with the proviso that the reserve capital is increased by the same amount.
- foreign exchange differences on translation of foreign operations,
- effects of revaluation of investments classified as non-current assets resulting in an increase of their respective values to market prices.

k) Share-based payments

The fair value of the employee services received in exchange for the grant of the equity instruments of Ferrovial SA (the parent company of Budimex SA) is recognised in these financial statements as an expense with a corresponding increase in equity, over the period in which the service conditions are fulfilled (vesting period). The fair value of the employee services received is measured by reference to the fair value of the equity instruments at the grant date. Vesting conditions, other than market conditions, were taken into account by adjusting the number of equity instruments included in the measurement of the transaction so that, ultimately, the expense recognised for services received is based on the number of equity instruments that are expected to vest.

l) Provisions

The Company establishes provisions for future liabilities of uncertain maturities or amounts. A provision is recognised only when:

- the entity has a present obligation (legal or constructive) as a result of past events,
- it is probable that the settlement of this obligation will result in utilization of the Company's existing or future assets,
- a reliable estimate can be made of the amount of the obligation.

The Company recognise provisions especially for the following:

- costs of retirement benefits,
- results of legal proceedings,
- costs of future warranty repairs,
- restructuring cost,
- penalties.

Provision for retirement benefits

The Company creates a provision for the current value of its liabilities under retirement benefits. Payments under the scheme are taken to operating expenses so as to spread the cost of the retirement benefits over the employees' working lives at the Company. The value of the provision is determined by an independent actuary using the projected unit credit method. The last valuation took place as at 31 December 2012.

Provision for legal proceedings

A provision for legal proceedings is recognised when the Company 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 an analysis of the legal proceedings progress as well as lawyers opinions.

Provision for costs of future warranty repairs

The Company is required to provide guarantees for its construction services. The amounts of provisions for future warranty repairs depend on construction segments and amount to

0.15%-1.4% of revenue under the given contract. This value is assessed on an individual basis and may be increased or decreased as appropriate.

Restructuring provisions

The Company creates a restructuring provision only for planned and controlled programme that materially changes either the scope of business undertaken or the manner in which the business is conducted as well as for redundancies in purpose of increasing the effectiveness and efficiency of the business which lead to inflow of resources embodying economic benefits.

m) Loans and borrowings

All loans and borrowings are initially stated at cost, being the value of the funds received and including acquisition costs associated with the borrowing/loan. At the reporting date, loans and borrowings other than liabilities held for trading are measured at adjusted acquisition cost, using the effective interest rate method.

Liabilities which are held for trading are measured at fair value. Any gain/loss from revaluation to fair value is included in the net profit and loss account for the current period.

n) Liabilities (excluding financial liabilities)

Liabilities which are not financial liabilities are carried at the amount due and payable.

The Company recognises as the trade payables the liabilities for services rendered by business partners but not billed as at the reporting date, due in the current reporting period and of value that can be reliably estimated.

o) Accrued expenses

Included in accrued expenses is the value of probable liabilities relating to the current reporting period and arising from current business activity.

Expected losses on construction contracts

When it is probable that total contract costs on uncompleted construction contracts will exceed total contract revenue, the expected loss (difference between contract revenue and estimated contract costs) is recognised as an expense. Provisions for expected losses on construction contracts are charged to the cost of production of goods for resale sold.

Costs of employee annual leave

Employees of the Company are entitled to annual leave in accordance with the terms and conditions defined in the Polish Labour Code. The cost of employee annual leave is recognised on an accrual basis using the liability method. The amount of the Company's liability arising from employee annual leave is determined based on the difference in the number of annual leave days already used and the number of days that remained to be used, had the leave been taken in proportion to the passage of time. Costs of employee annual leave are recognised in correspondence with appropriate operating expenses (labour expenses and social security contributions).

p) Accrued income

Included in "Accrued income" are, while observing the prudence concept, the following items:

- amounts received or receivable from business partners in respect of services that will be performed in the subsequent reporting periods,
- cash received to finance purchase or development of tangible assets, including construction-in-progress and development works, if – in accordance with other regulations – it does not increase the shareholders' equity. The amounts recognised under accrued income gradually increase other operating revenue, in line with amortization or depreciation charges on tangible assets or costs of development work financed from such sources,
- negative goodwill.

Non-performed invoiced services

Where the carrying amount of revenue recognised on a construction contract is lower than the amount of the revenue invoiced, the difference is recorded under accrued income.

q) Financial instruments

Financial instruments are classified into one of the following four categories:

- financial assets and financial liabilities held for trading,
- loans and receivables [originated by the Company],
- financial assets held to maturity,
- available-for-sale financial assets.

Instruments are classified to specific categories based on the intended use of the given instrument at the time of acquisition (in case of financial assets) or issuance (with regard to financial liabilities).

Financial assets or financial liabilities held for trading include assets acquired in order to generate economic benefits in connection with short-term fluctuations of prices and other market factors or with the short-term nature of the instrument, as well as other financial assets, irrespective of their intended use at the time of execution of the contract, provided that they are part of a portfolio of similar financial assets, where it is highly probable to generate the expected economic benefits in the short term, and derivative financial instruments, except for cases when the Company deems such derivative contracts to be executed for hedging purposes.

Included in the loans and receivables are, irrespective of their maturities (payment dates), financial assets arising as a result of a direct delivery of cash to another party to a contract, provided that the contract results in the establishment of a financial asset of one party and of a financial liability or an equity instrument of the other party, and the contract has economic effects, such as loans granted, term deposits, or debt securities purchased from the issuer.

Held to maturity financial assets include financial assets not classified as loans and receivables, where the contracts executed define maturity dates for payment of the nominal value and provide for the right to obtain economic benefits on specified dates, e.g. fixed or determinable interest, provided that the Company intends and is able to hold such assets to maturity.

Most frequently, this group includes debt securities (bonds, treasury bills, etc.) or receivables under loans granted, if the Company intends to hold such investments to maturity.

Available for sale financial assets are financial instruments not classified to any of the remaining categories of financial instruments.

Financial assets are introduced to the accounting books at the transaction date at acquisition cost i.e. at fair value of the expenditure made or the assets exchanged. In determining asset fair value as at that date, the transaction costs incurred are taken into account.

Financial assets are carried at fair value (without taking into account the transaction costs that the Company would incur on assets disposal), except for the following:

- loans and receivables which are not held for sale,
- financial assets held to maturity,
- financial assets without market value determined on an active regulated market, or for which the fair value cannot otherwise be determined in a reliable manner,
- secured/ collateralized financial assets.

The non-fair-valued financial assets are measured as follows:

- loans and receivables, except for those classified as held for trading – at amortized cost determined using the effective interest rate, irrespective of whether or not the Company intends to hold them to maturity,
- financial assets with fixed maturity date – at amortized cost determined using the effective interest method,

- financial assets without the maturity date set – at acquisition cost.

Where impairment loss of a financial asset is ascertained, the asset is re-measured to recoverable amount or to fair value.

The Company measures its financial liabilities at amortized cost, except for financial liabilities held for trading or derivative financial instruments which are measured at fair value.

The effects of re-valuation of financial assets and financial liabilities are taken to finance income or finance costs, as appropriate, for the reporting period in which the revaluation took place.

The Company does not apply hedge accounting to financial instruments.

r) Impairment of financial assets

An assessment is made at each reporting date to determine whether there is any objective evidence that a financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment write-down recognised for the difference between the recoverable amount and the carrying amount. Impairment losses are recognised in the profit and loss account for the period. For financial assets for which previous revaluations were made in correspondence with revaluation reserve, impairment write-downs reduce revaluation reserve up to the previously re-valued amount, and are taken to other operating expenses or finance costs.

s) Revenues, costs and financial result measurement

Revenues and costs are recognised on an accrual basis, i.e. in the periods to which they relate, irrespective of the date on which the payment was received or made. Sales revenue comprises amounts receivable or received from sale, net of the Value Added Tax.

The operating result is the difference between net sales of finished goods, goods for resale and raw materials, account being taken of donations, discounts, rebates and other increases or decreases, excluding VAT and other operating revenue, and the value of the finished goods, goods for resale and raw materials sold measured at acquisition cost or cost of production, plus the entire value of administrative expenses, selling costs of finished goods, goods for resale and raw materials and other operating expenses borne starting from the beginning of the financial year.

Sales revenue on development activities is recognised at the time of transfer of control over all significant risks and benefits connected with the holding of real properties to the final use. The Company considers that transfer of risks, control and benefits takes place when the notarial deed transferring the ownership right to the acquired property is signed. Upon recognition of sales revenue, the Company recognises cost of production of the given area, by reducing work in progress by the share of the premises sold in the total area of the given type of premises and by reducing the goods for resale by the share of the area of land attributed to the given premises.

The result on financial operations is the difference between finance income, being in particular dividend, interest, gains on investment disposal or revaluation and excess of foreign exchange gains over foreign exchange losses, and finance costs, being in particular interest, losses on investment disposal or valuation and excess of foreign exchange losses over foreign exchange gains.

Extraordinary gains or losses represent the financial effects of unique events outside the main business activities of the Company.

As part of its accounting records, the Company prepares profit and loss account both in the nature of expense and function of expense format.

t) Construction contracts

The Company recognises revenue under construction contracts using the percentage of completion method, which measures the share of costs incurred from the date of contract signing to the date of determining contract revenue in total service costs.

Where difference is ascertained between invoiced revenues and revenues calculated using the percentage of completion method for the specific contract, the Company adjusts the value

of sales revenue by taking the difference to prepayments or accrued income.

When it is probable that total contract costs will exceed total contract revenue, the expected loss (the excess of costs over revenue) is recognised under provision for contract losses and is taken to operating expenses.

u) Taxation

Income tax on revenues earned in Poland is calculated in accordance with Polish tax regulations, while that on revenues of foreign operations is subject to local tax regulations, after considering the appropriate treaty on avoidance of double taxation.

Due to temporary differences between carrying amount of assets and liabilities recognized in the books of account and their tax amounts, and due to the tax loss available to be utilized in future years, the Company recognizes deferred tax liability and deferred tax asset.

Deferred tax assets are determined in the amount that is expected to be deducted from the income tax in connection with negative temporary differences, which in the future will cause a decrease in taxable profit and tax loss, and in the amount of carry-forward of unused tax losses determined while observing the prudence principle.

Deferred tax liabilities are recognised in the amount of income tax to be paid in the future in respect of all taxable temporary differences i.e. differences that will cause an increase in taxable profit/ tax loss in the future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and deferred tax liabilities are measured using the tax rates that are expected to apply in the period when the asset is realised and the liability is settled, based on tax rates (and tax regulations) that have been enacted at the reporting date.

As at 31 December 2012 and 31 December 2011, deferred tax assets and deferred tax liabilities were measured using the 19% tax rate.

v) Financial year

The Company's reporting date is 31 December and the financial year is a calendar year.

w) Management estimates

Preparation of the financial statements requires that the Management Board of the Issuer makes certain estimates and assumptions which are reflected in these financial statements and notes and explanations hereto. The results achieved may differ from those estimates. The Management Board's estimates relate, among others, to provisions, valuation of construction contracts, prepayments and accruals, assets impairment write-downs or adopted depreciation/ amortization rates.

8. Translation of financial data into euro

Individual assets and liabilities items were translated into euro using average foreign exchange rate prevailing as at 31 December 2012 published by the National Bank of Poland, i.e. 4.0882 PLN/EUR. Individual items of profit and loss account and cash flow statement referring to the financial statements for the 12-month period ended 31 December 2012 were translated into euro using the average rate being the arithmetical average of average rates published by the National Bank of Poland prevailing at the last day of each ended month covered by the financial statement, i.e. using the rate of 4.1736 PLN/EUR. Individual asset and liabilities items of comparative financial data were translated into euro using average foreign exchange rate prevailing as at 31 December 2011, published by the National Bank of Poland, i.e. 4.4168 PLN/EUR. Individual profit and loss account and cash flow statement items of comparative financial data for the 12-month period ended

31 December 2010 were translated into euro using the average rate being the arithmetical average of average rate published by the National Bank of Poland prevailing at the last day of each ended month covered by the financial statement, i.e. using the rate of 4.1401 PLN/EUR.

Selected main balance sheet, profit and loss account and cash flow statement of the financial statements and comparative financial data translated into euro were presented on the front page of the annual report.

The highest rate in the year was the rate prevailing at 5 January 2012, i.e. 4.5135 PLN/EUR, the lowest rate in the year was the rate prevailing at 7 August 2012, i.e. 4.0465 PLN/EUR.

9. Differences between the Polish accounting regulations and International Financial Reporting Standards

The Company applies accounting policies and valuation and classification methods in accordance with the accounting act ("PAS"). According to par. 7 section 1 of the Decree on the scope of information in financial statements differences between accounting policies adopted by the Company and IFRS are presented below:

a) Translation of non-current financial assets denominated in foreign currencies

On 31 December 2010, the Company values the non-current financial assets covering the shares in foreign operations and denominated in foreign currencies using the rate prevailing at the reporting date. Foreign exchange differences on the translation are appropriately allocated to revaluation reserve (translation gain or adjustment of the historic translation) or to the financial result (translation loss). On 31 December 2012 and 31 December 2011, due to recognition of an impairment write-down of Budimex share in entity Inversora de Autopistas del Levante S.L., Budimex ceased valuation of shares of that company using the rate prevailing at the reporting date.

In accordance with IAS 39, where fair value cannot be reliably estimated, available-for-sale financial assets are valued at historical costs. In the financial statements prepared in accordance with IFRS differences on the translation were appropriately adjusted in equity and financial result for the prior periods and current year.

b) Discount of non-current receivables and liabilities

Receivables and liabilities related to retentions for construction contracts are valued at amount due i.e. at nominal value.

In accordance with IAS 39 non-current receivables and liabilities which are free of interest are discounted and presented in the financial statements at current value. Sales revenue and operating expenses are adjusted by the differences arising in the period between nominal and current value of non-current receivables and non-current liabilities, respectively. The discount value which decreases the nominal value of non-current receivables and liabilities is settled against finance costs or income in the subsequent years.

c) Deferred tax

Differences in the accounting policies prevailing in Poland and IFRS have an impact on the deferred income tax computation.

Shareholders' equity

		31 December 2012	31 December 2011
Shareholders' equity according to PAS		380 769	545 324
<u>Adjustments:</u>			
Valuation of non-current financial assets	(a)	1 369	1 369
Discount of non-current receivables and liabilities	(b)	15 697	16 727
Deferred tax calculated on above adjustments	(c)	(3 242)	(3 438)
Shareholders' equity according to IFRS		394 593	559 982

Net result

		2012	2011
Net profit according to PAS		112 249	132 732
<u>Adjustments:</u>			
Valuation of non-current financial assets	(a)	-	-
Discount of non-current receivables and liabilities	(b)	(1 030)	943
Deferred tax calculated on above adjustments	(c)	196	(179)
Net profit according to IFRS		111 415	133 496

d) Adjustment to equity due to hyperinflation

At the date of transition to IFRS, the Group adjusted shareholders' equity and share premium for the period, in which Polish economy was hyperinflationary. The effects of translation and reconciliation of balances shown in the books of account and corporate records of the Company to the amount recognised in the consolidated financial statements of the Budimex Group were presented in the table below.

	Ordinary shares	Share premium
Registered capital	127 650	232 719
Translation of capital due to hyperinflation	18 198	2 080
Value disclosed in the consolidated financial statements	145 848	234 799

The value by which the share capital and share premium were adjusted in connection with hyperinflation was recognised in equity under "Retained profit/ (loss) from previous years" in the consolidated financial statements.

e) goodwill

The Company in the consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), recognised goodwill in the amount of PLN 73 237 thousand related to the purchase of shares of Budimex Dromex SA. Due to the merger Budimex SA and Budimex Dromex SA, if that goodwill would be presented herein in separate financial statements of Budimex SA, prepared in accordance with the Accounting Act, it would be fully depreciated as at 31 December 2012.

BALANCE SHEET	Note	31.12.2012	31.12.2011
ASSETS			
I. Non-current assets		1 256 112	1 336 740
1. Intangible assets, of which:	1	2 996	2 051
- goodwill		-	-
2. Property, plant and equipment	2	84 079	100 326
3. Non-current receivables	3	-	-
3.1. From affiliated company		-	-
3.2. From other entities		-	-
4. Non-current investments	4	811 856	840 142
4.1. Properties		8 382	7 762
4.2. Intangible assets		-	-
4.3. Non-current financial assets		803 474	832 380
a) in affiliated companies, of which:		801 289	830 195
- shares or equities in subordinated companies measured with equity method		-	-
b) in other entities		2 185	2 185
4.4. Other non-current investments		-	-
5. Non-current prepayments and accruals	5	357 181	394 221
5.1. Deferred tax assets		353 085	388 400
5.2. Other prepayments and accruals		4 096	5 821
II. Current assets		1 820 607	2 481 890
1. Inventories	6	143 580	263 347
2. Current receivables	7	402 875	439 156
2.1. From affiliated company		97 192	98 890
2.2. From other entities		305 683	340 266
3. Current investments	8	1 043 008	1 570 117
3.1. Current financial assets		1 043 008	1 570 117
a) in affiliated companies		-	-
b) in other entities		1 460	122
c) cash and cash equivalents		1 041 548	1 569 995
3.2. Other current investments		-	-
4. Current prepayments and accruals	9	231 144	209 270
Total assets		3 076 719	3 818 630

EQUITY AND LIABILITIES	Note	31.12.2012	31.12.2011
I. Shareholders' equity		380 769	545 324
1. Share capital	11	127 650	127 650
2. Called-up share capital not paid (negative value)		-	-
3. Own shares (equities) (negative value)		-	-
4. Reserve capital	12	282 570	280 845
5. Revaluation reserve	13	5 936	4 097
6. Other reserves	14	-	-
7. Accumulated profit (loss) from prior years		(147 636)	-
8. Net profit (loss)		112 249	132 732
9. Write-offs from net profit during the financial year (negative value)	15	-	-
II. Liabilities and provisions for liabilities		2 695 950	3 273 306
1. Provisions for liabilities		280 312	255 239
1.1. Deferred tax liabilities	16	56 342	57 416
1.2. Provision for retirement benefits and similar obligations	17	3 283	3 364
a) non-current		2 542	2 637
b) current		741	727
1.3. Other provisions	17	220 687	194 459
a) non-current		113 930	99 362
b) current		106 757	95 097
2. Non-current liabilities	18	27 740	33 652
2.1. Due to affiliated companies		-	-
2.2. Due to other entities		27 740	33 652
3. Current liabilities	19	1 615 954	1 792 443
3.1. Due to affiliated companies		168 806	154 078
3.2. Due to other entities		1 442 469	1 634 058
3.3. Special funds		4 679	4 307
4. Prepayments and accrued income	20	771 944	1 191 972
4.1. Negative goodwill		-	-
4.2. Other prepayments and accruals		771 944	1 191 972
- non-current		5 014	5 150
- current		766 930	1 186 822
Total liabilities		3 076 719	3 818 630

CALCULATION OF BOOK VALUE PER SHARE

	31.12.2012	31.12.2011
Book value (in PLN thousands)	380 769	545 324
Number of shares	25 530 098	25 530 098
Book value per share (PLN)	14.91	21.36

OFF-BALANCE SHEET ITEMS	Note	31.12.2012	31.12.2011
1. Contingent receivables		347 223	339 678
1.1. From affiliated companies, of which:	21	4 208	6 493
- guarantees and suretyships received		2 372	5 190
- promissory notes received as security		1 836	1 303
- other contingent receivables		-	-
1.2. From other entities, of which:		340 015	330 185
- guarantees and suretyships received		338 497	324 806
- promissory notes received as security		1 518	5 379
1.3. Other, of which:		3 000	3 000
- other contingent receivables		3 000	3 000
2. Contingent liabilities		1 466 852	1 755 356
2.1. To affiliated companies, of which	21	126 333	147 130
- guarantees and suretyships issued		126 333	147 130
- promissory notes issued as security		-	-
- other contingent liabilities		-	-
2.2. To other entities, of which:		1 340 519	1 608 226
- guarantees and suretyships issued		1 336 014	1 606 171
- promissory notes issued as security		4 505	2 055
3. Other, of which:		143 180	135 010
- other contingent liabilities		143 180	135 010
Total off-balance sheet items		(1 262 809)	(1 550 688)

PROFIT AND LOSS ACCOUNT	Note	01.01. - 31.12.2012	01.01. - 31.12.2011
I. Net sales of finished goods, goods for resale and raw materials, of which:		5 232 591	5 019 669
- from affiliated companies		279 928	293 622
1. Net sales of finished goods	22	5 222 994	5 016 946
2. Net sales of goods for resale and raw materials	23	9 597	2 723
II. Cost of finished goods, goods for resale and raw materials, of which:		4 846 798	4 638 029
- to affiliated companies		125 555	145 773
1. Cost of goods sold	24	4 839 742	4 636 053
2. Value of goods for resale and raw materials sold		7 056	1 976
III. Gross profit (loss) on sales (I - II)		385 793	381 640
IV. Selling costs	24	11 024	11 692
V. Administrative expenses	24	162 206	123 518
VI. Profit (loss) on sales (III - IV - V)		212 563	246 430
VII. Other operating revenue		55 789	74 728
1. Profit on disposal of non-financial non-current assets		814	5 781
2. Donations		-	-
3. Other operating revenue	25	54 975	68 947
VIII. Other operating expenses		74 015	40 878
1. Loss on disposal of non-financial non-current assets		-	-
2. Revaluation of non-financial assets	26	55 400	8 386
3. Other operating expenses	26	18 615	32 492
IX. Profit (loss) on operating activities (VI+VII -VIII)		194 337	280 280
Finance income		86 282	87 399
1. Dividends and shares in profits, of which:	27	20 021	37 000
- from affiliated companies		20 021	37 000
2. Interest, of which:	27	54 811	48 294
- from affiliated companies		195	9
3. Profit on investment disposal	29	5 002	2 105
4. Revaluation of investments	30	6 448	-
5. Other	27	-	-
XI. Finance costs		135 372	212 751
1. Interest, of which:	28	4 322	3 963
- to affiliated companies		1 098	182
2. Loss investment disposal	29	2 985	29
3. Revaluation of investments	30	112 916	193 480
4. Other	28	15 149	15 279
XII. Profit (loss) on operating activities (IX+X-XI)		145 247	154 928
XIII. Extraordinary gains/(losses) (XIII.1. - XIII.2.)		-	-
1. Extraordinary gains	31	-	-
2. Extraordinary losses	32	-	-
XIV. Gross profit (loss) (XIII+/-XIV)		145 247	154 928
XV. Income tax	33	32 998	22 196
a) current portion		(1 243)	13 526
b) deferred portion		34 241	8 670
XVI. Other statutory profit decreases (loss increases)	34	-	-
XVII. Shares in net profits (losses) of subordinated companies valued using equity method	35	-	-
XVIII. Net profit (loss) (XIV+/-XV+/-XVI+/-XVII)		112 249	132 732
EARNINGS (LOSS) PER ORDINARY SHARE			
Net profit (loss)		112 249	132 732
Weighted average number of ordinary shares		25 530 098	25 530 098
Earnings (loss) per ordinary share (in PLN)	37	4.40	5.20

STATEMENT OF CHANGES IN EQUITY

	01.01. - 31.12.2012	01.01. - 31.12.2011
I. Shareholders' equity - opening balance	692 960	642 735
a) changes of accounting policies applied	-	-
b) adjustments of fundamental errors	(147 636)	-
I.a. Shareholders' equity after restatement to comparative data - opening balance	545 324	642 735
1. Share capital - opening balance	127 650	127 650
1.1. Changes in share capital	-	-
a) increases, of which:	-	-
b) decreases, of which:	-	-
1.2. Share capital - closing balance	127 650	127 650
2. Called-up share capital not paid (negative value) - opening balance	-	-
2.1. Changes in called-up share capital not paid	-	-
a) increases, of which:	-	-
b) decreases, of which:	-	-
2.2. Called-up share capital not paid (negative value) - closing balance	-	-
3. Own shares (equities) - opening balance (negative value)	-	-
3.1. Changes in own shares (equities)	-	-
a) increase	-	-
b) decrease	-	-
3.2. Own shares (equities) - closing balance (negative value)	-	-
4. Reserve capital - opening balance	280 845	285 349
4.1. Changes in reserve capital	1 725	(4 504)
a) increases, of which:	1 725	1 027
- from profit distribution (in excess of the statutorily required minimum value)	303	-
- fair value of employee share option granted by the parent	1 422	1 027
b) decreases, of which:	-	(5 531)
- payment of dividend	-	(5 531)
4.2. Reserve capital - closing balance	282 570	280 845
5 Revaluation reserve - opening balance	4 097	3 453
5.1. Changes in revaluation reserve	1 839	644
a) increases, of which:	1 839	644
- foreign exchange differences on translation of foreign operations	62	644
- recognition in the current profit or loss of foreign exchange differences on liquidation of foreign operations	1 777	-
b) decreases, of which:	-	-
5.2. Reserve capital - closing balance	5 936	4 097
6. Other reserves - opening balance	-	-
6.1. Changes in other reserves	-	-
a) increases, of which:	-	-
b) decreases, of which:	-	-
6.2. Other reserves - closing balance	-	-
7. Retained profit (loss) from prior years - opening balance	280 368	226 283
7.1. Retained profit - opening balance	280 368	226 283
7.2. Retained profit after restatement to comparative data - opening balance	280 368	226 283
a) increases, of which:	-	-
b) decreases, of which:	(280 368)	(226 283)
- distribution of profit to reserve capital reserve	(303)	-
- payment of dividend	(280 065)	(226 283)
7.3. Retained profit - closing balance	-	-
7.4. Retained loss - opening balance	-	-
a) changes of accounting policies applied	-	-
b) adjustments of fundamental errors	(147 636)	-
7.5. Retained loss after restatement to comparative data - opening balance	(147 636)	-
a) increases, of which:	-	-
b) decreases, of which:	-	-
7.6. Retained loss - closing balance	(147 636)	-
7.7. Retained profit (loss) from prior years - closing balance	(147 636)	-
8. Net result	112 249	132 732
a) net profit	112 249	132 732
b) net loss	-	-
c) write-offs from profit	-	-
II. Shareholders' equity - closing balance	380 769	545 324
III. Shareholders' equity after accounting for the proposed distribution of profit (loss coverage)	380 769	545 324

CASH FLOW STATEMENT	01.01. - 31.12.2012	01.01. - 31.12.2011
A. Cash flow from operating activities		
I. Net profit (loss)	112 249	132 732
II. Total adjustments	(277 335)	98 016
1. Shares in net (profits) losses of companies valued using the equity method	-	-
2. Depreciation/Amortization	30 547	25 577
3. Foreign exchange (gains) losses	(773)	914
4. Interest and shares in profits (dividends)	(16 410)	(35 577)
5. (Profit) loss on investing activities	110 085	180 493
6. Change in provisions	25 073	23 568
7. Change in inventories	119 767	(25 768)
8. Change in receivables	31 502	(20 386)
9. Change in current liabilities, except for loans and borrowings	(168 338)	105 951
10. Change in accruals and prepayments	(404 862)	(163 068)
11. Other adjustments	(3 926)	6 312
III. Net cash flows from operating activities (I +/- II)	(165 086)	230 748
B. Cash flow from investing activities		
I. Inflows	33 742	68 346
1. Disposal of intangible and tangible assets	1 013	4 732
2. Disposal of investments in real properties and intangible assets	-	8 899
3. Financial assets, of which:	29 699	52 610
a) in affiliated companies	29 699	38 400
- disposal of financial assets	9 678	1 400
- dividends and shares in profits	20 021	37 000
- repayment of long-term loans granted	-	-
- interest	-	-
- other cash inflows from financial assets	-	-
b) in other entities	-	14 210
- disposal of financial assets	-	14 013
- dividends and shares in profits	-	-
- repayment of long-term loans granted	-	-
- interest	-	197
- other cash inflows from financial assets	-	-
4. Other inflows from investing activities	3 030	2 105
II. Expenditures	102 716	238 963
1. Acquisition of intangible and tangible assets	12 721	9 375
2. Investments in properties and intangible assets	-	-
3. Financial assets, of which:	84 010	229 588
a) in affiliated companies	84 010	229 588
- acquisition of financial assets	84 010	229 588
- long-term loans granted	-	-
b) in other entities	-	-
- acquisition of financial assets	-	-
- long-term loans granted	-	-
4. Other capital expenditures	5 985	-
III. Net cash flows from investing activities (I - II)	(68 974)	(170 617)

CASH FLOW STATEMENT - cont.**Cash flow from financing activities****I. Inflows**

1. Net proceeds from issue of shares (delivery of equities) and other equity instruments and capital contributions

2. Loans and borrowings

3. Issue of debt securities

4. Other inflows from financing activities

II. Expenditures

1. Acquisition of own shares (equities)

2. Dividends and other payments to owners

3. Expenditures arising from profit distribution, other than payments to owners

4. Repayment of loans and borrowings

5. Redemption of debt securities

6. Arising from other financial liabilities

7. Payments of liabilities under finance lease

8. Interest

9. Other financial expenditures

III. Net cash flows from financing activities (I - II)**D. Total net cash flows (A.III. +/- B.III. +/- C.III.)****E. Balance sheet change in cash balance, of which:***- change in cash due to foreign exchange differences***F. Cash and cash equivalents - opening balance****G. Cash and cash equivalents - closing balance (F +/- D), of which:***- restricted cash*

	01.01. - 31.12.2012	01.01. - 31.12.2011
	85 000	-
	-	-
	-	-
	85 000	-
	-	-
	379 521	245 095
	-	-
	280 065	231 814
	-	-
	-	-
	85 000	-
	-	-
	11 031	11 847
	3 425	1 434
	-	-
	(294 521)	(245 095)
	(528 581)	(184 964)
	(528 447)	(185 004)
	134	(40)
	1 569 995	1 754 999
	1 041 548	1 569 995
	37 210	74 685

Notes and explanations to the balance sheet

Note 1A

INTANGIBLE ASSETS

	31.12.2012	31.12.2011
a) costs of completed development works	-	-
b) goodwill	-	-
c) licenses and patents acquired, of which:	1 210	1 629
- <i>computer software</i>	1 210	1 629
d) other intangible assets	-	-
e) prepayments for intangible assets	1 786	422
Total intangible assets	2 996	2 051

Note 1B

INTANGIBLE ASSETS (broken down by ownership)

	31.12.2012	31.12.2011
a) own	2 996	2 051
b) used based on lease contracts and similar agreements	-	-
Total intangible assets	2 996	2 051

No legal or similar restrictions on intangible assets as security for liabilities existed as at 31 December 2012 and 31 December 2011.

CHANGES IN INTANGIBLE ASSETS (by type)

	a) costs of completed development works	b) goodwill	c) licenses and patents acquired, of which:	- computer software acquired	d) other intangible assets	e) prepayments for intangible assets	Total intangible assets
a) gross value of intangible assets - opening balance	-	-	18 296	18 296	-	422	18 718
b) increases (under)	-	-	635	635	-	1 364	1 999
- settlement of prepayments	-	-	-	-	-	1 364	1 364
- purchase	-	-	635	635	-	-	635
c) decreases (under)	-	-	257	257	-	-	257
- liquidation	-	-	245	245	-	-	245
- other	-	-	12	12	-	-	12
d) gross value of intangible assets - closing balance	-	-	18 674	18 674	-	1 786	20 460
e) accumulated amortization - opening balance	-	-	16 667	16 667	-	-	16 667
f) depreciation for the period (under)	-	-	797	797	-	-	797
- current depreciation	-	-	1 044	1 044	-	-	1 044
- liquidation	-	-	(245)	(245)	-	-	(245)
- other	-	-	(2)	(2)	-	-	(2)
g) accumulated depreciation - closing balance	-	-	17 464	17 464	-	-	17 464
h) impairment losses - opening balance	-	-	-	-	-	-	-
- increase	-	-	-	-	-	-	-
- decrease	-	-	-	-	-	-	-
i) impairment losses - closing balance	-	-	-	-	-	-	-
j) net value of intangible assets - closing balance	-	-	1 210	1 210	-	1 786	2 996

Note 2A**PROPERTY, PLANT AND EQUIPMENT**

	31.12.2012	31.12.2011
a) tangible assets, of which:	83 137	99 861
- land (including right of perpetual usufruct)	2 875	3 640
- buildings, premises and civil engineering objects	2 590	2 648
- plant and machinery	68 034	80 936
- motor vehicles	4 771	6 599
- other tangible assets	4 867	6 038
b) construction-in-progress	942	455
c) prepayments for construction-in-progress	-	10
Property, plant and equipment in total	84 079	100 326

No legal or similar restrictions on tangible assets as security for liabilities existed as at 31 December 2012 and 31 December 2011.

Note 2B**BALANCE SHEET TANGIBLE ASSETS**

	31.12.2012	31.12.2011
a) own	46 358	47 650
b) used based on lease contracts and similar agreements, of which:	36 779	52 211
- tangible assets under lease contracts	36 779	52 211
Total balance sheet tangible assets	83 137	99 861

Note 2C**OFF-BALANCE SHEET TANGIBLE ASSETS**

	31.12.2012	31.12.2011
used based on lease contracts and similar agreements, of which:	99 355	151 694
- tangible assets under lease contracts	40 325	41 896
- rent of office space	18 311	20 340
- rent of land	40 719	89 458
Off balance sheet tangible assets	99 355	151 694

CHANGES IN TANGIBLE ASSETS (by type)

	- land (including right of perpetual usufruct)	- buildings, premises and civil engineering objects	- plant and machinery	- motor vehicles	- other tangible assets	total tangible assets
a) gross value of tangible assets - opening balance	3 680	7 421	153 886	13 864	18 339	197 190
b) increases (under)	-	462	11 417	372	1 298	13 549
- purchase	-	224	11 374	372	1 298	13 268
- transfer from construction-in-progress	-	238	43	-	-	281
c) decreases (under)	805	422	3 247	318	714	5 506
- sale and liquidation	-	-	3 094	291	649	4 034
- transfer to investment properties	805	422	123	4	-	1 354
- other	-	-	30	23	65	118
d) gross value of tangible assets - closing balance	2 875	7 461	162 056	13 918	18 923	205 233
e) accumulated depreciation - opening balance	40	4 773	72 950	7 265	11 999	97 027
f) depreciation for the period (under)	(40)	98	21 072	1 882	1 755	24 767
- current depreciation	17	400	24 282	2 199	2 352	29 250
- sale and liquidation	-	-	(3 066)	(291)	(556)	(3 913)
- transfer to investment properties	(57)	(302)	(118)	(4)	-	(481)
- other	-	-	(26)	(22)	(41)	(89)
g) accumulated depreciation - closing balance	-	4 871	94 022	9 147	13 754	121 794
h) impairment losses - opening balance	-	-	-	-	302	302
- increase	-	-	-	-	-	-
- decrease	-	-	-	-	-	-
i) impairment losses - closing balance	-	-	-	-	302	302
j) net value of tangible assets - closing balance	2 875	2 590	68 034	4 771	4 867	83 137

Note 3A**NON-CURRENT RECEIVABLES**

	31.12.2012	31.12.2011
a) from affiliated companies, of which:	-	-
- from subsidiaries (under)	-	-
- from jointly controlled companies (under)	-	-
- from associated companies (under)	-	-
- from significant investor (under)	-	-
- from partner of a jointly controlled company (under)	-	-
- from the parent (under)	-	-
- from other affiliated companies (under)	-	-
b) from other entities (under)	-	-
Trade and other non-current receivables, net	-	-
c) impairment write-downs of receivables	-	-
Trade and other non-current receivables, gross	-	-

Note 3B**CHANGE IN BALANCE OF NON-CURRENT RECEIVABLES (of which)**

	31.12.2012	31.12.2011
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
Total non-current receivables	-	-

Note 3C**CHANGE IN BALANCE OF IMPAIRMENT WRITE-DOWNS OF NON-CURRENT RECEIVABLES**

	31.12.2012	31.12.2011
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
Impairment write-downs of non-current receivables - closing balance	-	-

Note 3D**NON-CURRENT RECEIVABLES (broken down by currency)**

	31.12.2012	31.12.2011
a) in PLN	-	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total non-current receivables	-	-

Note 4A**CHANGE IN BALANCE OF REAL PROPERTIES (by type)**

	31.12.2012	31.12.2011
Opening balance (by type):	7 762	13 391
- land (including RPU)	5 010	9 011
- buildings, premises and civil engineering objects	2 708	4 194
- other real properties	44	186
- land (including RPU)		
a) opening balance	5 010	9 011
b) increases (under)	748	-
- transfer from tangible assets	748	-
c) decreases (under)	134	4 001
- sale	-	4 001
- current depreciation	134	-
d) closing balance	5 624	5 010
B. Buildings, premises and civil engineering objects		
a) opening balance	2 708	4 194
b) increases (under)	120	30
- purchase	-	30
- transfer from tangible assets	120	-
c) decreases (under)	108	1 516
- sale and liquidation	-	1 274
- current depreciation	108	242
d) closing balance	2 720	2 708
C. Other real properties		
a) opening balance	44	186
b) increases (under)	5	-
- transfer from tangible assets	5	-
c) decreases (under)	11	142
- sale and liquidation	-	107
- current depreciation	11	35
d) closing balance	38	44
Closing balance (by type):	8 382	7 762
- land (including RPU)	5 624	5 010
- buildings, premises and civil engineering objects	2 720	2 708
- other real properties	38	44
Real properties, in total	8 382	7 762

No legal or similar restrictions on investment properties as security for liabilities existed as at 31 December 2012 and 31 December 2011.

Note 4B**CHANGE IN BALANCE OF INTANGIBLE ASSETS (by type)**

	31.12.2012	31.12.2011
a) opening balance (by type)	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance (by type)	-	-
Total intangible assets	-	-

Note 4C**NON-CURRENT FINANCIAL ASSETS**

	31.12.2012	31.12.2011
a) in subsidiaries	771 680	805 275
- shares or equities	763 380	805 275
Other non-current financial assets	8 300	-
b) in jointly controlled companies	179	179
- shares or equities	179	179
c) in associated companies	25 138	15 533
- shares or equities	18 596	15 533
Other non-current financial assets	6 542	-
d) in significant investor	-	-
e) in partner of a jointly controlled company	-	-
f) in the parent	-	-
g) in other affiliated companies	4 292	9 208
- shares or equities	4 292	9 208
h) in other entities	2 185	2 185
- shares or equities	2 185	2 185
Total non-current financial assets	803 474	832 380

"Other non-current financial assets" include payments to increase equity shares in related companies, not registered as at 31 December 2012 in the National Court Register. No legal or similar restrictions on non-current financial assets as security for liabilities existed as at 31 December 2012 and 31 December 2011.

Note 4D**CHANGE IN BALANCE OF NON-CURRENT FINANCIAL ASSETS (BROKEN DOWN BY TYPE)**

	31.12.2012	31.12.2011
A. Shares or equities		
a) opening balance	832 380	797 363
b) increases (under)	374 277	230 461
- purchase/ capital increase	84 010	228 158
- reversal of impairment write-downs	290 267	2 303
c) decreases (under)	403 183	195 444
- sale/ capital decrease	290 267	6 614
- liquidation	-	422
- impairment write-down	112 916	188 408
d) closing balance	803 474	832 380
B. Debt securities		
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
C. Other securities		
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
D. Loans granted		
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
E. Other non-current financial assets		
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
Total non-current financial assets	803 474	832 380

Note 4E**SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	803 375	827 365
b) in foreign currencies (by currencies and after translation into PLN)	99	5 015
b1. unit/currency thousand / EUR	25	1 266
PLN thousands	99	5 015
b2. unit/currency thousand / USD	-	-
PLN thousands	-	-
b3. other currencies in PLN thousands	-	-
Total securities, shares and other non-current financial assets	803 474	832 380

Note 4F**SECURITIES, SHARES AND OTHER NON-CURRENT FINANCIAL ASSETS (BY NEGOTIABILITY)**

	31.12.2012	31.12.2011
A. Unlimited negotiability, quoted on stock exchanges (carrying amount)	-	-
B. Unlimited negotiability, quoted on over-the-counter market	-	-
C. Unlimited negotiability, not quoted on regulated market	-	-
D. Limited negotiability (carrying amount)	803 474	832 380
a) shares and equities (carrying amount):	803 474	832 380
- revaluation adjustments (for the period)	177 351	(186 105)
- opening balance	832 380	797 363
- value at acquisition cost	805 061	1 026 161
Total value at acquisition cost	805 061	1 026 161
Total opening balance	832 380	797 363
Total revaluation adjustments (for the period)	177 351	(186 105)
Total carrying amount	803 474	832 380

Note 4G**LONG-TERM LOANS GRANTED (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	-	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total long-term loans granted	-	-

Note 4H**OTHER NON-CURRENT INVESTMENTS (BROKEN DOWN BY TYPE)**

	31.12.2012	31.12.2011
Total other non-current investments	-	-

Note 4I**CHANGE IN BALANCE OF OTHER NON-CURRENT INVESTMENTS (BROKEN DOWN BY TYPE)**

	31.12.2012	31.12.2011
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
d) closing balance	-	-
Total other non-current investments	-	-

Note 4J**OTHER NON-CURRENT INVESTMENTS (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	-	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total other non-current investments	-	-

Note 4K**SHARES AND EQUITIES IN SUBORDINATED COMPANIES**

	entity name (including legal form)	registered office	area of business activities	nature of relationship	consolidation method applied	date of obtaining control/ joint control /significant influence	acquisition costs of shares/equities	revaluation adjustments total	carrying amount of shares/equities	percentage of share capital held	share in the total number of votes at GM	indication of basis for control/ joint control / significant influence, other than described in point j) or k)
1	Budimex Nieruchomości Sp. z o.o.	Warsaw	development services	subsidiary	full	2005	717 519	-	717 519	100.00%	100.00%	-
2	Budimex Danwood Sp. z o.o.	Bielsk Podlaski / Poland	production and construction of wooden houses	subsidiary	full	1999	30 779	-	30 779	100.00%	100.00%	-
3	Mostostal Kraków SA	Kraków	construction	subsidiary	full	2002	11 156	-	11 156	100.00%	100.00%	-
4	Budimex Budownictwo Sp. z o.o.	Warsaw	construction	subsidiary	full	2010	1 810	-	1 810	100.00%	100.00%	-
5	Budimex Autostrada SA	Warsaw	construction	subsidiary	non-consolidated	2011	202	-	202	100.00%	100.00%	-
6	Budimex Most Wschodni SA	Warsaw	construction	subsidiary	non-consolidated	2011	102	-	102	100.00%	100.00%	-
7	Budimex Kolejnictwo SA	Warsaw	construction	subsidiary	non-consolidated	2011	101	-	101	100.00%	100.00%	-
8	Budimex Bau GmbH	Walluf	construction	subsidiary	full	2004	120	(21)	99	100.00%	100.00%	-
9	Budimex Parking Wrocław Sp. z o.o.	Warsaw	construction	subsidiary	non-consolidated	2011	1 502	-	1 502	100.00%	100.00%	-
10	MK Logistic Sp. z o.o. (in liquidation)	Zabrze	transportation services	subsidiary	non-consolidated	1997	26	(26)	-	100.00%	100.00%	-
11	Dromex Oil Sp. z o.o. (in liquidation)	Warsaw	construction	subsidiary	non-consolidated	1991	2 175	(2 175)	-	98.00%	98.00%	-
12	Budimex A Sp. z o.o.	Warsaw	construction	subsidiary	non-consolidated	2012	5	-	5	100.00%	100.00%	-
13	Budimex B Sp. z o.o.	Warsaw	construction	subsidiary	non-consolidated	2012	5	-	5	100.00%	100.00%	-
14	Budimex PPP SA	Warsaw	construction	subsidiary	non-consolidated	2012	100	-	100	100.00%	100.00%	-
Subsidiaries in total							765 602	(2 222)	763 380			-
15	Budimex SA Ferrovial Agroman S.C.*	SA Warsaw	construction	jointly controlled	proportionate	2010	-	-	-	99.98%	99.98%	<i>as per Articles of Association</i>
16	Budimex SA Sygnity SA Sp. j	Warsaw	construction	jointly controlled	proportionate	2005	-	-	-	67.00%	67.00%	<i>as per Articles of Association</i>
17	Budimex SA Ferrovial Agroman Sp. j. *	SA Warsaw	construction	jointly controlled	proportionate	2009	-	-	-	50.00%	50.00%	-
18	PKZ Budimex GmbH	Cologne / Germany	construction	jointly controlled	non-consolidated	2002	50	(50)	-	50.00%	50.00%	-
19	Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	Warsaw	construction	jointly controlled	proportionate	2011	179	-	179	30.00%	30.00%	<i>as per Articles of Association</i>
Jointly controlled companies in total							229	(50)	179			-
21	Elektromontaż SA	Poznań	energy infrastructure works	associate	equity method	1999	15 342	-	15 342	30.78%	30.78%	-
22	Promos Sp. z o.o.	Kraków	industrial services	associate	equity method	1998	191	-	191	25.53%	25.53%	-
22	FB Serwis SA	Warsaw	urban waste management	associate	equity method	2012	3 063	-	3 063	49.00%	49.00%	-
Associates in total							18 596	-	18 596			-
23	Inversora de Autopistas del Levante S.L.	Madrid	construction and exploitation of motorways	other related party	non-consolidated	2004	12 404	(12 404)	-	3.16%	3.16%	-
24	Autostrada Południe SA	Warsaw	construction and exploitation of motorways	other related party	not consolidated	2004	4 292	-	4 292	5.05%	5.05%	-
Other related parties in total							16 696	(12 404)	4 292			-
Total							801 123	(14 676)	786 447			-

* financial data aggregated in the statements of Budimex SA

Note 4K**SHARES AND EQUITIES IN SUBORDINATED COMPANIES - cont.**

	company name	shareholders' equity, of which:			other equity, of which:		liabilities and provisions for entity liabilities, of which:		receivables, of which:			total assets	total sales revenue	value of entity shares/equities not paid for by the issuer	dividends received or due from the entity for the last financial year			
		share capital	due payments called-up share capital not paid (negative amount)	reserve capital	profit (loss) from prior years	net profit (loss)	non-current liabilities	current liabilities	non-current receivables	current receivables								
1	Budimex Nieruchomości Sp. z o.o.	700 110	657 333	-	7 760	35 017	-	35 017	271 125	48 223	70 962	42 177	-	42 177	971 235	318 221	-	20 000
2	Budimex Danwood Sp. z o.o.	34 092	20 779	-	-	13 313	(16 108)	22 588	120 920	-	31 762	16 954	-	16 954	155 012	314 549	-	-
3	Mostostal Kraków SA	23 989	11 100	-	6 445	6 444	-	3 911	55 934	4	40 103	34 389	-	34 389	79 923	147 006	-	-
4	Budimex Budownictwo Sp. z o.o.	1 752	1 810	-	-	(58)	(537)	479	21 354	-	11 894	1 487	-	1 487	23 106	81 689	-	-
5	Budimex Autostrada SA	146	200	-	-	(54)	(15)	(39)	37	-	25	12	-	12	183	-	-	-
6	Budimex Most Wschodni SA	57	100	-	-	(43)	(9)	(34)	33	-	22	9	-	9	90	-	-	-
7	Budimex Kolejnictwo SA	(45)	100	-	-	(145)	(37)	(108)	7 994	-	7 971	28	-	28	7 949	-	-	-
8	Budimex Bau GmbH	(4)	120	-	-	(124)	(67)	(8)	12	-	4	-	-	-	8	-	-	-
9	Budimex Parking Wrocław Sp. z o.o.	1 134	1 500	-	-	(366)	(115)	(251)	1 421	1 110	31	369	-	369	2 555	1 473	-	-
10	MK Logistic Sp. z o.o. (in liquidation)	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	-	-
11	Dromex Oil Sp. z o. o. (in liquidation)	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	-	-
12	Budimex A Sp. z o.o.	(16)	5	-	-	(21)	-	(21)	98	-	98	5	-	5	82	-	-	-
13	Budimex B Sp. z o.o.	(16)	5	-	-	(21)	-	(21)	98	-	98	5	-	5	82	-	-	-
14	Budimex PPP SA	65	100	-	-	(35)	-	(35)	307	-	307	6	-	6	372	-	-	-
15	Budimex SA Ferrovial Agroman SA S.C.	166	201	-	-	(35)	(17)	(18)	81	-	81	6	-	6	247	-	-	-
16	Budimex SA Sygnity SA Sp. j.	10 396	10	-	8 715	1 671	1 276	395	3 665	-	2 833	110	-	110	14 061	-	-	-
17	Budimex SA Ferrovial Agroman SA Sp. j.	(44 883)	4 200	-	-	(49 083)	(49 003)	(80)	46 040	-	17 512	272	-	272	1 157	-	-	-
18	PKZ Budimex GmbH	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	-	-
19	Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	608	590	-	298	(280)	-	(280)	3 531	-	2 834	2 509	-	2 509	4 139	12 434	-	-
20	Elektromontaż SA	34 564	54 082	-	8 945	(28 463)	(21 547)	(6 916)	44 081	179	34 948	27 912	-	27 912	80 629	107 965	-	-
21	Promos Sp. z o.o.	7 078	500	-	5 461	1 117	-	214	2 592	757	1 775	1 681	66	1 615	9 670	9 834	-	21
22	FB Serwis SA	13 006	19 600	-	-	(6 594)	-	(6 594)	9 036	-	9 036	9 018	-	9 018	22 042	3 759	-	-
23	Inversora de Autopistas del Levante S.L.	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	no data	-	-
24	Autostrada Południe SA	82 124	85 000	-	-	(2 876)	(2 990)	114	1 441	-	1 441	78 718	77 510	1 208	83 565	-	-	-

Note 4L**SHARES AND EQUITIES IN OTHER ENTITIES**

Item	entity name (including legal form)	registered office	area of business activities	carrying amount of equities / shares	shareholders' equity, of which:	share capital	percentage of share capital held	share in the total number of votes at GM	value of entity shares/equities not paid for by the issuer	dividends received or due for the last financial year
1	Autostrada Wielkopolska SA	Poznań	construction and exploitation of motorways	2 033	(203 571)	461 000	0.61%	0.61%	-	-
2	Kolej Gondolowa Jaworzyna Krynicka SA	Krynica	services	60	no data	no data	0.37%	0.37%	-	-
3	Drogowa Trasa Średnicowa SA	Katowice	construction	52	no data	no data	1.50%	1.50%	-	-
4	Agencja Rozwoju Regionu Krakowskiego SA	Kraków	services	30	no data	no data	0.08%	0.08%	-	-
5	Agencja Rozwoju Regionalnego SA	Bielsko-Biała	services	6	no data	no data	0.27%	0.27%	-	-
6	Megagaz SA	Warsaw	construction	1	no data	no data	1.00%	1.00%	-	-
7	Górnicza Spółdzielnia Mieszkaniowa	Cieszyn	property management	-	no data	no data	0.10%	0.10%	-	-
8	Other	-	-	3	-	-	-	-	-	-
Total				2 185						

Note 5A**CHANGE IN BALANCE OF DEFERRED TAX ASSET**

	31.12.2012	31.12.2011
1. Opening balance, of which:	388 400	388 337
a) recognised in profit or loss	387 917	387 854
- <i>under negative temporary differences</i>	<i>387 917</i>	<i>387 854</i>
b) recognised in equity	483	483
- <i>under negative temporary differences</i>	<i>483</i>	<i>483</i>
c) recognised in goodwill or negative goodwill	-	-
- <i>under negative temporary differences</i>	-	-
2. Increases	70 541	47 266
a) recognised in profit or loss for the period in connection with negative temporary differences (under):	70 541	47 266
- arising from temporary differences	70 541	47 266
b) recognised in profit or loss for the period in connection with tax loss (under)	-	-
- tax loss incurred on foreign markets	-	-
c) recognised in equity in connection with negative temporary differences (under)	-	-
d) recognised in equity in connection with tax loss	-	-
e) recognised in goodwill or negative goodwill in connection with negative temporary differences (under)	-	-
3. Decreases	105 856	47 203
a) recognised in profit or loss for the period in connection with negative temporary differences (under):	105 856	47 203
- reversal of temporary differences	105 856	47 203
b) recognised in profit or loss for the period in connection with tax loss (under)	-	-
- utilisation of tax loss carry forward	-	-
c) recognised in equity in connection with negative temporary differences (under)	-	-
d) recognised in equity in connection with tax loss (under)	-	-
e) recognised in goodwill or negative goodwill in connection with negative temporary differences (under)	-	-
4. Assets - closing balance (by type):	353 085	388 400
a) recognised in profit or loss	352 602	387 917
- <i>under negative temporary differences</i>	<i>352 602</i>	<i>387 917</i>
b) recognised in equity	483	483
- <i>under negative temporary differences</i>	<i>483</i>	<i>483</i>
c) recognised in goodwill or negative goodwill	-	-
- <i>under negative temporary differences</i>	-	-
Total deferred tax asset	353 085	388 400

Note 5B**OTHER PREPAYMENTS**

	31.12.2012	31.12.2011
a) prepayments, of which:	3 246	5 074
- insurance	1 195	3 057
- cost of bank guarantees	2 051	2 017
b) other prepayments, of which:	850	747
- other	850	747
Other accruals and deferred income	4 096	5 821

Note 5A.1

CHANGE IN BALANCE OF DEFERRED TAX ASSET	provision for contract losses	costs connected with deferred income	provision for uninvoiced costs	impairment write-downs of receivables	valuation of construction contracts	tax loss	provision for bonuses	provision for unused holidays	provision for length of service awards and retirement severance pays of employees	provision for warranty repairs	long-term financial assets	other provisions for liabilities	other	Total
Negative temporary differences as at 01.01.2012	348 289	181 937	261 679	60 395	548 000	-	121 868	22 916	3 364	128 332	191 584	143 011	32 837	-
Balance of deferred tax assets as at 01.01.2012 per rate 19%	66 175	34 568	49 719	11 475	104 120	-	23 155	4 354	639	24 383	36 401	27 172	6 239	388 400
a) increases, of which:	-	9 562	-	478	-	56 102	-	696	-	3 703	-	-	-	70 541
recognised in profit or loss in connection with change in positive temporary differences:	-	9 562	-	478	-	56 102	-	696	-	3 703	-	-	-	70 541
b) decreases, of which:	22 777	-	1 119	-	42 530	-	1 099	-	15	-	33 697	1 248	3 371	105 856
charged to profit or loss in connection with change in positive temporary differences:	22 777	-	1 119	-	42 530	-	1 099	-	15	-	33 697	1 248	3 371	105 856
Negative temporary differences as at 31.12.2012	228 412	232 263	255 789	62 911	324 158	295 274	116 084	26 579	3 283	147 821	14 232	136 442	15 095	-
Balance of deferred tax assets as at 31.12.2012 per rate 19%	43 398	44 130	48 600	11 953	61 590	56 102	22 056	5 050	624	28 086	2 704	25 924	2 868	353 085
Expiry date for negative temporary differences	2012-2018	2012-2014	2012-2015	2012-2017	2012-2016	2013-2018	2012-2015	2012-2016	2012-2038	2012-2023	2012-2015	2012-2015	2012-2015	

Note 6**INVENTORIES**

	31.12.2012	31.12.2011
a) raw materials	116 405	228 906
b) semi-finished goods and work in progress	2 388	366
c) finished goods	-	364
d) goods for resale	-	541
e) advance payments for supplies	24 787	33 170
Total inventories	143 580	263 347
f) impairment write-downs - opening balance	1 129	1 864
- increase	30 050	-
- decrease	744	735
g) impairment write-downs - closing balance	30 435	1 129
h) gross value of inventories - closing balance	174 015	264 476

No legal or similar restrictions on inventories as security for liabilities existed as at 31 December 2012 and 31 December 2011.

Note 7A**CURRENT RECEIVABLES**

	31.12.2012	31.12.2011
a) from affiliated companies	97 192	98 890
- trade receivables, with maturities of:	97 145	94 172
- less than 12 months	88 626	78 589
- above 12 months	8 519	15 583
- other	47	4 718
- claimed in court	-	-
b) receivables from other entities	305 683	340 266
- trade receivables, with maturities of:	299 272	329 207
- less than 12 months	278 108	270 117
- above 12 months	21 164	59 090
- under taxes, subsidies, customs duties, social and health insurance, and other benefits	670	4 411
- other	5 741	6 648
- claimed in court	-	-
Total current receivables	402 875	439 156
c) impairment write-downs of receivables	90 189	85 669
Total gross current receivables	493 064	524 825

Note 7B**CURRENT RECEIVABLES FROM AFFILIATED COMPANIES**

	31.12.2012	31.12.2011
a) trade receivables, of which:	97 145	94 172
- from subsidiaries	50 009	45 979
- from jointly controlled companies	274	3 856
- from associates	630	16
- from the parent	44 769	44 318
- from other affiliated companies	1 463	3
b) other, of which:	47	4 718
- from subsidiaries	7	4
- from jointly controlled companies	-	-
- from the parent	40	38
- from other affiliated companies	-	4 676
Total net current receivables from affiliated companies	97 192	98 890
d) impairment write-downs of receivables from affiliated companies	58 833	39 850
Total gross current receivables from affiliated companies	156 025	138 740

Note 7C**CHANGE IN BALANCE OF IMPAIRMENT WRITE-DOWNS OF CURRENT RECEIVABLES**

	31.12.2012	31.12.2011
a) opening balance	85 669	91 468
b) increases (under)	25 350	9 364
- doubtful and overdue receivables	25 307	7 829
- write-offs of receivables not covered by impairment write-downs	43	557
- valuation of impairment write-downs in foreign operations	-	978
c) decreases (under)	20 830	15 163
- repayment of debts by debtors	10 411	12 692
- write-offs of receivables covered by impairment write-downs	9 728	1 812
- revision of write-offs recognised in prior years	-	102
- receivables written off with no write-downs	43	557
- valuation of impairment write-downs in foreign operations	648	-
Impairment write-downs of current receivables - closing balance	90 189	85 669

Note 7D**CURRENT RECEIVABLES (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	464 904	496 512
b) in foreign currencies (by currencies and after translation into PLN)	28 160	28 313
b1. unit/currency thousand / EUR	6 888	6 393
PLN thousands	28 160	28 237
b3. other currencies in PLN thousands	-	76
Total current receivables	493 064	524 825

Note 7E**TRADE RECEIVABLES (GROSS) - WITH MATURITIES AFTER THE REPORTING DATE OF:**

	31.12.2012	31.12.2011
a) up to 1 month	193 537	131 643
b) 1 - 3 months	42 928	125 791
c) 3 - 6 months	8 750	6 860
d) 6 months - 1 year	31 576	18 308
e) over 1 year	29 683	74 673
f) receivables overdue	179 185	149 898
Total trade receivables (gross)	485 659	507 173
g) impairment write-downs of trade receivables	89 242	83 794
Total trade receivables (net)	396 417	423 379

Time-intervals for debt repayment, regarding normal course of sale cycle, amount to 1 - 3 months, except for retentions for construction contracts retained cumulatively by customers with due dates up to 6 years.

Note 7F**TRADE RECEIVABLES OVERDUE (GROSS) - WITH MATURITY ANALYSIS:**

	31.12.2012	31.12.2011
a) up to 1 month	27 854	42 544
b) 1 - 3 months	10 754	24 919
c) 3 - 6 months	20 872	4 389
d) 6 months - 1 year	45 547	3 755
e) over 1 year	74 158	74 291
Trade receivables overdue in total (gross)	179 185	149 898
f) impairment write-downs of trade receivables	89 242	83 794
Trade receivables overdue in total (net)	89 943	66 104

Note 7G**RECEIVABLES OVERDUE, NON-CURRENT AND CURRENT, (GROSS) (BY TYPE)**

	31.12.2012	31.12.2011
Trade receivables overdue	179 185	149 898
Other receivables overdue	942	1 847
Receivables overdue claimed in court	5	28
Receivables overdue in total (gross)	180 132	151 773
Impairment write-downs	90 189	85 669
Receivables overdue in total (net - decreased by impairment write-downs)	89 943	66 104

Note 7H**DISPUTED RECEIVABLES, NON-CURRENT AND CURRENT, (GROSS) (BY TYPE)**

	31.12.2012	31.12.2011
Disputed trade receivables	-	-
Disputed receivables under taxes, subsidies and social insurances	-	-
Disputed receivables under dividends and other shares in profits	-	-
Other disputed receivables	-	-
Receivables claimed in court	5	28
- trade receivables	5	28
Disputed receivables in total (gross)	5	28
Impairment write-downs	5	28
Disputed receivables in total (net - less write-downs)	-	-

Note 8A**SHORT-TERM FINANCIAL ASSETS**

	31.12.2012	31.12.2011
a) in subsidiaries	-	-
b) in jointly controlled companies	-	-
c) in associated companies	-	-
d) in significant investor	-	-
e) in partner of a jointly controlled company	-	-
f) in the parent	-	-
g) in other affiliated companies	-	-
h) in other entities	1 460	122
- other short-term financial assets (by type)	1 460	122
- valuation of financial instruments at fair value	1 460	122
i) cash and cash equivalents	1 041 548	1 569 995
- cash in hand and cash at bank	1 040 526	1 567 869
- other cash equivalents	1 022	2 126
Total short-term financial assets	1 043 008	1 570 117

Note 8B**DEBT SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS
(BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	1 460	122
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total debt securities, shares and other short-term financial assets	1 460	122

Note 8C**DEBT SECURITIES, SHARES AND OTHER SHORT-TERM FINANCIAL ASSETS
(BY NEGOTIABILITY)**

	31.12.2012	31.12.2011
A. With unlimited negotiability, quoted on stock exchange	-	-
B. Unlimited negotiability, quoted on over-the-counter market	-	-
C. With unlimited negotiability, not quoted on regulated market	-	-
D. Limited negotiability (carrying amount)	1 460	122
a) shares and equities (carrying amount):	-	-
b) bonds (carrying amount):	-	-
c) other - by type (carrying amount):	1 460	122
c1 valuation of financial instruments at fair value	1 460	122
c2 commercial bonds	-	-
c3 treasury bills	-	-
Total value at acquisition cost	-	-
Total opening balance	122	14 111
Total revaluation adjustments (for the period)	-	-
Total carrying amount	1 460	122

Note 8D**SHORT-TERM LOANS GRANTED (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	-	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total short-term loans granted	-	-

Note 8E**CASH AND CASH EQUIVALENTS (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	1 006 943	1 528 831
b) in foreign currencies (by currencies and after translation into PLN)	34 605	41 164
b1. unit/currency thousand / EUR	8 457	9 292
PLN thousands	34 574	41 041
b2. unit/currency thousand / USD	10	24
PLN thousands	31	82
b3. other currencies in PLN thousands	-	41
Total cash and cash equivalents	1 041 548	1 569 995

Note 8F**OTHER SHORT-TERM INVESTMENTS (OF WHICH)**

	31.12.2012	31.12.2011
Total other short-term investments	-	-

Note 8G**OTHER SHORT-TERM INVESTMENTS (broken down by currency)**

	31.12.2012	31.12.2011
a) in PLN	-	-
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total other short-term investments	-	-

Note 9**SHORT-TERM PREPAYMENTS AND ACCRUALS**

	31.12.2012	31.12.2011
a) prepayments, of which:	8 255	12 051
- insurance	6 814	7 227
- subscription	86	97
- IT services	97	333
- cost of bank guarantees	875	4 072
- other	383	322
b) other prepayments, of which:	222 889	197 219
- services rendered but not billed (valuation of contracts)	222 889	197 219
Total short-term prepayments	231 144	209 270

Note 10

Impairment write-downs recognised/reversed in 2012 and 2011 related to:

- a) tangible assets - in 2012 and 2011 the Company did not recognise or reverse any impairment write-downs;
- b) investment properties - in 2012 the Company did not create or reverse impairment write-downs for investment properties; in 2011 the Company reversed an impairment write-down in the amount of PLN 8 015 thousand referring to a real property located in Licheń Stary because it has been sold;
- c) non-current financial assets - in 2012 the Company recognised an impairment write-down of shares in the following companies: Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in the amount of PLN 108 000 thousand and Autopista del Levante S.L. in the amount of PLN 4 916 thousand; in 2011, in connection with the loss of value of its shares in those companies, the Company recognised an impairment write-down in the amount of PLN 182 267 thousand (for Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.) and in the amount of PLN 6 141 thousand (for Autopista del Levante S.L.), and reversed the impairment write-downs due to the sale of the company Centrum Konferencyjne Budimex Sp. z o.o. in the amount of PLN 1 938 thousand and liquidation of shares in the other unrelated entities in the amount of PLN 365 thousand;
- d) inventories - the impairment write-downs of inventories were presented in note 6; the reversal of impairment write-downs was mainly due to disposal of raw materials and finished goods; in 2012 an impairment write-down in the amount of PLN 30 050 thousand was established with regard to inventories under prepayments to Przedsiębiorstwo Napraw Infrastruktury Sp. z o. o. in connection with the loss of liquidity of this company;
- e) receivables - the value of impairment write-downs of receivables, established and reversed, is presented in note 7C; recognition of impairment write-downs was mainly due to deteriorated financial situation of debtors and deterioration of age structure of debts; reversal of write-downs of receivables was due mainly to write-offs and repayment of debts covered by such write-downs as well as revision of write-downs recognised in prior periods; in 2012, a write-down of receivables due from the company Przedsiębiorstwo Napraw Infrastruktury Sp. z o. o. was established in connection with the loss of liquidity of the latter (in the amount of PLN 18 323 thousand);

Note 11**SHARE CAPITAL (STRUCTURE)**

nominal value per one share = PLN 5

share series/ issue	type of shares	type of preference	type of limitations of rights to shares	number of shares	value of share/ issue at nominal value	type of capital coverage	registration date	right to dividend (as of)
A	ordinary/ registered	none	-	2 470	12	1)	94-08-05	94-01-01
A	ordinary/bearer	none	-	2 997 530	14 988	1)	94-08-05	94-01-01
B	ordinary/bearer	none	-	2 000 000	10 000	cash	94-11-13	95-01-01
C	ordinary/bearer	none	-	1 900 285	9 501	cash	95-03-07	95-01-01
D	ordinary/bearer	none	-	1 725 072	8 625	cash	98-04-25	96-01-01
E	ordinary/bearer	none	-	2 000 000	10 001	2)	97-08-05	97-01-01
F	ordinary/bearer	none	-	5 312 678	26 563	cash	98-05-05	98-01-01
G	ordinary/bearer	none	-	2 217 549	11 088	3)	99-11-02	99-01-01
H	ordinary/bearer	none	-	1 448 554	7 243	3)	99-11-02	99-01-01
I	ordinary/bearer	none	-	186 250	931	3)	99-11-02	99-01-01
K	ordinary/bearer	none	-	1 484 693	7 423	4)	00-07-13	00-01-01
L	ordinary/bearer	none	-	4 255 017	21 275	cash	00-12-18	00-01-01

Total number of shares**25 530 098****Total share capital****127 650**

1) assets of the transformed companies, Budimex Engineering and Construction Sp. z o.o.

2) assets of the acquired company, Budimex Trading SA

3) assets of the acquired companies, Budimex Poznań SA, Unibud SA and Budimex Warszawa SA

4) assets of the acquired company, Mostostal Kraków SA

As at 31 December 2012 and 2011 the number of shares issued by Budimex SA amounted to 25 530 098 and the share capital of the Company amounted to PLN 127 650 490.

In 2012 and 2011 there were no changes of the nominal value of shares of Budimex SA.

In 2012 there were no changes to rights to shares.

Shareholding structure of Budimex SA as at 31 December 2012 is as follows:

Shareholder	Type of shares	number of shares	% share in share capital	number of votes	% of voting right at AGM
Valivala Holdings B.V. Amsterdam (Holland) - a Ferrovial SA Group (Spain) company	ordinary	15 078 159	59.06%	15 078 159	59.06%
OFE PZU "Złota Jesień"	ordinary	2 561 102	10.03%	2 561 102	10.03%
Other shareholders	ordinary	7 890 837	30.91%	7 890 837	30.91%
Total		25 530 098	100.00%	25 530 098	100.00%

In 2012 OFE PZU "Złota Jesień", as a result of several purchases, increased the number of shares held in Budimex SA from 1 444 895 to 2 561 102. In consequence, its share in the Company share capital and the number of votes in GM increased from 5.66% to 10.03%. Due to the above, the number of shares held and shares of the other shareholders in the shareholding structure changed accordingly.

Note 12**RESERVE CAPITAL**

	31.12.2012	31.12.2011
a) arising from sales of shares above their nominal value	225 755	225 755
b) statutorily required	42 550	42 550
c) established according to statute/articles of association, above statutorily required minimum value, of which:	10 034	9 731
- transfer from revaluation reserve	9 608	9 608
- distribution of profit	426	123
d) additional equity contributions by shareholders	-	-
e) fair value of employee share option granted by the parent	2 705	1 283
f) other (by type)	1 526	1 526
Total reserve capital	282 570	280 845

Note 13**REVALUATION RESERVE**

	31.12.2012	31.12.2011
a) arising from revaluation of tangible assets	444	444
b) foreign exchange differences on translation of foreign operations	5 492	3 653
c) other (by type)	-	-
Total revaluation reserve	5 936	4 097

Note 14**OTHER RESERVES (BY PURPOSE)**

	31.12.2012	31.12.2011
Total other reserves	-	-

Note 15**WRITE-OFFS FROM NET PROFIT DURING THE FINANCIAL YEAR (under)**

	31.12.2012	31.12.2011
Write-offs from net profit during the financial year, in total	-	-

Note 16A**CHANGE IN BALANCE OF DEFERRED TAX LIABILITY**

	31.12.2012	31.12.2011
1. Opening balance of the liability, of which:	57 416	48 683
a) recognised in profit or loss	57 190	48 457
<i>- under positive temporary differences</i>	<i>57 190</i>	<i>48 457</i>
b) recognised in equity	226	226
c) recognised in goodwill or negative goodwill	-	-
2. Increases (of which):	1 496	8 824
a) recognised in profit or loss for the period in connection with positive temporary differences (under):	1 496	8 824
- arising from temporary differences	1 496	8 824
b) recognised in equity in connection with positive temporary differences (under):	-	-
c) recognised in goodwill or negative goodwill in connection with positive temporary differences (under):	-	-
3. Decreases	2 570	91
a) recognised in profit or loss for the period in connection with positive temporary differences (under):	2 570	91
- reversal of temporary differences	2 570	91
b) recognised in equity in connection with positive temporary differences (under):	-	-
c) recognised in goodwill or negative goodwill in connection with positive temporary differences (under):	-	-
4. Closing balance of provisions (of which):	56 342	57 416
a) recognised in profit or loss	56 116	57 190
<i>- under positive temporary differences</i>	<i>56 116</i>	<i>57 190</i>
b) recognised in equity	226	226
c) recognised in goodwill or negative goodwill	-	-
Total deferred tax liability - closing balance	56 342	57 416

Note 16A.1

CHANGE IN BALANCE OF DEFERRED TAX LIABILITY	valuation of construction contracts	unrealised exchange gains	accrued interests	valuation of contribution-in-kind	lease	valuation of financial instruments	other	Total
Positive temporary differences as at 01.01.2012	222 474	1 395	2 126	3 716	64 611	122	7 748	-
Balance of deferred tax assets as at 01.01.2012 per rate 19%	42 270	265	404	706	12 276	23	1 472	57 416
a) increases, of which:	1 024	-	-	-	-	254	218	1 496
recognised in profit or loss in connection with change in positive temporary differences:	1 024	-	-	-	-	254	218	1 496
b) decreases, of which:	-	102	210	-	2 258	-	-	2 570
charged to profit or loss in connection with change in positive temporary differences:	-	102	210	-	2 258	-	-	2 570
Positive temporary differences as at 12.31.2012	227 863	858	1 021	3 716	52 726	1 460	8 895	-
Balance of deferred tax assets as at 31.12.2012 per rate 19%	43 294	163	194	706	10 018	277	1 690	56 342
Expiry date for positive temporary differences	2012-2016	2012-2015	2012-2015	2012-2014	2012-2019	2012-2015	2012-2015	

Note 17A**CHANGE IN BALANCE OF LONG-TERM PROVISION FOR RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS (OF WHICH)****A. Retirement severance payments**

	31.12.2012	31.12.2011
a) opening balance	2 637	1 554
b) increases (under)	-	1 083
- establishment of provision	-	1 083
c) utilization (of which)	-	-
d) release (of which)	95	-
- revision of value	95	-
e) closing balance	2 542	2 637

B. Length of service awards

a) opening balance	-	-
b) increases (under)	-	-
c) utilization (of which)	-	-
d) release (of which)	-	-
e) closing balance	-	-

Total long-term provision for retirement benefits and similar obligations

2 542	2 637
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Note 17B**CHANGE IN BALANCE OF CURRENT PROVISION FOR RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS (OF WHICH)****A. Retirement severance payments**

	31.12.2012	31.12.2011
a) opening balance	727	1 357
b) increases (under)	175	-
- establishment of provision	175	-
c) utilization (of which)	161	228
- payments made	161	228
d) release (of which)	-	402
- revision of value	-	402
e) closing balance	741	727

B. Length of service awards

a) opening balance	-	-
b) increases (under)	-	-
c) utilization (of which)	-	-
d) release (of which)	-	-
e) closing balance	-	-

Total current provision for retirement benefits and similar obligations

741	727
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Note 17C**CHANGE IN BALANCE OF OTHER LONG-TERM PROVISIONS (OF WHICH)****A. Warranty repairs**

	31.12.2012	31.12.2011
a) opening balance	99 362	76 285
b) increases (under)	25 443	31 616
- establishment of provision	25 443	31 616
c) utilization (of which)	-	-
d) release (of which)	10 875	8 539
- revision of value	6 131	6 192
- transfer to current provisions	4 744	2 347
e) closing balance	113 930	99 362

Total other long-term provisions

113 930	99 362
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Note 17D**CHANGE IN BALANCE OF OTHER CURRENT PROVISIONS (OF WHICH)****A. Legal proceedings**

	31.12.2012	31.12.2011
a) opening balance	32 235	42 563
b) increases (under)	3 279	2 012
- establishment of provision	3 279	2 012
c) utilization (of which)	-	5 304
- payments/ compensations	-	5 304
d) release (of which)	908	7 036
- revision of value	908	7 036
e) closing balance	34 606	32 235

B. Warranty repairs

a) opening balance	32 170	17 448
b) increases (under)	18 088	24 143
- establishment of provision	13 344	21 796
- transfer from long-term provisions	4 744	2 347
c) utilization (of which)	12 924	9 421
- payments made	12 924	9 421
d) release (of which)	-	-
- revision of value	-	-
e) closing balance	37 334	32 170

C. Provisions for penalties

a) opening balance	30 534	43 426
b) increases (under)	1 889	23 363
- establishment of provision	1 889	23 363
c) utilization (of which)	3 554	14 048
- payments made	3 554	14 048
d) release (of which)	1 817	22 207
- revision of value	1 817	22 207
e) closing balance	27 052	30 534

D. Restructuring

a) opening balance	158	355
b) increases (under)	7 765	-
- establishment of provision	7 765	-
c) utilization (of which)	-	197
- payments/ compensations	-	197
d) release (of which)	158	-
- revision of value	158	-
e) closing balance	7 765	158

E. Other

a) opening balance	-	-
b) increases (under)	-	-
c) utilization (of which)	-	-
d) release (of which)	-	-
e) closing balance	-	-

Total other current provisions

106 757	95 097
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Note 18A**NON-CURRENT LIABILITIES**

	31.12.2012	31.12.2011
a) due to subsidiaries	-	-
b) due to jointly controlled companies	-	-
c) due to associates	-	-
d) due to significant investor	-	-
e) due to partner of jointly controlled companies	-	-
f) due to parent company	-	-
g) due to other affiliated companies	-	-
h) due to other entities	27 740	33 652
- loans and borrowings	-	-
- under issues of debt securities	-	-
- other financial liabilities, of which:	27 740	33 652
- <i>finance lease contracts</i>	27 740	33 652
- other (of which)	-	-
Total non-current liabilities	27 740	33 652

Note 18B**NON-CURRENT LIABILITIES,
WITH MATURITIES AFTER THE REPORTING DATE OF**

	31.12.2012	31.12.2011
a) 1 - 3 years	22 360	29 837
b) 3 - 5 years	5 380	3 815
c) above 5 years	-	-
Total non-current liabilities	27 740	33 652

Note 18C**NON-CURRENT LIABILITIES (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	27 740	33 652
b) in foreign currencies (by currencies and after translation into PLN)	-	-
Total non-current liabilities	27 740	33 652

Note 18D**NON-CURRENT LOANS AND BORROWINGS**

Entity name (including legal form)	registered office	loan/ borrowing principal as per agreement		loan/ borrowing outstanding amount		interest rate	repayment date	collateral/ security	other
		PLN thousands	currency (EUR thousands)	PLN thousands	currency (EUR thousands)				
-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-				

Note 18E**NON-CURRENT LIABILITIES UNDER DEBT SECURITIES ISSUED**

debt financial instruments, by type	nominal value	interest rate	redemption date	guarantee/ collateral	additional rights	quotation market	other
-	-	-	-	-	-	-	-
Total	-						

Note 19A**CURRENT LIABILITIES**

	31.12.2012	31.12.2011
a) due to subsidiaries	4 769	20 398
- trade payables, with maturities of:	4 765	20 394
- less than 12 months	3 674	18 880
- above 12 months	1 091	1 514
- other (of which)	4	4
b) due to jointly controlled companies	727	6 241
- trade payables, with maturities of:	660	6 175
- less than 12 months	660	6 175
- above 12 months	-	-
- other (of which)	67	66
c) due to associates	4 470	6 901
- trade payables, with maturities of:	4 433	6 900
- less than 12 months	3 774	6 801
- above 12 months	659	99
- other (of which)	37	1
d) due to significant investor	-	-
e) due to partner of jointly controlled companies	-	-
f) due to parent company	140 004	119 167
- loans and borrowings	8 107	8 531
- trade payables, with maturities of:	113 640	65 108
- less than 12 months	113 640	65 108
- above 12 months	-	-
- other (of which)	18 257	45 528
- settlement of consortia	17 982	45 231
- other	275	297
g) due to other affiliated companies	18 836	1 371
- trade payables, with maturities of:	18 836	1 371
- less than 12 months	18 584	1 371
- above 12 months	252	-
h) due to other entities	1 442 469	1 634 058
- loans and borrowings	-	-
- under issues of debt securities	-	-
- other financial liabilities, of which:	9 831	16 033
- valuation of forward contracts	243	5 353
- finance lease	9 588	10 680
- trade payables, with maturities of:	1 278 729	1 421 748
- less than 12 months	1 107 176	1 261 199
- above 12 months	171 553	160 549
- advance payments against supplies received	-	-
- other (of which)	153 909	196 277
- under taxes and duties	121 197	161 863
- under insurance and similar	8 586	9 329
- payables due to employees	3 638	4 577
- settlement of consortia	18 852	17 560
- investment purchases	527	2 052
- other	1 109	896
i) special funds	4 679	4 307
Company Social Benefit Fund	4 282	4 040
Restructuring Fund	135	135
other	262	132
Total current liabilities	1 615 954	1 792 443

Note 19B**CURRENT LIABILITIES (BROKEN DOWN BY CURRENCY)**

	31.12.2012	31.12.2011
a) in PLN	1 571 449	1 717 355
b) in foreign currencies (by currencies and after translation into PLN)	44 505	75 088
b2. unit/currency thousand / EUR	10 874	16 895
PLN thousands	44 455	74 622
b3. unit/currency thousand/ USD	16	47
- PLN	50	161
b3. unit /currency thousand/ RUB	-	-
- PLN	-	-
b4. other currencies in PLN	-	305
Total current liabilities	1 615 954	1 792 443

Note 19C**CURRENT LOANS AND BORROWINGS**

Entity name (including legal form)	registered office	loan/ borrowing principal as per agreement		loan/ borrowing outstanding amount		interest rate	repayment date	collateral/ security	other
		PLN thousands	currency (EUR thousands)	PLN thousands	currency (EUR thousands)				
Bank Handlowy SA w Warszawie	Warsaw	40 000	-	-	-	WIBOR 1M + margin	2013-02-06	none	-
Societe Generale SA Branch in Poland	Warsaw	50 000	-	-	-	WIBOR 1M + margin	2013-11-27	none	-
Cintra Infraestructuras SA	Madrid	-	€ 1 983	8 107	€ 1 983	EURIBOR 12M + margin	2013-12-01	none	-
Total		-	-	8 107					

Note 19D**CURRENT LIABILITIES UNDER DEBT SECURITIES ISSUED**

debt financial instruments, by type	nominal value	interest rate	redemption date	guarantee/ collateral	additional rights	quotation market	other
-	-	-	-	-	-	-	-
Total	-						

Note 20A**CHANGE IN NEGATIVE GOODWILL**

	31.12.2012	31.12.2011
a) opening balance	-	-
b) increases (under)	-	-
c) decreases (under)	-	-
Negative goodwill - closing balance	-	-

Note 20B**OTHER PREPAYMENTS**

	31.12.2012	31.12.2011
a) accruals and deferred income	384 417	506 201
- long-term (of which)	-	-
- short-term (of which)	384 417	506 201
- provision for contract losses	228 412	348 006
- provision for costs of contracts completion	9 062	9 413
- provision for unused holidays	27 710	24 128
- provision for bonuses	118 656	124 214
- other	577	440
b) accrued income	387 527	685 771
- long-term (of which)	5 014	5 150
- right of perpetual usufruct	5 014	5 150
- short-term (of which)	382 513	680 621
- prepayments received for future services	55 341	127 181
- contracts valuation - adjustment of sales revenue	321 035	547 173
- other	6 137	6 267
Other accruals and deferred income	771 944	1 191 972

Note 20C**CALCULATION OF BOOK VALUE PER SHARE**

	31.12.2012	31.12.2011
Book value (in PLN thousands)	380 769	545 324
Number of shares	25 530 098	25 530 098
Book value per share (PLN)	14.91	21.36

Notes and explanations to off-balance sheet items

Note 21A

CONTINGENT RECEIVABLES FROM AFFILIATED COMPANIES (of which)	31.12.2012	31.12.2011
a) guarantees and suretyships received	2 372	5 190
- from associated companies	2 372	5 190
b) other	1 836	1 303
b.1. promissory notes received as security. of which:	1 836	1 303
- from subsidiaries	1 836	1 303
Total contingent receivables from affiliated companies	4 208	6 493

Note 21B

CONTINGENT LIABILITIES DUE TO AFFILIATED COMPANIES (of which)	31.12.2012	31.12.2011
a) guarantees and suretyships issued, of which:	126 333	147 130
- to subsidiaries	126 333	147 130
b) other (of which)	-	-
Total contingent liabilities due to affiliated companies	126 333	147 130

Notes and explanations to the profit and loss account

Note 22A

NET SALES OF FINISHED GOODS (BY BUSINESS TYPES)

- a) sales of construction and assembly services, of which:
 - from affiliated companies
 b) sales of other services, of which:
 - from affiliated companies
 c) sales of finished goods, of which:
 - from affiliated companies

Total net sales of products

- from affiliated companies

01.01. - 31.12.2012	01.01. - 31.12.2011
5 180 192	4 959 879
260 820	277 556
41 759	39 589
18 526	16 066
1 043	17 478
-	-
5 222 994	5 016 946
279 346	293 622

Note 22B

NET SALES OF FINISHED GOODS (BY GEOGRAPHY)

1. domestic market, of which:
 - from affiliated companies
 2. export sales, of which:
 - from affiliated companies

Total net sales of products

- from affiliated companies

01.01. - 31.12.2012	01.01. - 31.12.2011
5 089 296	4 887 027
277 962	292 558
133 698	129 919
1 384	1 064
5 222 994	5 016 946
279 346	293 622

Note 23A

NET SALES OF GOODS FOR RESALE AND RAW MATERIALS (BY BUSINESS TYPE)

- a) sales of raw materials, of which:
 - from affiliated companies
 b) sales of goods for resale, of which:
 - from affiliated companies

Total net sales of goods for resale and raw materials

- from affiliated companies

01.01. - 31.12.2012	01.01. - 31.12.2011
9 597	2 723
582	-
-	-
-	-
9 597	2 723
582	-

Note 23B

NET SALES OF GOODS FOR RESALE AND RAW MATERIALS (BY GEOGRAPHY)

1. domestic market, of which:
 - from affiliated companies
 2. export sales, of which:
 - from affiliated companies

Total net sales of goods for resale and raw materials

- from affiliated companies

01.01. - 31.12.2012	01.01. - 31.12.2011
9 597	2 723
582	-
-	-
-	-
9 597	2 723
582	-

Note 23C

NET SALES OF GOODS FOR RESALE, RAW MATERIALS AND FINISHED GOODS BY SEGMENTS

- a) construction business
 b) property management and developer business
 c) other business

Total net sales of goods for resale, raw materials and finished goods

01.01. - 31.12.2012	01.01. - 31.12.2011
5 180 192	4 959 879
4 612	22 035
47 787	37 755
5 232 591	5 019 669

Note 23D

NET SALES OF GOODS FOR RESALE, RAW MATERIALS AND FINISHED GOODS BY GEOGRAPHICAL MARKETS

- a) Poland
 b) Germany

Total net sales of goods for resale, raw materials and finished goods

01.01. - 31.12.2012	01.01. - 31.12.2011
5 098 893	4 889 750
133 698	129 919
5 232 591	5 019 669

Note 24**COSTS BY TYPE**

	01.01 – 31.12.2012	01.01. - 31.12.2011
a) depreciation/amortization	30 547	25 577
b) consumption of materials and energy	1 865 385	1 949 219
c) external services	2 640 463	2 315 565
d) taxes and charges	5 701	6 062
e) remuneration	426 559	424 037
f) social securities and other benefits	85 443	79 107
g) other costs by type (of which):	(40 103)	(42 968)
- accommodation of employees	20 318	20 193
- business trips	2 571	2 118
- advertising and representation expenses	2 940	3 496
- life and non-life (property) insurance	11 666	8 164
- provision for contract losses	(119 594)	(127 696)
- cost of contracts completion (including provisions for warranty repairs)	31 000	47 051
- cost of technical documentation	10 052	3 182
- other	944	524
Total costs by type	5 013 995	4 756 599
Change in balance of inventories, finished goods and accruals and prepayments	(1 023)	14 664
Cost of goods produced for the entity's own use (negative value)	-	-
Selling costs (negative value)	(11 024)	(11 692)
Administrative expenses (negative value)	(162 206)	(123 518)
Cost of goods sold	4 839 742	4 636 053

Note 25**OTHER OPERATING REVENUE**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) release of provisions	2 883	29 243
- for legal proceedings	908	7 036
- for expected contract liabilities (penalties)	1 817	22 207
- for restructuring	158	-
b) other, of which:	52 092	39 704
- compensations, penalties and fines received	38 878	24 517
- reversal of impairment write-downs of receivables	10 411	12 794
- write-off of statute-barred liabilities	1 168	1 596
- other	1 635	797
Total other operating revenue	54 975	68 947

Note 26A**OTHER OPERATING EXPENSES**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) establishment of provisions (for)	12 933	25 375
- for legal proceedings	3 279	2 012
- for restructuring	7 765	-
- for expected contract liabilities (penalties)	1 889	23 363
b) other, of which:	5 682	7 117
- donations	619	612
- compensations and contractual penalties paid	3 176	5 348
- court charges and executions, costs of legal proceedings	1 542	965
- other	345	192
Total other operating expenses	18 615	32 492

Note 26B**IMPAIRMENT WRITE-DOWNS OF NON-FINANCIAL ASSETS (BY TITLE)**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) intangible assets	-	-
c) tangible assets (prepayments for construction-in-progress)	-	-
c) investment properties	-	-
d) doubtful and overdue receivables	25 350	8 386
d) inventories	30 050	-
Total impairment write-downs of non-financial assets	55 400	8 386

Note 27A**FINANCIAL INCOME FROM DIVIDENDS AND SHARES IN PROFITS**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) from affiliated companies, of which:	20 021	37 000
- from subsidiaries	20 000	37 000
- from associates	21	-
b) from other entities	-	-
Total financial income from dividends and shares in profits	20 021	37 000

Note 27B**INTEREST INCOME**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) on loans granted	30	-
- from affiliated companies, of which	30	-
- from associates	30	-
b) other interest	54 781	48 294
- from affiliated companies, of which	165	9
- from subsidiaries	-	9
- from other affiliated companies	165	-
- from other entities	54 616	48 285
Total interest income	54 811	48 294

Note 27C**OTHER FINANCIAL INCOME**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) foreign exchange gains*	-	-
- realised	-	-
- unrealised	-	-
b) release of provisions (of which)	-	-
c) other, of which:	-	-
- other	-	-
Total other financial income	-	-

*) excess of exchange gains over exchange losses

Note 28A**INTEREST CHARGES**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) on loans and borrowings	1 098	182
- to affiliated companies, of which:	1 098	182
- to subsidiaries	882	-
- to the parent	216	182
- to other entities	-	-
b) other interest	3 224	3 781
- to affiliated companies, of which:	-	-
- to subsidiaries	-	-
- to other entities	3 224	3 781
Total interest charges	4 322	3 963

Note 28B**OTHER FINANCE COSTS**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) foreign exchange losses *)	1 737	1 826
- realised	2 572	1 568
- unrealised	(835)	258
b) provisions created (of which)	-	-
c) other, of which:	13 412	13 453
- bank commissions and guarantees	13 412	13 397
- other	-	56
Total other finance costs	15 149	15 279

*) excess of exchange losses over exchange gains

Note 27C / 28C**Foreign exchange gains and losses are as follows:**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) gains	7 023	3 443
- realised	3 873	2 759
- unrealised	3 150	684
b) losses	8 760	5 269
- realised	6 445	4 327
- unrealised	2 315	942
Total (a - b)	(1 737)	(1 826)

Note 29A**PROFIT ON INVESTMENT DISPOSAL**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) profit on disposal of financial instruments	-	2 105
b) profit on sale of shares and equities	5 002	-
Profit on investment disposal, in total	5 002	2 105

On 7 December 2012, Budimex SA and Budimex Kolejnictwo SA (a subsidiary of Budimex SA) concluded an agreement on sale of shares in Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (an affiliate of Budimex SA) for PLN 5,002 thousand. In connection with the earlier write-down of all shares in the company sold (as described in detail in point 18 of the Additional notes and explanations), Budimex SA recognised the entire amount as profit on investment disposal.

Note 29B**LOSS ON INVESTMENT DISPOSAL**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) loss on settlement of financial instruments	2 985	-
b) loss on sale of shares/equities	-	29
Loss on investment disposal, in total	2 985	29

On 31 May 2011 Budimex SA and Northcan Polska Sp. z o. o. signed an agreement on sale of shares of the company Centrum Konferencyjne Budimex Sp. z o. o. (a subsidiary of Budimex SA) for the amount of PLN 102 thousand. Due to above transaction the Company recognised loss in the amount of PLN 29 thousand. Budimex SA disposed of all shares held in the subsidiary.

Note 30A**INCOME FROM REVALUATION OF INVESTMENTS**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) valuation of financial instruments	6 448	-
b) reversal of impairment write-downs of non-current financial assets	-	-
Income from revaluation of investments, in total	6 448	-

Note 30B**COSTS OF REVALUATION OF INVESTMENTS**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) valuation of financial instruments	-	5 072
b) impairment write-downs write-downs of non-current financial assets	112 916	188 408
Costs of revaluation of investments, in total	112 916	193 480

Note 31**EXTRAORDINARY GAINS**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) fortuitous events	-	-
b) other (by type)	-	-
Total extraordinary gains	-	-

Note 32**EXTRAORDINARY LOSSES**

	01.01. - 31.12.2012	01.01. - 31.12.2011
a) fortuitous events	-	-
b) other (by type)	-	-
Total extraordinary loss	-	-

Note 33A**CURRENT INCOME TAX**

	01.01. - 31.12.2012	01.01. - 31.12.2011
1. Gross profit (loss)	145 247	154 928
2. Differences between gross profit (loss) and income tax base, of which (by type):	(440 521)	(85 283)
- permanent differences between gross profit and taxable income	19 384	(31 847)
- temporary differences between gross profit and taxable income	(448 020)	(36 638)
- other differences	(11 885)	(16 798)
3. Income tax base	(295 274)	69 645
4. Income tax according to enacted tax rate of 19%	-	13 233
5. Income tax paid in respect on profits generated abroad	(1 007)	293
6. Adjustment of the previous period tax	(236)	-
7. Current income tax recognised in tax declaration for the period, of which:	(1 243)	13 526
- recognised in profit and loss account	(1 243)	13 526

Note 33B**DEFERRED INCOME TAX RECOGNISED IN PROFIT AND LOSS ACCOUNT**

	01.01. - 31.12.2012	01.01. - 31.12.2011
- decrease (increase) under occurrence and reversal of temporary differences	34 241	8 670
- decrease (increase) under changes in tax rates	-	-
- decreases (increases) in respect of previously not recognised tax loss, tax credit or temporary difference relating to the prior period	-	-
- other components of deferred tax (by type)	-	-
Deferred income tax in total	34 241	8 670

Note 33C**TOTAL DEFERRED TAX**

	01.01. - 31.12.2012	01.01. - 31.12.2011
- recognised in equity	-	-
- recognised in goodwill or negative goodwill	-	-

Note 33D**INCOME TAX RECOGNISED IN PROFIT AND LOSS ACCOUNT REFERRING TO:**

	01.01. - 31.12.2012	01.01. - 31.12.2011
1. Permanent differences (adjustment for revenues – adjustment for costs):	19 384	(31 847)
Adjustments for revenues:	(21 884)	(42 698)
- dividends received	(20 021)	(37 000)
- release of provisions for legal proceedings and penalties	(263)	(5 069)
- other	(1 600)	(629)
Adjustment for costs:	(41 268)	(10 851)
- donations	(619)	(613)
- compensations, penalties and budget interest	(373)	(2 574)
- provision for legal proceedings and penalties	(1 682)	(4 069)
- amounts transferred to PFRON (National Fund for the Rehabilitation of Disabled Persons)	(3 176)	(3 211)
- fees paid to associations - non-obligatory	(99)	(62)
- costs of warranty repairs	(588)	(1 106)
- representation	(1 297)	(1 752)
- impairment write-down of advance payments made	(30 050)	-
- other	(3 384)	2 536
2. Temporary differences (adjustment for revenues – adjustment for costs):	(448 020)	(36 638)
Adjustments for revenues:	(232 828)	(112 270)
- unrealised foreign exchange gains	540	(538)
- release of provisions for legal proceedings and penalties	(6 174)	(43 723)
- valuation of forward contracts	(6 448)	-
- valuation of construction contracts	(229 230)	(47 790)
- reversal of impairment write-downs of receivables	(10 411)	(14 606)
- reversal of impairment write-downs of inventories and tangible assets	(744)	(735)
- reversal of impairment write-downs of investment properties	-	(8 015)
- compensations, penalties, fines received	14 987	1 146
- accrued interest	1 103	437
- other	3 549	1 554
Adjustment for costs:	215 192	(75 632)
- unrealised foreign exchange losses	1 671	(381)
- impairment write-downs of receivables	(25 350)	(8 386)
- impairment write-downs of non-current financial assets	177 351	(186 105)
- provision for employee leaves and retirement severance payments	(3 662)	(6 657)
- provision for bonuses	5 558	5 192
- accrued interest	11	(6)
- provision for not yet billed costs	(23 006)	55 418
- valuation of forward contracts	-	(5 072)
- provision for contract losses	119 594	127 696
- provisions for warranty repairs	(19 732)	(36 693)
- provision for legal proceedings and penalties	(11 251)	(21 306)
- other	(5 992)	668
3. Other differences:	(11 885)	(16 798)
- taxable profit achieved on foreign markets	(11 885)	(16 557)
- deduction in respect of donations made	-	(241)
- deduction of losses from prior years	-	-
Total (1 +2 +3)	(440 521)	(85 283)

Note 34

OTHER STATUTORY DEDUCTIONS FROM PROFIT (INCREASES OF LOSS), UNDER	01.01. - 31.12.2012	01.01. - 31.12.2011
Other statutory deductions from profit (increases of loss), in total	-	-

Note 35

SHARE IN NET PROFITS (LOSSES) OF SUBORDINATED COMPANIES ACCOUNTED FOR WITH EQUITY METHOD, OF WHICH:	01.01. - 31.12.2012	01.01. - 31.12.2011
Share in net profits (losses) of subordinated companies accounted for with equity method, of which:	-	-

Note 36

The financial statements of Budimex SA for the year ended 31 December 2012 were approved by the Ordinary General Meeting of Shareholders on 26 April 2011. The General Meeting of Shareholders resolved to allocate the 2011 profit to pay the dividend in the amount of PLN 280 065 thousand (i.e. gross amount of PLN 10.97 per one share). The remaining portion of the profit, i.e. PLN 303 thousand, was credited to the reserve capital. The dividend was paid on 30 May 2012.

Till the date of preparation of these financial statements for the financial year ended 31 December 2012 the Management Board of the Company did not make a resolution in respect of appropriation of the profit for 2012 in the amount of PLN 112 249 thousand.

Note 37

EARNINGS (LOSS) PER SHARE	01.01. - 31.12.2012	01.01. - 31.12.2011
Net profit (loss)	112 249	132 732
Weighted average number of ordinary shares	25 530 098	25 530 098
Earnings (loss) per ordinary share (in PLN) based on the following formula: net profit divided by weighted average number of ordinary shares	4.40	5.20

Notes and explanations to the cash flow statement**Note 38****CASH AND CASH EQUIVALENTS**

	31.12.2012	31.12.2011
a) cash in hand	13	22
b) cash at bank	1 040 513	1 567 847
- current accounts	35 120	4 796
- overnight (one-day) deposits	108 659	175 167
- other cash deposits up to 1 year	893 771	1 387 884
- cash deposits above 1 year of limited disposal	2 963	-
c) other cash equivalents	1 022	2 126
Total cash and cash equivalents	1 041 548	1 569 995

The balance of cash and cash equivalents covers cash of consortia in the part attributable to the consortium members in the amount of PLN 34 098 thousand as at 31 December 2012 and PLN 71 469 thousand as at 31 December 2011.

Note 39A**CHANGE IN RECEIVABLES**

	31.12.2012	31.12.2011
- change in balance of receivables in the balance sheet	36 281	(25 195)
- payment of receivables under redemption of shares in the company Autostrada Południe SA	(4 676)	4 676
- change in balance of investing receivables	(103)	133
Change in balance of receivables, in total	31 502	(20 386)

Note 39B**CHANGE IN CURRENT LIABILITIES, EXCEPT FOR LOANS AND BORROWINGS**

	31.12.2012	31.12.2011
- change in balance of liabilities and special funds in the balance sheet	(182 401)	135 987
- change in balance of liabilities under loans and borrowings	424	(1 056)
- change in balance of liabilities under finance lease	7 004	(23 421)
- change in balance under valuation of financial instruments	5 110	(5 100)
- change in balance of investing liabilities	1 525	(459)
Change in balance of current liabilities and special funds, except for loans and borrowings, in total	(168 338)	105 951

Note 39C**OTHER ADJUSTMENTS (OPERATING ACTIVITIES)**

	31.12.2012	31.12.2011
- adjustment for foreign exchange differences related to foreign operations	1 839	644
- valuation of forward contracts	(6 448)	5 072
- other items	683	596
Total other adjustment to operating activities	(3 926)	6 312

Note 39D**OTHER INFLOWS FROM INVESTING ACTIVITIES**

	31.12.2012	31.12.2011
- repayment of short-term loan	3 030	-
- settlement of derivative instruments	-	2 105
Total other inflows from investing activities	3 030	2 105

Note 39E**OTHER CAPITAL EXPENDITURES**

	31.12.2012	31.12.2011
- settlement of derivative instruments	2 985	-
- short-term loan granted	3 000	-
Total other capital expenditures	5 985	-

Additional Notes and Explanations

1. Financial instruments

a) Embedded derivative financial instruments

The Company concludes foreign currency investor, subcontractor and supplier contracts whose terms and conditions meet the recognition criteria of embedded derivative financial instruments (embedded derivatives) in accordance with the Decree on financial instruments. Due to the fact that the contracts concluded by the Company which are not financial instruments are expressed in foreign currencies commonly used in the contracts for supply of certain consumer products and services on home market, there was no need to bifurcate embedded derivatives from their host contracts and value them separately as at 31 December 2012 or 31 December 2011.

b) Financial risk management

During the course of its business activities, the Company is exposed to various types of financial risk: currency risk, interest rate risk, price risk, credit risk and risk of loss of liquidity. The Management Board reviews and determines risk management policies for each of the risk types identified.

Currency risk

As part of its core operations, the Company enters into construction contracts and contracts with subcontractors and suppliers denominated in foreign currencies. The foreign currency risk management policy adopted by the Management Board consists in hedging future cash flows on these contracts in order to limit the effect of volatility of currency exchange rates on the results of the Company. In accordance with this policy, the Company hedges against foreign currency risk attached to each construction contract, on which the value of foreign currency payments (inflows or outflows) is deemed material. Hedging against foreign currency risk is realized through the use of derivative financial instruments, mainly currency forward contracts (FX forwards) or, if possible, through natural hedge mechanism, which consists in concluding agreements with suppliers or subcontractors in the currency of the underlying contract.

Interest rate risk

The Company is exposed to interest rate risk mainly in connection with finance lease contracts, which are based on variable interest rates and expose the Company to the risk of changes in cash flows in case they increase.

The risk related to the current debt balances was assessed as immaterial from the point of view of the effect on the results of the Company and for this reason interest rate risk management is currently limited to monitoring of market situation only.

Price risk

The Company is exposed to price risk relating to increases in prices of the most popular construction materials such as steel, aggregates, concrete or crude oil derivatives such as petrol, diesel oil, asphalts or heating fuel. Prices defined in contracts with investors remain fixed over the entire period of contract performance, i.e. most often over the period of 6 – 36 months, whilst contracts with subcontractors are made at a later date, as works on individual contract progress. In order to limit the price risk, the Company monitor prices of the most popular construction materials on an ongoing basis, while the construction contracts signed have the parameters relating, among others, to contract duration and value, appropriately matched with market situation.

Credit risk

As regards transactions concluded on monetary and foreign currency markets, the Company cooperates with financial institutions of high financial standing and hence does not incur material credit risk concentration. At the same time, the Company applies the policy of limiting credit exposure to those individual financial institutions, in which periodic cash surpluses are placed.

The financial assets of the Company exposed to an increased credit risk are trade receivables. The Company has in place the policy of credit risk assessment and review in respect of all contracts, both at contract pre-tender stage and during contract realization.

Prior to contract signing, each business partner is assessed for the capacity to discharge its financial liabilities. Signing contract with a party whose payment abilities were assessed negatively depends on establishing adequate financial and property collateral and securities. In addition, clauses are included in investor contracts that provide for the right to stop any work if payments for the services already performed are delayed. Where possible, special contract provisions are made that tie payments to subcontractors with inflow of cash from the investor.

Risk of loss of liquidity

In order to limit the risk of loss of liquidity, the Company holds appropriate amounts of cash and marketable securities, and enters into credit facilities contracts which serve as additional safeguard against loss of liquidity. To finance its investment purchases, the Company uses own funds or long-term finance lease contracts that ensure appropriate stability of financing structure for this type of assets.

c) Derivative financial instruments

The Company enters into derivative transactions in order to hedge against foreign exchange risk. Policies concerning use of derivative financial instruments are defined in the Risk Management Policy adopted by the Management Board, as described in more detail in point b) above "Financial risk management".

Derivative financial instruments are valued at the reporting date at a reliably determined fair value. Fair value of derivative financial instruments is estimated using the model based, among others, on currency exchange rates (average NBP rates) prevailing on the reporting date and on differences in interest rates of the quotations and base currencies.

The effects of periodic valuation of derivative financial instruments are taken to finance income or finance costs for the period, as appropriate. Gains or losses determined on the date of settlement are recognised in the profit and loss account under gains or losses on investment disposal, as appropriate.

Fair value and changes in valuation of transactions concluded by the Company and open as at 31 December 2012 and 31 December 2011 are presented in the table below:

	Financial assets on valuation of derivative financial instruments		Financial liabilities on valuation of derivative financial instruments	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Currency forward contracts	1 460	122	243	5 353
Total	1 460	122	243	5 353

	Financial assets on valuation of derivative financial instruments		Financial liabilities on valuation of derivative financial instruments	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Opening balance	122	94	5 353	253
valuation adjustment at the reporting date	1 338	28	(5 110)	5 100
Closing balance	1 460	122	243	5 353

The total nominal value of currency forward contracts, the FX Forward type, as at 31 December 2012 was EUR 19,369 thousand, while as at 31 December 2011, the total nominal value of currency forward contracts was EUR 20,934 thousand. The Company did not hold any currency options as at those dates.

Forward selling/ buying rate for transactions open as at 31 December 2012 ranged EUR/ PLN 4.1070-4.3496 (as at 31 December 2011 – EUR/PLN 4.0379-4.565). Forward transactions open as at 31 December 2012 are to be settled within 24 - 332 days.

As at 31 December 2012 or 31 December 2011, the Company did not apply hedge accounting.

d) Movements in financial instruments, by category

The tables below show movements in individual classes of financial assets (except for cash and cash equivalents) and financial liabilities of the Company in the 12-month periods ended 31 December 2012 and 31 December 2011:

	Financial assets held for trading	Financial assets held to maturity	Financial assets available for sale	Loans and receivables	Financial liabilities held for trading	Other financial liabilities
1 January 2012	122	-	2 185	-	5 353	52 863
<i>increases, of which:</i>	1 338	-	-	3 030	-	90 253
- <i>purchase/provision</i>	-	-	-	3 000	-	89 371
- <i>impairment write-down</i>	1 338	-	-	-	-	-
- <i>accrued interest</i>	-	-	-	30	-	882
<i>decreases, of which:</i>	-	-	-	(3 030)	(5 110)	(97 681)
- <i>sale / repayment/ redemption</i>	-	-	-	(3 030)	-	(97 031)
- <i>impairment write-down</i>	-	-	-	-	(5 110)	(639)
- <i>accrued interest adjustment</i>	-	-	-	-	-	(11)
31 December 2012	1 460	-	2 185	-	243	45 435
	=====	=====	=====	=====	=====	=====
Balance sheet recognition						
Non-current financial assets						
- in affiliated companies	-	-	-	-	-	-
- in other entities	-	-	2 185	-	-	-
Current financial assets						
- in affiliated companies	-	-	-	-	-	-
- in other entities	1 460	-	-	-	-	-
Non-current financial liabilities						
- to affiliated companies	-	-	-	-	-	-
- to other entities	-	-	-	-	-	27 740
Current financial liabilities						
- to affiliated companies	-	-	-	-	-	8 107
- to other entities	-	-	-	-	243	9 588
Total	1 460	-	2 185	-	243	45 435
	=====	=====	=====	=====	=====	=====

	Financial assets held for trading	Financial assets held to maturity	Financial assets available for sale	Loans and receivables	Financial liabilities held for trading	Other financial liabilities
1 January 2011	14 111	-	2 242	-	253	28 386
<i>increases, of which:</i>	28	-	365	-	5 100	36 338
- <i>purchase/provision</i>	-	-	-	-	-	35 444
- <i>impairment write-down</i>	28	-	365	-	5 100	874
- <i>accrued interest</i>	-	-	-	-	-	20
<i>decreases, of which:</i>	(14 017)	-	(422)	-	-	(11 861)
- <i>sale / repayment/ redemption</i>	(14 013)	-	-	-	-	(11 847)
- <i>liquidation</i>	-	-	(422)	-	-	-
- <i>accrued interest adjustment</i>	(4)	-	-	-	-	(14)
	-----	-----	-----	-----	-----	-----
31 December 2011	122	-	2 185	-	5 353	52 863
	=====	=====	=====	=====	=====	=====
Balance sheet recognition						
Non-current financial assets						
- in affiliated companies	-	-	-	-	-	-
- in other entities	-	-	2 185	-	-	-
Current financial assets						
- in affiliated companies	-	-	-	-	-	-
- in other entities	122	-	-	-	-	-
Non-current financial liabilities						
- to affiliated companies	-	-	-	-	-	-
- to other entities	-	-	-	-	-	33 652
Current financial liabilities						
- to affiliated companies	-	-	-	-	-	8 531
- to other entities	-	-	-	-	5 353	10 680
	-----	-----	-----	-----	-----	-----
Total	122	-	2 185	-	5 353	52 863
	=====	=====	=====	=====	=====	=====

The value of available-for-sale financial assets carried at amortized cost as at 31 December 2012 and 31 December 2011 was PLN 2,185 thousand and covered only non-current financial assets in other entities.

During the 12-month period ended 31 December 2012, the Company did not recognise any impairment write-downs of shares in unrelated entities, while in 2011 the Company reversed impairment write-downs referring to liquidation of companies (in the amount of PLN 365 thousand).

e) Interest on financial assets

12 –month period ended 31 December 2012	realised	unrealised with maturity of			total	Total interest
		< 3 months	3-12 months	> 12 months		
loans granted and receivables	30	-	-	-	-	30
financial assets held for trading	-	-	-	-	-	-
Total	30	-	-	-	-	30

12 –month period ended 31 December 2011	realised	unrealised with maturity of			total	Total interest
		< 3 months	3-12 months	> 12 months		
loans granted and receivables	-	-	-	-	-	-
financial assets held for trading	193	-	-	-	-	193
Total	193	-	-	-	-	193

f) Interest on financial liabilities

12 –month period ended 31 December 2012	realised	unrealised with maturity of			total	Total interest
		< 3 months	3-12 months	> 12 months		
Current financial liabilities	3 632	-	9	-	9	3 641
non-current financial liabilities	-	-	-	-	-	-
Total	3 632	-	9	-	9	3 641

12 –month period ended 31 December 2011	realised	unrealised with maturity of			total	Total interest
		< 3 months	3-12 months	> 12 months		
Current financial liabilities	1 596	-	20	-	20	1 616
non-current financial liabilities	-	-	-	-	-	-
Total	1 596	-	20	-	20	1 616

2. Contingent liabilities

a) Guarantees, suretyships and other contingent liabilities

Type of liability (in PLN thousands)	31 December 2012	31 December 2011
Guarantees and suretyships provided (incl. bills of exchange), of which:	1 462 347	1 753 301
- to affiliated companies	126 333	147 130
- to other entities *	1 336 014	1 606 171
Promissory notes issued as security/collateral, of which:	4 505	2 055
- to affiliated companies	-	-
- to other entities	4 505	2 055
Other off-balance sheet liabilities	143 180	135 010
Total	1 610 032	1 890 366

* Contingent liabilities arising from guarantees and suretyships issued to other entities are mainly guarantees issued by banks to the Company's business partners as security for their claims against the Company. The banks are entitled to reverse claim against the Company.

b) Legal proceedings pending as at 31 December 2012

The total value of legal proceedings in progress in respect of liabilities and receivables was PLN 546 658 thousand as at 31 December 2012. The excess of the value of the proceedings in which Budimex SA is a defendant over the proceedings in which the Company is a claimant is PLN 1 034 thousand.

As at December 2012, the total value of the proceedings relating to the Company's liabilities was PLN 273 846 thousand. The proceedings in progress relate to the operating activities of the Company.

The proceedings in the highest value case are pending before the Arbitration Court at the Polish National Chamber of Commerce in Warsaw, and involve the Ferrovial Agroman SA consortium members: Budimex SA and Estudio Lamela S.L. (FBL Consortium) and Przedsiębiorstwo Państwowe "Porty Lotnicze" (PPL). The litigation is the result of PPL serving a notice rescinding the contract for the development and modernization of Terminal 2 of the Warsaw Frederic Chopin International Airport. Initially, the proceedings related solely to the claim filed on 24 January 2008 by the FBL Consortium, in relation to bank guarantees realised by PPL groundlessly, which were given as a performance warranty for a total amount of PLN 54,382 thousand.

In the course of the case PPL filed a counter-claim for a total amount of PLN 135,719 thousand, covering claims for the redress of damage, including lost benefits, return of unjust enrichment and liquidated damages. On 31 July and 26 October 2009, PPL filed to the Court of Arbitration further statements of claim including extension of the counter-claim, amending the original amount of the counter-claim from PLN 135,719 thousand to PLN 280,894 thousand. As a result of subsequent procedural steps, in August 2012, PPL's claim was raised to PLN 298 892 thousand. According to the value of the shares set forth in the consortium contract, the risk corresponding to the share of Budimex SA does not exceed the total of PLN 119 556 thousand.

In the opinion of Budimex SA, all the claims under the counter-suit are groundless. Consequently, on 21 October 2008, the FBL Consortium filed a response to the counterclaim, which contained a motion to dismiss the action in its entirety, together with the statement on the groundlessness of PPL's claims. To date, there have been a dozen or so trials during which witnesses for the claimant and the counter-claimant have been examined with respect to the circumstances included in PPL's counter-claim.

Regardless of PPL's counter-claim and in accordance with former announcements, on 27 February 2009 the FBL Consortium submitted a statement of claim including an extension of the main claim by the amount of PLN 216 458 thousand, covering: remuneration for the works performed, but not paid for by the investor, remuneration for additional works, and reimbursement for the retained amounts and interest on late payments. According to the consortium contract the share of Budimex SA in the claim amounts to PLN 86,583 thousand.

On 27 May 2010, the Arbitration Court issued a decision under which the evidence from the expert's opinion regarding the evaluation of reasonableness of the PPL claims was accepted (except for any amounts sought at that stage). The expert

appointed by the Arbitration Court, Grupa BS Consulting, started to work at the end of 2010. During that period

there have been several meetings with proxies of parties and the expert, and there was an inspection of the airport objects with the participation of the aforementioned expert in March 2011. Technical opinion prepared by the expert, that was delivered to proxies of both parties on 29 July 2011, represented the result of his work. The parties made comments, remarks and detailed questions to the opinion prepared by the expert. Upon taking these into consideration, the expert prepared the final supplementary opinion at the end of March 2012. The assessment presented in the opinion was favourable for the FBL Consortium as it, among other things, confirmed that the FBL Consortium was entitled to postpone the work completion deadline.

Due to completion by the expert of work on the assessment of the validity of PPL's claims, the Court ordered both parties to present final calculations of their claims, taking into account the expert's views expressed in the opinion. As a result, PPL extended the claim as stated above to PLN 298 892 thousand, and the value of the FBL Consortium's claim remained unchanged. On 28 January 2013, the Court issued a decision on acceptance of the offer of the expert, i.e. Grupa BC Consulting, regarding drafting an opinion on the amounts of the extended claims as sought by the FBL Consortium. In view of the content of the first expert opinion, the FBL Consortium filed to the court a request for assigning the trial date in order to assess the legitimacy of a new expert opinion regarding the claims of PPL. According to the FBL Consortium, the first expert opinion demonstrated that the claims of PPL were not justified. Therefore, there was no need to order an expert opinion as to their amounts. The motion of the FBL Consortium had not been considered prior to the date of preparing these statements.

The Management Board is of the opinion that the final judgement of the Arbitration Court will be favourable to the FBL Consortium.

On 23 March 2009, the Arbitration Court issued a partial judgement covering the decision in respect of bank guarantees (the first statement of claim of the FBL Consortium). Based on that judgement, the Court awarded from PPL to the FBL Consortium the amount of PLN 54,382 thousand together with statutory interest for the period from 9 November 2007 (as at the judgement date, the amount of interest alone was PLN 8 805 thousand). According to the consortium contract the portion due to Budimex SA is 40%, i.e. PLN 21 753 thousand and PLN 3 522 thousand under interest.

Having received the reason for the partial judgement from the Arbitration Court, the consortium filed to the common court a motion on ascertainment of enforceability of the judgement of the Arbitration Court through issuance of an enforcement clause. On 8 May 2009, PPL filed a claim to annul the partial judgement and simultaneously to defer enforceability of the judgement of the Arbitration Court. On 31 May 2010, the Regional Court in Warsaw quashed the partial judgement of the Arbitration Court, claiming that the appealed sentence of the Court of Arbitration violates the public order rules with regard to adjudicating the compensation jointly in favour of three entities. The judgement was issued with regard to Budimex SA, which the Regional Court considered to be the only party subject to the proceedings in the case, at the same time finding that a partial judgement could not be issued against Ferrovial Agroman SA – Branch in Poland and Estudio Lamela SL – Branch in Poland, as the branches of these companies have no legal personality separate from the company. Therefore, in the judgement of Regional Court, the proceedings against these parties were cancelled and the complaint filed in this respect was rejected. All three consortium members filed an appeal with the Court of Appeals against the above ruling of the Regional Court. Ferrovial Agroman and Estudio Lamela filed complaints against the decision regarding the abolition of proceedings against them. The complaints were considered and were in total allowed for by the Court of Appeals. The Court of Appeals reconsidering the complaints quashed the sentence complained of and agreed with the statements of Ferrovial Agroman and Estudio Lamela that as foreign entrepreneurs (and not as their branches in Poland) they had legitimacy to act as parties in the trial and that the partial judgement of the Arbitration Court was correctly issued in this respect. In connection with the above ruling of the Court of Appeals, on 4 January 2012 the Regional Court in Warsaw amended the decision issued on 31 May 2010, by quashing the award of the Arbitration Court in its entirety, also with respect to Ferrovial Agroman SA Oddział w Polsce [Branch in Poland] and Estudio Lamela SL. Ferrovial and Lamela filed an appeal against that ruling, which was the same as the appeal filed by Budimex SA.

On 23 August 2012, upon jointly considering the appeals brought by all three consortium members, the Court of Appeals in Warsaw issued a judgement that amended the judgements of the Regional Court of May 2010 and January 2012 by dismissing in its entirety the complaint of PPL seeking repeal of the partial award of the Arbitration Court. This means that the Court of Appeals found that the judgement of the Arbitration Court had been issued validly in accordance with the public policy clause. The ruling was final and even though it was eligible for a cassation appeal with the Supreme Court, the sentence provided the grounds for the FBL Consortium reinstating the proceedings to declare enforceable the judgement of the Arbitration Court by giving it an enforcement clause. The total value of the claim awarded under the judgement and the amount of statutory interest for late payment was PLN 87 920 thousand (the amount corresponding to Budimex SA was PLN 35 168 thousand,

of which PLN 21 612 thousand as reimbursement of the performance bond). On 28 September 2012, this amount together with the adjudicated costs of proceedings (the total amount of PLN 88 354 thousand) was transferred by the court enforcement officer to the bank account indicated by Budimex SA.

On 3 December 2012, PPL filed a cassation appeal to the Supreme Court. The FBL Consortium filed a response to the appeal on 21 December 2012, in which the FBL Consortium requested rejection or dismissal of the appeal. The decision on acceptance of the claim for consideration should be taken in the first half of 2013. The Supreme Court ruling may affect the effectiveness of the enforcement.

On 16 December 2010, Tomasz Ryskalok and Rafał Ryskalok, conducting business activity as a civil law partnership under the name Cerrys S.C., with its registered office in Wykroty, filed a lawsuit against Budimex SA for payment of a contractual penalty for delay in the removal of defects identified during the warranty period. The lawsuit concerns the construction of a concrete plant in line with the contract concluded on 19 May 2003 of value of PLN 4 189 thousand. 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 SA, the claim constituting the subject matter of the argument is absolutely groundless and there is no basis, either formal or factual, for considering it (the deadline for submitting the claims in question expired, the limit concerning contractual penalties - i.e. up to 15% of the value of the agreement - has not been taken into account, and the defect is not material). To date, there have been 5 hearings during which witnesses for the claimant and defendant were examined. The next hearing has been scheduled for 26 March 2013 and is to include subsequent witness testimonies.

Another material in value legal proceedings relate to the claim filed on 5 March 2008 by Miejskie Wodociągi i Kanalizacja w Bydgoszczy Sp. z o.o. requesting that the amount of PLN 25 252 thousand be awarded jointly and severally against the consortium to which the Budimex SA and Budimex Dromex SA belonged. The claim relates to the replacement contractor costs incurred by the investor when the consortium rescinded a contract. The share of the companies in the consortium was 90%, therefore the value of the claim for which the Company is presently liable is PLN 22 727 thousand. In 2012, three hearings were held before the common court, during which witnesses of the claimant were examined. The next trials in 2013 will be dedicated to examination of the remaining witnesses of the claimant.

As at 31 December 2012, the total value of proceedings relating to claims of Budimex SA was PLN 272 812 thousand. The proceedings relate mainly to the recovery of overdue receivables from business partners and to additional claims in respect of construction work performed.

On 10 March 2009, the Regional Court in Kraków issued a judgement regarding the claim filed by Budimex Dromex SA against the Municipality of Kraków, awarding the payment of PLN 20 708 thousand together with statutory interest calculated for the period from 5 November 2007 and reimbursement of court fees in the amount of PLN 143 thousand. The claim filed by Budimex Dromex related to the refund of the amount drawn by the Municipality of Kraków on 5 November 2007 from the bank guarantee provided by Budimex Dromex SA as the performance bond for the contract for engineering, design and execution of a sports and show hall in Kraków – Czyżyny concluded on 20 December 2005 between the Consortium of Budimex Dromex SA, Ferrovia Agroman SA and Decathlon SA, and the Municipality of Kraków. The municipality drew this amount for the stipulated penalty provided by the contract after previous declaration of withdrawal from the contract and associated imposing of liquidated damages despite the fact that Budimex Dromex SA put the legitimacy of imposing such penalty in question. On 15 July 2009, the Court of Appeals in Kraków, acting as the second instance court in the proceedings described above, handed down a judgement amending the judgement of the first instance Court, ordering payment by the Municipality of Kraków to Budimex Dromex SA of the amount of PLN 6 903 thousand together with statutory interest calculated starting on 20 November 2007 until the date of payment and reimbursement of court fees in the amount of PLN 20 thousand. The Court rejected the rest of the appeal of the Municipality of Kraków and adjudged the payment by Budimex Dromex SA to the Municipality of the amount of PLN 70 thousand as the appeal trial fees. Budimex Dromex SA lodged a cassation appealed to the Supreme Court. On 20 October 2010, the Supreme Court provided for cassation and referred the case back to the Court of Appeals in Kraków. In its sentence of 17 February 2011, the Court of Appeals in Kraków, having re-examined the appeal of the Municipality of Kraków against the decision of the Regional Court in Kraków of 10 March 2008, quashed the decision of the Regional Court in Kraków of 10 March 2008 in the part regarding the claim for the amount exceeding PLN 6 903 thousand (i.e. the amount of PLN 13 805 thousand) and referred the case to the Regional Court in Kraków for re-examination and adjudication on legal costs. The case brought by Budimex SA (as a general successor of Budimex Dromex SA) against the Municipality of Kraków for the payment of PLN 20 708 thousand has become final with regard to the amount of PLN 6 903 thousand plus statutory interest calculated from 20 November 2007, having been adjudicated to be paid by the Municipality of Kraków to Budimex SA.

As regards the remaining part of the claim, the case is being reconsidered by the Regional Court in Kraków. The court accepted as evidence documents and expert's opinions submitted by Budimex SA, and the case was postponed till the expert's opinion is prepared. After the expert prepared its opinion, it was addressed by the parties in their pleadings. The next trial is scheduled for May 2013.

On 7 July 2009, Budimex SA filed with the Regional Court in Białystok, I Civil Department, a motion against the General Directorate for National Roads and Highways for payment of a contractual penalty for rescinding the construction works agreement regarding a bypass for the city of Augustów along national road number 8 (Polish border – Wrocław – Białystok – Suwałki – Polish border). On 10 November 2011, the Regional Court issued a non-final judgement in which it awarded to Budimex SA 50% of the contractual penalty being pursued, finding it to be reasonable, i.e. PLN 21 948 thousand together with statutory interest as of 27 February 2009. In January 2012, appeals were filed with regard to the amount of the dismissed claim, both by Budimex SA and by the State Treasury. On 21 September 2012, the Court

of Appeals dismissed both appeals and waived the cost of the proceedings. The judgement is currently in force.

On 27 September 2012, GDDKIA paid Budimex SA the amount awarded together with interest, i.e. a total of PLN 32 223 thousand.

As at the date of this report the final outcome of the remaining proceedings is not known.

c) Tax regulations in Poland

The Polish law contains numerous regulations concerning VAT, excise tax, corporate tax and social security contributions, which are all subject to frequent changes. Regulations regarding these taxes are subject to frequent changes which cause these regulations to be unclear and inconsistent. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that tax exposure is significantly greater in Poland than in countries that have a more established taxation system.

There are no formal procedures in Poland that relate to determining the final level of tax. Tax settlements may become subject to inspection by tax authorities within a period of five years. Accordingly, there is a risk that the tax authorities adopt a different standpoint as regards the legal interpretation of tax regulations than that of the Company, which could have a significant impact on the Company's tax liabilities.

3. Liabilities to the state budget or municipalities in respect of the acquisition of ownership rights to buildings and constructions

As at 31 December 2012 and 31 December 2011, the Company did not have any commitments to the state budget or municipalities in respect of the acquisition of ownership rights to buildings and constructions.

4. Revenues, costs and results on operations discontinued in the reporting period or expected to be discontinued in the subsequent period

The Company did not discontinue any activities during the accounting period year ended 31 December 2012 and during the prior year ended 31 December 2011, and there are no plans to discontinue any activity in the subsequent periods.

5. Costs of production of construction-in-progress, tangible assets developed for the Company's own needs

In the year 2012 and 2011, the Company did not cover any costs of production of construction-in-progress or of tangible assets developed for the Company's own needs.

6. Capital expenditure incurred and planned in the 12-month period after the reporting date

Capital expenditure incurred in the year 2012 amounted to PLN 99 283 thousand, of which PLN 16 025 thousand was allocated to the acquisition of non-financial non-current assets. In 2011, the capital expenditure amounted to PLN 273 770 thousand, of which PLN 45 612 thousand was allocated to the acquisition of non-financial non-current assets. In both periods, the capital expenditure incurred did not relate to environmental protection.

The Company intends to incur in 2013 capital expenditure of approx. PLN 12 000 thousand and this amount will be allocated in full to non-financial non-current assets. The Company does not plan to incur investment outlays for natural environment protection.

7. Transactions with related parties involving transfer of rights or liabilities

On 31 January 2012, the Extraordinary General Meeting of Shareholders of Budimex Budownictwo Sp. z o.o. (a subsidiary of Budimex SA) passed a resolution on increasing the share capital of the company by PLN 1 500 thousand, i.e. up to the amount of PLN 1 810 thousand. Budimex SA subscribed all the new shares (3 000) of nominal value of PLN 500. The share capital increase was entered in the National Court Register on 26 March 2012.

On 27 March 2012, the Incorporation Act of the company Budimex PPP Spółka Akcyjna was signed off. The share capital of the new company amounting to PLN 100 thousand (100 shares with a nominal value of PLN 1 000 each) was subscribed in full by Budimex SA. The company was entered in the National Court Register on 20 April 2012.

On 27 March 2012, the Incorporation Acts of the following companies: Budimex A Sp. z o.o., Budimex B Sp. z o.o., Budimex C Sp. z o.o., Budimex D Sp. z o.o., Budimex E Sp. z o.o. were signed off, in connection with the proposed public-private partnership investments. The share capital of each new company amounts to PLN 5 thousand respectively (100 shares with a nominal value of PLN 50 each) and, in the case of Budimex A Sp. z o.o. and Budimex B Sp. z o.o., was subscribed in full by Budimex SA, while in the case of the remaining companies, it was subscribed by Budimex PPP SA.

On 28 March 2012, a Deed of Association of FB Serwis Spółka Akcyjna was signed. The share capital of the new company amounting to PLN 6 250 thousand (12 500 shares with a nominal value of PLN 500 each) was subscribed by Budimex SA in the amount of PLN 3 063 thousand (6 125 shares) and Ferrovial Servicios SA in the amount of PLN 3 187 thousand (6 375 shares). The company was entered in the National Court Register on 16 May 2012.

On 9 May 2012, the Extraordinary General Meeting of Shareholders of Budimex Parking Wrocław Sp. z o.o. (a wholly-owned subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 995 thousand, i.e. from PLN 5 thousand to PLN 1,000 thousand by way of establishing 19,900 new shares with a nominal value of PLN 50 each. Budimex SA subscribed all the new shares in the company. The increase in the share capital was registered in the National Court Register on 21 May 2012.

On 28 May 2012, the Extraordinary General Meeting of Shareholders of Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. (an affiliate of Budimex SA) resolved to increase the company's share capital by PLN 40,000 thousand, i.e. from PLN 178,869 thousand to PLN 218,869 thousand by way of establishing 80,000 new shares of nominal value of PLN 500 each. Budimex SA subscribed all the new shares in the company. The share capital increase was entered in the National Court Register on 14 June 2012.

On 28 June 2012, the Extraordinary General Meeting of Shareholders of Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. resolved to increase the company's share capital by PLN 23 000 thousand, i.e. from PLN 218 869 thousand to PLN 241 869 thousand by way of establishing 46 000 new shares with a nominal value of PLN 500 each. Budimex SA subscribed all the new shares in the company. The share capital increase was entered in the National Court Register on 13 July 2012.

On 5 July 2012, Budimex SA performed the first issue of short-term convertible bonds of series A and B for the benefit and subscribed by the subsidiary companies of Budimex SA, i.e. Budimex Danwood Sp. z o.o. in the amount of PLN 20 000 thousand and Budimex Nieruchomości Sp. z o.o. in the amount of PLN 65 000 thousand. The interest rate was established at WIBOR 1M+margin. The bonds were redeemed on 11 September 2012.

On 6 August 2012, Budimex SA concluded with Bank Handlowy w Warszawie SA an agreement on purchase of shares of Elektromontaż – Poznań SA (previously, an associate of Budimex SA). In the agreement, Budimex SA agreed to purchase 1 075 300 shares for PLN 6.1 per share, i.e. for a total price of PLN 6 559 thousand. Thus, the share of Budimex SA in the share capital and votes at the GM increased from 30.78% to 50.66%. The agreement was concluded on the condition precedent of obtaining approval for the share concentration. The conditions precedent were fulfilled in January 2013. The company was not entered in the National Court Register on the day of issuing of the herein financial statements.

On 13 April 2012, the Extraordinary General Meeting of Shareholders of Budimex Parking Wrocław Sp. z o.o. (a subsidiary of Budimex SA) resolved to increase the company's share capital by PLN 500 thousand, i.e. to the amount of PLN 1 500 thousand. Budimex SA subscribed all 10 000 new shares of nominal value of PLN 50 each. The share capital increase was entered in the National Court Register on 29 August 2012.

On 24 August 2012, Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. submitted to District Court for Warszawa-Praga Północ in Warsaw, IX Economic Department for Bankruptcy and Corporate Recovery Matters (the "Court") a motion for declaration of bankruptcy open to arrangements. On 13 September 2012, the Court accepted the motion of the Management Board and issued the decision on declaration of bankruptcy. On 30 November 2012, based on requests of some of the creditors and PKP Energetyka SA with its registered office in Warsaw, the court issued a decision recalling the management of Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. in bankruptcy open to arrangements and appointing a court administrator. In view of the loss of control, on 30 November 2012, Budimex SA reclassified the above company within the Group structure, from subsidiaries to other related parties.

On 7 December 2012, Budimex SA and Budimex Kolejnictwo SA (formerly operating under the name of Budimex Serwis SA) concluded an agreement for the sale of all the shares in Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. for PLN 5 002 thousand.

On 14 December 2012, the Extraordinary General Meeting of Shareholders of FB Serwis SA resolved to increase the company's share capital by PLN 13 350 thousand, i.e. from PLN 6 250 thousand to the amount of PLN 19 600 thousand, by way of issuing 26 700 thousand new ordinary registered shares of nominal value of PLN 500 per share. All the new shares were purchased by existing shareholders, i.e. by Ferrovial Servicios SA - 13 617 shares with a value of PLN 6 808 thousand and by Budimex SA - 13 083 shares with a value of PLN 6 542 thousand. The share capital increase was entered in the National Court Register on 13 February 2013.

On 21 December 2012, the Extraordinary General Meeting of Shareholders of Budimex PPP SA resolved to increase the company's share capital by PLN 260 thousand, i.e. from PLN 100 thousand to the amount of PLN 360 thousand, by way of issuing 260 thousand new ordinary registered shares of nominal value of PLN 1 000 per share. Budimex SA subscribed all the new shares. The share capital increase was entered in the National Court Register on 24 January 2013.

On 21 December 2012, the Extraordinary Shareholders' Meeting of Budimex A Sp. z o.o. resolved to increase the company's share capital by PLN 70 thousand, i.e. from PLN 5 thousand to PLN 75 thousand, by way of issuing 1,400 thousand new shares with a nominal value of PLN 50 per share. Budimex SA subscribed all the new shares. The share capital increase was entered in the National Court Register on 22 January 2013.

On 21 December 2012, the Extraordinary Shareholders' Meeting of Budimex B Sp. z o.o. resolved to increase the company's share capital by PLN 70 thousand, i.e. from PLN 5 thousand to the amount of PLN 75 thousand, by way of issuing 1 400 thousand new shares with a nominal value of PLN 50 per share. Budimex SA subscribed all the new shares. The share capital increase was entered in the National Court Register on 29 January 2013.

On 21 December 2012, the Extraordinary Shareholders' Meeting of Budimex Kolejnictwo SA resolved to increase the company's share capital by PLN 7 900 thousand, i.e. from PLN 100 thousand to PLN 8 000 thousand, by way of issuing 158 000 thousand new ordinary registered shares with a nominal value of PLN 50 per share. Budimex SA subscribed all the new shares. The share capital increase was entered in the National Court Register on 6 February 2013.

8. Data concerning transactions of Budimex SA executed with affiliated companies

The Company did not conclude transactions with affiliates (related entities) on the basis other than arms' length.

	Receivables as at 31 December 2012	Liabilities as at 31 December 2011 2012	Revenue on sales of products in 2012	Purchases of finished goods and services in 2012	Dividend income in 2012	Interest income in 2012	Interest expense in 2012
The parent company and parent affiliates (the Ferrovia Group)	54 408*	140 004**	38 931	74 874	-	-	216
Budimex Nieruchomości Sp. z o.o.	38 102	765	132 068	1 474	20 000	-	674
Budimex Budownictwo Sp. z o.o.	10 236	4	79 340	21	-	-	-
Mostostal Kraków SA	780	3 508	4 976	15 764	-	-	-
Budimex Danwood Sp. z o.o.	442	-	6 725	-	-	-	208
FBSerwis SA	583	37	128	-	-	30	-
Budimex SA Ferrovia Agroman SA S.C.	214	67	272	-	-	-	-
Tecpresa – Techniki Sprężania i Usługi Dodatkowe Sp. z o.o.	155	492	516	11 270	-	-	-
Budimex Kolejnictwo SA	67	-	33	-	-	-	-
Budimex SA Sygnity SA Sp. j	60	660	82	-	-	-	-
Elektromontaż Poznań SA	47	4 414	81	19 371	-	-	-
Budimex A Sp. z o.o.	29	-	21	-	-	-	-
Budimex B Sp. z o.o.	29	-	21	-	-	-	-
Budimex C Sp. z o.o.	29	-	21	-	-	-	-
Budimex D Sp. z o.o.	29	-	21	-	-	-	-
Budimex E Sp. z o.o.	29	-	21	-	-	-	-
Budimex PPP SA	26	-	21	-	-	-	-
Budimex Autostrada SA	22	-	24	-	-	-	-
Budimex Most Wschodni SA	18	-	24	-	-	-	-
Budimex Parking Wrocław Sp. z o.o.	12	-	1 419	-	-	-	-
Budimex Autostrada 1 SA	7	-	24	-	-	-	-
Budimex Bau GmbH	4	-	-	-	-	-	-
Autostrada Południe SA	8	-	2	-	-	-	-
PPHU Promos Sp. z o.o.	-	19	-	192	21	-	-
SPV-BN 1 Sp. z o.o.	-	-	3	-	-	-	-
SPV-BN 2 Sp. z o.o.	-	-	3	-	-	-	-
Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o.	1 465	18 524	15 151	42 827	-	165	-
Total transactions with affiliates	106 801	168 494	279 928	165 793	20 021	195	1 098
transactions with other affiliates ***	(10)	312	-	784	-	-	-
Transactions with affiliated companies, in total	106 791	168 806	279 928	166 577	20 021	195	1 098

*this amount includes the prepayment in the amount of PLN 9 599 thousand recognised as "Inventory",

**this amount includes the liability under loan from Ferrovia Infraestructuras SA in the amount of PLN 8 107 thousand, as described below.

***other affiliated parties comprise: members of the management or supervisory bodies of the Company or the Company's affiliates, their spouses or life partners, direct relatives or persons who are relations by marriage or who are connected by a guardianship, adoption or wardship relationship with a person who is a member of managing or supervisory bodies of the Company, controlled or jointly controlled companies, or other entities on which the persons listed above have direct or indirect significant influence or hold significant amount of votes.

In the table above, included under "Parent company and related parties (the Ferrovia Group)" is financial data relating to transactions with Ferrovia Agroman SA (the sole owner of the Parent Company of Budimex SA, i.e. Valivala Holdings BV), including with Ferrovia Agroman SA Oddział w Polsce [Branch in Poland] and other Ferrovia Group companies: Cintra Infraestructuras SA, Tecpresa SA, Cadagua SA and Cadagua SA Oddział w Polsce [Branch in Poland].

In 2010, Budimex SA signed two contracts with Ferrovia Agroman SA, based on which Ferrovia has been rendering to the Company services relating to maintenance and development of IT systems as well as delegation of staff. In connection with the performance of those contracts, in 2012 Budimex SA incurred costs of PLN 1 669 thousand

and PLN 5 482 thousand, respectively, while in 2011: PLN 2 678 thousand and PLN 5 903 thousand, respectively.

On 29 October 2012, Budimex SA concluded with Ferrovial Agroman SA a conditional agreement for operational know-how support, streamlining processes and procedures in key areas of construction, investment and management activity. The remuneration under the contract was established as 0.5% of the value of the annual sales revenue of the Budimex Group, less sales revenue of Budimex Nieruchomości Sp. z o.o., with the stipulation that until the correctness of the transaction price is approved by Polish and Spanish tax authorities, Budimex SA will be remitting to Ferrovial Agroman SA payments reduced by 25%. The contract covers the period from 1 January 2012 to 31 December 2016. Furthermore, on 3 December 2012, Budimex SA renewed for 2011 the existing contract in the above respect, which had expired on 31 December 2010. In connection with the performance of those contracts, in 2012 Budimex SA incurred costs of PLN 32 845 thousand.

Based on the contract dated 1 December 2004, Budimex SA took out from Ferrovial Infraestructuras SA (currently Cintra Infraestructuras SA) a loan in the amount of EUR 1 500 thousand; the loan was granted for the increase in the share capital of Inversora de Autopistas del Levante S.L. The company Inversora de Autopistas del Levante S.L. was incorporated on 23 June 2004 as the sole shareholder of Autopista Madrid Levante Concesionaria Española SA. The main area of business activities of this company is motorway construction, maintenance and operating the toll motorway Ocaña – La Roda and the free of charge dual carriageway, A-42, section N301, Atalaya del Cañavate. In accordance with the provisions of the loan agreement, the loan was granted for the period of 12 months from the agreement date with the possibility to extend the loan term. If the shares in Inversora de Autopistas del Levante S.L. are sold, the loan will become immediately due and payable. After maturity date, the loan will be repaid together with interest calculated based on 1Y EURIBOR+0.75%. On 1 December 2012, the repayment date was extended for one more year and the loan value was increased by the amount of interest incurred as at that date.

Furthermore, on 24 October 2012, Budimex SA concluded a loan agreement with the company FB Serwis SA (an associate of Budimex SA). Under the agreement, Budimex SA extended to FB Serwis SA a loan for up to PLN 3 000 thousand. The loan repayment date, inclusive of interest, was scheduled for 21 December 2012, and the loan together with interest was repaid on that date.

On 19 December 2012, Budimex SA concluded a loan agreement with Budimex Parking Wrocław Sp. z o.o. (a subsidiary of Budimex SA). The loan in the amount of PLN 5 566 thousand is available until 30 April 2014. As at 31 December 2012, it had not been drawn down.

9. Joint ventures

As at 31 December 2012, the Company was a party to consortium agreements on performance of construction contracts. Revenues and expenses, assets and liabilities relating to the performance of these contracts in the part allocated to Budimex SA were appropriately accounted for in the Company books. As at 31 December 2012, the contingent liabilities underlying these projects included performance bonds and guarantees to return contract prepayments received, and were recorded in the total balance of contingent liabilities reported in the financial statements. No future investment commitments relating to these contracts were recorded.

The table below shows the Company's share in jointly realized contracts as at 31 December 2012:

Contract name	Company share in the consortium
Consortia with the Ferrovial Group companies:	
Biogas management and thermal drying of sediment in the Central Sewage Treatment Plant	40%
Modernization of sewage treatment plant in Klimzowiec	50%
Construction of sewage treatment plant in Szczecinek	51%
Construction of sewage treatment plant in Wrocław	50%
Design and construction of drier and sediment burning plant in Olsztyn	65%
Consortia with other entities:	
Construction of the Voivodship Childrens' Hospital in Bydgoszcz	51%
Construction of the second passenger terminal for Gdańsk Airport	51%
Construction of the helipad for hospital in Bydgoszcz	80%
Modernization of hospital in Koszalin	96%
VIP lounge design - Terminal T-2 at the Gdańsk Airport	37%
Construction of a Municipal Waste Processing Plant in Białystok	50%
Construction of a border crossing station in Dołhobyczów	32%

The financial data of the Company as at 31 December 2012 and 31 December 2011 contain also data corresponding to Budimex SA share in the following activities, taken into account in the books, as described in the point 1 of the introduction:

- "Modernization of the DS.-1 runway, taxi roads, patrol roads and safety-exit roads in the Warsaw Chopin Airport" (*Przebudowa i modernizacja drogi startowej DS.-1, dróg kołowania, drogi patrolowej i drogi p. poż. w Porcie lotniczym im. Fryderyka Chopina w Warszawie*) as part of Budimex SA Ferrovial Agroman SA s.c. with 99.975% of share (contract completed in 2011),
- "Construction of premises for Transmission System Operator" (*Budowa siedziby Operatora Systemu Przesyłowego*) as part of Budimex SA Sygnity SA Sp.j. [registered partnership] with 67% of share (contract completed in 2009),
- Phase I of the contract "Design and construction of A-1 Motorway Stryków-Pyrzowice" (*Projekt i budowa Autostrady A-1 na odcinku Stryków – Pyrzowice*) as part of Budimex SA Ferrovial Agroman SA Sp. j. with 50% of share.

On 23 January 2010, the Management Board of Budimex SA learned that the condition concerning the construction and operation of the A1 highway between Stryków and Pyrzowice in the concession system in accordance with the agreement signed on 22 January 2009 between Autostrada Południe SA and the State Treasury had not been fulfilled. Due to the above, Phase II (referring to construction work) of the agreement concluded on 19 January 2010 by and between Budimex SA Ferrovial Agroman SA Sp. J. (formerly: Budimex Dromex SA Ferrovial Agroman SA Sp. J.) and Autostrada Południe SA for the design and construction of the section of the A1 highway between Stryków and Pyrzowice did not become effective. Phase I covered design work with a value of PLN 180 000 thousand, which commenced in 2009 pursuant to the preliminary contract concluded between Autostrada Południe SA, Budimex Dromex SA and Ferrovial Agroman SA on 30 May 2008.

In March 2010, the Management Board of Budimex SA learned that the design works realized by Spółka Jawna on behalf of Autostrada Południe SA had not been accepted by the Ministry of Infrastructure. Due to the above, there is a risk that the full amount of contract costs incurred by that company (in which Budimex SA holds 50% shares) will not be recovered from Autostrada Południe SA unless it is proved that the lack of payments in favour of Autostrada Południe SA from the State Treasury does not result from the defect of the project delivered by Spółka Jawna or the defects are the consequence of the requirements of Autostrada Południe SA, different from the requirements of the State Treasury as an investor. On 21 December 2011 Autostrada Południe SA filed a claim to court against the State Treasury represented by the Ministry of Transportation, Construction and Naval Economy, calling for payment of PLN 176 855 thousand regarding design works performed by Spółka Jawna. In 2012, partial evidence proceedings and witness interrogation took place. Due to the need to examine evidence in the form of an expert's opinion, decisions are still pending as to its appointment. Therefore, as at the date of these financial statements, the date of the next hearing is not yet known.

Total revenues recognised by Spółka Jawna in prior years in connection with the design works performed (including the anticipated risks) corresponding to the share of Budimex SA amounted to PLN 72 505 thousand. Spółka Jawna made an impairment write-down against receivables due from Autostrada Południe SA, of which PLN 39 850 thousand was attributable to Budimex SA, and recognised a provision for liability regarding compensations in favour of Autostrada Południe SA, of which PLN 12 655 thousand was attributable to Budimex SA.

Presented below is selected financial data recognised in the books of account of the Company as at 31 December 2012 and 31 December 2011 relating to the contracts realized by the consortia and special purpose companies:

Balance Sheet data:

	31 December 2012	31 December 2011
Non-current assets	125	290
Current assets	332 234	396 353
Liabilities and provisions for liabilities	254 883	313 004
Contingent liabilities	53 716	91 111

Profit and Loss Account:

	2012	2011
Revenue	72 290	223 039
Costs	60 006	201 721

Furthermore, Budimex SA has a 37% share in the consortium set up with Ferrovial Agroman SA and Estudio Lamela S.L. (the "Consortium") to perform a contract for development and modernization (including full technical infrastructure) of Warsaw Frederic Chopin Airport – Terminal II (Międzynarodowy Port Lotniczy Warszawa Okęcie) of original value of USD 198,850 thousand and completion date of 14 November 2005. In the first quarter of 2005, the investor extended the work completion deadline to 15 April 2006 due to a 5-month delay in the Consortium obtaining planning permission (for reasons independent of the Consortium). On 15 September 2006, the Consortium signed an Annex to the above contract with the airport managing company, Przedsiębiorstwo Państwowe Porty Lotnicze. Due to the scope of work being extended and taking into account compensation for the additional general costs incurred by the Consortium in the extended period, the total value of the contract increased to USD 247 687 thousand. The Parties agreed that the new work completion deadline would be 30 November 2007. The investor, Przedsiębiorstwo Państwowe Porty Lotnicze, also imposed on the Consortium liquidated damages (as provided for in the original contract) of USD 6,378 thousand for the delay in contract performance past the deadline of 15 April 2006.

On 12 October 2007, Budimex SA received a statement from Przedsiębiorstwo Państwowe Porty Lotnicze ("PPPL") to the effect that it was rescinding the contract for the development of the Warsaw Frederic Chopin Airport. On 29 October 2007, the Management Board of Budimex SA was informed by the Company's banks that PPPL had demanded payment under the bank guarantee of USD 8 665 thousand towards Budimex SA's share, as a member of the Consortium carrying out the development project at Warsaw Frederic Chopin Airport. In the period 2-9 November 2007, payments were made to PPPL under the bank guarantee in proportion to Budimex SA's share in the Consortium of a total amount of PLN 21 612 thousand. According to the Consortium, the demands for payments from the bank guarantees were made in breach of the Contract and the Civil Code, and the case was submitted to court, as described in more detail in Note 2b of the Additional notes and explanations.

As described in detail in point 2b of the Additional notes and explanations, on 23 August 2012 the Court of Appeals in Warsaw dismissed in its entirety the PPL's complaint seeking dismissal of the partial award of the Arbitration Court. Thus, the claim granted by the court became due and payable, which together with statutory interest for late payment in the portion corresponding to the share of Budimex SA amounted to PLN 35 168 thousand (where PLN 21 612 thousand represented reimbursement of the performance bond). The amount was transferred to the bank account of Budimex SA on 28 September 2012.

Revenues and expenses, assets and liabilities relating to the realization of this contract in the part corresponding to the share Budimex SA were appropriately accounted for in the books of account of the Company. As at 31 December 2012, there were no investment obligations regarding the contract. Contingent liabilities under counter-claims filed are described in Note 2 b).

According to the Management Board's best estimates, as at the date of these financial statements, total loss incurred by Budimex on this contract (proportionate to Budimex's share in the Consortium), taking into account other operating costs/revenue other finance costs/income (including the result on forward contracts entered into to minimize exchange rate risk) was PLN 99 870 thousand as at 31 December 2012 (as at 31 December 2011: PLN 98 258 thousand). Budimex SA's loss on the entire contract, without taking into account the result of other operating and financial activities, was PLN 142 095 thousand as at 31 December 2012 (as at 31 December 2011: PLN 140 483 thousand). Due to the legal proceedings pending and the fact that the Consortium has not completed its financial settlements with PPPL and its subcontractors, the final result of the contract performance may change.

10. Employment structure

Average employment at Budimex SA in the years 2012 and 2011 was as follows:

Employee	Year ended 31 December 2012	Year ended 31 December 2011
White collar employees	2 105	1 976
Blue collar employees	1 956	1 983
Total employment	4 061	3 959

11. Share-based payments

In 2010, Ferrovial SA (the parent company of Budimex SA) established a performance share plan, which is classified as a share-based payment transaction settled in equity.

Under the plan 41 800 shares were offered to the Management Board members and executives of the Group. The grant date was established on 31 March 2010 that is the date when the main terms and conditions of the plan were announced to employees. The fair value of shares at grant date was PLN 24.47. On 28 February 2011 (grant date) the next 50 900 shares were offered within the plan. The fair value of shares at grant date was PLN 33.98 per share. In 2012, 55 650 shares were awarded under the scheme. The fair value of shares as at 12 February 2012 (grant date) was PLN 38.84 per share.

The vesting period of the performance share plan is 3 years and the shares are granted every year. Shares are awarded on the following terms:

- beneficiaries must be contractually employed by company for the 3-year period after the vesting date, except for the special situations given,
- achievement of specified cash-flow ratios and relation between gross operating profit and production net assets,
- the level of ratios required for being granted total or proportionate number of shares is set every year.

The key assumptions used in calculation of the fair value of equity instruments granted by Ferrovial SA to the Group employees were as follows:

- share price at the grant date: PLN 28.51 (in 2010), 34.67 (in 2011) and 38.84 (in 2012)
- performance conditions: 100%
- discount rate: 5%.

In the years 2010-2012, total fair value of services received, recognised in accordance with IFRS 2 in labour expenses and reserve capital, amounted to PLN 2 705 thousand.

12. Remuneration of members of Management and Supervisory Boards

In 2012, the total value of remuneration, bonuses and awards for the members of the Management Board of Budimex SA amounted to PLN 8 406 thousand (of which PLN 2 311 thousand represented performance bonuses for completing the tasks performed in 2011), of which PLN 6 270 thousand was entered as a cost of Budimex SA. In 2011, the total value of remuneration was PLN 6 076 thousand, of which PLN 4 928 thousand was entered as a cost of Budimex SA (PLN 2 171 thousand represented performance bonuses for the completed bonus tasks for the year 2010).

Remuneration of the members of the Management Board in 2012 was as follows:

Dariusz Blocher	PLN 1 760 thousand	
Ignacio Botella Rodriguez	PLN 1 510 thousand	
Henryk Urbański	PLN 1 141 thousand	
Marcin Węglowski	PLN 1 046 thousand	
Jacek Daniewski	PLN 1 052 thousand	
Joanna Makowiecka	PLN 1 365 thousand	(employed till 31 May 2012, the amount covers costs of non-competition starting from 1 June 2012)
Andrzej Artur Czynczyk	PLN 532 thousand	(employed since 14 May 2012)

Additionally, apart from the amounts presented above, in the 12-month period ended 31 December 2012 the estimated costs of share-based payments under Ferrovial SA incentives programmes, as described in point 11, allocated to the Company's Management Board amounted to PLN 988 thousand and were as follows:

Dariusz Blocher	PLN 357 thousand
Ignacio Botella Rodriguez	PLN 180 thousand
Henryk Urbański	PLN 179 thousand
Marcin Węglowski	PLN 117 thousand
Jacek Daniewski	PLN 115 thousand
Andrzej Artur Czynczyk	PLN 40 thousand

The total value of remuneration paid to proxies of Budimex SA in 2012 was EUR 1 898 thousand, while in 2011 – EUR 505 thousand and PLN 1 883 thousand.

Individual remuneration of proxies in 2012 was as follows:

Jaime Rontomé Pérez	PLN 985 thousand
José Emilio Pont Pérez	PLN 913 thousand

Total value of remuneration paid to members of Supervisory Board of Budimex SA in 2012 amounted to PLN 921 thousand (PLN 891 thousand in 2011).

Remuneration of members of the Supervisory Board of Budimex SA in 2012 was as follows:

Marek Michałowski	PLN 151 thousand
Igor Chalupec	PLN 89 thousand
Tomasz Sielicki	PLN 98 thousand
Javier Galindo Hernandez	PLN 89 thousand
Jose Carlos Garrido-Lestache Rodriguez	PLN 89 thousand
Marzenna Anna Weresa	PLN 125 thousand
Piotr Kamiński	PLN 89 thousand
Maciej Stańczuk	PLN 89 thousand
Alejandro de la Joya Ruiz de Velasco	PLN 102 thousand

13. Prepayments, loans, borrowings, guarantees and suretyships provided to Members of the Management or Supervisory Boards

As at 31 December 2012, Members of the Management and Supervisory Boards of the Company, their spouses, direct and second degree relatives or persons who are connected by a guardianship or wardship relationship and other persons who are related to them in person did not have any unpaid loans or borrowings or guarantees issued by Budimex SA or its subsidiaries, jointly controlled entities or associates and were not parties to other agreements obligating them to provide benefits to Budimex SA or its subsidiaries, jointly controlled entities or associates.

14. Significant prior year events reflected in the current year financial statements

In 2012 there were no significant prior year events that should be reflected in the current year financial statements.

15. Significant events after the reporting date

On 3 January 2013, the agreement on purchase of shares in the company Elektromontaż - Poznań SA entered into effect, which is described in detail in point 7 of Notes and Explanations.

Up to the date of signing off these financial statements, there were no significant events.

16. Relations between legal predecessor and issuer

In the year 2012, the Company did not change its legal form.

17. Discontinuation of inflation amendments

The accumulated yearly average inflation rate for the last three years of business activities of the Issuer did not reach or exceed 100%, and hence no inflation adjustments were made to the financial data reported in these financial statements

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18. Listing and explanation of differences between current and comparative financial data reported in the current year financial statements, and the data contained in the prior year financial statements

In the first half of 2012, Budimex SA recognised an impairment write-down of the shares in the company Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. ("PNI Sp. z o.o.") in the amount of PLN 290 267 thousand, taking into account the valuation of the shares in the Company reflecting its financial data for the year ended 31 March 2012 and the fact that on 24 August 2012 PNI Sp. z o.o. submitted a motion for declaration of bankruptcy open to arrangements.

Since Przedsiębiorstwo Napraw Infrastruktury Sp. z o.o. recognised losses on contracts executed prior to acquisition of shares by Budimex SA, i.e. before 16 November 2011, Budimex SA recorded the write-down in the amount of PLN 182 267 thousand as adjustment of the result for the prior periods

In view of the above, comparative data as at 31 December 2011 presented in these financial statement were adjusted in relation to the 2011 financial statements of the Company in the following manner:

	Values as at 31 December 2011 according to the 2011 financial statements	change	Values as at 31 December 2011 according to the 2012 financial statements
<i>Balance sheet:</i>			
Non-current financial assets	1 014 647	(182 267)	832 380
Deferred tax assets	353 769	34 631	388 400
Net profit (loss)	280 368	(147 636)	132 732
<i>Profit and loss account:</i>			
Revaluation of investments	11 213	182 267	193 480
Income tax	56 827	(34 631)	22 196
Net profit (loss)	280 368	(147 636)	132 732

Aside from the above described differences, there were no other differences between data disclosed in these financial statements and the financial statements drafted and published in prior years.

19. Changes in accounting policies and methods of preparation of financial statements

Starting from 1 January 2012, the Company changed its accounting policy with regard to depreciation of the right of perpetual usufruct of land which is now subject to depreciation over the period corresponding to its estimated useful life. Before, as described in the Company financial statements for the year 2011, the right of perpetual usufruct of land was not depreciable. The above change did not significantly affect the Company's net profit for 2012.

Apart above, the Company did not introduce any other significant changes in the accounting policies or the method of preparation of financial statements.

20. Adjustments of fundamental errors

Aside from the adjustment described in point 18 of the Additional Notes and Explanations, in 2012 the Company did not identify or introduce to its books of account any fundamental error adjustments.

21. Impact of equity method applied in valuation of subordinated company in the financial statements of Budimex SA

The Company values subordinated companies at acquisition cost less impairment losses. As at 31 December 2012 and 31 December 2011, the value of shares and equities in subordinated companies measured using that method, account being taken of unregistered additional equity contributions, amounted to PLN 796 997 thousand and PLN 820 987 thousand, respectively. Had the Company applied the equity method to value its subordinated companies, the total value of shares as at 31 December 2012 would be higher by PLN 62 425 thousand and as at 31 December 2011 would be higher

by PLN 29 178 thousand. The net financial result for 2012 would be higher of PLN 27 130 thousand and for 2011 it would be higher of PLN 16 166 thousand.

22. Information on remuneration of entity authorised to audit financial statements

The Supervisory Board of Budimex SA at its meeting on 28 March 2012 resolved to appoint Deloitte Audyt Sp. z o.o. (in January 2013 the latter was transformed into Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.) to perform a review of the half-year financial statements of Budimex SA and of the consolidated financial statements of the Budimex Group for the 6-month period of 2012, and to perform an audit of the separate financial statements of Budimex SA and of the consolidated financial statements of the Budimex Group for the financial year 2012. The contracts with Deloitte Audyt for the review and audit of financial statements was concluded on 27 June 2012 and 19 October 2012, respectively. Remuneration for the above services amounts to PLN 558 thousand.

Deloitte Audyt Sp. z o.o. also reviewed the half-year separate financial statements of Budimex SA and consolidated financial statements of the Budimex Group for the 6-month period of 2011 and audited the separate financial statements of Budimex SA and consolidated financial statements of the Budimex Group for the financial year 2011. Remuneration for those services amounted to PLN 459 thousand.

In 2012, Deloitte Audyt Sp. z o.o. executed with the Company an additional agreement on advisory services in the amount of PLN 120 thousand, and in 2011 it did not render any other services to Budimex SA.

Dariusz Blocher	President of the Management Board	.....	Henryk Urbański	Member of the Management Board	.....
Name and surname	Position	Signature	Name and surname	Position	Signature
Ignacio Botella Rodriguez	Vice-President of the Management Board	.....	Marcin Węglowski	Member of the Management Board	.....
Name and surname	Position	Signature	Name and surname	Position	Signature
Jacek Daniewski	Member of the Management Board	.....	Grzegorz Fąfara	Chief Accountant	.....
Name and surname	Position	Signature	Name and surname	Position	Signature
Andrzej Artur Czynczyk	Member of the Management Board	.....	Warsaw, 15 March 2013		
Name and surname	Position	Signature			